5TH ANNUAL REPORT FOR EL 8921 (ROVER NORTH)

for the period 08/03/2003 to 07/03/2004

Wiso-Rover Project
NORTHERN TERRITORY

Volume 1 of 1

1:250,000 SHEET: Tennant Creek SE53-14

1:100,000 SHEET: Kelly 5658

AUTHOR: S. Hogan & M. Walter

TENEMENT HOLDERS: Newmont Gold Exploration Pty Ltd

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EL 8921 is centred approximately 60 km SW of Tennant Creek and covers an area of 77km² within NT Portion 3556, Karlantijpa South Aboriginal Land Trust. This report details exploration undertaken for the period from 8 March 2003 to 7 March 2004.

No ground based exploration activities have been conducted over the tenement during the 8th March 2003 to 7th of March 2004 period. Difficulties getting onto the ground at EL8921 due to persistent sensitive access issues in other areas.
1 CONCLUSIONS & RECOMMENDATIONS

Regrettably no field-based exploration could be conducted over the tenement from 8 March 2003 to 7 March 2004. Sensitive access issues persist in the area and because of the demonstrated prospectivity of the Rover Field area, a cautious approach has been taken.

2 INTRODUCTION

This report details a compilation of previous exploration activities and work undertaken during the reporting period on EL 8921 and proposals for the 2004 to 2005 work program.

3 LOCATION, ACCESS AND CLIMATE

EL 8921 lies approximately 60 km SW of Tennant Creek. Access is via the sealed Stuart Highway south of Tennant Creek to Cabbage Gum Bore 60km, west and south along tracks. Alternatively from Tennant Creek to Warrego, then west for approximately 11.5 km along the Wiso Bore graded road then south for approximately 50 km via tracks (Figure 1).

The climate of the Tennant Creek district is mild and dry through most of the autumn to spring months. The summer period is hot with seasonal heavy rainfall between January and March making access very difficult during these periods.

4 TENURE

EL 8921 covers an area of 77km² within NT Portion 3556, Karlantijpa South Aboriginal Land Trust. The application was lodged on the 13/9/94 and approval to negotiate was given on the 21/12/1994.

EL 8921 was granted on the 8 March 1999 after the signing of an agreement with the Central Land Council (Babylon Deed of Terms & Conditions for Exploration) on the 8 December 1998. The exploration licence covers an area of 24 graticular blocks.

<table>
<thead>
<tr>
<th>Licence</th>
<th>Detail</th>
<th>Date</th>
<th>Blocks</th>
<th>Km²</th>
<th>Title Holder</th>
</tr>
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<tr>
<td>EL8921</td>
<td>Grant:</td>
<td>08/03/1999</td>
<td>24</td>
<td>77.5</td>
<td>100% Newmont Gold Exploration Pty Ltd</td>
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<tr>
<td></td>
<td>Expiry:</td>
<td>07/03/2005</td>
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</tr>
</tbody>
</table>
EL 8921 - ROVER NORTH
TENEMENT LOCATION PLAN

UTM Zone 53 (AGD68)

30/03/2004

FIGURE 1

NEWMONT EXPLORATION
5 REGIONAL GEOLOGY

The geological understanding of the Tennant Creek Inlier and adjacent areas underlying the Cambrian Wiso Basin has been advanced by detailed geological mapping over the Tennant Creek and Flynn 1:100,000 map sheets (Donnellan et. al. 1995), precision dating of stratigraphic components of the region (Compston, 1995) and regional geophysical interpretations.

The oldest exposed lithologies in the Tennant Creek Inlier are the metasedimentary rocks of the Warramunga Formation, which host the Au-Cu-Bi mineralisation of the Tennant Creek Goldfield. These Proterozoic sediments were deposited approximately 1860 Ma. Deformation and intrusion of the Warramunga Formation by porphyries and granitoids occurred during the Barramundi Orogeny (1858 Ma to 1845 Ma).

Deposition of the volcanics and volcanioclastics of the Flynn Sub-Group followed the Barramundi Orogeny between 1845 Ma and 1827 Ma. An additional deformation event preceded the deposition of the Hatches Creek Group/Tomkinson Creek Sub-Group (1820 Ma to 1785 Ma) and the intrusion of late-stage granitoids and porphyries into both the Warramunga Formation and Flynn Sub-Group at 1650-1712 Ma.

6 LOCAL GEOLOGY

Lower Proterozoic Warramunga Group, Flynn Subgroup and Proterozoic granitoids are interpreted to occur under Cambrian Wiso Basin Succession and Quaternary cover within this tenement. The Warramunga Group consist of turbiditic siltstones and sandstones with subordinate volcanioclastic lithofacies. Ironstones and felsic porphyries are also known to occur within these metasediments. This stratigraphy hosts most of the hydrothermal ironstones that contain most of the gold mineralisation in the Tennant Creek area. The tenement area is covered with Quaternary sediments with no outcrop.

7 PREVIOUS WORK

A low-level aeromagnetic survey was conducted by Geopeko during 1973 to1974 and covered a large area that included the present EL 892. One discrete magnetic anomaly, referred to as Rover 3 was identified as potentially similar to a Tennant Creek-type ironstone response.

Australian Ores and Minerals Limited held this area with an Authority to Prospect 2451 prior to 1970 and a detailed aeromagnetic survey undertaken at the end of 1970 (Williams, 1972). A number of anomalies were defined in this survey. This Authority was converted to EL 228 on the 21/5/1972 and relinquished on the 21/5/1977 (Duck, 1977).

From 31/10/1978 to 30/10/1983, Geopeko, Shell Minerals Exploration and Australian Ores and Minerals held this area under EL 1849. Between 1979 to 1983, detailed magnetic surveys were conducted over selected prospects to assist in exploratory drilling. A gravity survey totaling 94.2 line kilometres was carried out in 1978/79. Results were encouraging and a further 61.4 line kilometres surveyed in 1979/80. 23 prospects were investigated and mineral leases pegged. Exploratory drilling was undertaken to delineate mineralisation (Harbon, 1983), but not within the area of EL 8921.

In 1999 Newmont used the contractor Kevron to fly an aerial geophysical survey at 100m spacing and a mean terrain clearance of 40m. This survey showed one intense
magnetic anomaly potentially suitable for exploration targeting as Tennant Creek-style Au-Cu mineralisation hosted by magnetite ironstone. This anomaly has characteristics that are considered to be atypical of Tennant Creek-style Au-Cu deposits, including remnant magnetism.

A critical consideration to exploration of this tenement for Tennant Creek-style mineralisation is the depth to Proterozoic basement, that is known to exceed 200m in drilled prospects to the southwest of the tenement. The AMAG data was modeled using in-house proprietary algorithms to estimate depth to basement within the area of the tenement. The results of this modeling are presented as contours in Figure 3. While there is a suggestion of some areas of limited cover the overall depth to basement is in excess of 200m with some areas including cover in excess of 500m. Cover thickness of this scale precludes exploration for economic deposits.

Aerial photography was completed in 1999 that covered the Babylon Project area which includes tenements EL 8921, 8994 and 8823 (Clifford, 1999). A total of 370 photographic frames covering 1570 km² were taken by the contractor Quasco Northern Surveys. This program produced 1:25,000 precision located color photography over the tenement, with the aircraft flying at approximately 4,000m. The photographic survey was provided in hardcopy to the CLC on the 24/11/1999.

The aerial photography was reviewed together with Landsat TM data and Radiometric data. The area of the tenement is dominated by Quaternary sand cover, with spinifex and acacia vegetation and localised mulga and gum thickets.

8 WORK CARRIED OUT DURING THE REPORTING PERIOD
Due to sensitive land access issues in the area work on EL8823 has progressed slowly during the 8 March 2003 to 7 March 2004 period. Work on EL8823 has involved a reassessment of existing data and previous interpretations.

During the reporting period of tenure, the EL 8921 incurred an expenditure of $15,256 of which $4,039 can be credited towards the covenant. A breakdown of this expenditure follows (Table 2):

<table>
<thead>
<tr>
<th>EXPENSE</th>
<th>COST</th>
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<tr>
<td>Employee Costs</td>
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<tr>
<td>Overheads</td>
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<tr>
<td>Tenement Costs</td>
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<tr>
<td>Indigenous Affairs</td>
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<tr>
<td>Audit Fees</td>
<td>$772</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$15,256</strong></td>
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<tr>
<td><strong>TOTAL COVENANT</strong></td>
<td><strong>$4,039</strong></td>
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Tenement expenditure of $4,039 falls below the covenant that has been set at $35,200.

Proposed exploration activities, should access be granted, for the period 8 March 2004 to 7 March 2005 will involve modeling of aeromagnetic data for the purposes of refining estimated depth to basement in specific areas, refinement of the AMAG-geological interpretation and modeling of the one intense magnetic anomaly identified. While this anomaly is considered atypical of anomalies characteristic of Tennant Creek-style mineralisation provision is made for 300m of RC drilling to test the target if justified by additional magnetic modeling.

The proposed exploration expenditure for EL 8921 for the next year of tenure is as follows (Table 3):

<table>
<thead>
<tr>
<th>EXPENSE</th>
<th>COST</th>
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<tbody>
<tr>
<td>Employee Costs</td>
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<td>Overheads</td>
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<td>Assays</td>
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<td>Operating Costs</td>
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<td>Specialist Services</td>
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<td>Indigenous Affairs</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 35,200</strong></td>
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</table>

11 ENVIRONMENTAL / REHABILITATION REPORT

No environmental rehabilitation has occurred during the reporting period because no on-ground work that could have caused substantial disturbances has been conducted on EL 8994.
12 REFERENCES


APPENDIX ONE

BIBLIOGRAPHIC DATA SHEET
REPORT NUMBER: ADELAIDE: 31415

REPORT NAME: 5th ANNUAL REPORT FOR EXPLORATION LICENCE 8921 (ROVER NORTH) FOR THE PERIOD FROM 8/3/2003 TO 7/3/2004,

PROSPECT NAME(S): ROVER NORTH, ROVER 3

TENEMENT NUMBER: EL 8921

OWNER/JV PARTNERS:

AGREEMENTS:

COMMODITIES: GOLD, BASE METALS

TECTONIC UNITS: TENNANT CREEK INLIER, WISO BASIN

STRATIGRAPHIC UNITS: WARRAMUNGA GROUP, FLYNN SUB-GROUP, WISO BASIN SUCCESSION

1:250,000 MAP SHEET: TENNANT CREEK SE53-14

1:100,000 MAP SHEET: KELLY 5658

KEYWORDS: EXPLORATION PROPOSAL, EXPLORATION REVIEW, AERIAL MAGNETIC SURVEYS, GEOPHYSICAL INTERPRETATION, GEOPHYSICS