



TANAMI GOLD NL

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

FIFTH ANNUAL REPORT

EL 8514

ABBOTT'S BORE

FOR YEAR ENDING 9 JANUARY 2002

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1. INTRODUCTION

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

This report summarises work completed on EL 8514 during the year ending 9 January 2002. RAB and aircore drilling undertaken during November 2000 was focussed on structural and magnetic targets identified from interpretation of the images generated from a 1999 low level airborne magnetic survey, in conjunction with zones of low order geochemical anomalism defined by a 1999 surface soil sampling program.

The 2000 drilling encountered extensive cover sequences of Adelaidean Muriel Range Sandstone and Lower Cambrian Antrim Plateau Volcanics in the western and central parts of the tenement area. Gneiss and schist intersected further to the east was interpreted as Lower Proterozoic Tanami Complex. Granite intersected in the north and southwest was interpreted as the Proterozoic The Granites Granite. Assay results were overall generally disappointing.

TENL was unable to carryout its planned 2001 follow-up RAB drill program. A further review of the results of the November 2000 drill program in late 2001 led to subsequent relinquishment of 54 of the 84 blocks of the tenement (see Figure 2).

2. LOCATION AND ACCESS

The licence (EL 8514) is located within The Granites 1:250,000 Sheet (SF 52-3). The tenement is centred in the Tanami Desert, approximately 500 kilometres northwest of Alice Springs (see Figure 1). Access is provided via a rough track which heads SSW to Sangsters Bore from the Tanami Track. Sangsters Bore is located approximately 20 kilometres off the Tanami Track, and lies just to the east of the tenement boundary. A very sandy track runs WNW from Sangsters Bore through the NE part of the tenement, leading eventually to Tanami Downs Station.

3. TENURE

EL 8514 was granted to SOG on 10 January 1997 over an area of 222 blocks. Tanami acquired SOG's interest and was registered on title with effect from 5 February 1999. The licence was due to be reduced to 111 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 to 149 blocks at the end of the third year of term and a partial waiver in respect of 38 blocks was granted on 8 June 2000. Nomination of 84 blocks to be retained for the fifth year of the licence was lodged with the Titles Division together with a request for a partial waiver of the fourth year reduction in respect of 9 blocks.

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 successful negotiations with the Traditional Owners and the CLC.

The status of the tenement for the year ending 9 January 2002 is shown in Table 1 and its location is shown in Figure 1.

Table 1: Tenure Status – EL 8514 Abbott's Bore

Tenement	Registered Holder	Number Blocks	Date Granted	Statutory Commitment
EL 8514	TENL	84	10/01/97	\$64,000

On 10 January 2002 the tenement was reduced to 30 blocks as shown in Figure 2.

4. PREVIOUS EXPLORATION

No exploration was undertaken by SOG on EL8514 during the first two years of term.

Exploration in 1999 was conducted by TENL. Programs completed included data acquisition, field mapping; a detailed low-level aeromagnetic/radiometric survey and regional reconnaissance soil and lag geochemical sampling. The work was reported in detail in the Annual Report (Jones and Mayer, 2000).

In November 2000 a RAB/Aircore drill program was carried out primarily targeting magnetic anomalies. Drilling statistics are summarised in Table 2 and drillhole locations are shown on Plate 1. (The work was reported in Mayer, 2001).

Table 2. Drilling Statistics

Drill Method	Total Holes	Total Metres	Total Samples
RAB	41	1547	218
Aircore	9	474	49
Total	50	2021	267

Gold assays from the drill program were generally disappointing, with a maximum value of only 45ppb. A substantial portion of the tenement was relinquished with an area of weak anomalous gold assays (16ppb) being retained (see Figure 2).

5. YEAR FIVE EXPLORATION PROGRAM (2001)

The negative results from the November 2000 RAB/Aircore drill program severely downgraded the prospectivity of the tenement. A decision to infill RAB drill Section 637634E (see Plate 1 and Figure 2) was made pending the availability of a 'passing' drill rig (in order to minimise mobilisation costs).

Due to lack of a suitable rig, the Company was unable to drill the proposed line in 2001.

6. 2001 EXPENDITURE SUMMARY

Expenditure on EL 8514 for the 12 months to 9 January 2002 totals \$9,830 as detailed below:

NARDUDI PROJECT EL 8514 ABBOTT'S BORE	
Cost Centre	Expenditure \$
Salaries and wages	4,042
Travel and accommodation	79
Drafting and computing	2,400
Camp and field costs	452
Vehicles and fuel	1,490
Communications / freight	85
Administration / overheads	1,282
Total	\$9,830

7. PROPOSED YEAR SIX PROGRAM AND BUDGET

Proposed Work Program to 9 January 2003	Proposed Expenditure \$
Data acquisition and processing	1,000
Geochemical sampling program 1,500 metres of RAB drilling and assaying of 250 samples	20,000
Manpower and supervision, logistical support, draughting and computing	8,000
Travel and accommodation	2,000
Camp mobilisation/demobilisation, exploration and drilling consumables, camp consumables, camp logistics and field equipment rental	6,000
Vehicles, fuel, maintenance	4,000
Site clearance	3,000
Administration / overheads	6,000
Total Proposed Expenditure	\$50,000

8. REFERENCES

- Jones, R., and Mayer, T.E., 2000. *1999 annual mineral exploration report EL8514 Abbott's Bore for year ending 9 January 2000*, Tanami Gold unpublished report.
- Mayer, T.E., 2001. *2000 annual mineral exploration report EL8514 Abbott's Bore for year ending 9 January 2001*, Tanami Gold unpublished report.