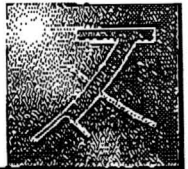


TANAMI GOLD NL



21 March 2006

Principal Registrar
Titles Division
Department of Primary Industry, Fisheries and Mines
Smith Street Mall
DARWIN NT 0800

BY FACSIMILE
(08) 8981 7106

Dear Sir,

**Re: EXPLORATION LICENCES 10142, 10158, 22917 & 23185
COMBINED ANNUAL REPORT – HARTS RANGE PROJECT**

The abovementioned exploration licences have been included in the Combined Report for the Harts Range Project with a due date of 27 March annually. Details of expenditure incurred and proposed budget are reported individually by anniversary date.

In the third year of tenure, two very brief trips were completed. Both trips were to establish logistics in the area and were part of much larger trips in the Winnecke project. No samples were collected.

A geological review was conducted, resulting in the surrender of Exploration Licence 10302. A final report for EL10302 is due by 30 March 2006 and is currently being finalised and approved for submission.

As no field work has taken place within the last twelve months, we ask that this letter be accepted in lieu of the Combined Annual Report for the year ending 27 February 2006.

Should you require any further information please contact me on (08) 9212 5913 or email agraham@tanami.com.au

Yours faithfully
Tanami Gold NL

CR20060093

Alicia Graham
Land Manager

**EXPLORATION LICENCE 23185
MT COUGHLAN - HARTS RANGE PROJECT**

28 February 2005 – 27 February 2006

Summary of Activities - Year Three

In the third year of tenure, no fieldwork was undertaken on EL 10158. The tenement has been downgraded for Tanami-style gold mineralisation (the preferred target for Tanami Exploration), but has been highlighted by joint venture partners Deep Yellow as an area of uranium exploration potential. The geology of the area is part of an ongoing uranium review.

Total expenditure for the period to 27 February 2006 was \$1,883 as shown in Table 1 below.

Table 1 - EL 23185 Expenditure - Year 3

Cost Element	\$
Salaries/Wages/Drafting	897
Contractors	412
Travel & Accommodation	148
Vehicles/Fuel	72
Camp/Field/ Consumables/ Safety/ Communication	108
Administration/Overheads	246
Total	\$1,883
<i>Covenant</i>	<i>\$9,750</i>

Proposed Program and Budget – Year Four

For the fourth year of tenure, the uranium exploration review will be completed. Given that this review has a positive conclusion, then access negotiations will commence with the Central Land Council. It is expected that surface investigations of the area will be undertaken, including mapping, ground radiometric survey and surface sampling.

Table 2 - EL 23185 Proposed Budget 28 February 2006 – 27 February 2007

Cost Element	\$
Remote Sensing & Data Analysis	1,500
Geochemical Analysis	2,000
Drafting and Computing	500
Salaries and Wages	3,000
Camp and Field Costs	2,000
Vehicles/Fuel	2,000
Travel/Accommodation	2,000
Administration/Overheads	2,000
Total	\$14,000

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**EXPLORATION LICENCE 10142
BRUMBY DAM - HARTS RANGE PROJECT**

21 May 2005 – 20 May 2006

Summary of Activities - Year Four

In the fourth year of tenure, no fieldwork was undertaken on EL10142 and geological work was limited to review and ranking of the gold and base metal prospectivity of the Central Australian region. Subsequently Tanami Gold identified the potential to combine a number of base metal prospects into a larger regional project aimed at assessing the economic potential to develop a low tonnage / high grade Cu-Pb-Zn-Ag-Au mining operation in the region.

These include Oonagalabi –style and Johnnies Reward –style deposits located throughout the Strangways – Harts Range District. Tanami's initial strategy was to farm-into the largest of these deposits (Johnnies Reward) which would underpin the project. However joint venture negotiations fell through when the owner decided to divest the property into another company. Tanami's strategy has subsequently reversed and the base metal properties on TGNL tenure are now being offered to an incoming joint venture partner. These properties include the Brumby Dam copper-gold prospects on EL10142 (20km south of Oonagalabi). Brumby Dam, however the Rankins EM survey was postponed due to Native Title land access difficulties, and in part this issue was not resolved during Year 4 due to the Company necessarily focusing on higher priority gold projects. EL10142 is currently subject to negotiations with a third party to farm-in and manage base metal exploration on the tenement.

Total expenditure for the period to 20 May 2006 was \$646 as shown in Table 1.

Table 1 - EL 10142 Expenditure - Year Four

Cost Element	\$
Salaries/Wages	410
Contract Geologists	60
Field Costs, Consumables, Safety, Communication	58
Fuel & Vehicle	34
Administration/Overheads	84
Total	\$646
<i>Covenant</i>	<i>\$10,000</i>

Proposed Program and Budget – Year Five

In the fifth year of tenure, the Company plans to undertake the outstanding fourth year program (this program may be funded and managed by a joint venture partner) comprising mapping and a ground EM survey planned over the Silverado and Silver City copper prospects. Detailed mapping would be conducted by a specialist base metal consultant aimed at optimising the location/orientation of the EM survey. The aim of the EM is to identify any large buried conductors which may represent massive sulphide mineralisation. Any conductors identified would warrant drill testing by deep RC and/or diamond core drilling which would equate to significant additional expenditure.

Proposed expenditure for the period to 21 May 2006 to 20 May 2007 is shown in Table 2 below:

Table 2 - EL 10142 Proposed Budget 21 May 2006 – 20 May 2007

Cost Element	\$
Remote Sensing & Data Analysis (EM)	5,000
Geochemical Analysis	250
Drafting and Computing	250
Salaries, Wages, Contractors/Consultants	2,000
Camp and Field Costs	250
Vehicles/Fuel	250
Travel/Accommodation	500
Administration/Overheads	1,250
Total	\$9,750