TANAMI EXPLORATION N.L.

EL 9528 NORTH RANKIN

PARTIAL RELINQUISHMENT REPORT

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1. Summary

This report describes the exploration programs completed on the surrendered portion of EL 9528 (North Rankin) over a five year period from grant of the tenement on 9 September 1996.

Exploration on the relinquished portion of the licence was restricted to stream sediment sampling and minor rockchip sampling programs. No drilling was undertaken on the property. The tenement was held primarily as a ‘buffer’ to exploration programs on EL 8164 (now relinquished).

Bedrock for the most part comprises Cadney Metamorphics bounded by the Winnecke Shear Zone to the south and the Wolanga Lineament to the northeast. No significant gold geochemical assays were returned from the sampling programs.

Anomalous stream sediment sites represent material degrading from the Winnecke Shear Zone/Goldfield immediately to the south of EL 9528.

2. Introduction

Exploration Licence 9528 was granted to Normandy NFM Limited (Normandy) in September 1996. The tenement was acquired primarily to provide regional coverage surrounding EL 8164, that Normandy had joint ventured from Centralfield Minerals Pty Ltd (Centralfield). The majority of the tenement area is underlain by basement Cadney Metamorphics, it did however in part cover the northern margin of the Winnecke Shear Zone which hosts the historic Winnecke Goldfield. In addition, the retained eastern sector of the tenement covers the northwest trending Woolanga Lineament.

Normandy withdrew from the joint venture with Centralfield in mid 1998. Tanami Gold NL entered into a sale agreement with Centralfield in October 1998. Tanami Exploration NL (TENL), a wholly owned subsidiary of Tanami Gold NL has carried out limited exploration on the tenement in conjunction with its main programs on EL 8164 (now relinquished) immediately to the south of EL 9528.

3. Tenement Details

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

Table 1: Tenement Details - EL 9528

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

Tanami Gold 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 TENL 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 (see Figure 2).

4. Location and Access

The tenement area is located approximately 75 kilometres northeast of the township of Alice Springs (see 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 Artunga 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).

5. Exploration Program 1998-1999

5.1 Exploration Rationale

Normandy and TENL acquired the Winnecke tenements (ELs 8164 and 9528) to explore for gold mineralisation associated with a major thrust/shear zone which trends west to east through the tenements.

The shear zone is informally referred to (by TENL) as the Winnecke Shear Zone (WSZ) within the tenements. The WSZ is interpreted as the northern (bifurcation) arm of the Redbank Deformation Zone which is a regionally extensive (±400 kilometres) structure.

The historic Winnecke Goldfield lies within the WSZ and comprises a series of prospector shows plus the Golden Goose workings over 20 kilometres strike within EL8164. The gold shows occur predominantly along the southern margin of the WSZ within EL8164. EL9528 covers the northern margin of the 3 to 5 kilometre wide shear zone.

Previous exploration by Normandy included overbank -80# stream sediment sampling which successfully led back to the prospector shows.

Exploration programs carried out by TENL on EL 9528 were for the most part ‘spin offs’ from work completed on EL 8164. Notwithstanding this statement, specific prospecting programs were completed on EL 9528 with negative results. The tenement was covered by TENL’s regional synthesis of the area as detailed below.
5.2 Aeromagnetic Survey Data

The Company has acquired and reprocessed all available NTDME aeromagnetic data and produced a 1:1000,000 scale compilation of the Tanami-Arunta area. The compilation includes the Alice Springs 1:250,000 Sheet which covers the tenement area. The WSZ which transects tenements is highlighted on Plates 1 and 2.

5.3 Satellite Imagery

The Company acquired both Spot and Landsat TM digital data for the tenement as part of a larger study area covering all of the Company's tenements on Laughlen, Riddoch and Quartz 1:100,000 map areas. A 1:50,000 image of the merged Spot/Landsat 2.4.7 data is presented as Plate 3 with the tenement outlines shown.

5.4 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 1 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 EL 9528 has been retained over the years to act as a 'buffer zone' to EL 8164.

5.5 Sampling Programs

Plate 1 and Appendices 1 and 2 detail sampling programs carried out by Normandy. Plate 2 and Appendices 3 and 4 detail sampling programs carried out by TENL.

A single rockchip sample (Normandy) assaying 39700ppb was returned from quartz vein material to the north of the Golden Goose workings.

Stream sediment sampling by both companies failed to return any significant gold assays.

TENL’s 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 Appendices 3 and 4).

5.6 Conclusions

Since acquiring the Winnecke Project area from Centralfield Minerals, TENL 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 was included in the study area but the lack of significant gold results has led to a decision to relinquish tenement blocks covering basement Cadney Metamorphics (see Plate 2).
6. References


APPENDIX 1

NORMANDY NFM ROCKCHIP SAMPLING
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