17 July 2007

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

Dear Sir,

EXPLORATION LICENCE 10223 “CORNELIUS” – ARUNTA PROJECT
ANNUAL TECHNICAL REPORT

The fifth anniversary of Exploration Licence 10223 occurred on 22 May 2007. Exploration Licence 10223 together with Exploration Licence 10222 formed the Arunta project for which a Combined Technical Report is due by 22 June annually. Exploration Licence 10222 was surrendered on 4 May 2007 and a final report will be lodged by 4 August 2007.

Exploration activities carried out on EL10223 will now be reported individually. An extension of time to lodge the fifth annual report by 20 July 2007 has been granted. Expenditure for the year ending 21 May 2007 was reported by correspondence dated 21 June 2007, and in future will be incorporated into the Annual Technical Report.

Exploration Licence 10223 was included in a Sale and Purchase Agreement dated 23 June 2005, between Anglogold Ashanti Australia Limited and Tanami Exploration NL. The formal transfer of this tenement has been delayed due to the CLC withholding its consent via the execution of a Deed of Covenant, and this in turn has delayed the commencement of active work programs on the tenement.

Notwithstanding these delays to undertaking significant on-ground exploration activities, Tanami Gold NL and Deep Yellow Limited (which has rights to uranium minerals on the tenement via a Heads of Agreement dated 28 June 2005) have endeavoured to progress exploration programs via desk-top studies and a brief field reconnaissance.

In the fifth year of tenure, Tanami Gold NL undertook desk-top data review and a brief reconnaissance field trip to the tenement to study access issues and observe drill spoil leftover from previous work in the area. Prospect appraisal and regional structural re-interpretation led to the proposal of a drilling program of some 3000 metres RAB or AC to test shallow targets and two-three deep RC percussion or diamond core holes to test potential for high grade plunging mineralisation at depth beneath the Abrolhos Prospect. It is hoped that access issues will be resolved in the medium term to allow at least the RAB-AC drilling program to proceed during the 2006 field season.

During the year Deep Yellow Limited undertook a desktop appraisal and submitted an Exploration Proposal to the Central Land Council to commence negotiations towards a Deed of Exploration to undertake uranium exploration in the northern part of EL10223.
As no field work has taken place within the last twelve months, we ask that this letter be accepted in lieu of the Annual Report for Exploration Licence 10223 for the year ending 22 May 2007.

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

Yours faithfully
Tanami Gold NL

Alicia Graham
Land Manager