

ANNUAL REPORT FOR EL 2228 Border North East 1

for the period
25/05/2008 to 24/05/2009

McFarlane
NORTHERN TERRITORY

Volume 1 of 1

1:250,000 SHEET: The Granites SF52-03

1:100,000 SHEET: McFarlane 4757

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TENEMENT HOLDERS: Australian Tenement Holdings Pty Ltd

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SUMMARY

This is the annual report on EL 22228 for the period 25th May 2008 to 24th May 2009.

No field exploration was carried out over the tenement during the reporting period.

It is 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.

During 2009 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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1. INTRODUCTION

EL 22228 – Border North East 1 – as part of the McFarlane Project, was granted to Australian Tenement Holdings Pty Ltd on 8th June 2001. This report is the annual report on exploration carried out on the tenement for the period 25th May 2008 to 24th May 2009.

2. TENEMENT DETAILS

Tenement details are listed in Table 1:

Table 1: Tenement Summary for EL 22228

Licence	Status	Grant Date	Area/Blocks
EL 22228	Granted	08/06/2001	10

3. LOCATION, ACCESS AND PHYSIOGRAPHY

The EL 22228 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.

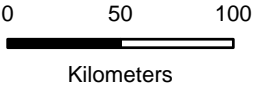
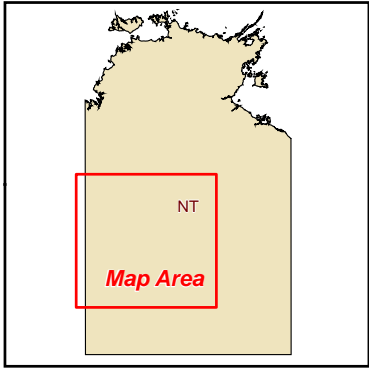
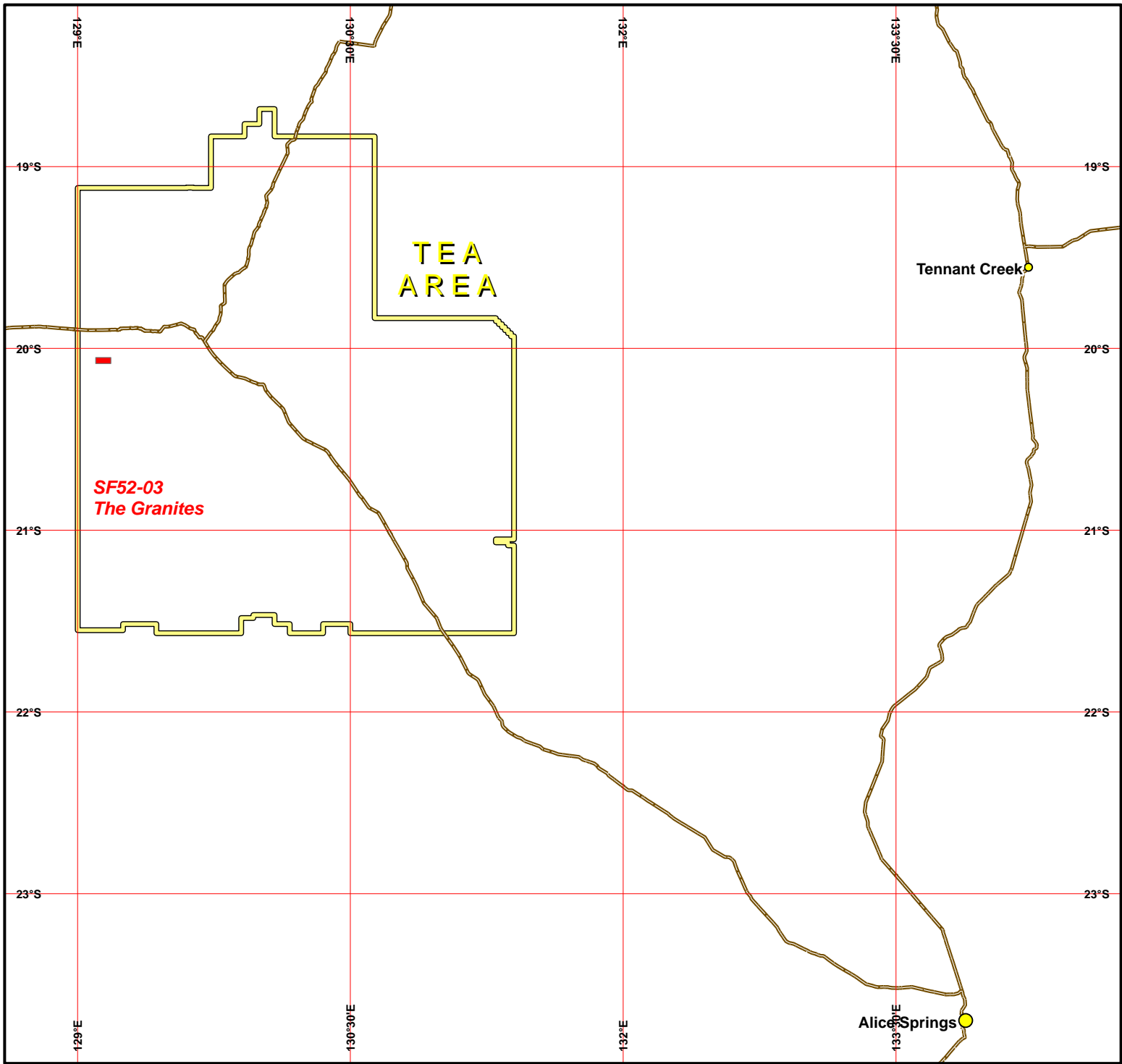
Access to the tenement can be gained via the old Tanami Highway, or a seismic line that runs north of the Tanami Road toward the Pargee Range.


Approximately 70% of the project area is dominated by various thicknesses of alluvial cover, the depth of which is greatest within palaeodrainage systems. Hills and ridges are common in northern and central parts of 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 before disappearing into the surrounding sand plains.

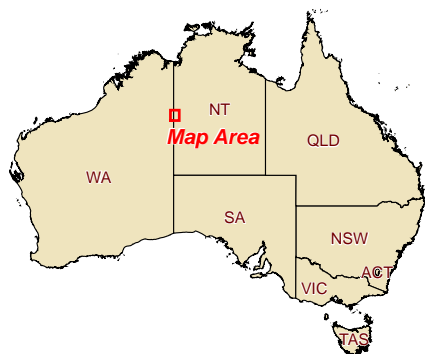
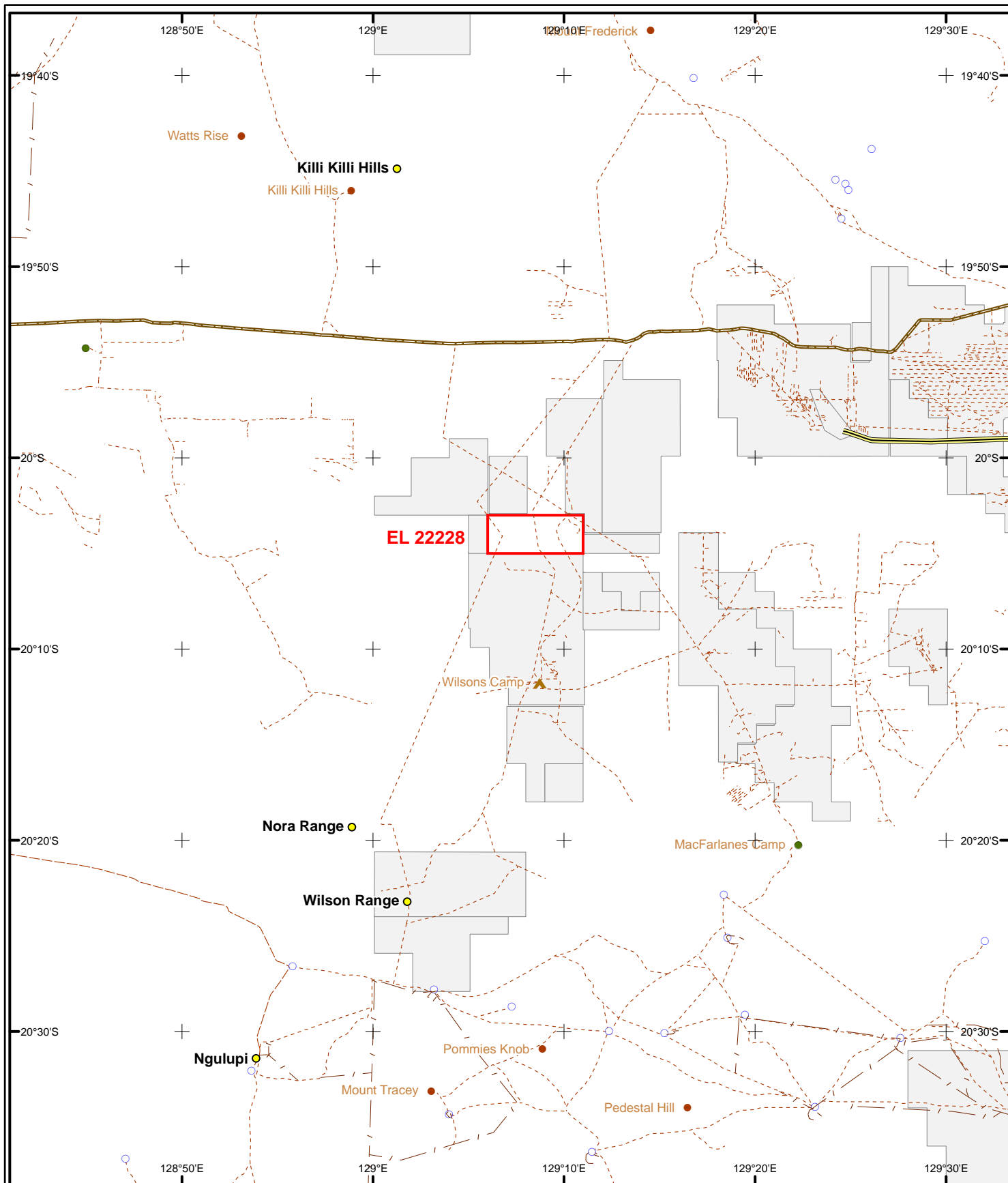
Vegetation is generally sparse, because of the arid climate and predominantly sandy soils, and consists mainly of spinifex with scattered low trees (mostly species of eucalyptus and acacia), shrubs and herbaceous plants. Few trees are taller than 8m with relatively large trees present only along creeks.

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

Figure 1 Location



 NEWMONT EXPLORATION PTY LTD	
Tanami Project	
EL 22228	
TENEMENT LOCATION	
Author: M. Eisenlohr	Scale: 1:3 500 000
Drawn: V. Preedy	Date: June 2009
File: TAN_Rep_EL22228Loc.mxd Projection: Lat/Long (GDA 94) \AUSNT\Tanami_Tenements\MXD\Reports\	



0 10 20
Kilometers



NEWMONT EXPLORATION PTY LTD

Tanami Project

EL 22228

LOCATION AND ACCESS

Author: M. Eisenlohr

Scale: 1:500 000

Drawn: V. Preedy

Date: June 2009

File: TAN_Rep_EL22228Access.mxd

Projection: Lat/Long (GDA 94)

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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 overlapped 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

No field exploration was carried out over the tenement during the reporting period.

During 2009 Newmont is planning to continue with its environmental auditing of ATH tenements to ensure the success of previous rehabilitation of exploration disturbances.

6. REFERENCES

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HOLDER	Australian Tenement Holdings Pty Ltd	
PROJECT	Border North East 1	
TENEMENTS	EL 22228	
REPORT NUMBER	CR34237	
DATE	June 2009	
AUTHORS	M. Eisenlohr	
STATE	NT	
LATITUDE	-20°03' to -20° 05'	
LONGITUDE	129° 06' to 129° 11'	
1:250 000 SHEET	The Gramites	SE52-03
1:100 000 SHEET	McFarlane	4757
COMMODITY	Gold	
KEYWORDS		