TANAMI EXPLORATION N.L.

ABN 45 063 213 598

FOURTH

ANNUAL REPORT

EL 23122 ' Krakatoa'

HOME OF BULLION PROJECT

For Year Ending 5 February 2007

Author
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Distribution:

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

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DIGITAL APPENDICES (supplied on CD)

FILE	DESC
KT_WASG3_SURF_2007A	Rockchip samples
KT_WASG3_SSASSAY_2007A	Rockchip samples normalised
TGNL Geological Codes	Description of geology codes

1.0 SUMMARY

Tanami Gold NL identified the potential for Palaeoproterozoic gold mineralisation and Neoproterozoic base metals mineralisation in the Home of Bullion region of Central Australia in 1998. The tenements of the Home of Bullion Project are situated in Central Australia, approximately 230 kilometres north of Alice Springs (Figure 1). The tenements are situated in close proximity to the boundary between the Arunta Region and the Southern Georgina Basin

EL 23122 'Krakatoa' is the remaining tenement in the Home of Bullion Project. It was granted on 3 February 2003 to Tanami Exploration NL (TENL), a wholly owned subsidiary of Tanami Gold NL (TGNL).

Exploration in 2006 consisted of regional rock chip sampling over the Ledan corridor. A total of three samples taken on EL 23122 returned a best result of 193 ppb (0.193 ppm) Au from float derived from a coarsely crystalline massive quartz (50%)-specular haematite (50%) vein.

2.0 INTRODUCTION

The Home of Bullion Project is located approximately 230 kilometres north of Alice Springs. Access to the project area is via the Stuart Highway and station tracks, with the Alice-Darwin Railway service track providing further access throughout the project area.

3.0 TENURE

The Home of Bullion Project originally included tenements EL 23122 'Krakatoa', EL 10051 "Illoquara' and EL 10050 'Millionaires Well'. EL 10051 and EL 10050 were surrendered during the reporting year.

TENL is the registered holder of E 23122 'Krakatoa, while further tenement details are listed in Table 1.

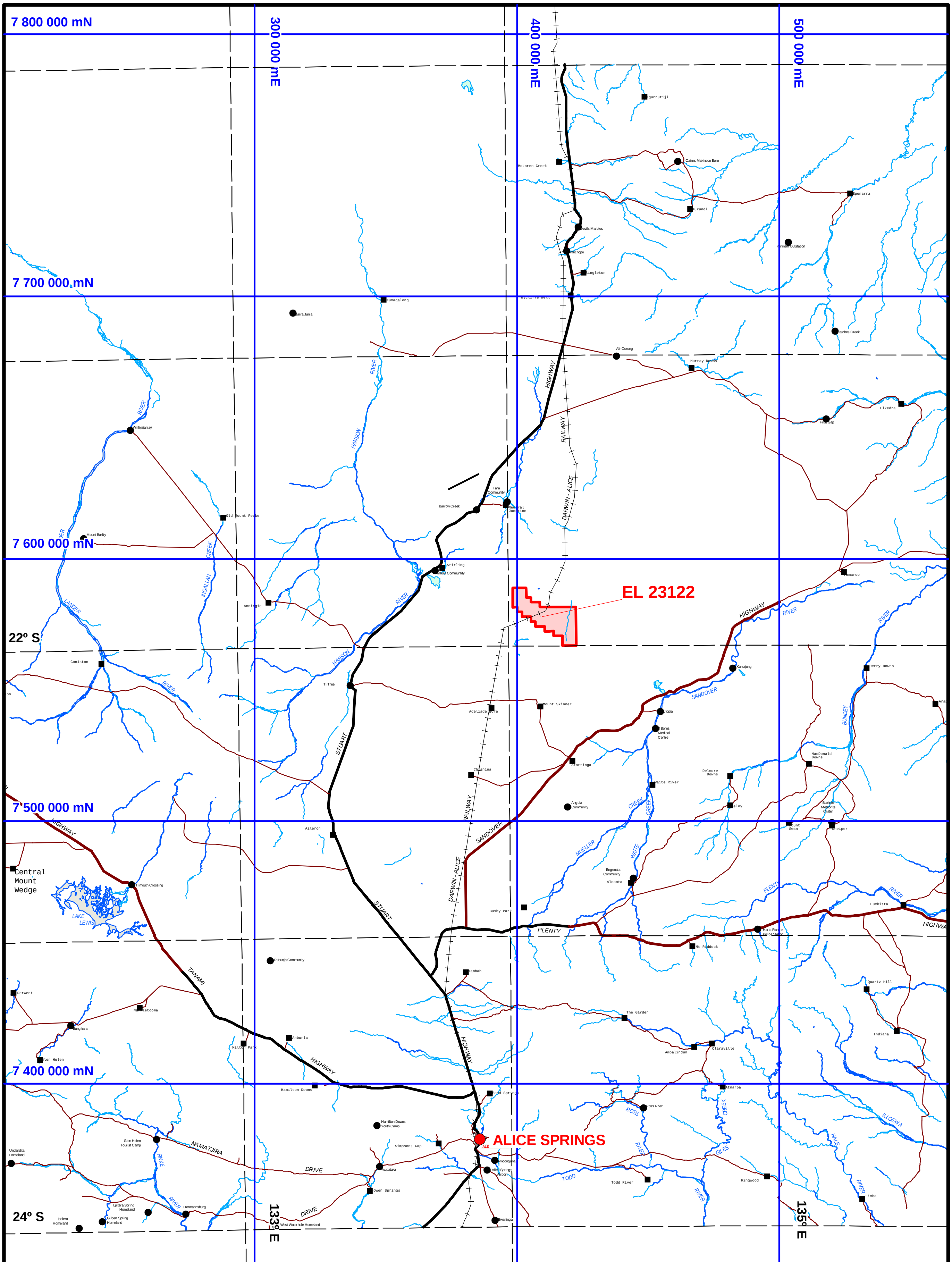
Table 1: Tenement Details

Tenement	Tenement No.	Blocks	Km²	Grant Date	Expiry	Current Covenant
Krakatoa	EL 23122	172	549	3-Feb-03	2-Feb-09	$23,000

For the purposes of conducting initial reconnaissance exploration, a 'self clearing' program was granted by the CLC in April 2003, whereby TENL could conduct a geological appraisal of the tenements and wide-spaced non-systematic ('grab') sampling to assess prospectivity. Areas of possible cultural significance recorded within the Aboriginal Areas Protection Authority (AAPA) database were noted and avoided.

4.0 GEOLOGY

The Home of Bullion Project tenements cover parts of the northern Arunta Inlier and the southern margin of the Georgina Basin. The surface geology has been mapped and described by the Northern Territory Geological Survey (NTGS) in the 1:250 000 scale Barrow Creek (SF53-6) sheet and explanatory notes (Haines *et al.* 1991). About 60–70% of the tenement area comprises outcropping Palaeoproterozoic crystalline Arunta basement rocks and Neoproterozoic to Palaeozoic Georgina Basin



TANAMI GOLD NL	**EL 23122 - KRAKATOA TENEMENT LOCATION**
HOME OF BULLION	

ORIGINATOR:	DATE:	DRAWN:	1 : 2,000,000	FIGURE 1
C.Rohde	**Mar 2007**	**M.H.Bailey**	0 20 40 60	
PLAN No: **CAP_HB_1_0_004**			MGA Zone 53 (GDA94) kilometres	

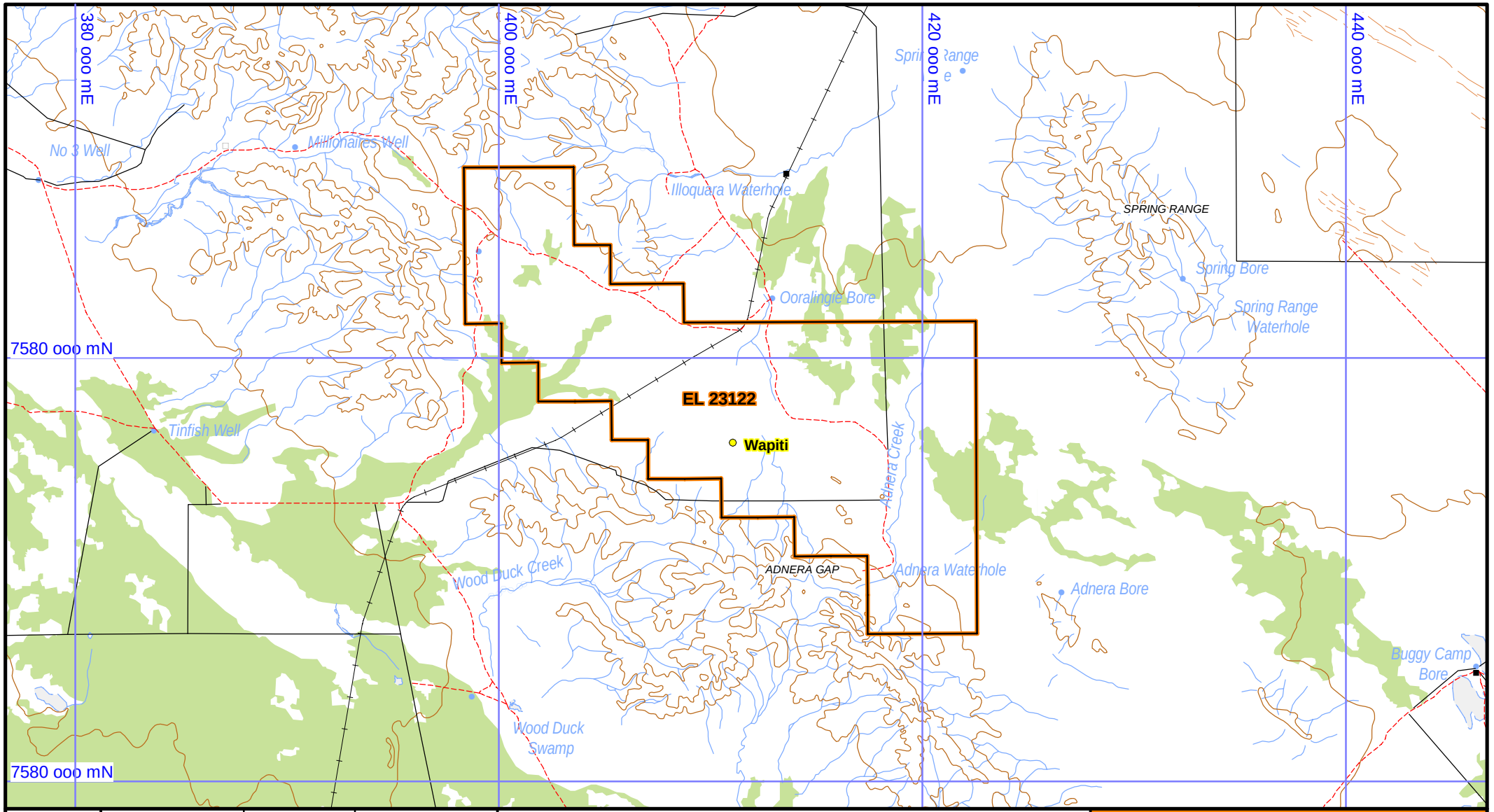


FIGURE 2

ORIGINATOR:	DATE:	DRAWN:
C. Rohde	**Mar 2007**	**M.H.Bailey**

1 : 250,000

0 5 10 15

MGA Zone 53 (GDA94) kilometres

HOME OF BULLION

EL 23122 - KRAKATOA TENEMENT LOCALITY

TANAMI GOLD NL

PLAN No: **CAP_HB_1_0_005**

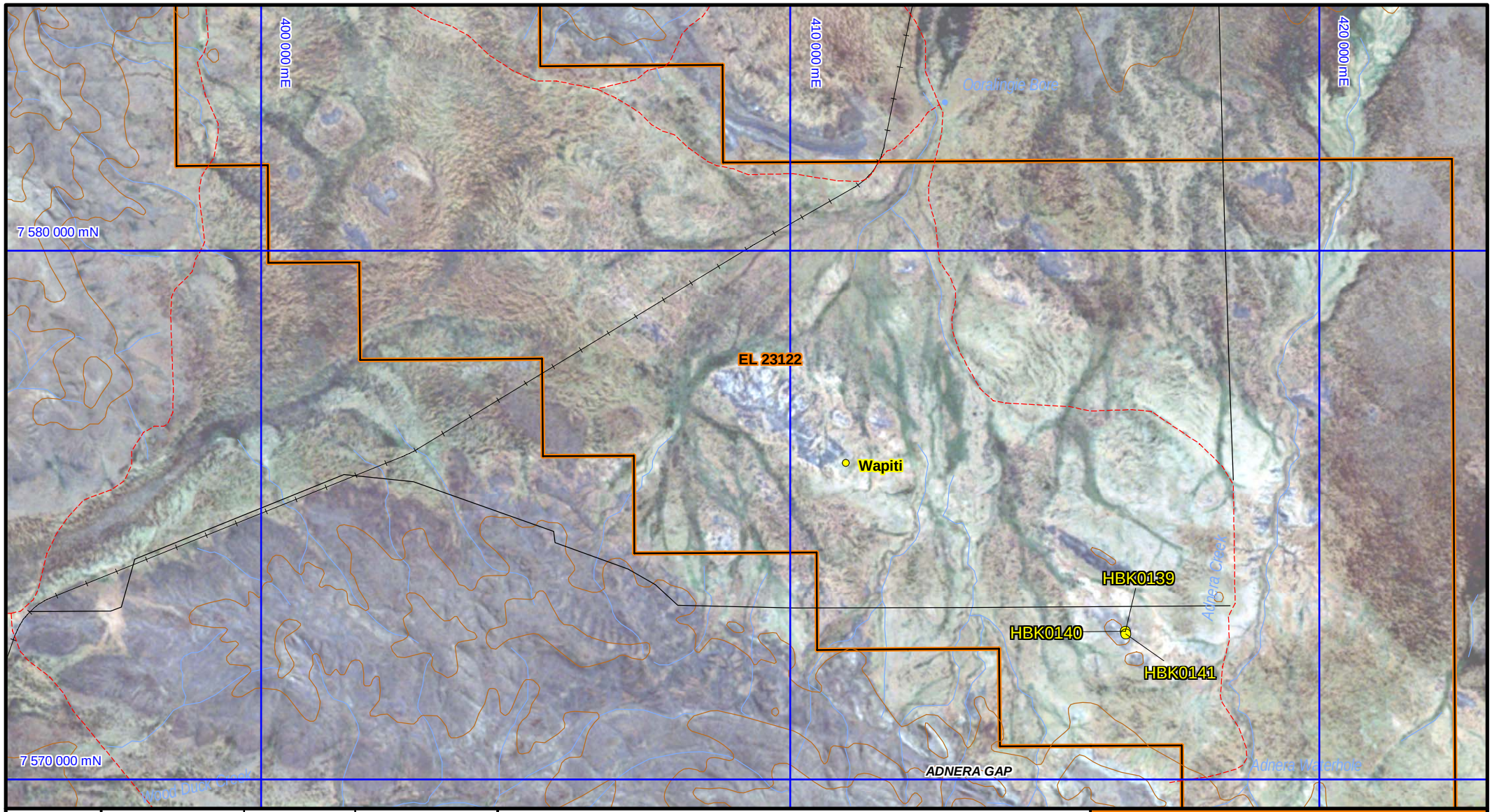


FIGURE 3

ORIGINATOR:	DATE:	DRAWN:
C. Rohde	**Mar 2007**	**M.H.Bailey**

1 : 100,000

0 2 4 6

MGA Zone 53 (GDA 94) kilometres

HOME OF BULLION

EL 23122 - KRAKATOA
ROCK CHIP LOCATION PLAN

TANAMI GOLD NL

PLAN No: **CAP_HB_5_003**

sedimentary sequences. The remaining areas are covered by Cainozoic sediments, predominantly variably vegetated colluvium, uncemented aeolian sand plains and dunes.

The Palaeoproterozoic Arunta basement rocks consist of tightly folded metasediments intruded by massive granites of the Barrow Creek Granite Complex. The metasediments have been mapped as the Bullion Schist to the north-east and the Ledan Schist to the south-west. The Bullion schist is an interbedded sequence of schists with minor micaceous arenite and metamorphosed felsic volcanics. The Ledan Schist is dominated by tourmaline-bearing biotite-muscovite-quartz schist with lesser interbedded quartzite, metamorphosed conglomerate, metamorphosed felsic rocks and amphibolite.

The Bullion and Ledan Schists are belived to be lateral equivalents of the Lander Group, which in turn is interpreted to be contiguous with the Killi Killi Formation – a host unit to major Au mineralisation in the Tanami region.

The Bullion and Ledan Schists form inliers within the Neoproterozoic Georgina Basin sediments, and where outcropping, were tested for gold mineralisation. Along strike to the northwest the Bullion Schist hosts the abandoned Home of Bullion copper mine. In addition to copper, the Home of Bullion deposit is also enriched in lead, zinc, silver and gold. Quartz-tourmaline and tourmaline-pegmatites also occur within the Bullion Schist, and become increasingly common in the northern exposures. In the northernmost exposures (adjacent to the Stuart Highway) tourmalinised metasediments host a number of minor W, Sn and Ta mineral occurrences.

The Ledan Schist is probably a lateral equivalent to the Home of Bullion Schist and has a lower metamorphic grade in the project area. The Ledan Schist is considered more prospective for vein-related gold-only mineralisation as a result.

The Wapiti gold prospect, situated on EL 23122, comprises intensely deformed pelitic schist with thin psammitic interbeds. These rocks are considered to be part of the Ledan Schist sequence (Haines *et al*., 1991). In general, the metasediments have been intensely altered to fine white mica and cut by numerous generations of quartz veins. The dominant foliation is sub-parallel to bedding and dips steeply towards 240°. A major northwest-trending fault runs along the eastern flank of a prominent strike ridge and separates a more prospective area with abundant quartz veins to the east from one with coarser metasediment and few quartz veins. This fault is probably a splay off the regional Stirling Fault (Haines *et al*., 1991).

5.0 PREVIOUS EXPLORATION

The Home of Bullion tenements are situated within what TGNL calls the Delny-Mount Sainthill corridor, which broadly coincides with the western margin of the Georgina Basin. Limited modern exploration has been undertaken along this corridor, although the discovery of Au-bearing quartz veins at the Wapiti prospect by Normandy in 1998 (1.36 g/t Au) provides evidence for epithermal gold in the Delny-Mount Sainthill corridor. Resampling of this vein in 1999 produced 5.52 g/t Au.

Exploration by TENL in the first year of tenure consisted of regional reconnaissance. The Palaeoproterozoic Bullion and Ledan Schists, which occur in the form of basement inliers, were explored for gold mineralisation mainly in the north west of EL 23122 'Krakatoa' and the Wapiti area in the south east of EL 23122. A red bed sequence from the Neoproterozoic southern Georgina Basin was the target for base metals mineralisation.

A total of 48 rockchip samples, 15 soil samples and 257 fine lag samples were taken. No significantly elevated gold or base metal values were returned from the reconnaissance sampling, apart from a best result of 21 ppb Au in the Wapiti area.

Exploration in the second year of tenure consisted of further reconnaissance / rockchip sampling at the Wapiti prospect as well as investigating the Stirling Fault to the north. A total of thirteen samples were collected at the Wapiti prospect along an east-west traverse, including quartz veins with abundant specular haematite and Fe-oxide alteration. Four samples returned elevated Au-Cu values, although the original >1 g/t Au result was not repeated by additional sampling. The best result was 98 ppb Au from a 1 m wide quartz vein with significant FeMn-oxide staining and inclusions. No anomalism was noted in the altered country rock.

The Stirling Fault (see above geology) is a major northwest-trending fault which comprises the boundary between Ledan and Bullion Schist about 1500 m north of Wapiti (Haines *et al*., 1991). To investigate the affect of the Stirling Fault on younger rocks, an area immediately north of Millionaire's Well was visited, where the Stirling Fault cuts the Adnera Member of the Central Mount Stuart Formation. Here, the fault defines a narrow topographic depression in the ridge-forming, coarse-grained, bedded sandstone of the Adnera Member. There is no evidence of alteration or veining, and hence the mineralisation at Wapiti is probably not related to Palaeozoic tectonic events, such as the Alice Springs Orogeny, despite these major faults being active at this time.

No field exploration was carried out in the third year of tenure.

6.0 FOURTH YEAR EXPLORATION

A regional reconnaissance was carried out over the Ledan Corridor to attempt to define the boundaries of the prospective Ledan Schist host unit. The Ledan schist is considered to be a prospective host for gold mineralisation. Selected outcrops of Ledan Schist along the entire length of the corridor were visited as well as the western extent of the mapped retrograde greenschist facies along the Delny-Mt Sainthill shear zone.

The Wapiti Prospect area was earmarked for further exploration in 2006. Abundant haematite-quartz veins are hosted by Ledan Schist metasediments near the contact with quartz-epidote altered meta-mafic rock, rhyolite and nearby quartz porphyry. A total of three samples taken on EL 23122 returned a best result of 193 ppb (0.193 ppm) Au from float derived from a coarsely crystalline massive quartz (50%)-specular haematite (50%) vein. A more thorough lag and rock chip sampling program is planned.

7.0 EXPENDITURE AND EXPLORATION BUDGET

The annual expenditure and exploration programs and budget has been reported separately.

8.0 BIBLIOGRAPHY

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. Unpublished Tanami Gold NL In-house report.

TANAMI GOLD NL

GEOLOGY LOGGING CODES May 2006

Weathering and Other Events	
Base of transported	BOA
Base of complete oxidation	BOCO
Top of palaeochannel	TOP
Top of saprolite	TOSA
Top of saprock	TOSR
Top of fresh rock	TOFR
Top of basement	TOB
Water table	WT

Colour	
Black	bk
Blue	bl
Blue-green	bg
Brown	br
Cream	cw
Green	gr
Green-grey	gg
Grey	gy
Grey-brown	gb
Olive green	og
Orange	or
Orange-brown	ob
Pink	pk
Purple	pu
Red	rd
Red-brown	rb
Transluscent	tt
White	wh
Yellow	ye
Yellow-brown	yb
Yellow-green	yg
* Light (l) and dark (d) prefix optional	

Regolith Group	
Aeolian	EO
Alluvium	AL
Calcrete	CT
Clay Zone	CY
Colluvium	CV
Ferricrete	FK
Gossan	GS
Lacustrine	LA
Lacustrine Evaporites	LE
Lag	LG
Lateritic Residuum	LT
Mottled Zone	MZ
Saprock	SR
Saprolite	SA
Silcrete	SC
Soil	SL
Transported	TR

Sample Condition	
Dry – no water	D
Moist – can be moulded by hand but not wet to the touch	M
Wet – a slurry that is wet to the touch, but no free water	W
Saturated – sample suspende in free running water, note that water may contain suspended clay particles and therefore be discoloured	S

Regolith Variant	
Bleached	bl
Breccia	bx
Calcareous	ca
Carbonaceous	cs
Chert	ch
Clay	cy
Duricrust	du
Ferruginuous	fe
Goethite	go
Gravel	gv
Gypsum	gm
Haematite	hm
Halides	ha
Hardpanised/Indurated	hp
Iron Segregation	is
Kaolinite	kn
Lateritic	lt
Lignite/Plant material	lg
Limonitic	li
Lithic Fragments	lk
Loess	lo
Mega-Mottled	mb
Mn-Co-Fe	mf
Mottled	mu
Mud	md
Nodules	nd
Nontronitic	no
Pisoliths	ps
Quartz	qt
Sand	sd
Siliceous	si
Silt	st
Silty clay	ys
Smectite	sg
Oxidised sulphides	os
Talc	tc
White mica	wm

Weathering		
Fresh rock	No visible signs of rock weathering	FR
Slightly weathered	Stained along discontinuity surfaces, original colour and texture recognisable	SW
Moderately weathered	Stained throughout, original texture recognisable throughout	MW
Highly weathered	Original colour and hardness severely altered, some texture visible	HW
Completely weathered	Rock exhibits soil-like properties (ie can be remoulded), some rock fragments may remair	CW

Hardness	
Unconsolidated	UC
Very weak - may be broken by hand	VW
Weak - Crumbles under firm blow with sharp end of geological hammer	W
Moderately weak - Cannot be cut by hand into triaxial specimen	MW
Moderately strong - 5mm indentation with sharp end of geological hammer	MS
Strong - Hand held specimen can be broken with single blow of geological hammer	S
Very strong - More than one blow of geological hammer required to break specimen	VS
Extremely strong - More than one blow of geological hammer required to break specimen	ES

Rock Group		Rock Type	
Ultramafic Extrusive	U	Komatiite	K
		Undifferentiated Ultramafic	U
		Basaltic Komatiite	B
Ultramafic Intrusive	U	Undifferentiated	U
		Pyroxenite	X
		Peridotite	P
		Dunite	D
		Hornblendeite	H
Mafic Extrusive	B	Undifferentiated	V
		Tholeiitic Basalt	T
		High-mag Basalt	M
		Picritic Basalt	P
		Spilitic Basalt	S
Mafic Intrusive	O	Undifferentiated	U
		Gabbro	G
		Troctolite	T
		Norite	N
		Anorthosite	A
		Dolerite	D
		Gabbronorite	B
		Magnetitite	M
Intermediate Extrusive	I	Undifferentiated	U
		Andesite	V
		Trachyte	T
		Trachy-andesite	Y
Intermediate Intrusive	I	Undifferentiated	I
		Diorite	D
		Monzonite	M
		Syenite	S
		Porphyry	P
Acid Extrusive	F	Undifferentiated	U
		Rhyolite	R
		Dacite	C
		Rhyodacite	O
Acid Intrusive	G	Undifferentiated	U
		Granite	G
		Monzogranite	M
		Syenogranite	S
		Alkali feldspar granite	A
		Granodiorite	D
		Tonalite	T
		Porphyry	P
		Pegmatite	Z
		Aplite	L
Lamprophyre/ Kimberlites	L	Undifferentiated	U
		Phyric lamprophyre	P
		Lamproite	L
		Kimberlite	K
		Carbonatite	C
Vein material	VN		
Massive sulphide	AM		
Contamination	XX		

Rock Group		Rock Type	
Sediment	S	Undifferentiated	U
		Mudstone	M
		Siltstone	T
		Sandstone	S
		Interbedded - mud & silt	F
		Interbedded - sand & silt	N
		Conglomerate	C
		Breccia	B
		Limestone	L
		Dolomite	D
		Coal	K
Chemical Sediments	C	Undifferentiated	U
		BIF	I
		Chert	H
		Evaporites	E
		Massive Ironstone	F
		Phosphorites	Z
Metamorphic Unknown protolith	M	Slate	L
		Schist	S
		Gneiss	G
		Granulite	N
		Marble	B
		Amphibolite	A
		Hornfels	H
Metamorphic Sedimentary protolith	P	Quartzite	Q
		Psammite	M
		Semipelite	E
		Pelite	P
		Slate	L
		Metacarbonate/marble	B
		Calcsilicate	X
		Schist	S
		Gneiss	G
		Granulite	N
		Amphibolite	A
		Hornfels	H
Metamorphic Igneous protolith	R	Metafelsic	F
		Metamafic	M
		Meta-ultramafic	U
		Schist	S
		Gneiss	G
		Granulite	N
		Amphibolite	A
Metamorphic Intensely deformed	Y	Mylonite	M
		Cataclasite	C
Hydrothermal	H	Undifferentiated	U
		Mylonite	Y
		Skarn	S
Mining Codes	W	Mullock/Waste	W
		Tailings	T
		cavity	C
		Stope	S
		Backfill	B
		Stockpile	P
		Lost Core	L

Variants - Minerals	
Albite	ab
Actinolite	ac
Andalusite	ad
Anhydrite	ai
Ankerite	ak
Amphibole	am
Asbestos	ao
Apatite	ap
Barite	ba
Biotite	bi
Calcite	ca
Carbonate	cb
Chloritoid	cd
Chlorite	cl
Cordierite	co
Carbonaceous	cs
Clay	cy
Clinopyroxene	cx
Dolomite(ic)	do
Diopside	dp
Epidote	ep
Feldspar	fd
Ferruginous	fe
Fluorite	fi
Fuchsite	fu
Garnet	ga
Graphite	gf
Gypsum	gm
Goethite	go
Gossan	gs
Grunerite	gu
Halite	ha
Hornblende	hb
Haematite	hm
Ilmenite	im
Kaolinite	kn
K-feldspar	ks
Kyanite	ky
Limonite	li
Leucite	lu
Leucoxene	lx
Magnesite	me
Manganese-Co-Fe	mf
Mica	mi
Manganese	mn
Montmorillonite	mr
Muscovite	ms
Magnetite	mt
Monazite	mz
Nontronite	no
Nepheline	np
Oxide	od
Olivine	ol
Opalised	op

Variants - Minerals	
Oxidised sulphide	os
Orthopyroxene	ox
Phlogopite	pg
Phosphate(ic)	ph
Plagioclase	pl
Pyroxene	px
Quartz	qt
Rutile	ru
Sanidine	se
Sphene	sf
Smectite	sg
Siderite	sj
Sillimanite	sm
Cassiterite	sn
Staurolite	so
Sphalerite	sp
Serpentine	sr
Sulphur	sv
Sylvite	sy
Talc	tc
Tremolite	tm
Tourmaline	to
Wolframite	wf
White Mica	wm
Zircon	zr
Zeolite	zt

Variants - Sulphides / Ore Minerals	
Arsenopyrite	as
Azurite	az
Bornite	bn
Chalcocite	cc
Chalcopyrite	cp
Chromite	cr
Copper, native	cu
Covellite	cv
Cuprite	ct
Electrum	el
Enargite	en
Galena	gl
Gold, native	au
Malachite	ml
Molybdenite	mo
Nickeliferous	nk
Pentlandite	pn
Pyrite	py
Pyrrhotite	po
Scheelite	sc
Silver	ag
Stibnite	sb
Sulphide	su
Tellurides	te

Variants - Texture	
Adcumulate	at
Agglomerate	al
Amygdaloidal	ay
Banded	bd
Breccia	bx
Cherty	ch
Chill margin	cz
Coarse-grained	cg
Crystal Tuff	tx
Cumulus	cm
Downhole fining	df
Fine-grained	fg
Flaser bedding	fz
Flow top breccia	fx
Gradational	gt
Granophyric	gp
Groundmass	gd
Lamination	lm
Lapilli Tuff	tl
Lenticular bedding	lc
Lithic	lk
Massive	ma
Matrix	mx
Medium-grained	mg
Mesocumulate	mc
Migmatitic	mm
Muddy	md
Oolitic	oo
Orthocumulate	oc
Phyllitic	pi
Pillowed	pw
Poorly sorted	ps
Porphyritic	pp
Porphyroblastic	pb
Porphyroclastic	pc
Sandy	sd
Shaley	sh
Silicification	si
Silty	st
Spinifex	sx
Tuff	tf
Uphole fining	uf
Volcanic breccia	vb
Volcaniclastic	vc
Wallrock	wr
Welded Tuff	tw

Grainsize		Sed	Ig/Meta
Clay	cy	<1/256 mm	NA
Silt	st	1/256 - 1/32 mm	NA
Very Fine	vf	1/32 - 1/8 mm	<0.1 mm
Fine	fg	1/8 - 1/4 mm	0.1 - 1mm
Medium	mg	1/4 - 1/2 mm	1 - 3 mm
Coarse	cg	1/2 - 1mm	3 - 10 mm
Very coarse	vg	1 - 2 mm	>10mm
Granule	gn	2 - 4mm	NA
Pebble	pb	4 - 64 mm	NA
Cobble	cb	64 - 256 mm	NA
Boulder	bu	>256	NA
Pegmatitic	pa	NA	>30mm

Facing
Up
Down
Both

Contact	
Sharp	S
Undulose	U
Gradational	G
Vein	V
Faulted/sheared	F

Stratigraphy/Beds					
Formal		*Informal*		*Regolith*	
Gardiner Sandstone	GS	Phat Sandstone	PS	Regolith Layer A	LA
Antrim Plateau Basalt	AP	Marker Siltstone	MS	Regolith Layer B	LB
Killi Killi Fm	KK	Marker Siltstone, inferred	iMS	Regolith Layer C	LC
Bald Hill Sequence	BH	Irvine Conglomerate	IG	Regolith Layer D	LD
		Black Shale Bed	BS	Upper Mobile Zone	UM
		Coyote No.1 Fault	CF	Lower Mobile Zone	LM
		Coyote fold hinge	FA		

Deformation Type		
Boudinaged	BD	
Brecciated	BX	
Crenulated	CR	
Folded	FD	
Fractured weakly	CW	more than 10cm fracture spacing
Fractured moderately	CM	2-10cm fracture spacing
Fractured strongly	CS	less than 2cm fracture spacing
Foliation weak	FW	most grains undeformed, deformation restricted to disrete planes
Foliation moderate	FM	more than half grains broken, flattened or elongated
Foliation strong	FS	primary textures completely destroyed
Lineated	LN	

Alteration Style	
Fracture Controlled	FC
Foot wall (VMS)	FW
Hanging wall (VMS)	HW
Patchy	PT
Pervasive	PV
Selective Replacement	SR
Vein Selvedge	SV

Alteration Intensity	
Weak:partial replacement of primary minerals	WA
Moderate: alteration approx. equal proportion to primary minerals	MA
Strong: alteration dominant, some primary minerals remain	SA
Intense: total replacement of primary minerals	IA

Structure / Lithology Events	
Bedding	BED
Cleavage	CLV
Contact	CNT
Crenulation	CRN
Fault	FLT
Fold axis (plane)	FLD
Fold hinge (lineation)	HNG
Foliation	FOL
Fracture	FRK
Joint	JNT
Lineation	LIN
Layering	LYR
Schistocity (s-fabric)	SCH
Shear zone/plane (c-fabric)	SHZ
Slickenside	SLK
Vein	VEIN

Vein Style	
Anastomosing	AN
Boudinage	BO
En echelon	EE
Folded	FD
Planar	PL
Ptygmatic	PT
Sigmoidal	SG
Stockwork	SW

Vein texture	
Buck	BK
Breccia	BX
Comb-cockade	CB
Colloform	CF
Chalcedonic	CH
Fibrous	FB
Infill	IN
Laminated	LM
Milky	ML
Recrystallised	RX
Replacement	RP
Saccaroidal	SC
Smokey	SM
Vuggy	VG
Tension gashes	VT

Mineralisation Style	
Blebs	BB
Disseminated	DS
Interstitial Network	NW
Massive	MA
Stockwork	MW
Stringers/Veinlets	SE
Vein halo	VH