



TANAMI
EXPLORATION NL

ABN 45 063 213 598

FIRST
ANNUAL REPORT
EL 23888 'Stafford'
REYNOLDS RANGE PROJECT

For Year Ending 11 August 2005

Author
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August 2005

Distribution:

- o Department of Primary Industry, Fisheries and Mines (1)
- o Native Title Unit - Central Land Council (1)
- o Newmont Gold Exploration Pty Ltd (1)
- o Tanami Gold NL - Perth (1)
- o Tanami Gold NL - Alice Springs (1)

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FILE DESC

EL_23888_2005_AR_SG2_ROCK2005A	Rockchip samples
EL_23888_2005_AR_GEOLOGY_CODES	Description of geology codes used

1.0 SUMMARY

Widespread gold anomalism was identified within greenschist-facies metasediments along the eastern side of the Reynolds Range in the early 1990's. Gold is hosted by sulphidic quartz veins and has been interpreted to broadly correlate with gold mineralisation in the Tanami region. Tanami Gold NL (TGNL), a publicly listed company, acquired the tenure over this area with an option agreement with Newmont Australia Pty Ltd (Newmont) for EL 23888 on 28 May 2004.

EL 23888 was granted to Newmont on 12 August 2004. Exploration during the first year of tenure was carried out by Tanami Exploration NL (TENL), a wholly owned subsidiary of TGNL, as part of TENL's Reynolds Range Project.

The Reynolds Range Project is located approximately 225 kilometres north-northeast of Alice Springs (**Figure 1**), in the central part of the Aileron Province of the Arunta region. EL 23888 is within the Napperby 1:250,000 sheet.

Exploration consisted of regional desktop studies, including geophysical and geological interpretations and transfer and validation of historic data supplied by Newmont and from open-file reports. Diamond drillcore was also retrieved from Newmont's Ivy camp and relogged. A number of brief reconnaissance trips were undertaken through the area, but the absence of comprehensive work area clearances limited these trips to logistical planning. The final trip included collecting 24 rockchip samples.

An Indigenous Land Use Agreement (ILUA) between the Central Land Council (CLC), on behalf of the traditional owners, and TGNL has been negotiated for the Reynolds Range Project. The ILUA has been lodged with the National Native Title Tribunal. Work area clearances covering EL 23888 have been divided into two phases with the first phase recently completed allowing access to the northern part of the tenement. The second phase of the clearance is expected to be completed soon.

2.0 INTRODUCTION

The Reynolds Range Project is located approximately 225 kilometres north-northeast of Alice Springs, and includes EL 23888. This report covers the exploration undertaken by TENL during the first year of tenure on EL 23888.

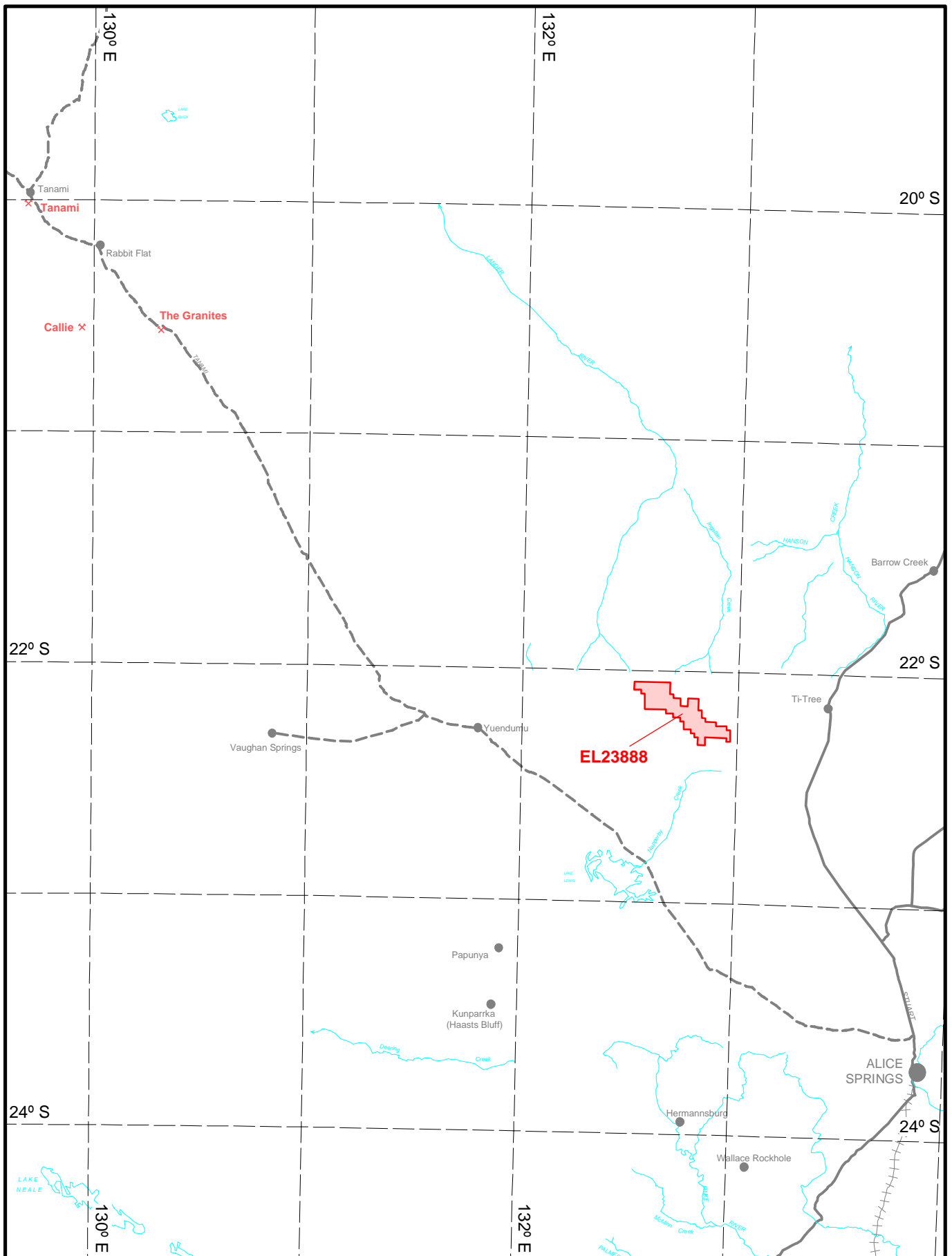
Access to the project area is via the Stuart Highway, and then a major gravel road between Aileron and Yuendumu. Station tracks provide further access throughout the project area.

3.0 TENURE

Newmont Gold Exploration Pty Ltd is the registered tenement holder of EL 23888 (**Figure 2**), with tenement details shown below in **Table 1**. TENL entered into an option agreement with Newmont on 28 May 2004 and is currently managing exploration.

Table 1: Tenement Details

Tenement	Tenement No	Blocks	Km ²	Grant Date	Expiry	Current Covenant
Stafford	EL 23888	149	474	12 Aug 04	11 Aug 10	\$21,500



TANAMI GOLD NL

REYNOLDS RANGE

ORIGINATOR: C.Rohde	DATE: Sept 2005	DRAWN: A. Weston
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PLAN No: **51_Tt_003**

TENEMENT LOCATION

1 : 2,500,000

0 50 100 150
MGA Zone 52 (GDA94) kilometres

FIGURE 1

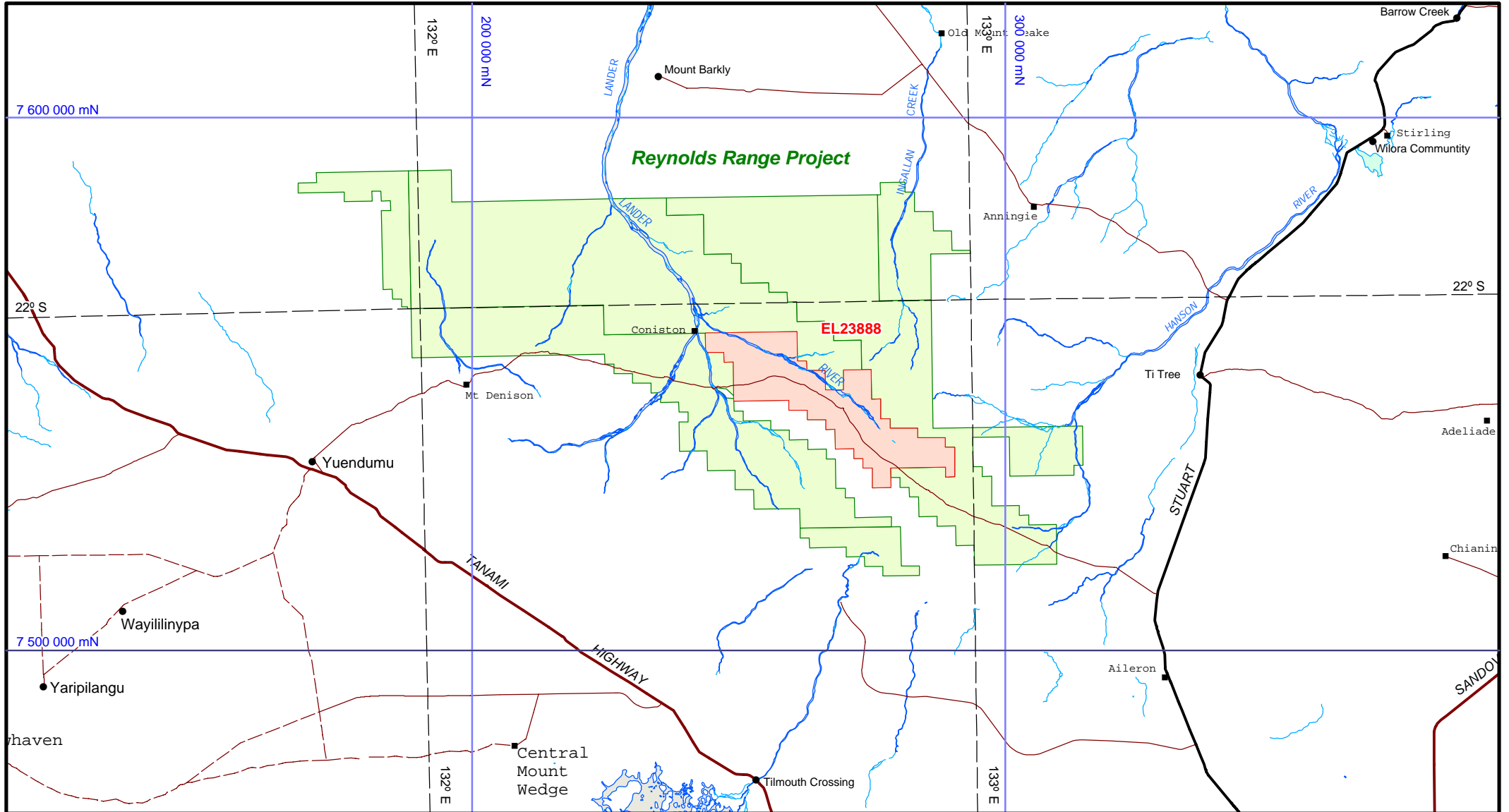
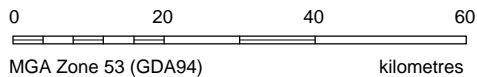


FIGURE 2

ORIGINATOR: C. Rohde	DATE: Sept 2005	DRAWN: A. Weston
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1 : 1,000,000



MGA Zone 53 (GDA94)

REYNOLDS RANGE

PROJECT LOCALITY

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PLAN No: **51_Tt_006**

In the first year of tenure, an Indigenous Land Use Agreement covering EL 23888 was negotiated with the Central Land Council on behalf of the traditional owners. The ILUA has been lodged with the National Native Title Tribunal. Work area clearances covering EL 23888 have been divided into two phases with the first phase recently completed. TGNL now has access to the northern part of the tenement.

4.0 GEOLOGY

The Reynolds Range Project covers Palaeoproterozoic metasediments and intrusives in the central Aileron Province of the Arunta region. A regional interpretation of the Arunta region was compiled for TENL by Dr Ding Puquan in 2001, a portion of which is presented as **Plate 1**. Aeromagnetic and gravity data are shown on **Plate 2**.

Widespread gold anomalism was identified within greenschist-facies metasediments along the eastern side of the Reynolds Range in the early 1990's. Gold is hosted by sulphidic quartz veins and has been interpreted to broadly correlate with gold mineralisation in the Tanami region.

The surface geology was mapped by the Bureau of Mineral Resources comprising a regional 1:250,000-scale Napperby (SF53-09 sheet) and the special edition Reynolds Range 1:100,000-scale geological map. The area has a very complex geology with polydeformed Palaeoproterozoic Lander Group metasediments, which host gold mineralisation, intruded by numerous felsic and mafic intrusive phases and overlain by slightly younger siliciclastic metasediments, including the Reynolds Range Group. The area is also covered by very complex regolith, with scree shedding from substantial hills cut by large drainage systems.

5.0 TENL EXPLORATION

Exploration included numerous desktop studies comprising regional bedrock geological interpretation of geophysical data (**Plate 1**). The study confirmed that a major Trans-Tanami structural corridor which runs through the area hosts the known gold mineralisation.

A review of the open file reports by Poseidon Gold, Normandy Exploration and Exodus minerals was completed for the Reynolds Range area. There are numerous untested anomalies (surface geochemical and geophysical) as well as prospects with economic grades and widths. There has been some diamond and RC drilling at Sabre, Falchion, Assegai and Yataghan, but only hammer RAB, blade RAB, vacuum or surface sampling elsewhere. A couple of historic Au-Cu mines (Reward, Pine Hill) are situated southeast of the Sabre-Falchion area (**Plate 1**). Gold is commonly associated with Sb, Pb and As. Geochemical and sampling data obtained from Newmont and from open file reports were transferred to the TGNL database and validated.

Diamond core from some of the better prospects were relocated from Newmont's Ivy camp to Alice Springs and relogged:

RD002, RDD024 and RDD026 from Sabre
RD025 from Sabre North and
RDD0042 from Falchion

Historical geophysical data, which include ground magnetics, helimag, IP and gravity were acquired from Newmont and are being reprocessed.

During a reconnaissance trip in the Reynolds Range area previous drilling and grid lines, prospect mapping and sample sites were identified. 24 rockchip samples were collected, as shown in **Plate 3**. They were analysed by Genalysis for Au, Ag, As, Bi, Cd, Co, Mo, Ni, Pb, Sb, W and Zn. Some encouraging results were returned. These are the first samples collected by TENL in the area and identify specific mineralised features at known prospects. Varying metal associations throughout the Reynolds Range corridor suggest numerous mineralising events.

Table 2: Best results from Reynolds Range rockchip sampling

	Au (ppb)	As (ppm)	Bi (ppm)	Cu (ppm)
RRK004	1494	190	0	10
RRK009	7775	668	0	25
RRK010	136	386	0	11
RRK013	717	26	0	14
RRK014	369	24	0	11
RRK023	12149	44	1176	5405
RRK024	306	29	46	163

All assay data and results are included in the digital Appendix.

6.0 EXPLORATION EXPENDITURE AND BUDGET

Total expenditure for the period to 11 August 2005 was \$59,472 as shown in **Table 1** below.

Table 3 – EL 23888 Expenditure to 11 August 2005

Cost Element	\$
Salaries and Wages	39,074
Contractors/Consultants	786
Drafting/Computing	243
Historic Core Analysis	1,618
Camp & Field	1,980
Vehicles & Fuel	2,582
Travel & Accommodation	5,432
Administration/Overheads	7,757
Total	\$59,472
<i>Covenant</i>	<i>\$165,000</i>
Negotiation & Meeting Costs	\$667

Proposed Program and Budget - Year Two

In the second year of tenure, an extensive RAB drilling programme is planned, followed by a diamond/RC drilling programme. In conjunction with this there will be extensive remapping and resampling across entire tenement. A regolith mapping programme is also planned, as is reprocessing of historic magnetic, gravity and radiometric data. The second phase of the work area clearance is expected to be completed early in the second year of tenure.

Table 4 – EL 23888 Proposed Budget 12 August 2005 – 11 August 2006

Cost Element	\$
Drilling	40,000
Geochemical Analysis	15,000
Drafting, Computing, Airphotos	1,500
Salaries and Wages	40,000
Camp and Field Costs	10,000
Vehicles/Fuel	5,000
Geophysical consultants	2,500
Travel/Accommodation	5,000
Site Clearance	20,000
Administration/Overheads	20,000
Total	\$159,000

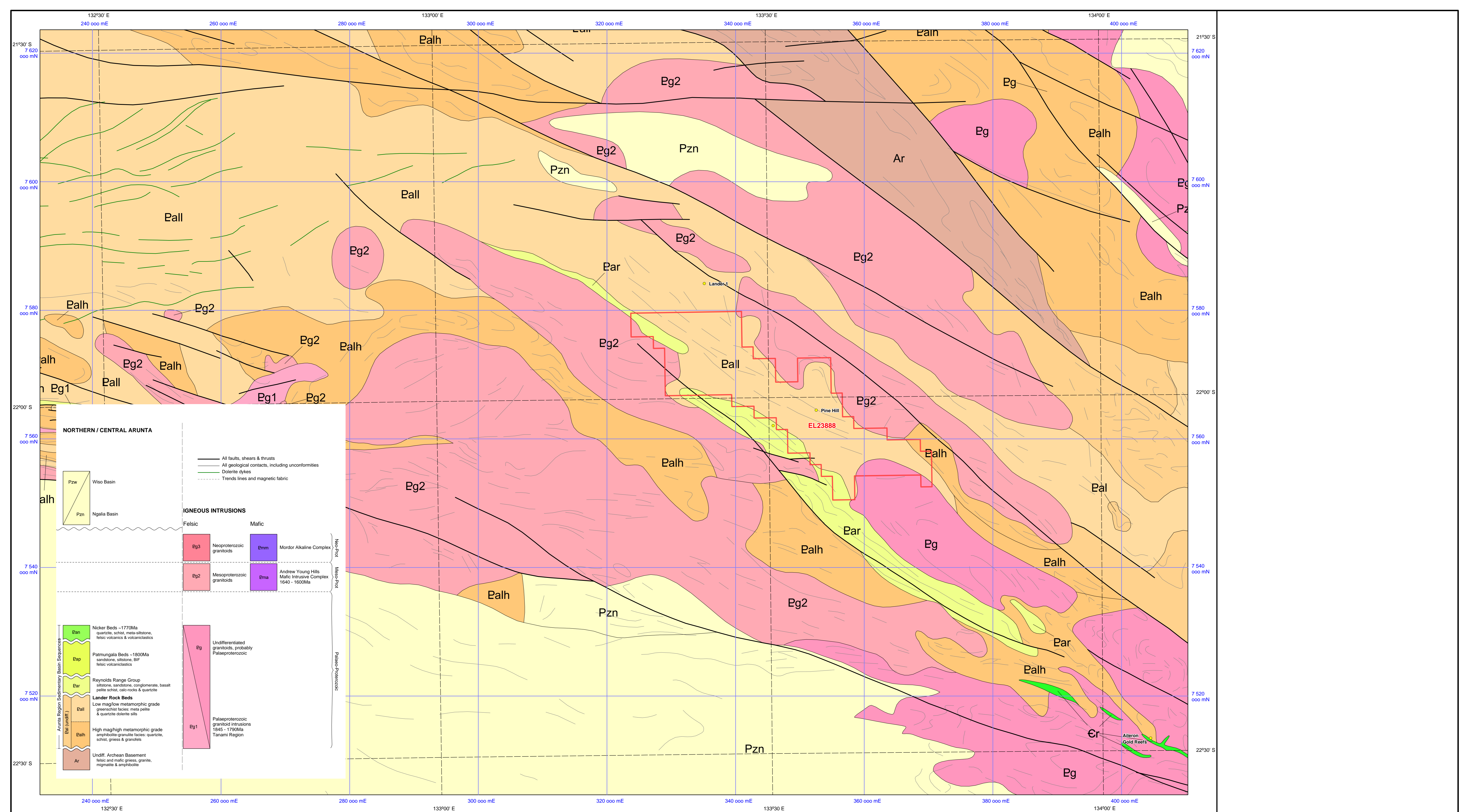
7.0 BIBLIOGRAPHY

Ding, P. & James, P.R., 1985 Structural evolution of the Harts Range area and its implications for the development of the Arunta Block, Central Australia. *Precambrian Research*, 27, 251-276.

Ding, Puquan 2001 Pre-Cenozoic solid geology map of the Strangways Range to Harts Range area, Explanatory Note. Unpublished TGNL in-house report.

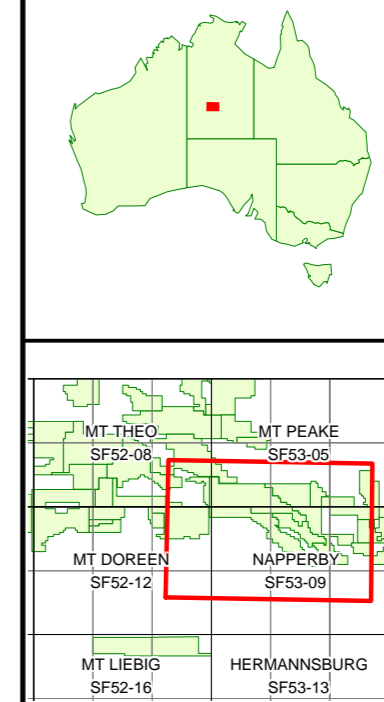
Rohde, C., 2004. First Combined Annual Report EL's 9814, 22387, 23483 and 23486 Napperby Project for the Year Ending 3 March 2004. Unpublished Tanami Gold NL In-house report.

Rohde, C., 2005. Second Combined Annual Report EL's 9814, 22387, 23483 and 23486 Napperby Project for the Year Ending 3 March 2005. Unpublished Tanami Gold NL In-house report.



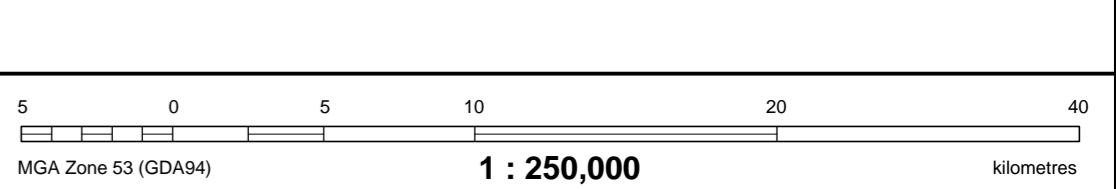
Explanatory Note:

Bedrock interpretation utilising aeromagnetics, gravity, radiometrics and Landsat imagery tied into published geological fact maps (NTGS and AGSO).
Compilation includes NTGS bedrock interpretation of Granites-Tanami region and in-house TGNL bedrock interpretations by Ding PuQuan, Deng Qi, Jayson Meyers and Tim Smith between 2000 and 2002.



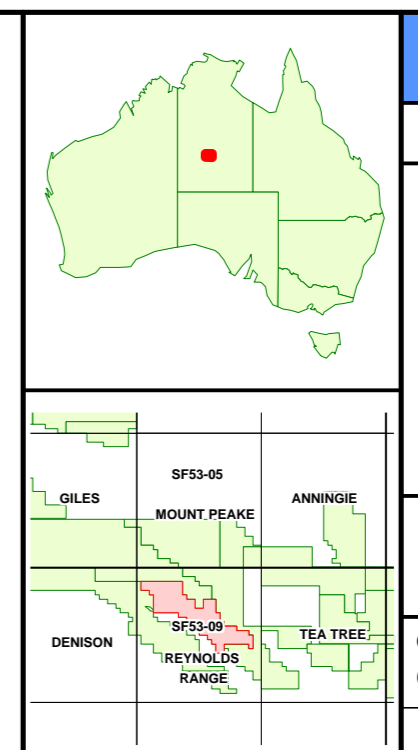
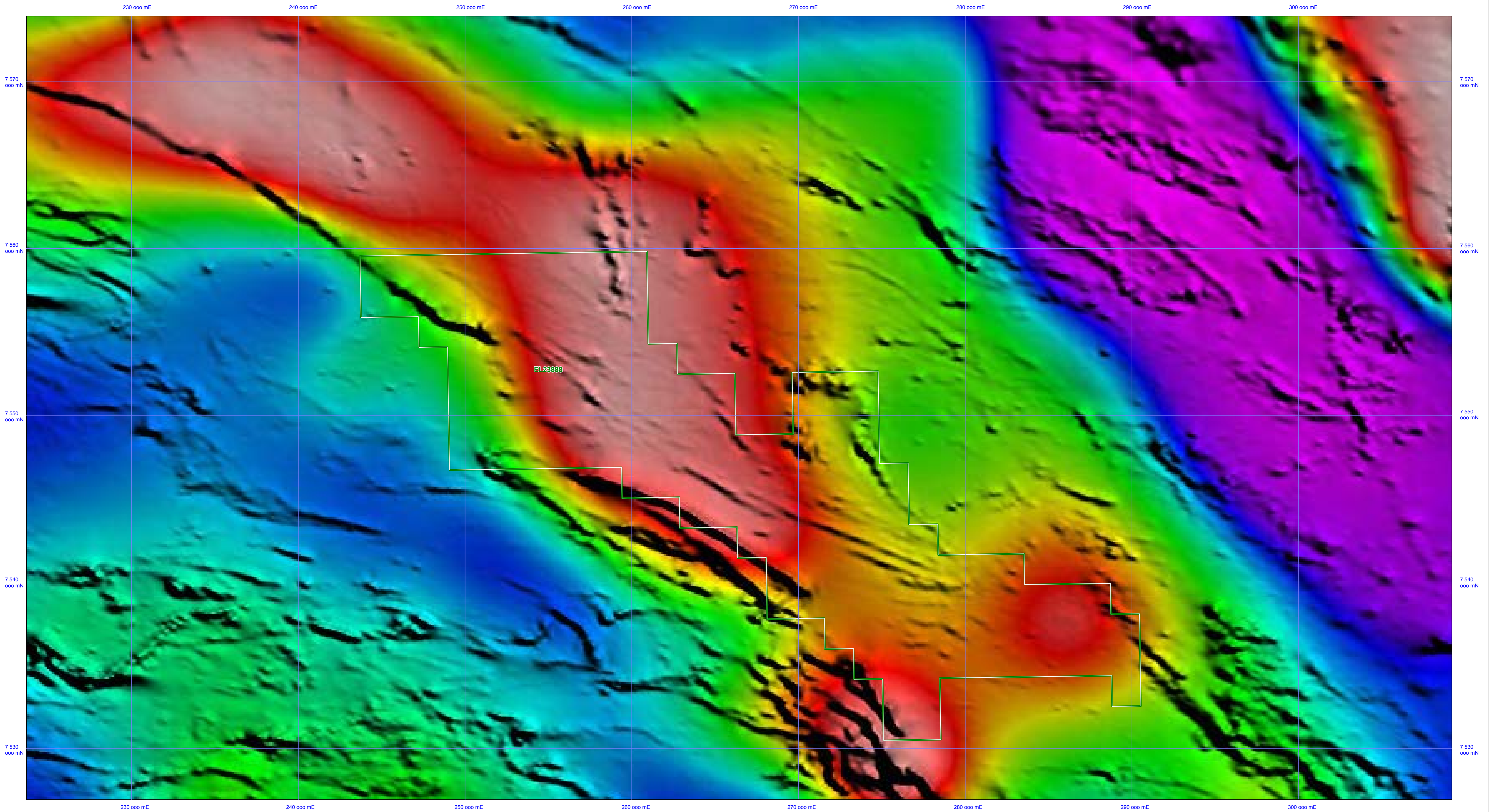
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INTERPRETED GEOLOGY



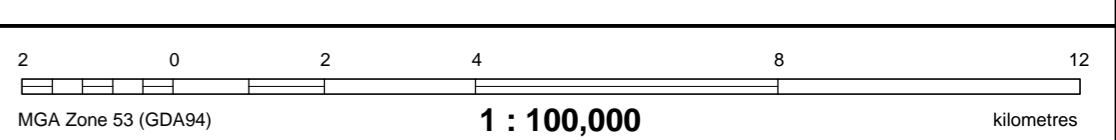
ORIGINATOR: **C. Rohde** DATE: **Sept 2005** DRAWN: **A. Weston**


PLAN No: **51_GI_006**

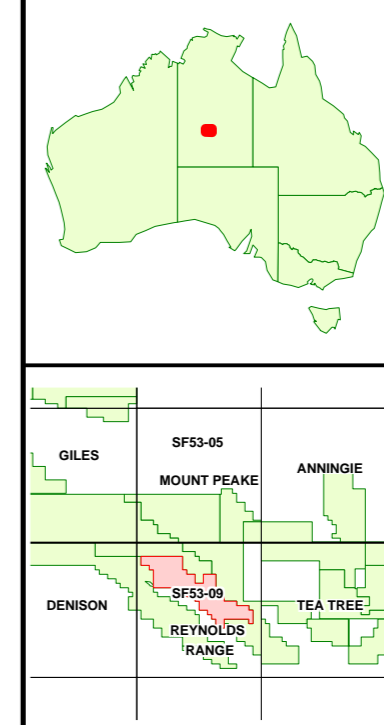
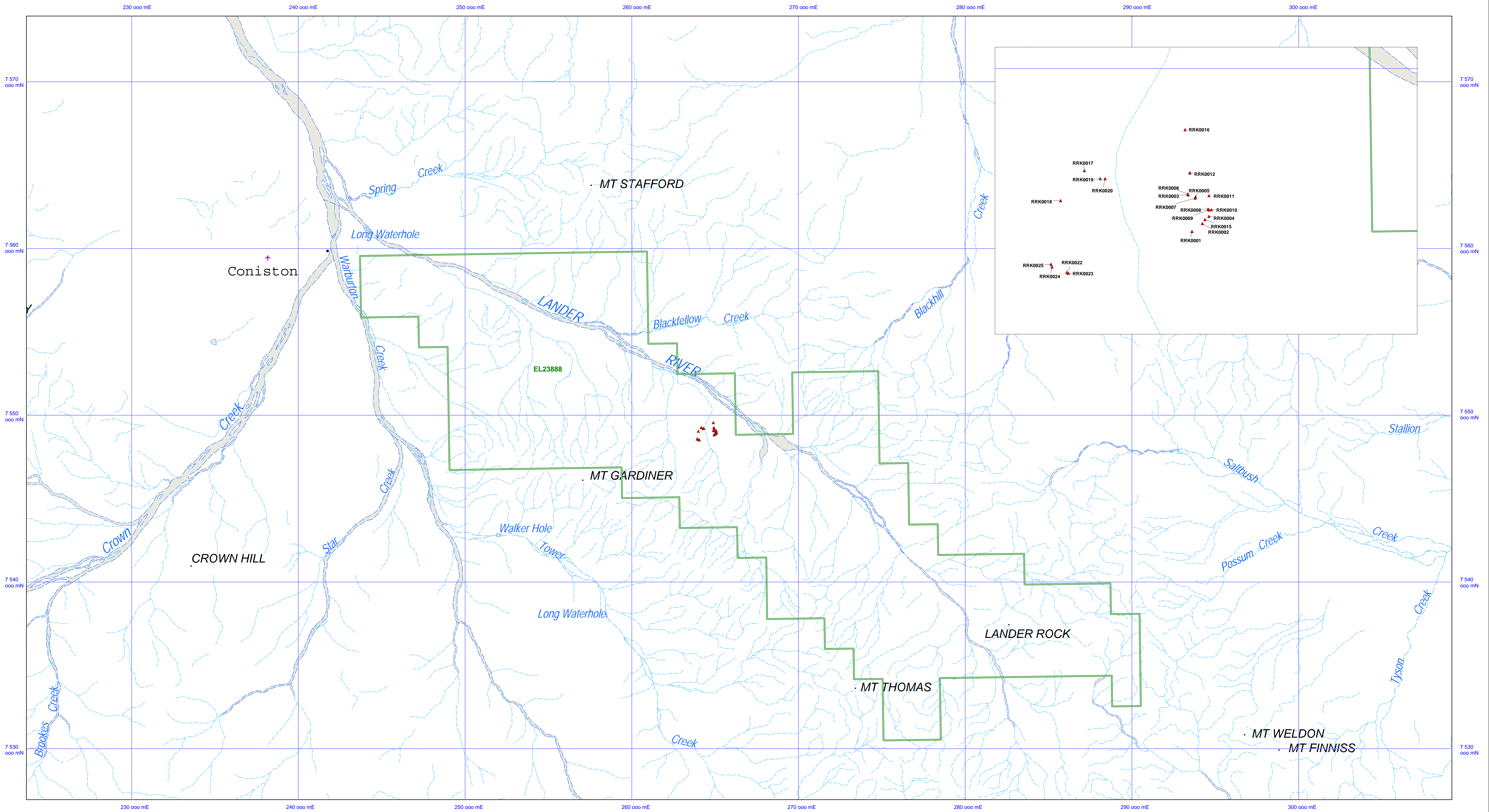


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AEROMAG TMI & RESIDUAL GRAVITY

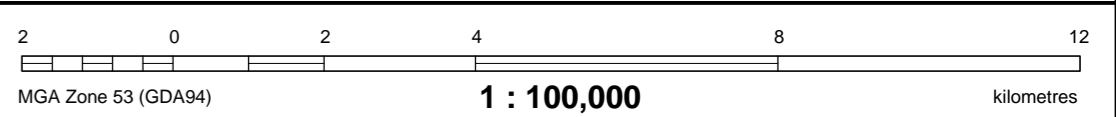


ORIGINATOR: C. Rohde	DATE: Sept 2005	DRAWN: A. Weston	 PLATE 2
PLAN No: 51_Pa_003			



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REYNOLDS RANGE

ROCK CHIP SAMPLE LOCATIONS



ORIGINATOR: C. Rohde DATE: Sept 2005 DRAWN: A. Weston
 PLAN No: 51_Cr_001

