CENTRAL DESERT JOINT VENTURE

Otter Gold NL (60%)
Anglogold Australia Pty Ltd (40%)

TANAMI REGION
NORTHERN TERRITORY

PARTIAL RELINQUISHMENT REPORT

For

EXPLORATION LICENCE

EL 7799

(Part of the COOMARIE Agreement)

13\textsuperscript{th} OCTOBER 1997 to 12\textsuperscript{th} OCTOBER 2002

Volume 1 of 1

Newmont Report No: 31077

Compiled By: M.Muir

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Newmont Exploration

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CENTRAL DESERT JOINT VENTURE

TITLE: PARTIAL RELINQUISHMENT REPORT FOR EXPLORATION LICENCE 7799

PERIOD: 13th OCTOBER 1997 to 12th OCTOBER 2002

REPORT No.: 31077

COMPILED BY: M. MUIR

LOCATION: BIRRINDUDU 1:250,000 SE 52-11 WARE 1:100,000 4860

COMMODITY: GOLD

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SUMMARY

Exploration License (EL) 7799 (Ware Range) was granted on the 13th of October 1997 for a period of six years. The licence was granted to the Central Desert Joint Venture partners (Otter Gold NL 60% and Acacia Resources Ltd (now Anglogold Australia) 40%) as part of the Coomarie Agreement (ELs 7799, 7803, 7837 & 8479). The exploration license was subject to a Deed (Coomarie) between the CDJV and the Traditional Owners. At the end of the fifth year of exploration it was decided to voluntarily relinquish ground because of escalating tenement costs. The ground was reduced from 133 blocks (428 km$^2$) to 118 blocks (380 km$^2$).

The relinquished ground included 34 regional surface samples completed by Otter Gold NL where results were less than 0.2ppb Au. The surface samples were taken in bulk on a 800m x 800m grid and sieved at a later date. The samples were taken using a Helicopter. Other activities during the tenure of the licence focussed on remote detection of targets using the multiscale edge analysis worm technique and aeromagnetics. Assessments of the Exploration License were made and the decision was made to partially surrender EL7799 on the 12 October 2002.

<table>
<thead>
<tr>
<th>Activity in Relinquished Ground</th>
<th>No. of Surface Samples</th>
<th>High Result</th>
<th>Drilling No. Holes</th>
<th>Drilling Metres</th>
<th>Sample Spacing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Otter Geochemistry</td>
<td>34</td>
<td>0.2ppb Au</td>
<td></td>
<td></td>
<td>800m x 800m</td>
</tr>
</tbody>
</table>
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1.0 INTRODUCTION

This report contains details of exploration activities conducted within the relinquished ground EL 7799 for the period 13th October 1997 to 12th October 2002. The tenement was part of the Coomarie Agreement and was partially relinquished during the fifth year of tenure.

The areas to be relinquished lie on the southern half of the EL7799. This area is predominantly Gardiner Sandstone and Gardiner Sandstone under Quaternary cover. The exploration that has been completed on the ground to be relinquished has produced no significant results and the ground is not seen as prospective. Also due to the high tenement costs associated with this licence there was seen a need to “drop off” the least prospective ground to focus exploration dollars in regions of substantially higher prospectivity.

2.0 LOCATION AND EXPLORATION HISTORY

2.1 Location and Access

The CDJV tenements are located approximately 650km northwest of Alice Springs, and 300km southeast of Halls Creek. EL7799 is located some 120km north of the Tanami Mine. See Figure 1.

Access to the tenement is by the Lajamanu Road then via Suplejack Station Tracks onto exploration tracks. Access to the area is limited during the wet season (December to March).

2.2 Tenement Status

Permission to explore within the Coomarie tenements (EL7799, 7803, 7837 & 8479) was granted on the 13th October 1997 to the Central Desert Joint Venture (CDJV) partners (Otter Gold NL 60% and Acacia Resources Ltd {now Anglogold Australia] 40%) for a period of six years as part of the Coomarie Agreement. The Coomarie Agreement is a Deed between the CDJV and the Traditional Owners.

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Year</th>
<th>Original Area (sq km)</th>
<th>Original Blocks</th>
<th>Area (km2) relinquished</th>
<th>Blocks relinquished</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 7799</td>
<td>5/6</td>
<td>428</td>
<td>133</td>
<td>48</td>
<td>15</td>
</tr>
</tbody>
</table>

Table 1. Tenement Status.

With control of Otter Gold NL being gained by Newmont NFM it was decided because of escalating tenement costs that the ground should be partially relinquished. During October of 2002 a decision was made to reduce EL7799 ground from 133 blocks to 118 blocks. The relinquished ground was considered as a voluntary reduction for the period ending 12th October 2002. See Figure 2 for approximate ground relinquished.
2.3 Exploration History

Previous exploration in this region has been minimal. Initial investigation of the Tanami area was conducted by Davidson (1905). Davidson discovered gold-bearing quartz reefs. The reefs were mined between 1902 and 1908. Mining was restricted to the wet season due to lack of permanent water.

A gold rush was precipitated by the discovery of slab of stone containing an estimated 180oz of gold in 1909. The rush continued until 1913 and up to 200 men were working the field. Intermittent exploration and mining was conducted between 1913 and 1938, including the construction of an amalgamation plant in 1927. No official exploration was conducted in the Tanami Desert between 1938 and 1965.

In 1985, Harlock Pty. Ltd. commenced exploration within the Tanami mining leases which led to the commencement of open pit mining in mid-1987. Zapopan NL. acquired the ground and continued mining until March 1994. Otter Gold Mines Pty. Ltd. was granted access to explore around the mine site in 1989. Low-level Au anomalism was discovered in late 1989 which lead to the identification of the Redback Rise area as highly prospective. The Otter screening process also identified the Dogbolter and Jim's Find prospects.

In September 1990, the Shell Company of Australia Ltd. (Shell) entered into a joint venture with Otter. Management of the project was entrusted to Shell. In August 1993, Shell completed its earning phase (50%) by spending $5 million on exploration. In October 1994, a new joint venture was formed between Otter Gold NL and Acacia Resources Ltd. as a result of Shell divesting its mineral assets. The new joint venture is known as the Central Desert Joint Venture (CDJV), with participating interests 60% Otter and 40% Acacia. Otter Gold NL has management of the project.

In December 2001 – January 2002 Normandy NFM gained a controlling interest in Otter Gold NL, the Normandy NFM team took control of Mining Leases and Exploration ground. By May 2002 Newmont Gold had taken over Normandy and had a controlling interest in Normandy NFM (now Newmont NFM) and thus Otter Gold NL.

3.0 GEOLOGY

3.1 Regional Geology

The Granites – Tanami Block is bounded to the west by the Canning Basin, and to the east by the Wiso Basin and is considered to be one of the western most Palaeoproterozoic inliers of the Northern Australian Orogenic Province. The block is thought to have developed around the Barramundi Orogeny – major event 1845 – 1840 Ma (Blake et al., 1979).
The stratigraphy of the Tanami Region has been revised as a result of an intensive study recently completed by the NTGS (Hendrickx et al., 2000). The stratigraphy outlined by Blake et al (1979) has had some significant modifications (Table 1).

The Archaean Billabong Complex and Browns Range Metamorphics are the oldest rocks in the area. Browns Range Metamorphics comprise granitic gneiss and muscovite schist intruded by fine-grained granite, thin granitic sills, aplite and pegmatite. The Billabong Complex comprises banded granitic gneiss’, which are generally elongated and fault bound.

Table 2. Comparison of stratigraphic nomenclature (Hendrickx et al, 2000).

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Birrindudu Group</td>
<td>Birrindudu Group</td>
</tr>
<tr>
<td>Coomarie Sandstone</td>
<td>Coomarie Sandstone</td>
</tr>
<tr>
<td>Talbot Well Formation</td>
<td>Talbot Well Formation</td>
</tr>
<tr>
<td>Gardiner Sandstone</td>
<td>Gardiner Sandstone</td>
</tr>
<tr>
<td>Suplejack Downs Sandstone</td>
<td>Nanny Goat Creek Volcanics</td>
</tr>
<tr>
<td>Mount Winnecke</td>
<td>Pargee Sandstone</td>
</tr>
<tr>
<td>Pargee Sandstone</td>
<td>Mount Winnecke Group</td>
</tr>
<tr>
<td>Tanami Complex</td>
<td>Tanami Group</td>
</tr>
<tr>
<td>Mt. Charles Beds</td>
<td>Killi Killi Formation</td>
</tr>
<tr>
<td>Killi Beds</td>
<td>Twigg Formation</td>
</tr>
<tr>
<td>Nanny Goat Creek Beds</td>
<td>Dead Bullock Formation</td>
</tr>
<tr>
<td>Nongra Beds</td>
<td></td>
</tr>
<tr>
<td>Helena Creek Beds</td>
<td></td>
</tr>
<tr>
<td>McFarlane Peak Group</td>
<td></td>
</tr>
<tr>
<td>Archaean</td>
<td>Browns Range Metamorphics</td>
</tr>
<tr>
<td></td>
<td>“Billabong Complex”</td>
</tr>
</tbody>
</table>

Lying unconformably above the Archaean basement is the Palaeoproterozoic McFarlane Peak Group. These rocks are characterised by a thick sequence of mafic volcanic, volcaniclastic and clastic sedimentary rocks, which possess a distinctive magnetic and gravity signature. This package of rocks is structurally complex and is considered to have a tectonic contact with the overlying Tanami Group.

The Tanami group is subdivided into three formations:

- **Twigg Formation**: purple siltstone with minor sandstone and chert
- **Killi Killi Formation**: turbiditic sandstone
- **Dead Bullock Formation**: siltstone, mudstone, chert and banded iron formation

The Dead Bullock Formation occurs at the base of the Tanami Group and is dominated by fine-grained sedimentary rocks. The rocks outcrop at Dead Bullock Soak, Lightning Ridge and Officer Hill. At the Granites the rocks have been
metamorphosed to amphibolite facies to form andalusite, garnet and hornblende bearing schists. The Dead Bullock formation is host to significant gold mineralisation at the Granites and Dead Bullock Soak.

The Killi-Killi Formation conformably overlies the Dead Bullock Formation and is the most extensive formation in the group. The sequence of turbidites includes micaceous greywacke, quartzwacke, and lithic greywacke, quartz arenite and lithic arenite, interbedded with siltstone, mudstone and occasional thin chert beds. Detrital mica is a characteristic feature. The Killi-Killi is metamorphosed to lower greenschist facies and is interpreted to be up to 4km thick.

The Twigg formation is confined to a narrow package of rocks immediately west of the Tanami Mine corridor. It comprises a sequence of interbedded purple siltstone with thin-bedded chert and minor medium bedded greywacke.

The Pargee Sandstone unconformably overlies the Tanami Group and is exposed on the western side of the Coomarie Dome extending into Western Australia. The Pargee Sandstone comprises thick-bedded quartz arenite, lithic arenite and conglomerate with pebbly sandstone and conglomerate at the base.

The Mount Charles Formation comprises an intercalated package of basalts and turbiditic sediments, which occur on the western side of the Frankenia Dome. The Mount Charles Formation is host to structurally controlled vein hosted gold mineralisation in the Tanami Mine Corridor. Sediments include sandstone, mudstone, carbonaceous mudstones and intraclast conglomerate. Basalts are predominantly massive units with pillow basalts and basaltic breccias also evident.

The Mt Winnecke Group is also interpreted to lie unconformably over the Tanami Group and is divided into two units - siliciclastic sediments and felsic volcanics.

The Nanny Goat Volcanics are characterised by extrusive volcanic rocks including quartz-feldspar ignimbrite, feldspar ignimbrite, rhyolite lava, basalt and minor siliciclastic sediments.

The Birrindudu group comprises 3 units with Gardiner Sandstone at the base, overlain by Talbot Well Formation and Coomarie Sandstone. The Suplejack Down sandstone is interpreted to belong to this group but is relationship is unclear. The Birrindudu group lie unconformably over the Browns Range Metamorphics, MacFarlane Peak Group, Tanami Group, Pargee Sandstone, Nanny Goat Creek Volcanics and Mount Winnecke Group.

Cenozoic laterite, silcrete, calcrete, and Quaternary debris cover 60 – 70% of the Tanami Desert. The Quaternary sediments are generally unconsolidated, representing the most recent phase of erosion and deposition of sands, gravels and lithic fragments.

### 3.2 Local Geology

The local geology for EL7799 is interpreted to consist of Proterozoic folded felsic (?dacite), sedimentary and magnetic (?basalt) packages, possibly part of the ‘Nongra
Beds’. The geology within the relinquished ground predominantly consists of alluvial deposits on a depositional plain or outcrop Gardiner Sandstone. See Figure 3.

### 3.3 Aeromagnetics

An aeromagnetic survey was flown over the region by Otter Gold NL during 1997/1998. These images have been stitched into the Otter regional aeromagnetic Database. See Figures 4 & 5 for 1st VD image and TMI images of the relinquished ground. The original airborne Ware Range survey has been provided to the NTGS as a digital copy of the located survey data. Appendix 3 will provide images and grids of the magnetics covering the area to be relinquished.

### 4.0 EXPLORATION

#### 4.1 EXPLORATION HISTORY

**1997 - 1998: 1st Year of tenure**

During the first year of tenure work concentrated on initial data gathering – predominantly remote sensing (detailed aeromagnetics). See 3.3 Aeromagnetics for a description.

**1998 - 1999: 2nd Year of tenure**

During the June-July period of 1999, a comprehensive grass roots surface sample survey was undertaken over EL7799. This survey covered the ground to be relinquished. Some 34 surface samples were taken on a 800m x 800m grid with in the western area to be relinquished. The sampling process involved the use of a small (two passenger) Robinson helicopter to negotiate the grid.

The majority of the surface samples were described as orange brown sandy loam with zones of gravels and pisoliths and minor quartz. The samples were taken initially in bulk and then transported back to the Ware Range Camp to be sieved with the ¼" sieve. These were placed in the standard soil sample packets and sent to ALS for analysis using the ZARG (Zeeman Aqua Regia Gold) analysis.

The results from the relinquished ground were low (nothing over 0.2ppb Au). The geology of the area is assumed to be outcropping Gardiner Sandstone (Pdg), combined with older Proterozoic folded felsic (?dacite), sediment and magnetic (?basalt) packages (possibly part of the Nongra Ck Beds (Atn)). The south western portion, covered by the 800x800m grid is thought to be a possible granite. The aeromagnetics show a prominent North west structure cross-cutting several magnetic units. See Figure 6 for surface sample results and locations.

**1999 – 2000: 3rd Year**

Exploration work within the relinquished region involved the assessment of data using the CRC LEME regolith data the regional surface sample programme. The surface samples tested transported alluvial sediments of ambiguous depth yielding no outstanding results. An exploratory posthole programme is warranted to determine the depth of cover, stratigraphy and reliability of the surface sampling.
2000 – 2001: 4th Year
Exploration on the relinquished ground within EL 7799 during the reporting period was limited to acquisition and analysis of geophysical and geochemical data. Magnetic and gravity datasets were ‘wormed’ by Fractal Graphics in Perth and the resulting data was analysed in three dimensions with the accompanying FracViewer software. The worming process is designed to generate targets within stratigraphic units with moderately to strongly contrasting internal magnetic signatures.

Examination of historical geochemistry led to the definition of possible targets in EL 7799 however none of these were in the relinquished ground.

2001 – 2002: 5th Year
Fifth year work programmes were put on hold within these regions, with the change of control in Otter Gold work priorities needed to be assessed. Work during the fifth year, prior to the takeover, involved remote discrimination of targets using an enhanced geophysical technique, the multiscale edge analysis (worming) process (developed by Fractal Graphics) that Otter Gold applied over the Tanami Region. The worming process was designed to generate targets within stratigraphic units with moderately to strongly contrasting internal magnetic signatures.

5.0 ENVIRONMENT
Environmental disturbance has been kept to a minimum wherever possible. The use of a helicopter for surface sampling and the backfilling of sample holes and the emphasis on remote detection of targets have kept the environmental disturbance to a minimum. All rubbish was removed from sites and camps.
7.0 REFERENCES


APPENDIX 1

Figures
Central Desert Joint Venture
EL7799 - relinquished ground
Regional TMI aeromagnetics
Figure 5

Retained Ground - EL7799

Relinquished Ground

Author: Darwin
Office: Darwin
Drawing: 18/3/2003
Scale: 1:150000 Projection: AMG Zone 52 (AGD 84)
Otter Gold NL

Central Desert Joint Venture
EL7799
Sample Location / Results from Relinquished ground
Figure 6

Author: [Name]
Office: Darwin
Drawing: [Name]
Date: 18/3/2003
Scale: 1:150000 Projection: AMG Zone 52 (AGD 84)

Retained Ground - EL7799

Retained Ground - EL7799

Relinquished Ground

EL7799 surface samples - relinquished
ZARG Au (ppb)
- 0.5 to 5,000
- 0.4 to 5
- 0.3 to 0.4
- 0.2 to 0.3
- 0.1 to 0.2
- 0 to 0.1

Location Map

Area of Map

Darwin
Tennant Ck
Alice Springs

Sample Location / Results from Relinquished ground

Figure 6

Values:
- 0.5 to 5,000
- 0.4 to 0.5
- 0.3 to 0.4
- 0.2 to 0.3
- 0.1 to 0.2
- 0 to 0.1

Legend:
- Purple dots represent 0.5 to 5,000 ppb
- Orange dots represent 0.4 to 5 ppb
- Yellow dots represent 0.3 to 0.4 ppb
- Green dots represent 0.2 to 0.3 ppb
- Blue dots represent 0.1 to 0.2 ppb
- Black dots represent 0 to 0.1 ppb

Map extents:
- 585000 mE to 605000 mE
- 790000 mN to 791000 mN

Scale: 1:150000
Projection: AMG Zone 52 (AGD 84)
APPENDIX 2

Sampling Data

See attached Files
APPENDIX 3

Aeromagnetic Data

See attached Files