NEWMONT
ASIA PACIFIC

FINAL REPORT

FINAL REPORT
for
EL9477
Mallee Snake

for the period
6th July 1998 to 22nd January 2010

'Pendragon' Project
Northern Territory

Volume **1** of **1**

1:250,000 SHEET:	TANAMI	SE52-15
1:100,000 SHEET:	PARGEE	4758

AUTHOR: M. Eisenlohr

TENEMENT HOLDER: Australian Tenement Holdings Pty Ltd

DISTRIBUTION:

- NT Department of Regional Development, Primary Industries, Fisheries and Resources
- Newmont Asia Pacific
- Central Land Council

April 2010 **NEWMONT CR 34799**

SUMMARY

This is the Final report on EL 9477 for the period 6th July 1998 to 22nd January 2010. The tenement will be replaced by SEL26925, which has been applied for over the area.

This report and all data should remain confidential until all replacement tenure over the area has expired.

It was important for ATH to ensure that there is a reasonable amount of exploration land to include with the TMJV/Groundrush Mining Leases as a saleable package. If we reduce the ATH landholdings in the vicinity of the TMJV/Groundrush Mining Leases and processing infrastructure, the likelihood of securing a sale to an established junior Mining Company or Initial Public Offerings may be diminished. In addition, all of the area covered by the project area is considered prospective for gold mineralisation similar to the Tanami, Twin Bonanza, Old Pirate & Groundrush deposits and any purchaser will require time to effectively evaluate the exploration potential of the area.

Further to our recent discussions with the Department of Regional Development, Primary Industries, Fisheries and Resources, Newmont Australia Limited (Newmont) anticipates recommencing the divestment of the ATH exploration tenements and TMJV/Groundrush mining leases in the second half of 2009 subject to an improvement in market conditions.

Since the last report a purchase agreement has been signed and the divestment process has been initiated.

During 2010 Newmont is planning to continue with its environmental auditing of ATH tenements to ensure the success of previous rehabilitation of exploration disturbances.

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EL 9477 – Mallee Snake – was granted on the 6th July 1998 and was part of the Pendragon Deed for Exploration between the Central Desert Joint Venture (CDJV) - Otter Gold Pty Ltd and AngloGold Ashanti Australia Limited - and the Central Land Council (CLC).

This report is the Final report on exploration carried out on the tenement for the period 6th July 1998 to 22nd January 2010.

A tenement application for SEL26925 has been submitted over the area.

This report and all data contained should remain confidential until all replacement tenure over the area has expired.

2. TENEMENT DETAILS

Tenement details are listed in Table 1:

Table 1: Tenement Summary for EL 9477

Licence	Status	Grant Date	Area/Blocks	Holder
EL 9477	Granted	06/07/1998	13	Australian Tenement Holdings Pty Ltd

3. LOCATION, ACCESS AND PHYSIOGRAPHY

EL 9477 is located in the Tanami Desert region, approximately 150km NW of the Granites Gold Mine.The area is covered by the Tanami (SF52-15), 1:250 000 series map sheet.

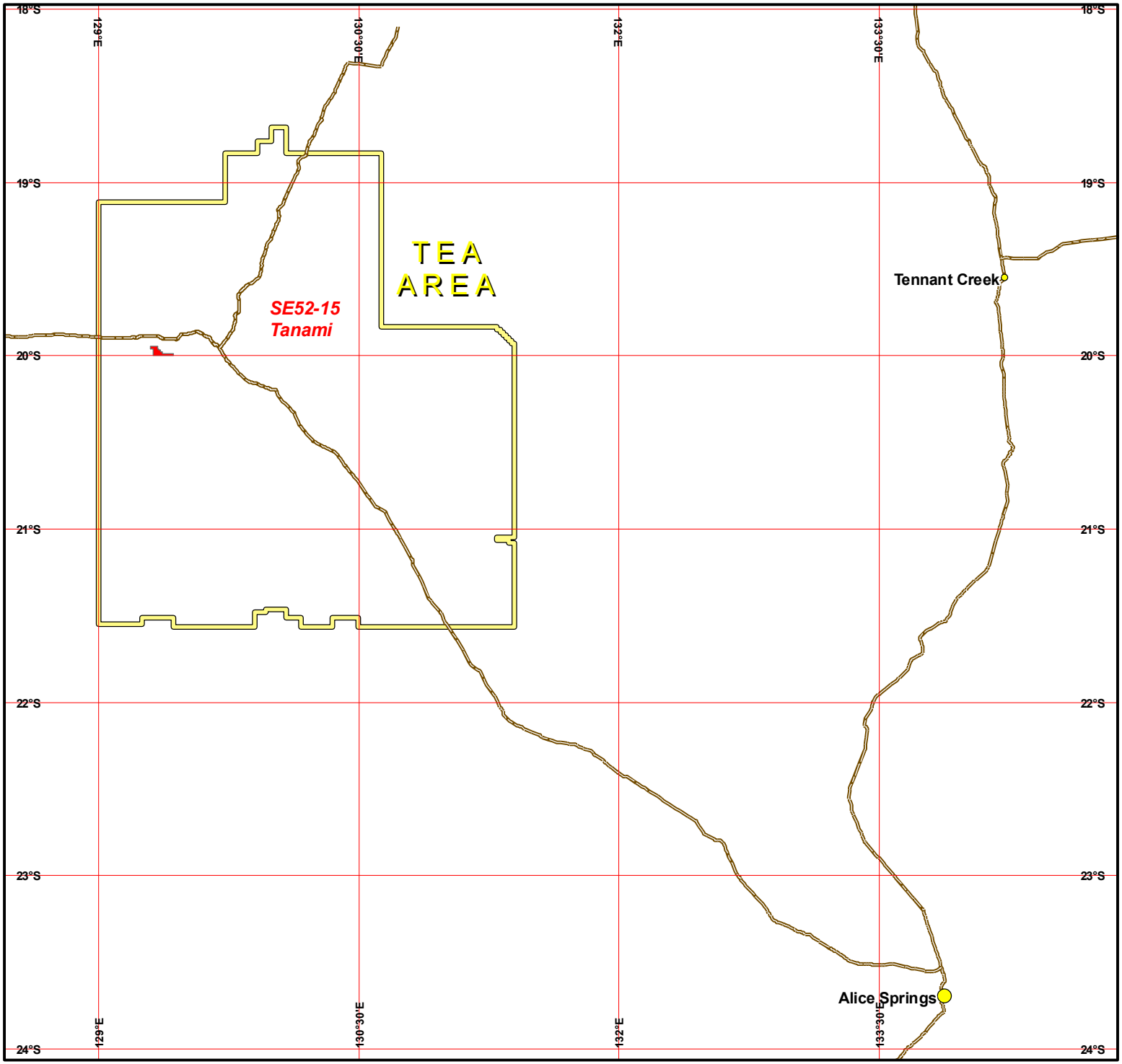
Access to the tenement can be gained via the old Tanami Highway, or a seismic line that runs north of theTanami Road toward the Pargee Range.

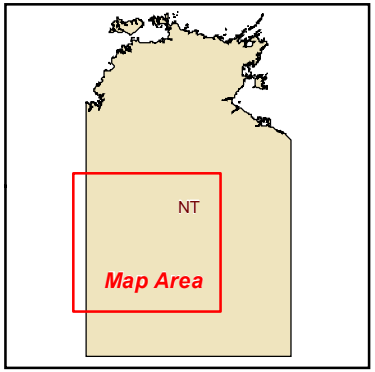
Approximately 70% of the project area is dominated by various thicknesses of alluvial cover, the depth ofwhich is greatest within palaeodrainage systems. Hills and ridges are common in northern and central partsof the project area and range in height from less than 30m to more than 200m above the surrounding plains.They are often steeply incised by narrow channels and creeks, which pass into outwash fans beforedisappearing into the surrounding sand plains.

Vegetation is generally sparse, because of the arid climate and predominantly sandy soils, and consistsmainly of spinifex with scattered low trees (mostly species of eucalyptus and acacia), shrubs andherbaceous plants. Few trees are taller than 8m with relatively large trees present only along creeks.

There are no permanent watercourses in the region, however water apparently persists at the PargeeRockhole and in some creeks for at least a few months following seasonal rains.

Figure 1 Location





0 50 100

Kilometers

NEWMONT EXPLORATION PTY LTD

Tanami Project

EL 9477

TENEMENT LOCATION

Author: M. Eisenlohr	Scale: 1:3 500 000
Drawn: V. Preedy	Date: 4/3/2010
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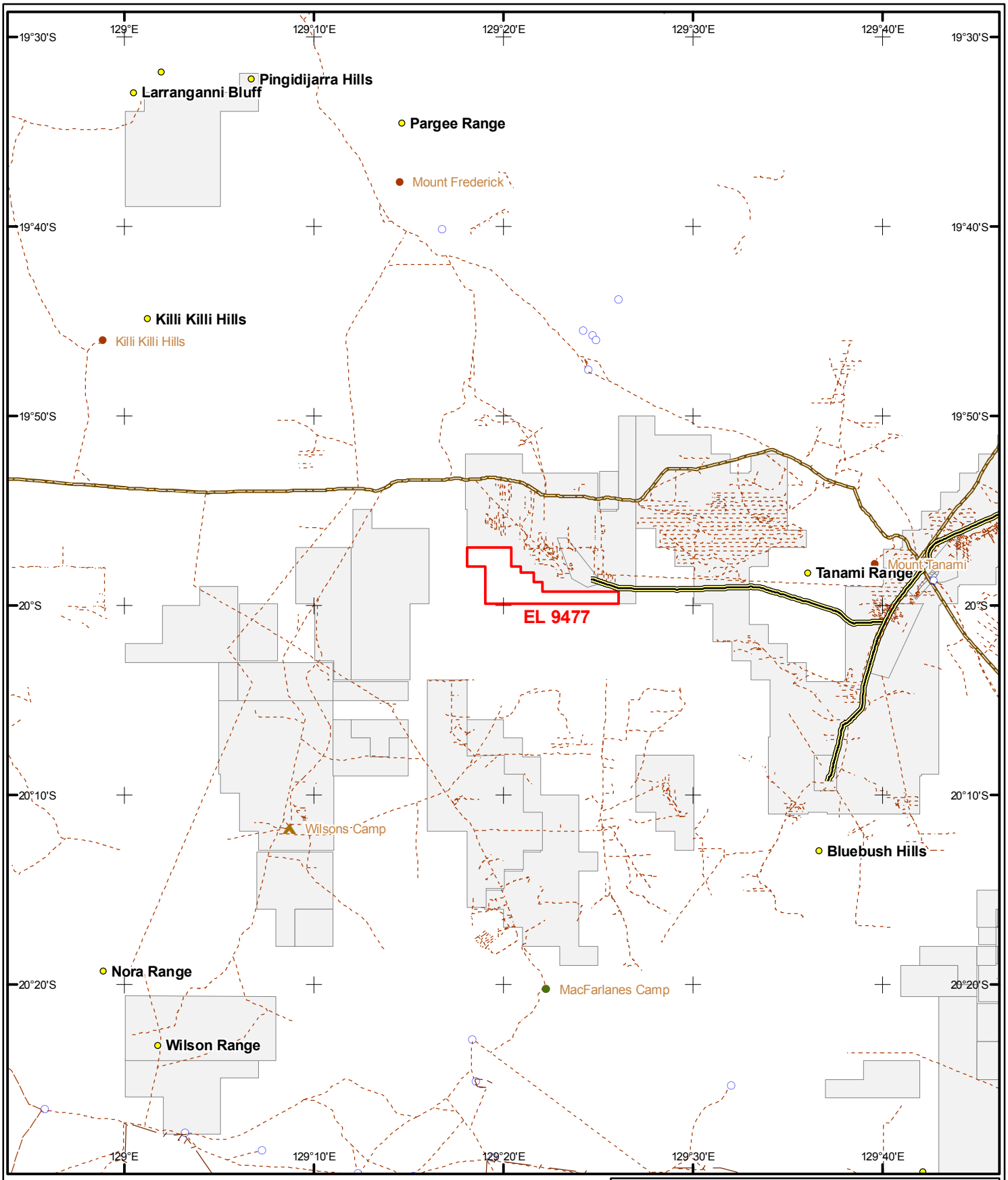
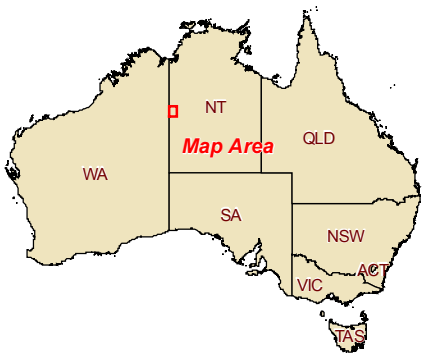
\AUS\NT\Tanami_Tenements\MXD\Reports\	





N

0 10 20

Kilometers

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EL 9477

LOCATION AND ACCESS

Author: M. Eisenlohr	Scale: 1:500 000
Drawn: V. Preedy	Date: 4/3/2010
File: TAN_Rep_EL9477_Access.mxd \AUS\NT\Tanami_Tenements\MXD\Reports\	Projection: Lat/Long (GDA 94)

Figure 2 Access

4. GEOLOGY

The Granites-Tanami Goldfield lies in the eastern part of the Early Proterozoic Granites-Tanami Inlier, which is part of the Northern Australian Orogenic Province. The Inlier abuts the Arunta Complex to the south and east and is onlapped by younger cover sequences including the extensive Palaeozoic Wiso Basin on its north-eastern margin. To the west, clastic sediments of the Middle Proterozoic Birrindudu Basin overlie and separate the Inlier from similar age rocks in the Halls Creek Province.

Meso Proterozoic Birrindudu Group sediments dominate the northern portion of the reporting area. These comprise mature fluviatile sandstones and interbedded shales of the Gardiner Formation and to a lesser extent calcareous sediments of the Talbot Well Formation. The Birrindudu sediments are unmetamorphosed, shallowly dipping, and unconformably overlie Palaeo Proterozoic sedimentary rocks of the Pargee Formation, which is characterised by immature fluviatile sandstone and intercalated siltstones. The Pargee sequence unconformably overlies turbiditic greywacke and pelitic sedimentary sequences of the KilliKilli group. The Palaeo Proterozoic units have been subject to complex, polyphase deformation and have reached greenschist facies metamorphism during the regional Barramundi Orogeny. The south-eastern portion of the tenement is dominated by the post orogenic Coomarie Batholith.

5. EXPLORATION DURING THE REPORTING PERIOD

1998 - 1999

The application of low level surface sampling to generate tight anomalies that reflect primary mineralisation directly underneath is an obvious bonus in difficult exploration terrains. The ZARG (Zeeman Aqua Regia Gold) technique detects gold to a O.lppb detection limit in drainage and regolith samples.

Otter has focussed much of its efforts into utilising this unique analytical method to implement a relatively cheap and effective first pass exploration strategy. The importance of understanding the regolith in these areas is essential to ensure that the 'correct' level of anomalism is identified in each domain. The general lack of access to regional areas and continuing wet weather prompted the adoption of a helicopter sampling strategy for the regional areas. Sample spacing selected for the program, as for regional posthole, was 400m x 400m, which is considered, appropriate for typical Tanami mineralisation. Sample spacing was increased to 800m x 800m over areas of granite were prospectivity is likely to be less.

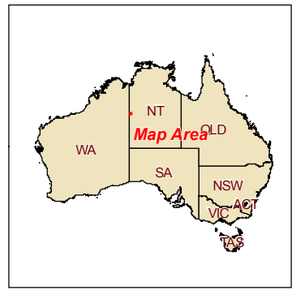
53 soil samples on an 800 X 800m grid for ZARG analysis were collected in January. The results ranged from .05 to 0.2 ppb Au.

1999 - 2000

Exploration within the Pendragon group of tenements has focused almost exclusively on the highly magnetic sediment and basalt packages of the Twigg Formation/McFarlane Peak Group. A significant proportion of the Pendragon tenements cover Killi-Killi stratigraphy. The low magnetic rocks to the south of the main Pendragon shear are considered to be Killi-Killi sediments.

Figure 3 Geology

129°17'30"E
129°20'0"E
129°22'30"E
129°25'0"E
19°57'30"S
20°0'0"S
20°2'30"S



Litho-magnetic boundary

Litho-magnetic trend

Intrusive at depth

Major fault

Minor fault, fracture

Unconformity

Code, Description

-Plg, Conglomerate, sandstone, siltstone

-Plg-m, Conglomerate, sandstone, siltstone

-Ptk, Sandstone, siltstone

-Ptk-m, Sandstone, siltstone

N

0 1 2

Kilometers

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EL 9477

INTERPRETED GEOLOGY

Author: M. Eisenlohr	Scale: 1:50 000
Drawn: V. Preedy	Date: 4/3/2010
File: TAN_Rep_EL9477_Geology.mxd \AUS\NT\Tanami_Tenements\MXD\Reports\	Projection: Lat/Long (GDA 94)

Previous exploration in this area includes WMC lag sampling (lOOx800m) and Otter regional ZARG sampling (800x800m). Limited drilling of this package has been completed for sterilisation purposes to the south of Bonsai and Beaver Creek deposits.

Eight postholes (PGAC252-259) were drilled for a total of 141m on a line traversing the Killi-Killi and Pargee. The area is dominated by a palaeo-drainage, which trends in a NW-SE direction. The direction of flow is interpreted from the DTM contours to be from SE to NW. There is a NW-SW trending Pargee sandstone ridge defining the western margin of the drainage. The postholes were drilled to determine the nature and depth of cover in the palaeo-channel.

The depth of cover in the deepest part of the channel is 15m. Sand cover, with clay rich horizons encountered in PGAC252 and 253, dominates the transported regolith profile. The residual regolith comprises of upper saprolite down to an average depth of 22m passing through the redox zone into lower saprolite. The geology encountered at the base of hole within the channel comprised primarily of siltstones, with minor sandstone.

The cover material on the margins of the Pargee sandstone comprised primarily of gravel material, lithic's and sand. The SW side of the Pargee sandstone ridge was blanketed by sand cover, which increased in thickness from a thin veneer to in excess of 18m in PGAC256. The NE end of the traverse is bound by an extensive outcrop if silcrete. Lateral extensions of this silcrete were encountered in the first drill hole on the traverse, between 8-12m depth.

No surface sampling was conducted during the period.

2000 - 2001

Regional and Infill surface sampling and posthole comprised the work completed in the Pendragon region. No significant results were returned from either the surface sample programmes or the posthole drilling (max 14ppb Au).

The Tanami Area 1 Airmag/DTM survey in Dec 2000 covered part of the tenement area.

2001 - 2002

Fourth year work programmes were put on hold within this region due to the scaleback of staff and the turmoil of potential takeovers.

Fourth year work comprised remote discrimination of targets using the enhanced geophysical technique multiscale edge analysis (worming) process as developed by Fractal Graphics over the Tanami Region. Regions within all the tenements were subject to the assessment of surface sampling programme and follow up work was proposed, however, unable to be completed as priorities changed.

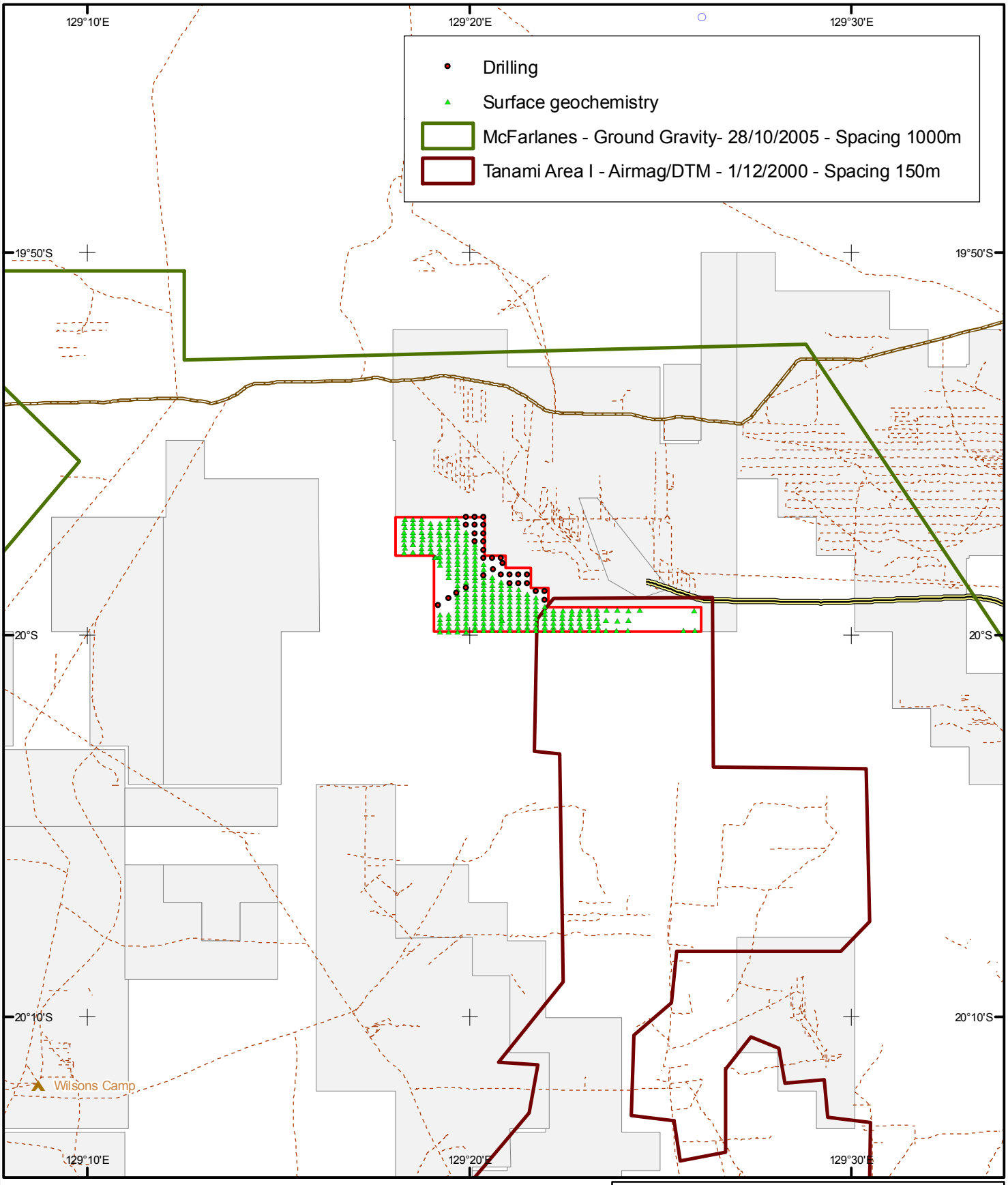
2002 - 2003

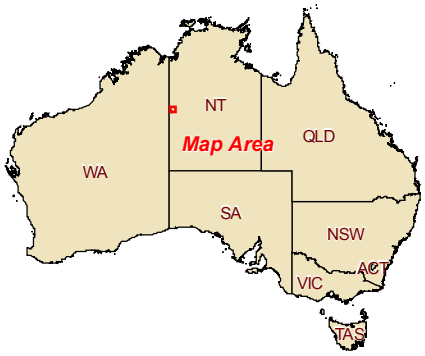
No work was completed during the fifth year of tenure.

2003 - 2004

Work during the period consisted of the preparation for the structural study.

Figure 4 Exploration Index





N

0 5 10

Kilometers

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Tanami Project

EL 9477

EXPLORATION INDEX

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Drawn: V. Preedy	Date: 4/3/2010
File: TAN_Rep_EL9477_Index.mxd \AUS\NT\Tanami_Tenements\MXD\Reports\	Projection: Lat/Long (GDA 94)

2004 - 2005

Review of currently available data and interpretation continued for the preparation of the 2005 - 06 budget.

The McFarlanes Ground Gravity survey conducted in October 2005, covered the tenement area.

No other work was completed within this Lease other than preparation for the Pendragon structural study and target generation.

2005 - 2009

The Pendragon group of tenements were part of the Tanami Exploration Agreement and no work was carried out over the area of EL9477 during 2005 to 2009.

6. CONCLUSION

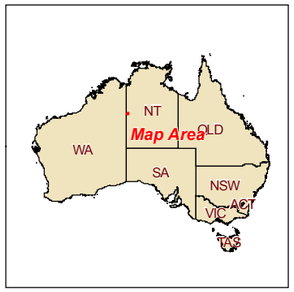
Since the last report a purchase agreement has been signed and the divestment process of the Tanami tenement package has been initiated.

During 2010 Newmont is planning to continue with its environmental auditing of ATH tenements to ensure the success of previous rehabilitation of exploration disturbances.

Figure 5 Geochemistry

129°17'30"E
129°20'0"E
129°22'30"E
129°25'0"E

19°57'30"S
20°0'0"S
20°2'30"S



N

0 1 2
Kilometers

Sample Type

- Rockchip
- Soil samples

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Tanami Project

EL 9477

SURFACE GEOCHEMISTRY

Author: M. Eisenlohr	Scale: 1:50 000
Drawn: V. Preedy	Date: 4/3/2010
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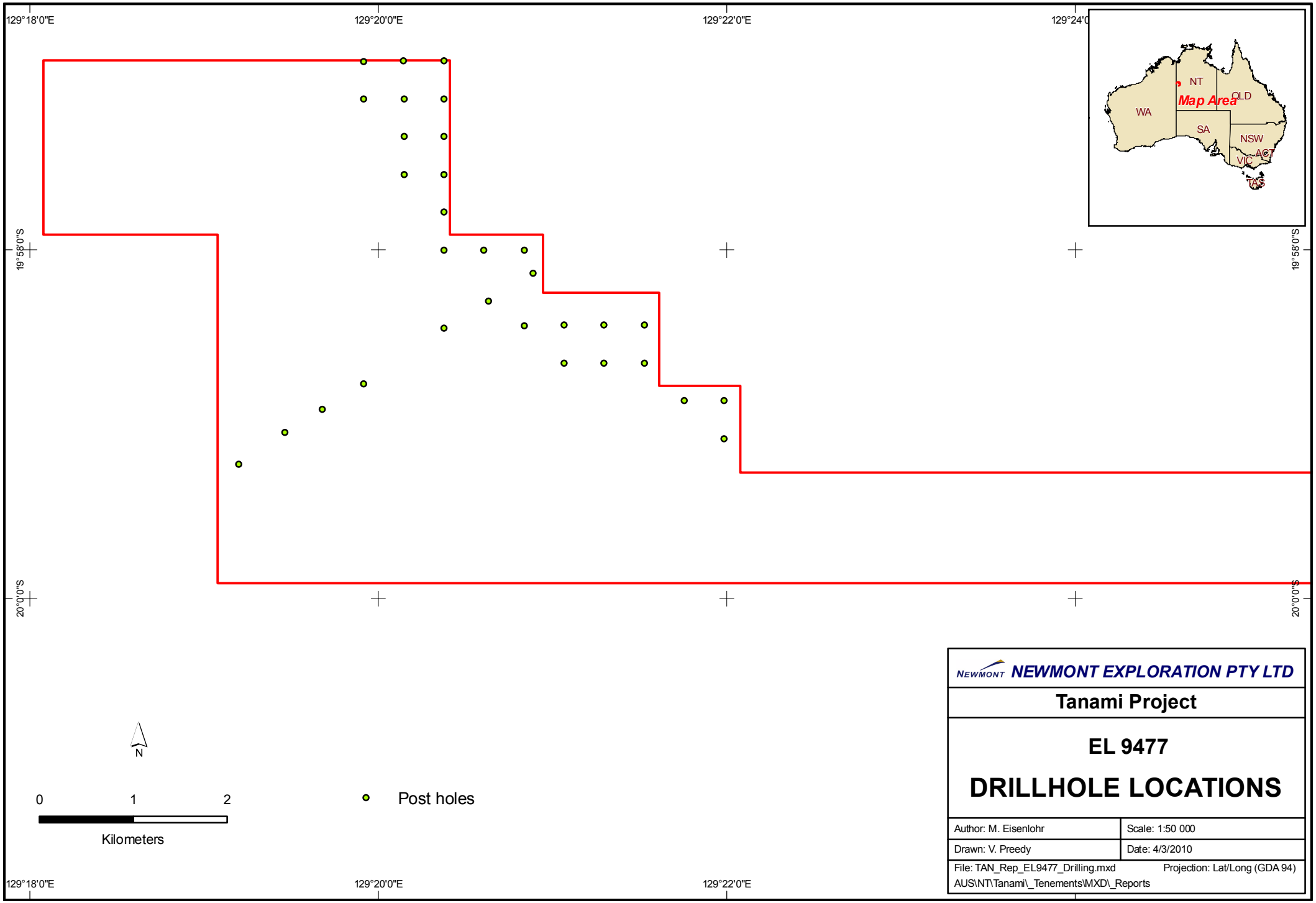

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Tanami Project

EL 9477

DRILLHOLE LOCATIONS

Author: M. Eisenlohr	Scale: 1:50 000
Drawn: V. Preedy	Date: 4/3/2010
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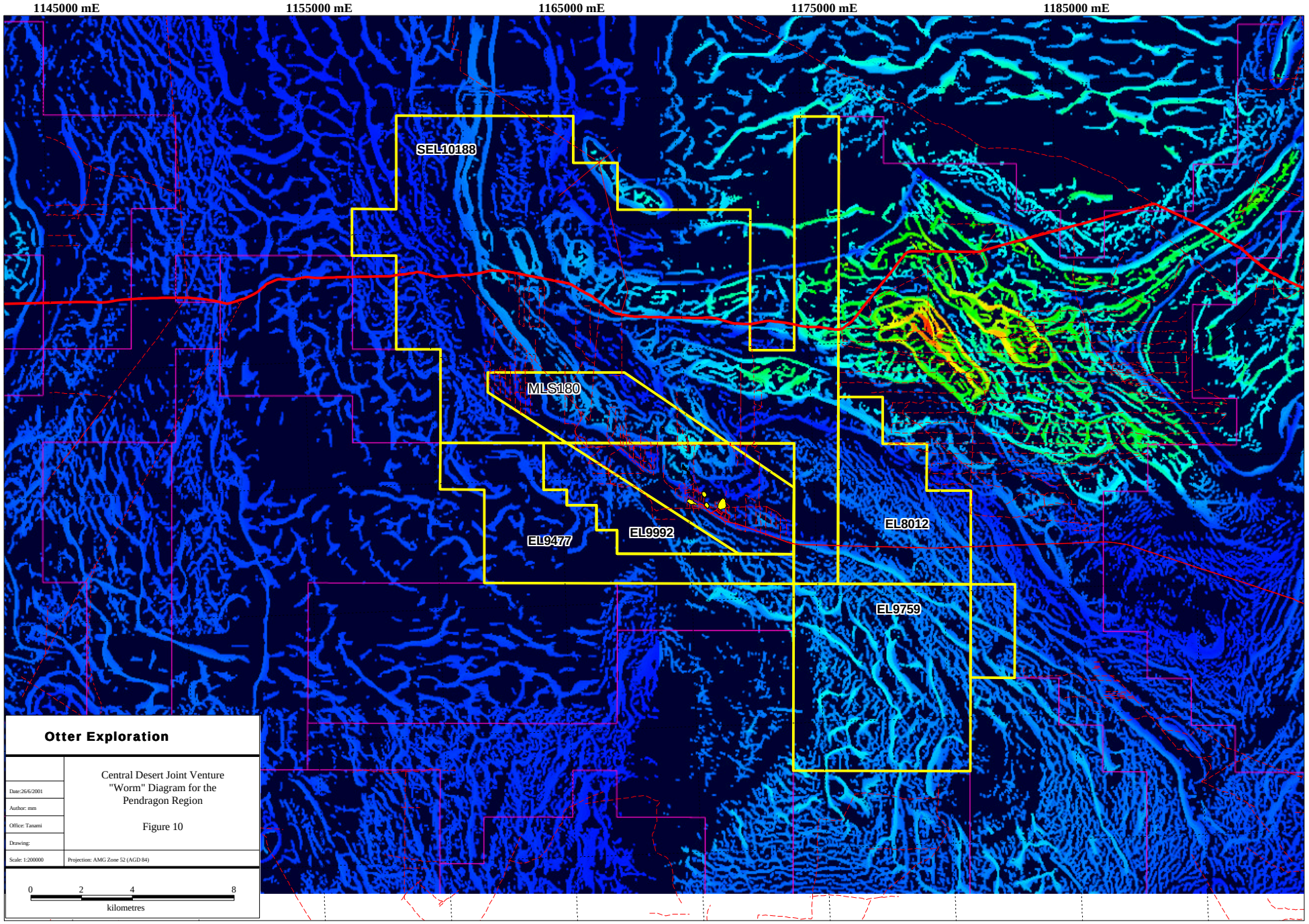
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MLS180
EL9477
EL9992
EL8012
EL9759
Otter Exploration
Central Desert Joint Venture
"Worm" Diagram for the
Pendragon Region
Figure 10
Date:26/6/2001
Author: mm
Office: Tanami
Drawing:
Scale: 1:200000
Projection: AMG Zone 52 (AGD 84)
0 2 4 8
kilometres

7. REFERENCES

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BIBLIOGRAPHIC DATA SHEET

HOLDER	Australian Tenement Holdings Pty Ltd
PROJECT	Pendragon
TENEMENTS	EL9477 – Mallee Snake
REPORT NUMBER	CR 34799
DATE	22nd April 2010
AUTHORS	M. Eisenlohr
STATE	NT
LATITUDE	-19°57 to -20° 00’
LONGITUDE	129° 18’ to129° 26’

1:250 000 SHEET	Tanami	SE51-15
1:100 000 SHEET	Pargee	4758

COMMODITY	Gold
KEYWORDS	Surface geochemistry, soil sampling, post hole drilling, geophysical surveys

VERIFICATION LISTING FORM

Exploration Work Type	File Name	Format
Office Studies		
Literature search		
Database compilation		
Computer modelling		
Reprocessing of data		
General research		
Report preparation	EL9477_2010_CR34799Final.pdf	PDF
Other (specify)		
Airborne Exploration Surveys		
Aeromagnetics	TanamiAreaI_Magnetics_EL9477.dat TanamiAreaI_Magnetics_EL9477.dfn TanamiAreaI_Magnetics_EL9477.prj	
Radiometrics		
Electromagnetics		
Gravity		
Digital terrain modelling		
Other (specify)		
Remote Sensing		
Aerial photography		
LANDSAT		
SPOT		
MSS		
Radar		
Other (specify)		
Ground Exploration Surveys		
Geological Mapping		
Regional		
Reconnaissance		
Prospect		
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Electromagnetics		
SP/AP/EP		
IP		
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