



TANAMI
GOLD NL

Titles - Our Copy
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19 January 2005

BY COURIER

Principal Registrar
Titles Division
Department of Business, Industry and Resource Development
5th Floor Centrepoint Building
Smith St Mall
DARWIN NT 0800

Dear Sir,

Re: **EXPLORATION LICENCE 22924 - DELNY
ALCOOTA PROJECT**

The second anniversary of Exploration Licence 22924 occurred on 22 December 2004. The licence has been included in the Alcoota Project Combined Report which is due to be lodged by 29 January 2005.

Please find enclosed details of expenditure incurred for the year ending 22 December 2004 together with the proposed program and budget for the third year of term.

Pursuant to Section 172 of the Mining Act, we wish to seek a variation of covenant in respect of Exploration Licence 22924 for the year ending 22 December 2004. The covenant was set at \$49,000; however, allowable exploration expenditure for the year totalled \$1,835.

Exploration on the tenement during the second year of term was limited to geological interpretation and review in order reduce the area of the tenement. During 2003 a large number of tenements were granted to Tanami Exploration NL and, given the limits on personnel and resources, Tanami made the decision to assess as much of its tenure as feasible with the aim of reducing the landholding where possible. This has resulted in limited expenditure on a number of tenements and the relinquishment of almost 6,000 blocks during 2004.

In respect of the Alcoota project this has been limited to the outright surrender of one tenement and partial relinquishments totalling 633 blocks. Following the appointment of a Senior Exploration Geologist, permanently based in Alice Springs, we have relinquished ground to facilitate systematic exploration of the retained tenure.

Please charge the sum of \$50.00 in respect of the prescribed fee to the following Visa card:

Gillian J McBain
4564 7170 0001 6708
Expiry 08/05

We trust our request will meet with your favourable consideration.

Yours faithfully,
TANAMI GOLD NL


Gillian McBain
Tenement Consultant (as agent)

DEPT. BUSINESS, INDUSTRY
& RESOURCE DEVELOPMENT

20 JAN 2005

RECEIVED - CENTREPOINT
CORPORATE INFORMATION
MANAGEMENT

TRIM Registered
Date 20/1/05 Time AM/PM
Trim File No: MT2003/9999
Trim Doc No: MTD0C 2005/006

**EXPLORATION LICENCE 22924
DELNY - ALCOOTA PROJECT**

23 December 2003 - 22 December 2004

Summary of Activities - Year Two

An agreement was reached with the Central Land Council in October 2003 to allow reconnaissance exploration in the Alcoota Project area, including EL 22924, to constrain where detailed work area clearances will be required. In November 2003, a field trip through the Alcoota Project area was undertaken to visit key geological locations, known mineral occurrences and sites of previously identified anomalism. The aim of this work was to assess prospectivity and appropriate exploration methods. A number of weak gold anomalies were located in basement schists by rockchip sampling. No work area clearances have been obtained from the CLC to allow drilling or close-spaced surface sampling on EL 22924 and so no further work has been undertaken since the reconnaissance trip.

Following the reconnaissance trip, areas covered by thick Tertiary sedimentary sequences or underlain by unprospective lithologies were relinquished. The tenement is now reduced to 325 graticular blocks.

Table 1 - EL 22924 Expenditure - Year 2

Cost Element	\$
Contract Geologists	750
Salaries/Wages	424
Drafting/Computing	409
Administration/Overheads	252
Total	\$1,835

Proposed Program and Budget - Year Three

In the third year of tenure, it is proposed to undertake systematic surface sampling over prospective lithological units identified from the reconnaissance work. Shallow drilling is proposed for areas with shallow cover. EL 22924 is an integral part of a much larger project where vein-related gold is predicted in the Delny-Mount Sainthill corridor.

Table 2 - EL 22924 Budget - Year 3

Cost Element	\$
Drilling	5,000
Geochemical Analysis	2,000
Drafting and Computing	1,000
Salaries and Wages	2,500
Camp and Field Costs	2,000
Vehicles/Fuel	1,000
Travel/Accommodation	1,000
Administration/Overheads	2,000
Total	\$16,500