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

RELINQUISHMENT REPORT
FOR PART OF
EL 8517
NARDUDI

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1. SUMMARY

Nardudi EL 8517 is located within the Palaeoproterozoic Tanami-Arunta Province. The property is being explored and managed by Tanami Gold NL (TGNL).

The only exploration over the relinquished portion of EL 8517 during the period of tenure was completed in the 1999 field season and was limited to ground cleared for exploration by the Central Land Council (CLC). Only a small portion of the relinquished area was cleared for exploration by the CLC. Exploration completed during 1999 included:

- Acquisition of aerial photography for the entire tenement area (to assist with field mapping and sampling);
- Reprocessing NTDME aeromagnetic data; and
- Reconnaissance soil and lag surface geochemical sampling over CLC cleared parts of the tenement. Sampling within the relinquished area was limited to six soil samples and 14 lag samples. All of these samples were located within an area relinquished in favour of SEL (A) 22156.

2. INTRODUCTION

Fieldwork was undertaken on EL 8517 during November 1999, as part of a regional program of geological mapping and soil/lag sampling over the Nardudi Project area during November 1999. A fly camp to the north of the tenement, on EL 8957, was used as a base for the three man field crew.

This report summarises work completed on the relinquished portion of EL 8517 during the period of tenure.

3. LOCATION AND ACCESS

The Nardudi licence (EL 8517) is located within the Highland Rocks 1:250,000 Sheet (SF 52-7). The tenement is centred in the Tanami Desert, approximately 400 kilometres by road northwest of Alice Springs. Access from Alice Springs is via the Stuart Highway and the Tanami Highway, then by access tracks established by TENL and other companies with tenure in the Highland Rocks area (Figure 1).

Vehicular access to the area is generally reasonable for 4WD vehicles. Regular, time consuming maintenance of vehicle radiators and the undersides of vehicles is necessary due to the abundance of spinifex and the paucity of graded tracks. Substantial longitudinal sand dunes form an impediment to north – south travel, but are generally able to be traversed by standard 4WD vehicles at low points.

4. TENURE

EL 8517 was granted to Sons of Gwalia Limited (SOG) on 10 January 1997 over an area of 382 graticular blocks. The licence was due to be reduced to 191 blocks at the end of the second year of term. A waiver from the statutory reduction was granted on 10 February 1999. The licence was reduced by 316 blocks to 65 blocks at the end of the third year of term.

Tanami Exploration NL (TENL) a wholly owned subsidiary of TGNL, acquired a 100% interest in EL 8517 from SOG pursuant to a Letter Agreement dated 24 December 1998. The tenement forms part of the Nardudi Project together with Exploration Licences 8514, 8515 and 8957.
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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. Land cleared for exploration in 1999 included two zones, one in the eastern part of the tenement and the other in the SW corner (now included in SEL (A) 22156).

Figure 1 shows:
- The tenement location;
- The area cleared for exploration by the CLC;
- The relinquished portion of EL 8517; and
- The relinquished portion of EL 8517 now the subject of SEL (A) 22156.

5. TENEMENT GEOLOGY

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

Outcrop within the tenement is sparse. Bedrock is generally covered by either residual laterite capping or aeolian sand. The BMR mapped isolated patches of Archaean (later proposed as early Proterozoic) gneiss, schist and Proterozoic granitoid.

Most of the area is covered by aeolian sand and alluvial cover of unknown depth. It is likely that the alluvial sediments are deepest in the central part of the tenement, where exposed calcrite outcrops mark a major palaeochannel. Substantial longitudinal sand dunes are present throughout the tenement area.

Interpretation of the Highland Rocks Sheet aeromagnetic images indicates that the presence of a fault-bounded block of ENE trending elevated magnetic stratigraphy within the central part of the tenement area. The main target area occupies the eastern 25 kilometres of the tenement.


No work was conducted by SOG during the first two years of term.

7. YEAR 3 EXPLORATION PROGRAM (1999)

Exploration in 1999 was conducted by TENL. Programs completed included data acquisition, reprocessing NTDME airborne magnetic data, field mapping and regional reconnaissance soil and lag geochemical sampling.

7.1 Data Acquisition

A set of contact prints of aerial photography covering the tenement area was acquired prior to the commencement of fieldwork. The photographs were used to aid mapping in order to accurately position control points in the field and negotiate areas of sand dunes. Aerial photography was also useful in delineating potential sampling areas within the tenement.
Alternate prints for six runs of 1986 RC10 aerial survey photography were obtained for the Highland Rocks Sheet (SF 52-7). These are detailed in Table 1.

NTDME aeromagnetic data for the Highland Rocks Sheet was reprocessed to produce a reduced to the pole TMI image (Fig. 2). The reprocessed data has been incorporated into the Company’s regional aeromagnetic database.

Table 1: Acquired Aerial Photography – Highland Rocks Sheet (SF 52-7)

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7.2 Geological Mapping

Field mapping was undertaken at the same time as the surface lag and soil sampling program during November 1999.

Interpretation of regional geology and airborne magnetics indicated a likely Proterozoic basement of complexly folded Arunta Complex rocks throughout the tenement. Gneissic outcrops typical of the Arunta Complex were observed at scattered locations throughout the tenement, particularly in the southern and western parts of the area cleared by the CLC for the 1999 sampling and mapping program. Elsewhere, isolated granite outcrops had been mapped previously by the BMR.

Low Tertiary lateritic ridges are associated with most of the areas of basement outcrop. Extensive outcrops of Tertiary calcrete are associated with a major palaeodrainage system in the central to southern part of the tenement.

Extensive aeolian sand cover, including substantial east-west trending longitudinal dunes, masks basement over most of the tenement.

7.3 Regional Soil Sampling

A regional soil sampling was carried out over the Nardudi tenement area. Only six samples were collected from within the relinquished area. All six samples are located within the area relinquished in favour of SEL (A) 22156.
Samples (100g to 200g) of minus 250 micron sieved surface sand/soil cover were submitted to Genalysis Laboratory Services in Adelaide. Samples were submitted for analysis by the Terra-Leach process. Elements assayed for were Au (detection limit 0.01ppb), As (0.001ppm), Bi (0.1ppb), Co (0.001ppm), Ni (0.01ppm), Cu (0.01ppm), Zn (0.05ppm), Mo (0.001ppm), Sb (0.001ppm) and Pb (0.005ppm), using the PL1/M method of analysis for all elements.

7.4 Lag Geochemical Sampling

A regional lag sampling program was carried out over parts of the tenement area where indications of surficial lag were observed. Sampling was concentrated on areas of exposed or partly stripped laterite profile, to shallow aeolian sand cover, targeting basal lag gravels.

One to two kilogram samples of surface, or near surface, lag gravels (-6mm +1.7mm sieved fraction) from beneath aeolian sand cover, were submitted to Genalysis Laboratory Services in Adelaide. Samples submitted to Genalysis were assayed for gold (detection limit 1ppb), arsenic (detection limit 10ppm) and bismuth (detection limit 1ppm) using the B/ETA (Au) and B/AAS (As, Bi) methods of analysis.

Only fourteen lag samples were collected from within the relinquished area. All 14 samples are located within the area relinquished in favour of SEL (A) 22156.
APPENDIX 1

Relinquished Portion EL 8517 Nardudi Soil and Lag Sample Data Logs

SOIL SAMPLES: 2187 - 2192
LAG SAMPLES: 1052 - 1065
## TANAMI EXPLORATION NL

### 1999 Nardudi EL 8517 Relinquished Area Soil Sampling

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