TANAMI EXPLORATION N.L.
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COMBINED
ANNUAL REPORT
EL 22924 and EL 24454
HUCKITTA
26 May 2008 to 25 May 2009

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Distribution:
○ Department of Regional Development Primary Industry, Fisheries and Resources (1)
○ Central Land Council (1)
○ Tanami Gold NL (1)
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1.0 SUMMARY

The Huckitta project is situated approximately 200 kilometres northeast of Alice Springs in the Northern Arunta block of the North Australian Craton (Figure 1). The project now consists of EL 24454 ‘Pulpit’ and EL 22924 “Delny” (Figure 2).

The Huckitta project previously consisted of EL 23636 ‘Yam Creek’, EL 23637 ‘Mt Baldwin’ and EL 24454 ‘Pulpit’. Exploration Licence 23637 was transferred from Tanami Exploration NL (TENL) to Deep Yellow Limited (DYL) on 23 April 2007. Exploration Licence 23636 was transferred from TENL to DYL on 2 August 2007.

On 13 April 2007, EL 24454 ‘Pulpit’ along with EL 22924 “Delny”, was incorporated into a new joint venture arrangement between TENL and Mithril Resources Limited (Mithril). Mithril activities are focused on exploration for nickel.

Both tenements are granted to Tanami Exploration NL (TENL), a wholly owned subsidiary of Tanami Gold NL (TGNL), a publicly listed company. This report describes exploration carried out by Mithril from 26 May 2008 to 25 May 2009.

Exploration during the year included no field work but the assay results of the surface samples, which had not been received until too late in 2008 to be reported in the previous annual report, were received and amalgamated into last years review.

The exploration activities are summarised in Table 1.

Table 1: Huckitta Project – Summary of Exploration

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Rock Chip Sampling</th>
<th>Surface Sampling</th>
<th>Total Number of Additional Assays</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 22924</td>
<td>5 Samples</td>
<td>56 Samples</td>
<td>676</td>
</tr>
<tr>
<td>EL 24454</td>
<td>19 Samples</td>
<td>121 samples</td>
<td>1313</td>
</tr>
<tr>
<td>Total</td>
<td>24 Samples</td>
<td>177 Samples</td>
<td>1989</td>
</tr>
</tbody>
</table>

The additional assay results of the 2008 samples returned slightly anomalous nickel values peaking at 569ppm and were associated with the Middle Dam Ultramafic. The maximum Ni assay value was returned from sample T170, which was collected from the drill sump of the historical drill hole Dneiper1, may have been contaminated by thrown away cans. The new results did not change the previously established overall disappointing surface sampling tenor.
2.0 INTRODUCTION

The tenements of the Huckitta project are situated approximately 200 kilometres northeast of Alice Springs in the Northern Arunta block of the North Australian Craton (Figure 1). Access to the tenement area is via the Stuart Highway and then the Plenty Highway, which passes to the south of the tenements of the Huckitta project. Vehicular access is very good onto the tenements with several tracks allowing access. The topography is typical of rugged gneissic Arunta terrain, however the rock fabric allows east-west access within valleys that lie between ridges of resistant lithological units. Vegetation is reasonably sparse allowing good cross-country access.

This report describes exploration carried out by Mithril on EL 24454 in the fourth year and EL 22924 in the sixth year of tenure.

3.0 TENURE

The Huckitta project previously consisted of EL 23636 ‘Yam Creek’, EL 23637 ‘Mt Baldwin’ and EL 24454 ‘Pulpit’. Exploration Licence 23637 was transferred from Tanami Exploration NL (TENL) to Deep Yellow Limited (DYL) on 23 April 2007. Exploration Licence 23636 was transferred from TENL to DYL on 2 August 2007.

On 13 April 2007, EL 24454 along with EL 22924 “Delny”, was incorporated into a new joint venture between TENL and Mithril Resources Limited (Mithril). An application was made to amend the Huckitta combined reporting status to reflect the new project area and approval was granted on 15 January 2008.

Tenement details are shown in Table 2.

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Name</th>
<th>Date Granted</th>
<th>Expiry Date</th>
<th>Blocks</th>
<th>Km²</th>
<th>Covenant</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL22924</td>
<td>Delny</td>
<td>23 Dec 02</td>
<td>22 Dec 10</td>
<td>68</td>
<td>218</td>
<td>$100,000</td>
</tr>
<tr>
<td>EL24454</td>
<td>Pulpit</td>
<td>15 Jun 05</td>
<td>14 Jun 11</td>
<td>232</td>
<td>742</td>
<td>$37,000</td>
</tr>
</tbody>
</table>

For the purposes of conducting initial reconnaissance exploration, a ‘self clearing’ program was granted by the CLC in September 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 interpretive geology for the Huckitta project tenements is shown on Plate 1, which is based on a regional interpretation compiled for TENL by Dr Ding Puquan in April-May 2001 (Ding, 2001). This area was re-interpreted by Deng in 2002 and again by Dr Luc English in 2006. Both tenements are located on the Huckitta 1:250,000 sheet SF53-11 Geological sheet.
5.0 PREVIOUS EXPLORATION BY TENL

5.1 TENL Exploration 2006 / 2007

In Central Australia TENL’s exploration focussed on the Ledan Corridor, which is shown on Plate 1. A geological interpretation based on the NTGS fact mapping and the aeromagnetic data was conducted with the hope to define the boundaries of the Ledan Schist host unit (Plate 1), which is considered to be a prospective host for gold mineralisation.

A reconnaissance trip was undertaken in September 2006. Outcrops of Ledan Schist along the entire length of the Ledan Corridor were visited as well as the western extent of the mapped retrograde greenschist facies along the Delny-Mt Sainthill shear zone. One rock chip sample (ALK0107) was taken on EL 24454 in September 2006, which returned an assay value of 0.5ppb Au.

The Ledan Corridor was further assessed in early 2007 and a small geochemical program was carried out on previously relinquished areas in March 2007. No significant results were returned. A maximum result of 17 ppb Au was received from a ferruginous fault zone attributed to be part of the Delny-Mt Sainthill shear zone.

5.2 Exploration 2006 / 2007 on EL 24454

Work carried out on Exploration Licence 24454 by JV partner Mithril Resources Limited, consisted of geological compilation and target generation in preparation for an airborne EM Survey. Mithril focused their activities on exploration for nickel.

5.3 Exploration 2007 / 2008 on EL 24454 & EL 22924

All exploration was carried out by Mithril. Exploration during the year ending 25 May 2008 included a review of historical exploration, an airborne VTEM survey, geological prospecting, reconnaissance, re-sampling of historic core sections and surface sampling. The exploration activities are summarised in Table 3.

Table 3: Huckitta Project – Summary of Exploration year ending 25 May 2008

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Data compilation</th>
<th>Geophysics</th>
<th>Geological Prospecting</th>
<th>% Core Sampling</th>
<th>Rock Chip Sampling</th>
<th>Lag Sampling</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 22924</td>
<td>review of historical exploration</td>
<td></td>
<td>Ground Search for DD holes at Perenti Prospect</td>
<td>8</td>
<td>8 samples</td>
<td>58 Samples</td>
</tr>
<tr>
<td>EL 24454</td>
<td>review of historical exploration</td>
<td>Regional airborne VTEM survey covering two areas of Pulpit</td>
<td>Ground inspection of 21 EM anomalies</td>
<td>0</td>
<td>19 samples</td>
<td>133 samples</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>8</td>
<td>27</td>
<td>191</td>
</tr>
</tbody>
</table>

The review highlighted the fact that no systematic exploration for nickel or other base metals had been completed. The VTEM magnetic survey generated 21 targets. A field inspection of the targets revealed that most are under a thin transported sediment cover so the source of the magnetic anomaly remained untested. The ground search for the historical diamond core drillholes failed to locate them.
The results of the ¼ core samples confirmed the correct order of magnitude of the historical assay values. Best result was 7.4ppm Ni from what seemed to be hole DDNT-12-1 at a depth of 248ft.

The results of the rock chips samples returned slightly anomalous nickel and chromium values peaking at 339ppm and 2610ppm respectively in the vicinity of the Middle Dam Ultramafic.

6.0 EXPLORATION COMPLETED

No field work was undertaken during the reporting period. The assay results of 177 lag and 24 rock chip samples were received and reviewed by Mithril. The samples were collected during the previous reporting period. But the results were received too late to be reported in the previous (2008) annual report.

6.1 Geochemical Sampling

All laterite/lag and rock chip samples were taken during a stream sediment sampling program completed in March/April 2008. A total of 177 magnetic lag samples and 24 rock chip samples were submitted to ALS Chemex. The lag sample data is included in the digital appendix. Sample locations are shown on Plate 1. The maximum nickel value of 569ppm came from sample T170 taken from the drill sump of the historical drill hole Dneiper 1. It was noted that the presence of cans in the sump may have contaminated the result.

The results of the additional assay results did not change the overall disappointing tenor established from the surface sampling program of the previous reporting period.

7.0 BIBLIOGRAPHY

AGES, 2003. Annual Geoscience Exploration Seminar, NTGS.


