NEWMONT
AUSTRALIA

Otter Gold Pty Ltd (100%)

TANAMI REGION
NORTHERN TERRITORY

FINAL REPORT

For
EXPLORATION LICENCE

22173

5th SEPTEMBER 2004 to 22nd JULY 2005

Volume 1 of 1

Newmont Report No: 32156

Compiled By: M.Muir

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OTTER GOLD PTY LTD

TITLE: FINAL REPORT FOR EXPLORATION LICENCE EL22173

PERIOD: 5th SEPTEMBER 2004 to 22nd JULY 2005

REPORT No.: 32156

COMPILED BY: M. MUIR

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MALLEE 1:100,000 4759

COMMODITY: GOLD

DATE: NOVEMBER 2005

KEYWORDS: REGIONAL GEOLOGY, PROTEROZOIC

SUMMARY

This is the FINAL Report for Exploration License (EL) 22173 which was granted to Otter Gold Pty Ltd on the 5th September 2001. The licence was surrendered on the 22nd July 2005. EL 22173 is located some 80km north north west of the Tanami Mine. This is the Fourth and final year of tenure.

First year work programmes were put on hold. First year work involved remote discrimination of targets. Areas targeted in the region were not within the boundaries of EL 22173.

Work within EL22173 for the second year work consisted of a review of all the open file data available and an assessment of the exploration potential of the region for the purpose of defining field work for the proposed budget.

During the third year of tenure work consisted of 54 regional surface samples in EL 22173.

During the fourth year of tenure, work was at a minimum and confined to data review and assessment of the tenement for the upcoming season and for possible surrender. Other regions were designated as higher priority targets and thus attention.

Activity	*No. of Surface Samples*	*High Result*	*Sample Spacing*
Newmont Geochemistry	**54**	**0.002ppm**	**500m x 500m**

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

1.0 INTRODUCTION

Exploration Licence (EL) 22173 was granted to Otter Gold NL (OGNL) on 5th September 2001 for a period of six years. The original 5 blocks covered 12km^2 and is wholly owned by Otter Gold NL (100%) and operated by Newmont Exploration.

This report documents the work undertaken on EL 22173 during the fourth year of tenure prior to surrender (22nd July 2005) by Newmont NFM exploration and work previously completed by Otter Gold NL.

The exploration that has been completed on the ground to be surrendered 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 22173 is situated some 80 kilometres north northwest of the Tanami Mine. The Licence lies within the Suplejack Station Pastoral Lease. The major access to the Licence should be via Suplejack Station tracks and then via exploration tracks made by previous exploration companies.

2.2 Tenement Status

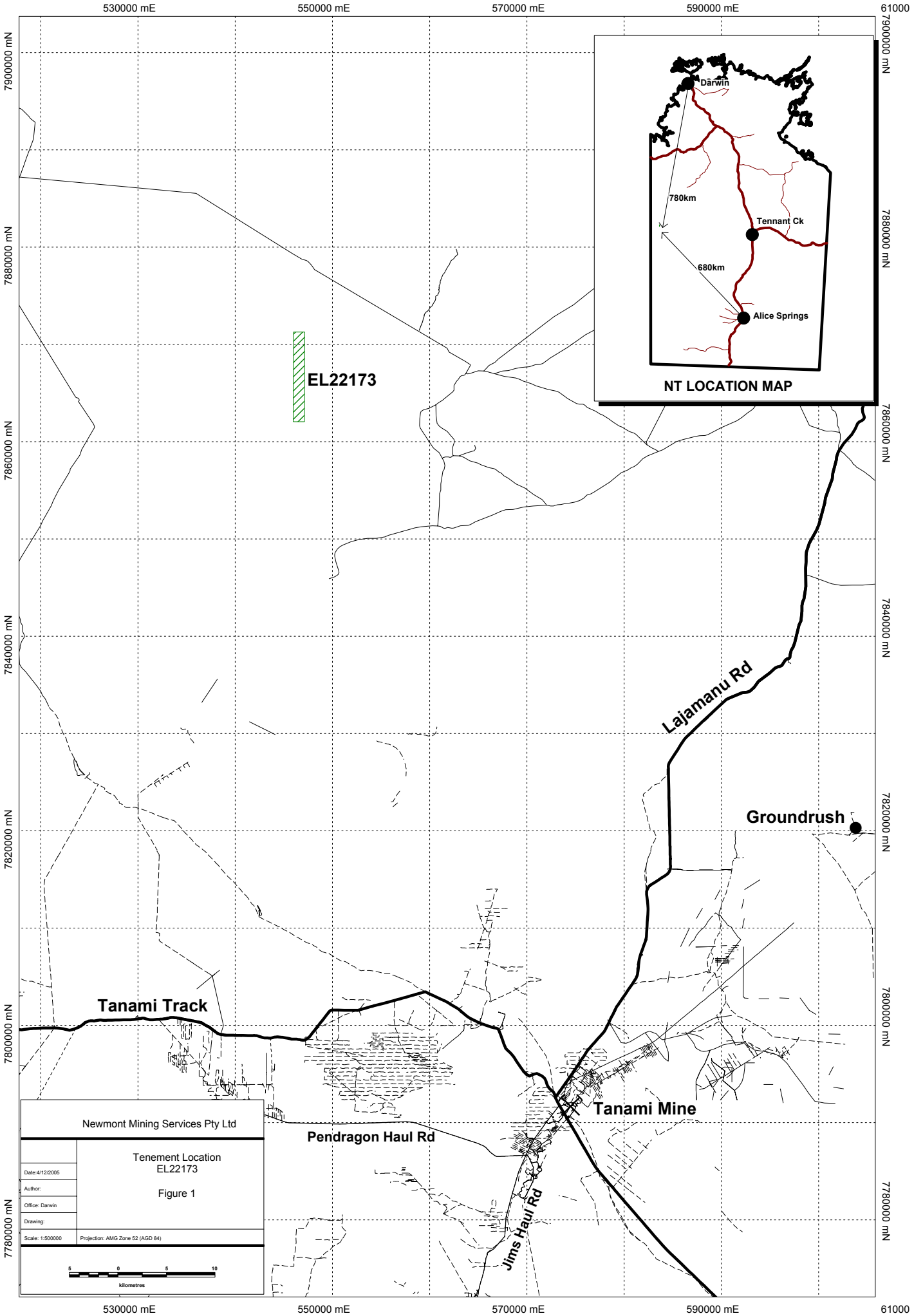
EL 22173 comprises of 5 blocks covering an area of 12km². Exploration Licence 22173 was granted to Otter Gold NL on 5th September 2001 for a period of six years. The tenement was surrendered on the 22nd of July 2005.

Rent for the period year ending 22nd July 2005 was $275. The covenant for EL22173 has been set at $3000 for the year ending 22nd July 2005.

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).


530000 mE
550000 mE
570000 mE
590000 mE
61000
7900000 mN
7880000 mN
7860000 mN
7840000 mN
7820000 mN
7800000 mN
7780000 mN
Darwin
780km
Tennant Ck
680km
Alice Springs
NT LOCATION MAP
EL22173
Lajamanu Rd
Groundrush
Tanami Track
Tanami Mine
Pendragon Haul Rd
Jims Haul Rd
Newmont Mining Services Pty Ltd
Tenement Location
EL22173
Figure 1
Date:4/12/2005
Author:
Office: Darwin
Drawing:
Scale: 1:500000
Projection: AMG Zone 52 (AGD 84)
5 0 5 10
kilometres

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="5"></td><td>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

The Geology within EL 22173 has been described by the Northern Territory Geological Survey as part of the McFarlane Peak Group {Pm} (interbedded dolerites, basalts, volcaniclastic sediments, metagreywackes and schists. To the east there are a series of intrusives subdivided on there magnetic and gravity responses:
Pgm Undifferentiated intrusive: moderately magnetic, low gravity response.
Pgn Undifferentiated intrusive: non-magnetic, low gravity response.
Pgv Undifferentiated intrusive: variably magnetic, low gravity response.

The region is also interpreted to be covered with Upper Proterozoic cover – Gardiner Sandstone and Talbot Well Formation (Sedimentary marine environment, Chert, arenite, siltstone, mudstone, limestone: non-magnetic).

Also peripheral to the Exploration Licences there are Killi Killi Beds (Sandstone, siltstone) especially to the north. Regolith shows a palaeochannel exists to the north of EL 22173. Both regions show outcropping Gardiner Sandstone and quaternary sands.

4.0 EXPLORATION

4.1 EXPLORATION HISTORY

2001 - 2002: 1st Year of tenure
First year work programmes were put on hold due to the scale back of staff and the turmoil created by 'spectre of takeovers'. First year work involved remote discrimination of targets. Conventional methods (eg available aeromagnetic data, geochemistry and regolith interpretations) were used to target anomalism. Areas targeted in the region were not within the boundaries of EL 22173.

2002 - 2003: 2nd Year of tenure
Exploration within ELs 22173 consisted of a review of all the open file data available and an assessment of the exploration potential for gold mineralisation of the regions. The geology and magnetic signatures within both Exploration Licences were reviewed for the purpose of defining field work for the 2004 proposed budget.

2003 - 2004: 3rd Year of tenure
During September 2003, a regional sampling expedition headed up to the region north of Suplejack Station. On this trip both EL22173 and EL22174 were sampled on a regional scale (500m x 500m).

EL22173 had 54 samples taken, with the highest result being 0.002ppm Au. Figure 2 shows the sample locations, sample numbers and gold values (Au ppm). The samples were collected and sent off for analysis at the in house laboratory using a Newmont proprietary technique.

2004 – 2005: 4th Year of tenure

Work during the fourth year of tenure included review of all data available to assess whether the tenement was suitable for surrender and the subsequent surrender of the licence on the 22nd July 2005.

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 EXPENDITURE FOR PERIOD 5/09/2004 TO 22/07/2005.

6.1 Expenditure for period 5/09/2004 to 22/07/2005 on EL22173

Table 2 summarises the expenditure for the final licence year.

TABLE 2 Expenditure Summary for EL22173 (2004 - 2005)

EL22173	Actual YTD	Admissible Costs
800001 Proj/Explorn labour	0	0
839001 Sal & Wages Allocat	0	0
840000 Employee Cost Allo	490.54	490.54
840008 RM Expl Salary Allo	0	0
* Expln Employee Costs	490.54	490.54
520680 Stationery and Supp	0	0
839000 Fixed Asset Usage	0	0
839003 Regnl Office Alloct	0	0
840007 Expln Other Alloc	0.72	0.72
* Expln Overheads and Alloc	0.72	0.72
510000 Accom & Messing	0	0
512010 Safety Clothing	0	0
512025 Safety Training	0	0
520086 Maintenance - Vehcl	0	0
520635 Publications & Subs	0	0
520920 Travel & Accom Loca	0	0
550020 Consum. - General	0	0
561030 IT Maintenance Soft	0	0
840002 Trav & Accom Allo	0	0
840003 Draft & IT Alloc	0	0
840004 Expn Field Act Allo	0	0
840005 Equip & Veh Alloc	0	0
* Expln Operating Costs	0	0
521001 TLO - Comp Payments	170.66	
521005 Legal Fees - Deduct	0	
521010 Legal Fees - Non De	0	
560040 Tenement Fees	0	
542300 Asset Acquisitions	0	
560042 Tenement Rentals	0	
840006 Ten/Legal Cost Allo	1.13	
* Expln Tenement Costs	171.79	
513000 Consultants - Gen.	0	0
840001 Cont & Consul Allo	108.55	108.55
* Expln Specialist Services	108.55	108.55
** **Cost element group**	**771.60**	**599.81**
Covenant		3000

7.0 REFERENCES

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