ANNUAL REPORT
For the
Tanami Mine Joint Venture

for the period
1 January 2009 to 31 December 2009

Tanami Project
Northern Territory

Volume 1 of 1

1:250,000 SHEET:
TANAMI
THE GRANITES
SE 52-15
SF 52-03

1:100,000 SHEET:
TANAMI
FRANKENIA
4858
4857

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TENEMENT HOLDER:
Otter Gold Pty Ltd

DISTRIBUTION:
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Newmont Asia Pacific
Central Land Council

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March 2010
NEWMONT CR 34776
SUMMARY

No mining production or exploration activities were carried out over the Tanami Mine JV Project area. The licenses were held for processing plant and camp care and maintenance and rehabilitation purposes only in accordance with the Mine Management Plan submitted in February each year. Rehabilitation activities included major earthworks associated with drainage repairs, rehabilitation of Tailings Storage Facilities, Waste Rock Dumps and environmental rehabilitation monitoring.
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1. **INTRODUCTION**


2. **TENEMENT DETAILS**

Tenement details are listed in Table 1:

**Table 1 Tenement Summary for TMJV Project ML's**

<table>
<thead>
<tr>
<th>Lease</th>
<th>Lease Name</th>
<th>Group Report</th>
<th>Expiry Date</th>
<th>Managing Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>MLS 119</td>
<td>Reward</td>
<td>Tanami Mine JV</td>
<td>31/12/2009</td>
<td>Otter Gold Pty Ltd</td>
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<td>MLS 120</td>
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<td>MLS 121</td>
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<tr>
<td>MLS 122</td>
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<td>31/12/2009</td>
<td>Otter Gold Pty Ltd</td>
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<tr>
<td>MLS 123</td>
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<td>Otter Gold Pty Ltd</td>
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<tr>
<td>MLS 124</td>
<td>No 5 South</td>
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<tr>
<td>MLS 125</td>
<td>No 2 North</td>
<td>Tanami Mine JV</td>
<td>31/12/2009</td>
<td>Otter Gold Pty Ltd</td>
</tr>
<tr>
<td>MLS 126</td>
<td>No 3 North</td>
<td>Tanami Mine JV</td>
<td>31/12/2009</td>
<td>Otter Gold Pty Ltd</td>
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<tr>
<td>MLS 127</td>
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<td>MLS 128</td>
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<td>Otter Gold Pty Ltd</td>
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<tr>
<td>MLS 129</td>
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<td>Tanami Mine JV</td>
<td>31/12/2009</td>
<td>Otter Gold Pty Ltd</td>
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<tr>
<td>MLS 130</td>
<td>East Block</td>
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<td>31/12/2009</td>
<td>Otter Gold Pty Ltd</td>
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<tr>
<td>MLS 131</td>
<td>No 5 South</td>
<td>Tanami Mine JV</td>
<td>31/12/2009</td>
<td>Otter Gold Pty Ltd</td>
</tr>
<tr>
<td>MLS 132</td>
<td>No 6 South</td>
<td>Tanami Mine JV</td>
<td>31/12/2009</td>
<td>Otter Gold Pty Ltd</td>
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<tr>
<td>MLS 133</td>
<td>South-East Block</td>
<td>Tanami Mine JV</td>
<td>31/12/2009</td>
<td>Otter Gold Pty Ltd</td>
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<td>MLS 153</td>
<td>Extended</td>
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<td>4/10/2015</td>
<td>Otter Gold Pty Ltd</td>
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<td>MLS 167</td>
<td>Matilda</td>
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<td>31/12/2020</td>
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<tr>
<td>MLS 168</td>
<td>Enterprise</td>
<td>Tanami Mine JV</td>
<td>31/12/2020</td>
<td>Otter Gold Pty Ltd</td>
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<tr>
<td>MLS 180</td>
<td>Molech</td>
<td>Tanami Mine JV</td>
<td>31/12/2022</td>
<td>Otter Gold Pty Ltd</td>
</tr>
</tbody>
</table>
3. LOCATION AND ACCESS

The project is located 650km northwest of Alice Springs, 850km southwest of Darwin and adjacent to the Tanami Road (Figure 1). The majority of the project area occurs within the Central Desert Aboriginal Land Trust, administered by the Central Land Council.

Figure 1  Tanami Mine Location
4. SITE STATUS AND HISTORY OF DEVELOPMENT

There is a long mining history at the Tanami site. Small scale mining commenced in the early 1900s and operations were sporadic until the late 1980s. In 1988, Zapopan purchased 50% of the project and Otter commenced exploration. In 1990 the Central Desert Joint Venture was formed between Otter and Shell. In 1995, the feasibility study was completed and the Central Desert Joint Venture purchased the Tanami plant from Zapopan and refurbishing of the plant commenced and the Tanami Mine Joint Venture was formed.

The project commenced in November 1995 and established a multi-pit operation processing 7.5 million tonnes and producing 694,658 ounces of gold. No additional mineable reserves were reported in June 2001 and mining ceased in July 2001 and processing operations in October 2001.

Normandy (now Newmont) discovered the Groundrush deposit in 1999 and project development was undertaken from 2001 through to September 2005 with the ore being processing at the Tanami Mine until mineable reserves were exhausted. The Groundrush mine site rehabilitation was completed in 2005 and the site placed into a post closure monitoring phase.

The processing plant was put onto a care and maintenance program in late 2005 while rehabilitation and exploration activities were undertaken over Newmont's exploration tenements and the Tanami mine site. To date no significant resources have been discovered and Newmont has determined the Tanami mine not to be a core asset and is to be divested along with a significant number of exploration tenements.

A summary of production for the entire project is outlined in Table 2.

<table>
<thead>
<tr>
<th>PRODUCTION ASPECT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ore Tonnes Mined</td>
<td>11,947,873</td>
</tr>
<tr>
<td>Ore Grade Mined (g/t)</td>
<td>3.7</td>
</tr>
<tr>
<td>Waste Volume Mined (BCM)</td>
<td>75,292,821</td>
</tr>
<tr>
<td>Ore Tonnes Processed</td>
<td>12,809,464</td>
</tr>
<tr>
<td>Gold Ounces Produced</td>
<td>1,285,224</td>
</tr>
</tbody>
</table>
5. REGIONAL GEOLOGY

The regional lithology contains units of the Mount Charles Beds. The ‘Mine Basalts’ (Tanami Mine Sequence) comprising of basalts with intercalated thin to thick turbidites, are traced through MLS 153, south to MLS 168 and are found in MLS 180, where they host the mineralisation of Beaver Creek, Bonsai and Banjo. Of note are the ‘Mine Corridor’ basalts and sediments in close proximity to large granite plutons. These intrusives are considered responsible for driving the mineralising process.

- **Regolith** - The ‘Tanami Mine Sequence’ is masked by a 40-100m deep regolith profile. The profile consists of a transported cap of relict lateritic material 3-20m thick, followed by a 6-30m thick mottled clay zone, which overlies an extensive saprolite clay zone, best developed in basaltic units (30-70m).

- **Lithology** - The Palaeoproterozoic Mt Charles Beds consists of interbedded intrusive and extrusive basalt units and fine to coarse-grained marine sediments, which dip variably 50-70º from horizontal.

A coarse-grained quartzose package of Mesoproterozoic sediment (Gardiner Sandstone) unconformably overlies the Mt Charles Beds in some areas of the mineral leases. This package is thought to be of post mineralisation age and is not considered prospective.

- **Basalt** - Major basalt units are composed of multiple 4-25m thick individual flows separated by narrow bands of sediment or flow top breccias. Three distinct basaltic facies have been recognised and include massive basalt, Brecciated basalt and pillow basalt.

- **Sediments** - The Mt Charles Beds consist of intercalated laminated carbonaceous shale, mudstone to siltstone and sandstone, and coarse matrix and clast-supported polymictic sedimentary breccia. All sediments are of basaltic provenance.

- **Intrusives** - Several small-scale felsics to intermediate dykes have been recorded throughout the operation.

As basalts are generally more competent than sediments, they display the features of brittle deformation, such as extensive stock work development and cataclastic fracture. As a whole, the mine sequence has behaved in a predominantly brittle character, due to the thickness and continuity of basaltic units. Alteration assemblages include haematite, sericite, ankerite, quartz and pyrite.

5.1 Hydrology and Hydrogeology

The climate of the project area is semi-arid tropical, with an annual evaporation rate of 2971 mm, much greater than the area’s average annual rainfall of 475 mm. There are no permanent water courses in the Tanami region. Salt lakes and ground depressions hold water for a few weeks in the wet season but evaporate soon after. The natural pre-mining groundwater level in the project area has been estimated at 49 m below ground level, as shown by an early water level taken at a registered bore (RN470) located near the old windmill on the Tanami Mine site, taken in 1948 (PWA Report). The natural groundwater flow on the lease is towards the southeast (Robertson GeoConsultants, 2004).
5.2 Flora and Fauna

The region consists of low sandy soil plains with minimal relief, containing tall open Acacia shrubland and low woodland with mainly Spinifex and hummock grass understorey (Donato, 1998). A biogeographical regionalisation of Australia (Thackway & Cresswell, 1994) identified the Tanami as Region 49, covering 292,194 km². Less than 1% of the region was reserved in conservation areas. The region was described as: "mainly red Quaternary sand plains overlaying Permian and Proterozoic strata which are exposed locally as hills and ranges. The sand plains support mixed shrub steps of Hakea subera, desert bloodwoods, acacias and grevilleas over Triodia pungens hummock grasslands. Wattle scrub over T. pungens hummock grass communities occur on the ranges. Alluvial and lacustrine calcareous deposits occur throughout. In the north they are associated with Sturt Creek drainage, and support Chrysopogon and Iseilema short-grasslands often as savannas with River Gum; in the south the saline alluvia of Lake Mackay support samphire low shrublands and Melaleuca lasiandra – M. glomerata shrublands.

6. WORK DURING THE REPORTING PERIOD

Newmont Asia Pacific’s Environment and Social Responsibility (ESR), Closure and Reclamation (C&R) Department is responsible for management and closure of the Tanami Mine and details of the works are submitted to the DoR in the annual MMP reports in support of the ongoing closure and reclamation of the project. The MMP includes the Tanami Mine Joint Venture (TMJV) tenements (MLS 119-133, 153, 167, 168, 180), and the Newmont Tanami Groundrush lease (ML 22934).

Rehabilitation and Closure Works continued throughout the reporting period. Extensive investigations have been carried out and continue, in order to ensure that design and approaches are commensurate with the conditions and commitments which relate to the project, from the point of view of the Regulatory Authorities, the Traditional Owners and Newmont’s own standards and values.

Considerable effort has gone into improving rehabilitation methods, including water runoff control, ripping techniques, topsoils harvesting, and earthmoving processes. A version of the first Closure Plan was provided to the CLC and Regulators for feedback and discussion early in 2006, followed by two revised versions. Based on the initial parameters of the Closure Plan, a number of projects, which required no further technical investigation, were commenced and have been completed.

The following activities generally reflect work undertaken on the leases.

- Abandonment bunding around open-cut pits
- Bunding as required for drainage control
- Rehabilitate all non-essential roads, except haul road and monitoring access roads
- Reprofile topsoil and rip low-grade stockpiles
- Repair and/or reprofile areas of waste rock dump failure and some major gullies
- Sheet and topsoil outslopes and flatten areas of waste rock dumps as required
- Install drainage bunds and other drainage controls where required
- Backfill and cap in-pit tailings storage facilities
- Cap and rehabilitate above ground paddock styled tailings storage facility
- Contour rip to survey contours all relevant areas.
7. REFERENCE LIST


Location: 650km NW of Alice Springs along the Tanami Road

Geology: Palaeoproterozoic Mt Charles Beds, overlying Gardiner Sandstone

Work done: Rehabilitation and closure works

Results: N/A