EL 9528 North Rankin
FIFTH ANNUAL REPORT

YEAR ENDING
8 September 2001
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Appendix 1 Sample and Assay Data
1. Summary

This report describes exploration on EL 9528 during the fifth year of tenure to 8 September 2001. Tanami Gold N.L. (Tanami), on behalf of its wholly owned subsidiary Tanami Exploration NL, negotiated an option to purchase EL 9528 from Centralfield Minerals Pty Ltd (Centralfield) in October 1998. Acquisition of the tenement was completed in May 1999, and transfer of Centralfield’s interest in EL 9528 to Tanami Exploration NL was registered on 23 June 1999.

Exploration for 2000-2001 was restricted to a limited surface rockchip sampling program.

2. Introduction

Since negotiating an Option Agreement to purchase EL 9528 from Centralfield in October 1998, Tanami has managed all exploration on the tenement.

Fieldwork was carried out in December 2000 in conjunction with a sampling program completed on adjoining tenement EL 8164.

Tanami has a logistical strategy of working in the WA/NT Granites-Tanami region for the period April to September each year and moving to the Alice Springs area in October-December, then demobilising back to Perth through Alice Springs. The above strategy means that fieldwork on EL 9528 is incorporated into programs for EL 8164 which has a December anniversary.

3. Tenure

The tenement, EL 9528, consists of 29 blocks trending east-west over the northern portion of the 1:100,000 Laughlen map sheet and covers approximately 93 km² of land that is held under Pastoral Lease. The tenement was granted to Normandy NFM Limited (NFM) on 9 September 1996.

<table>
<thead>
<tr>
<th>Area Name</th>
<th>Blocks</th>
<th>Km²</th>
<th>Grant Date</th>
<th>Expiry Date</th>
<th>2000 Covenant</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Rankin</td>
<td>29</td>
<td>93</td>
<td>09/09/1996</td>
<td>08/09/2002</td>
<td>$44,000</td>
</tr>
</tbody>
</table>

NFM subsequently included EL 9528 into a Joint Venture with Centralfield, the holders of adjacent tenement EL 8164. After completing fieldwork in 1997, Normandy NFM withdrew from the Joint Venture and the tenement (EL 9528) was transferred to Centralfield on 29 July 1998.

Tanami entered into an option agreement over EL 8164 and EL 9528 with Centralfield in October 1998. A sale agreement in respect of the Licences was executed in May 1999 and transfers were registered on 23 June 1999.

Waiver of reduction was sought and granted at the end of the second and third years of term. Under the requirements of section 26 of the Mining Act the area of the licence was due to be reduced from 29 blocks to 15 blocks on 8 September 2001. Under the provisions of section 28 of the Mining Act Tanami sought the Minister’s consent to a partial waiver of the reduction in respect of three blocks required under section 26 and the waiver was granted on 5 October 2001.

The tenement was reduced from 29 blocks to 18 blocks on 8 September 2001.
4. Location, Access and Physiography

The tenement area is located approximately 75 kilometres northeast of the township of Alice Springs (Figure 1) on the Laughlen 1:100 000 map sheet (Alice Springs 1:250 000 SF53-14).

Access to the Licence area is via the Stuart Highway to the north of Alice Springs then along the graded and formed Arltunga road east to “The Garden Station”. This road passes to the north of EL 9528 with a station track giving access to the eastern and western parts of North Rankin. The central part of the tenement is inaccessible by 4WD.

The topography of the tenement varies from colluvium covered flats with isolated hills (east) to large areas of rugged hills of Arunta Inlier basement lithologies (central and west) (Plate 1).

5. Exploration Program 2000-2001

Regional Mapping Program

Dr Puquan Ding completed a regional mapping program in the general Winnecke-Harts Range area in March 2001. A portion of the 1:100,000 scale map is presented as Plate 2 covering the Winnecke Gold Field.

The prospectivity of EL 9528 is restricted to the northern margin of the Winnecke Shear Zone (WSZ) and to the Woolanga Lineament Zone (WLZ) within the tenement. The extensive area of Cadney Metamorphics within the tenement is of no interest to the Company. Essentially EL9528 has been retained over the years to act as a ‘buffer zone’ to EL 8164.

Surface Sampling Program

A surface sampling program was undertaken on EL 9528 (in conjunction with sampling on adjacent EL 8164 and EL(A) 9529) during December 2000. Composite rock chip, samples were collected. The primary aim of the reconnaissance program was to assess those parts of the WSZ and Illogwa Creek Shear Zone not previously visited by Tanami personnel.

The samples were sent to Genalysis Laboratory Services Pty. Ltd. (Genalysis) to be assayed for gold (Genalysis method: B/ETA, DL: 1ppb), arsenic, copper, zinc, lead (Genalysis method: B/AAS, DL: 5ppm). No significant assays were returned from the samples (see Appendix 1).

Conclusions

Since acquiring the Winnecke Project area from Centralfield Minerals, Tanami has undertaken a series of regional studies with the ultimate objective of carrying out semi-detailed RAB drill geochem traverses over the major shear zones (the WSZ and WLZ). EL 9528 is included in the study area and it is planned to carry out a RAB drill program over the Woolanga Lineament sector of the tenement in 2002 (see Plate 2).

Exploration expenditure during the tenement year is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries/Wages and Consultants</td>
<td>$5,447</td>
</tr>
<tr>
<td>Assaying</td>
<td>120</td>
</tr>
<tr>
<td>Travel/Accommodation</td>
<td>578</td>
</tr>
<tr>
<td>Computing/Drafting</td>
<td>1,123</td>
</tr>
<tr>
<td>Tenement Maintenance</td>
<td>457</td>
</tr>
<tr>
<td>Vehicles/Fuel and Helicopter</td>
<td>706</td>
</tr>
<tr>
<td>Camp and Field Consumables</td>
<td>868</td>
</tr>
<tr>
<td>Administration/Overheads (15%)</td>
<td>1,395</td>
</tr>
</tbody>
</table>

$10,694

7. Proposed Exploration Program 2001-2002

Following final interpretation of the geology and structure of the Winnecke Goldfield it is proposed to complete geochemical bedrock sampling traverses of the Woolanga Shear Zones within EL 9528 (see Plate 2). The anticipated program and budget are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAB Drilling (1,000 metres)</td>
<td>7,500</td>
</tr>
<tr>
<td>Assay (250 samples)</td>
<td>3,000</td>
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<tr>
<td>Salaries/Wages</td>
<td>4,500</td>
</tr>
<tr>
<td>Travel</td>
<td>1,000</td>
</tr>
<tr>
<td>Vehicles and Fuel</td>
<td>1,000</td>
</tr>
<tr>
<td>Camp and Field Consumables</td>
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<tr>
<td>Computing and Drafting</td>
<td>3,000</td>
</tr>
<tr>
<td>Administration/Overheads</td>
<td>3,000</td>
</tr>
</tbody>
</table>

$24,000

8. References


APPENDIX 1

SAMPLE AND ASSAY DATA