TANAMI GOLD NL

21 July 2010

BUMPER FIRST-ROUND DRILLING REVEALS HUGE POTENTIAL OF CENTRAL TANAMI GOLD PROJECT

New results also confirm strength of Western Tanami Project

Tanami Gold (ASX:TAM) is pleased to report that its first round of drilling at the recently-acquired Central Tanami Gold Project in the Northern Territory has returned high-grade results which indicate that a key zone of mineralisation may be significantly bigger than initially thought.

The results come from drilling at the Tombola and Miracle deposits, which form a continuous mineralised trend. The area was originally seen as a secondary target and thought to be of lower grade and a likely site to backfill waste material from nearby higher grade pits.

Drilling initially focussed on the relatively shallow down dip extensions of the known mineralisation beneath and adjacent to the planned open pit.

One deep diamond hole, TODD3, was drilled to sterilise the down dip potential of the mineralisation. The result was a high-grade interval of **5.2m @ 11.6g/t Au** from 179.75m, confirming the mineralisation extends well below what was previously modelled.

Other significant intersections from the same area received to date include **3.0 metres @ 8.4g/t** Au from 136 metres in TORC5, **5.0 metres @ 3.0g/t** Au from 65 metres in TORC18 and **4.0 metres @ 2.7g/t** Au from 12 metres in TORC4. Details of these holes are presented in Table 1.

Tanami Managing Director, Graeme Sloan, said the results highlighted the huge potential of the Central Tanami Project.

“When we acquired Central Tanami, we were confident there was substantial undiscovered gold throughout the project area and these first-up results are already showing our optimism is well-founded,” he said.

“Central Tanami has JORC Code standard Resources of just over one million ounces and we will be drilling flat-out to grow this base significantly over the next six months. Based on what we have already seen, we are increasingly confident that the outlook for Central Tanami is extremely exciting.”

The deep high grade intersection from TODD3 (Figure 1) and the strong intersection in TORC5 are located in the footwall of the main 080˚ trending Miracle - Tombola trend within a 060˚ striking zone, which has defined additional mineralisation not previously mined.

The intersection in TORC5 is some 100 metres beneath an historic RAB drill intersection of **9m @ 5.3g/t** Au in TX2576. Potential for the proposed open pit to include this additional mineralisation will be decided with further drilling of the up-dip extensions of the TORC5 intersection. The high grade intersection in TODD3, at 180 metres below surface, indicates the potential of this deposit to extend to depth well beyond any previous drilling.

A backlog of samples at the Company's contract assay laboratories has resulted in a substantial number of assay results outstanding from this project. Alternative laboratories have been contracted to relieve this backlog in an effort to speed up sample turnaround.

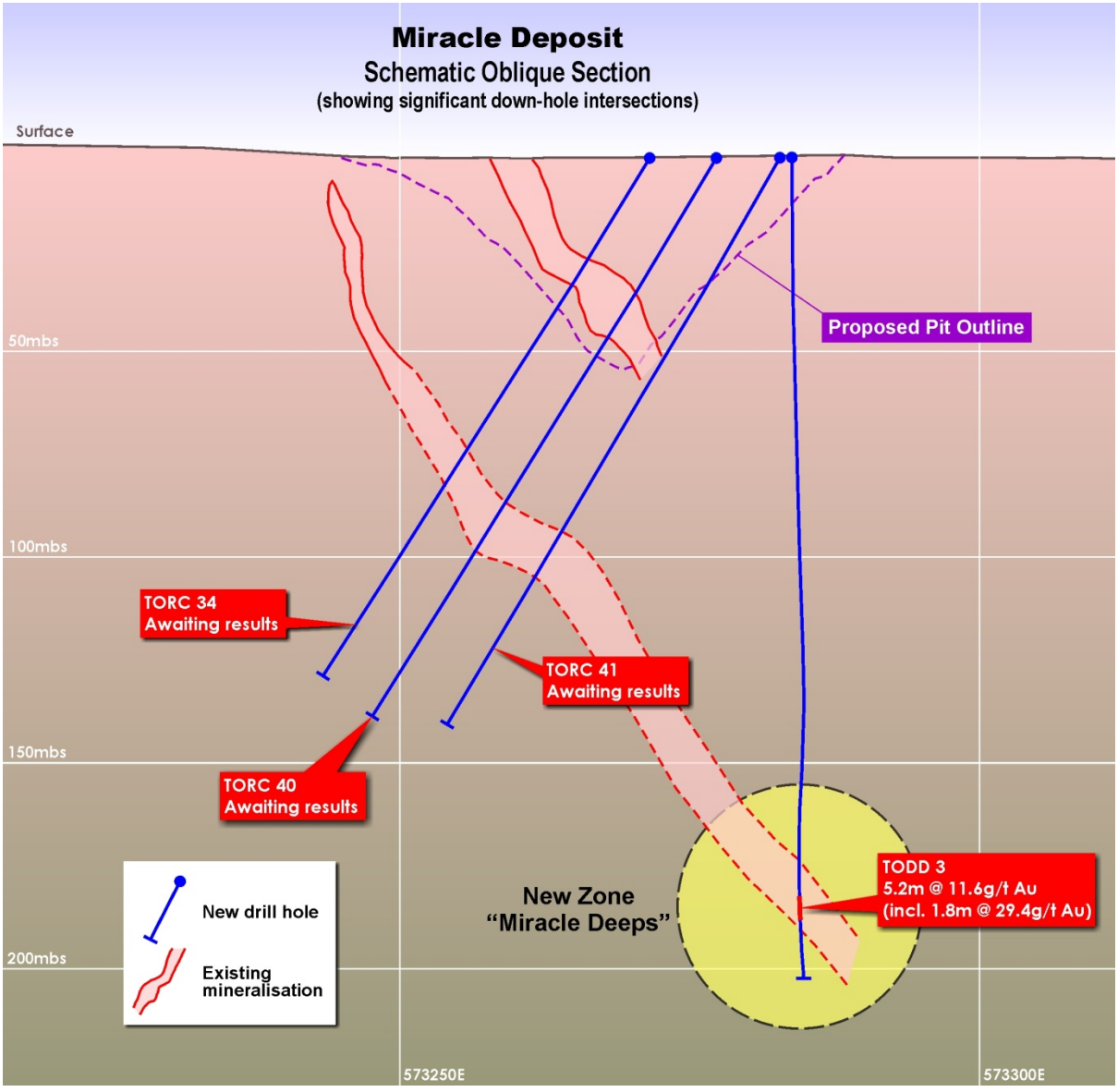

Figure 1: Miracle Deposit Schematic Cross Section showing TODD3 high grade intersection

WESTERN TANAMI GOLD PROJECT (WTP)

Road Runner Prospect

Resource definition and confirmation reverse circulation (RC) drilling at the Road Runner prospect, which is located approximately 7 kilometres south of the 250,000 tonnes per annum Western Tanami treatment facility, has returned significant results that confirm the shallow nature and tenor of the mineralisation defined by earlier Aircore and RC programmes.

Results include **2.0 metres @ 17.2 g/t** Au in RRC110, **2.0 metres @ 12.2g/t** Au in RRC140, **3.0 metres @ 8.7 g/t** Au in RRC130 and **3.0 metres @ 8.3 g/t** Au in RRC133. The results highlight the potential for a shallow high grade open pit.

The mineralisation occurs in a flat lying supergene enrichment zone, approximately two metres thick and occasionally up to four metres thick and lies adjacent to a number of interpreted primary mineralised structures. These structures could typically provide the source of this supergene enrichment and will be tested for primary mineralisation over the coming months.

Results from recent significant intersections greater than 10 gram metres are presented in Table 2. Some assay results are still outstanding from Road Runner.

Bald Hill - Sandpiper Deposit

Diamond drilling has recommenced at the Sandpiper deposit after a short hiatus to allow the collation and modelling of the previous drill program and to plan this next phase of drilling. The first hole in the new program is planned to test the down dip extension of four high grade intervals from diamond hole SPDD14 (11.0 metres @ 4.9 g/t Au from 227.5 metres, 4.7 metres @ 4.8 g/t Au from 266.8 metres, 2.6 metres @ 30.1 g/t Au from 285.6 metres, 6.3 metres @ 6.2 g/t Au from 341.2 metres, as presented in Table 3) previously reported in ASX announcement 12 May 2010. If successful this hole will further highlight the underground potential of the Sandpiper deposit, with mineralisation presently known to extend over 400 metres down plunge from the base of the open pit.

Graeme Sloan
Managing Director/CEO

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 this report of the matters based on his information in the form and context in which they appear.

Table 1: CTP Miracle and Tombola Significant Intersections

Hole Number	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth (m)	Significant Intersections		
							Interval	Length (m)	Grade (g/t)
TODD3	573151	7790918	427	-90	0	200	179.75m to 184.95m	5.2	11.6
TORC4	573288	7790968	428	-60	313.5	121	12.0m to 16.0m	4.0	2.7
TORC5	573267	7791013	428	-60	313.5	145	136.0m to 139.0m	3.0	8.4
TORC18	573461	7791215	428	-60	313.5	140	65.0m to 70.0m	5.0	3.0

Table 2: WTP Road Runner Significant Intersections

Hole Number	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Significant Intersections		
							Interval	Length (m)	Grade (g/t)
RRRC89	483910	7792150	405.5	-90	0	25	19.0m to 21.0m	2.0	6.8
RRRC110	484230	7792070	405.5	-90	0	25	18.0m to 20.0m	2.0	17.2
RRRC112	484230	7792090	405.5	-90	0	25	18.0m to 21.0m	3.0	4.3
RRRC113	484240	7792060	405.5	-90	0	25	18.0m to 19.0m	1.0	11.0
RRRC118	484250	7792080	405.5	-90	0	25	18.0m to 20.0m	2.0	5.7
RRRC130	484270	7792090	405.5	-90	0	25	18.0m to 21.0m	3.0	8.7
RRRC133	484280	7792060	405.5	-90	0	25	18.0m to 21.0m	3.0	8.3
RRRC138	484290	7792070	405.5	-90	0	25	17.0m to 19.0m	2.0	5.6
RRRC140	484180	7792090	405.5	-90	0	25	19.0m to 21.0m	2.0	12.1

Table 3.0 – Sandpiper diamond drill hole SPDD14 location and significant intersections

Hole Number	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Depth From	Depth To	Width m	Grade g/t
SPDD14	485970	7834211	376	-60	177	361	227.5	238.5	11.0	4.9
							inc 237.0	237.8	0.8	34.2
							266.8	271.5	4.7	4.8
							285.6	288.2	2.6	30.1
							inc 285.6	286.2	0.6	118.1
							341.2	347.5	6.3	6.2

Notes – Collar Northing, Easting and Azimuth are all in AMG Grid coordinates. Collar positions may vary slightly upon final survey location.
Analyses by 50g fire assay with AAS finish.
No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
Intervals reported are greater than 1g/t with maximum 2 metres internal waste.

CENTRAL TANAMI RESOURCES AS AT MAY 2010

Deposit	Measured		Indicated		Inferred		Total		Ounces
	Tonnes	Grade (g/t)	Tonnes	Grade (g/t)	Tonnes	Grade (g/t)	Tonnes	Grade (g/t)	
MLS153	578,000	2.3	744,000	2.2	441,000	3.9	1,763,000	2.7	151,000
MLS167	2,369,000	3.2	2,004,000	4.0	640,000	3.7	5,013,000	3.6	579,000
MLS168	707,000	2.3	63,000	2.1	509,000	1.9	1,279,000	2.1	87,000
MLS180	438,000	3.6	544,000	3.0	59,000	3.0	1,041,000	3.3	109,000
MLSA172	1,026,000	2.7	112,000	1.9	44,000	5.0	1,181,000	2.7	103,000
Stockpiles	1,400,000	0.7					1,400,000	0.7	31,000
Total	**6,518,000**	**2.5**	**3,467,000**	**3.3**	**1,692,000**	**3.2**	**11,677,000**	**2.8**	**1,061,000**

Notes to accompany Central Tanami Resources as at May 2010:

- Resource estimation completed using MineMap software comprising an ellipsoidal inverse distance grade interpolation method.
- Grade estimation was constrained to material within >0.5g/t mineralisation outlines.
- Gold assay top cut of 30g/t used for MLS167 and 20g/t used for the remainder, based on geostatistical parameters and historical production reconciliation.
- Resources reported above 0.7g/t block model grade constrained within pit shells optimised at A$1350 per ounce gold price.
- Resources reported above 2.5g/t block grade for mineralisation at the Carbine deposit, within MLS167, occurring below the southern plunge extent of the optimal pit shells.
- Stockpile figures from previously reported Otter Gold Mines NL 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific.
- Tonnes and ounces rounded to the nearest thousand and grade rounded to 0.1g/t. Rounding may affect tallies.

Competent Person: The information in this report pertaining to Mineral Resources for the Central Tanami Project 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.