TANAMI GOLD NL
(A.C.N. 000 617 176)

EL 8514

ABBOTT’S BORE

ANNUAL REPORT

FOR YEAR ENDING

9 JANUARY 1999

Distribution:
☐ Department of Mines and Energy (1)
☐ Central Land Council (1)
☐ Tanami Gold NL (1)

April 1999
CONTENTS

Page

1. Summary ......................................................... 1
2. Introduction .................................................... 1
3. Tenure .......................................................... 1
4. Location and Access .......................................... 2
5. Geology .......................................................... 2
6. Year 2 Exploration ............................................. 2

LIST OF FIGURES

1. Tenement Plan

LIST OF APPENDICES

1. Summary of Expenditure: Second Year of Term
2. Proposed Budget: Third Year of Term
1. SUMMARY

This report has been prepared by Tanami Gold NL ("TGNL") and covers the second year of term of Exploration Licence 8514 (Abbott's Bore) in the Tanami Desert region of the Northern Territory. The area covered by EL 8514 is located on the Granites 1:250,000 geological sheet, SF52-3.

The tenement, together with Exploration Licences 8515, 8517 and 8957, was the subject of a Letter Agreement, dated 24 December 1998, whereby Sons of Gwalia Limited ("SGW") transferred its interest to TGNL.

No work was conducted on the tenement during the year ended 9 January 1999.

2. INTRODUCTION

The Abbott's Bore licence (EL 8514) is centred about 450km north-west of Alice Springs. The tenement lies within The Granites 1:250,000 sheet.

Following the grant of EL 8514 to SGW on 10 January 1997, a review of previous work was conducted and a geological map of the tenement was compiled using Landsat TM images, aerial photographs and aeromagnetic/radiometric data. This work was reported in the Annual Report for the period 10 January 1997 to 9 January 1998 (Edwards, Nugus & Westaway, 1998).

3. TENURE

EL 8514 was granted to SGW on 10 January 1997 over an area of 222 blocks. The licence was due to be reduced to 111 blocks at the end of the second year of term. A waiver from the requirement to comply with the reduction was sought and granted.

TGNL acquired SGW's interest in the tenement pursuant to a Letter Agreement dated 24 December 1998. A transfer of the interest to Tanami Exploration NL, a wholly owned subsidiary of TGNL, has since been executed and lodged with the Department of Mines & Energy.

The tenement lies entirely on Aboriginal Land, within the Central Desert Land Trust area. Consent to explore the land was granted by the Central Land Council ("CLC") following successful negotiations with the Traditional Owners and the CLC.
NARDUDI PROJECT
Tenement Interests - Western Arunta Area
4. LOCATION AND ACCESS

The Abbott's Bore licence (EL 8514) is centred about 450km north-west of Alice Springs. Road access to EL 8514 is via the Stuart Highway and Tanami Road, then approximately 225km NNW off the Tanami Road via the Tanami Downs Station/Sangsters Bore track. This track runs along the northern margin of the tenement.

Vehicular access to the area is generally good for light 4WD vehicles. Monsoonal rains through the summer months confine full-scale exploration activities to a 7-8 month field season, from approximately March to November.

5. GEOLOGY

The tenement lies within the northern sector of the Lower Proterozoic Tanami-Arunta Province (an informal TGNL term).

The tenement lies approximately 25km south of the Callie/Granites mine area, separated from the mines by a series of WNW trending Trans Tanami Faults.

Approximately 75% of the tenement area is covered by unprospective 'cover' sequences (namely, Muriel Range Sandstone, Pedestal Beds and Larranganni Beds), and granite. Aeromagnetic data however, indicates that Lower Proterozoic Tanami Complex stratigraphy is present in the northeast and eastern sectors of the tenement, beneath extensive aeolian sand cover.

The Tanami Complex stratigraphy is moderately magnetic containing numerous 'ribbon type' magnetic units similar to the gold mineralised terrane further east at the Abrolhos Prospect.

This magnetic terrane will be targeted by vacuum drilling during the 1999 field season.

6. YEAR 2 EXPLORATION PROGRAM (1998)

No work was conducted during the second year of term.
**EXPENDITURE SUMMARY**

**SECOND YEAR OF TERM**

<table>
<thead>
<tr>
<th>Item</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geological salaries/wages</td>
<td>240</td>
</tr>
<tr>
<td>Drafting</td>
<td>350</td>
</tr>
<tr>
<td>Compensation Payment</td>
<td>1,667</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,257</strong></td>
</tr>
</tbody>
</table>

Expenditure supplied by Sons of Gwalia Ltd
## APPENDIX 2

**PROPOSED BUDGET**

**THIRD YEAR OF TERM**

<table>
<thead>
<tr>
<th>Proposed Work Program</th>
<th>Proposed Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compilation of NTDME data</td>
<td>1,500</td>
</tr>
<tr>
<td>Acquire and interpret existing aeromagnetic data</td>
<td>1,000</td>
</tr>
<tr>
<td>Site Clearance Program</td>
<td>1,500</td>
</tr>
<tr>
<td>Geochemical sampling program comprising surface lag sampling (200 samples) and vacuum drilling (1,500 metres) and assaying (150 samples)</td>
<td>15,000</td>
</tr>
<tr>
<td>Manpower, Supervision, Field Geologist, Field Assistant, Logistical Support</td>
<td>6,000</td>
</tr>
<tr>
<td>Travel and accommodation</td>
<td>2,000</td>
</tr>
<tr>
<td>Camp mobilization/demobilization, exploration and drilling consumables, camp consumables, camp logistics</td>
<td>2,000</td>
</tr>
<tr>
<td>Vehicles, fuel, maintenance</td>
<td>3,000</td>
</tr>
<tr>
<td>Compensation payable to Central Land Council</td>
<td>2,500</td>
</tr>
<tr>
<td><strong>Total Proposed Expenditure</strong></td>
<td><strong>$34,500</strong></td>
</tr>
</tbody>
</table>