



TANAMI GOLD NL

(A.B.N. 55 000 617 176)

2000

FOURTH ANNUAL REPORT

EL 8515

PUTURLU

FOR YEAR ENDING 9 JANUARY 2001

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JANUARY 2001

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j02ntdmAR122001

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1.0 SUMMARY OF EXPLORATION ACTIVITIES

Exploration Licence 8515 is located within the Palaeoproterozoic Tanami-Arunta Province. The property is being explored and managed by Tanami Exploration NL (TENL), a wholly owned subsidiary of Tanami Gold NL (TGNL).

No fieldwork was carried out over EL 8515 during the 2000 field season as clearance for RAB drill programs was not received from the Central Land Council (CLC).

2.0 INTRODUCTION

TENL acquired a 100% interest in EL 8515 from Sons of Gwalia Limited (SOG) pursuant to a Letter Agreement dated 24 December 1998. The tenement forms part of the Nardudi Project together with Exploration Licences 8514, 8517 and 8957.

The Company submitted a 'Year 2000 Exploration Program' to the CLC on 27 March 2000. The submission included programs on EL 8515 as well as numerous other tenements in the district.

The CLC provided a cost estimate for the entire clearance program on 24 May 2000. Clearance commenced in August with the Company receiving notification of clearance on 2 October 2000 for RAB drilling on all of its tenements in the region with the exception of EL 8515 and EL 8434. This was due to the illness and subsequent death of a senior Traditional Owner (see Appendix 1).

The principal target within EL 8515 is an east-west trending linear magnetic anomaly through the northern sector of the tenement. The tenement lies within the Yaloogarrie Creek floodplain and meaningful testing of basement targets is restricted to RAB/Aircore drilling programs. This report summarises work completed by the Company on EL 8515 during the period from 1 January 2000 to 31 December 2000.

3.0 LOCATION AND ACCESS

EL 8515 is located within the Mt Theo 1:250,000 Sheet (SF 52-8). The tenement is centred in the Tanami Desert, approximately 400 kilometres by road northwest of Alice Springs (Figure 1). Access is provided via the Stuart Highway and the Tanami Track, then approximately 15 kilometres along the Mt Theo Community access track (see Figure 1).

4.0 TENURE

EL 8515 was granted on 10 January 1997 over an area of 262 blocks and the area was reduced to 122 blocks on 16 February 1998. A further 22 blocks were relinquished at the end of the third year of term reducing the tenement to 100 blocks and a partial waiver was granted on 31 January 2000 in respect of 39 blocks. At the end of the fourth year of term a further 51 blocks have been nominated for relinquishment reducing the area of EL 8515 to 49 blocks with effect from 10 January 2001

The tenement lies entirely on Aboriginal Land within the Central Desert Land Trust area. Consent to explore the land is granted by the Central Land Council (CLC) following annual negotiations with the Traditional Owners. Owing to illness and a subsequent death, the CLC was unable to convene a meeting with the Traditional Aboriginal Owners to approve the proposed drill programs for the 2000 field season.

The status of the tenement for the year ending 9 January 2001 is shown in Table 1 and its location is shown in Figure 1.

Table 1: Tenure Status – EL 8515 (Puturlu)

Tenement	Registered Holder	Number Blocks	Date Granted	Expenditure Covenant
EL 8515	TENL	100	10/01/97	\$32,000

5.0 TENEMENT GEOLOGY

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

The tenement lies south of the well-defined 'magnetic' terrane which hosts the Abrolhos Prospect 50 kilometres to the northwest. The aeromagnetic data indicates that the whole tenement encompasses a region of low magnetics. A basement of non-magnetic Arunta Complex has been interpreted, although a non-magnetic granite basement is also possible. A single east-west linear magnetic anomaly traverses the tenement area. An area of moderately elevated magnetics underlays the southern tenement area.

The tenement area is within the Yalooogarrie Creek floodplain, with no recorded outcrop of Lower Proterozoic rocks. No outcrops were observed during the 1999 reconnaissance program. Aeolian sand covers the entire tenement area. A geomagnetic interpretive map of the region was compiled by Dr Puquan Ding, this map is presented as Plate 2.

6.0 PREVIOUS EXPLORATION PROGRAMS

No fieldwork was carried out by Sons of Gwalia during the first two years of term. During Year 3 (1999) TENL completed a field program comprising the collection of 75 soil samples (minus 250 micron) on six regional traverses over the main east-west trending magnetic anomaly. The sampling program was a part of a regional trial (orientation) of the Terra-Leach process of cold cyanide extraction of gold from silt-fraction soils. When compared to results from elsewhere in the district the gold and arsenic values from EL 8515 were low. As the program was primarily an orientation survey it was considered that the target magnetic anomaly remained untested. Accordingly a RAB/Aircore drill program was proposed for the 2000 field season.

7.0 YEAR FOUR EXPLORATION PROGRAM (2000)

Exploration in 2000 was restricted to desktop studies due to the CLC being unable to provide clearance for a RAB/Aircore drill program (see Appendix 1).

Data Acquisition: A digital database comprising the Landsat-7 TM and 15 metre pixel resolution panchromatic images was acquired for the entire Granites-Tanami area. The data was processed by Earthscan International to produce initial TM/pan 'natural colour' images of the region (see Plate 1). The production of false colour images for regolith mapping purposes has yet to be commissioned.

Regional Geology: Dr Puquan Ding, a consulting geologist to the Company, was contracted to produce a regional interpretation of the WA-NT Granites-Tanami area. EL 8515 was covered by this program (see Plate 3). The interpretation was based on a TMI dataset (see Plate 2) reprocessed from NTDME/AGSO data for the region by Jim Allender, the Company's Adelaide-based geophysical consultant (see Plate 2).

Dr Ding's report describing the regional geology is attached as Appendix 2.

8.0 2000 EXPENDITURE SUMMARY

Expenditure on EL 8515 for the 12 months to 31 December 2000 (anniversary date is 10 January) totals \$6,087 as detailed below:

NARDUDI PROJECT EL 8515 PUTURLU	
Cost Centre	Expenditure \$
Salaries, wages and consultants	1,725
Consultants	1,221
Travel and accommodation	148
Draughting and computing	446
Remote sensed data / data acquisition	500
Aeromagnetic data processing	253
Site clearance - CLC	1,000
Administration / overheads	794
Total	\$6,087

9.0 PROPOSED YEAR FIVE PROGRAM AND BUDGET

Proposed Work Program to 9 January 2002	Proposed Expenditure \$
Data acquisition and processing	1,000
Geochemical sampling program comprising surface soil sampling (200 samples) and vacuum drilling (1,000 metres) and assaying (150 samples)	10,000
Manpower and supervision, logistical support, reporting, draughting and computing	9,000
Travel and accommodation	2,000
Camp mobilisation/demobilisation, exploration and drilling consumables, camp consumables, camp logistics and field equipment rental	4,000
Vehicles, fuel, maintenance	3,000
Site clearance and compensation payable to Central Land Council	3,000
Administration / overheads	5,000
Total Proposed Expenditure	\$37,000

APPENDIX 1

EL 8515 Puturlu

Central Land Council Correspondence

APPENDIX 2

EL 8515 Puturlu

*Explanatory Notes - Geomagnetic Interpretation of the
Tanami and Northern Arunta Regions
by Dr Puquan Ding.*