



**NORMANDY TENNANT CREEK PTY
LTD**

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Our Ref: EXP:VO:MB: Eldorado.doc
TCK: VO ADEL:

Mr M A Errity
Director of Titles
Department of Mines and Energy
GPO Box 2901
DARWIN NT 0801

Dear Mr Errity

**MLCs 15, 16, 49, 50, 51, 225-228, 498-505, 518, 523, 528,
529, 535, 546, 561, 581-583 & 683
ELDORADOB LEASES
ANNUAL REPORT**

Please find enclosed (*) the Annual Report for MLCs 15, 16, 49, 50, 51, 225-228, 498-505, 518, 523, 528, 529, 535, 546, 561, 581-583 & 683. This report covers the period from 26 February 2000 to 25 February 2001.

If you have any queries concerning this report, please contact the undersigned.

Yours sincerely

Vergil Orton
Tenement Management Geologist

enc. (Annual report)

ANNUAL REPORT FOR MLCs 15, 16, 49, 50, 51, 225-228, 498-505, 518, 523, 528, 529, 535, 546, 561, 581-583 & 683 FOR THE YEAR ENDING 25 FEBRUARY 2001, ELDORADO LEASES, NOBLES NOB REPORTING GROUP, TENNANT CREEK 1:250,000 MAP SHEET NO SE53-14

1 CONCLUSIONS & RECOMMENDATIONS

A work proposal and request for site clearance was submitted to the CLC for 2 diamond drillholes at Eldorado Anomaly 5 in April 1999. The site clearance survey is planned for April 2000 and drilling will be undertaken before the end of June 2000.

No on ground exploration has been planned for the remainder of 2001.

With the sale of Normandy Tennant Creek Pty Ltd (Normandy) to Giants Reef Mining Ltd (Giants Reef), Giants Reef will be initiating new exploration programs over the areas covered by Normandys present tenement holdings. The sale of all Normandy Tennant Creek assets to Giants Reef Mining should conclude on the 23rd May 2001.

2 INTRODUCTION

This report details work completed on MLCs 15, 16, 49, 50, 51, 225-228, 498-505, 518, 523, 528, 529, 535, 546, 561, 581-583 & 683. This report describes exploration activities conducted on these tenements between 26 February 2000 to 25 February 2001.

3 LOCATION & ACCESS

The Eldorado leases (MLCs 15, 16, 50, 51, 498-505, 518, 523, 528, 529, 535, 546, 581-583 & 683) are situated approximately 5 km SSE of the Tennant Creek township. The area can be accessed via the Stuart Highway south for four kilometres and turning east along the Eldorado Mine road.

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

The Eldorado Leases Reporting Group is formed by the following leases MLCs 15, 16, 49, 50, 51, 225-228, 498-505, 518, 523, 528, 529, 535, 546, 561, 581-583 & 683. The leases cover 267.8 ha.

The Eldorado leases (MLCs 15, 16, 50-51, 498-505, 518, 523, 528-529, 535, 546, 581-583 & 683) were first granted to Eldorado Tennant Creek Limited in 1956 for a period of 21 years. Subsequent to the liquidation of Eldorado Tennant Creek Limited in 1972 the leases were transferred to GeoPeko Limited (GeoPeko). The ownership of the leases was transferred to Tennant Creek Operations Limited (now Normandy Tennant Creek Pty Limited) on 23 April 1992 and approved on the 14 July 1992. Three of the Eldorado leases (MLC 16, 50 & 498) are part of an agreement between Normandy Tennant Creek Pty Limited (Normandy) and Mr John Love, who has re-treated the old Eldorado tailings and is now rehabilitating the area.

The area covered by MLCs 225-228 was previously held by Peko Mines NL (Peko) under MLs 231E and 232E covering the Explorer 33 & 34 magnetic anomalies. MLs 231E and 232E were first granted in 1965. In 1969, Nobelex NL (Nobelex) and Peko proposed a joint exploration venture on the leases under Authority to Prospect (AtoP) 2386. The leases were relinquished in 1971. MLCs 225-228 were granted to Nobelex in 1975 for a period of 21 years, covering the Z1 (Explorer 33), Z2 (Explorer 34) and newly defined Z3 magnetic anomalies.

MLC 49 (Explorer 31), formerly Mineral Lease 228E, was initially granted to GeoPeko on 5 January 1965 for a period of 21 years. The lease covers 16 hectares. GeoPeko signed a joint venture agreement with Quadric Pty Ltd (Quadric, a wholly owned subsidiary of National Gold NL) and Tribune Developments Pty Ltd (Tribune, a wholly owned subsidiary of Adelaide Petroleum NL) in August 1987. The joint venture interests were GeoPeko (50%), Quadric (25%) and Tribune (25%). Quadric sold their 25% interest in the joint venture to Sabminco in May 1989. During the quarter ending 30 June 1988, the joint venture partners were advised by the Aboriginal Sacred Sites Authority in Darwin that a broad zone covering the Mount Samuel Range and adjoining areas was being investigated by anthropologists. The zone included Explorer 31 and all the remaining areas owned or controlled by the joint venture partners. The aim was to register the zone as a sacred site. The zone was eventually registered as a sacred site (Marla Marla/Kantaji – ref 5758-15). GeoPeko applied for the renewal of the lease on 26 June 1990. MLC 49 was renewed on the 1 January 1990 for a period of ten (10) years. The title was transferred from Peko Wallsend Operations Ltd (GeoPeko) to Poseidon Gold Limited (Poseidon) soon after.

Australian Development Limited (ADL) applied for GML 688E (formerly 516E) known as Hammerjack in 1964. The lease was then transferred to Nobelex in July 1969. GML 688E became MLC 561 (Hammerjack) and the property of Poseidon in 1991. MLC 561 is, like MLC 49, located within the Marla Marla/Kantaji (ref 5758-15) registered sacred site.

A tenure summary is presented in Table 1.

Title	Tenement Name, Location	Area	Date Granted	Date Expires	Annual Rent
MLC 15	ELDORADO No.4	17.00 ha	04/10/56	31/12/22	\$170.00
MLC 16	ELDORADO No.5	17.00 ha	04/10/56	31/12/22	\$170.00
MLC 49	MT SAMUEL	16.00 ha	01/05/65	31/12/00	\$160.00
MLC 50	ELDORADO, Explorer 32W	9.00 ha	24/02/65	31/12/00	\$90.00
MLC 51	ELDORADO, Explorer 32E	6.00 ha	24/02/65	31/12/00	\$60.00
MLC 225	NOBLES NOB, Z1, Z2, Z3 Anomalies	17.00 ha	10/10/75	31/12/05	\$170.00
MLC 226	NOBLES NOB, Z1, Z2, Z3 Anomalies	17.00 ha	10/10/75	31/12/05	\$170.00
MLC 227	NOBLES NOB, Z1, Z2, Z3 Anomalies	17.00 ha	10/10/75	31/12/05	\$170.00
MLC 228	NOBLES NOB, Z1, Z2, Z3 Anomalies	17.00 ha	10/10/75	31/12/05	\$170.00
MLC 498	ELDORADO No.1	9.00 ha	31/05/41	31/12/07	\$90.00
MLC 499	ELDORADO No.2	9.00 ha	31/05/41	31/12/07	\$90.00
MLC 500	ELDORADO No.3	8.00 ha	31/05/41	31/12/07	\$80.00
MLC 501	ELDORADO No.4	4.00 ha	31/05/41	31/12/07	\$40.00
MLC 502	ELDORADO No.5	9.00 ha	31/12/41	31/12/07	\$90.00
MLC 503	ELDORADO No.6	8.00 ha	31/12/41	31/12/07	\$80.00
MLC 504	ELDORADO	6.00 ha	02/08/41	31/12/07	\$60.00
MLC 505	ELDORADO	4.00 ha	02/08/41	31/12/07	\$40.00
MLC 518	ELDORADO, The Ellen	9.00 ha	04/12/50	31/12/12	\$90.00
MLC 523	ELDORADO No.7	9.00 ha	13/01/54	31/12/05	\$90.00
MLC 528	ELDORADO, The Dingo	7.00 ha	22/02/56	31/12/22	\$70.00
MLC 529	ELDORADO, Cats Whiskers	6.00 ha	18/04/56	31/12/22	\$60.00
MLC 535	ELDORADO No.5 Extended	2.00 ha	27/11/56	31/12/22	\$20.00
MLC 546	ELDORADO, The Mount	9.00 ha	23/10/58	31/12/99	\$90.00
MLC 561	HAMMERJACK	9.00 ha	06/10/64	31/12/09	\$90.00
MLC 581	ELDORADO A	5.00 ha	09/06/71	31/12/12	\$50.00
MLC 582	ELDORADO B	6.00 ha	09/06/71	31/12/12	\$60.00
MLC 583	ELDORADO C	2.00 ha	09/06/71	31/12/12	\$20.00
MLC 683	ELDORADO S	10.99 ha	21/12/89	31/12/05	\$110.00
264.99 ha					\$2,650.00

5 PREVIOUS WORK

Previous exploration and mining history has been presented in Hill (1999).

A work proposal and request for site clearance was submitted to the CLC for 2 diamond drillholes at Eldorado Anomaly 5 in April 1999 and approved in 2000. The site clearance survey is planned for April 2000 and drilling was undertaken after June 2000.

In October and November 1999 airborne Time Domain Electro-Magnetics (TDEM) survey was flown over part of the Eldorado leases that included MLC 227 and 228. This is a Normandy proprietary system. The helicopter borne sensor was flown at 30m mean terrain clearance and 100m line spacing. Analysis of the data is underway and will be reported in the annual report for the Eldorado group of leases in March 2001. Digital data for both the high-resolution aero-magnetics survey and the aerial TDEM survey are presented in Orton, 2000.

Environmental rehabilitation of historical exploration drill holes were completed with 86 drill holes plugged with concrete plugs in a manner as stipulated by the Northern Territory Department of Mines and Energy.

Final mag-probe interpretation and modeling was completed. The work supports earlier conclusions that the ironstone bodies (probably three) that are responsible for the magnetic anomalies were not intersected in the two recent drill holes, but they appear to be too small to be a Normandy sized target for further work.

Three diamond drill holes were completed (EL5DD-001, EL5DD-002, EL5DD-003). The follow-up hole EL5DD-003 was completed at a depth of 442.6m (271m RC precollar, 171.6m NQ2). Sheared talc-magnetite and magnetite-haematite-quartz lode was intersected between 402 and 408m. Minor disseminated pyrite and chalcopyrite was noted but preliminary assays (gold only) returned a best result of 1m at 1.2ppm Au from 402.7m. Magprobe interpretation indicates two small to moderate sized ironstones within 50m of the hole but separate to the smaller lode intersected. Digital data for the drilling will be forwarded by Giants Reef Mining at the completion of sale proceedings for Normandy Tennant Creek.

No on ground exploration has been planned for the remainder of 2001.

6 EXPENDITURE STATEMENT FOR THE PERIOD 26/02/2000 TO 25/02/2001

During the reporting period, MLCs 15, 16, 49, 50, 51, 225-228, 498-505, 518, 523, 528, 529, 535, 546, 561, 581-583 & 683 incurred an expenditure of \$145,388. A breakdown of this expenditure follows (Table 2):

Table 2: Exploration Expenditure for Eldorado Leases from 26/02/2000 to 25/02/2001

EXPENSE	COST
Employee Costs	\$ 4,914
Overheads	\$ 1,608
Drilling	\$ 104,324
Assays	\$ 5,100
Operating Costs	\$ 4,817
Specialist Services	\$ 20,620
Tenement Management Costs	\$ 39
Indigenous Affairs	\$ 3,966
Research	\$ 0
TOTAL	\$ 145,388

The Tenement Rental Costs incurred are \$2,650. Normandy's total expenditure on MCC 56 and MLCs 18, 339-342 during the reporting period is \$148,038.

7 RECOMMENDED WORK PROGRAM & PROPOSED EXPENDITURE FOR THE PERIOD 26/02/2001 TO 25/02/2002

With the sale of Normandy Tennant Creek Pty Ltd (Normandy) to Giants Reef Mining Ltd (Giants Reef), Giants Reef will be initiating new exploration programs over the areas covered by Normandys present tenement holdings. The proposed exploration expenditure for MLCs 15, 16, 49, 50, 51, 225-228, 498-505, 518, 523, 528, 529, 535, 546, 561, 581-583 & 683 for the next year of tenure is as follows (Table 3):

Table 3: Proposed Exploration Expenditure for the Eldorado Leases

EXPENSE	COST
Employee Costs	\$ 1,500
Overheads	\$ 500
Drilling	\$ 0
Assays	\$ 0
Operating Costs	\$ 1,000
Specialist Services	\$ 2,000
Tenement Management Costs	\$ 50
Indigenous Affairs	\$ 1,000
TOTAL	\$ 6,050

Tenement rental and renewal fees for the year to December 2002 is \$2,915 (265 ha @ \$11.00/ha) and the Total Expenditure is \$8,965.

8 REFERENCES

- Hill, M (1999): *Annual Report for MLCs 15, 16, 49, 50, 51, 225-228, 498-505, 518, 523, 528, 529, 535, 546, 561, 581-583 & 683 for the year ending 25 February 1999, Nobles Nob Reporting Group, Eldorado Leases, Tennant Creek 1:250,000 Map Sheet No. SE53-14, Volume 1 of 1.* Normandy Tennant Creek Report to NTDME 99015.
- Orton, V (2000): *Annual Report for MLCs 15, 16, 49, 50, 51, 225-228, 498-505, 518, 523, 528, 529, 535, 546, 561, 581-583 & 683 for the year ending 25 February 2000, Nobles Nob Reporting Group, Eldorado Leases, Tennant Creek 1:250,000 Map Sheet No. SE53-14, Volume 1 of 1.* Normandy Tennant Creek Report to NTDME 20009.