

# quarterly report

FOR THE PERIOD ENDING  
31 DECEMBER 2009



## COMPANY ENQUIRIES

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## TANAMI GOLD NL

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## HIGHLIGHTS

### *New acquisition to drive growth...*

- Tanami secures acquisition of the **Groundrush Gold Project** in the Northern Territory for **A\$22.00M** in a strategy aimed at lifting gold production to **+200,000oz per annum** within two years.
- The Groundrush Gold Project acquisition includes:
  - **500,000oz of JORC Code compliant resources**
  - **1.2Mtpa Groundrush treatment plant and associated infrastructure**
  - **World-class exploration package**
- Significant **diversification and growth** opportunity alongside Tanami's 50,000oz per annum Coyote gold mine.

### *Consistent production...*

- The Coyote Gold Operation produced **11,783 ounces at a cash cost of A\$746 per ounce** [YTD **A\$697 per ounce**] for the December 2009 Quarter [September Quarter: 12,821 ounces at A\$660 per ounce].
- Open pit mining at **Bald Hill** continues to deliver **positive grade and tonnage** reconciliation.
- 150% increase in surface stockpile to **66,700 tonnes** at an average grade of 3.4 g/t Au containing **7,350 ounces**.

### *Positive exploration results...*

- Underground diamond drilling at Coyote continues to confirm **high-grade nature of the mineralisation** at depth and adjacent to current mine development. Significant down-hole intersections from the high grade South Lode include:
  - **0.3 metres @ 2,379g/t** in CYUG1
  - **0.9 metres @ 1,517g/t** in CYUG23
  - **0.4 metres @ 243g/t** in CYUG13
  - **1.3 metres @ 209g/t** in CYUG70
  - **0.3 metres @ 87.9g/t** in CYUG80
- Surface exploration recommenced in the Bald Hill area.

### *Corporate...*

- Cash and gold on hand of **A\$5.4 million** [up from A\$2.9 million at the end of the September 2009 Quarter].

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## OPERATIONS

### Summary

- Despite a two week break in mining activities over the Christmas period and delays due to inclement weather, the Coyote Gold Operations in the Northern Territory achieved a solid Quarter with **11,783 ounces of gold** produced at a cash cost of **A\$746 per ounce** [YTD A\$697 per ounce].
- Approximately 80% of the gold produced for the Quarter was sourced from mine ore development, however a return to normal production-development ratios is expected for the March 2010 Quarter, which will see costs decrease.
- Critical mine infrastructure [High Voltage power reticulation] was extended to the 219 level during the Quarter in preparation for decline access to the new Bommie and North lodes.
- Detailed mine planning to access deeper and adjacent ore zones is well advanced in a strategy to provide multiple stope production areas.
- Underground diamond drilling continues to intersect high-grade zones of mineralisation.
- Open Pit mining at the Bald Hill satellite pits (Sandpiper and Kookaburra), located 35km north of the Coyote processing plant, continues to deliver positive grade and tonnage reconciliation.

**Table 1.0 - 2008-09 and 2009-10 Quarterly Production Summary**

| Qtr           | Underground    |            |               | Other          |            |               | Total          |            |               |             |                |                           |
|---------------|----------------|------------|---------------|----------------|------------|---------------|----------------|------------|---------------|-------------|----------------|---------------------------|
|               | Tonnes         | Grade g/t  | Ounces        | Tonnes         | Grade g/t  | Ounces        | Tonnes         | Grade g/t  | Ounces        | Recovery    | Gold Sales Ozs | Average Sale Price/oz \$A |
| Sep 08        | 7,800          | 9.1        | 2,206         | 15,900         | 4.2        | 2,055         | 23,800         | 5.8        | 4,261         | 96.4        | 8,751          | 985                       |
| Dec 08        | 16,500         | 6.1        | 3,120         | 27,700         | 1.0        | 832           | 44,200         | 2.9        | 3,952         | 96.2        | 4,008          | 1,169                     |
| Mar 09        | 16,500         | 9.4        | 4,848         | 14,700         | 2.5        | 1,123         | 31,200         | 6.1        | 5,971         | 97.0        | 5,691          | 1,345                     |
| June09        | 33,000         | 7.0        | 7,242         | 15,400         | 3.9        | 1,894         | 48,400         | 6.0        | 9,136         | 97.4        | 7,815          | 1,220                     |
| Sep 09        | 33,285         | 8.3        | 8,833         | 38,853         | 3.2        | 3,988         | 72,138         | 5.5        | 12,821        | 97.3        | 13,123         | 1,151                     |
| <b>Dec 09</b> | <b>35,684</b>  | <b>8.3</b> | <b>9,285</b>  | <b>13,782</b>  | <b>5.8</b> | <b>2,499</b>  | <b>49,465</b>  | <b>7.6</b> | <b>11,783</b> | <b>96.9</b> | <b>11,076</b>  | <b>1,213</b>              |
| <b>TOTAL</b>  | <b>142,769</b> | <b>7.9</b> | <b>35,534</b> | <b>126,335</b> | <b>3.1</b> | <b>12,391</b> | <b>269,203</b> | <b>5.7</b> | <b>47,924</b> | <b>96.9</b> | <b>50,464</b>  | <b>1,170</b>              |

### Underground Mining

Gold production for the Quarter totalled 11,783 ounces [see Table 1.0] despite being impacted by the onset of the wet season, which limited both the milling rate and access to the open pits.

The Coyote underground operations produced a record 33,659 tonnes at a calculated grade of 7.9 g/t Au with approximately 80% of the production derived from ore level development. Capital development totalled 241 metres with the main access decline accounting for 105 metres. Over one kilometre of ore and secondary waste development was completed for the Quarter, including 900 metres of ore development and a further 115 metres of waste.

The main Coyote decline is scheduled to reach the 181 level during the March 2010 Quarter.

The South Lode [identified in the Company's recent underground drill program] continued to produce high grade ore feed to the Coyote mill. The 219 level was extended by 120 metres at a width of 2.2 metres resulting in an average grade of 13.0 g/t Au.

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Development of the main Gonzales ore body reached the 194 metre level [approximately 190 metres below the surface] where the stacked nature of the gold bearing quartz veins was again evident. Ore zones up to 7.2 metres wide were encountered grading over 10g/t. Individual face grades included 4.2 metres at 25.7 g/t, 3.9 metres at 103.1 g/t in the West Ore Drive, and 4.1 metres at 31.3 g/t in the East Ore Drive.

Mechanised long hole stoping continued throughout the Quarter on the 243 level where mining widths in excess of 4.0 metres were extracted.

Underground drilling has continued to confirm the existence of high grade gold mineralisation below and adjacent to several current development positions (Bommie, North Zone, and South Lode).

Work to extend high voltage power reticulation from the surface to a deeper underground location was completed during the Quarter. This work was in preparation for the commencement of decline development to the deeper Bommie and North Zone. The Bommie decline is expected to commence later in the Quarter.

## Surface Mining

### Bald Hill

The Bald Hill deposits (Sandpiper and Kookaburra), which are located approximately 35 kilometres north of the Coyote processing plant continued to produce higher grades and tonnages compared to the mine model.

Revised grade control techniques and tight mining control have resulted in minimal dilution being incurred. The average grade of the ore being delivered to the Coyote ROM (run-of-mine) from both the Kookaburra and Sandpiper open pits is calculated at 3.63 g/t.

Stage 2 of the Bald Hill project is currently underway and a re-optimisation of the mine plan following recent Reverse Circulation drilling will be undertaken during the March 2010 Quarter.

During December 2009 the open pit contractor was redeployed to commence work on the Coyote tailings dam lift. The lift is expected to take four weeks to complete.

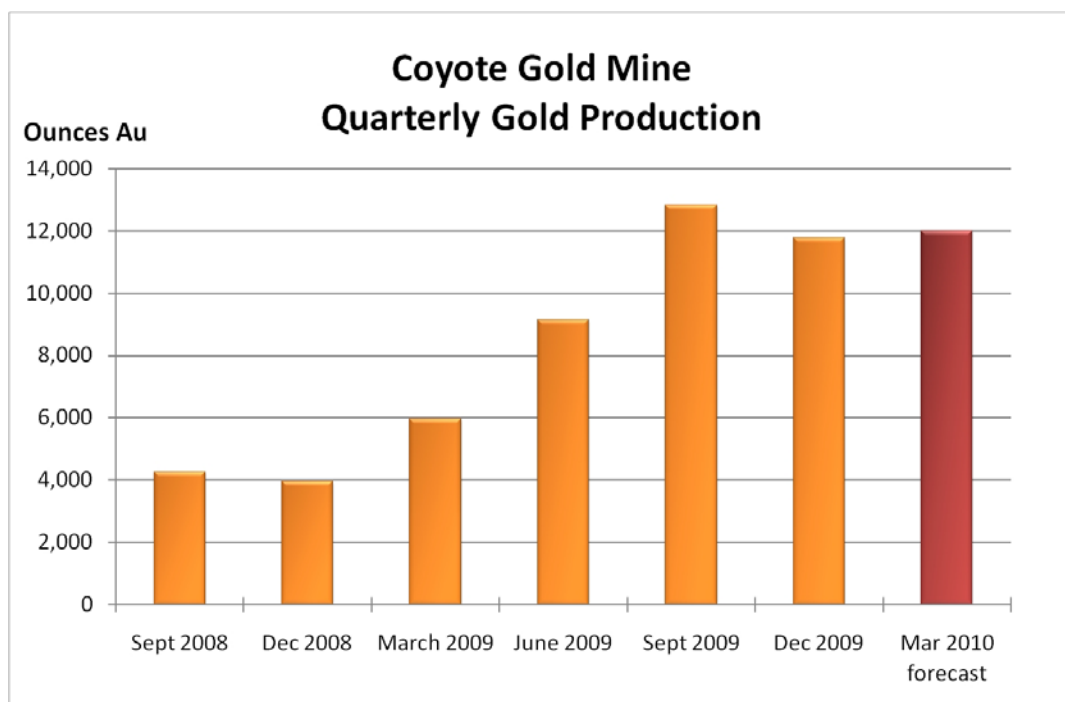


Figure 1 - Coyote Gold Mine Quarterly Production September 2008 to March 2010

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## Processing and Metallurgy

Gold production for the December 2009 Quarter was 11,783 ounces from a mill through-put of 49,465 dry tonnes at a calculated head grade of 7.6 g/t and a recovery of 96.9%. Ore processed comprised 35,684 tonnes from underground and 13,782 tonnes from the Bald Hill open pits.

A tailings dam lift to create additional tailings storage was undertaken during the Quarter. This work will continue in conjunction with open pit mining to optimise equipment and personnel and minimise costs.

A crushing contractor has been engaged and is expected [subject to road access conditions] to mobilise to site early in the March 2010 Quarter. This will enable proposed modifications to the crushing section to proceed. The new contract crushing circuit will also reduce mill feed sizing to -10mm which should improve throughput.

Modifications to the leaching section of the plant commenced during the Quarter. This work is expected to be completed early February and, coupled with the higher throughputs from the new contract crushing circuit, should see a progressive improvement in efficiencies and gold production over the coming Quarters.

Forecast gold production for the March 2010 Quarter is expected to be between 12,000 and 12,500 ounces [see Figure 1].

## EXPLORATION

The Company's exploration and resource definition drilling programs progressed steadily throughout the Quarter. Underground diamond drilling continued at the Coyote Mine and surface reverse circulation ["RC"] drilling commenced at several high priority prospects at and around the Bald Hill open pit mine operations.

### Underground Exploration

At Coyote, drilling focussed on defining the extents of the new South Zone and Bommie vein systems. A total of 21 holes for 3,790 metres was completed from various underground drilling positions during the Quarter with significant high grade gold intersections being realised from all target zones [see Table 2.0].

South Zone, which is located within 50 metres of the main Gonzales Lode and primary development has to date been defined over approximately 200 metres strike and 60 metres dip extent. Drilling to fully evaluate the dimensions and tenor ahead of mining will continue over the coming weeks.

South Zone is comprised of up to three high grade narrow quartz veins that commonly show substantial visible gold in drill core and mine exposures. Exceptionally high grade intervals have been returned from diamond drilling including **0.3 metres grading 2,379g/t** from CYUG1, **0.9 metres grading 1,517g/t** from CYUG23, **0.4m grading 243g/t** from CYUG13, **1.3 metres grading 209g/t** from CYUG70 and **0.3m grading 87.9g/t** from CYUG80 [see Figure 2].

The Bommie vein system has now been defined over 250 metres strike and 100 metres dip extent and remains open both up and down plunge. This zone is located approximately 80 metres north of the lowest level of the Gonzales Lode.

High grade intersections from Bommie include **0.8 metres grading 109g/t** from CYUG22, **0.3 metres grading 141g/t** from CYUG33, **0.4 metres grading 192g/t** from CYUG34, **0.4 metres grading 465g/t** from CYUG36 and **0.3 metres grading 31.5g/t** from CYUG38 [see Figure 3]. Drilling is ongoing to define the full extent of Bommie and to infill the current pattern for Resource estimation and mine planning.

The Bommie drilling program also helped define the North Zone mineralisation more precisely. North Zone is located between Gonzales and Bommie and returned some high grade intersections including **0.3 metres grading 186g/t** from CYUG39, **0.4 metres grading 50.8g/t** from CYUG22, **0.4 metres grading 34.9g/t** from CYUG24 and **0.4 metres grading 38.0g/t** from CYUG33 [see Figure 4]. While not as high grade as South Zone or Bommie, North Zone is still open along strike and has the potential to add significant recoverable ounces to the mine operations.

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## Surface Exploration

The Company recommenced surface exploration and Resource definition drilling within the Western Tanami tenements during the Quarter [see Figure 5]. This initial phase of the campaign [comprising approximately 13,000 metres of combined RC and diamond core] aims to identify new deposits and better define existing open cut and underground gold resources. Drilling was focussed on the Kookaburra, Sandpiper, Cuckoo and Osprey deposits located at or adjacent to the Bald Hill operation.

At Sandpiper, initial drilling was planned to test the deposit at depth with a view to establishing an underground mining operation. Earlier drilling undertaken at Sandpiper intersected a **21 metre zone grading 3.7g/t** in hole BLRCD1, at 310 metres below surface, the **deepest hole drilled in the Bald Hill area to date**.

Hole SPDD2, intersected a **22 metre down hole zone of stockwork quartz veining and quartz lode, 130 metres above** the wide intersection in BLRCD1 [**21 metres @ 3.7g/t**]. This zone contains, disseminated arsenopyrite, pyrite, sphalerite and galena, and suggests a significant up-dip continuity to the mineralisation. Assay results for SPDD2 are awaited. The mineralisation zone remains open to the east, west and down dip.

RC drilling was conducted at Kookaburra to infill existing drill coverage for open pit mine development. A total of 637 metres was drilled in seven holes targeting the limb and hinge zone of the Kookaburra Syncline. Evaluation of the results and their impact on the current pit design is in progress. Significant intersections from this program are shown in Appendix 1 Table 4.0.

Drilling at Cuckoo was designed to bring the mineralisation defined by previous RAB and limited RC drilling and potentially exploitable by open pit mining up to Indicated Resource status through additional RC drilling. In total, 32 holes were completed for 1,538 metres which confirmed several plunging zones of gold mineralisation within the folded metasediment-dolerite sequence. Further work is required to define the mineralisation down-plunge. Significant intersections from this program are presented in Appendix 1 Table 5.0.

The Osprey mineralisation is also potentially exploitable by open pit and required RC drilling to better define the flat surface zone and test a primary shoot at depth. A total of 21 holes were drilled for 699 metres and returned a significant result of **4 metres grading 15.8g/t** from 55 metres in hole OSRC20 [see Appendix 1 Table 6.0]. Further drilling is required to test the down-plunge extents of the high grade hinge zone mineralisation.

Diamond and RC drilling is planned to continue in the March 2010 Quarter with a focus on the Company's advanced prospects and the testing of conceptual targets throughout the Western Tanami Project area. A second drill rig to undertake aircore drilling has been contracted to begin testing more greenfields targets and also follow up drilling to previous programs.

A large proportion of 2010 field work will be applied to the exploration of targets generated through the Western Tanami 4D geological modelling and target generation project completed by the University of Western Australia Centre for Exploration Targeting and refined by the Company's exploration team.

### Note:

*The information in this report that relates to Geological data and Exploration Results is based on information compiled by Mr Robert Henderson, a full time employee and Geology Manager of Tanami Gold NL. Mr Henderson is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Henderson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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## CORPORATE

### Acquisition of the Groundrush Gold Project

Subsequent to the end of the reporting period, the Company entered into an agreement with Newmont Asia Pacific to acquire the Groundrush Gold Project in the Northern Territory [ASX announcement 28 January 2010] for A\$22 million.

The Groundrush Gold Project forms part of the Tanami and Barrow Creek Divestment Packages, which are being jointly acquired by Tanami Gold and its strategic exploration partner ABM Resources NL for a total of A\$32.775M [see Figure 6 showing distribution of tenements to Tanami Gold and ABM Resources].

The Groundrush Gold Project includes:

- Over 500,000oz of JORC Code compliant Resources
- The 1.2Mtpa Groundrush treatment plant and extensive support infrastructure
- A world-class 2,000km<sup>2</sup> exploration package
- 2.1Moz historic production endowment

The Groundrush Gold Project provides a significant diversification and growth opportunity alongside the Company's 50,000oz per annum Coyote Gold Mine. In all, between 1987 and 2005, approximately 2.1 million ounces have been mined from the Groundrush Gold Project area.

The most recent detailed Resource estimate for the Groundrush Gold Project tenements was conducted in October 2001 by Otter Gold Mines Limited using a gold price of A\$525 and A\$750 per ounce. Since then, Newmont has not undertaken any additional drilling or re-modelling. As such, there is excellent potential to significantly increase both the surface and underground resources within both the Mineral Leases and surrounding Exploration Licences.

The Groundrush Gold Project Resource is a JORC Code compliant estimate totalling 5.86Mt @ 2.7g/t for 516,000 ounces. A summary of the 2001 Resource is shown in Table 2.0 below:

**Table 2.0 - Tanami Mine Joint Venture Mineral Resources as at October 2001**

| Deposit        | Measured         |             | Indicated        |             | Inferred       |             | Total            |             | Ounces         |
|----------------|------------------|-------------|------------------|-------------|----------------|-------------|------------------|-------------|----------------|
|                | Tonnes           | Grade (g/t) | Tonnes           | Grade (g/t) | Tonnes         | Grade (g/t) | Tonnes           | Grade (g/t) |                |
| Dogbolter Area | 366,000          | 3.8         | 151,000          | 3.5         | 6,000          | 2.4         | 523,000          | 3.7         | 62,000         |
| Redback Area   | 615,000          | 3.4         | 578,000          | 5.4         | 110,000        | 5.8         | 1,303,000        | 4.5         | 188,000        |
| Jims Area      | 242,000          | 2.6         | 17,000           | 2.6         | 23,000         | 2.2         | 282,000          | 2.5         | 23,000         |
| MLS119-133     | 198,000          | 2.2         | 212,000          | 2.4         | 13,000         | 2.4         | 423,000          | 2.3         | 31,000         |
| MLS153         | 75,000           | 2.2         | 151,000          | 2.7         | 35,000         | 2.9         | 261,000          | 2.6         | 22,000         |
| Molech         | 312,000          | 3.8         | 190,000          | 3.6         | 32,000         | 3.1         | 534,000          | 3.7         | 63,000         |
| Crusade        |                  |             | 1,020,000        | 2.7         |                |             | 1,020,000        | 2.7         | 89,000         |
| LG Stockpiles  | 1,515,000        | 0.8         |                  |             |                |             | 1,515,000        | 0.8         | 38,000         |
| <b>Total</b>   | <b>3,323,000</b> | <b>2.2</b>  | <b>2,319,000</b> | <b>3.5</b>  | <b>219,000</b> | <b>4.3</b>  | <b>5,861,000</b> | <b>2.7</b>  | <b>516,000</b> |

*The information in this report pertaining to Mineral Resources was compiled by Mr Bill Makar (MAusIMM), former Chief Mine Geologist for Otter Gold Mines Limited Tanami Mine Joint Venture. Mr Makar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Makar has provided written consent to Tanami Gold NL for the inclusion in the report of the matters based on his information in the form and context in which they appear.*

No resources have been assigned to either the Groundrush (past production >600,000 ounces) or Hurricane-Repulse open pits (past production >250,000 ounces). As can be seen in Figure 7, significant mineralisation exists beneath the Hurricane-Repulse Pit that will be re-modelled and included in an updated Resource estimation.

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The Groundrush Gold Project tenements also offer excellent potential for the definition of additional gold mineralisation, both as extensions to existing deposits [see Figure 7] and as new discoveries. Previous mining of the open pits focused predominantly on oxide ore with only minor primary mineralisation mined. This oxide focus has resulted in limited systematic deep drilling around or beneath many of the pits.

The vast, sparsely explored areas of the associated Exploration Licences, with their prospective rock packages and favourable structural features, affords a further opportunity for the Company to discover new gold deposits. The Company will thoroughly review all past work within these areas and prioritise target generation and testing.

The Company has secured financial backing from its largest shareholder, Allied Properties Resources Limited to complete the A\$22 million transaction. The commercial terms of the Transaction have been agreed by all parties with a settlement date scheduled for 30 March 2010 or earlier, subject to completion of relevant consents and Newmont board approval.

Following the acquisition, Tanami Gold is aiming to increase production from its combined tenement holdings to over 200,000oz per annum within two years through a prompt resumption of open pit mining and a later progression to underground mine development. It also has high expectations for future discoveries within the extremely prospective Exploration Licences included in the asset.

## **Financial Commentary** **Quarter Ended 31 December 2009**

The development and ramp-up of the Coyote operations continued throughout the December 2009 Quarter with a total expenditure of A\$12.0 million - down from A\$12.3 million for the September 2009 Quarter and A\$12.6 million for the June 2009 Quarter.

The Company has continued its strong focus on cost control and this is reflected in its **year-to-date cash cost per ounce of A\$697**. Importantly, this cash cost per ounce figure is tracking well against the Company's budgeted cash cost per ounce of A\$698. This is a significant result given that the Company's budgets incorporated an ambitious 7.5% cost reduction target across all site departments for the year ended 30 June 2010.

## **Cash and Cash Equivalents**

As at 31 December 2009, Tanami Gold NL had cash and gold on hand of A\$5.36 million and gold-in-circuit of A\$1.03 million for a total of A\$6.39 million, up from A\$4.42 million as at 30 September 2009. In addition, the Company further increased its ROM stocks by approximately 150% from 26,500 tonnes as at 30 September 2009 to 66,700 tonnes as at 31 December 2009.

In order to fund the Company's surface and underground exploration programs (which commenced earlier than anticipated), the Company drew down an additional A\$3.0 million from its existing loan facility with AP Finance Limited during the Quarter. AP Finance Limited is an entity associated with the Company's major shareholder.

In addition, the cash and cash equivalents balance documented above for the Quarter ended 31 December 2009 include A\$1.5 million that the Company received as part of its consideration for the sale of its Northern Territory tenements to ABM Resources NL (as announced to ASX on 12 August 2009 and completed on 21 December 2009).

**GRAEME SLOAN**  
**MANAGING DIRECTOR/CEO**

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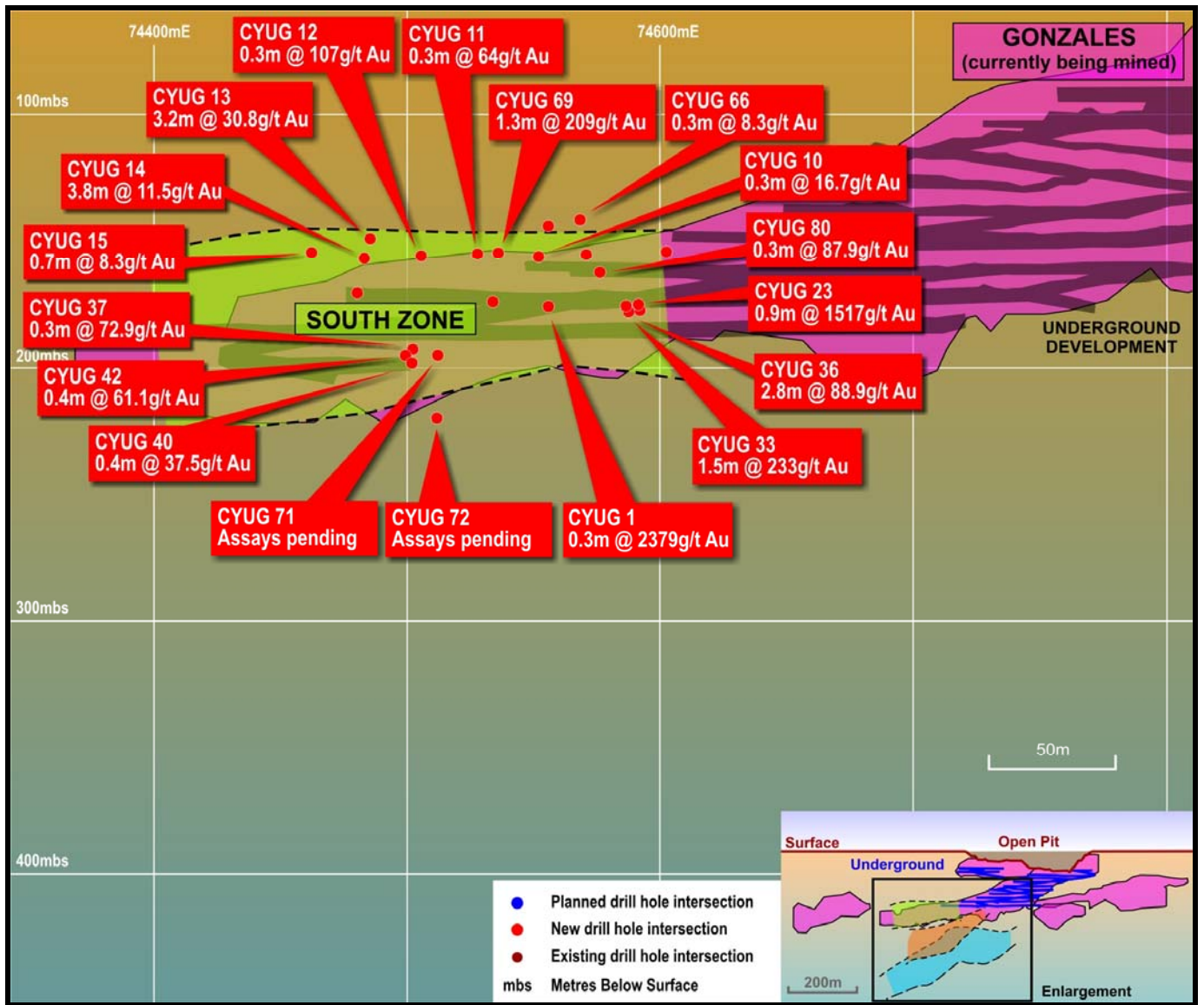


Figure 2 South Zone Schematic Long Section depicting recent drilling and significant intersections



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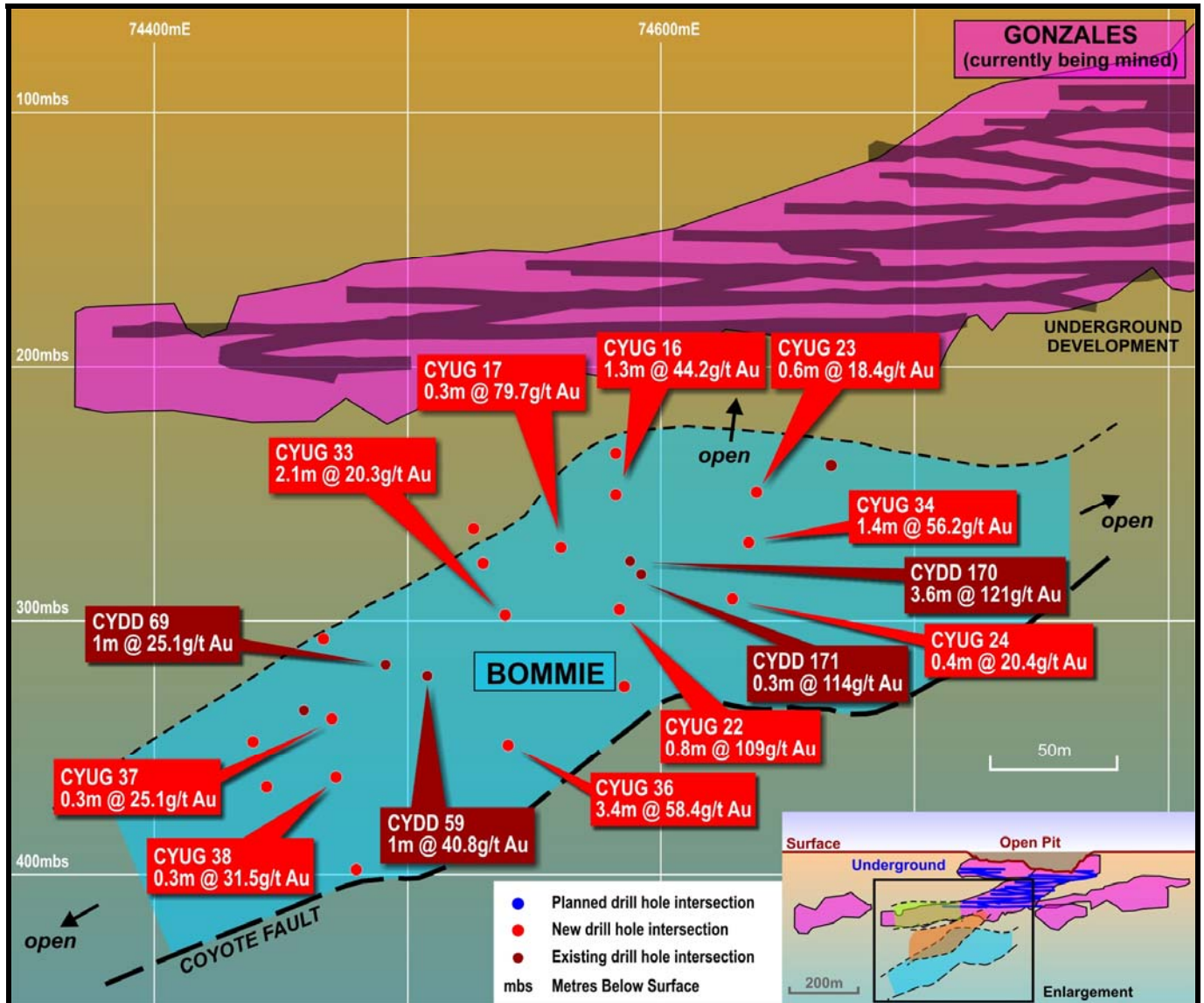


Figure 3 - Bommie Schematic Long Section depicting recent drilling and significant intersections

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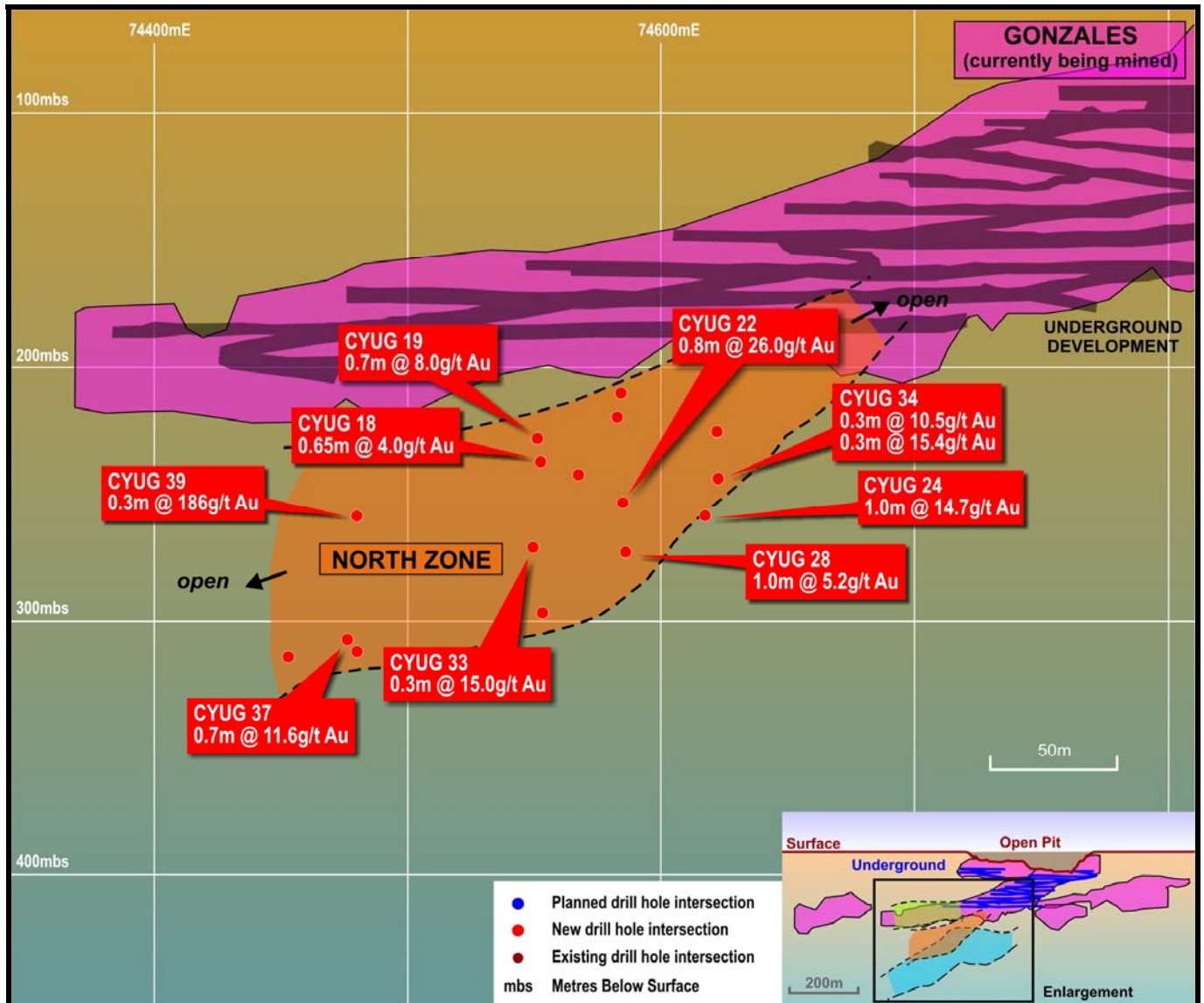


Figure 4 - North Zone Schematic Long Section depicting recent drilling and significant intersections



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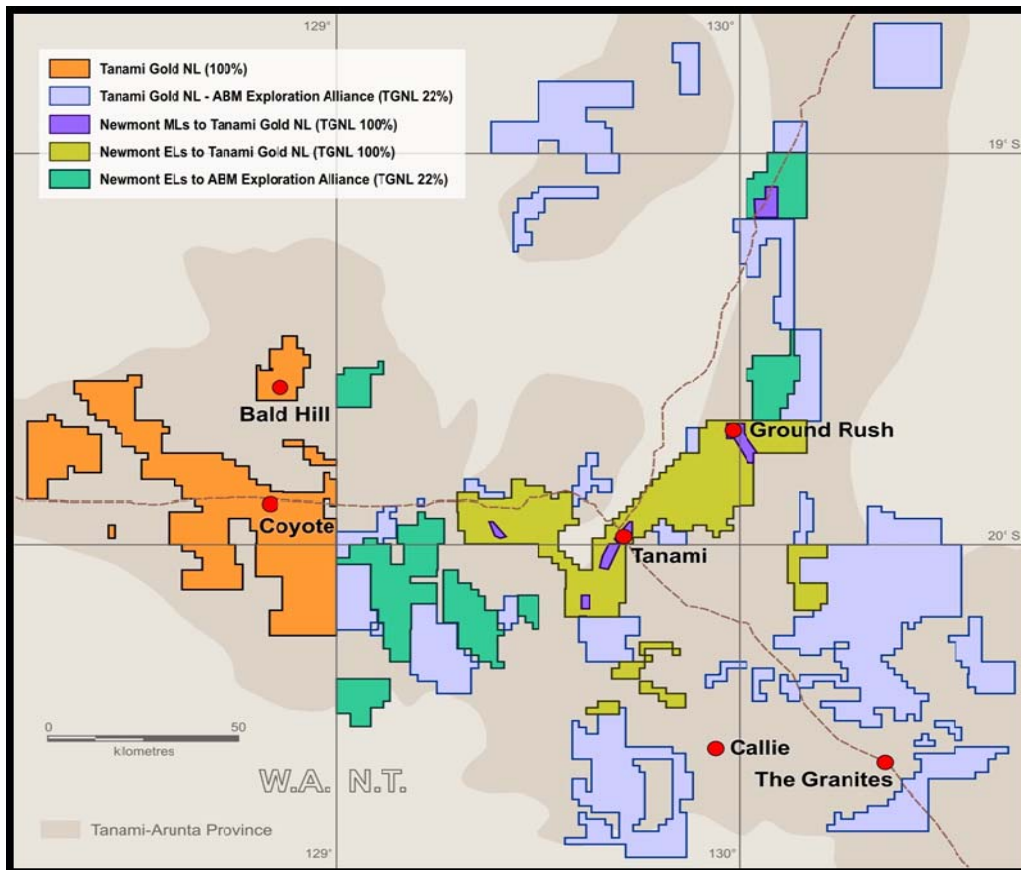


Figure 6– Tenement Position Post Transaction

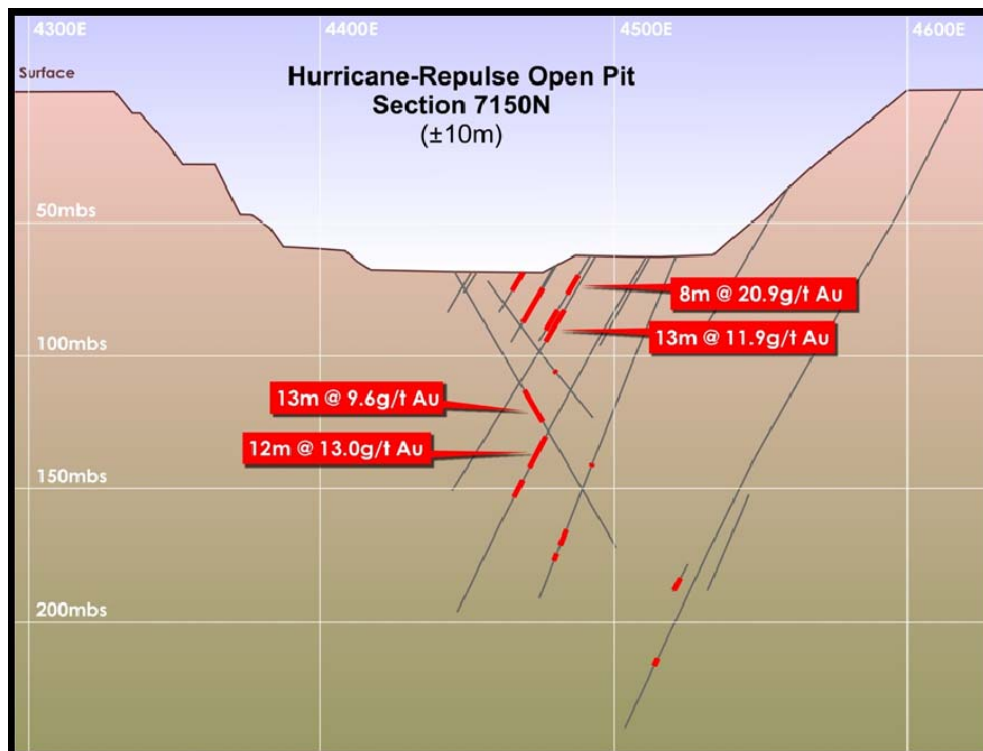


Figure 7 – Hurricane-Repulse Open Pit Cross Section 7150N

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## APPENDIX 1

**Table 3.0 – Coyote underground diamond drilling significant intersections**

| Hole Number | Collar Easting | Collar Northing | Collar RL | Collar Dip | Collar Azimuth | Hole Depth | Significant Intersections |            |             |            |
|-------------|----------------|-----------------|-----------|------------|----------------|------------|---------------------------|------------|-------------|------------|
|             |                |                 |           |            |                |            | Interval                  | Length (m) | Grade (g/t) | Zone       |
| CYUG1       | 74506.7        | 50063.3         | 3211.2    | 5          | 136            | 94.96      | 69.4 - 69.7m              | 0.3        | 2379        | South Zone |
| CYUG10      | 74507.1        | 50063.4         | 3212.2    | 23         | 135            | 90         | 63.3 - 63.6m              | 0.3        | 16.7        | South Zone |
| CYUG11      | 74506.1        | 50062.9         | 3212.5    | 27         | 155.5          | 79.9       | 58.2 - 58.5m              | 0.3        | 64.0        | South Zone |
| CYUG12      | 74504.6        | 50063.1         | 3211.9    | 22.7       | 180            | 90         | 68.7 - 69.0m              | 0.3        | 107         | South Zone |
| CYUG13      | 74504.2        | 50063.0         | 3212.3    | 27         | 198            | 90.9       | 70.9 - 74.1m              | 3.2        | 30.8        | South Zone |
| CYUG14      | 74504.2        | 50062.9         | 3211.9    | 20         | 197            | 100.1      | 76.0 - 79.8m              | 3.8        | 11.5        | South Zone |
| CYUG15      | 74502.6        | 50062.4         | 3212.0    | 18.5       | 212.5          | 115        | 81.0 - 81.7m              | 0.7        | 8.33        | South Zone |
|             |                |                 |           |            |                |            | 88.3 - 88.7m              | 0.4        | 6.83        |            |
| CYUG18      | 74587.4        | 50036.3         | 3219.9    | -52        | 320            | 226.2      | 62.2 - 62.5m              | 0.3        | 7.22        | North Zone |
|             |                |                 |           |            |                |            | 80.35 - 81.0m             | 0.65       | 4.02        |            |
|             |                |                 |           |            |                |            | 155.7 - 156.0m            | 0.3        | 3.92        | Bommie     |
| CYUG19      | 74587.1        | 50036.6         | 3219.9    | -44        | 320            | 211.2      | 75 - 75.7m                | 0.7        | 7.97        | North Zone |
| CYUG22      | 74589.1        | 50037.2         | 3219.8    | -59        | 355            | 197.7      | 89.9 - 90.7m              | 0.8        | 26.0        | North Zone |
|             |                |                 |           |            |                |            | 139.0 - 139.8m            | 0.8        | 109         | Bommie     |
| CYUG23      | 74590.7        | 50038.1         | 3220.0    | -31        | 24             | 196.8      | 0.8 - 1.7m                | 0.9        | 1517        | South Zone |
|             |                |                 |           |            |                |            | 21.7 - 24.1m              | 2.4        | 9.10        |            |
|             |                |                 |           |            |                |            | 163.8 - 164.4m            | 0.6        | 18.4        | Bommie     |
| CYUG24      | 74590.3        | 50037.2         | 3219.9    | -50        | 24             | 205        | 105.0 - 106.0m            | 1          | 14.7        | North Zone |
|             |                |                 |           |            |                |            | 147.6 - 148.0m            | 0.4        | 20.4        | Bommie     |
| CYUG28      | 74589.1        | 50037.1         | 3219.8    | -64        | 355            | 217.2      | 104.0 - 105.0m            | 1          | 5.23        | North Zone |
| CYUG33      | 74587.6        | 50036.1         | 3219.9    | -58        | 320            | 242.7      | 0.6 - 2.1m                | 1.5        | 233         | South Zone |
|             |                |                 |           |            |                |            | 71.2 - 71.6m              | 0.4        | 38.0        | North Zone |
|             |                |                 |           |            |                |            | 111.9 - 112.2m            | 0.3        | 15.0        |            |
|             |                |                 |           |            |                |            | 145.0 - 147.1m            | 2.1        | 20.3        | Bommie     |
| CYUG34      | 74590.5        | 50037.6         | 3220.0    | -41        | 24             | 197.2      | 73.3 - 73.6m              | 0.3        | 10.5        | North Zone |
|             |                |                 |           |            |                |            | 101.8 - 102.1m            | 0.3        | 15.4        |            |
|             |                |                 |           |            |                |            | 138.7 - 140.1m            | 1.4        | 56.2        | Bommie     |
|             |                |                 |           |            |                |            | 154.0 - 154.3m            | 0.3        | 65.0        |            |
| CYUG36      | 74587.7        | 50035.9         | 3219.9    | -66        | 320            | 280.2      | 0.9 - 3.7m                | 2.8        | 88.9        | South Zone |
|             |                |                 |           |            |                |            | 188.9 - 192.3m            | 3.4        | 58.4        | Bommie     |
| CYUG37      | 74503.4        | 49992.7         | 3207.7    | -57        | 341            | 236.1      | 7.0 - 7.3m                | 0.3        | 72.9        | South Zone |
|             |                |                 |           |            |                |            | 143.6 - 144.3m            | 0.7        | 11.6        | North Zone |
|             |                |                 |           |            |                |            | 180.7 - 181.0m            | 0.3        | 25.1        | Bommie     |
| CYUG38      | 74503.5        | 49992.4         | 3207.9    | -62        | 341            | 265.3      | 9.0 - 9.3m                | 0.3        | 8.63        | South Zone |
|             |                |                 |           |            |                |            | 26.4 - 26.7m              | 0.3        | 14.8        |            |
|             |                |                 |           |            |                |            | 196.9 - 197.2m            | 0.3        | 31.5        | Bommie     |
| CYUG39      | 74503.4        | 49993.1         | 3207.8    | -49        | 341            | 205        | 92.6 - 92.9m              | 0.3        | 11.3        | North Zone |
|             |                |                 |           |            |                |            | 94.7 - 95.0m              | 0.3        | 186         |            |
| CYUG40      | 74503.0        | 49991.0         | 3208.0    | -65        | 341            | 287.2      | 11.6 - 12.0m              | 0.4        | 37.5        | South Zone |
| CYUG42      | 74503.0        | 49991.0         | 3208.0    | -62        | 321            | 290.0      | 9.0 - 9.4m                | 0.4        | 61.1        | South Zone |
| CYUG66      | 74547.9        | 50057.8         | 3223.4    | 51         | 129            | 77.8       | 39.3 - 39.6m              | 0.3        | 8.30        | South Zone |
| CYUG69      | 74546.2        | 50056.7         | 3223.2    | 35         | 204            | 76         | 30.7 - 32m                | 1.3        | 209         | South Zone |
| CYUG70      | 74549.4        | 50057.9         | 3222.4    | 17         | 92             | 86         | 55.3 - 55.6m              | 0.3        | 15.2        | South Zone |
|             |                |                 |           |            |                |            | 67 - 73.9m                | 6.9        | 2.40        | Fault Zone |
| CYUG80      | 74547.0        | 50057.0         | 3221.0    | 17         | 129            | 62         | 39 - 39.3m                | 0.3        | 87.9        | South Zone |

Notes – Collar Northing, Easting, RL and Azimuth are all in Coyote Local Grid coordinates.  
Some collar coordinates are as planned and may vary marginally upon survey pickup.  
Analyses by 50g fire assay with AAS finish. No cutting of grades has been applied.

# quarterly report

FOR THE PERIOD ENDING 31 DECEMBER 2009

## APPENDIX 1

**Table 4.0 – Kookaburra RC drilling significant intersections**

| Hole Number | Collar Easting | Collar Northing | Collar RL | Collar Dip | Collar Azimuth | Hole Depth | Significant Intersections |            |             |
|-------------|----------------|-----------------|-----------|------------|----------------|------------|---------------------------|------------|-------------|
|             |                |                 |           |            |                |            | Interval                  | Length (m) | Grade (g/t) |
| KBRC2       | 485559.4       | 7833771.7       | 371.0     | -57        | 234            | 86         | 45 - 55                   | 10         | 2.10        |
| KBRC3       | 485550.3       | 7833795.3       | 371.1     | -57        | 234            | 109        | 71 - 84                   | 13         | 2.48        |
|             |                |                 |           |            |                |            | 101 - 105                 | 4          | 4.04        |
| KBRC4       | 485535.0       | 7833815.1       | 371.4     | -57        | 234            | 84         | 74 - 84                   | 10         | 3.40        |
| KBRC5       | 485422.3       | 7833794.9       | 370       | -55        | 54             | 109        | 41 - 63                   | 22         | 1.96        |
| KBRC6       | 485422.3       | 7833794.9       | 370       | -90        | 0              | 73         | 41 - 55                   | 14         | 3.19        |
|             |                |                 |           |            |                |            | 62 - 73                   | 11         | 4.13        |
| KBRC7       | 485494.7       | 7833770.3       | 340       | -90        | 0              | 103        | 45 - 48                   | 3          | 2.96        |
|             |                |                 |           |            |                |            | 55 - 60                   | 5          | 4.18        |

Notes – Collar Northing, Easting and Azimuth are all in AMG Grid coordinates.  
Some collar coordinates are as planned and may vary upon survey pickup.  
Analyses by 50g fire assay with AAS finish. No cutting of grades has been applied.

**Table 5.0 – Cuckoo RC drilling significant intersections**

| Hole Number | Collar Easting | Collar Northing | Collar RL | Collar Dip | Collar Azimuth | Hole Depth | Significant Intersections |            |             |
|-------------|----------------|-----------------|-----------|------------|----------------|------------|---------------------------|------------|-------------|
|             |                |                 |           |            |                |            | Interval                  | Length (m) | Grade (g/t) |
| CCRC3       | 486203         | 7837035         | 392.5     | -60        | 234            | 61         | 27 - 29                   | 2          | 7.85        |
| CCRC5       | 486155         | 7837032         | 392.5     | -60        | 234            | 43         | 2 - 10                    | 8          | 4.54        |
|             |                |                 |           |            |                |            | 12 - 16                   | 14         | 3.05        |
| CCRC17      | 485981         | 7837275         | 386       | -60        | 233.5          | 91         | 59 - 83                   | 24         | 2.10        |
| CCRC19      | 485934         | 7837271         | 386       | -60        | 234            | 55         | 23 - 27                   | 4          | 3.21        |
| CCRC20      | 485950         | 7837283         | 386       | -60        | 234            | 67         | 36 - 39                   | 3          | 3.52        |
| CCRC26      | 485976         | 7837179         | 386       | -60        | 234            | 37         | 4 - 14                    | 10         | 1.98        |
| CCRC29      | 485999         | 7837165         | 386       | -60        | 234            | 49         | 26 - 30                   | 4          | 3.12        |

Notes – Collar Northing, Easting and Azimuth are all in AMG Grid coordinates.  
Some collar coordinates are as planned and may vary upon survey pickup.  
Analyses by 50g fire assay with AAS finish. No cutting of grades has been applied.

**Table 6.0 – Osprey RC drilling significant intersections**

| Hole Number | Collar Easting | Collar Northing | Collar RL | Collar Dip | Collar Azimuth | Hole Depth | Significant Intersections |            |             |
|-------------|----------------|-----------------|-----------|------------|----------------|------------|---------------------------|------------|-------------|
|             |                |                 |           |            |                |            | Interval                  | Length (m) | Grade (g/t) |
| OSRC3       | 484125         | 7833200         | 370       | -60        | 270            | 73         | 58 - 62                   | 4          | 2.08        |
| OSRC12      | 484100         | 7833220         | 370       | -90        | 0              | 25         | 0 - 5                     | 5          | 1.59        |
| OSRC20      | 484160         | 7833200         | 370       | -60        | 270            | 85         | 36 - 45                   | 9          | 2.01        |
|             |                |                 |           |            |                |            | 55 - 59                   | 4          | 15.8        |

Notes – Collar Northing, Easting and Azimuth are all in AMG Grid coordinates.  
Some collar coordinates are as planned and may vary upon survey pickup.  
Analyses by 50g fire assay with AAS finish. No cutting of grades has been applied.