Annual Report

TANAMI (NT) PTY LTD
ABN 58 141 658 933

GR183/11
GROUP ANNUAL REPORT
(FARRANDS HILL)
Period: 1 January 2015 to 31 December 2015

Minerals explored for: Au

Holders: Tanami (NT) Pty Ltd 75% & Northern Star (Tanami) Pty Ltd 25%
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Exploration Licences 9843 and 22061 were acquired by Tanami NT Pty Ltd (**TNT**), a wholly owned subsidiary of Tanami Gold NL (**TGNL**), from Otter Gold Pty Ltd, a wholly owned subsidiary of Newmont Asia Pacific (**Newmont**) on 30 March 2010.

Tanami Gold NL entered into a Joint Venture agreement with Northern Star Resources Ltd (**NST**) in 2015 with NST acquiring 25% of the Central Tanami Project, which includes EL9843 and EL22061.

During the reporting period office based project reviews of the Farrand Hill tenements were conducted along with a field reconnaissance and geological mapping trip in November 2015. The main objectives of this trip was to assess existing anomalies defined within EL22061, confirm best exploration methods moving forward and to ascertain the remaining potential of EL9843 due to a significant expansion in the exclusion zone in 2014.

INTRODUCTION

Exploration Licences 9843 and 22061 form the Farrands Hill Project and are located approximately 550km northwest of Alice Springs. Main access to the tenements is by the Tanami Track to Rabbit Flat and then for approximately 18km on exploration tracks to the north east (**Figure 1**).

This report covers the exploration activities on the Farrands Hill project tenements for the year ended 31 December 2015.

TENURE

Exploration Licences 9843 and 22061 were acquired by Tanami NT Pty Ltd (**TNT**), from Otter Gold Pty Ltd (**Otter**), a wholly owned subsidiary of Newmont Asia Pacific (**Newmont**) on 30 March 2010 together with a number of tenements including the Mineral Leases comprising the Central Tanami mine site.

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

Group tenement status was granted on 31 January 2011 with the assigned group identification number GR183/11.

Tanami Gold NL (**TGNL**) entered into a Joint Venture agreement with Northern Star Resources Ltd (**NST**) in 2015 with NST acquiring 25% of the Central Tanami Project, which includes EL9843 and EL22061.

Tenement details in respect of EL 9843 and 22061 as at the end of the reporting period are shown below in **Table** 1.

Tenement No.	Tenement Name	Area (Blks)	Grant Date	Expiry Date	Holder
EL 9843	Farrands Hill East	21	27-Mar-06	31-Dec-15	Tanami (NT) Pty Ltd 75%Tanami (NT) Pty Ltd 75% Northern Star (Tanami) Pty Ltd 25%
EL 22061	Farrands Hill South	13	27-Mar-06	31-Dec-15	Tanami (NT) Pty Ltd 75%Tanami (NT) Pty Ltd 75% Northern Star (Tanami) Pty Ltd 25%

Table 1: Tenement Summary

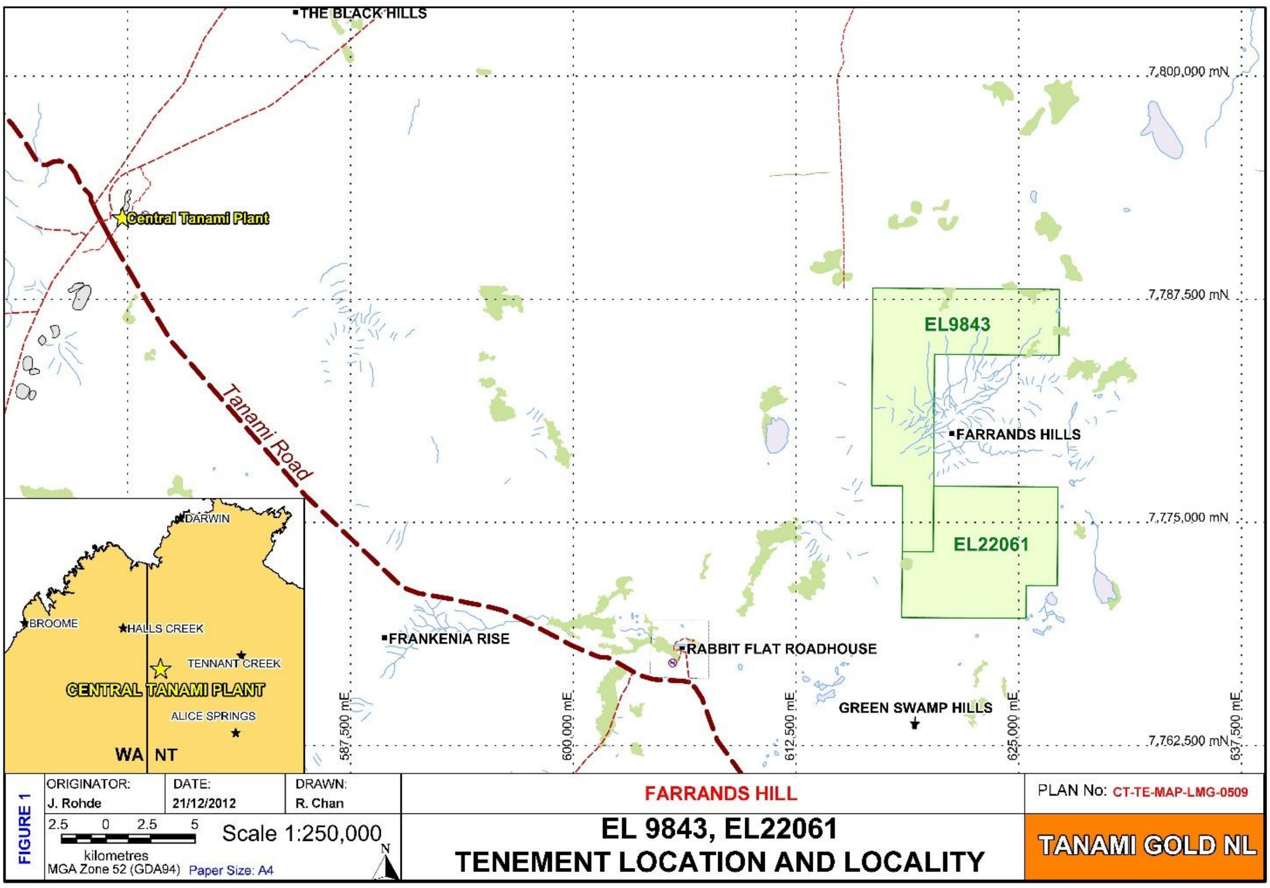

Figure 1: Location: Farrands Hill Project

GEOLOGY

Regional Geology

The Tanami region is centered 600 km northwest of Alice Springs and straddles the Northern Territory-Western Australia border. Its relationship to the surrounding tectonic units is poorly known. The contacts with the Arunta Province to the south and the Tennant Inlier to the east are not exposed but appear to be major shear zones in the magnetic data (Hendrickx et al, 2000). The geology of the Tanami region comprises a sequence of folded Palaeoproterozoic metasediments and minor meta-mafic volcanic and intrusive rocks unconformably overlying Archaean basement. Much of this is hidden beneath thin unconsolidated cover.

The known Archaean is very restricted. Limited dating (SHRIMP zircon U-Pb) of the supracrustal rocks is consistent with an Archaean protolith (ca. 2500 Ma), with the high grade metamorphic activity ascribed to the Barramundi event at 1880 Ma (Hendrickx et al, 2000).

The basal part of the Palaeoproterozoic stratigraphy is the Tanami Group, comprising the lower Dead Bullock Formation and the upper Killi Killi Formation. The Tanami Group is inferred to have been deposited in a transgressive passive marginal environment following the cessation of major extension and faulting associated with rifting (Hendrickx et al, 2000). The locally extensive mafic volcanic bearing Stubbins Formation and Mount Charles Formation are laterally correlated with the Dead Bullock Formation (Bagas et al, 2008).

Folding and low- to middle-greenschist facies regional metamorphism affected the Tanami Group at approximately 1840 Ma. The metamorphic grade tends to increase from the northwest to the south-east and adjacent to the local granites (see below) that accompanied this event, which has been denoted as the Tanami Orogenic Event (Vandenberg et al, 2001).

Unconformably overlying the Tanami Group is the complex Ware Group. This was deposited over the Tanami Group in a series of small extensional basins. The Ware Group includes the Mount Winnecke Formation, the Nanny Goat Volcanics and the Wilson Formation (Crispe et al, 2002).

Granitic lithologies constitute approximately 60% of the geology of the Tanami Region, and predominantly comprise 'I-type' biotite ± hornblende monzogranites and granodiorites (Dean, 2001). The granite suites are believed to represent over-lapping igneous events between approximately 1840 and 1790 Ma with the Winnecke Suite (1820-1830 Ma), the Coomarie Supersuite (1810-1820 Ma) and the Frederick Suite (1790-1810 Ma) defined by Dean (2001).

The age(s) of gold mineralisation in the Tanami region are poorly constrained, inferences are based upon geological relationships that can be confusing and sometimes contradictory. Overall, most geochronological data point to an age of circa 1800 Ma for late (D_5) gold in the Tanami region. The age of the apparently earlier gold event (D_1 or D_3 at The Granites) is not constrained (Huston et al, 2006).

The post gold mineralisation Birrindudu Group has an interpreted Neoproterozoic age and unconformably overlies the other components of the Tanami region. The exact age is unconstrained but must be less than 1800 Ma owing to field relationships with the granites. The Birrindudu Group is interpreted as representing shallow marine platform sediments. Three constituents comprise the Birrindudu Group; Gardiner Sandstone, Talbot Well Sandstone and Coomarie Sandstone (Blake et al, 1979). Local exposures of the Cambrian Antrim Plateau Basalt also occur through the Tanami Region (Hodgson, 1975).

Tenement Geology

The majority of the tenements are covered by variable thickness of unconsolidated alluvial and aeolian deposits with only sparse minor outcropping of bedrock, except on the flank of Farrand's Hills in the south of EL 9843 where there is extensive outcrop of Gardiner Sandstone. The southern part of EL 22061 is commonly covered by salt flats.

Bedrock is predominantly interpreted by magnetic and gravity characteristics with outcrop and drill holes sparse. High magnetic Dead Bullock Formation is interpreted in the southern half of EL 22061 with granite intrusion in the southeast corner. The remainder of the tenements bedrock is interpreted to be low magnetic Killi Killi Formation.

Although widespread exploration is at an early stage, gold mineralisation appears to occur at the top of the Dead Bullock Formation, similar to The Granites and some of the Dead Bullock Soak deposits.

PREVIOUS EXPLORATION OVER AREA

Historically 126 AC, VAC & RAB holes were completed for 2,657m on previous tenure during 1989 -1998 with the maximum assay value returned was 0.362ppm Au which came from RAB C1RB0856, currently 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 database.

The tenements were explored by Otter as part of the Tanami Exploration Agreement area.

Following acquisition of the tenements in **2010** no on ground exploration was conducted by TNT on EL 9843 and EL 22061. Work was limited to desktop assessment of the tenements.

In **2011** no on ground exploration was conducted. Work by TNT continued with its desktop assessment of the tenements during the year. As a result a regolith sampling and partial mapping program was designed, but not undertaken during the 2011 field season due to departure of personnel.

During **2012** a total of 322 soil, 3 lag and 32 rock chip samples were taken systematically on north-south orientated sample lines at 400m by 400m spacing in previously sparsely sampled areas and areas with the presence of geophysical anomalies. The best overall gold assay result was 0.008ppm and came from a sandstone float sample (X504614) on EL 9843.

In September **2012** Southern Geoscience Consultants, Perth, completed a merger of various reprocessed open file, government and Tanami-supplied airborne magnetics datasets over the wider Tanami Gold NL tenement holdings including the Farrand's Hill project area.

A RAB drilling program (69holes, 3450m) was planned in 2013 following up gold anomalies on EL 22061 but not undertaken in 2014 due to budget restraints.

WORK COMPLETED IN THE REPORTING PERIOD

Limited on ground exploration was undertaken during the reporting period with geological observations and field reconnaissance work carried out in late November as part of a field visit during the progressive introduction of Northern Star Resources (NST) to the JV tenure.

Since late 2015 Farrand's Hill has formed part of the regional geological targeting review NST commenced since taking over the project area. This process to date has constituted database collation and rationalisation and will continue with the review of historical surface geochemical and drilling data as well as regional and prospect scale geophysical datasets.

PROPOSED WORK PROGRAM

Further exploration is justified on EL22061 following a review of the results of the previous surface sampling program, historical drilling and geological observations from this year's reconnaissance trip.

EL9843 on the other hand has been significantly impeded with the expansion of the exclusion zone in 2014 and as such it is recommended that this tenement is to be relinquished in 2016.

With the JV on Central Tanami Projects only coming into effect in September 2015 NST are still working through the exploration package, assessing prospectivity and identifying best exploration methods to proceed with, as such the specifics of what exploration is suited to each tenement will not be completed until the review is completed in 2016.

ACTIVITY DETAILS FOR THE NEXT REPORTING PERIOD – EL22061		
Admissible Expenditure	**Specify the work to be undertaken**	**$AU Proposed**
A. Geological Activities and Prospecting	Compilation and validation of historical datasets; Regional Targeting assessment	$19,000
B. Geochemical Activities	Rock chip &/or soil sampling	$8,000
C. Geophysical and Remote Sensing Activities	Compile regional historical data to be used in regional targeting assessment	$3,000
H. Office Studies	Reporting, Database Management	$4,000
I. Overheads (not to exceed 15% of the sum of A to H above)	Administration & Overheads	$5,100
J. Covenant for next reporting period		**$39,100**

ACTIVITY DETAILS FOR THE NEXT REPORTING PERIOD – EL9843		
Admissible Expenditure	**Specify the work to be undertaken**	**$AU Proposed**
A. Geological Activities and Prospecting		
B. Geochemical Activities		
C. Geophysical and Remote Sensing Activities		
H. Office Studies	Review impact of exclusion zone expansion	$2,000
I. Overheads (not to exceed 15% of the sum of A to H above)	Administration & Overheads	$200
J. Covenant for next reporting period		**$2,200**

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BIBLIOGRAPHIC DATA SHEET

REPORT NUMBER	**GR183/11**
REPORT TITLE	Farrands Hill Project Group Annual Report For Year ending 31 Dec 2015
PROSPECT NAME	Farrands Hill
TENEMENT NUMBERS	EL 9843, EL 22061
OWNER/JV PARTNERS	Tanami (NT) Pty Ltd (75%) Northern Star (Tanami) Pty Ltd (25%)
COMMODITIES	Gold
TECTONIC UNITS	Granites Tanami Block (Inlier)
STRATIGRAPHIC UNITS	Dead Bullock Formation, Killi Killi Formation, Stubbins Formation, Mount Charles Formation, Winnecke Formation, Wilson Formation
1:250,000 MAPSHEET	The Granites SF52-03
1:100,000 MAPSHEET	Ptilotus (4957)