

CENTRAL DESERT JOINT VENTURE

Otter Gold NL (60%)

Anglogold Australia Pty Ltd (40%)

TANAMI REGION
NORTHERN TERRITORY

3rd ANNUAL REPORT

For
EXPLORATION LICENCES

EL10345

(Stumpy Tailed Lizard)

17th OCTOBER 2003 to 16th OCTOBER 2004

Volume 1 of 1

Newmont Report No: 31752

Compiled By: M.Muir

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TITLE: 3rd ANNUAL REPORT FOR EXPLORATION LICENCE
EL10345

PERIOD: 17th OCTOBER 2003 to 16th OCTOBER 2004

REPORT No.: 31752

COMPILED BY: M. MUIR

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SUMMARY

Exploration Licence 10345 (Stumpy Tailed Lizard) was granted on the 17th of October 2001, for a period of six years. The Licence was granted to the Central Desert Joint Venture partners (Otter Gold NL 60% and Anglogold Australia 40%). The exploration license is subject to a Deed (Pendragon 2) between the CDJV and the Traditional Owners. EL 10345 is located some 53km west of the Tanami Mine. This is the third year of tenure.

The prospectivity of EL10345 is enhanced by anomalous sample results completed by WMC.

During the third year a review of the exploration potential of EL10345 was undertaken to budget work for the 2004 - 2005 field season.

Ongoing tenure of this licence by Otter Gold NL means that this report should remain **CLOSED FILE**.

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1.0 INTRODUCTION

Exploration Licence (EL) 10345 was granted to the Central Desert Joint Venture (CDJV) between Otter Gold NL (60% and managers) and AngloGold Australasia (40%) on 17th October 2001 for a period of six years. This report contains details of exploration activities conducted within EL10345 for the period 17th October 2003 to 16th October 2004.

This report documents the work undertaken on EL 10345 during the third year of tenure by Newmont NFM exploration and work previously completed by Otter Gold NL.

2.0 LOCATION AND EXPLORATION HISTORY

2.1 Location and Access

Exploration Licence 10345 is situated 53 kilometres west of the Tanami Mine along the Tanami track towards the West Australian Border (Figure 1). The Licence is easily accessed from the Tanami Track during the dry season. Access to most areas is limited during the wet season (December to March).

2.2 Tenement Status

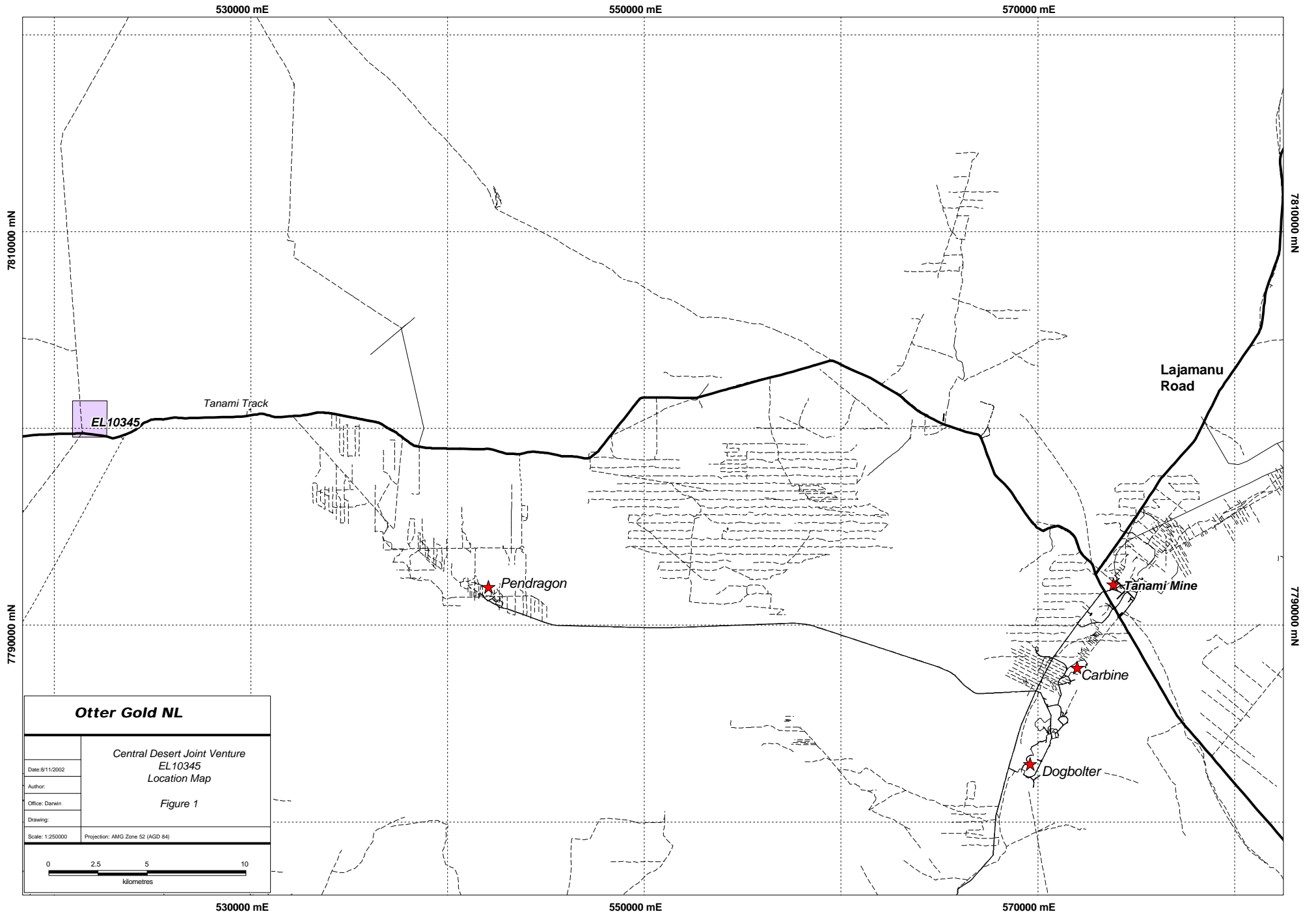
EL 10345 comprises of 1 block covering an area of 3 km². See Figure 1. Rent for the third year (YE 16/10/2004) is \$44 with the third year covenant being set at \$7,000.

Exploration Licence 10345 was granted to the Central Desert Joint Venture on 17th October 2001 for a period of six years.

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.

2.3 Exploration History

2001-2002: 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) did not delineate any targets thus more conventional methods (eg available aeromagnetic data, geochemistry and regolith interpretations) were used to target anomalism.



Otter Gold NL

Central Desert Joint Venture
 EL 10345
 Location Map
 Figure 1

Date: 8/11/2002
 Author:
 Office: Darwin
 Drawing:

Scale: 1:250000 Projection: AMG Zone 52 (AGD 84)

One target was delineated using other/geochemical data available. A review showed a pattern of 100m x 50m geochemical sampling with results up to 90ppb Au completed by WMC when they held the ground. The region was named 'Bluecow'. Future work to be completed in the region would include validation of the anomalous assay results and assessment whether the results were significant considering the residual nature of the samples.

2002-2003: A review of the exploration potential of EL10345 was undertaken to budget work for the 2004 field season.

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).

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 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 geology within EL10345 is predominantly Killi Killi Beds (a micaceous sandstone/siltstone - sediment) that appears to trend in a north south direction. North easterly structures cross cut the region but are not easily discernable from the coarsely gridded (100m grid) aeromagnetics available. Generally, the regolith is believed to be residual with possible transported cover in the north west of the tenement.

4.0 EXPLORATION

4.1 EXPLORATION for 17th OCTOBER 2003 to 16th OCTOBER 2004

A review of the exploration potential of EL10345 was undertaken to budget work for the 2005 field season.

5.0 EXPENDITURE FOR PERIOD 17/10/2003 TO 16/10/2004.

5.1 Expenditure for period 17/10/2003 to 16/10/2004 on EL 10345

Table 2 summarises the expenditure for the current licence year.

EL 10345	Actual YTD	Admissible Costs
520155 Temporary Staff	0	0
800001 Proj/Explorn labour	3,700.00	3,700.00
839001 Sal & Wages Allocat	0	0
840000 Employee Cost Allo	749.35	749.35
* Expln Employee Costs	4,449.35	4,449.35
520600 Couriers & Bulk Mai	25.00	25.00
520685 Telephone & Fax	0	0
839003 Regnl Office Alloct	0	0
840007 Expln Other Alloc	148.11	148.11
* Expln Overheads and Alloc	173.11	173.11
520635 Publications & Subs	0	0
520681 Radio Communication	0	0
520920 Travel & Accom Loca	280.00	280.00
550999 Consum-Direct Purch	189.22	189.22
556095 Spares - Tyres/Tube	61.65	61.65
570025 Freight	0	0
562015 Vehicle Registratio	351.77	351.77
840002 Trav & Accom Allo	23.88	23.88
840003 Draft & IT Alloc	61.21	61.21
840004 Expn Field Act Allo	2.80	2.80
840005 Equip & Veh Alloc	1.42	1.42
* Expln Operating Costs	971.95	971.95
521010 Legal Fees - Non De	0	
560040 Tenement Fees	50.00	
560042 Tenement Rentals	40.00	
840006 Ten/Legal Cost Allo	13.53	
* Expln Tenement Costs	103.53	
513000 Consultants - Gen.	0	0
840001 Cont & Consul Allo	94.98	94.98
* Expln Specialist Services	94.98	94.98
** Cost element group	5,792.92	5,689.39
Covenant		7000

6.0 PROPOSED EXPENDITURE 2004-2005

The work programme for the next reporting period will consist of an essential extensive background check of previous data obtained from work in the region. From this check, surface sampling programmes should evolve to confirm the WMC data. Further surface sampling will occur if appropriate. See Table 3 for proposed expenditures.

	EL 10345
Expenditure	\$ 5,000

Table 3: Proposed Expenditure for EL 10345 2004-2005

7.0 REFERENCES

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