Newmont Tanami Operations
Newmont Tanami Pty Ltd
A.C.N. 007 688 093

ANNUAL REPORT FOR MLS08
(THE GRANITES)
FOR THE YEAR TO 14 MAY 2009

Minerals explored for: Au

1:250,000 SHEET REFERENCE: THE GRANITES SF52-3
1:100,000 SHEET REFERENCE: INNINGARRA 4856

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SUMMARY

Operations undertaken by Newmont Tanami Pty Ltd on MLS8, The Granites, for the reporting period comprised milling of 2,131,602 tonnes of underground ore and 1,047,307 tonnes of stockpiled materials for a total of 426,290 ounces of gold. Ore milled during the year came from mining of the Callie underground resource (Callie UG ROM and Callie UG LG) and from stockpiles, including material from the Callie, Triumph and Villa pits.

No exploration work was undertaken during the reporting period.
TABLE OF CONTENTS

SUMMARY ................................................................................................................................. I

TABLE OF CONTENTS ................................................................................................................II

LIST OF APPENDICES ............................................................................................................... III

LIST OF FIGURES .................................................................................................................. III

LIST OF TABLES ................................................................................................................... III

1. INTRODUCTION .................................................................................................................. 4

2. TENEMENT DETAILS ........................................................................................................... 5

3. LOCATION, ACCESS AND PHYSIOGRAPHY ..................................................................... 7

4. LEASE GEOLOGY ................................................................................................................. 7

5. GEOLOGICAL ACTIVITIES .................................................................................................. 9

   5.1 STRATIGRAPHIC – STRUCTURAL REVIEW ................................................................. 9

   5.2 STRUCTURAL REVIEW ............................................................................................... 10

   5.3 SEQUENCE STRATIGRAPHIC REVIEW .................................................................... 10

6. REMOTE SENSING ACTIVITIES ......................................................................................... 10

7. GEOPHYSICAL ACTIVITIES .............................................................................................. 10

8. GEOCHEMICAL ACTIVITIES ............................................................................................ 10

9. MINERALOGICAL ACTIVITIES .......................................................................................... 10

10. SURVEY GRID ACTIVITIES ............................................................................................ 10

11. SUMMARY OF DRILLING PROGRAMS ........................................................................... 10

12. MINERAL RESOURCES AND RESERVES .................................................................... 11

13. REPORTING OF MINING ACTIVITIES .......................................................................... 12

14. PROPOSED WORK PROGRAM ...................................................................................... 12

15. EXPENDITURE INCURRED FOR THE REPORTING PERIOD ............................................ 13

16. REFERENCE LIST & BIBLIOGRAPHY ......................................................................... 14

17. BIBLIOGRAPHIC DATA SHEET ................................................................................... 16
LIST OF APPENDICES

LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure No.</th>
<th>Title</th>
<th>Sheet</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1</td>
<td>Location: Granites Gold Mine</td>
<td>Page 4</td>
<td>-</td>
</tr>
<tr>
<td>Figure 2</td>
<td>Location: MLS08 (MGA52, GDA94)</td>
<td>Page 6</td>
<td>-</td>
</tr>
<tr>
<td>Figure 3</td>
<td>Location: MLS08 (MGA52, GDA94)</td>
<td>Page 7</td>
<td>-</td>
</tr>
<tr>
<td>Figure 4</td>
<td>Quorn Pit Geology</td>
<td>Page 8</td>
<td>-</td>
</tr>
<tr>
<td>Figure 5</td>
<td>Bunkers Pit Geology</td>
<td>Page 8</td>
<td>-</td>
</tr>
<tr>
<td>Figure 6</td>
<td>Tanami District Interpreted Geology Block Diagram</td>
<td>Page 9</td>
<td>-</td>
</tr>
</tbody>
</table>

LIST OF TABLES

| Table 1    | Tenement Summary, MLS8 ................................................................. | 5     |
| Table 2    | December 31, 2006 Resources – 10.7Mt @ 6.2 g/t (1.89M ounces) | 11    |
| Table 3    | December 31, 2008 Reserves – 10.4Mt @ 4.4 g/t (1.48M ounces)  | 11    |
| Table 4    | Details of Exploration Expenditure (MLS8) for the calendar year 2008 | 13    |
1. INTRODUCTION

The Granites Gold Mine is located 550km north-west of Alice Springs (Figure 1).

Gold was discovered at the Granites by Allan Davidson in 1900 (Davidson, 1905). Prospecting between 1910 and 1932 led to minor production from narrow quartz veins and from limited alluvial and eluvial zones at Bunkers Hill (Ellis, 1927).

The discovery of further rich but narrow quartz veins at the Burdekin Duck Deposit on Chapman's Hill, and the occurrence of a small patch of rich alluvial ground nearby, produced a brief gold rush in 1932 (Baume, 1933, Madigan, 1944). Charles Chapman took up leases at The Granites in 1932 and for the next twenty years, Chapman's Gold Mines NL (CGM) continued small-scale mining at several locations (Bullakitchie, Shoe and near Chapman's Hill). A total of 420kg of gold was produced from the area prior to 1961.
Chapman’s leases were explored by Anglo Queensland Mining Pty Ltd between 1938 and 1948 outlining a possible resource at Bullakitchie and Shoe of 250,000t at 11.5g/t gold (Hall, 1953).

Exploration was also undertaken by Northern Mines Development NL between 1954 and 1955 and later by Geopeko Ltd (between 1965 and 1970), who tested prominent magnetic anomalies at Twin Hills and Ivy.

Normandy NFM acquired the property in 1975 but did not commence exploration until August 1983 due to political and legal constraints (den Dryver, 1984; Ireland and Mayer, 1984).

By June 1985 reserves at Bullakitchie and Shoe totaling 1.9Mt at 8.0g/t had been calculated after the drilling of 57 diamond drillholes and 75 reverse circulation drillholes (Mayer, 1990).

Production commenced on 1st July 1986. During the nine years of mining to 1995, 329,931oz of gold were produced from underground and open pit sources.

A small RAB program of 13 holes (846m) was undertaken in September 2002 to test interpreted mine stratigraphy to the South West of Quorn in MLS8. Aeromagnetic data suggests that the Granites Host Unit extends to the south of Quorn Pit. Drilling also acted as sterilisation work for open pit mining infrastructure at Quorn.

2. TENEMENT DETAILS

MLS8 is a single mining tenement comprising an area of 2186 hectares (Table 2). It is completely surrounded by EL4529, also held by Newmont Australia Ltd (Figure 2).

The lease was granted to Newmont in February 1991 and gold production started later in that year. Tenure is held until the year 2016.

<table>
<thead>
<tr>
<th>Title</th>
<th>Area Name</th>
<th>Hectares</th>
<th>Grant Date</th>
<th>Reporting Period</th>
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<tbody>
<tr>
<td>MLS08</td>
<td>The Granites</td>
<td>2186</td>
<td>15/05/1984</td>
<td>15/05/2008 to 14/05/2009</td>
</tr>
</tbody>
</table>

Table 1  Tenement Summary, MLS8
Figure 2 Location: MLS8 (MGA52, GDA94)
3. LOCATION, ACCESS AND PHYSIOGRAPHY

MLS8 lies approximately 35km east of The Dead Bullock Soak Mine (MLS154) and 53km southeast of Rabbit Flat (Figure 2). The lease is situated on the Inningarra (4856) 1:100,000 map sheet. Access to the tenement is via the Tanami Road (Figure 2).

The climate is semi-arid with rainfall averaging approximately 450mm per annum. Most rainfall occurs as summer storms associated with the monsoon season between November and March. Daily temperatures range from winter minima of near zero to summer maxima of about 48°C.

The Tanami Desert in which the lease is situated is widely covered in aeolian sand with a vegetation cover dominated by spinifex with low bushes and scattered small trees. However the mining lease is centered about low hills and ridges formed by the more resistant geological units (cherty BIF horizons of the Dead Bullock Formation).

4. LEASE GEOLOGY

Locally the geology of the Quorn area can be subdivided into three units: Host Unit (HU); Footwall (FWS) and Hanging-wall Schists (HWS). The FWS are least 120m thick, comprising biotite, hornblende, andalusite, almandine porphyroblastic finer grained schists with coarser grained quartz, biotite, albite and almandine schist units. Cummingtonite, cordierite rich units and porphyroblasts of almandine garnet are also observed. The HWS unit has similar composition as the FWS but with increased graphite content.
The HU is comprised of four zones based on mineralogy and metamorphic textures. The drilling revealed two distinct geological zones from west to east (downhole) and include: (1) de-carbonised schist with increased silica and sulphides; (2) Carbon rich schist. It is interpreted that both zones belong to the HWS unit. These two zones are flanked by dolerite on both sides and again by granite on the western edge. Logging of RAB chips noted quartz veining or an increase in quartz in or near zone (2). If this is proven to be correct then some form of structural control has truncated the Host Unit and Footwall Schists present in Quorn Pit. No significant mineralisation was intersected and no further work is planned at this stage.

5. GEOLOGICAL ACTIVITIES

No geological work was undertaken on MLS8 during the reporting period; however review of regional datasets and the generation of a revised Mineral System Model for Callie style mineralisation has lead to an upgrade in prospectivity within Newmont’s tenure, including MLS8.

5.1 Stratigraphic – Structural review

Following large scale geological interpretation of the greater Tanami area by Newmont Asia Pacific Regional Exploration in 2005 – 2006, and as part of the NTO District Exploration initiative in 2008, a desktop stratigraphic and structural review of the Callie system was undertaken. The study has highlighted the fundamental controls on mineralisation within the Callie system, and has lead to the definition of several opportunities within Newmont’s tenure.

Interpretation of regional magnetic, gravity and geochemistry datasets, and integration of seismic data, has lead to a revision of the interpreted structural setting of the Callie district. A revised understanding of the structural setting has lead to a re-evaluation of mineralisation controls and has enabled predictive targeting based on the criteria observed within the Callie system.
5.2 Structural Review
Consultant structural geologist John Miller conducted a brief review of regional scale geophysical datasets. Previous work had identified the association of significant anomalis, and locally economic mineralisation, with flexures within linear magnetic anomalies. The magnetic anomalies are taken to reflect magnetic stratigraphic positions, with the flexures representing folding. John’s work shows these flexures as reflecting transfer fault geometries at depth, with the implication that these structures might provide a focus for fluid flow. A review of opportunities arising from this work is ongoing.

5.3 Sequence Stratigraphic Review
As part of the analysis of the Callie mineralised system by NTO District Exploration, several key aspects of the Callie stratigraphy were reviewed.

During review of the stratigraphic column at Callie, similarities with the stratigraphic descriptions for the host sequences at The Granites and at Windy Hill were identified.

Descriptions of the host units are broadly comparable with the upper mineralised units (Schist Hills Iron Member and Orac Formation) at Callie.

Geochemical work has shown that the SHIM and Orac positions at Callie have a distinct Th/Sc fingerprint; review of selected samples from the Windy Hill mineralisation indicate a strong geochemical correlation with SHIM and Orac.

These lithological and chemical similarities imply that there might be scope for Callie Laminated Bed equivalents within MLS8, and elsewhere within Newmont's tenement holding.

6. REMOTE SENSING ACTIVITIES
No work undertaken during this period.

7. GEOPHYSICAL ACTIVITIES
No work undertaken during the period

8. GEOCHEMICAL ACTIVITIES
No work undertaken during the period

9. MINERALOGICAL ACTIVITIES
No work undertaken during the period

10. SURVEY GRID ACTIVITIES
No work undertaken during this period.

11. SUMMARY OF DRILLING PROGRAMS
No work undertaken during the period
12. MINERAL RESOURCES AND RESERVES

Tables 2 and 3 show estimated resources and reserves within Newmont Tanami tenements as of December 31 2008. No Reserves exist within MLS8.

Open pit resources and reserves were calculated using Indicator Kriging generally within a 1g/t Au mineralised envelope. A range of densities between 2.2g/cm³ and 2.7g/cm³ were used to represent rock from oxide to transitional respectively. Resources and reserves are reported at a cut off grade of 1.38g/t Au.

Underground resources and reserves were calculated using Indicator Kriging within geologically defined hard and soft boundaries. A density of 2.84g/cm³ was used in estimation calculations. Resources and reserves are reported at a cut off grade of 3g/t Au.

| RESOURCES | Indicated | Inferred | Total |
| As of Dec 31ᵗʰ 2008 | Tonnes | (g/t) | Tonnes | (g/t) | Ounces |
| OPEN PITS | | | | |
| DBS Pits (Villa) | 447,000 | 3.6 | | | 51,616 |
| OFF-LEASE | | | | |
| Oberon | 784,000 | 2.29 | | | 57,804 |
| UNDERGROUND | | | | |
| Callie U/G | 1,717,000 | 5.7 | 5,235,000 | 6.6 | *1,584,426 |
| Federation | 327,000 | 5.0 | | | 52,744 |
| Auron | 866,000 | 5.4 | | | 149,696 |
| TOTALS | 2,501,000 | 5.5 | 6,875,000 | 6.5 | 1,896,286 |

* Includes Measured 1,314,000t @ 3.8 for 159,534oz

| RESERVES | Proven | Probable | Total |
| As of Dec 31ᵗʰ 2008 | Tonnes | (g/t) | Tonnes | (g/t) | Ounces |
| OPEN PITS | | | | |
| DBS Pits | | | | |
| OFF-LEASE | | | | |
| Oberon | 2,264,000 | 3.1 | | | 223,488 |
| UNDERGROUND | | | | |
| Callie U/G | 3,597,000 | 5.7 | 2,790,000 | 6.0 | 1,197,803 |
| Federation | | | | |
| Stockpiles | 20,000 | 5.2 | 1,767,000 | 0.98 | 59,236 |
| TOTALS | 3,617,000 | 5.7 | 6,820,000 | 3.7 | 1,480,527 |
13. REPORTING OF MINING ACTIVITIES

No work undertaken during the period.

14. PROPOSED WORK PROGRAM

MLS8 will be included in ongoing assessment of prospectivity, following the identification of stratigraphic equivalence between The Granites host sequence and the host sequence at Callie. Expenditure is anticipated to be minimal for 2010, with work limited to desktop studies and minor chemo-stratigraphic work.
## 15. EXPENDITURE INCURRED FOR THE REPORTING PERIOD

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Property Costs (Rent, Renewal Fees, Rates)</td>
<td>$25,368.32</td>
</tr>
</tbody>
</table>

Table 4  Details of Exploration Expenditure (MLS8) for the calendar year 2008
16. REFERENCE LIST & BIBLIOGRAPHY

References

Baume, F.E., 1933. Tragedy Track: The Story of The Granites (F C Johnson: Sydney)


Reports to NT Department of Regional Development, Primary Industries, Fisheries and Resources


17. BIBLIOGRAPHIC DATA SHEET

REPORT NUMBER CR34394
REPORT TITLE Annual Report for MLS8 (The Granites) for the Year to 14 May 2009
PROSPECT NAME The Granites, Quorn, Bunkers
TENEMENT NUMBERS MLS8
OWNER/JV PARTNERS Newmont Tanami Pty Ltd 100%
COMMODITIES Gold
TECTONIC UNITS Granites Tanami Block (Inlier)
STRATIGRAPHIC UNITS Arunta Complex
1:250,000 MAPSHEET The Granites SF52-3
1:100,000 MAPSHEET Inningarra 4856
KEYWORDS