PARTIAL RELINQUISHMENT REPORT

EL 9806  ‘Delmore Downs’

18 November 2002 to 17 November 2006

ALCOOTA PROJECT

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Distribution:
- Department of Business, Industry, & Resource Development (1)
- Central Land Council (1)
- Tanami Gold NL (1)

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1.0 SUMMARY

Tanami Exploration NL (TENL) identified the potential for Tanami-style gold, iron oxide copper-gold (IOCG) and Tennant Creek-style copper-gold mineralisation in the Alcoota district of the northern Arunta region in 1997 and acquired a significant tenement package to form the Alcoota Project. TENL is a wholly owned subsidiary of Tanami Gold NL (TGNL), a publicly listed company.

The Alcoota Project lies approximately 160 kilometres northeast of Alice Springs in the Arunta region of the North Australian Craton (Figure 1). Access is provided via the Stuart, Plenty and Sandover Highways.

EL 9806 forms part of the Alcoota Project and was granted on 18 November 2002. Partial surrenders were completed after the third and fourth year of tenure. This report describes the exploration during the four years on the surrendered portions of EL 9806 (Figure 2).

Exploration consisted of a regional assessment of the Alcoota project area, including a field reconnaissance trip in November–December, 2003. The assessment included evaluation of topography, geology, metallogeny, MODAT occurrences, previous exploration and aeromagnetics in conjunction with the field reconnaissance.

A total of 6 rockchip samples were taken on the southern surrendered tenement portion. Only one sample returned an elevated gold value of 11ppb.

2.0 INTRODUCTION

The Alcoota Project comprised nine granted Exploration Licences in the Alcoota district that were acquired to test for Tanami-style gold, iron oxide copper-gold (IOCG) and Tennant Creek-style copper-gold mineralisation. Tenement applications were submitted in 1997 and granted in 2002-03.

Compulsory partial surrenders were completed for EL 9806 in October 2006 after previous relinquishments in 2004 and 2005. Exploration on this surrendered ground is the subject of this report.

EL 9806 is located approximately 160 kilometres northeast of Alice Springs (Figure 1). Access to the tenement is via the Stuart, Plenty and Sandover Highways. An extensive network of established roads and station tracks provides further access throughout the tenement area.

3.0 TENURE

EL 9806 was granted to TENL in 2002. At the end of the fourth year of term the tenement was reduced in size pursuant to the requirements of Section 26 of the NT Mining Act, see Table 1. This report covers exploration conducted within the relinquished sections (Figure 2).

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Tenement Number</th>
<th>Blocks Granted</th>
<th>Blocks Relinquished 2005</th>
<th>Blocks Relinquished 2006</th>
<th>Blocks Retained</th>
<th>Grant Date</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delmore Downs</td>
<td>EL 9806</td>
<td>202</td>
<td>76</td>
<td>34</td>
<td>92</td>
<td>18-Nov-02</td>
<td>17-Nov-08</td>
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</table>
For the purposes of conducting initial reconnaissance exploration on the Alcoota Project, a ‘self clearing’ program was granted by the Central Land Council (CLC) in October 2003, whereby TENL could conduct a geological appraisal of the tenements and wide-spaced non-systematic surface sampling to assess overall prospectivity and define an area of greatest interest. Areas of cultural significance recorded by the Aboriginal Areas Protection Authority (AAPA) were avoided.

4.0 GEOLOGY

The Alcoota Project lies within the northern Arunta region of the North Australian Craton and comprises deformed and metamorphosed Palaeoproterozoic to Mesoproterozoic volcano-sedimentary successions which have been intruded by mafic and granitic bodies. The relinquished portions of EL 9804 and 9806 are located on the 1:250,000 sheet Alcoota (SF53-10) and 1:100,000 sheet Utopia.

The Northern Territory Geological Survey (NTGS) Alcoota 1:250,000 geological mapping show a substantial amount of outcrop. Unfortunately, most of the exposed geology comprises unprospective granitic and gneissic units or Tertiary Waite Formation.

The bedrock geology of the region is summarised by TENL's interpretative Tanami-Arunta mapping, shown in Plate 1. This mapping suggests that the Narwietooma Metamorphics underlie most of the southern portion of the relinquished area of EL 9806, while Palaeoproterozoic granitoid intrusions are interpreted to underlie the northern portion.

5.0 TENL EXPLORATION

In 2002, the Alcoota tenements were included in an Arunta-wide geophysical interpretation conducted by TGNL consultant geologists Dr Jayson Myers and Dr Nathan Jombwe (Jombwe, 2003). TMI and residual gravity is shown on Figure 3.

A regional review of topography, geology, metallogeny and aeromagnetics, including field reconnaissance with rock chip sampling, was carried out by Dr Jim Anderson in November–December 2003.

No MODAT occurrences are present on the surrendered tenement portions.

A total of 6 rockchip samples were taken on the southern surrendered tenement portion (Figure 4). Samples ALK073-078 were collected near the northern tenement boundary. Digital data are included in the Appendix.

All samples were analysed for Au, Cu, Pb, Zn, Ag, As and Bi by ALS using multi acid digestion and AAS with a 1 ppb detection limit for Au. One sample returned a value of 11ppb gold, see Table 2. Otherwise no elevated values were returned from the rockchip sampling.

Table 2 Rockchip Sampling Results

<table>
<thead>
<tr>
<th>Sample_No</th>
<th>Reg</th>
<th>Lith</th>
<th>Ag_ppm</th>
<th>As_ppm</th>
<th>Au_ppb</th>
<th>Cu_ppm</th>
<th>Pb_ppm</th>
<th>Zn_ppm</th>
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<tbody>
<tr>
<td>ALK076</td>
<td>WTH</td>
<td>VQ</td>
<td>2</td>
<td>0</td>
<td>11</td>
<td>21</td>
<td>72</td>
<td>0</td>
</tr>
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</table>
FIGURE 3

1 : 250,000

ALCOOTA
AEROMAGNETIC TMI & RESIDUAL GRAVITY

TANAMI GOLD NL

PLAN No: CAP_AL_4_1_001

ORIGINATOR:
C. Rohde

DATE:
Oct 2006

DRAWN:
A. Weston

GDA94
MGA Zone 53 (GDA94)

0 5 10 15
kilometres
6.0 BIBLIOGRAPHY


