

# ***CENTRAL DESERT JOINT VENTURE***

**Otter Gold NL (60%)**

**Anglogold Australia Pty Ltd (40%)**

TANAMI REGION  
NORTHERN TERRITORY

## **2<sup>nd</sup> ANNUAL REPORT**

EL8077  
EL9479  
EL10282  
EL10283  
EL10299  
EL10300  
EL10355  
EL10411  
EL22177  
EL22179

4<sup>th</sup> JUNE 2002 to 3<sup>rd</sup> JUNE 2003

### ***LEGEND 2 AGREEMENT***

Volume 1 of 1

Newmont Report No: 31205

Compiled By: M.Muir

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Newmont Exploration

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## CENTRAL DESERT JOINT VENTURE

**TITLE:** 2nd ANNUAL REPORT FOR EXPLORATION LICENCES  
ELs 8077, 9479, 10282, 10283, 10299, 10300, 10355, 10411,  
22177 & 22179 – The Legend 2 Agreement

**PERIOD:** 4<sup>th</sup> JUNE 2002 to 3<sup>rd</sup> JUNE 2003

**REPORT No.:** 31205

**COMPILED BY:** M. MUIR

**LOCATION:** TANAMI 1:250,000 SE 52-15  
GRANITES 1:250,000 SF 52-3  
TANAMI 1:100,000 4858  
BUCK 1:100,000 4958  
McFARLANE 1:100,000 4757  
FRANKENIA 1:100,000 4857  
INNINGARRA 1:100,000 4856

**COMMODITY:** GOLD

**DATE:** JULY 2003

**KEYWORDS:** GEOCHEMICAL SAMPLING, RC DRILLING, REGIONAL GEOLOGY,  
PROTEROZOIC, VERY LOW GOLD DETECTION ANALYSIS.

## SUMMARY

This is the second annual report for tenements of the Legend 2 Agreement (ELs 8077, 9479, 10282, 10283, 10299, 10300, 10355, 10411, 22177 & 22179). Tenements were granted on the 4/06/2001 for a period of six years.

Activities completed during the reporting period include ground checking, and RC drilling within EL8077 to test magnetic targets designated from analysis of data.

All of the area covered by the subject ELs remains under CDJV title and therefore details covered in this report should remain on **CLOSED FILE**.

<i>Activity</i>	<i>No. of Surface Samples</i>	<i>High Result</i>	<i>Drilling No. Holes</i>	<i>Drilling Metres</i>	<i>Drill Intercept maximum</i>
<b>RC Drilling – EL8077</b>			<b>5</b>	<b>239</b>	<b>3m @ 0.016ppm Au</b>

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## 1.0 INTRODUCTION

This report contains details of exploration activities conducted within ELs 8077, 9479, 10282, 10283, 10299, 10300, 10355, 10411, 22177 & 22179 for the period 4<sup>th</sup> June 2002 to 3<sup>rd</sup> June 2003. These tenements are part of the Legend 2 Agreement and thus the tenements are regarded as a single area for the purposes of reporting.

## 2.0 LOCATION AND EXPLORATION HISTORY

### 2.1 Location and Access

The tenements are located approximately 650km northwest of Alice Springs along the Tanami Track (Figure 1).

Main access to the tenements is by the Tanami Track. Tenements to the south west use tracks established by Otter Gold via the 'Jims Mine Haul Road', Normandy North Flinders Team and Delta Gold. Access to tenements in the south is via the Tanami Downs Road and then exploration and station tracks. EL 9479 is accessible from the Groundrush Mine Haul Road and then exploration tracks from the Mine. Access to most areas is limited during the wet season (December to April).

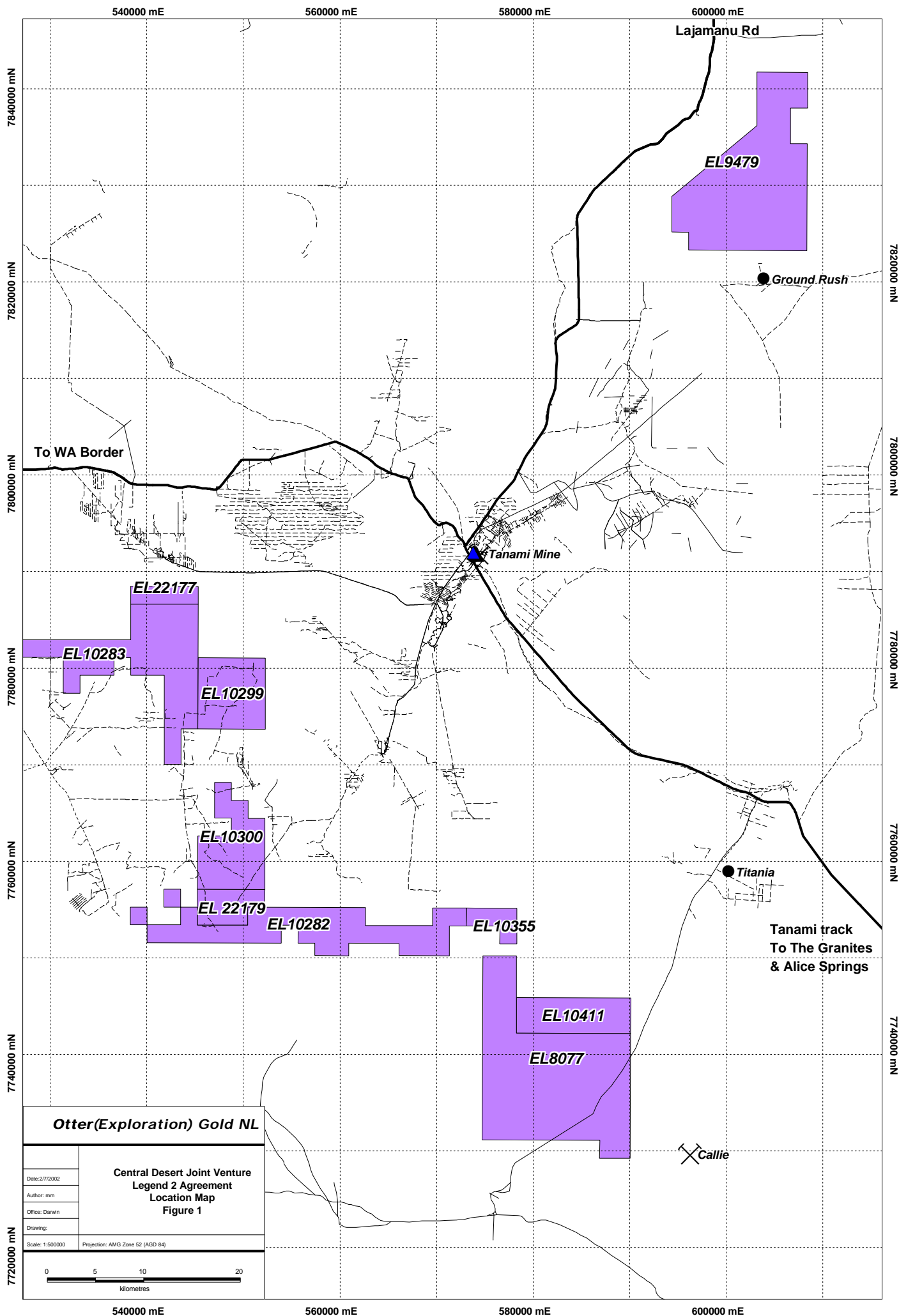
### 2.2 Tenement Status

The following table details relevant information relating to tenement status between the 4<sup>th</sup> June 2002 to 3<sup>rd</sup> June 2003:

Tenement	Year	Area(sq km)	Blocks	Rent (\$)	Covenant (\$)
EL 8077	2/6	203	66	726	21,000
EL 9479	2/6	168	56	616	10,000
EL 10282	2/6	104	34	374	8,500
EL 10283	2/6	113	35	385	15,000
EL 10299	2/6	51	16	176	14,000
EL 10300	2/6	55	17	187	8,000
EL 10355	2/6	13	4	44	7,000
EL 10411	2/6	43	14	154	30,700
EL 22177	2/6	13	4	44	80,000
EL 22179	2/6	22	7	77	15,000

**Table 1.** Tenement Status

*In December 2001 – January 2002 Normandy NFM gained a controlling interest in Otter Gold NL, the Normandy NFM team took control of Mining Leases and Exploration ground. By May 2002 Newmont Australia had taken over Normandy and had a controlling interest in Normandy NFM (now Newmont Tanami) and thus Otter Gold NL.*



## **2.3 Exploration History**

### **2.3.1 Exploration reported on between 4<sup>th</sup> June 2001 to 3<sup>rd</sup> June 2002**

Surface sampling (by Otter Gold NL) was completed at EL8077 (134 regional samples), EL10282 (265 regional and regional infill samples), EL10283 (619 regional, regional infill and infill samples), EL10299 (234 regional and regional infill samples), EL10300 (208 regional samples), EL22177 (11 regional samples), and EL22179 (530 regional, regional infill and infill samples) – maximum 10.6ppb Au result in the 50mx50m infill samples.

Regional bulk samples were taken on a standard 500m x 500m grid using a Robinson helicopter. Regional Infill Samples were also taken with a helicopter on a 250m x 250m grid in areas where the broader spaced samples showed kicks in anomalism, to confirm the original anomalism. These were later sieved to either –200 microns or -25mm (1/4”) and 150 gramme samples were sent to ALS to be assayed for ultra low-level Au (0.1 ppb) using the ZARG method. IF anomalism was returned from the same area twice on a regional scale then an infill programme was initiated. The standard pattern was 50mx50m. The site was assessed for appropriate geochemical method and sampled by vehicle using the Tracknav/DGPS programme to collect location data. Samples were again sent off to ALS to be assayed for ultra low-level Au (0.1 ppb) using the ZARG method.

Rockchips (by Otter Gold NL) were taken within EL8077 & EL22179. Within EL8077 several massive quartz veins were noted. A second visit entailed the re sampling of more quartz veining from an old costean within the Madam Margi district. One sample returned 170ppb Au. Within EL22179 the highest result included a 15880 ppb Au rockchip was later resampled and returned 5980ppb Au.

Posthole drilling within EL9479 (by Otter Gold NL) included three fences of drilling which were disappointing with in excess of twenty metres of Gardiner Sandstone, its finer grained equivalents and Antrim Plateau Volcanic Basalts being encountered. 19 postholes were drilled for 1254m, high result being 6ppb Au in a bottom of hole sample.

Within EL8077 Aircore posthole drilling (by Otter Gold NL) was conducted over worm anomalies 146 and 152. These were considered to be the best geophysical anomalies generated from the Fractal worming process on EL8077. Drilling was planned on a 200m x 200m grid, but was spaced out to 400m x 400m during the course of the programme due to time constraints and extreme depth of cover.

Time and difficulty of drilling aircore posthole (by Otter Gold NL) within EL10411 (anomaly 144) resulted in only four deep holes for a total of 246m being completed. Two of which ended in Antrim Plateau Volcanics. Results were disappointing.

Two lines of angled RAB drilling (38 holes; 2031m) were drilled at Madam Margi West – EL8077 (by Otter Gold NL) 500m apart. Previous posthole RAB and vacuum drilling defined an anomalous zone of 1.5km strike with a high result of 1.5g/t Au at bottom of hole. The RAB lines targeted the anomalism trending approximately 135

degrees and across worm anomalism (drop off). Results were disappointing with no significant intercepts and very little down-hole anomalism.

During the mid-November to December of the 2000 period a regional scale aeromagnetic survey (by Otter Gold NL) was conducted over ELs 10282, 10283, 10299, 10300, 10355, 22177 and 22179. The survey was part of the Deep Cover Programme instigated by Otter to determine methods of exploring under transported cover. The data obtained during the geophysical survey was used in the analysis by Fractal graphics. This analysis, dubbed worming, is a tool used for emphasizing edges – and is used as a cost effective tool for exploring under deep cover.

### 3.0 GEOLOGY

#### 3.1 Regional Geology

The Granites – Tanami Block is bounded to the west by the Canning Basin, and to the east by the Wiso Basin and is considered to be one of the western most Palaeoproterozoic inliers of the Northern Australian Orogenic Province. The block is thought to have developed around the Barramundi Orogeny – major event 1845 – 1840 Ma (Blake et al., 1979).

The stratigraphy of the Tanami Region has been revised as a result of an intensive study recently completed by the NTGS (Hendrickx et al., 2000). The stratigraphy outlined by Blake et al (1979) has had some significant modifications (Table 1).

Blake et al (1979)						Hendrickx et al (2000)		
Birrindudu Group		Coomarie Sandstone				Birrindudu Group	Coomarie Sandstone	Suplejack Downs Sandstone
		Talbot Well Formation					Talbot Well Formation	
		Gardiner Sandstone					Gardiner Sandstone	
Suplejack Downs Sandstone						Pargee Sandstone	Nanny Goat Creek Volcanics	
Mount Winnecke							Mount Winnecke Group	
Pargee Sandstone							Mount Charles Formation	
Tanami Complex	Mt. Charles Beds	Killi Killi Beds	Nanny Goat Creek Beds	Nongra Beds	Helena Creek Beds	Tanami Group	Killi Killi Formation Twigg Formation Dead Bullock Formation	
						McFarlane Peak Group		
Archaean						Browns Range Metamorphics “Billabong Complex”		

**Table 2.** Comparison of stratigraphic nomenclature (Hendrickx et al, 2000).



The Archaean Billabong Complex and Browns Range Metamorphics are the oldest rocks in the area. Browns Range Metamorphics comprise granitic gneiss and muscovite schist intruded by fine-grained granite, thin granitic sills, aplite and pegmatite. The Billabong Complex comprises banded granitic gneiss, which are generally elongated and fault bound.

Lying unconformably above the Archaean basement is the Palaeoproterozoic McFarlane Peak Group. These rocks are characterised by a thick sequence of mafic volcanic, volcanoclastic and clastic sedimentary rocks, which possess a distinctive magnetic and gravity signature. This package of rocks is structurally complex and is considered to have a tectonic contact with the overlying Tanami Group.

The Tanami group is subdivided into three formations:

Twigg Formation:	purple siltstone with minor sandstone and chert
Killi Killi Formation:	turbiditic sandstone
Dead Bullock Formation:	siltstone, mudstone, chert and banded iron formation

The Dead Bullock Formation occurs at the base of the Tanami Group and is dominated by fine-grained sedimentary rocks. The rocks outcrop at Dead Bullock Soak, Lightning Ridge and Officer Hill. At the Granites the rocks have been metamorphosed to amphibolite facies to form andalusite, garnet and hornblende bearing schists. The Dead Bullock formation is host to significant gold mineralisation at the Granites and Dead Bullock Soak.

The Killi-Killi Formation conformably overlies the Dead Bullock Formation and is the most extensive formation in the group. The sequence of turbidites includes micaceous greywacke, quartzwacke, and lithic greywacke, quartz arenite and lithic arenite, interbedded with siltstone, mudstone and occasional thin chert beds. Detrital mica is a characteristic feature. The Killi-Killi is metamorphosed to lower greenschist facies and is interpreted to be up to 4km thick.

The Twigg formation is confined to a narrow package of rocks immediately west of the Tanami Mine corridor. It comprises a sequence of interbedded purple siltstone with thin-bedded chert and minor medium bedded greywacke.

The Pargee Sandstone unconformably overlies the Tanami Group and is exposed on the western side of the Coomarie Dome extending into Western Australia. The Pargee Sandstone comprises thick-bedded quartz arenite, lithic arenite and conglomerate with pebbly sandstone and conglomerate at the base.

The Mount Charles Formation comprises an intercalated package of basalts and turbiditic sediments, which occur on the western side of the Frankenia Dome. The Mount Charles Formation is host to structurally controlled vein hosted gold mineralisation in the Tanami Mine Corridor. Sediments include sandstone, mudstone, carbonaceous mudstones and intraclast conglomerate. Basalts are predominantly massive units with pillow basalts and basaltic breccias also evident.

The Mt Winnecke Group is also interpreted to lie unconformably over the Tanami Group and is divided into two units - siliciclastic sediments and felsic volcanics.

The Nanny Goat Volcanics are characterised by extrusive volcanic rocks including quartz-feldspar ignimbrite, feldspar ignimbrite, rhyolite lava, basalt and minor siliciclastic sediments.

The Birrindudu group comprises 3 units with Gardiner Sandstone at the base, overlain by Talbot Well Formation and Coomarie Sandstone. The Suplejack Down sandstone is interpreted to belong to this group but its relationship is unclear. The Birrindudu group lies unconformably over the Browns Range Metamorphics, MacFarlane Peak Group, Tanami Group, Pargee Sandstone, Nanny Goat Creek Volcanics and Mount Winnecke Group.

Cenozoic laterite, silcrete, calcrete, and Quaternary debris cover 60 – 70% of the Tanami Desert. The Quaternary sediments are generally unconsolidated, representing the most recent phase of erosion and deposition of sands, gravels and lithic fragments.

## **4.0 EXPLORATION**

### **4.1 EXPLORATION for the 4<sup>th</sup> June 2002 to 3<sup>rd</sup> June 2003.**

#### **4.1.1 EL8077**

Five RC holes with planned diamond tails were drilled into various targets across EL8077 (Tanami Downs) for a total depth of 239m. The targets are interpreted to be Blake / Davidson Beds in a double plunging antiform in the hanging wall of a thrust. Only one of the holes (TDRC0005) reached a 'target' of Antrim Plateau Basalts at 13m however this continued to 118m where the hole was abandoned. Sediments were noted interbedded with the basalts, which at times were vesicular. The four abandoned holes encountered water from about 10m and significant lacustrine (swelling) clays to 35m, 32m & 52m respectively. No significant results were obtained from the samples taken in any of the holes. The maximum result 3m @ 0.016ppm Au was from lacustrine clays. See Figure 2 for location of holes.

#### **4.1.2 EL9479**

No work was reported within EL9479.

#### **4.1.3 EL10282**

The open file data on this tenement was reviewed. No fieldwork was carried out within EL10282.

#### **4.1.4 EL10283**

No work was reported within EL10283.

**4.1.5 EL10299**

The open file data and previous exploration by Otter was reviewed and a number of target areas have been highlighted for future RAB drilling.

**4.1.6 EL10300**

No work was reported within EL10300.

**4.1.7 EL10355**

The open file data and magnetics were reviewed on this tenement with the aim of preparing a budget to test this small tenement.

**4.1.8 EL10411**

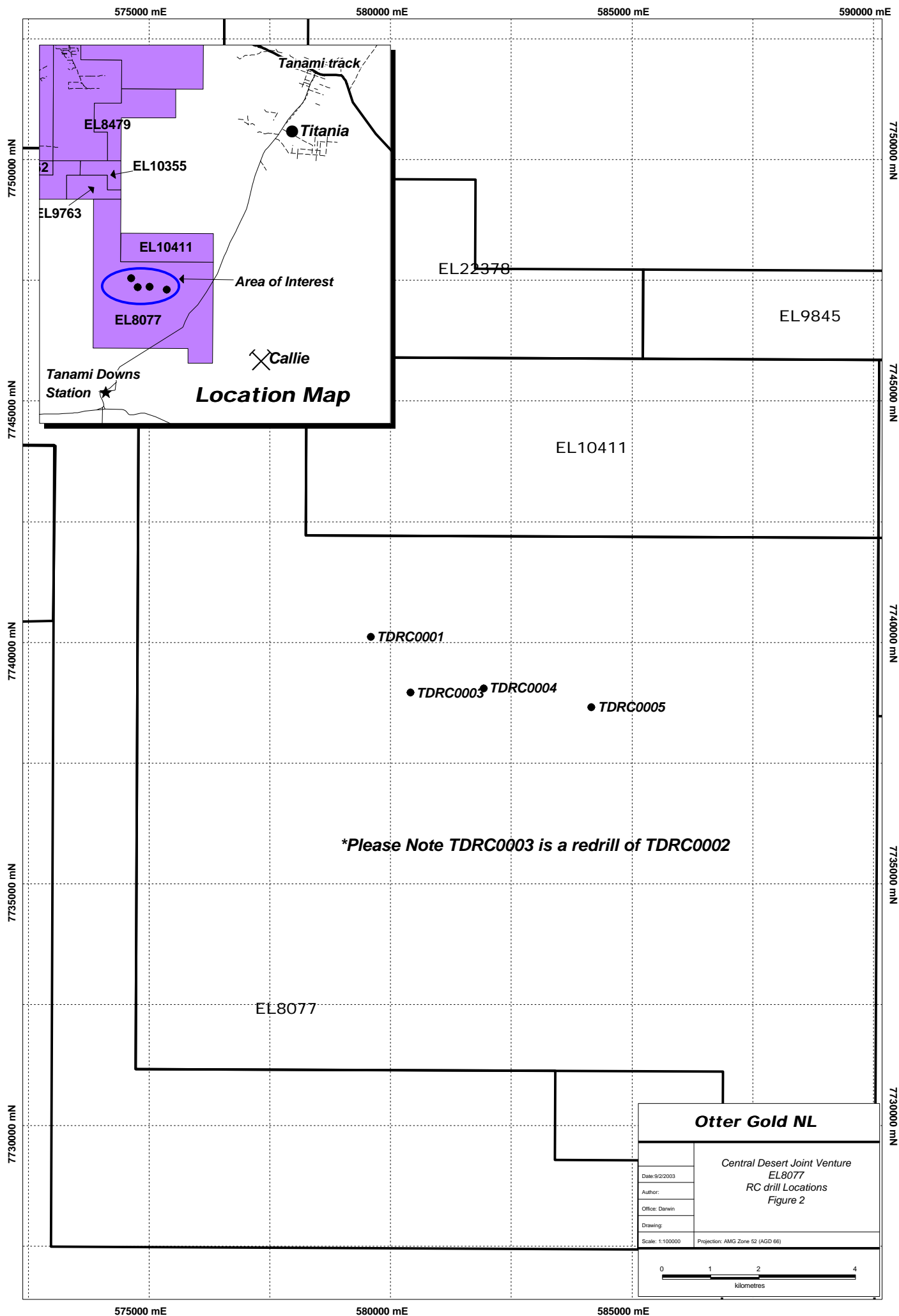
A targeting exercise using the available magnetics and geological interpretation was carried out on EL10411. A RAB programme of 2000m has been designed to test for the Dead Bullock Soak Member stratigraphy under shallow cover. This programme should be carried out during August 2003.

**4.1.9 EL22177**

A review of the open file data and Otters previous exploration has been carried out on EL22177 to define targets for future drilling. These targets will be tested in early 2004.

**4.1.10 EL22179**

No field work was undertaken within EL22179 but the open file and Otter previous exploration was reviewed as part of an evaluation of the Central Desert Joint Venture.



## 5.0 EXPENDITURE FOR PERIOD 04/06/2002 TO 03/06/2003.

Note the expenditures have been forwarded in a new format because of the change in accounting systems (from Otter to Newmont). During 2002 there were significant problems with the change in accounting from Otter Gold NL to Newmont Australia Pty Ltd. Many of the difficulties experienced were due to unexplained credits that have been placed against tenements (see below credit of \$1294 for salary and wages allocations) in wrapping up the Otter accounts. So the expenditures recorded here may not fully reflect our expenditure during 2002. These accountancy problems will not be recurring as all the accounts are now under one system.

### 5.1 Expenditure for period 04/06/2002 to 03/06/2003 on EL 8077

**Table 3** summarises the expenditure for the current licence year within EL8077.

<b>EL 8077</b>		<b>Admissible Costs</b>
800001 Proj/Explorn labour	15,139	15,139
839001 Sal & Wages Allocations	(1,294)	(1,294)
520155 Temporary Staff	927	927
<b>* Expln Employee Costs</b>	<b>14,772</b>	<b>14,772</b>
520685 Telephone & Fax	0	0
839003 Regnl Office Allocations	4,869	4,869
<b>* Expl Overheads and Allocations</b>	<b>4,869</b>	<b>4,869</b>
510000 Accom & Messing	1,560	1,560
512010 Safety Clothing	271	271
516020 Equip Hire - Other	0	0
520085 Maintenance	1,691	1,691
520086 Maintenance - Vehcl	616	616
520635 Publications & Subs	12	12
520665 Recoveries - Genera	(3,863)	(3,863)
520900 Travel - Air Charte	312	312
520920 Travel & Accom Loca	1,263	1,263
550020 Consum. - General	0	0
550999 Consum-Direct Purch	810	810
552000 Fuel - Distillate	2,542	2,542
570025 Freight	260	260
562015 Vehicle Registration	0	0
<b>* Expln Operating Costs</b>	<b>5,473</b>	<b>5,473</b>
521001 TLO - Comp Payments	(844)	
521002 TLO - Agrmt Complia	266	
521010 Legal Fees - Non De	59	
542300 Asset Acquisitions	0	
560042 Tenement Rentals	1,320	
<b>* Expln Tenement Costs</b>	<b>802</b>	
560070 Assays - RC	20,831	20,831
<b>* Expln Laboratory Costs</b>	<b>20,831</b>	<b>20,831</b>
514015 Contract - Drilling	44,049	44,049
514020 Contract - Drill Di	0	0
<b>* Expln Drilling Costs</b>	<b>44,049</b>	<b>44,049</b>
513000 Consultants - Gen.	1,309	1,309
520015 Audit Fees	0	0
<b>* Expln Specialist Services</b>	<b>1,309</b>	<b>1,309</b>
520025 Bank Charges	0	0
<b>* Expln Accounting Costs</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPLORATION</b>	<b>92,104</b>	<b>91,302</b>
<i>Covenant</i>		<i>\$21,000</i>

## 5.2 Expenditure for period 04/06/2002 to 03/06/2003 on EL 9479

**Table 4** summarises the expenditure for the current licence year within EL9479.

<b>EL 9479</b>		<b>Admissible Costs</b>
800001 Proj/Explorn labour	300	300
* Expln Employee Costs	300	300
839003 Regnl Office Allocat	30	30
* Expl Overheads and Alloca	30	30
521001 TLO - Comp Payments	(5,386)	
521002 TLO - Agrmt Complia	266	
521010 Legal Fees - Non De	65	
542300 Asset Acquisitions	0	
560042 Tenement Rentals	1,120	
* Expln Tenement Costs	(3,934)	
513000 Consultants - Gen.	245	245
* Expln Specialist Services	245	245
<b>TOTAL EXPLORATION</b>	<b>(3,360)</b>	<b>575</b>
<i>Covenant</i>		<i>\$10,000</i>

## 5.3 Expenditure for period 04/06/2002 to 03/06/2003 on EL 10282

**Table 5** summarises the expenditure for the current licence year within EL10282.

<b>EL 10282</b>		<b>Admissible Costs</b>
800001 Proj/Explorn labour	600	600
* Expln Employee Costs	600	600
839003 Regnl Office Allocat	59	59
* Expl Overheads and Alloca	59	59
520635 Publications & Subs	12	12
* Expln Operating Costs	12	12
521001 TLO - Comp Payments	(844)	
521002 TLO - Agrmt Complia	266	
521010 Legal Fees - Non De	65	
560040 Tenement Fees	50	
542300 Asset Acquisitions	0	
560042 Tenement Rentals	680	
* Expln Tenement Costs	217	
513000 Consultants - Gen.	609	609
* Expln Specialist Services	609	609
<b>TOTAL EXPLORATION</b>	<b>1,497</b>	<b>1,280</b>
<i>Covenant</i>		<i>\$8,500</i>

#### 5.4 Expenditure for period 04/06/2002 to 03/06/2003 on EL 10283

**Table 6** summarises the expenditure for the current licence year within EL10283.

<b>EL 10283</b>		<b>Admissible Costs</b>
520600 Couriers & Bulk Mai	598	598
* Expl Overheads and Alloca	598	598
520635 Publications & Subs	12	12
520681 Radio Communication	304	304
* Expln Operating Costs	316	316
521001 TLO - Comp Payments	(844)	
521002 TLO - Agrmt Complia	266	
521010 Legal Fees - Non De	65	
560040 Tenement Fees	50	
542300 Asset Acquisitions	0	
560042 Tenement Rentals	700	
* Expln Tenement Costs	238	
513000 Consultants - Gen.	609	609
* Expln Specialist Services	609	609
<b>TOTAL EXPLORATION</b>	<b>1,760</b>	<b>1,523</b>
<i>Covenant</i>		<i>\$15,000</i>

#### 5.5 Expenditure for period 04/06/2002 to 03/06/2003 on EL 10299

**Table 7** summarises the expenditure for the current licence year within EL10299.

<b>EL 10299</b>		<b>Admissible Costs</b>
520635 Publications & Subs	12	12
* Expln Operating Costs	12	12
521001 TLO - Comp Payments	(844)	
521002 TLO - Agrmt Complia	266	
521010 Legal Fees - Non De	65	
560040 Tenement Fees	50	
542300 Asset Acquisitions	0	
560042 Tenement Rentals	320	
* Expln Tenement Costs	(142)	
513000 Consultants - Gen.	609	609
* Expln Specialist Services	609	609
<b>TOTAL EXPLORATION</b>	<b>478</b>	<b>621</b>
<i>Covenant</i>		<i>\$14,000</i>

## 5.6 Expenditure for period 04/06/2002 to 03/06/2003 on EL 10300

**Table 8** summarises the expenditure for the current licence year within EL10300.

<b>EL 10300</b>		<b>Admissible Costs</b>
800001 Proj/Explorn labour	650	650
839001 Sal & Wages Allocat	101	101
<b>* Expln Employee Costs</b>	<b>751</b>	<b>751</b>
839003 Regnl Office Allocat	335	335
<b>* Expl Overheads and Alloca</b>	<b>335</b>	<b>335</b>
520635 Publications & Subs	12	12
<b>* Expln Operating Costs</b>	<b>12</b>	<b>12</b>
521001 TLO - Comp Payments	(844)	
521002 TLO - Agrmt Complia	266	
521010 Legal Fees - Non De	65	
560040 Tenement Fees	50	
542300 Asset Acquisitions	0	
560042 Tenement Rentals	340	
<b>* Expln Tenement Costs</b>	<b>(122)</b>	
513000 Consultants - Gen.	609	609
<b>* Expln Specialist Services</b>	<b>609</b>	<b>609</b>
<b>TOTAL EXPLORATION</b>	<b>1,584</b>	<b>1,707</b>
<i>Covenant</i>		<i>\$8,000</i>

## 5.7 Expenditure for period 04/06/2002 to 03/06/2003 on EL 10355

**Table 9** summarises the expenditure for the current licence year within EL10355.

<b>EL 10355</b>		<b>Admissible Costs</b>
520635 Publications & Subs	12	12
<b>* Expln Operating Costs</b>	<b>12</b>	<b>12</b>
521002 TLO - Agrmt Complia	266	
521010 Legal Fees - Non De	59	
560040 Tenement Fees	50	
542300 Asset Acquisitions	0	
560042 Tenement Rentals	80	
<b>* Expln Tenement Costs</b>	<b>456</b>	
513000 Consultants - Gen.	609	609
<b>* Expln Specialist Services</b>	<b>609</b>	<b>609</b>
<b>TOTAL EXPLORATION</b>	<b>1,076</b>	<b>621</b>
<i>Covenant</i>		<i>\$7,000</i>



### 5.8 Expenditure for period 04/06/2002 to 03/06/2003 on EL 10411

**Table 10** summarises the expenditure for the current licence year within EL10411.

<b>EL 10411</b>		<b>Admissible Costs</b>
520635 Publications & Subs	12	12
<b>* Expln Operating Costs</b>	<b>12</b>	<b>12</b>
521001 TLO - Comp Payments	(844)	
521002 TLO - Agrmt Complia	266	
521010 Legal Fees - Non De	59	
560040 Tenement Fees	50	
542300 Asset Acquisitions	0	
560042 Tenement Rentals	280	
<b>* Expln Tenement Costs</b>	<b>(188)</b>	
513000 Consultants - Gen.	609	609
<b>* Expln Specialist Services</b>	<b>609</b>	<b>609</b>
<b>TOTAL EXPLORATION</b>	<b>432</b>	<b>621</b>
<i>Covenant</i>		<i>\$30,700</i>

### 5.9 Expenditure for period 04/06/2002 to 03/06/2003 on EL 22177

**Table 11** summarises the expenditure for the current licence year within EL22177.

<b>EL 22177</b>		<b>Admissible Costs</b>
512010 Safety Clothing	94	94
520635 Publications & Subs	12	12
<b>* Expln Operating Costs</b>	<b>106</b>	<b>106</b>
521001 TLO - Comp Payments	(844)	
521002 TLO - Agrmt Complia	266	
521010 Legal Fees - Non De	59	
560040 Tenement Fees	50	
542300 Asset Acquisitions	0	
560042 Tenement Rentals	80	
<b>* Expln Tenement Costs</b>	<b>(388)</b>	
513000 Consultants - Gen.	609	609
<b>* Expln Specialist Services</b>	<b>609</b>	<b>609</b>
<b>TOTAL EXPLORATION</b>	<b>326</b>	<b>715</b>
<i>Covenant</i>		<i>\$8,000</i>

### 5.10 Expenditure for period 04/06/2002 to 03/06/2003 on EL 22179

Table 12 summarises the expenditure for the current licence year within EL22179.

<b>EL 22179</b>		<b>Admissible Costs</b>
800001 Proj/Explorn labour	700	700
839001 Sal & Wages Allocat	134	134
<b>* Expln Employee Costs</b>	<b>834</b>	<b>834</b>
839003 Regnl Office Allocat	229	229
<b>* Expl Overheads and Alloca</b>	<b>229</b>	<b>229</b>
520635 Publications & Subs	12	12
520900 Travel - Air Charte	70	70
520920 Travel & Accom Loca	195	195
<b>* Expln Operating Costs</b>	<b>277</b>	<b>277</b>
521001 TLO - Comp Payments	(844)	
521002 TLO - Agrmt Complia	266	
521010 Legal Fees - Non De	59	
560040 Tenement Fees	0	
542300 Asset Acquisitions	0	
560042 Tenement Rentals	140	
<b>* Expln Tenement Costs</b>	<b>(378)</b>	
513000 Consultants - Gen.	609	609
<b>* Expln Specialist Services</b>	<b>609</b>	<b>609</b>
<b>TOTAL EXPLORATION</b>	<b>1,570</b>	<b>1,949</b>
<i>Covenant</i>		<i>\$15,000</i>

### 6.0 PROPOSED EXPENDITURE 04/06/2003 – 03/06/2004

The work programme for the next reporting period will consist of:

- Evaluation of the Deep RC drilling within EL 8077 to test aeromagnetic targets generated in the 2002- 2003 season.
- Follow up drilling within EL 22179 to test the Bluehart anomaly and mapping to delineate any possible anomalism on surface.
- Follow up drilling within EL 10283 to test the Tawny Devil anomaly and a site visit to delineate any possible anomalism on surface.
- Possible follow up drilling within EL 10299 to test the validity of the Kobi anomaly and site visit to delineate any possible anomalism on surface.
- Within EL10411 - interpretation of geophysical and geological data to generate discrete targets in the Dead Bullock Soak Formation. 2000m of RAB to perform a preliminary evaluation of targets.
- The main focus within EL9479, 10282, 10300, 10355 & 22177 will be on analysis of data and definition of potential targets in regard to drilling and previous sampling.
- There is a total of 5000m of drilling planned within the Legend 2 Agreement areas.

**TABLE 13     Proposed expenditure 2003-2004**

<b>Tenement</b>	<b>Proposed Expenditure</b>
EL 8077	\$9,000
EL 9479	\$8,000
EL 10282	\$8,500
EL 10283	\$5,000
EL 10299	\$14,000
EL 10300	\$6,000
EL 10355	\$7,000
EL 10411	\$25,000
EL 22177	\$10,000
EL 22179	\$15,000
<b>TOTAL</b>	<b>\$107,500</b>

## **7.0     ENVIRONMENTAL**

Environmental disturbance has been kept to a minimum wherever possible. Mature trees were not disturbed and trimming of vegetation was limited to small bushes and grasses in order to obtain line of sight in griding. All rubbish was removed from sites.

## 8.0 REFERENCES

**Blake, D.H.**, Passmore, V.L., and Muhling, P.C., 1977, Billiluna, Western Australia: West. Aust. Geol. Survey 1:250 000 Geol. Series: Explanatory Notes.

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# **APPENDIX 1**

## **Sampling Data**

See attached files.