



TANAMI GOLD N.L.

Yuendumu Joint Venture

Surrender Report for

EL's 8962 and 8966

To 6 October 2000

Partial Relinquishment Report for

EL 8306

For the Year Ending 10 October 2000

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January 2001

Distribution:

- ☐ Northern Territory Department of Mines & Energy (1)
- ☐ Central Land Council (1)
- ☐ Yuendumu Mining Company NL (1)
- ☐ Tanami Gold NL (1)

File: j01ntdm022001

CONTENTS

	Page
1. Introduction	1
2. Tenure	1
3. Location and Access	2
4. 1999-2000 Exploration Program	2
5. Conclusions	4

FIGURES

Figure 1 Tenement Plan

PLATES

Plate 1	Sampling Traverses	1:250,000
Plate 2	Sample Location Plan	1:100,000
Plate 3	Landsat-7 Image	1:250,000

APPENDICES

1. Soil sample data logs
2. Lag sample data logs

1. INTRODUCTION

This report summarises exploration carried out on surrendered Exploration Licences 8962 and 8966 and on the relinquished portion of Exploration Licence 8306 for the period June 1999 to October 2000 whilst joint ventured to Tanami Exploration NL.

Exploration Licences 8306, 8962 and 8966 (referred to as the Saxby Project) are subject of a Deed for Exploration between the Central Land Council and the Yuendumu Mining Company NL signed on 30 August 1996. The tenements were granted on 11 October 1996.

On 29 September 1999 Tanami Exploration NL (TENL) a wholly owned subsidiary of Tanami Gold NL (TGNL) entered into a Joint Venture agreement with the Yuendumu Mining Company NL (YMC) covering the granted Saxby tenements and EL 8434.

No fieldwork was undertaken in the year to 10 October 1999. Discussions between YMC and TGNL on a Joint Venture agreement commenced in January 1999, however, TGNL was unable to commit to the Joint Venture until funding was put in place through a share placement to Gutnick Resources NL in August 1999. Notwithstanding the above, the tenements subject to the Joint Venture agreement were incorporated into the Company's ongoing database compilation for the Tanami-Arunta area during 1999.

In November 1999 the traditional Aboriginal owners and the Central Land Council (CLC) completed a field clearance program over the three Saxby Project tenements. The Company was given access to the tenements to undertake non ground disturbing mapping and geochemical sampling traverses. These programs were carried out in December 1999.

In April 2000 the Company submitted its regional exploration plan to the CLC specifically requesting access to carry out drill programs on the three Saxby Project tenements.

On 2 October 2000 the Company received clearance to carry out drill programs on all three tenements with a single exclusion zone identified on EL 8306.

Following a review of the results from the 1999 sampling program on EL's 8962 and 8966, a decision to surrender these tenements was made in late September (see Figure 1). In addition, an unprospective one-block wide strip of ground on EL 8306 was also relinquished.

2. TENURE

Details of the exploration licences are as follows:

Tenement No	Date Granted	Registered Holder	Number of Blocks	Number of Blocks Relinquished
EL8306	11/10/96	YMC	123	10
EL8962	11/10/96	YMC	23	23
EL8966	11/10/96	YMC	34	34

Exploration Licences 8962 and 8966 were surrendered effective 6 October 2000.

3. LOCATION AND ACCESS

The Saxby tenements are located on the Mt Theo and Highland Rocks 1:250,000 map sheets to the west of the Tanami Track (see Figure 1). Access is via graded tracks developed (in 1997) by a group of companies for access to the Highland Rocks area (see Figure 1). TENL contributed its pro-rata share of costs for regrading the tracks in April 1999.

4. 1999-2000 EXPLORATION PROGRAM

No fieldwork was carried out on the relinquished tenements by TENL to 10 October 1999. YMC however, graded the access tracks to all three tenements as part of the inter-company access program to the western part of the Mt Theo sheet and to the Highland Rocks sheet area.

TENL completed desktop studies on the Saxby tenements and acquired black and white aerial photography for the tenement areas. YMC also provided TENL with a summary of exploration carried out on the tenements.

On signing of the Joint Venture agreement, TENL submitted an exploration work program to the Central Land Council (CLC) for approval as per conditions set out in the Deed for Exploration. CLC Officers accompanied by traditional Aboriginal owners undertook a clearance program in late November 1999 so providing TENL access to the Saxby tenements on 2 December 1999.

A program of mapping and surface sampling was carried out over EL's 8962 and 8966. No fieldwork was carried out over the now relinquished portion of EL 8306. A summary of work programs carried out over the relinquished blocks of the Saxby Project tenements is given in Table 1.

TABLE 1 **Work Summary 1999-2000**
Relinquished Blocks Saxby Project

PROGRAM	EL 8306	EL 8962	EL 8966
Acquisition B/W Aerial Photography	✓	✓	✓
Acquisition Landsat 7 Digital Data	✓	✓	✓
Reprocessing AGSO/NTGS Aeromagnetic Survey Data	✓	✓	✓
Surface Sampling	-	✓	✓

4.1 Data Acquisition

A set of contact print aerial photographs covering the three tenements were acquired prior to the commencement of fieldwork. The photographs were used to aid field 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 tenements.

Alternate prints for nine runs of 1986 RC10 aerial survey photography were obtained for the Mount Theo (SF 52-8). The Granites (SF52-03) and Highland Rocks (SF52-07) sheets. In addition, Landsat-7 digital data covering the WA-NT sector of the Granites-Tanami Province and Northern Arunta area (zone 52) was also acquired. The three Saxby Project tenements are included in the Landsat-7 database (see Plate 3).

AGSO and NTGS aeromagnetic survey data was reprocessed and plotted as a reduced to the pole TMI image. The reprocessed aeromagnetic data has been incorporated into the Company's regional aeromagnetic database.

4.2 Reconnaissance Geology

Examination of the air photos indicated the likelihood of total aeolian sand cover over the Saxby Project tenements. This was confirmed by field checks undertaken at the same time as the regional soil sampling program described below. Minor outcropping quartz veins were located in the southern block of EL 8306. This area is now in part designated as an Exclusion Zone (see Figure 1).

4.3 Regional Soil Sampling

A regional soil sampling program was carried out over the tenements (see Plate 1). Soil sampling statistics are summarised in Table 2, and sample locations shown in Plate 2. A complete assay listing and sample log record is given in Appendix 1.

A total of 97, 100-200 gram samples of minus 250 micron sieved surface sand/soil were submitted to Genalysis Laboratory Services in Adelaide. Samples were analysed 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.

Soil sampling was carried out over nine regionally spaced, GPS located traverses (see Plates 1 and 2). Samples were collected at 200 metre intervals along the traverses. Generally low gold values (highest value 0.20ppb gold) were returned from areas overlying inferred Arunta Complex gneisses.

TABLE 2 Geochemical Sampling Programs

Tenement	Sample Type	Number Samples
EL8306	-	0
EL8962	Soil, minus 250 micron	45
EL8966	Soil, minus 250 micron	31
Total Soils		76
EL8306	-	0
EL8962	Lag	13
EL8966	Lag	2
Total Lag		15

No sampling was carried out over the relinquished portion of EL 8306.

Results from the above sampling programs on EL 8962 and 8966 were submitted to the Department in the Annual Report for the year ending 10 October 1999.

4.4 Regional Lag Sampling

In conjunction with the soil sampling program, surface lag samples were collected when suitable material was available along the line of traverse.

A 1 to 1.5 kilogram nominal minus 6mm plus 2mm screened sample was collected from surface or within 30 centimetres of surface. The samples were assayed by Genalysis Laboratory Services by their standard B/ETA technique with a detection limit of 1ppb Au. The samples were also run for arsenic using the B/AAS method with a detection limit of 5ppm As. A complete assay listing and sample log is given in Appendix 2. Sample locations are given in Plate 2.

5. CONCLUSIONS

The results of the 1999-2000 soil and lag sampling programs returned no significant assay values. The surrendered areas when ranked against the perceived prospectivity of the Company's other tenements in the Province based on anomalous gold-arsenic values lead to a decision to surrender EL's 8962 and 8966 and a portion of EL 8306.

APPENDIX 1

Yuendumu Soil Sample Data Logs

EL 8962:	2387 - 2431	(45 samples)
EL 8966:	2356 - 2386	(31 samples)

APPENDIX 2

Yuendumu Soil Sample Data Logs

EL 8966:	1109 - 1110	(2 samples)
EL8962:	1111 - 1123	(13 samples)