EXODUS MINERALS LIMITED

(ACN 007 701 715)

Annual Report
Reynolds Range

Exploration Licence 7343

For the period 29 April 1999 to 28 April 2000

Napperby 1:250,000 Sheet SF53-09

Volume 1
SUMMARY

Exploration for the year was limited to administrative and office based duties. Exodus undertook a full rationalisation of the tenement package prior to major restructuring of the joint venture agreement with Normandy Gold Limited.

Exodus and Normandy reached agreement to incorporate the Terrier project (EL 8363) into the Reynolds Range Joint Venture. Exodus remains manager of the project and will continue to earn a 60% interest of the new joint venture package by expenditure of $1.5M in total by August 2004.
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1. **INTRODUCTION**

Exploration Licence 7343 was applied for by Normandy Gold Pty Ltd to target structurally gold and base metal mineralisation within lower to mid Proterozoic metamorphosed units of the Arunta Block.

This report covers work completed by Exodus on Exploration Licence 7343 for the period 29 April 1999 to 28 April 2000. Exploration for the period has included a full review of previous work prior to major restructuring of tenure and the joint venture agreement.

2. **LOCATION AND ACCESS**

Exploration Licence 7343 is located on the Napperby (SF53-09) 1:250,000 sheet, some 180km north-west of Alice Springs and covers parts of the Coniston and Pine Hill pastoral leases (Figure 2).

Access to the project area is from the Stuart Highway, north of Aileron Roadhouse, via the unsealed Conston station road to Mt Denison. Alternative access is via the Tanami Road from Alice Springs to Yuendumu and then east via the unsealed Conston Station Road.

Station tracks provide some access within the project area.

3. **TENURE**

Exploration Licence 7343 was granted to Normandy Gold Pty Ltd (“Normandy”) on 30 April 1991 for a period of six years, expiring on 29 April 1997. The licence was renewed for a period of two years, expiring on 29 April 1999 and has been renewed a second time for a further two years expiring on 29 April 2001. Figure 3 shows the current distribution of granted blocks comprising EL 7343.

Exodus Minerals Limited reached agreement with Normandy to incorporate EL 8363 (“Terrier”) into the Reynolds Range Joint Venture project. Exodus is managing the Joint Venture and may earn 60% interest by expenditure of $1.5 million in total by August 2004.

An application to the Department of Mines & Energy Northern Territory has been made on behalf of the Joint Venture to reduce the size of SEL 9500 from 430 blocks at present to a total of 149 blocks.

4. **PHYSIOGRAPHY**

The tenement covers the central portion of Reynolds Range to the west and the Anmatjira Range to the east. To the south of the tenement Mt Thomas (1,116 metres ASL) stands 600 metres above the valley floor that is dominated by sheetwash plains and remnant colluvial fanglomerates.
The Lander River and Warburton Creek that drain north-west and north out of the tenement respectively dominate drainage.

Vegetation consists of spinifex, cassia shrubs and low mallee and acacia (Mulga) trees with isolated ghost gum, river red gum and thickets of tea trees along water courses.

5. REGIONAL AND TENEMENT GEOLOGY

The tenement lies within the north-western portion of the Early to Mid Proterozoic Arunta Orogenic Domain in the Northern Territory.

The Arunta Orogenic Domain comprises metamorphosed sedimentary and igneous rocks that have been extensively intruded by a range of granitic bodies. The Granites-Tanami and Tennant Creek Inliers are located to the north-west and north respectively. On all other sides the Arunta Orogenic Domain is surrounded by, and forms basement to, younger Late Proterozoic to mid Paleozoic Sedimentary basins.

The Arunta Orogenic Domain is structurally complex and is interpreted to contain lithological correlatives with the Granites-Tanami and Tennant Creek Inliers, both of which host significant gold mineralisation.

The regional project area covers the Central and Northern Tectonic Zones of the Arunta Orogenic Domain and contains greenschist to granulite facies lithologies and a range of granite intrusives (Figure 4). Several of these granites have similar geochemistry to granites within the Pine Hill Inlier, being enriched in tin and uranium.

Within the project area, the rocks are dominated by a sequence of interbedded medium grained greywacke and fine-grained phyllite that form part of the Lander Rock Beds Group. These have been intruded by a number of relatively thin, medium grained, roughly east-west oriented mafic dykes (doleritic), along with a small granitic body on the western edge of the tenement.

High-grade metamorphic rocks of the Mt Stafford Beds (spotted and layered corderite hornfels) and Lander Rock Beds (amphibolites) outcrop intermittently along the northern boundary of the tenement. To the north of the metamorphics extensive outcrops of granitic auger gneiss of the Anmatjira Orthogneiss Group occur.

Shales, slates and siltstones of the Pine Hill Formation, along with orthoquartzites from the Mt Thomas Quartzite, occur along the south-western edge of the tenement.

6. PREVIOUS EXPLORATION

Previous exploration by Normandy Gold Pty Ltd has included:

- Airborne Magnetic and Radiometric Survey
- Regional Soil and Lag Sampling
- Shallow Reconnaissance RAB Drilling
EXODUS MINERALS LIMITED

TITLE:
REYNOLDS EL7343
REGIONAL GEOLOGY

AUTHOR:

DATE:

SCALE:

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Geology adapted from Stewart et al. 1981.

- Superficial sediment/colluvium/ alluvium cover
- Landar Rock beds, metasediment and schist
- Gneiss and granitoid
- Reynolds Range Group - orthoquartzite and metasediments

Figure 4
• Shallow Regional Vacuum Drilling
• Regional Gravity Survey
• RC Drilling
• Diamond Core Drilling

Results from the regional gravity survey showed up an area of interest that was interpreted to be a zone where thickening of the Lander Rock Beds (LRB) had occurred.

Regional shallow vacuum drilling and surface sampling over this zone of interest outlined a number of geochemical anomalies that were drill tested firstly with shallow RAB drilling and later with deeper RC and diamond core drilling.

Results from the various stages of drill testing culminated in the identification of four principal anomalies; Assegai, Sabre, Falchion and Yataghan. These drill programmes also highlighted areas such as Scimitar and Rapier as areas that could require further testing.

Previous exploration by Exodus Minerals Limited has included:
• Data Review
• Geomorphological Mapping and Interpretation
• Digital Elevation Mapping
• Reconnaissance Geochemical Sampling
• Grid Soil Sampling
• Grid Mapping
• Geophysical Re-imaging and Reinterpretation
• RAB Drilling

Preliminary data reviews and reconnaissance geochemical testing confirmed the significance of the previously identified target areas. RAB drilling of geochemical targets returned significant economic intersections from Falchion and Sabre.

Examples of intersections returned include:

**Falchion**
- 5 metres at 1.9g/t gold, 0.4% antimony from 43 metres
- 12 metres at 3.9g/t gold, 4.2% antimony from 4 metres

**Sabre**
- 30 metres at 2.5g/t gold from 21 metres
- 16 metres at 2.2g/t gold from 45 metres
- 15 metres at 2.1g/t gold from 1 metre

Along with the above results, highly encouraging wide zones of alteration and sulphide mineralisation with coincident elevated gold and antimony values were encountered in drilling at Yataghan South, T1, Falchion North, Sabre North and Sabre South.
7. **EXPLORATION FOR THE PERIOD 29.04.99 TO 28.04.00**

Exploration for the reporting period was limited to administrative and office based duties. Exodus undertook a full review of existing data for the Reynolds Range project area, with the aim of rationalising the tenement package prior to a restructuring of the Joint Venture Agreement with Normandy Gold Limited.

Exodus and Normandy Gold Limited reached agreement to incorporate the Terrier (EL 8363) project into the Reynolds Range Joint Venture. Exodus remains manager of the Joint Venture and will continue to earn 60% of the new joint venture package by expenditure of $1.5 million in total by August 2004.

With the inclusion of the new Terrier tenement, the Reynolds project extends over 75km along strike over the prospective Lander Rock beds and the adjacent Mt Stafford Formation, coincident with a large gravity ridge. The addition of this new ground has significantly enhanced the joint venture package and will allow Exodus to refocus its exploration efforts at a more regional scale.

Review of previous data along with new data from the Terrier tenements has led to a greater understanding of mineralisation controls and will be utilised in future exploration programme design.

8. **EXPENDITURE FOR 29 APRIL 1999 TO 28 APRIL 2000**

Expenditure by Exodus for EL7343 (Reynolds Range) for the tenement year 29 April 1999 to 28 April 2000 totalled $32,190 as detailed below.

<table>
<thead>
<tr>
<th>Exodus Expenditure for 29.04.99 – 28.05.00</th>
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<tbody>
<tr>
<td>Allocated Salary</td>
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<td>Analysis</td>
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<td>Contractor – Geological</td>
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<td><strong>TOTAL</strong></td>
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9. FORWARD WORK PROGRAMME AND EXPENDITURE FOR 29 APRIL 2000 TO 28 APRIL 2001

Following the full integration of all new data, Exodus plans to refocus its exploration to a more regional scale. New knowledge and understanding of mineralogical controls will be utilised to systematically explore areas outside previously identified anomalies.

Exodus proposes a work programme that will consist of:

- detailed mapping of geomorphological and structural features
- regional geochemical testing (shallow RAB/vacuum, soil, lag sampling)
- data compilation and interpretation
- detailed prospecting over identified anomalies
- deeper RAB drill testing of significant anomalies
- further data compilation and interpretation
- follow-up deep RAB/RC drilling

Given the similarities in setting and style of mineralisation on Reynolds Range (EL 7343) and the adjacent Terrier (EL 8363) tenements, Exodus proposes to conduct exploration over the two tenements in conjunction with one another thus utilising information and understanding gained to the greatest benefit.

Exodus Minerals Limited proposes a covenant for Exploration Licence 7343 of $60,000 for the 2000/2001 tenement year.