quarterly report

FOR THE PERIOD ENDING
30 SEPTEMBER 2010

COMPANY ENQUIRIES
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HIGHLIGHTS

Tanami Gold Debt-Free and Repositioned for Growth

- **$63.7M raised before costs** through a strongly supported 6-for-5 fully underwritten renounceable entitlements issue, enabling the Company to repay a total of $54.1 million owing under its loan facilities.
- The Company's share capital was **consolidated on a 1-for-30 basis** with the consolidation approved by shareholders at a General Meeting held on 20 August 2010. Following the consolidation, Tanami Gold has **260.947 million** shares on issue.
- The capital raising and share consolidation have **positioned Tanami Gold to pursue its gold production growth objectives** at both its key operational centres, the Western and Central Tanami Operations.

Western Tanami Operations

- Gold production of **9,083 ounces** (June Qtr: 12,900 ounces) reflected mining of lower grade ore on the extremities of the Gonzales and South Lodes and **increased capital development to access the higher-grade Bommie Lode**.
- **Production is expected to increase during the December 2010 Quarter** with mining of higher grade underground ore and the **scheduled recommencement of surface mining operations** at **Bald Hill** in November 2010.
- **Visible gold intersected in the South Lode position equivalent** at the Coyote West Lode, with an intersection of **0.3 metres @ 654g/t from 266m** ~250 metres west of the known South Lode. Other significant results included:

  ***19 metres** @ **2.3g/t** and **10 metres** @ **5.4g/t** from Hutch's Find;*
  ***7.2 metres** @ **3.1g/t** from Camel; and*
  ***39. 9 metres** @ **5.0g/t, 20.8 metres** @ **3.5g/t** and **5.8 metres** @ **12.1g/t** from Kookaburra.*

- **Plant expansion study completed to double the capacity of the Western Tanami treatment facility** from 250ktpa to 500ktpa. The total cost for the upgrade is estimated at $8 million +/- 20% with a five month construction period. Funding for the project will be a combination of debt and existing cash on hand.
- **Three underground diamond drill rigs purchased** to reduce costs and fast-track exploration of the highly prospective Coyote underground system.

Central Tanami Project

- Diamond drilling commenced at the Carbine deposit to test for extensions along strike and at depth. The deposit extends over 1,200 metres down plunge with the mineralisation open in most directions. Previously reported down-hole intersections from Carbine demonstrate its high grade and width:

  19 metres @ 8.5g/t in CAD0015;
  11 metres @ 9.4g/t in CAD0044;
  21 metres @ 5.4g/t and 13 metres @ 7.2g/t in CAD0009; and
  16 metres @ 18.5g/t in CAD0001

- **Approximately 35 kilometres of prospective structures identified for drill testing** on two of the five granted Mineral Leases, with high-grade drill results including:

  ***3 metres** @ **63.7g/t** and **19 metres** @ **7.8g/t** from Southern;*
  ***3.5 metres** @ **32.2g/t** and **10 metres** @ **5.6g/t** from Miracle-Tombola;*
  ***4 metres** @ **19.0g/t** and **9 metres** @ **6.3g/t** from Lynx; and*
  ***7.6 metres** @ **6.4g/t** and **4 metres** @ **11.1g/t** from Legs*

OPERATIONS – Western and Central Tanami

Summary

- The Western Tanami Operations in Western Australia achieved gold production of 9,083 ounces of gold for the September 2010 Quarter at a cash cost of $960 per ounce which resulted from fixed costs being allocated over reduced production ounces. Mining of lower grade ore on the extremities of the Gonzales and South Lode orebodies and a strong focus on capital development to access the high grade Bommie Lode contributed to the lower gold production for the Quarter. Higher than normal rainfall also impacted on mine production, processing and site access.

- Underground mine development during the Quarter intersected the high grade Bommie Lode at the 144 level and 130 level. This development has confirmed the high grade nature of the Lode with visible gold observed in most development faces on both levels. The consistent nature of the Bommie Lode will add additional high grade tonnes to the mill feed over the coming months. Bommie remains open down plunge.

- Surface diamond drill hole CYDD173 intersected visible gold (**0.3 metres** @ **654g/t** from 266 metres) in the South Zone position approximately 250 metres west of the known South Lode where high grade stope production is currently in operation. Infill drilling is planned to test the continuity of the system between the two areas.

- An exploratory drive from the 207 Gonzales level has intersected ore on the main West Lode for the first time (face sample 4.6 metres at 6.9g/t), confirming that West Lode is a continuation of the main Gonzales Lode. The drive will test the full extent of the West Lode on this horizon plus provide diamond drill platforms to test the high grade South Lode.

- Long hole stope production commenced late in the Quarter on the Gonzales 164 level and will provide a consistent high grade mill feed in the coming Quarters.

- South Lode continued to produce exceptionally high grade ore (231 stope grades averaged 20-25 g/t). Plans to increase production from this area are currently being developed.

- An internal feasibility study to expand mining operations at the Company's Bald Hill open pits (Sandpiper and Kookaburra), located 35 kilometres north of the Western Tanami processing plant, has been completed with open pit mining planned to resume in November 2010. First ore is expected by early 2011. Mining is forecast to continue at Bald Hill for approximately 12 months, however, a build up of ore stocks will mean that the Bald Hill ore will continue to be treated for a further 6-12 months.

- Plans to double the throughput capacity of the Coyote treatment plant to 500,000tpa have been completed. On current estimates, the upgrade to 500,000tpa will result in a gold production rate of around 60,000-70,000 ounces per annum. The completed upgrade is expected to cost $8million +/- 20% with a five month construction period with a likely start date of December 2010.

- The Company has established its own in-house owner-operator underground drill fleet following the purchase of three Diamec U6 diamond drill rigs. The purchase and the new drill team will enable the Company to fast track exploration of the highly prospective Coyote system.

- Resource and Reserve definition drilling at the Central Tanami Project is well underway with mineralisation extending below each of the six open pits drill tested to date.

- Infill and ore extension drilling is underway on the Carbine deposit to test for depth extensions and to complement an underground mining scoping study currently being undertaken by the Company. A review of the historic drill database has shown a number of the deeper diamond drill intersections finish in high grade, wide zones of mineralisation. Similar work is being carried out or is planned to evaluate the underground potential of other deposits within the Project area such as the Lynx-Legs area, Hurricane-Repulse and Groundrush deposits.

- To assist with the expansion of the Western Tanami treatment facility and recommencement of operations at the Central Tanami Project, the Company has recruited a number of key senior management personnel. These include Mr Peter Whincup as Central Tanami Project Manager and Mr Shane Hart as Central Tanami Resident Manager. Mr Whincup and Mr Hart have extensive management, operating and project management experience. The Company has also engaged the services of GR Engineering Services, Minemap Pty Ltd and Optiro Pty Ltd to assist with both projects.

Table 1: 2008-09 and 2009-10 Annual and Quarterly Production Summary

	Underground			Open Pit			Total					
Period	Tonnes Treated	Grade g/t	Recovered Ounces	Tonnes Treated	Grade g/t	Recovered Ounces	Tonnes Treated	Grade g/t	Recovered Ounces	Recovery	Gold Sales Ozs	Average Sale Price/oz $A
TOTAL 08/09	73,800	7.6	17,416	73,700	2.6	5,904	147,600	5.1	23,320	96.8	26,265	1,180
TOTAL 09/10	146,387	8.1	37,084	81,225	4.3	10,877	227,610	6.7	47,960	97.7	46,280	1,233
Sep-10	**29,853**	**7.5**	**6,945**	**26,528**	**2.6**	**2,139**	**56,381**	**5.2**	**9,083**	**96.1**	**9,694**	**1,365**

Note: Recovered ounces calculated by tonnes x grade x recovery.

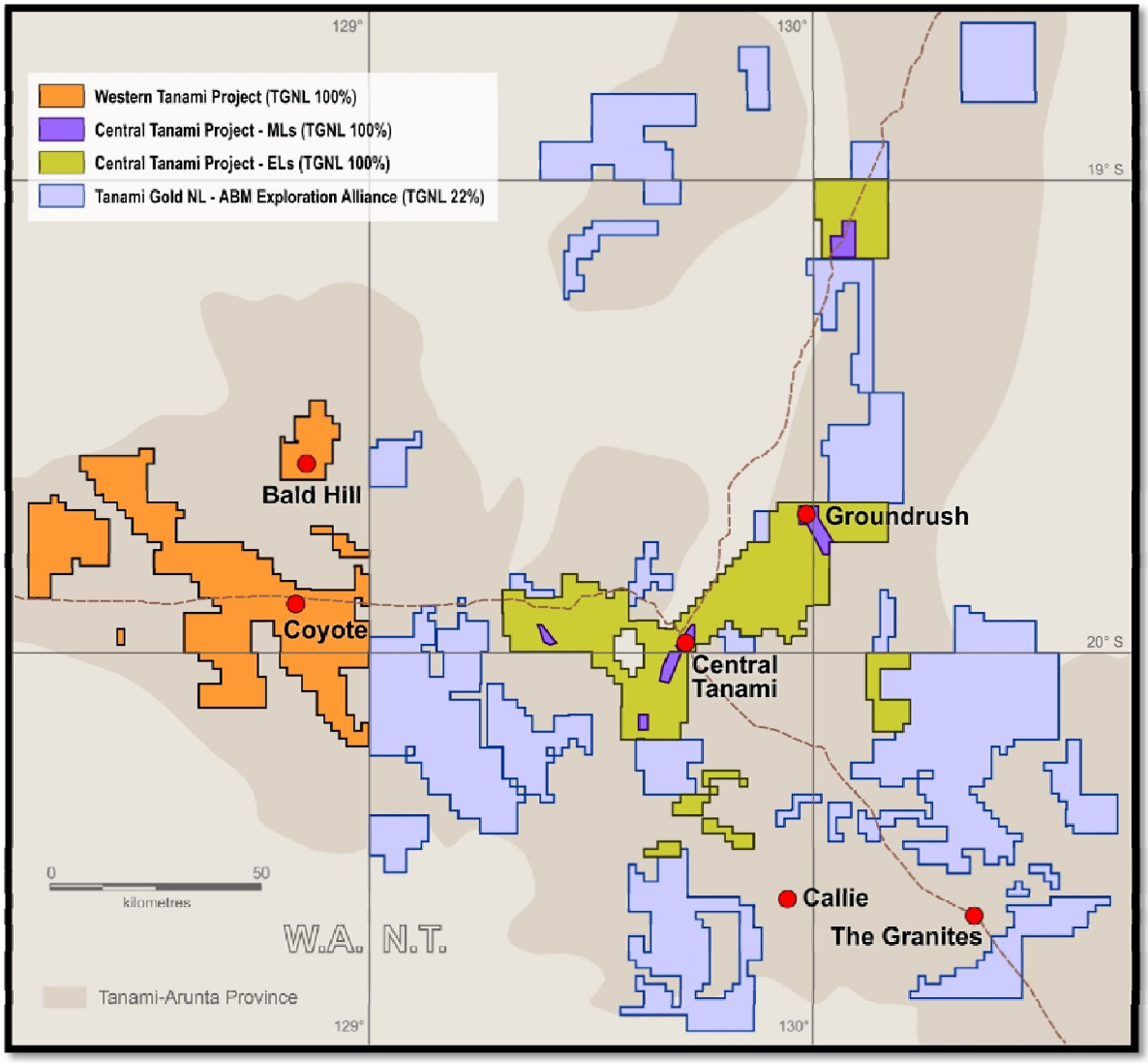

Figure 1: Project Location Plan

Underground Mining

The Coyote underground operation produced a total of 6,945 ounces for the September 2010 Quarter. Total underground ore processed was 29,853 tonnes at an average grade of 7.5g/t compared to the June 2010 Quarter of 40,985 tonnes at an average grade of 8.4g/t for 10,768 recovered ounces.

A total of 1,031 metres of capital and level development was completed for the September 2010 Quarter with approximately 45% of the gold production for the Quarter being derived from level development ore.

The main decline was advanced a total of 233 metres to access the high grade Bommie Lode, with the first two upper Bommie levels, the 130 and 144 levels being partially developed. The ore contains variable amounts of visible gold throughout the length of the strike drives.

The South Zone ore body continues to provide high grade mill feed, with mining occurring on several levels (231, 219, 194 and 181 levels). The South Zone quartz vein continued to be extremely rich on the majority of the levels throughout the ore body**.** Handheld stoping of the high grade 231 level commenced, with the mine grade **averaging 20-25 g/t**. The South Lode system remains open at depth with Resource extension drilling planned to resume early in November 2010 utilising the Company's new owner-operator underground diamond drill fleet.

Mechanised long-hole stoping activity continued on the Gonzales ore body with ore being sourced from the 164 and 181 levels. The stope ring design for the 164 stope was modified which resulted in increased control over the hanging wall and higher levels of productivity in the latter stages of the Quarter.

Surface Mining

No open pit mining activities were conducted at the Bald Hill operation during the Quarter due to the high level of untreated mined ore stocks remaining on surface stockpiles (75,927 tonnes at an average grade of 2.0 g/t for 4,941 ounces). Open pit mining at Kookaburra is scheduled to resume during the December 2010 Quarter.

Processing and Metallurgy

Gold production for the September 2010 Quarter was 9,083 ounces from a mill throughput of 56,381 dry tonnes at a calculated grade of 5.22 g/t with a recovery of 96.0%. Ore processed comprised 29,852 tonnes from Coyote underground and 26,529 tonnes from the Bald Hill open pits.

A review of the upgrade options for the Coyote treatment facility to 500,000tpa from the current 250,000tpa was completed during the Quarter. Work will initially be undertaken to increase the CIP leach capacity with the installation of three additional leach tanks and improvements to the existing elution circuit. These changes will result in a capacity increase from 250,000tpa to 350,000tpa by early 2011. The installation of additional milling capacity (through the purchase of a second-hand SAG Mill) will increase throughput to 500,000tpa.

The cost of the total upgrade to 500,000tpa is expected to be $8million +/- 20% with a five month construction period. This date is dependent on the extent and amount of rainfall received during the upcoming wet season.

Central Tanami

A scoping study has been completed on the Central Tanami plant to identify the costs and time involved in the re-commissioning of the name plate 1.2 million tpa processing plant. GR Engineering Services (GRES) has estimated the refurbishment costs to be $17 million +/- 20% to bring the plant back to full operational mode. The estimated time to complete the refurbishment is 29 weeks based on the current condition of the existing equipment and infrastructure. A definitive Central Tanami Feasibility Study is underway to further refine both the cost and timing and a final commencement date.

To coordinate the Central Tanami Project from feasibility to commissioning, the Company has employed Mr Peter Whincup, a highly respected and experienced Project Manager. Mr Whincup has extensive national and international project management experience, including Study Manager for the 1.0Mt per annum underground copper-gold development at Prominent Hill South Australia, Study Coordinator for the 2.0Mt per annum lead-zinc Dugald River Project and Senior Project Manager for the 1.0Mt per annum Fosterville Gold Project, the Golden Grove Base Metals and Gold Expansion Project and the Didipio Copper-Gold Project (Philippines) Bankable Feasibility Study.

EXPLORATION AND RESOURCE DEVELOPMENT

Throughout the September 2010 Quarter, the Company continued its intensive exploration and Resource definition drilling programs with a total of 37,775 metres of combined reverse circulation (RC), diamond core (DC) and aircore drilling completed across the Central and Western Tanami project areas.

Central Tanami Project

Resource definition drilling continued at the Central Tanami Project throughout the September 2010 Quarter. A total of 22,119 metres of combined RC and DC drilling were completed at seven deposits during the period.

Drilling focussed on defining down dip and lateral extensions to mineralisation at Tombola, Miracle and Southern deposits within MLS122 and MLS153 (Figure 2) and at the Legs, Lynx, Dogbolter and Bulldog deposits within MLS167 (Figure 3). Drilling is continuing on the Dogbolter and Bulldog deposits where substantial RC and DC programs were initiated just prior to the end of the Quarter.

All deposits drilled to date have yielded strongly mineralised intervals at depth below the historic open pits, with lateral strike extensions identified at Miracle, Lynx and Legs, providing positive indications for the future expansion of the existing open pits. Significant intersections returned include **3 metres @ 63.7g/t** and **19 metres @ 7.8g/t** from Southern, **3.5 metres @ 32.2g/t** and **10 metres @ 5.6g/t** from Miracle-Tombola, **4 metres @ 19.0g/t** and **9 metres @ 6.3g/t** from Lynx and **7.6 metres @ 6.4g/t** and **4 metres @ 11.1g/t** from Legs. Details of these and other significant intersections from September Quarter Central Tanami Project drilling are presented in Table 2 below.

The mineralisation intersected to date occurs within three principal structural orientations - 080˚, 060˚ and 020˚ trends. On two of the five granted Mineral Leases (MLS153 and MLS167), over **35 kilometres of these highly prospective structures** have been identified for further drill testing. Many of the deposits include a combination of these structural orientations which may be incorporated within a single large open pit. Historical mining often yielded substantial increases in ore widths and grade where structures merged. Current exploration drilling is targeting the multiple lode systems and similar structural intersections both at depth and near surface.

Metallurgical test work will be conducted on each deposit from mineralised intervals composited from diamond core and RC samples. These samples will be representative of the various oxidation states of the lodes though the principal focus will be on fresh unweathered material.

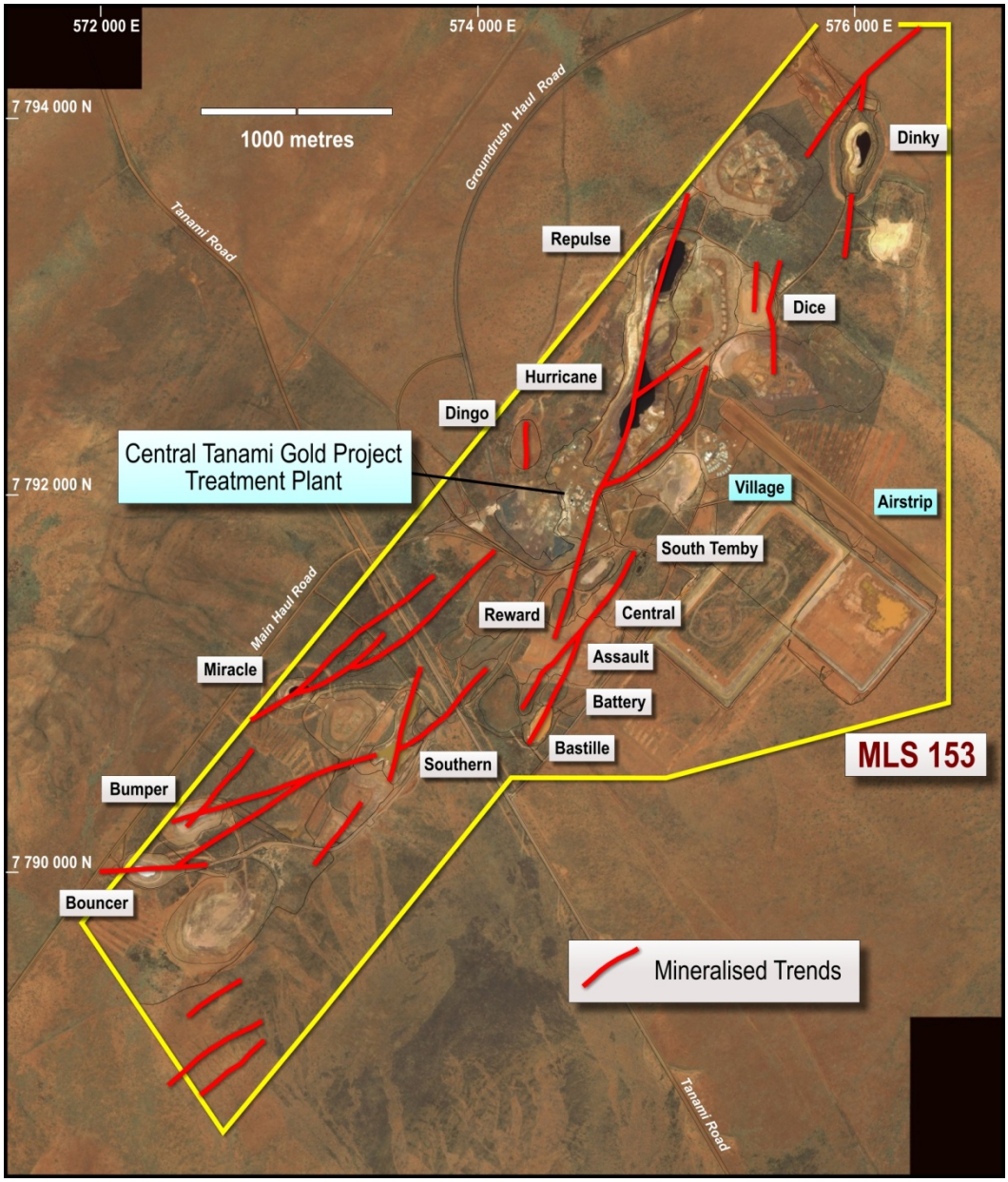

Figure 2: MLS153 aerial photograph showing deposits and mineralised trends

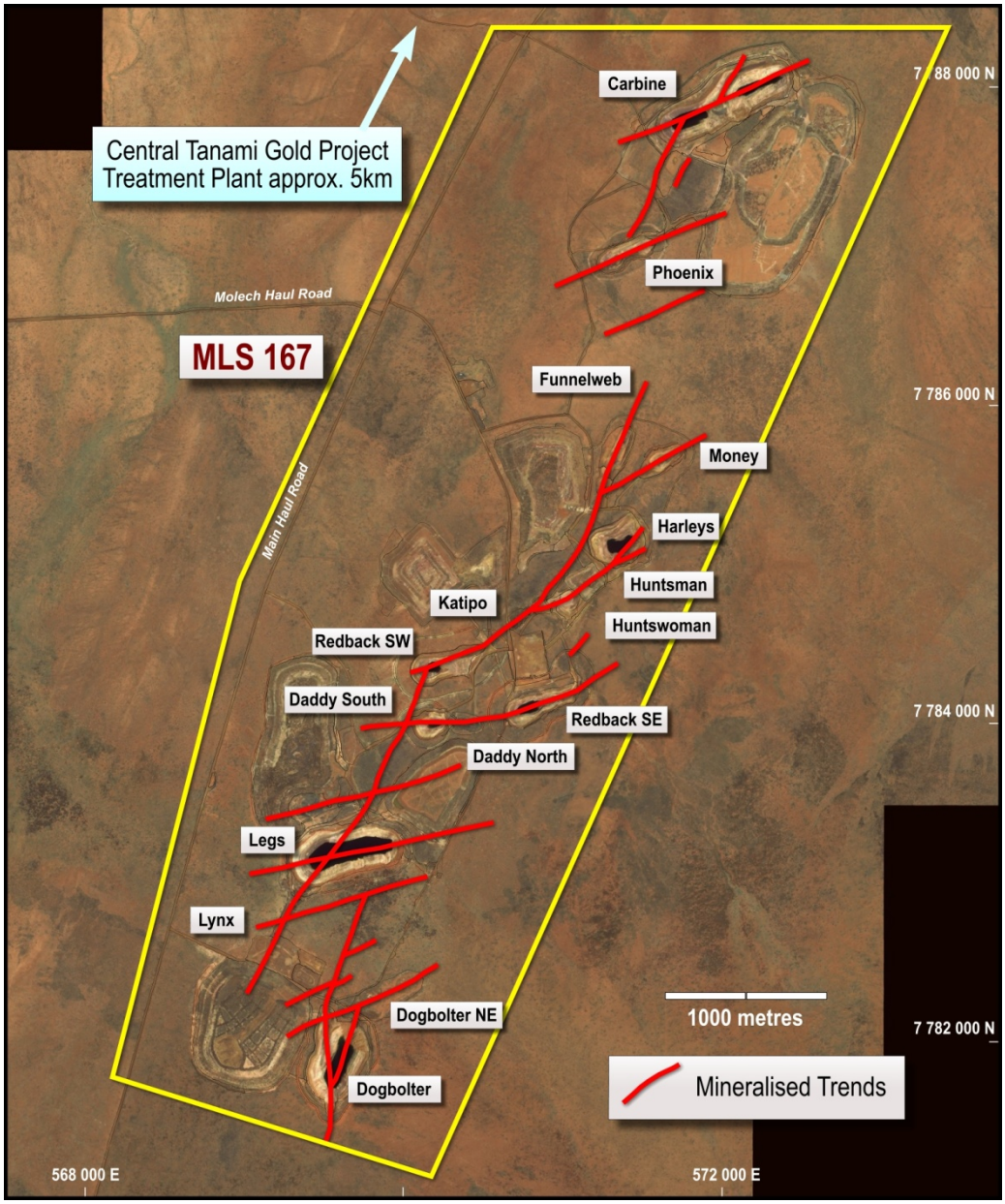

Figure 3: MLS167 aerial photograph showing deposits and mineralised trends

Table 2: Central Tanami Project drill hole locations and significant intersections

Prospect	Hole Number	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth (m)	Significant Intersections		
								Interval	Length (m)	Grade (g/t)
Miracle	TODD7	573066.3	7791030.6	431.9	-60	342.5	175.4	20m to 22m	2.0	5.7
Miracle	TODD9	573303.2	7791091.6	430.3	-75	342.5	166	92.8m to 98.2m	5.4	2.7
Miracle	TODD10	573120.9	7791012.0	427.0	-60	342.5	165.6	156.9m to 160.4m	3.5	32.2
Miracle	TORC9	573510.6	7791200.8	427.3	-60	313.5	160	39m to 42m	3.0	3.4
Miracle	TORC11	573590.1	7791277.7	427.1	-60	313.5	142	40m to 41m	1.0	16.6
Miracle	TORC32	573362.2	7791110.3	428.9	-60	342.5	148	87m to 92m	5.0	2.6
Miracle	TORC37	573342.9	7791102.0	427.0	-60	342.5	178	81m to 90m	9.0	3.8
Miracle	TORC39	573381.3	7791101.0	428.3	-60	342.5	148	105m to 115m	10.0	5.6
Miracle	TORC40	573297.2	7791108.0	427.0	-60	342.5	160	44m to 49m	5.0	2.1
Miracle	TORC44	573270.7	7791007.3	428.6	-60	342.5	154	123m to 127m	4.0	2.3
Miracle	TORC57	573133.7	7791026.0	430.8	-60	339.0	161	134m to 149m	15.0	3.1
Miracle	TORC62	573089.1	7791032.9	431.3	-60	339.0	154	112m to 115m	3.0	12.7
Miracle	TORC65	573065.2	7791049.2	431.8	-60	339.0	154	40m to 45m	5.0	8.6
Miracle	TORC67	573039.3	7791048.6	432.4	-60	339.0	154	50m to 58m	8.0	2.5
Southern	SODD2	573834.3	7791034.9	425.0	-60	310	90	47.0m to 51.0m	4.0	7.8
Southern	SODD4	573850.3	7790905.9	425.5	-60	310	216.7	23.0m to 34.0m	11.0	9.1
Southern	SODD8	573551.1	7790759.5	426.6	-60	310	79	72m to 74m	2.0	5.9
Southern	SORC1	573558.1	7790730.7	427.2	-90	0	200	107m to 109m	2.0	5.7
Southern	SORC3	573850.3	7791081.5	427.2	-60	310	154	92m to 96m	4.0	6.4
								132m to 133m	1.0	17.6
Southern	SORC5	573877.3	7790984.1	424.5	-60	310	190	111m to 130m	19.0	7.8
Southern	SORC7	573812.4	7790959.6	425.0	-60	310	178	175m to 178m	3.0	15.1
Southern	SORC8	573796.2	7790952.2	425.5	-60	310	178	41.0m to 45.0m	4.0	11.1
								109.0m to 112.0m	3.0	63.7
Southern	SORC15	573764.9	7790713.9	425.6	-60	310	154	107m to 111m	4.0	4.2
Legs	LERC2	569599	7783098	401	-60	331.5	226	165m to 169m	4	11.1
								197m to 198m	1	10.4
Legs	LERC5	569538	7783132	401	-55	331.5	214	177m to 179m	2	7.2
Lynx	LXRC1	569674	7782943	401	-60	331.5	120	85m to 88m	3	6.2
Lynx	LXRC2	569691	7782906	401	-60	331.5	160	106m to 110m	4	3.6
Lynx	LXRC3	569708	7782870	401	-60	331.5	202	131m to 133m	2	5.3
Lynx	LXRC8	569683	7782969	401	-60	331.5	96	62m to 75m	13	3.6
								inc 72m to 74m	2	13.4
Lynx	LXRC9	569588	7782930	401	-60	331.5	124	83m to 89m	6	4.6
Lynx	LXRC13	569573	7782916	401	-60	331.5	154	110m to 112m	2	10.2
Lynx	LXRC15	569532	7782864	401	-60	331.5	196	175m to 177m	2	5.5
Lynx	LXRC16	569562	7782984	401	-60	331.5	75	39m to 48m	9	6.3
Lynx	LXRC17	569645	7782951	401	-60	331.5	118	78m to 82m	4	19.0
								inc 78m to 80m	2	34.0
Lynx	LXRC20	569494	7782944	401	-60	331.5	96	63m to 65m	2	5.9

Notes to accompany Table 2

1. Collar Northing, Easting and Azimuth are all in MGA Grid coordinates. Some collar positions may vary slightly upon final survey location.
2. Analyses by 50g fire assay with AAS finish.
3. No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
4. Significant intersections are greater than 1g/t with maximum 2 metres internal dilution and are greater than 10 gram metres (grade x down hole intersection length).
5. Intervals are all down hole length.

Diamond drilling recently commenced at the Carbine deposit, located at the north end of MLS167 (Figure 3). Carbine was identified as a key deposit in the Company's plans to recommence gold production from the Central Tanami Project, due to the robust widths and grades of previous intersections. These include previously reported down hole intersections of **19 metres @ 8.5g/t in hole CAD0015, 11 metres @ 9.4g/t in hole CAD0044, 21 metres @ 5.4g/t and 13 metres @ 7.2g/t in hole CAD0009, 16 metres @ 18.5g/t in hole CAD0001 and 18 metres @ 7.0g/t in hole CAR0086.**

Carbine was previously mined by open pit methods to a maximum depth of 103 metres, yielding over 90,000 ounces of gold at an average mined grade of 2.7g/t. Diamond and RC drilling by Otter Gold Mines Limited identified a strongly mineralised system extending over 1,200 metres down plunge with the mineralisation open in most directions.

As shown in Figure 4, the current drilling campaign will focus on extending the lodes at depth, along strike and at testing the shallower mineralisation beneath the northern end of the pit and north east strike extensions below a veneer of younger sedimentary rocks. Results from the deep drilling program will be incorporated into an updated mine design and Feasibility Study.

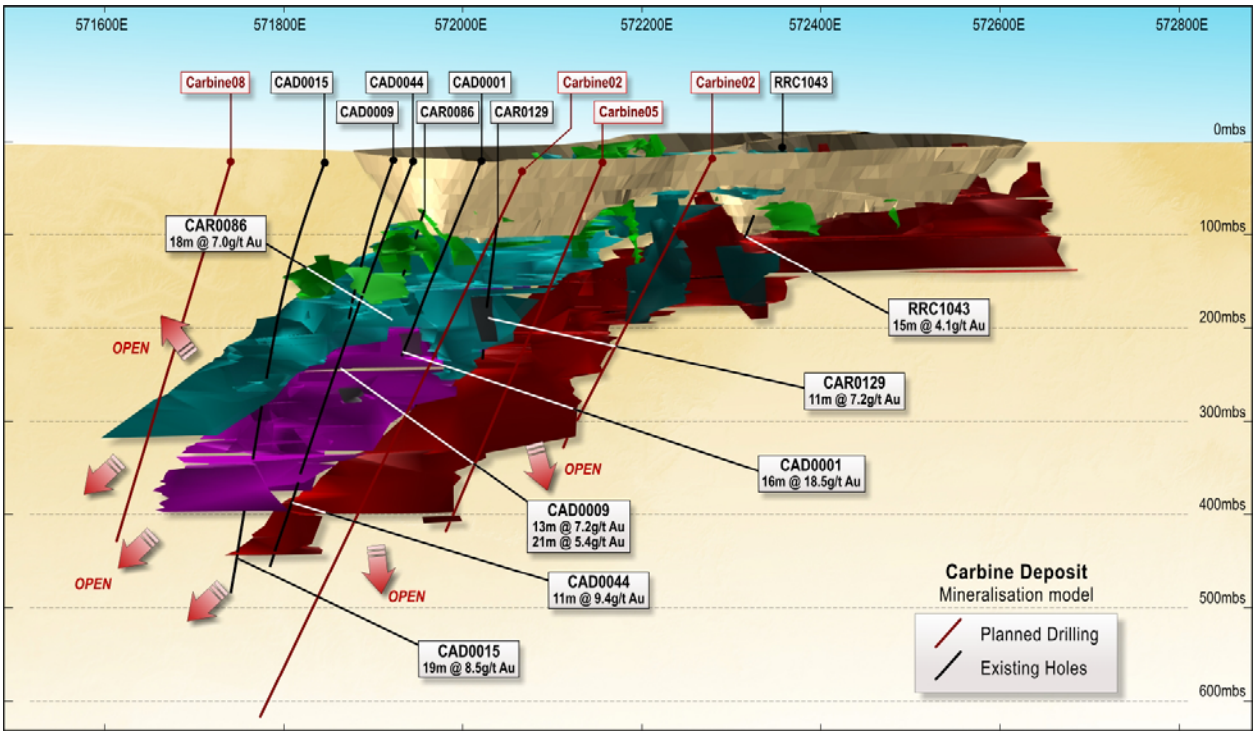

Figure 4: Carbine Deposit mineralisation model, current planned drilling and selected previous drill holes

Table 3: Carbine drill hole locations and significant intersections

Hole Number	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Significant Intersections		
							Interval	Width (m)	Grade g/t
CAD0001	571842	7787803	419	-60	330	291.4	236m to 252m	16	18.5
CAD0009	571747	7787815	421	-60	326	416.8	190m to 203m	13	7.2
							219m to 240m	21	5.4
CAD0015	571649	7787743	422	-67	322	500.7	451m to 470m	19	8.5
CAD0044	571744	7787730	421	-67	330	484.6	408m to 419m	11	9.4
CAR0086	571840	7787899	363	-70	330	162	103m to 121m	18	7.0
CAR0129	571897	7787920	346	-81	330	150	98m to 109m	11	7.2
RRC1043	572254	7788057	416	-60	330	161.1	113m to 128m	15	4.1

Notes to accompany Table 3

1. Collar Northing, Easting and Azimuth are all in MGA Grid coordinates.
2. No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
3. Significant intersections are greater than 1g/t with maximum 2 metres internal dilution and are greater than 10 gram metres (grade x down hole intersection length).
4. Intervals are all down hole length.

An updated Resource estimate for the Central Tanami Project is planned for early in the March 2011 Quarter. Table 4 below details the current Resource by tenement.

Table 4 - Central Tanami Project Mineral Resources

Mineral Lease	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
MLS153	578,000	2.3	43,000	744,000	2.2	53,000	441,000	3.9	56,000	1,763,000	2.7	151,000
MLS167	2,369,000	3.2	248,000	2,004,000	4.0	256,000	640,000	3.7	75,000	5,013,000	3.6	579,000
MLS168	707,000	2.3	52,000	63,000	2.1	4,000	509,000	1.9	30,000	1,279,000	2.1	87,000
MLS180	438,000	3.6	51,000	544,000	3.0	53,000	59,000	3.0	6,000	1,041,000	3.3	109,000
MLSA172	1,026,000	2.7	89,000	112,000	1.9	7,000	44,000	5.0	7,000	1,181,000	2.7	103,000
Stockpiles	1,400,000	0.7	31,000							1,400,000	0.7	31,000
Total	**6,518,000**	**2.5**	**514,000**	**3,467,000**	**3.3**	**373,000**	**1,692,000**	**3.2**	**174,000**	**11,677,000**	**2.8**	**1,061,000**

Notes to accompany Table 4

1. Resource estimation completed using MineMap software comprising an ellipsoidal inverse distance grade interpolation method.
2. Grade estimation was constrained to material within >0.5g/t mineralisation outlines.
3. 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.
4. Resources reported above 0.7g/t block model grade constrained within pit shells optimised at A$1350 per ounce gold price.
5. 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.
6. Stockpile figures from previously reported Otter Gold Mines Limited 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific.
7. 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.

Western Tanami Project

Resource Estimate

During the Quarter, the Company completed an updated Mineral Resource Estimate for the Western Tanami Project. This resulted in a 31% increase in Measured, Indicated and Inferred Resources from the previous estimate completed at 30 June 2009 and amounted to 3.119 million tonnes grading 5.5g/t for 554,700 ounces of gold. Details of the Resource estimate are shown in Table 5. The increase is over and above the record 47,960 ounces produced for the year ended 30 June 2010.

The Company now has total Measured, Indicated and Inferred Resources at its Western and Central Tanami projects of **14,796,000 tonnes grading 3.4g/t for 1.616 million ounces with approximately 80% being in the higher measured and indicated categories.**

Table 5: Western Tanami Project Mineral Resources as at 30 June 2010

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Coyote	78,000	25.6	64,000	473,000	11.5	174,000	329,000	7.0	74,000	880,000	11.0	312,000
Sandpiper	27,000	3.3	3,000	466,000	4.0	61,000	633,000	4.4	90,000	1,126,000	4.2	153,000
Kookaburra	55,000	2.8	5,000	539,000	2.6	46,000	342,000	2.2	24,000	936,000	2.5	75,000
Pebbles	-	-	-	-	-	-	76,000	2.5	6,000	76,000	2.5	6,000
Stockpiles	100,000	2.4	7,700	-	-	-	-	-	-	100,000	2.4	7,700
Total	**260,000**	**9.5**	**79,700**	**1,479,000**	**5.9**	**281,000**	**1,380,000**	**4.4**	**194,000**	**3,119,000**	**5.5**	**554,700**

Notes to accompany Table 5

1. The Mineral Resource Estimate is reported at a 1g/t Au lower cut-off.
2. Tonnes are rounded to the nearest thousand and grade to 0.1g/t. Rounding may affect tallies.
3. Deposit ounces rounded to nearest thousand. Stockpile ounces rounded to nearest hundred.
4. Resource estimation of Coyote and Sandpiper deposits was completed by Mr Steven Nicholls, a full time employee of Tanami Gold NL.
5. The Kookaburra Resource estimation was conducted by Mr Peter Ball of Datageo Geological Consultants.
6. The Pebbles Resource estimate was completed in 2007 by Mr Malcolm Titley of CSA Australia Pty Ltd.
7. Mr Nicholls (MAIG), Mr Ball (MAusIMM) and Mr Titley (MAusIMM, MAIG) qualify as Competent Persons as defined by the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and have given permission for the inclusion in this report of the matters based on their information in the form and context in which it appears.
8. The Resource estimations were completed using Micromine, Surpac and Datamine software, comprising an inverse distance grade interpolation within block model constrained by 3D wireframed geological boundaries. The wireframes defining the mineralisation were based on structural, assay and lithological information. Various top cuts have been applied to the drill hole samples based on lode domain analysis, with the exception of Kookaburra where the effect of top cutting was deemed immaterial. Where top cuts were applied they ranged from 35g/t for Sandpiper to 120g/t for Coyote. The search constraints applied to the grade estimation were controlled by the orientation of the lodes and the known dip and plunge of the mineralisation within the lodes based on geological knowledge and mining experience.
9. The Resource estimations used bulk density measurements conducted on a deposit scale and broken down by regolith profile. As such the density measurements applied were based on test work applicable to the deposit of interest. These ranged from 2.00 t/m^3 (base of transported) to 2.72t/m^3 (Fresh rock).
10. The Resource has been depleted for mining undertaken at the Coyote, Sandpiper and Kookaburra mines during the period 1 July 2009 to 30 June 2010.
11. The Measured Resource at Coyote has been based on the high level of confidence of the location and grade of mineralisation between the current underground development drives. The development drives have typically six metres separation. The Sandpiper and Kookaburra Measured Resource has been based on a 10 metre distance below the current pit floor, which is supported by a combination of mining at the base of the pits, and five metre deep grade control drilling below the floor of the pit.

Regional exploration drilling on the Western Tanami tenements continued throughout the Quarter with RC, DC and aircore programs undertaken at ten prospects. RC and DC drilling totalling 3,100 metres was conducted at Sandpiper, Kookaburra, Hutch's Find, Camel and Coyote whilst regional aircore reconnaissance programs were conducted at Hermes, Fleegle, Sandpiper, Popeye and Olive. Aircore drilling totalled 12,556 metres for the Quarter. Prospect locations are shown in Figure 5.

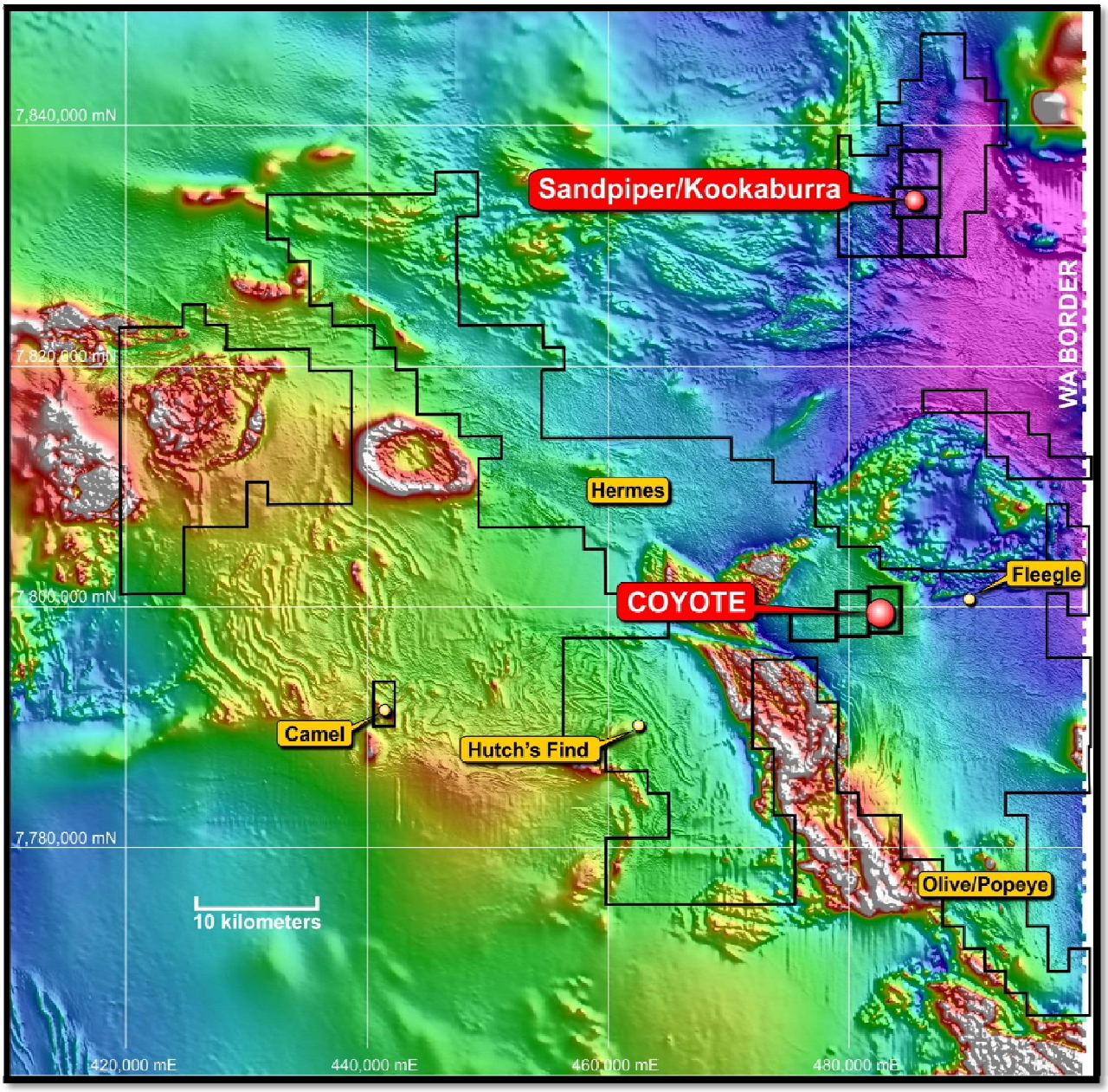

Figure 5: Western Tanami prospect locations on aeromagnetics image

Sandpiper

Two DC holes targeting down plunge extensions of the Sandpiper mineralisation were completed during the reporting period. SPDD15 and SPDD16 were drilled beneath SPDD14 that intersected four strongly mineralised lodes, as detailed in the June 2010 Quarterly Report. SPDD16, the deepest intersection within the Sandpiper system, intersected **2.7 metres grading 5.7g/t from 355.8 metres** (see Table 6) demonstrating the mineralisation remains open at depth. Further drilling is planned at Sandpiper as all lodes remain open down dip, down plunge and along strike (Figure 6).

Table 6: Sandpiper Diamond Drill Hole SPDD16 Location and Significant Intersections

Hole Number	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Significant Intersections		
							Interval	Width (m)	Grade g/t
SPDD16	485970	7834292	375	-65	166	502	355.8m to 358.5m	2.7	5.7

Notes to accompany Table 6
1. Collar Northing, Easting and Azimuth are all in AMG Grid coordinates.
2. Collar coordinates are as planned and may vary upon survey pickup.
3. Analyses by 50g fire assay with AAS finish. No cutting of grades has been applied. Assays rounded to nearest 0.1g/t.
4. Significant Intersections calculated at 1g/t lower cut off grade with maximum two metres internal dilution and reported above 10 gram metres (grade x down hole interval length).

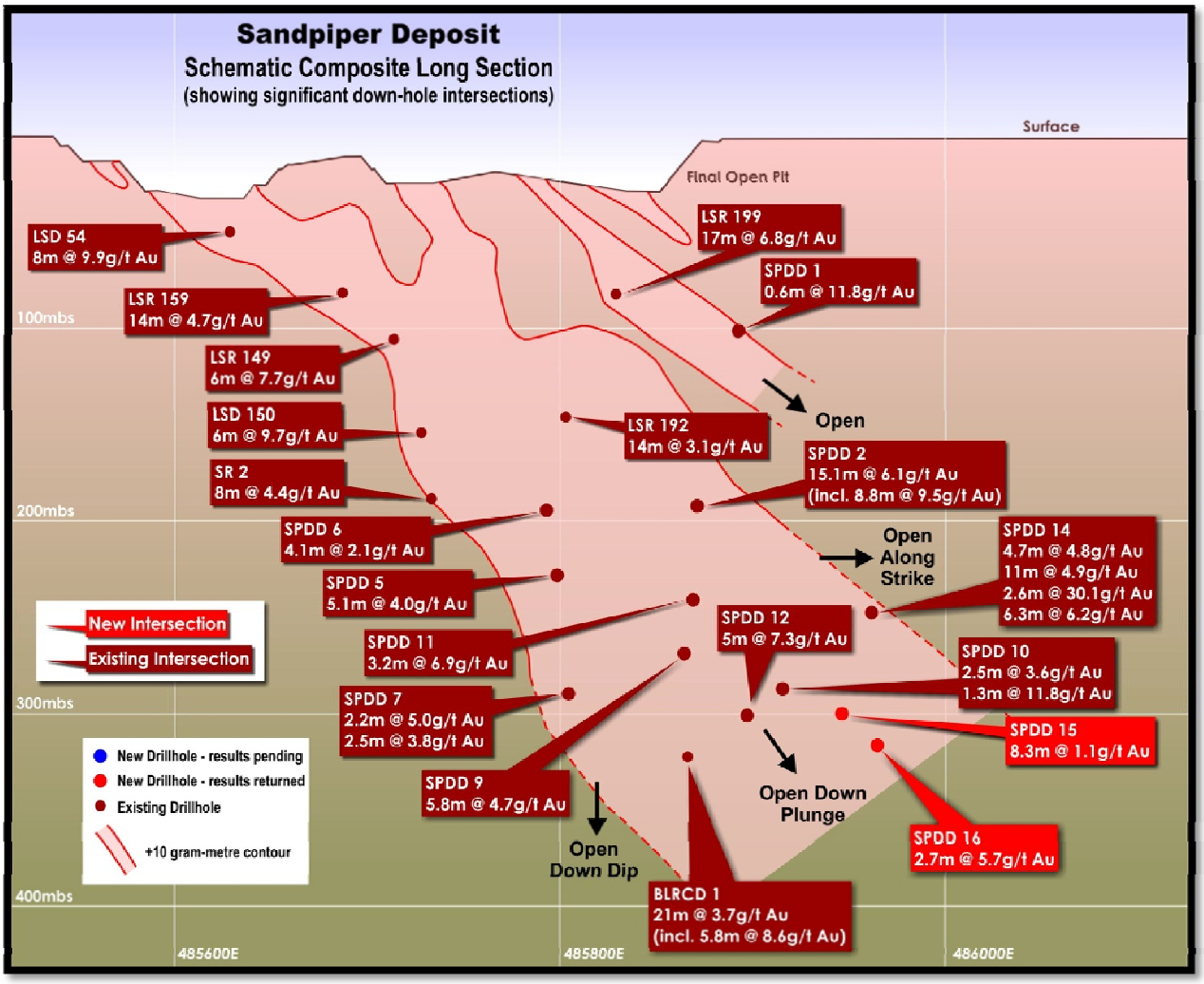

Figure 6: Sandpiper long section showing recent drill intersections and previous significant intersections

Kookaburra

Two diamond holes were completed at Kookaburra for metallurgical sampling and mine planning purposes as part of the Kookaburra pit expansion feasibility study (Table 7). These holes targeted fresh mineralisation within the northern limb and hinge zone of the Kookaburra syncline and returned a best intersection of **39.9 metres @ 5.0g/t** from KBDD1. Although drilled in part sub parallel to the dip of the mineralisation, the tenor of the intersections confirms the Kookaburra mineralisation has a number of discrete high grade zones within the system. Composite metallurgical samples have been submitted to Ammtec for analysis and test work with results pending.

Table 7: Kookaburra diamond drill hole locations and significant intersections

Hole Number	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Significant Intersections		
							Interval	Width (m)	Grade g/t
KBDD1	485604	7833796	376	-60	235	222.5	124.9m to 164.8m	39.9	5.0
KBDD2	485573	7833820	376	-55	235	214.4	107.5m to 113.3m	5.8	12.1
							118.3m to 139.1m	20.8	3.5

Notes to accompany Table 7
1. Collar Northing, Easting and Azimuth are all in AMG Grid coordinates.
2. Collar coordinates are as planned and may vary upon survey pickup.
3. Analyses by 50g fire assay with AAS finish. No cutting of grades has been applied. Assays rounded to nearest 0.1g/t.
4. Significant Intersections calculated at 1g/t lower cut off grade with maximum two metres internal dilution and reported above 10 gram metres (grade x down hole interval length).

Hutch's Find

RC and DC drilling at Hutch's Find produced two significant intersections from the initial program designed to better define and extend mineralisation evident from previous exploration work. Five holes totalling 833 metres were completed in this campaign. HFDD4 (previously reported as HFRC1) returned **19 metres @ 2.3g/t** from 98 metres and **10 metres @ 5.4g/t** from 123 metres. Extending the hole produced a further intersection of **0.5 metres @ 17.2g/t** from 164.3 metres. Follow-up drilling is planned for this prospect.

Table 8: Hutch's Find Significant Intersections

Hole Number	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Significant Intersections		
							Interval	Length (m)	Grade (g/t)
HFDD4	463560	7790150	410	-60	180	184	98m to 117m	19	2.3
							123m to 133m (eoh)	10	5.4
							Inc 123m to 128m	5	9.6
							164.3m to 164.8m	0.5	17.2

Notes to accompany Table 8
1. Collar Northing, Easting and Azimuth are all in AMG Grid coordinates.
2. Some collar coordinates are as planned and may vary upon survey pickup.
3. Analyses by 50g fire assay with AAS finish. No cutting of grades has been applied. Assays rounded to nearest 0.1g/t.
4. Significant Intersections calculated at 1g/t lower cut off grade with maximum two metres internal dilution and reported above 10 gram metres (grade x down hole interval length).

Camel

RC and DC drilling at Camel was conducted as follow up to previous drilling that had identified mineralisation within a northwest trending sequence of folded dolerite and minor sediments. Two holes were completed for 373 metres to obtain further data on the structural controls of the mineralisation. CMDD2 returned a significant intersection of **7.2 metres @ 3.1g/t** from 94.8 metres related to quartz veining within fresh dolerite. Further drilling will be conducted to test for extensions to this mineralisation.

Table 9 – Camel Drill Hole Locations and Significant Intersections

Hole Number	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Significant Intersections		
							Interval	Length (m)	Grade (g/t)
CMDD2	441751	7791268	443	-68	176.5	149.6	94.8m to 102m	7.2	3.1

Notes to accompany Table 9

1. Collar Northing, Easting and Azimuth are all in AMG Grid coordinates.
2. Some collar coordinates are as planned and may vary upon survey pickup.
3. Analyses by 50g fire assay with AAS finish. No cutting of grades has been applied. Assays rounded to nearest 0.1g/t.
4. Significant Intersections calculated at 1g/t lower cut off grade with maximum two metres internal dilution and reported above 10 gram metres (grade x down hole interval length).

Coyote Underground

To improve the operating flexibility and cost of the underground exploration program at Coyote, the Company has purchased three Atlas Copco Diamec U6 compact track mounted diamond drill rigs. The rigs will be used to test extensions to known Resources, exploration drilling of conceptual targets and for mine development purposes.

High priority programs initiated during the Quarter utilising the Diamec drills are focussed on defining extensions to the high grade South Zone vein system and defining down plunge extensions to the Bommie Lode.

Coyote West and South Lodes

Surface diamond drilling was commenced late in the reporting period to test the Coyote West Lode vein system situated immediately west of the current Coyote mine workings. The Coyote **West Lode is the lateral equivalent of the Gonzales and South Zone veins** located in an area of minimal vertical displacement of the Coyote Fault zone. This drilling is designed to infill existing intersections of the steep West Lode and to test the high grade flat and steep dipping equivalents of the South Zone across the Buggsy Fold hinge.

The first hole in the program, CYDD173, intersected visible gold in the flat lying South Zone position that returned **0.3 metres @ 654g/t** from 266 metres. Significantly, this step out intersection confirms the South Zone system exists approximately 250 metres west of the known South Lode position where high grade stope production (+20g/t) is taking place. Infill drilling to test the continuity of the South Lode between these two positions is planned for the coming Quarter. The latest intersection along with a reinterpretation of some earlier intersections and the geological model for this section of the deposit has provided the Company with confidence that the South and West Lode may prove far more continuous than previous drilling indicated.

Subsequent to the end of the Quarter, the 207W drive was extended from Gonzales across to West Lode. The latest face samples returned 6.9g/t over a 4.6 metre development face. Development will be extended to test the western extent of the West Lode and will also provide ideal drilling platforms to test the adjacent South Lode and to firm up Resources in conjunction with the surface drilling program.

Table 10 – Coyote West Lode Drill Hole Location and 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)
CYDD173	481569.3	7799517	392	-59.1	179.5	430	266m to 268.26m	2.26	89.2
							inc 266m to 266.3m	0.3	654

Notes to accompany Table 10
1. Collar Northing, Easting and Azimuth are all in AMG Grid coordinates.
2. Some collar coordinates are as planned and may vary upon survey pickup.
3. Analyses by 50g fire assay with AAS finish. No cutting of grades has been applied. Assays rounded to nearest 0.1g/t.
4. Significant Intersections calculated at 1g/t lower cut off grade with maximum two metres internal dilution and reported above 10 gram metres (grade x down hole interval length).

Regional Aircore Programs

Five prospect areas were explored through aircore drilling during the Quarter. Programs at Hermes, Fleegle, Popeye and Olive were first pass regional reconnaissance campaigns whilst a program of mine infrastructure sterilisation was completed adjacent to the Sandpiper deposit at Bald Hill. Unseasonal wet weather hampered the aircore operations through restricted access to remote areas. In total, 12,556 metres was completed in 225 holes.

Drilling at Hermes completed the planned first pass program across this sparsely explored area. Anomalous gold results with coincident arsenic and other pathfinder minerals were intersected from numerous holes. Table 11 details hole locations and gold values greater than 20 parts per billion. Follow up drilling is planned for 2011.

A large aircore program was initiated at the Popeye and Olive prospect areas during July 2010 and is ongoing. This program is the first major drilling campaign undertaken within these tenements and is targeting favourable rock sequences and structures interpreted from remote sensing data and limited regional mapping. Wide spaced drilling has yielded encouraging results with anomalous gold identified from varying depths within bedrock across the northern part of the area. Drilling is ongoing to complete the first pass program prior to the onset of the wet season when evaluation and planning of follow up programs will occur. Table 11 details hole locations and gold values greater than 20 parts per billion.

Table 11: Aircore drilling hole locations and anomalous gold results greater than 20 parts per billion.

Prospect	Hole_ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth (m)	Interval	Length (m)	Gold Grade (ppb)
Olive	BWAC0023	489600	7780600	375	-60	270	59	4m to 8m	4	31
Olive	BWAC0105	489200	7776600	375	-60	270	49	40m to 44m	4	75
Olive	BWAC0128	493200	7775800	375	-60	270	49	48m to 49m	1	76
Olive	BWAC0134	489600	7775000	375	-60	270	64	48m to 52m	4	23
Olive	BWAC0136	490400	7775000	375	-60	270	34	28m to 30m	2	24
Popeye	BWAC0045	491200	7779800	375	-60	270	67	48m to 52m	4	27
Popeye	BWAC0051	493600	7779800	375	-60	270	53	40m to 44m	4	46
Popeye	BWAC0140	492000	7775000	375	-60	270	65.5	40m to 44m	4	37
Popeye	BWAC0143	493200	7775000	375	-60	270	79.2	32m to 36m	4	170
Popeye	BWAC0161	494000	7774200	375	-60	270	49	48m to 49m	1	25
Hermes	DWAC0012	461000	7810000	375	-60	180	51	51m to 52m	1	27
Hermes	DWAC0029	461800	7812400	375	-60	180	84	80m to 83m	3	22
Hermes	DWAC0030	461800	7812800	375	-60	180	50	48m to 49m	1	34
Hermes	DWAC0034	462600	7811600	375	-60	180	92	76m to 80m	4	28

Notes to accompany Table 11
1. Collar Northing, Easting and Azimuth are all in AMG Grid coordinates.
2. Collar coordinates are as planned and may vary upon survey pickup.
3. Analyses by 25g aqua regia digest with ICPMS finish to 0.5ppb. Assays rounded to nearest 1ppb.

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.

CORPORATE

Cash and Cash Equivalents

As at 30 September 2010, the Company had cash and gold on hand of $8.1 million down from $8.3 million as at 30 June 2010.

The Company also retains substantial ROM stocks of 75,927 tonnes as at 30 September 2010, which contain approximately 4,941 ounces of gold.

Loan Facilities

On 23 August 2010, the Company repaid all amounts owing under its loan facilities with AP Finance Limited and Eurogold Limited and is now debt free. Total repayments to extinguish the Company's loan facilities (including accrued interest and borrowing costs) totalled approximately $54.1 million.

Fully Underwritten Renounceable Entitlements Issue

On 17 August 2010, the Company announced the successful completion of a 6-for-5 fully underwritten renounceable entitlements issue to raise $63.7 million before issue costs. The entitlements issue was strongly supported by the Company's shareholders with approximately 91% of entitlements being taken up under the offer. After taking into account applications for shortfall shares, the entitlements issue was heavily oversubscribed.

The Company received approximately $60.7 million after accounting for underwriting fees and other expenses associated with the entitlements issue.

Consolidation

On 15 July 2010, the Company announced that it would seek shareholder approval to undertake a 1-for-30 consolidation of the Company's capital. A General Meeting of the Company's shareholders was held on 20 August 2010 and the resolution for the consolidation of capital was passed. Following the consolidation, the Company has 260,947,676 shares on issue.

GRAEME SLOAN
MANAGING DIRECTOR/CEO