Newmont Tanami Pty Ltd (100%)

TANAMI REGION
NORTHERN TERRITORY

1st ANNUAL REPORT
For
EXPLORATION LICENCE

EL 10304
(Strebor)

21st AUGUST 2003 to 20th AUGUST 2004

Volume 1 of 1

Newmont Report No: 31692

Compiled By: M.Muir

DISTRIBUTION:
NT Dept. Business, Industry & Resource Development
Newmont Tanami Pty Ltd

The contents of this report remain the property of Newmont Tanami Pty Ltd and may not be published in whole or in part nor used in a company prospectus without written consent of the company.
NEWMONT TANAMI PTY LTD

TITLE: 1st ANNUAL REPORT FOR EXPLORATION LICENCE (EL) 10304

PERIOD: 21st AUGUST 2003 to 20th AUGUST 2004

REPORT No.: 31692

COMPILED BY: M. MUIR

LOCATION: TANAMI 1:250,000 SE 52-15
BUCK 1:100,000 4958

COMMODITY: GOLD

DATE: OCTOBER 2004

KEYWORDS: CAMBRIAN, GRANITIC ROCK, PROTEROZOIC, REGIONAL GEOLOGY, ROCK CHIPPING.

SUMMARY

Exploration Licence 10304 was granted on the 21st August 2003 for a period of six years. EL10304 is located roughly 70km north east of the Tanami Mine and 40km east of the Groundrush Mine. This is the first year of tenure – ending 20th August 2004.

During the first year of tenure work completed by Newmont Exploration included a regional review of data for budgetry purposes. This Exploration Licence was included in the regional structural review completed by Brett Davies from RSG Global. Regional reconnaissance by helicopter took place with four rockchip samples being taken over outcrop designated as unnamed ?Cambrian sediments.

Ongoing tenure of this licence by Newmont Tanami Pty Ltd means that this report should remain CLOSED FILE.

<table>
<thead>
<tr>
<th>TECHNIQUE</th>
<th>SAMPLE TYPE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geochemical Sampling</td>
<td>Rockchip</td>
<td>4 Samples</td>
</tr>
</tbody>
</table>
TABLE OF CONTENTS

SUMMARY
1.0 INTRODUCTION........................................................................................................1
2.0 LOCATION AND TENEMENT STATUS.................................................................1
   2.1 Location and Access.........................................................................................1
   2.2 Tenement Status..............................................................................................1
3.0 GEOLOGY..............................................................................................................1
   3.1 Regional Geology.............................................................................................1
   3.2 Local Geology..................................................................................................2
4.0 EXPLORATION......................................................................................................3
   4.1 EXPLORATION for 21st AUGUST 2003 to 20th AUGUST 2004 .................3
5.0 EXPENDITURE FOR PERIOD 21/08/2003 TO 20/08/2004 .........................4
   5.1 Expenditure for period 21/08/2003 to 20/08/2004 on EL 10304.................4
6.0 PROPOSED EXPENDITURE 21/08/2004-20/08/2005 for EL10304............5
7.0 REFERENCES......................................................................................................6

LIST OF FIGURES

Figure 1 Tenement Location Map
Figure 2 Regional Outcrop Geology
Figure 3 1st VD image of Regional Aeromagnetics
Figure 4 Sample Locations and Gold Results Au (ppm)

LIST OF TABLES

TABLE 1 Expenditure Summary EL10304 2003-2004
TABLE 2 Proposed Expenditure EL10304 2004-2005

APPENDICES

APPENDIX 1 Figures
APPENDIX 2 Sampling Data
1.0 INTRODUCTION

Exploration Licence (EL) 10304 was granted to Newmont Tanami Pty Ltd on the 21st August 2003 for a period of six years.

This report documents the work undertaken on EL 10304 during the first year of tenure by Newmont exploration.

2.0 LOCATION AND TENEMENT STATUS

2.1 Location and Access

Exploration Licence 10304 was granted on the 21st August 2003 for a period of six years. EL10304 is located roughly 60km north east of the Tanami Mine and 25km east of the Groundrush Mine. See Figure 1.

Access to EL10304 is via the Groundrush Haul Road and then rough exploration tracks driven through the tenement. Access will be limited during November to April because of the wet season.

2.2 Tenement Status

EL10304 comprises 99 blocks to cover an area of 320 square kilometres. Tenement rental for 21/8/2003 to 20/8/2004 was $1089. The covenant set for the first year of tenure was $15,000. EL10304 is part of the Newmont ‘Supplejack’ Reporting Group.

3.0 GEOLOGY

3.1 Regional Geology

The Granites-Tanami Goldfields lie in the eastern part of the Early Proterozoic Granites-Tanami Inlier, which is part of the Northern Australian Orogenic Province (Plumb, 1990). The Inlier abuts the Arunta Complex to the south and east and is probably a continuation of the Halls Creek Orogeny in Western Australia (Hendrickx, et al. 2000). The Inlier underlies younger cover sequences including the extensive Paleozoic Wiso Basin on its northeastern margin, and Victoria River Basin to the north. To the west, clastic sediments of the Middle Proterozoic Birrindudu Basin overlie and separate the Inlier from the similar age rocks in the Halls Creek Province.

The oldest rocks of the Tanami region belong to the Billabong Complex, a suite of Archaean age gneiss and schist. This is unconformably overlain by the Proterozoic MacFarlanes Peak Group (mafic volcanic and volcanoclastic rocks), followed by a thick succession of clastic sediments of the Tanami Group. (Hendrickx et al, 2000). A suite of syn-to post-deformation dolerites and gabbros are found intruding both the MacFarlane Peak and Tanami Groups.
Complex, polyphase deformation during the Barramundi Orogeny (1845 – 1840Ma) has affected the entire Granites-Tanami Inlier. It appears to have been largely controlled by two sets of regional scale fundamental crustal fractures that trend NNE and WNW. This is evidenced by the orientation of successive phases of macroscopic folding in the region and the consistent sympathetic trends of late tectonic faults.

Peak metamorphism during the Barramundi Orogeny reached amphibolite facies (The Granites Gold Mine), but is more generally greenschist facies through the Inlier (Callie Gold Mine). Contact metamorphic aureoles, commonly identified in pelitic schist units by randomly orientated andalusite porphyroblasts, are well developed at the margins of the syn- and post-orogenic granite plutons.

Localised extension followed, forming small basins which filled with shallow marine sediments to the west (Pargee Sandstone) and pillow basalts and turbiditic sediments to the east (Mt. Charles Formation).

Following the period of extension, widespread granite intrusion and volcanism followed in the period 1830 – 1810 Ma. At least three suites of granitic intrusives and two volcanic complexes are present. The last intrusion of (undeformed) granite occurred at around 1800 – 1795Ma, with intrusion of The Granites Suite (Hendrickx et al, 2000).

Residual hills of gently folded Carpentarian Gardiner Sandstone unconformably overlie Early Proterozoic lithologies. Younger flat lying Cambrian Antrim Plateau Basalts are also preserved as platform cover in areas protected from erosional stripping.

Tertiary drainage channels, now completely filled with alluvial and lacustrine clays and calcrite are a major feature of the region. Some drainage profiles are 10 km wide and greater than 100m deep.

A desert terrain comprising transported and residual colluvial cover sediments and aeolian sand blanket a large portion of the Inlier, with an estimated outcrop exposure of less than 10% of the early Proterozoic lithological units.

Gold mineralisation within the Newmont Tanami tenement holdings is dominantly hosted by the Tanami Group, a sequence of fine to medium-grained turbiditic metagreywackes with lesser amounts of metapelite, carbonaceous siltstone and schist, banded iron-formation, chert and calcisilicates. (Hendrickx et al, 2000). Owing to their more resistant nature, only the cherts and iron-formations and associated interbedded graphitic schists tend to outcrop above the sand plain. The interlayered pillow basalts and sediments of the Mt.Charles Formation at the Tanami Mine deposits also host significant gold mineralisation.

3.2 Local Geology

EL10304 is located on the western edge of the Wiso Basin and is dominated by Quaternary Colluvium. There are clumps of calcrite reported in the south - central portion of the tenement and unnamed Cambrian sediments (quartz arenite, sublithic arenite, chert, mudstone, limestone, dolomite) exist in the central and north eastern portion of the tenement. To the north several outcrops of Ferricrete over Cambrian
Antrim Plateau Volcanics exist with a significant record of lacustrine/alluvial sediments.

Gardiner Sandstone (sublithic arenite, quartz arenite, medium to coarse; basal conglomerate, minor siltstone; medium to thin-bedded, cross-bedded) has been identified in the north western portion of the Licence.

The Northern Territory Geological Survey have produced a basement geology map which describes EL10304 as predominantly two types of undifferentiated granites. There is a small amount of Cambrian Antrim Plateau Volcanic cover to the north of the tenement. Killi Killi Beds and Gardiner Sandstone are recorded to the north of the tenement.

4.0 EXPLORATION

4.1 EXPLORATION for 21st AUGUST 2003 to 20th AUGUST 2004

During the first year of tenure work completed by Newmont Exploration included a regional review of data for budgetary purposes. This Exploration Licence was included in the new regional structural review completed by Brett Davies from RSG Global. Work for the structural study concentrated on interpretation and mapping.

Reconnaissance was carried out by helicopter to check BMR mapping. Four rockchip samples were taken during this reconnaissance. The maximum result was 0.004ppm Au. A series of elements were also assayed for (Au, Ag, As, Ba, Bi, Cd, Co, Cu, Hg, Mo, Ni, Pb, Pd, Pt, Ru, Sn, V, W & Zn).
5.0 EXPENDITURE FOR PERIOD 21/08/2003 TO 20/08/2004.

5.1 Expenditure for period 21/08/2003 to 20/08/2004 on EL 10304

**TABLE 1** Expenditure Summary for EL10304 (21/08/2003 TO 20/08/2004)

<table>
<thead>
<tr>
<th>EL 10304</th>
<th>Actual YTD</th>
<th>Admissible Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>502000  Salaries</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>512005 Medical Examination</td>
<td>353.70</td>
<td>353.70</td>
</tr>
<tr>
<td>520055 Conferences and Sem</td>
<td>200.23</td>
<td>200.23</td>
</tr>
<tr>
<td>800001 Pro/Expln labour</td>
<td>11,650.00</td>
<td>11,650.00</td>
</tr>
<tr>
<td>839001 Sal &amp; Wages Allocat</td>
<td>260.09</td>
<td>260.09</td>
</tr>
<tr>
<td>839006 Fld Cost S&amp;W Alloc</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>840000 Employee Cost Alloc</td>
<td>2,153.36</td>
<td>2,153.36</td>
</tr>
<tr>
<td>840008 RM Exp Salary Alloc</td>
<td>743.69</td>
<td>743.69</td>
</tr>
<tr>
<td>*  Expln Employee Costs</td>
<td>15,361.07</td>
<td>15,361.07</td>
</tr>
<tr>
<td>520600 Couriers &amp; Bulk Mai</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>520685 Telephone &amp; Fax</td>
<td>264.90</td>
<td>264.90</td>
</tr>
<tr>
<td>839000 Fixed Asset Usage</td>
<td>3,117.61</td>
<td>3,117.61</td>
</tr>
<tr>
<td>839003 Regnl Office Alloc</td>
<td>274.08</td>
<td>274.08</td>
</tr>
<tr>
<td>840007 Expln Other Alloc</td>
<td>1,959.39</td>
<td>1,959.39</td>
</tr>
<tr>
<td>*  Expln Overheads and Alloc</td>
<td>5,615.98</td>
<td>5,615.98</td>
</tr>
<tr>
<td>510000 Accm &amp; Messing</td>
<td>92.45</td>
<td>92.45</td>
</tr>
<tr>
<td>512000 First Aid/Safety</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>520065 Entert. - Non Deduc</td>
<td>77.11</td>
<td>77.11</td>
</tr>
<tr>
<td>520086 Maintenance - Vehcl</td>
<td>413.44</td>
<td>413.44</td>
</tr>
<tr>
<td>520615 Office equip (&lt;$500</td>
<td>385.66</td>
<td>385.66</td>
</tr>
<tr>
<td>520681 Radio Communication</td>
<td>1,226.37</td>
<td>1,226.37</td>
</tr>
<tr>
<td>520920 Travel &amp; Accom Loca</td>
<td>3,691.90</td>
<td>3,691.90</td>
</tr>
<tr>
<td>550020 Consum. - General</td>
<td>168.40</td>
<td>168.40</td>
</tr>
<tr>
<td>550999 Consum-Direct Purch</td>
<td>1,485.12</td>
<td>1,485.12</td>
</tr>
<tr>
<td>56001 Air/Heli Chrt NonTr</td>
<td>520.00</td>
<td>520.00</td>
</tr>
<tr>
<td>839004 Field Costs Allocn</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>562015 Vehicle Registratio</td>
<td>743.39</td>
<td>743.39</td>
</tr>
<tr>
<td>840002 Trav &amp; Accm Allo</td>
<td>142.51</td>
<td>142.51</td>
</tr>
<tr>
<td>840003 Draft &amp; IT Alloc</td>
<td>282.83</td>
<td>282.83</td>
</tr>
<tr>
<td>840004 Expn Field Act Allo</td>
<td>40.68</td>
<td>40.68</td>
</tr>
<tr>
<td>840005 Equip &amp; Veh Alloc</td>
<td>42.93</td>
<td>42.93</td>
</tr>
<tr>
<td>*  Expln Operating Costs</td>
<td>9,312.79</td>
<td>9,312.79</td>
</tr>
<tr>
<td>521001 TLO - Comp Payments</td>
<td>1,666.66</td>
<td></td>
</tr>
<tr>
<td>521002 TLO - Agrmt Complia</td>
<td>333.33</td>
<td></td>
</tr>
<tr>
<td>521005 Legal Fees - Deduct</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>560040 Tenement Fees</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>560042 Tenement Rentals</td>
<td>990.00</td>
<td></td>
</tr>
<tr>
<td>840006 Ten/Legal Cost Alloc</td>
<td>38.35</td>
<td></td>
</tr>
<tr>
<td>*  Expln Tenement Costs</td>
<td>3,028.34</td>
<td></td>
</tr>
<tr>
<td>513000 Consultants - Gen.</td>
<td>8,802.15</td>
<td>8,802.15</td>
</tr>
<tr>
<td>840001 Cont &amp; Consul Allo</td>
<td>99.21</td>
<td>99.21</td>
</tr>
<tr>
<td>*  Expln Specialist Services</td>
<td>8,901.36</td>
<td>8,901.36</td>
</tr>
<tr>
<td>**  Cost element group</td>
<td>42,219.54</td>
<td>39,191.20</td>
</tr>
</tbody>
</table>

Covenant: 15000

During the 2004-2005 field season it is hoped that regional reconnaissance soil sampling will be completed over the Licence with the appropriate follow up soils being planned and completed.

<table>
<thead>
<tr>
<th>License</th>
<th>Proposed Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL10304</td>
<td>$ 12,000</td>
</tr>
</tbody>
</table>

TABLE 2 Proposed Expenditure 21/08/2004-20/08/2005 for EL10304
7.0 REFERENCES


APPENDIX 1

Figures
Figure 4

Location Map

Ground Rush

Callie

The Granites

Kookaburra

Titania

Coyote

Tanami Mine

Newmont Tanami Pty Ltd

EL10304

Location Map

Ground Rush

Callie

The Granites

Kookaburra

Titania

Coyote

Tanami Mine

Newmont Tanami Pty Ltd

EL10304

Rockchip Locations &
Gold Results (ppm)

Newmont Tanami Pty Ltd
APPENDIX 2

Sampling Data

See attached Files