SOUTHERN TANAMI JOINT VENTURE

Otter Gold NL (earning)

Placer Dome

TANAMI REGION
NORTHERN TERRITORY

PARTIAL RELINQUISHMENT REPORT

For

EXPLORATION LICENCE

EL9833

(Salt Lake 2)

(Part of the Granophyre 2 Agreement)

17th OCTOBER 2001 to 16th OCTOBER 2003

Volume 1 of 1

Newmont Report No: 31354

Compiled By: M.Muir

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SOUTHERN TANAMI JOINT VENTURE

TITLE: PARTIAL RELINQUISHMENT REPORT FOR EXPLORATION LICENCE 9833

PERIOD: 17th OCTOBER 2001 to 16th OCTOBER 2003

REPORT No.: 31354

COMPILED BY: M. MUIR

LOCATION: GRANITES 1:250,000 SE 52-3
FRANKENIA 1:100,000 4857

COMMODITY: GOLD

DATE: JANUARY 2003

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

SUMMARY

Exploration Licence (EL) 9833 (Salt Lake 2) was granted on the 17th of October 2001 for a period of six years. The exploration license was subject to a Deed (Granophyre 2) between the Otter Gold NL and the Traditional Owners. At the end of the second year of exploration it was decided to relinquish ground because of escalating tenement costs. The ground was reduced from 4 blocks (13 km^2) to 2 blocks (6.5 km^2).

The relinquished ground included 32 regional surface samples completed by Newmont where results were less than 2ppb Au. The surface samples were taken in bulk on a 500m x 500m grid. Other activities during the tenure of the licence included two regional drill holes and also focussed on remote detection of targets using the multiscale edge analysis worm technique and aeromagnetics. An assessment of the Exploration License was made and the decision was made to partially surrender EL9833 on the 17 October 2003.

Activity in Relinquished Ground	*No. of Drillholes*	*No. of Samples*	*High Result*	*Sample Spacing*
Geochemistry	**-**	**20**	**2ppb Au**	**500m x 500m**
Regional Drilling	**2**	**-**	**-**	**-**

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1.0 INTRODUCTION

This report contains details of exploration activities conducted within the relinquished ground EL9833 for the period 17th October 2001 to 16th October 2003. The tenement was part of the Granophyre 2 Agreement and was partially relinquished at the end of the second year of tenure.

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

Exploration Licence 9833 is situated 10 to 15km northwest of Callie (Figure 1). Main access to the tenements is by the Tanami Track and then via the Tanami Downs Road.

2.2 Tenement Status

Exploration Licence 9833 (Salt Lake 2) was granted to Otter Gold NL on the 17th October 2001 for a period of six years. The Exploration Lease is part of the Granophyre 2 Agreement between Otter Gold NL and the Traditional Owners.

The tenement originally comprised 4 blocks covering an area of 13 square kilometres, 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 at the end of its second year. During October of 2003 a decision was made to reduce EL9833 ground from 4 blocks (13km^2) to 2 blocks (6.5km^2). See Figure 2 for approximate ground relinquished.

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

<table>
<tr><th colspan="7">Blake et al (1979)</th><th colspan="3">Hendrickx et al (2000)</th></tr>
<tr><td colspan="2" rowspan="3">Birrindudu Group</td><td colspan="5">Coomarie Sandstone</td><td rowspan="3">Birrindudu Group</td><td>Coomarie Sandstone</td><td rowspan="3">Suplejack Downs Sandstone</td></tr>
<tr><td colspan="5">Talbot Well Formation</td><td>Talbot Well Formation</td></tr>
<tr><td colspan="5">Gardiner Sandstone</td><td>Gardiner Sandstone</td></tr>
<tr><td colspan="7">Suplejack Downs Sandstone</td><td rowspan="3">Pargee Sandstone</td><td colspan="2" rowspan="3">Nanny Goat Creek Volcanics
Mount Winnecke Group
Mount Charles Formation</td></tr>
<tr><td colspan="7">Mount Winnecke</td></tr>
<tr><td colspan="7">Pargee Sandstone</td></tr>
<tr><td rowspan="2">Tanami Complex</td><td>Mt. Charles Beds</td><td>Killi Killi Beds</td><td>Nanny Goat Creek Beds</td><td>Nongra Beds</td><td>Helena Creek Beds</td><td></td><td rowspan="2">Tanami Group</td><td colspan="2" rowspan="2">Killi Killi Formation
Twigg Formation
Dead Bullock Formation</td></tr>
<tr><td colspan="6"></td></tr>
<tr><td colspan="7"></td><td colspan="3">McFarlane Peak Group</td></tr>
<tr><td colspan="7">Archaean</td><td colspan="3">Browns Range Metamorphics
"Billabong Complex"</td></tr>
</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

EL 9833 is dominated by major palaeodrainages of significant size. EL 9833 is covered by calcrete to the south, drainage centrally and ?Killi Killi Beds to the north. Aeromagnetic images show a fractionated granite partially within this Licence.

4.0 EXPLORATION HISTORY of Relinquished Ground within EL9833

4.1 Exploration completed during 17th October 2001 to 16th October 2002.

First year work programmes were put on hold within this region with the change of control in Otter Gold NL. Work priorities needed to be assessed. Work during this year 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. The re-imaging of the worm data (multi scale edge analysis) delineated no targets within EL9833.

4.2 Exploration completed during 17th October 2002 to 16th October 2003

32 soil samples (See Figure 7 for sample locations and results) were collected over the relinquished portion of EL 9833 on an approximately 500m by 500m grid. Samples were analysed using the Newmont Proprietary technique. The maximum result included a 1.92ppb Au.

Two regional aircore holes were also completed (REC0006 & REC0007). These were 72m and 96m in depth with approximately 55m of cover (dominated by totally weathered clay ± gypsum). The holes were interpreted to be pelitic in nature and 'granitic'. No significant results were recorded. See Figure 6.

5.0 ENVIRONMENT

Environmental disturbance has been kept to a minimum wherever possible. 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.

6.0 REFERENCES

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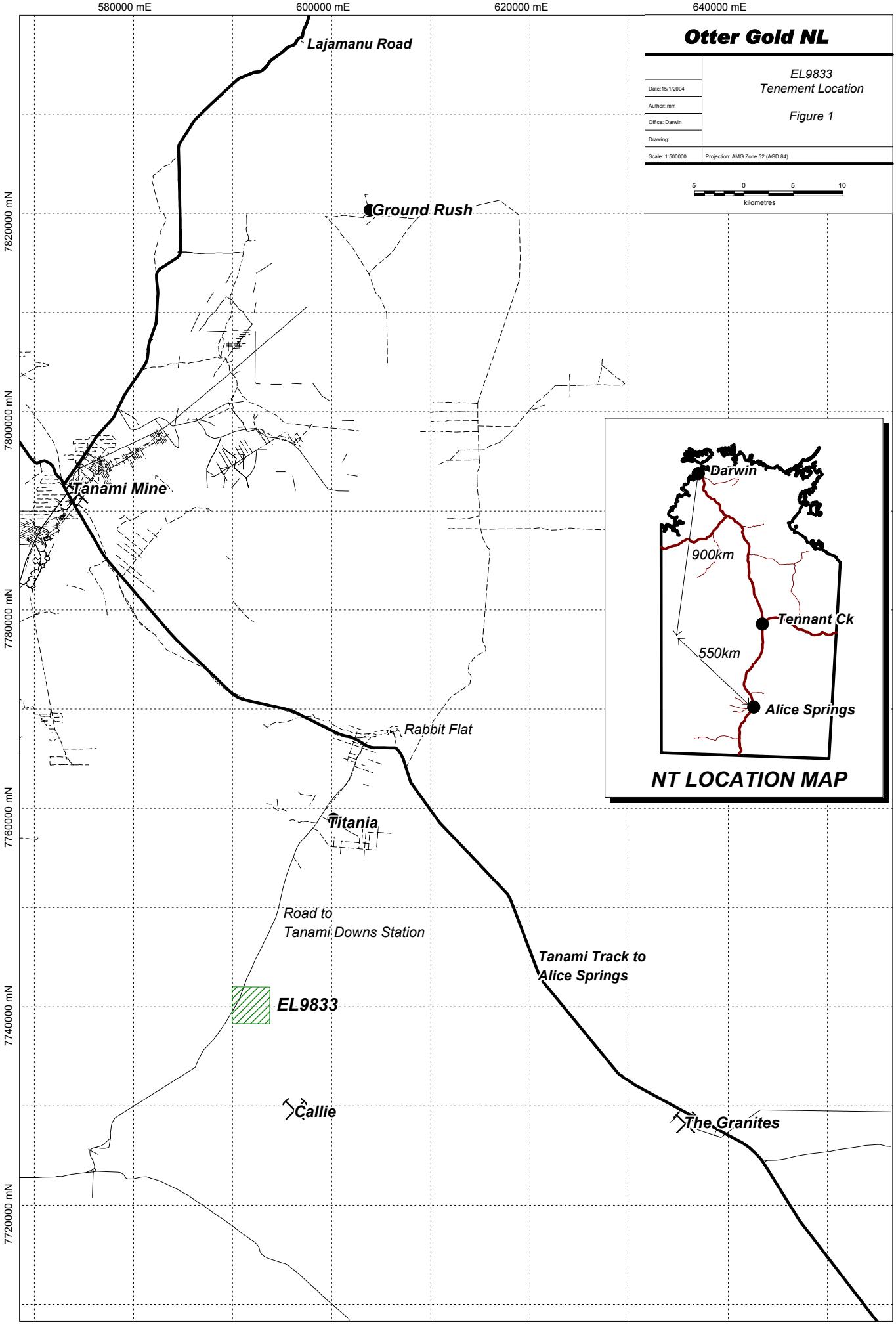
APPENDIX 1

Figures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620000 mE
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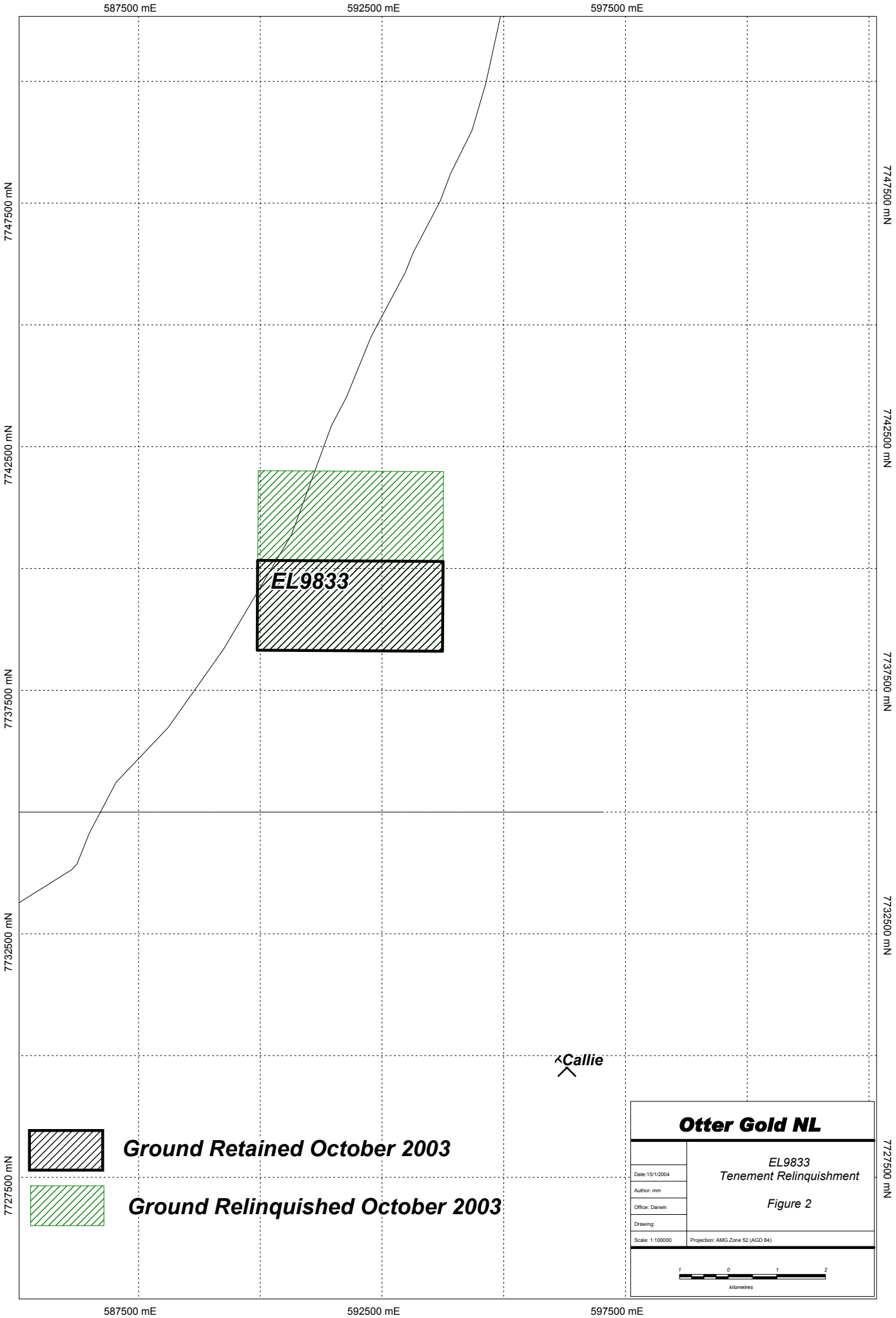
7800000 mN
7780000 mN
7760000 mN
7740000 mN
7720000 mN
Otter Gold NL
EL9833
Tenement Location
Figure 1
Date:15/1/2004
Author: mm
Office: Darwin
Drawing:
Scale: 1:500000
Projection: AMG Zone 52 (AGD 84)
5 0 5 10
kilometres
Lajamanu Road
Ground Rush
Tanami Mine
Rabbit Flat
Titania
Road to
Tanami Downs Station
Tanami Track to
Alice Springs
EL9833
Callie
The Granites
Darwin
900km
Tennant Ck
550km
Alice Springs
NT LOCATION MAP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597500 mE
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7727500 mN
EL9833
Callie
Ground Retained October 2003
Ground Relinquished October 2003
Otter Gold NL
EL9833
Tenement Relinquishment
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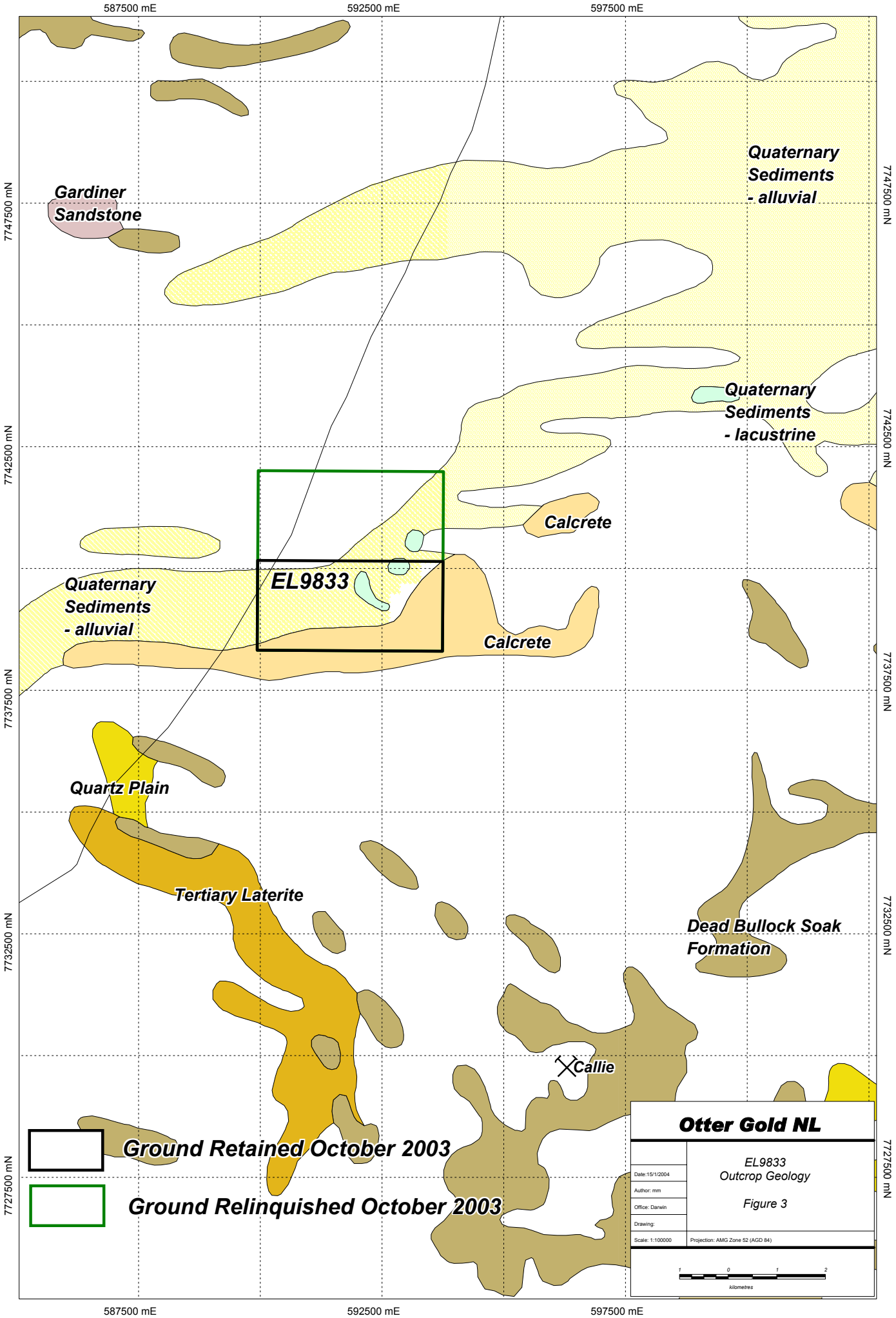
587500 mE
592500 mE
597500 mE
7747500 mN
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7737500 mN
7732500 mN
7727500 mN
Gardiner Sandstone
Quaternary Sediments - alluvial
Quaternary Sediments - lacustrine
Calcrete
EL9833
Quaternary Sediments - alluvial
Calcrete
Quartz Plain
Tertiary Laterite
Dead Bullock Soak Formation
Callie
Ground Retained October 2003
Ground Relinquished October 2003
Otter Gold NL
EL9833
Outcrop Geology
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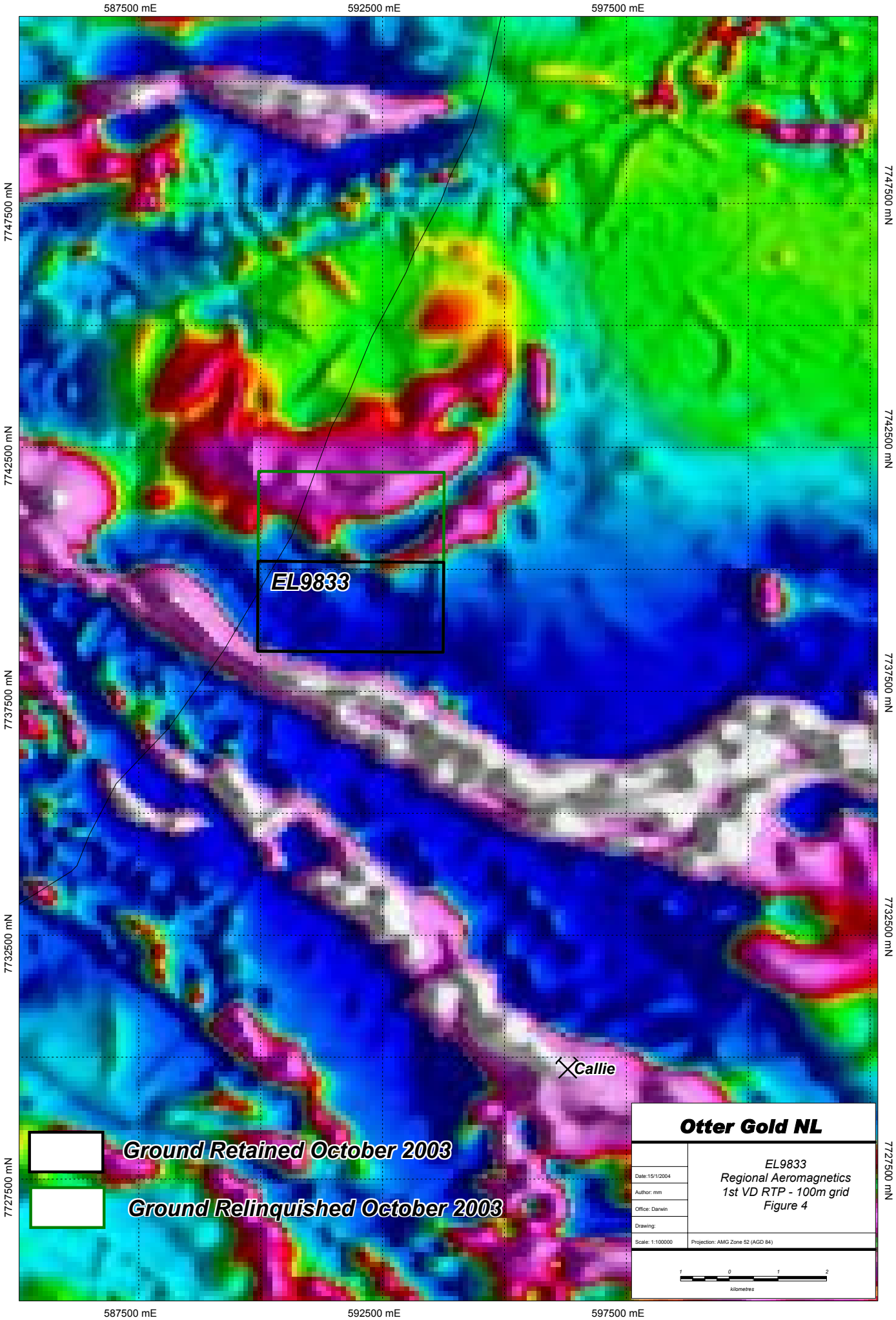
kilometres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597500 mE
7747500 mN
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7727500 mN
EL9833
Callie
Ground Retained October 2003
Ground Relinquished October 2003
Otter Gold NL
EL9833
Regional Aeromagnetics
1st VD RTP - 100m grid
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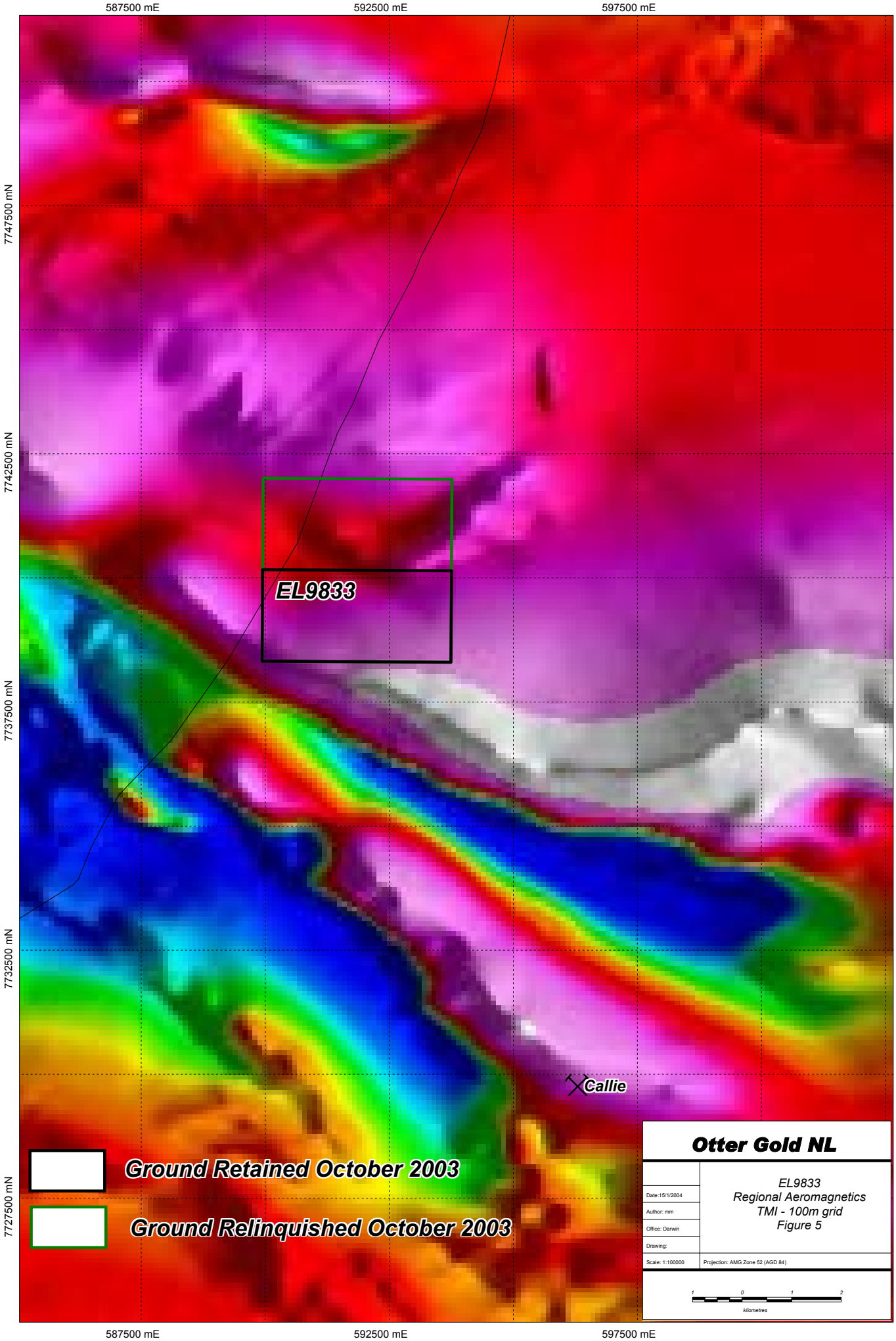
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597500 mE
7747500 mN
7742500 mN
7737500 mN
7732500 mN
7727500 mN
EL9833
Callie
Ground Retained October 2003
Ground Relinquished October 2003
Otter Gold NL
EL9833
Regional Aeromagnetics
TMI - 100m grid
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Office: Darwin
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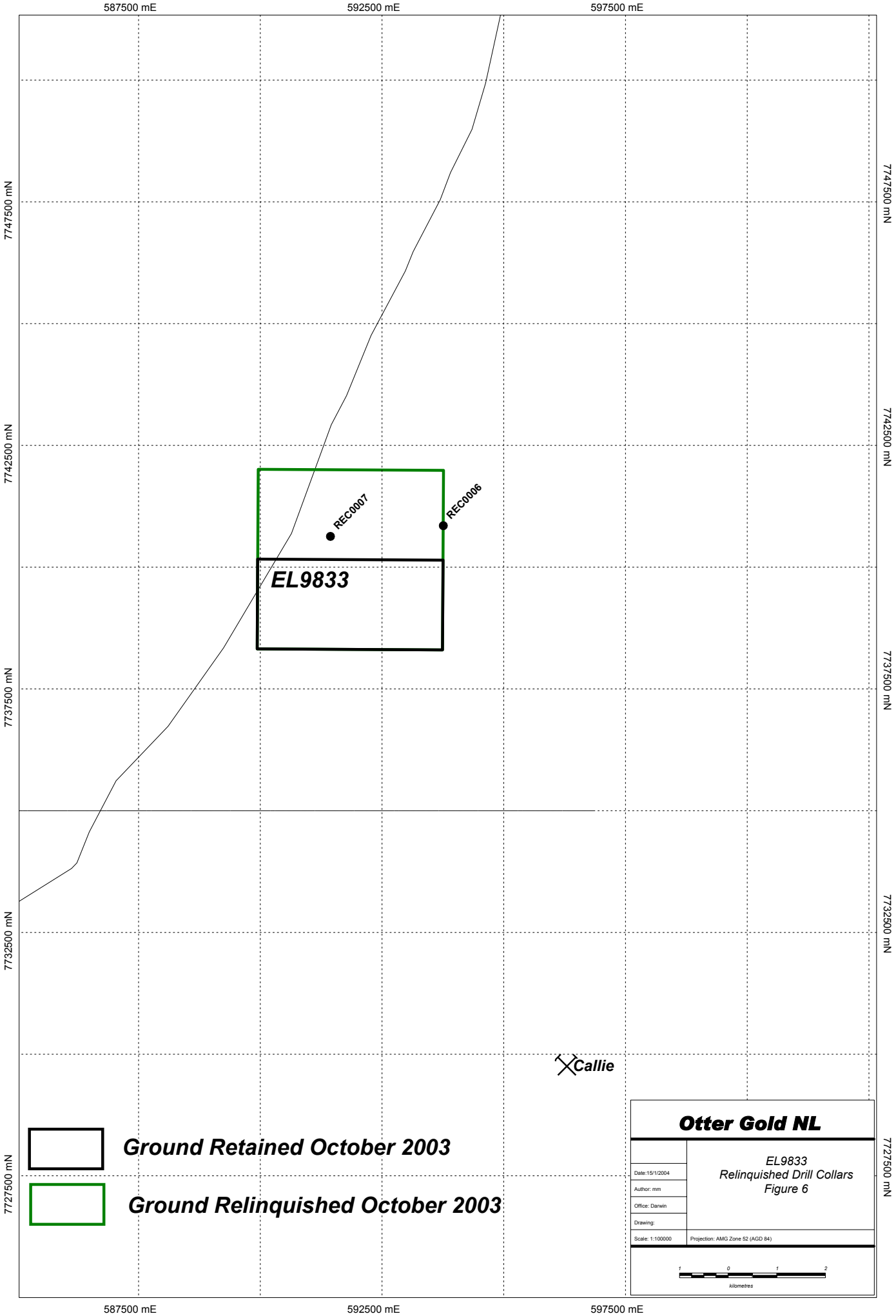
kilometres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7732500 mN
7727500 mN
REC0007
REC0006
EL9833
Callie
Ground Retained October 2003
Ground Relinquished October 2003
Otter Gold NL
EL9833
Relinquished Drill Collars
Figure 6
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Author: mm
Office: Darwin
Drawing:
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Projection: AMG Zone 52 (AGD 84)
1 0 1 2
kilometres


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593000 mE
595000 mE
7743000 mN
7741000 mN
7739000 mN
7737000 mN
7735000 mN
7733000 mN
3249894
3249893
3249892
3249891
3249890
3249889
3249888
3249887
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3120787
3120786
3120785
3120784
3120776
3120777
3120778
3120779
3120780
3120781
3120782
3120783
EL9833
9833 relinquished geochemistry
Au (ppm)
0.0017 to 0.00192
0.001 to 0.0017
0.0005 to 0.001
0 to 0.0005
Ground Retained October 2003
Ground Relinquished October 2003
Otter Gold NL
EL9833
Relinquished geochemistry
Figure 7
Date:15/1/2004
Author: mm
Office: Darwin
Drawing:
Scale: 1:50000
Projection: AMG Zone 52 (AGD 84)
500 0 500 1000
metres

APPENDIX 2

Sampling Data

See attached Files