COMBINED ANNUAL REPORT

EL 9843 ‘Chapmans Hill’
EL 22061 ‘Farrands Hill South’

Farrands Hill Project
GR183/11

From 1 January 2011 to 31 December 2011

Nil Work Report

Holders: Tanami (NT) Pty Ltd
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Date: January 2012
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Commodity: Gold
Datum/Zone: GDA94/Zone 52
250,000 Mapsheet: The Granites (SF52-03)
100,000 Mapsheet: Pillotus (4957)

Distribution:
- NT Department of Resources - digital
- Central Land Council - digital
- Tanami Gold NL, Perth - digital

File: jr48 NTDoR CAR2011_EL 9843 22061 Farrands Hill
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1.0 SUMMARY

On 30 March 2010 EL 9843 and EL 22061 were acquired by Tanami NT Pty Ltd (TNT), a wholly owned subsidiary of Tanami Gold NL, from Otter Gold Pty Ltd (Otter), a wholly owned subsidiary of Newmont Asia Pacific (Newmont). TNT is exploring the tenements for gold mineralisation.

The tenements are located approximately 55 km northwest of Granites Gold Mine (Figure 1).

No on ground exploration was conducted during the reporting year. Work by TNT continued with its desktop assessment of the tenements during the reporting period. As a result a regolith sampling and partial mapping program has been designed and is planned for the 2012 field season.

2.0 INTRODUCTION

Exploration Licences 9843 and 22061 form the Farrands Hill Project and are located approximately 550km northwest of Alice Springs (Figure 1). Main access to the tenements is by the Tanami Track to the Rabbit Flat Road house and then for approximately 18km on exploration tracks to the north east (Figure 1). This is a nil work report for the year ended 31 December 2011.

3.0 TENURE

On 30 March 2010, TNT, a wholly owned subsidiary of Tanami Gold NL, acquired EL 9843 and EL 22061 from Otter Gold Pty Ltd (Otter), a wholly owned subsidiary of Newmont Asia Pacific, together with a number of tenements including the Mineral Leases comprising the Central Tanami mine site.

Transfer of the titles from Otter to TNT was registered on 2 November 2010

Tenement details for EL 9843 and EL 22061 are shown below in Table 1.

<table>
<thead>
<tr>
<th>Tenement No.</th>
<th>Tenement Name</th>
<th>Blocks Granted</th>
<th>Grant Date</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 9843</td>
<td>Chapmans Hill</td>
<td>22</td>
<td>27-Mar-06</td>
<td>31-Dec-15</td>
</tr>
<tr>
<td>EL 22061</td>
<td>Farrands Hill South’</td>
<td>17</td>
<td>27-Mar-06</td>
<td>31-Dec-15</td>
</tr>
</tbody>
</table>
FIGURE 1

FARRANDS HILL PROJECT

Tenement Location  EL 9843 & EL 22061

ORIGINATOR: J. Rohde
DATE: Oct 2011
DRAWN: J. Rohde

CENTRAL TANAMI MINE SITE

EL9843
EL22061
Rabbit Flat Roadhouse
Alice Springs

MGA Zone 52 (GDA94) kilometres

1 : 500,000

PLAN No  CTP_1_0_045

TANAMI GOLD NL
4.0 GEOLOGY

(from Parker, 2008)

The Granites-Tanami Goldfields lie in the eastern part of the Early Proterozoic Granites- Tanami Inlier, which is part of the Northern Australian Orogenic Province (Plumb, 1990). The Inlier abuts the Arunta Complex to the south and east and is probably a continuation of the Halls Creek Orogen in Western Australia (Hendrickx, et al, 2000). The Inlier underlies younger cover sequences including the extensive Paleozoic Wiso Basin on its northeastern margin, and Victoria River Basin to the north. To the west, clastic sediments of the Middle Proterozoic Birrindudu Basin overlie and separate the Inlier from the similar age rocks in the Halls Creek Province. The oldest rocks of the Tanami region belong to the Billabong Complex, a suite of Archaean age gneiss and schist. This is unconformably overlain by the Proterozoic MacFarlanes Peak Group (mafi volcanic and volcanoclastic rocks), followed by a thick succession of clastic sediments of the Tanami Group. (Hendrickx et al, 2000). A suite of syn-to post-deformation dolerites and gabbros are found intruding both the MacFarlane Peak and Tanami Groups.

Complex, polyphase deformation during the Barramundi Orogeny (1845 – 1840Ma) has affected the entire Granites-Tanami Inlier. It appears to have been largely controlled by two sets of regional scale fundamental crustal fractures that trend NNE and WNW. This is evidenced by the orientation of successive phases of macroscopic folding in the region and the consistent sympathetic trends of late tectonic faults.

Peak metamorphism during the Barramundi Orogeny reached amphibolite facies (The Granites Gold Mine), but is more generally greenschist facies through the Inlier (Callie Gold Mine). Contact metamorphic aureoles, commonly identified in pelitic schist units by randomly orientated andalusite porphyroblasts, are well developed at the margins of the syn- and post-orogenic granite plutons.

Localised extension followed, forming small basins which filled with shallow marine sediments to the west (Pargee Sandstone).

Following the period of extension, widespread granite intrusion and volcanism followed in the period 1830 – 1810 Ma. At least three suites of granitic intrusives and two volcanic complexes are present. The last intrusion of (undeformed) granite occurred at around 1800 – 1795Ma, with intrusion of The Granites Suite (Hendrickx et al, 2000). Residual hills of gently folded Carpentarian Gardiner Sandstone unconformably overlie Early Proterozoic lithologies. Younger flatlying Cambrian Antrim Plateau Basalts are also preserved as platform cover in areas protected from erosional stripping.

Tertiary drainage channels, now completely filled with alluvial and lacustrine clays and calcrete are a major feature of the region. Some drainage profiles are 10 km wide and greater than 100m deep.

A desert terrain comprising transported and residual colluvial cover sediments and aeolian sand blanket a large portion of the Inlier, with an estimated outcrop exposure of less than 10% of the early Proterozoic lithological units.
Gold mineralisation within the eastern Tanami is dominantly hosted by the Tanami Group, a sequence of fine to medium-grained turbiditic metagreywackes with lesser amounts of metapelite, carbonaceous siltstone and schist, banded ironformation, chert and calcisilicates. (Hendrickx et al, 2000). Owing to their more resistant nature, only the cherts and iron-formations and associated interbedded graphitic schists tend to outcrop above the sand plain. The interlayered pillow basalts and sediments of the Mt.Charles Formation at the Tanami Mine deposits also host significant gold mineralisation.

5.0 PREVIOUS EXPLORATION

Historically 126 AC, VAC & RAB holes were completed for 2657m on previous tenure during 1989 - 1998 with the maximum assay value returned was 0.362ppm Au which came from RAB C1RB0856 on EL 9834 (616988.5E, 7784563N, MGA94_52).

A total of 127 LAG, BLEG and rock chip samples were mainly collected on EL 9843. The assay results are not recorded in the TNT data base.

No exploration took place during the previous four years of the current tenure.

6.0 EXPLORATION IN YEAR FIVE

No on ground exploration was conducted on EL 9843 and EL 22061, during the reporting period. TNT continued with its desktop assessment of the tenements. As a result a regolith sampling and partial mapping program has been designed and is planned for the 2012 field season.

7.0 BIBLIOGRAPHY


