



3 March 2010

Company Announcement Office
ASX Limited

TANAMI GOLD RECEIVES FORMAL NEWMONT BOARD APPROVAL FOR \$22M GROUNDROUSH ACQUISITION

SCOPING STUDY UNDERWAY TARGETING RE-START OF GOLD PRODUCTION

KEY POINTS:

- **Formal Board approval received from the Newmont Mining Corporation Board of Directors for the A\$22M sale of the Central Tanami Gold Project [formerly known as the Groundrush Gold Project] and associated exploration tenements to Tanami Gold NL.**
- **The Central Tanami Gold Project forms part of the Tanami and Barrow Creek Divestment Packages, which are being jointly acquired by Tanami Gold NL and its strategic exploration partner ABM Resources NL for a total of A\$32.775M.**
- **The Central Tanami Gold Project includes:**
 - *Over 500,000oz of JORC Code compliant Resources*
 - *The 1.2Mtpa Groundrush treatment plant and extensive support infrastructure*
 - *A world-class 2,000km² exploration package*
 - *2.1Moz historic production endowment within the Central Tanami Gold Project Mining Lease area*

Australian gold producer Tanami Gold NL [ASX: **TAM** – “TGNL”] is pleased to announce that it has taken a further key step towards completing the recently announced acquisition of the **Groundrush Gold Project** in the Northern Territory after receiving formal approval from the Board of Newmont Mining Corporation for the sale.

The receipt of approval from the Newmont Board satisfies a key condition of the Transaction, which was announced on 28 January 2010. Completion is scheduled for 30 March or earlier.

The acquisition is part of a broader transaction with Tanami Gold’s exploration alliance partner ABM Resources NL [“ABM”] encompassing an extensive exploration portfolio being divested by Newmont in the Tanami-Arunta region, the Tanami and Barrow Creek Divestment Packages. The overall portfolio is being sold to Tanami Gold’s subsidiary, Tanami (NT) Pty Ltd and ABM for a total consideration of **A\$32.775 million**.

As part of the Transaction, Tanami Gold will acquire a 100% interest in the **Central Tanami Gold Project** [formerly known as the Groundrush Gold Project] for A\$22 million.

The Central Tanami Gold Project provides a significant diversification and growth opportunity for Tanami Gold, with the Company now targeting an increase in production from its combined tenement holdings to over 200,000oz per annum within two years.

The Central Tanami Transaction

The Central Tanami Gold Project includes:

- a JORC compliant resource of 516,000oz [see Table 1.0];
- the 1.2Mtpa Central Tanami treatment plant and extensive support infrastructure including office, workshops, airstrip, 14-person accommodation village, borefield and communication facilities;
- a world-class 2,000km² exploration package comprising 16 Exploration Licences; and
- 2.1Moz historic production endowment within the Central Tanami Gold Project Mining Lease area.

The treatment plant is currently non-operational and will require partial refurbishment to return to full operational mode.

The 21 Mineral Leases [covering a total area of 125km²] contain 43 open pits ranging in depth from 40 metres to 120 metres and include the large Groundrush open pit, which was mined from 2001 to 2005 producing in excess of 600,000 ounces of gold at an average grade of 4.3 grams per tonne, and the Hurricane-Repulse open pit which produced in excess of 250,000 ounces.

In all, between 1987 and 2005, approximately 2.1 million ounces have been mined from the Central Tanami Gold Project area. When combined with the +10 million ounces endowment of the Callie-Granites production centre which occurs within a geologically similar host sequence, makes it one of the most productive gold mining centres in Australia. The Callie-Granites operations are located approximately 130 kilometres east of the Central Tanami treatment plant.

Exploration Potential

The Central Tanami Gold Project tenements offer excellent potential for the definition of additional gold mineralisation, both as extensions to existing deposits 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 potential for down-dip and down-plunge extensions to mineralisation in the primary zone is significant. Definition of such extensions, along with metallurgical and geotechnical evaluations will be the principal focus of the Company's efforts upon taking control of the project.

The Company is currently undertaking a review of all past work within the project area and will prioritise target generation and testing with the aim of commencing reserve and resource definition drilling in April 2010.

Conclusion and Management Comment

The addition of the Central Tanami Gold Project assets and tenement package to the Company's Coyote and Bald Hill operations ["Western Tanami Operations"] places the Company in a very strong position for ongoing growth.

The Company now has the existing Western Tanami Operations, a rapidly growing resource base, multiple high quality advanced exploration targets across both sites and a planned new production centre at the Central Tanami Gold Project.

With this latest acquisition, the Company is aiming to lift production from its combined Tanami operations to in excess of 200,000 ounces per annum within a two year period.

A Scoping Study to estimate the timing and cost of re-starting the Central Tanami treatment plant is underway and a dedicated team has been established to re-optimize the entire 43 open pits and other unmined deposits.

The Company also has high expectations for future discoveries within the extremely prospective Exploration Licences included in the Central Tanami Project area.

The Company remains committed to a close working relationship with the communities of the Central Desert and Traditional Owners via the Central Land Council to ensure that the benefits of mineral exploration discovery are enjoyed by all stakeholders and shareholders.

Commenting on the latest developments, TGNL's Managing Director, Graeme Sloan said:

"Although we were confident the Newmont Board would approve the transaction, it's great to be able to confirm that formal approval has now been received.

With this approval in place, we are targeting final sign off on or before 30 March 2010 and the start of exploration activities sometime in April.

Given what we are seeing from further investigation into the Central Tanami Gold Project data and the excellent work being undertaken by the Tanami team, I am confident we will see a significant increase in resources for both the Western Tanami and the Central Tanami areas in the near future."



**GRAEME SLOAN
MANAGING DIRECTOR/CEO**

Table 1 – Central Tanami Gold Project 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
Total	3,323,000	2.2	2,319,000	3.5	219,000	4.3	5,861,000	2.7	516,000

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.

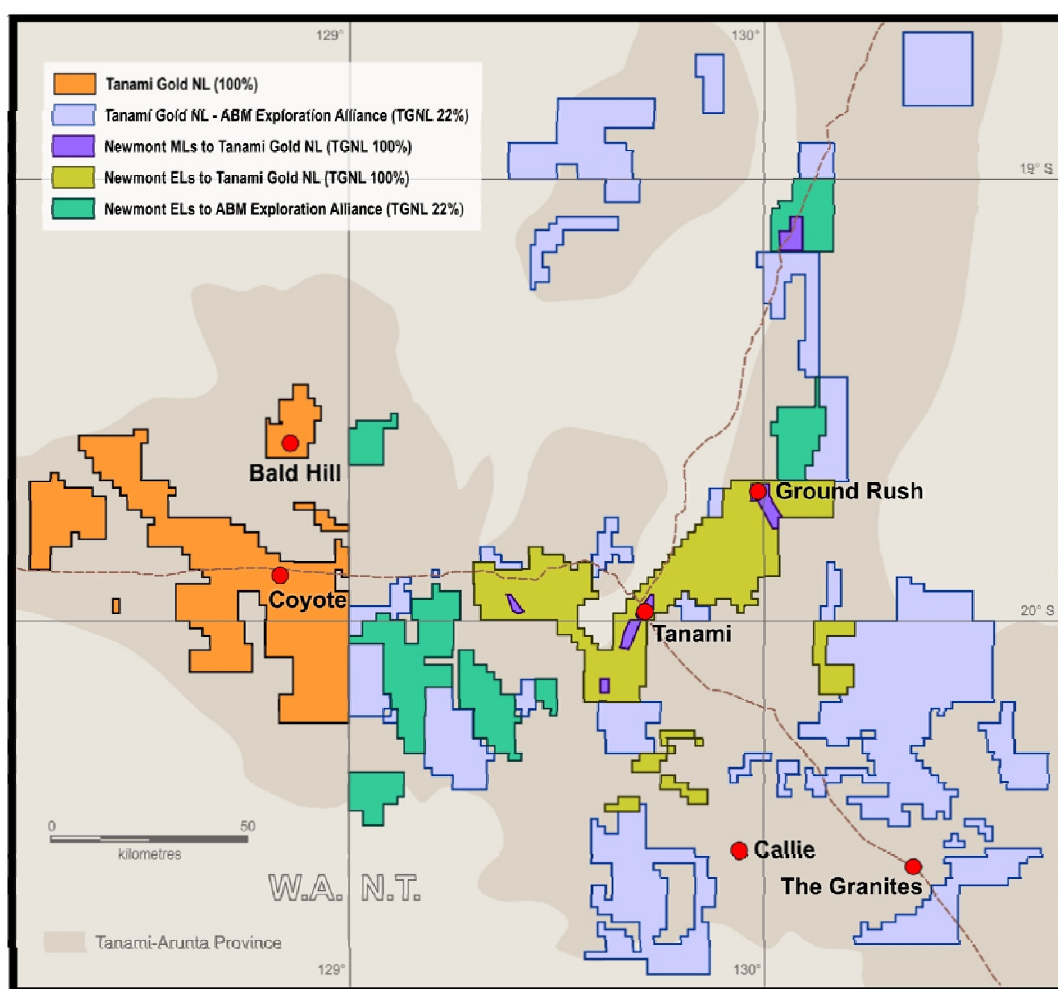


Figure 1 – Tenement Position Post Transaction