NORMANDY
TENNANT CREEK PTY LTD

PO Box 294, Tennant Creek 0861
Northern Territory, Australia

ANNUAL REPORT FOR

EXPLORATION LICENCE 8823


GREEN SWAMP WELL PROSPECT

TENNANT CREEK 1:250,000 MAP SHEET NO SE53-14

VOLUME 1 OF 1

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DATE:
MAY 2000

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EL 8823 is centred approximately 115 km WSW of Tennant Creek and covers an area of 530km² within NT Portion 2884, Karlantijpa South Aboriginal Land Trust and NT Portion 2845 Karlantijpa North Aboriginal Land Trust. This report details exploration undertaken for the period from 8 March 1999 to 7 March 2000.

Exploration conducted over the tenement from 8 March 1999 to 7 March 2000 has included:
- a 200m line-spacing aerial geophysical survey
- depth to basement modeling using AMAG data
- 1:25,000 color aerial photography
- the purchase Landsat TM data
- an assessment of the geographic setting using the aerial photography and Landsat TM data

The outcome of the preliminary assessment of the AMAG data was not favourable. The average depth to magnetic basement was in excess of 300m and no obvious magnetic anomalies characteristic of Tennant Creek-style ironstone associated Au-Cu deposits were evident.
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1 CONCLUSIONS & RECOMMENDATIONS

Exploration conducted over the tenement from 8 March 1999 to 7 March 2000 has included an aerial geophysical survey and aerial photography. Preliminary analysis of the data indicates a significant thickness (>300m) of Cambrian Wi so Basin cover over the majority of the tenement. No magnetic targets suggestive of Tennant Creek style magnetite associated Au-Cu deposits have been identified.

2 INTRODUCTION

This report details exploration undertaken by Normandy Tennant Creek Pty Ltd (Normandy) on EL 8823 for the period from 8 March 1999 to 7 March 2000.

3 LOCATION, ACCESS AND CLIMATE

EL 8823 is centred approximately 115km SW of Tennant Creek. Access is via the sealed Stuart Highway south of Tennant Creek to Cabbage Gum Bore, then 130km west and south along tracks. Alternatively from Tennant Creek to Warrego, then west for approximately 11.5km along the Wiso Bore graded road then south and west for approximately 132km on 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 8823 covers an area of 530km2 within NT Portion 2884, Karlantijpa South Aboriginal Land Trust and NT Portion 2845 Karlantijpa North Aboriginal Land Trust. The application was lodged on the 6/7/1994 and approval to negotiate was given on the 29/11/1994.

EL 8823 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 164 graticular.
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 volcaniclastics 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 dunes within this tenement. The Warramunga Group consist of turbiditic siltstones and sandstones with subordinate volcanlastic lithofacies. Ironstones and felsic porphyries 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 area is largely covered with Quaternary aeolian dunes with minor outcrops of lateratised Middle Cambrian Merrina sedimentary beds that unconformably overlie the Proterozoic basement on the NE margin of the licence area. Spinifex and acacia scrub are dominant in the areas of dunes and patchy mulga thickets are present on the NE boundary of the licence area.

7 PREVIOUS WORK

This area was explored by Geopeko under EL 983 that was granted in February 1974 and relinquished in 1977. A high level aeromagnetic survey and a B.M.R. regional survey were conducted prior to the granting of EL 983. A low-level aeromagnetic survey was conducted by Geopeko in 1974 and covered a large area that included the present EL 8823. No discrete magnetic anomalies, resembling Tennant Creek type ironstone responses were identified. Analysis of the low-level aeromagnetic data indicated that the magnetic features were at depths of >300m (Bujtor, 1977).

The area east of EL 983 was covered by EL 981 (Geopeko) and was granted in February 1974 and relinquished in November 1977. Detailed computer modeling of the low level aeromagnetic data together with statistical analysis revealed that no discrete magnetite bodies will be found within EL 981 (Duck, 1977). From 1982 to 1983, Geopeko held EL 1286 but no drilling was carried out and only additional geological interpretation was conducted (Harbon, 1983).
WORK CARRIED OUT DURING THE REPORTING PERIOD

Normandy used the contractor Kevron to fly an aerial geophysical survey at 200m spacing and a mean terrain clearance of 40m. The results of the survey are presented as Contoured Total Magnetic Intensity in Figure 2. Digital data, including leveled AMAG, radiometrics and a digital topographic heights is presented in Appendix 1. Preliminary analysis of this survey data did not show any magnetic anomalies suitable for exploration targeting as Tennant Creek style Au-Cu mineralisation hosted by magnetite ironstone.

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 east 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 is 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 300m with some areas including cover in excess of 500m. Cover thickness of this scale precludes exploration for economic deposits.

Aerial photography was completed over 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 dunes, with only the NE margin of the including probable exposure of lateratised Wiso Basin Succession lithofacies.

EXPENDITURE STATEMENT FOR THE PERIOD 26/2/1999 TO 25/2/2000

During the reporting period of tenure, the EL 8823 incurred an expenditure of $79,409. A breakdown of this expenditure follows (Table 1):

<table>
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<tr>
<td>Specialist Services</td>
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<tr>
<td>Indigenous Affairs</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$79,409</strong></td>
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Tenement rental for the year to March 2000 was $1,640 and the Total Expenditure is $81,049.
Figure 2: Contoured TMI AMAG
Figure 3: Contoured AMAG Depth to Basement Estimate
10 RECOMMENDED WORK PROGRAM & PROPOSED EXPENDITURE FOR
THE PERIOD 26/2/2000 TO 25/2/2001

Proposed exploration activities for the period 8 March 2000 to 7 March 2001 will involve further 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 most intense magnetic anomalies in those areas where Wiso Basin Succession thickness is <300m.

The proposed exploration expenditure for EL 8823 for the next year of tenure is as follows (Table 2):

Table 2: Proposed Exploration Expenditure for EL 8823

<table>
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<td>Overheads</td>
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<td>Drilling</td>
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<tr>
<td>Assays</td>
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<tr>
<td>Specialist Services</td>
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<tr>
<td>Indigenous Affairs</td>
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<tr>
<td>Operating Costs</td>
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<tr>
<td>Tenement Costs</td>
<td>$ 30</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 22,950</strong></td>
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Tenement rental for the year to March 2001 is $1,640 and the Total Proposed Expenditure is $24,590.

11 ENVIRONMENTAL / REHABILITATION REPORT

Because no on-ground work that could cause substantial disturbances has been conducted on EL 8823, no environmental rehabilitation has occurred during the reporting period. With regards to rehabilitation of ground disturbance caused by historical mining and exploration activities, Normandy’s ongoing rehabilitation program is described below.

Normandy has commenced an active rehabilitation programme over much of the Tennant Creek field. This commitment has been reinforced within the Normandy Group with the appointment of a Group Environmental Engineer to oversee and implement the Group's guidelines and objectives. In addition to this an Decommissioning Superintendent has been engaged at Tennant Creek to design and implement the Group's objectives throughout the Tennant Creek area.

Several active rehabilitation programs are currently being undertaken in the Tennant Creek field. These include programs at Nobles Nob, Eldorado, White Devil, Orlando, Ivanhoe and Warrego.

Environmental Management Plans for the Company's Tennant Creek Operations (Fowler, 1993; Fowler et al., 1998) have been submitted to the Department of Mines and Energy under separate cover. These plans detail the strategies to be implemented over various areas following completion of exploration programmes and mining operations.
12 REFERENCES


APPENDIX ONE

AERIAL GEOPHYSICAL SURVEY DIGITAL DATA
BIBLIOGRAPHIC DATA SHEET

REPORT NUMBER: TENNANT CREEK: 20023 ADELAIDE: 26136


PROSPECT NAME: GREEN SWAMP WELL

TENEMENT NUMBER: EL 8823

OWNER/JV PARTNERS: NORMANDY TENNANT CREEK PTY LTD ANGLOGOLD LIMITED

AGREEMENTS: DESERTEX BABYLON AGREEMENT

COMMODITIES: GOLD, BASE METALS

TECTONIC UNITS: TENNANT CREEK INLIER

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

1:250,000 MAP SHEET: GREEN SWAMP WELL SE53-13

1:100,000 MAP SHEET: BILLIAT 5558 WOOD 5458

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