

Otter Gold NL (100%)

TANAMI REGION
NORTHERN TERRITORY

5th ANNUAL REPORT

For
EXPLORATION LICENCES

ELs 8576, 8727, 8932, 8980 & 9476

(Peccadillo Agreement)

17th FEBRUARY 2002 to 16th FEBRUARY 2003

Volume 1 of 1

Newmont Report No: 31080

Compiled By: M.Muir

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OTTER GOLD NL

TITLE: 5th ANNUAL REPORT FOR EXPLORATION LICENCES
8576, 8727, 8932, 8980 & 9476.

PERIOD: 17th FEBRUARY 2002 to 16th FEBRUARY 2003

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LOCATION: TANAMI 1:250,000 SE 52-15
THE GRANITES 1:250,000 SF 52-03
PARGEE 1:100,000 4758
McFARLANE 1:100,000 4757

COMMODITY: GOLD

DATE: MARCH 2003

KEYWORDS: BLEG, GEOCHEMICAL SAMPLING, REGIONAL GEOLOGY,
PROTEROZOIC, VERY LOW GOLD DETECTION ANALYSIS.

SUMMARY

The Peccadillo Deed (15/12/97) encompasses Exploration Licenses 8576, 8727, 8932, 8980 and 9476, which were granted on 17th February 1998 for a period of six years. The total area covers 238km² and is wholly owned by Otter Gold NL (100%).

The Peccadillo tenements are located some 50km west of the Tanami Mine. This is the fifth year of tenure. The prospectivity of the Peccadillo Licences is enhanced by the proximity of ML180 (within 10km) where mineral resources have been mined at "Beaver", "Bonsai", "Banjo", "Cheeseman" and "Orion".

During the fifth year of tenure work to be reported was minimal. Ongoing tenure of these licences by Otter Gold NL means that this report should remain **CLOSED FILE**.

<i>Activity</i>	<i>No. of Surface Samples</i>	<i>High Result</i>	<i>Drilling No. Holes</i>	<i>Drilling Metres</i>	<i>Drill Intercept maximum</i>
Rockchips	-	-	-	-	-
Geochemistry	-	-	-	-	-
RAB/Aircore	-	-	-	-	-

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1.0 INTRODUCTION

Exploration Licences (ELs) 8576, 8727, 8932, 8980 & 9476 were granted to Otter Gold NL on the 17th February 1998 for a period of six years.

This report documents the work undertaken on the Peccadillo Licences during the fifth year of tenure.

2.0 LOCATION AND EXPLORATION HISTORY

2.1 Location and Access

The Peccadillo exploration licences are situated approximately 50 km west of the Tanami Mine Site and approximately 10km west of ML180 where mineral resources have recently been mined at Beaver Creek, Bonsai, Banjo, Cheeseman and Orion (Figure 1). Together these leases cover 260 square kilometres (81 blocks). Primary access is via the Tanami Road and the Wilson's Track.

2.2 Tenement Status

Collectively referred to as Peccadillo, Exploration Licences 8576, 8727, 8932, 8980 and 9476 were granted to Otter Gold NL (100%) on 17th February 1998 for six years as part of The Peccadillo Deed (15/12/97).

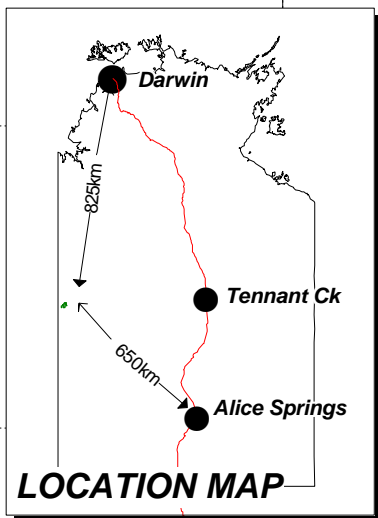
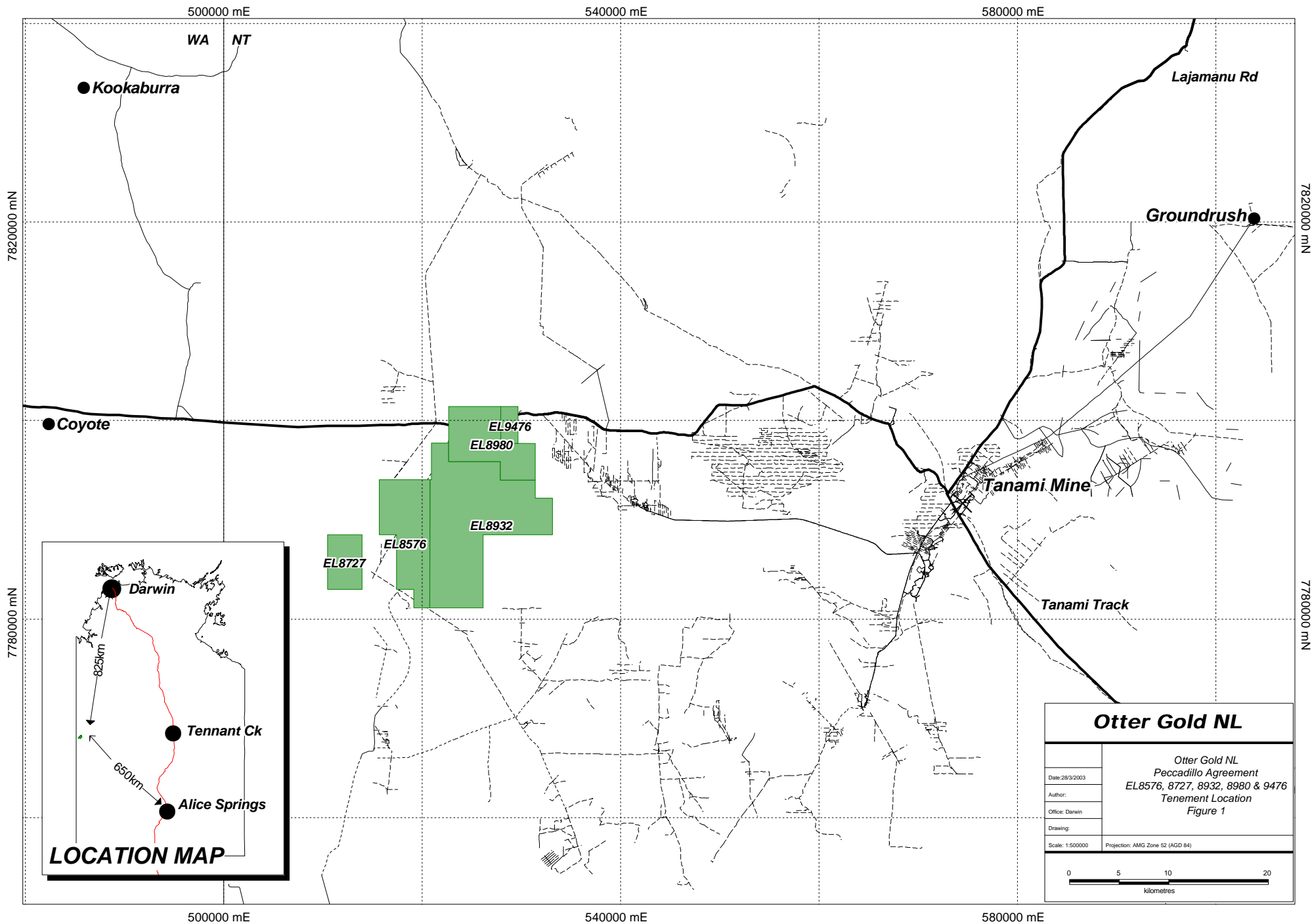
Tenement (EL)	Tenure	Blocks	Km ²	Covenant	Rent
8576	5/6	16	51	\$15,400	\$1,408
8727	5/6	6	19	\$2,200	\$528
8932	5/6	44	142	\$17,850	\$3,872
8980	5/6	13	42	\$1,950	\$1,144
9476	5/6	2	6	\$5,040	\$176

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 (trading as Newmont NFM) and thus Otter Gold NL.

2.3 Exploration History – Otter Gold NL

1998 – 1999: During the first year of exploration delays were encountered with arranging and conduction sacred site clearances within the areas. Clearance procedures were completed with the expectation of commencing work in the 1999 field season. Geophysical Surveys and interpretation were completed of the five Exploration Licences.

1999 – 2000: Second year work programmes included a regional helicopter surface sample programme (400m x 400m), infill programmes (100m x100m) and line sampling at 50m spacing with a high of 28.1ppb Au and 24.5ppb Au being recorded.



Otter Gold NL	
Otter Gold NL Peccadillo Agreement EL8576, 8727, 8932, 8980 & 9476 Tenement Location Figure 1	
Date: 28/3/2003	
Author:	
Office: Darwin	
Drawing:	
Scale: 1:500000	Projection: AMG Zone 52 (AGD 84)
<div><div>051020</div><div>kilometres</div></div>	

2000 – 2001: Work was extensive during this year with widespread infill surface sampling across the Maximus region and Angle RAB used to define the targets produced. Rockchipping was undertaken with a maximum result of 100g/t Au +. Walkabout posthole was completed over at least five of the Licences determining deep cover in the eastern region of EL 8932 & EL 8980. Shallow cover was confirmed on the western licences even with an alluvial channel defined. Smaller surface sampling programmes were completed to the north of Maximus along the unconformity and outlined potential targets within the Killi Killi sediments with a pyritic component.

2001 – 2002: During the fourth year of tenure work focussed on the remote analysis of geophysical data with the use of the Fractal Graphics method for enhanced multi scale edge analysis (worming) of these regions. The resulting data was analysed for potential targets. An area of interest was discerned within fairly tightly folded Killi Killi Beds adjacent to EL 8932/EL8576.

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).

Blake et al (1979)						Hendrickx et al (2000)		
Birrindudu Group		Coomarie Sandstone				Birrindudu Group	Coomarie Sandstone	Suplejack Downs Sandstone
		Talbot Well Formation					Talbot Well Formation	
		Gardiner Sandstone					Gardiner Sandstone	
Suplejack Downs Sandstone						Nanny Goat Creek Volcanics Mount Winnecke Group Mount Charles Formation		
Mount Winnecke								
Pargee Sandstone								
Tanami Complex	Mt. Charles Beds	Killi Killi Beds	Nanny Goat Creek Beds	Nongra Beds	Helena Creek Beds	Tanami Group	Killi Killi Formation Twigg Formation Dead Bullock Formation	
						McFarlane Peak Group		
Archaean						Browns Range Metamorphics “Billabong Complex”		

Table 1. Comparison of stratigraphic nomenclature (Hendrickx et al, 2000).

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.

Lying unconformably above the Archaean basement is the Palaeoproterozoic McFarlane Peak Group. These rocks are characterised by a thick sequence of mafic volcanic, volcanoclastic 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 its relationship is unclear. The Birrindudu group lies 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 comprises primarily of Kill Killi Beds and Pargee Sandstone. The Kill Killi Beds are characteristically micaceous to phyllitic sandstones. The Pargee Sandstone lies unconformably over the Killi Killi Beds and comprises of sub lithic to lithic arenites, cross-bedded; minor conglomerate and lithic greywacke. Outcropping Pargee Sandstone is folded into a series of NW-SE trending antiforms and synforms which plunge to the north west.

The Peccadillo group of tenements lies approximately five kilometres north of the major WNW-ESE trending Trans-Tanami Structure. Several north west trending splays pass through western edge of the Leases. The Peccadillo region has a low magnetic response due to the nature of the Killi Killi and Pargee sediments. To the south of the tenements dolerites have been noted from geophysical interpretation and it is hoped these extend to just west of the Maximus prospect – drilling is required to test their viability as potential hosts as they appear to be under cover. Outcropping regions north and south of the Maximus prospect have been investigated. The contact between the Pargee sandstone and the Killi Killi Beds has provided a conduit for fluids – with pyritic sediments being noted to the north of Maximus. Anomalism is indicated along the north – south unconformity however it appears to be a case of what you see is what you get – with the 10 + ppb Au outcropping. There are extensive plains of quartz float on the west of the Pargee Range.

4.0 EXPLORATION for 17TH FEBRUARY 2002 TO 16TH FEBRUARY 2003

Fifth year work programme were put on hold within these regions due to minimal staff being assigned to the Tanami region. Other regions were designated as higher priority targets and thus attention. The takeover of Otter Gold NL by Normandy NFM/Newmont also pushed the field season back with the uncertainty of staff positions and budgets.

5.0 EXPENDITURE FOR PERIOD 17/02/2002 TO 16/02/2003.

5.1 Expenditure for period 17/02/2002 to 16/02/2003

Table 2 summarises the expenditure for the current licence year. The covenants for EL 8576, 8727, 8932, 8980 & 9476 were not met for the 2002 - 2003 year. Reasons for this could include:

- problems associated with the takeover of Otter Gold NL by Normandy NFM and then the takeover of Normandy by Newmont - pushing back the commencement of the field season to April – May.
- problems associated with confirmation of the budget due to the takeovers.
- other targets have taken higher priority and thus attention.
- staffing levels not sufficient to cover available ground.

Categories	EL8576	EL8576 admissible	EL8727	EL8727 admissible	EL8932	EL8932 admissible	EL8980	EL8980 admissible	EL9476	EL9476 admissible
Salary & Wages	\$8611.95	\$8611.95	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$350.00	\$395.00	\$395.00
General Administration	\$1560.58	\$1560.58	\$499.82	\$499.82	\$466.43	\$466.43	\$466.40	\$466.40	\$466.43	\$466.43
Tenements Fees / Rentals	\$3764.17		\$2114.17		\$8194.17		\$3234.17		\$1474.17	
Tenement Consultants	\$454.72	\$454.72								
CLC Compensation										
CLC Meetings										
CLC - Consultants										
Camp Allocations										
Survey										
Environmental										
Light Vehicles alloc										
Geology - Consultants										
Geology - Contractor										
Drilling _RAB										
Assaying - RAB & Other										
Geochemistry										
Geophysics - Consultants										
General - Consultants										
Aeromagnetics										
Contractors	\$1684.34	\$1684.34	\$608.75	\$608.75	\$608.75	\$608.75	\$608.75	\$608.75	\$608.75	\$608.75
<i>Covenant</i>		<i>\$15400</i>		<i>\$2200</i>		<i>\$17850</i>		<i>\$1950</i>		<i>\$5040</i>
Total	\$16075.76	\$12300.59	\$3572.74	\$1458.57	\$9619.35	\$1425.18	\$4659.32	\$1425.15	\$2944.35	\$1470.18

TABLE 2 Expenditure Summary for the Peccadillo Agreement 2002-2003

6.0 PROPOSED EXPENDITURE 2003-2004

Within the Peccadillo Agreement Region there lie several untested possibilities for districts of anomalism, especially under cover. There remain good possibilities within dolerites and the prospective Killi Killi Beds of further discovery. All the tenements are deemed to be underexplored with the majority of areas only having first pass, regional scale surface sampling.

Work in these regions should involve a review of available data by new staff and assessment of existing targets. Site visits are recommended to any potential targets. If the targets are thought suitable for testing then a base programme of patterned posthole/surface sampling (using the Newmont NFM proprietary technique BLEG) will be used to test the targets validity.

Pending promising results we envisage that at least one target will be generated for angle RAB drilling.

TABLE 3 Proposed Expenditure Summary for the Peccadillo Agreement 2003-2004

Licence	8576	8727	8932	8980	9476
Proposed Expenditure	\$8000	\$2200	\$12000	\$2500	\$3000

7.0 ENVIRONMENT

Environmental disturbance has been kept to a minimum wherever possible through the last five years. Mature trees were not disturbed and trimming of vegetation was limited to small bushes and grasses in order to obtain line of sight in gridding. All drill pads were cleared by hand and holes plugged with concrete plugs and back-filled. All rubbish was removed from sites.

Otter Gold NL has maintained an ongoing commitment to rehabilitation, and has undertaken the following tasks:

- 1) collected sample bags;
- 2) capped and backfilled drill holes;
- 3) backfilled all sumps and mine excavations,
- 4) removed all debris and drilling consumables,
- 5) restricted access to drill sites.

8.0 REFERENCES

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