



TANAMI
GOLD NL

29 June 2005

Principal Registrar
Titles Division
Department of Business, Industry and Resource Development
5th Floor Centrepoint Building
Smith St Mall
DARWIN NT 0800

BY COURIER

Dear Sir,

**Re: EXPLORATION LICENCE 23990 – MT HARDY EAST
MT DOREEN PROJECT**

The first anniversary of Exploration Licence 23990 occurred on 1 June 2005. This licence forms part of the Mt Doreen Project, for which a Combined Report is due on 29 November annually.

Please find attached details of expenditure incurred during the first year of tenure, together with a summary of activities. The proposed program and budget for year two is also attached.

Although no field work was undertaken in the first year of tenure, the tenement (in the easternmost part of the current Mount Doreen project) rates highly and Tanami had hoped that EL(A) 23968, immediately to the east, would be granted by now so that reconnaissance exploration could be spread simultaneously over both tenements. Therefore, pursuant to Section 172 of the Mining Act, we seek a variation of covenant in respect of Exploration Licence 23990 for the year ending 31 May 2005 in order that we may explore the area in the forthcoming year.

A cheque in the amount of \$50 being the requisite fee for variation of covenant for EL23990 is attached.

Should you require any further information please do not hesitate to contact me on the number below.

Yours faithfully,
TANAMI GOLD NL

Alicia Graham
Land Manager

Encl.

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**EXPLORATION LICENCE 23990 – MT HARDY EAST
MT DOREEN PROJECT**

1 June 2004– 31 May 2005

Summary of Activities - Year One

In the first year of tenure no effective exploration was undertaken in EL 23990. The tenement is the easternmost part of the current Mount Doreen project and comprises the southeastern extensions of the structures which host the Mount Hardy Cu-Au mineralisation. Ongoing review of the Mount Doreen project still rates the area highly and it was hoped that EL(A) 23968, immediately to the east, would be granted by now so that reconnaissance exploration could be spread simultaneously over both tenements. A request to the CLC to encompass EL 23990 into the Mount Doreen Indigenous Land Use Agreement is under consideration.

Total expenditure for the period to 31 May 2005 was \$123 as shown in Table 1

Table 1 - EL 23990 Expenditure to 31 May 2005

| Cost Element | \$ |
|---------------------|-----------------|
| Salaries and Wages | 107 |
| Total | \$123 |
| <i>Covenant</i> | <i>\$25,500</i> |

Proposed Program and Budget - Year Two

In the second year of budget, reconnaissance mapping and sampling are planned for EL 23990. The timing of this will depend on approval of a work area clearance by the Central Land Council. Shallow percussion drilling of the Mount Hardy structure is also planned to test for extensions of the known Cu-Au mineralisation.

Table 2 - EL 23990 Proposed Budget 1 June 2005 – 31 May 2006

| Cost Element | \$ |
|--------------------------|-----------------|
| Drilling | 3,000 |
| Geochemical Analysis | 1,000 |
| Drafting and Computing | 500 |
| Salaries and Wages | 2,000 |
| Camp and Field Costs | 1,500 |
| Vehicles/Fuel | 1,500 |
| Travel/Accommodation | 500 |
| Site Clearance | 3,000 |
| Administration/Overheads | 2,000 |
| Total | \$15,000 |