3rd ANNUAL REPORT FOR
EL 7739 (ROVER CENTRAL)

for the period
05/06/2002 to 04/06/2003

Wiso – Rover Project
NORTHERN TERRITORY

Volume 1 of 1

1:250,000 SHEET: Green Swamp Well SE53-13
Tennant Creek SE53-14

1:100,000 SHEET: Billiatt 5558
Kelly 5658

AUTHOR: E.J. Whittaker, M. Walter

TENEMENT HOLDERS: Newmont Gold Exploration Pty Ltd

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☐ Newmont Australia

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EL 7739 is centred approximately 75 km SW of Tennant Creek and covers an area of 242 km² within NT Portion 3556, Karlantjpa South Aboriginal Land Trust. This report details the period from 5 June 2002 to 4 June 2003.
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1. CONCLUSIONS & RECOMMENDATIONS

Analysis of AMAG suggest a significant thickness (>300m) of Cambrian Wisio Basin cover over the majority of the tenement. Several intense magnetic anomalies, with characteristics, typical of Tennant Creek style magnetite associated Au-Cu deposits, were identified. Further model refinement is required to determine if drill testing of the anomalies is justified.

2. INTRODUCTION

This report details work undertaken by Newmont Gold Exploration Pty Ltd (Newmont) on EL 7739 for the period from 5 June 2002 to 4 June 2003.

3. TENEMENT DETAILS

EL 7739 covers an area of 242km² within NT Portion 3556, Karrantijpa South Aboriginal Land Trust. The application was lodged on the 26/2/92 and approval to negotiate was given on the 2/6/1992.

EL 7739 was granted on the 5 June 2000 after the signing of an agreement with the Central Land Council (Babylon II Deed of Terms & Conditions for Exploration) on the 29 March 2000. The exploration licence covers an area of 75 graticular blocks.

<table>
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<td>75</td>
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<tr>
<td>Expiry</td>
<td>04/06/2006</td>
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</table>

4. LOCATION, ACCESS AND PHYSIOGRAPHY

EL 7739 lies approximately 60 km SW of Tennant Creek. Access is via the sealed Stuart Highway south of Tennant Creek to Cabbage Gum Bore 60km, 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 for approximately 50km via 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.
NEWMONT EXPLORATION

EL7739 - ROVER CENTRAL
TENEMENT LOCATION PLAN

SCALE 1:1,000,000
01/07/2003

UTM Zone 53 (AGD66)

FIGURE 1
5. PREVIOUS EXPLORATION

A low-level aeromagnetic survey was conducted by Geopeko during 1973 to 1974 and covered a large area that included the present EL 8921. Several discrete magnetic anomalies were identified as potentially similar to a Tennant Creek-type ironstone response.

Australian Ores and Minerals Limited held this area with an Authority to Prospect 2451 prior to 1970 and a detailed aeromagnetic survey undertaken at the end of 1970 (Williams, 1972). A number of anomalies were defined in this survey. This Authority was converted to EL 228 on the 21/5/1972 and relinquished on the 21/5/1977 (Duck, 1977).

From 31/10/1978 to 30/10/1983, Geopeko, Shell Minerals Exploration and Australian Ores and Minerals held this area under EL 1849. Between 1979 to 1983, detailed magnetic surveys were conducted over selected prospects to assist in exploratory drilling. A gravity survey totaling 94.2 line kilometres was carried out in 1978/79. Results were encouraging and a further 61.4 line kilometres surveyed in 1979/80. Of the 23 investigated and mineral leases pegged (Harbon, 1993), 18 of these prospects fall within EL7739 with exploratory drilling undertaken on 7 of these prospects. The best results achieved within EL7739 came from the Rover 12 prospect where two diamond drill holes were completed. Hole RV026 intersected 3m at 1.8% Cu from 537m and RV027 intersected 8m at 0.9% Cu from 503m and 2m at 2.45g/t Au from 519m.

Newmont used the contractor Kevron to fly an aerial geophysical survey at 100m spacing and a mean terrain clearance of 40m IN 1998. The results of the survey have previously been supplied to the NTDME. Preliminary analysis of this survey data shows one intense magnetic anomaly potentially suitable for exploration targeting as Tennant Creek-style Au-Cu mineralisation hosted by magnetite ironstone.

This anomaly has characteristics that are considered to be atypical of Tennant Creek-style Au-Cu deposits, including remnant magnetism. Additional modelling and refinement of interpretation is required to determine if drill testing is justified.

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 southwest of the tenement. The AMAG data was modelled using in-house proprietary algorithms to estimate depth to basement within the area of the tenement. The results of this modelling are 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 200m 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 colour 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 cover, with spinifex and acacia vegetation and localised mulga and gum thickets. Previous Exploration by Normandy NFM

Reprocessing and reinterpretation of aeromagnetic, radiometric and spot satellite imagery data was carried out by Normandy NFM in year two. This produced two major linear magnetic features trending in a northwest direction extending for several tens of kilometres. All aeromagnetic and radiometric data was processed by ORE Research and Exploration Pty Ltd using proprietary gridding and image processing systems while the spot satellite images were produced inhouse by Normandy NFM. A literature search was also performed to assess the most appropriate method of evaluating mineral potential of the tenement in planning an exploration work program for the third year of tenure.

A ground magnetic survey was carried out during the third year of tenure to define the magnetic features and provide the basis for a reconnaissance RAB drilling program. Three areas of interest emerged from reconnaissance lag and rock chip sampling.
The exploration program in year four was focussed on these areas. A RAB drilling program was primarily undertaken in preparation for a 50% reduction of the licence area to be at the end of year four. A soil program was also scheduled for this purpose, but was postponed due to adverse ground conditions. A 12 month waiver of relinquishment was therefore granted.

During year five, the exploration program was focussed on concluding the year four programs, mainly a soil program over a prominent geophysical target in the south of EL7834. A small RAB program was also conducted to investigate the depth of cover under lag anomalism in the centre of the tenement. A 50% relinquishment was also conducted.

6. GEOLOGY

6.1 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.

6.2 Tenement Geology

Lower Proterozoic Warramunga Group, Flynn Subgroup and Proterozoic granitoids are interpreted to occur under Cambrian Wiso Basin Succession and Quaternary cover within this tenement. The Warramunga Group consists of turbiditic siltstones and sandstones with subordinate volcaniclastic 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 tenement area is covered with Quaternary sediments with no outcrop.
7. WORK UNDERTAKEN - EL7739

Work undertaken during the work period has been limited to ongoing re-assessment and interpretation of previously collected data sets.


During the reporting period of tenure, the EL 7739 incurred an expenditure of $5,880. A breakdown of this expenditure follows (Table 1):

**TABLE 1 - Details of Exploration Expenditure for Reporting Period (EL7739),**

<table>
<thead>
<tr>
<th>EXPENSE</th>
<th>COST</th>
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<tr>
<td>Employee Costs</td>
<td>$ 3,489</td>
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<td>Overheads</td>
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<td>Operating Costs</td>
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<tr>
<td>Specialist Services</td>
<td>$</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 5,880</strong></td>
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</table>

For the year to 4th June 2002, tenement rental and fees were $1970.00 and indigenous costs were $7,196.34 and the total expense was $14,381. A variation of covenant has been applied for, as the covenant of $40,000 was not reached.

9. FORWARD PROGRAM

Proposed exploration activities for the period 5 June 2003 to 4 June 2004 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 identified magnetic anomalies. Fieldwork will involve detailed ground magnetics and gravimetric surveys. Provision is made for a 400m hole to test one of the shallower targets if justified by additional magnetic modeling.

The proposed exploration expenditure for EL 7739 for the next year of tenure is as follows (Table 2):

**TABLE 2: Proposed Exploration Expenditure for EL 7739**

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<tr>
<td>Assays</td>
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<tr>
<td>Operating Costs</td>
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<tr>
<td>Specialist Services</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 40,000</strong></td>
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</table>

10. ENVIRONMENTAL / REHABILITATION REPORT

Because no on-ground work has been undertaken that could cause substantial disturbances on EL 7739, no environmental rehabilitation has occurred during the reporting period.
11. REFERENCE LIST / ANNUAL REPORT BIBLIOGRAPHY


DONNELLAN, N, HUSSEY, K J & MORRISON, R S. (1995): *FLYNN (5759) AND TENNANT CREEK (5758) 1:100,000 GEOLOGICAL MAP SERIES. DEPT. MINES AND ENERGY, NT GEOL SURV.*


APPENDIX 1

REPORT METADATA FORM
Northern Territory Department of Mines and Energy

REPORT METADATA FORM
(MINERAL EXPLORATION)

PART A (DME USE ONLY)
Report Number Date Received
Collation ___ pp. ___ figs ___ logs ___ maps ___ apps.
Media ___ CDs ___ 1.5“ ___ Exab. ___ DLT ___ vols.

PART B
Tenure Number(s) EL 7739 Company Report Number 31107
Report Date Anniversary Date
Group Project Name
Report Title 3rd ANNUAL REPORT FOR EXPLORATION LICENCE 7739 FOR THE PERIOD FROM 5/6/2002 TO 4/6/2003
Author(s) E. Whittaker M. Walter
Corporate Author(s) NEWMONT GOLD EXPLORATION PTY. LTD
Maps 1 : 250 000 SE53-13 SE53-14
Maps 1 : 100 000 5558 5658

Tectonic Units
- Amadeus Basin
- Carpentaria Basin
- McArthur Basin
- Pine Creek Inlier
- Arafura Basin
- Daly Basin
- Money Shoal Basin
- Simpson Basin
- Arnhem Inlier
- Dunmarra Basin
- Murphy Inlier
- South Nicholson Basin
- Arunta Inlier
- Eromanga Basin
- Musgrave Block
- Tennant Creek Inlier
- Birrindudu Basin
- Fitzmaurice Mobile Zone
- Ngalia Basin
- Victoria Basin
- Bonaparte Basin
- Georgina Basin
- Ord Basin
- Warburton Basin
- Browse Basin
- Granites-Tanami Inlier
- Pedirka Basin
- Wiso Basin

Other structural units

Stratigraphic Names
WARRAMUNGA GROUP FLYNN SUB-GROUP WISO BASIN SUCCESION

AMF Thesaurus Terms - General
- Geological mapping
- Regional Geology
- Stratigraphy
- Structural Geology
- Metallogenesis
- Remote sensing
- Imagery
- Landsat
- Petrology
- Lithology
- Literature reviews
- Metamorphism
- Lineaments
- Photogeology
- Reconnaissance
- Indicator minerals

Other terms ...

AMF Thesaurus Terms - Target Minerals
- Gold
- Silver
- Tin
- Diamonds
- Lead
- Copper
- Platinum Group Minerals
- Industrial Minerals
- Zinc
- Uranium
- Bauxite

Others...
# Appendix

## AMF Thesaurus Terms - Mining
- Environmental impact surveys
- Feasibility studies
- Geostatistics
- Metallurgy
- Ore reserves
- Resource assessment
- Mineral resources
- Mining geology
- Mine design
- Mine drainage
- Mine evaluation
- Pits

## AMF Thesaurus Terms - Geophysical Surveys
- Aerial magnetic surveys
- Aerial radioactivity surveys
- Aerial EM surveys
- Ground EM surveys
- Gravity surveys
- Geophysical anomalies
- Gravity anomalies
- Bouger anomaly maps
- Sirotem surveys
- Ground magnetic surveys
- IP surveys
- Resistivity surveys
- Seismic surveys
- Magnetic anomalies
- Geophysical interpretation
- Geophysical logs

## AMF Thesaurus Terms - Geochemical Exploration – Surface sampling
- Geochemical sampling
- Stream sediment sampling
- Rock chip sampling
- Bulk sampling
- Soil sampling
- Heavy mineral sampling
- Geochemical anomalies
- Assaying
- Isotope geochemistry
- Whole rock analysis
- X ray diffraction
- Sample location maps

## AMF Thesaurus Terms - Geochemical Exploration - Drill sampling
- Diamond drilling
- RAB drilling
- Percussion drilling
- Air drilling
- RC drilling
- Rotary drilling
- Vacuum drilling
- Auger drilling
- Drill hole logs
- Drill core analysis

## Drilling Type
- Diamond
- Percussion
- Vacuum
- RAB
- Auger
- Air
- RC
- Rotary
- Other ...

## Drilling Type

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<td>Auger</td>
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## Mine / Deposit / Prospects

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<th>Location - Datum</th>
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<tr>
<td>Prospects</td>
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