



**NORMANDY TENNANT CREEK PTY
LTD**

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

Dear Mr Errity

**MLC's 38, 235-261, 362-387, 432, 530, 606-616
LONE STAR LEASES
ANNUAL REPORT**

Please find enclosed (*) the Annual Report for MLC's 38, 235-261, 362-387, 432, 530, 606-616. 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 MLC's 38, 235-261, 362-387, 432, 530, 606-616 FOR THE YEAR ENDING 25 FEBRUARY 2001, LONE STAR LEASES, NOBLES NOB REPORTING GROUP, TENNANT CREEK 1:250,000 MAP SHEET NO SE53-14

1 CONCLUSIONS & RECOMMENDATIONS

Exploration conducted over the tenements during 2000 included a thorough review of the tenements is in progress with a possible recommendation for relinquishment/sale of some, or all, of the J.V. leases. The depth to the Mulga 1 and Mulga 2 ironstones mean that there are no current high priority Au-Cu targets. Further work will be proposed in the future to follow-up anomalous intersections in RAB drilling at Plain Jane, but this will not be until the 2002 financial year at the earliest. 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 MLC's 38, 235-261, 362-387, 432, 530, 606-616. This report describes exploration activities conducted on these tenements between 26 February 2000 to 25 February 2001.

3 LOCATION & ACCESS

The Lone Star JV tenements comprises of two groups of mineral leases (Lone Star Leases and Mulga Leases) located approximately 11 km ENE of the township of Tennant Creek. Access is gained via the Lone Star to Perseverance dirt road, which traverses the tenements.

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 Lone Star Joint Venture commenced in November 1979 with Nobelex Limited (50%) and Homestake Gold of Australia Limited (50%) with the latter's interest conditional on sole funding \$550,000 of exploration. Normandy Tennant Creek Pty Ltd (Normandy Gold Pty Limited) has now replaced Nobelex and the interests of the parties are currently Normandy Tennant Creek Pty Ltd 53.66% and Homestake Gold of Australia Limited 46.34%.

The Lone Star JV comprises 49 Mineral Leases Central Numbers forming two groups of leases (Lone Star and Mulga 1 & 2). The Lone Star Group is composed by the following leases: MLC 362-375, 530, 606-616. The following leases compose the Mulga 1 & 2 group: MLC 38, 253-255, 376-380 383 and 432 (forming Mulga 1) and MLC 256-261, 381, 382, 384-387 (forming Mulga 2). All tenure details are presented in Appendix 1.

A registered sacred site (Tarla 5758-007), covering an area of 2.43 hectares covers part of the Lone Star workings. The Warramunga Land Claim boundary traverses the leases.

5 PREVIOUS WORK

Previous exploration and mining history has been presented in Stott and Mouchet, (1998).

The Area of Interest Agreement was signed on 9 December 1998. This agreement, between Central Land Council, Traditional Landowners and Normandy, establishes land access for mineral exploration upon Warrumungu Land Trust areas.

An environmental audit has been completed and covered all historical disturbances in the Tennant Creek mineral field, including the Mulga and Lone Star areas. The audit located and detailed all occurrences of disturbance including mine workings, tracks, dumps, drillholes, excavations, buildings and rubbish.

No other on ground exploration was undertaken in 2000. 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, MLC's 38, 235-261, 362-387, 432, 530, 606-616 incurred an expenditure of \$3,096. A breakdown of this expenditure follows (Table 2):

Table 2: Exploration Expenditure for MLC's 38, 235-261, 362-387, 432, 530, 606-616 from 26/02/2000 to 25/02/2001

| EXPENSE | COST |
|---------------------------|-----------------|
| Employee Costs | \$ 477 |
| Overheads | \$ 46 |
| Drilling | \$ 0 |
| Assays | \$ 0 |
| Operating Costs | \$ 498 |
| Specialist Services | \$ 2,025 |
| Tenement Management Costs | \$ 50 |
| Indigenous Affairs | \$ 0 |
| Research | \$ 0 |
| TOTAL | \$ 3,096 |

The Tenement Rental Costs incurred are \$6,670. Normandy's total expenditure on MCC 56 and MLCs 18, 339-342 during the reporting period is \$9,766.

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 MLC's 38, 235-261, 362-387, 432, 530, 606-616 for the next year of tenure is as follows (Table 3):

Table 3: Proposed Exploration Expenditure for the MLC's 38, 235-261, 362-387, 432, 530, 606-616

| EXPENSE | COST |
|---------------------------|-----------------|
| Employee Costs | \$ 500 |
| Overheads | \$ 50 |
| Drilling | \$ 0 |
| Assays | \$ 0 |
| Operating Costs | \$ 500 |
| Specialist Services | \$ 1,000 |
| Tenement Management Costs | \$ 50 |
| Indigenous Affairs | \$ 0 |
| TOTAL | \$ 2,100 |

Tenement rental and renewal fees for the year to December 2002 is \$7,337 (667 ha @ \$11.00/ha) and the Total Expenditure is \$9,437.

8 REFERENCES

Stott, J & Mouchet, POJ (1998): *Report on Exploration activities for the period 1/2/97 to 31/3/98 and proposed 1998 work programme*, Lone Star Joint Venture, Normandy Gold Pty Limited (53.66%), Homestake Gold of Australia Limited (46.34%), Tennant Creek Map Sheet NO SE53-14, Volume 1 of 1. DME Report No. 98050.