



19 January 2011

DRILLING INTERSECTS NEW ZONES AND EXTENDS KEY DEPOSITS AT CENTRAL AND WESTERN TANAMI PROJECTS

UPDATED RESOURCE FOR CENTRAL TANAMI PROJECT EXPECTED FEBRUARY 2011

Highlights

- ***New zones of mineralisation and numerous high-grade gold intersections returned from Resource extension drilling at the key Bulldog, Carbine, Phoenix and Hurricane deposits (Central Tanami Project, NT) with best results including:***
 - ***3.0 metres @ 12.7 g/t Au from 101.0 metres in BDRC17***
 - ***5.0 metres @ 5.2 g/t Au from 83.0 metres in BDRC20***
 - ***20.0 metres @ 3.0 g/t Au from 158.0 metres in BDRC22 (new zone of mineralisation with bottom two metres averaging 8.8g/t)***
 - ***8.0 metres @ 3.6 g/t Au from 104.0 metres in BDRC24***
 - ***3.4 metres @ 5.1 g/t Au from 498.6 metres in CADD13***
 - ***3.0 metres @ 5.0 g/t Au from 322.0 metres in CADD1***
 - ***9.1 metres @ 2.4 g/t Au from 542.9 metres in CADD8 (new zone of mineralisation)***
 - ***7.0 metres @ 2.8 g/t Au from 110.0 metres in PHRC4***
 - ***6.0 metres @ 3.3 g/t Au from 115.0 metres in HRRC28***
- ***Updated Resource estimates now underway on a number of Central Tanami deposits encompassing results since drilling commenced in May 2010 – new Resource estimate due February 2011.***
- ***Latest drilling at Sandpiper deposit (Western Tanami Operations) confirms multiple parallel lodes at depth with a recent deep drill hole intersecting significant mineralised zones from 316.0 metres to 338.3 metres down hole, including:***
 - ***2.2 metres @ 6.6 g/t Au from 316.0 metres in SPDD17A***
 - ***4.1 metres @ 3.3 g/t Au from 320.9 metres in SPDD17A***
 - ***1.2 metres @ 4.6 g/t Au from 328.4 metres in SPDD17A***
 - ***2.0 metres @ 2.2 g/t Au from 336.3 metres in SPDD17A***
- ***SPDD17A intervals are down plunge of hole SPDD14 which had similar multiple intersections (4.7m @ 4.8g/t, 11m @ 4.9g/t, 2.6m @ 30.1g/t and 6.3m @ 6.2g/t).***
- ***All lodes within the Sandpiper system remain open along strike to the east, up and down dip and down plunge, providing strong evidence of the potential for future underground mining operations.***

Australian gold producer Tanami Gold NL (ASX: TAM) is pleased to report encouraging results from ongoing intensive drilling programs at both its **Central** and **Western Tanami Projects** in northern Australia (see *Figure 1*) as it prepares to deliver an updated Resource estimate for the Central Tanami Project next month.

The results – which are mainly from drill programs at Bulldog, Carbine, Phoenix and Hurricane completed up to mid-December 2010 – have defined extensions to all deposits and identified a number of new zones of mineralisation.

In addition, recent deep drilling at the Sandpiper deposit (part of the Bald Hill open pit mining centre at the Western Tanami operations) has confirmed the presence of four parallel zones of mineralisation at depth below the known Resources, providing strong evidence of the potential for future underground mining at this deposit.

Tanami Gold’s production profile is currently underpinned by its Western Tanami Operations (Coyote Underground Mine and Bald Hill open pits), with feasibility work currently underway on re-commissioning the Central Tanami Project later this year as the foundation for a major uplift in gold production.

Central Tanami Project

The Central Tanami Project is located 100 kilometres east of the Western Tanami Operations in the Northern Territory and was acquired by Tanami Gold last year in a company-transforming transaction. The Central Tanami Project comprises multiple gold deposits within economic trucking distance of a 1.2Mtpa treatment facility and a current Measured, Indicated and Inferred Resource of 11.677 million tonnes grading 2.8g/t for 1.061 million ounces of gold (see Table 3).

Recent RC and diamond core drilling targeting extensions to the key Bulldog, Carbine, Phoenix and Hurricane deposits has returned multiple high-grade intersections, **with all deposits drilled to date remaining open**. Significant results are shown in Table 1 below and represent down dip or down plunge extensions to known mineralisation.

Table 1: Significant Intersections from recent Central Tanami drilling

Hole Number	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth (m)	Significant Intersections			Deposit
							Interval	Length (m)	Grade (g/t)	
BDRC17	569738.1	7782536.3	403.3	-75	291.5	130	101m – 104m	3	12.7	Bulldog
BDRC20	569795.4	7782606.3	402.7	-75	291.5	160	83m – 88m	5	5.2	Bulldog
BDRC21	569810.9	7782620.0	402.7	-70	291.5	148	103m – 109m	6	2.8	Bulldog
*BDRC22	569839.2	7782652.3	402.3	-75	291.5	178	158m – 178m end of hole	20	3.0	Bulldog
BDRC24	569840.4	7782714.8	402.1	-70	291.5	136	104m – 112m	8	3.6	Bulldog
BDRC34	569828.4	7782762.2	402.2	-60	291.5	120	91m – 96m	5	2.4	Bulldog
BDDD3	569827.7	7782697.0	402.2	-60	291.5	123.9	101.1m – 109.4m	8.3	1.7	Bulldog
CADD1	572111.1	7787841.2	417.6	-55	330.5	377.9	322m – 325.1m	3.1	5.0	Carbine
CADD3	571890.4	7787658.4	419.1	-57	330.5	585.3	498.6m – 501.2m	2.6	4.7	Carbine
							509.9m – 510.9m	1	11.2	
*CADD8	571543.3	7787732.2	424.4	-68	330.5	592.4	542.9m – 552m	9.1	2.4	Carbine
CADD13	571996.0	7787724.9					498.6m – 502.0m	3.4	5.1	Carbine
PHRC2	571418.3	7786975.8	422.1	-60	330.5	250	236m – 238m	2	4.5	Phoenix
PHRC4	571567.3	7787065.4	420.1	-65	330.5	232	110m – 117m	7	2.8	Phoenix
HRRC28	574841.0	7792240.5	438.1	-60	306.5	154	115m – 121m	6	3.3	Hurricane

Notes to accompany Table 1

1. Collar Northing, Easting and Azimuth are all in MGA Grid coordinates.
2. Analyses by 50g fire assay with AAS finish of rotary cone split RC or half diamond core samples.
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.
5. Intervals are all down hole length.
6. * New mineralised zone

Additionally, **two new zones of mineralisation** at the Carbine and Bulldog deposits (see Figure 3) were discovered during this phase of the drilling. The new zones are located in the footwall of the known mineralisation and **highlight the potential for new parallel zones**.

One of the new zones identified was at Carbine, where CADD8 intersected **9.1 metres @ 2.4g/t** in the footwall of the main Carbine lode. This new zone has similar mineralogy and structural characteristics to the main Carbine lode which was previously mined and forms the bulk of the current Carbine Resource.

At the Bulldog prospect, BDRC22 intersected **20 metres @ 3.0g/t** (see Figure 4) and ended in strong mineralisation. This is also a new zone of mineralisation that occurs in the footwall to the main Bulldog structure. This intersection, **which occurs from 158 metres to the end of the hole and averaged 8.8g/t from 176m to 178m**, is significantly thicker than any previous intersections seen at this deposit.

The identification of these new zones and the limited amount of historic drilling penetrating the footwall of most of the known mineralised structures demonstrates significant potential to discover similar zones adjacent to other deposits.

Drilling to test for extensions to these new zones will be conducted as soon as possible and programs will be modified to adequately test the footwall of other deposits.

Western Tanami Project

Results have been received from recent diamond drilling at the Sandpiper deposit, located at Bald Hill within the Western Tanami Project (see Figure 1).

Hole SPDD17A was designed to test the Sandpiper lodes at a step-out distance of approximately 100 metres east of previous intersections (see Figure 5). This hole intersected multiple parallel lodes **down plunge to those intersected in previously reported hole SPDD14 (11m @ 4.9g/t, 4.7m @ 4.8g/t, 2.6m @ 30.1g/t and 6.3m @ 6.2g/t)**. Significant results for SPDD17A and SPDD14 are presented in Table 2.

All lodes within the Sandpiper system remain open along strike to the east, up and down dip and down plunge.

Table 2: Significant Intersections from Sandpiper drilling

Hole Number	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth (m)	Significant Intersections			Deposit
							Interval	Length (m)	Grade (g/t)	
SPDD17A	486205.7	7834416.0	373.9	-60	167	502.5	316.0m – 318.2m	2.2	6.6	Sandpiper
							320.9m – 325.0m	4.1	3.3	
							328.4m – 329.6m	1.2	4.6	
							336.3m – 338.3m	2.0	2.2	
*SPDD14	486105.4	7834376.3	374.4	-60	173	361	227.5m – 238.5m	11.0	4.9	Sandpiper
							266.8m – 271.5m	4.7	4.8	
							285.6m – 288.2m	2.6	30.1	
							341.2m – 347.5m	6.3	6.2	

Notes to accompany Table 2

1. Collar Northing, Easting and Azimuth are all in MGA Grid coordinates.
2. Analyses by 50g fire assay with AAS finish of rotary cone split RC or half diamond core samples.
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.
5. Intervals are all down hole length.
6. *Previously reported

At Western Tanami, underground diamond drilling at the Coyote Mine is ongoing utilising the Company's owned and operated diamond drills. The current campaign comprises in-fill development holes on South Lode and testing for extensions to the South and West Lode systems to the west of the main production areas.

Current Exploration Program

Following a short break through the Christmas period, the Company resumed drilling at Central Tanami with diamond core programs at Carbine and Hurricane. These programs are testing depth extensions to current Resources that may be exploitable through underground mining operations. Deep diamond drilling will be the focus of the programs through the wet season with RC drilling scheduled to resume in April 2011, or earlier, subject to the wet season.

The imminent grant of two Substitute Exploration Licences (SEL's) surrounding the current Mineral Leases at Central Tanami will provide the Company with access to further exceptionally prospective tenements that contain a number of advanced, strongly mineralised yet under explored prospects.

As noted above, updated Resource estimations are currently being completed on a number of Central Tanami deposits tested since drilling commenced in May 2010. It is anticipated that a **new Resource estimate will be released in February 2011.**



Graeme Sloan
Managing Director/CEO

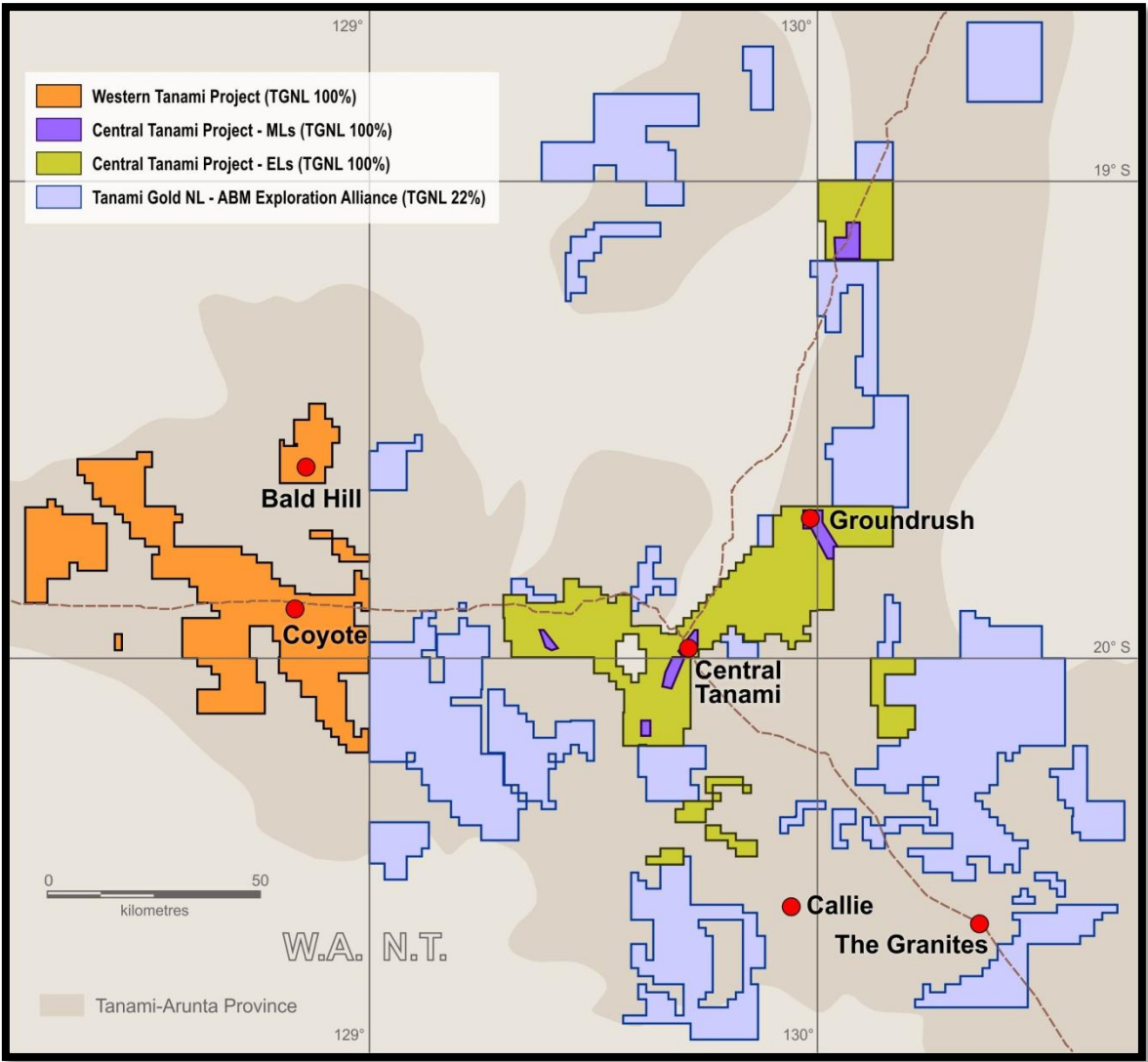


Figure 1: Tanami Gold NL Project Location Map

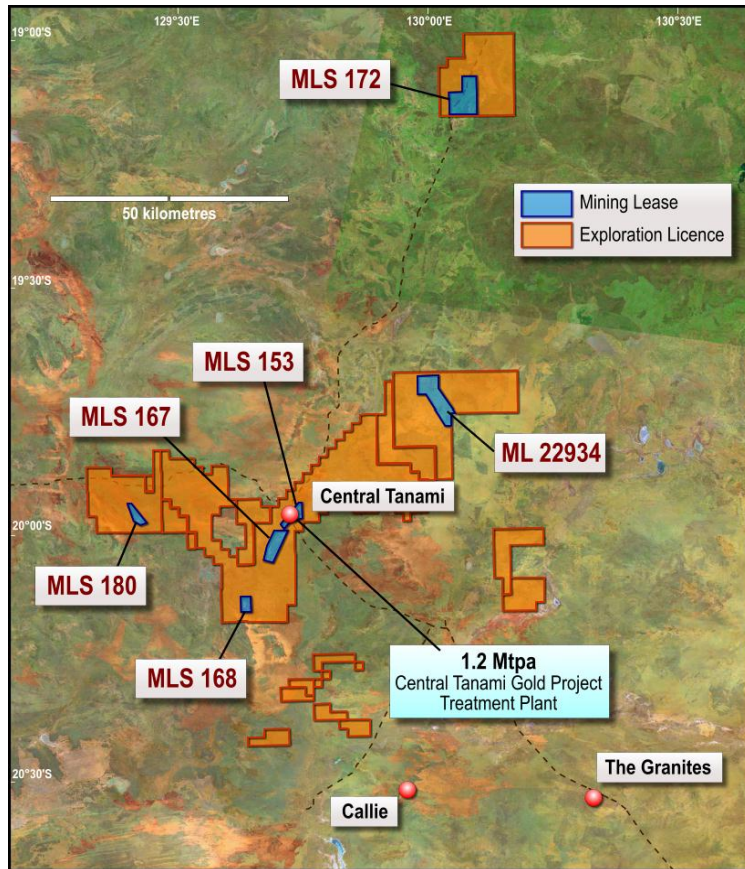


Figure 2: Central Tanami Gold Project tenement plan

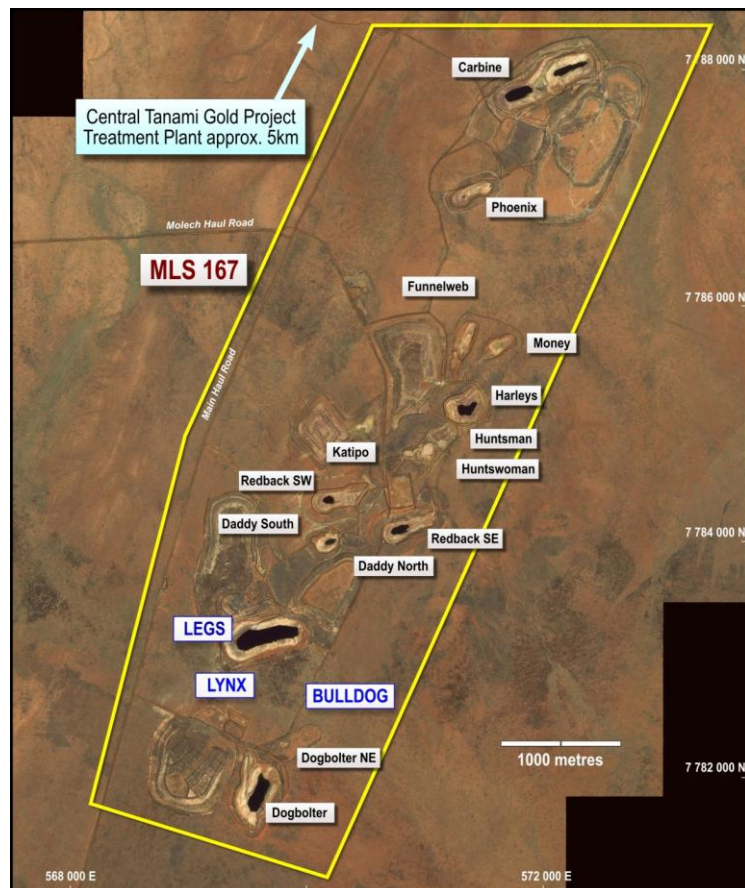


Figure 3: MLS167 aerial photograph showing existing pits and prospects

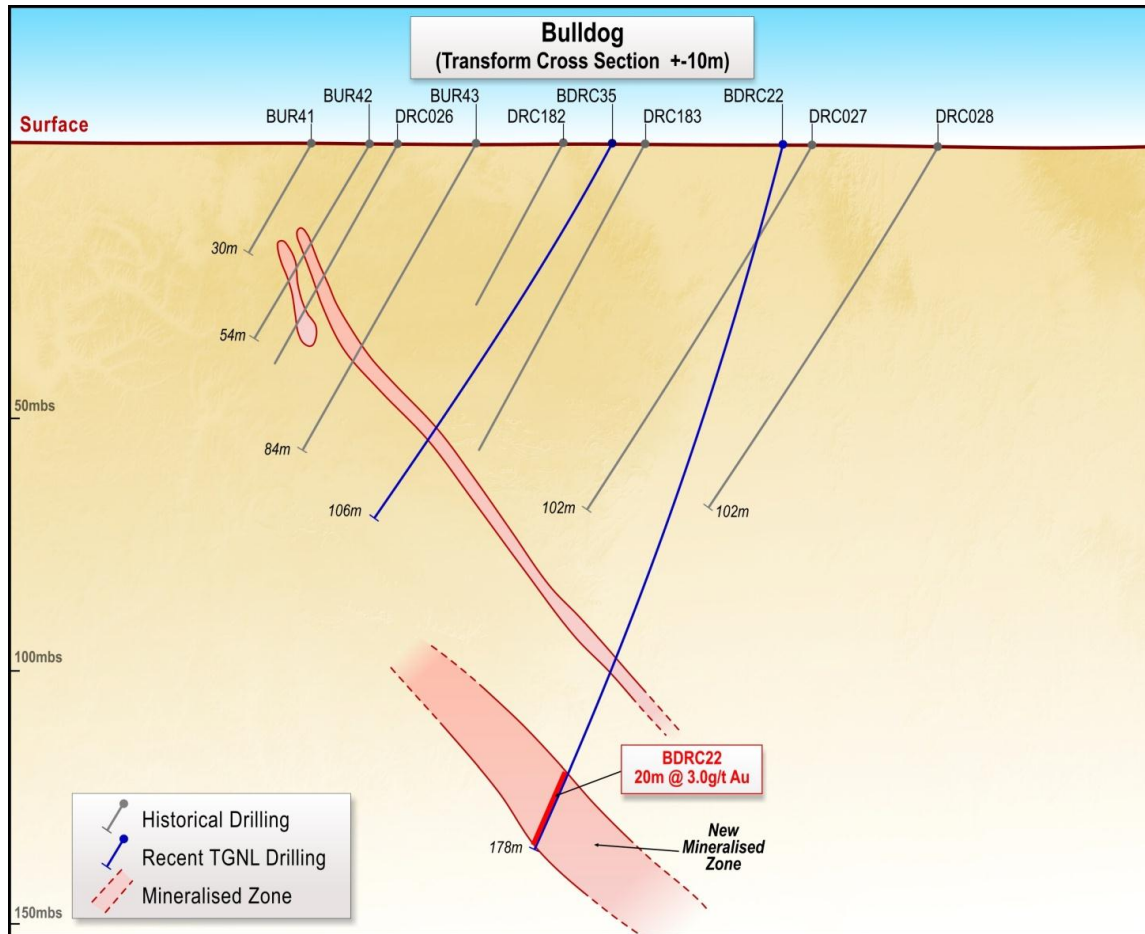


Figure 4: Bulldog Deposit cross section showing new mineralised zone intersected in BDR22

Table 3: Central Tanami Project Mineral Resources as at 30 April 2010

Mineral Lease	Resource Category											
	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 3

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 NL 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.
8. 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.

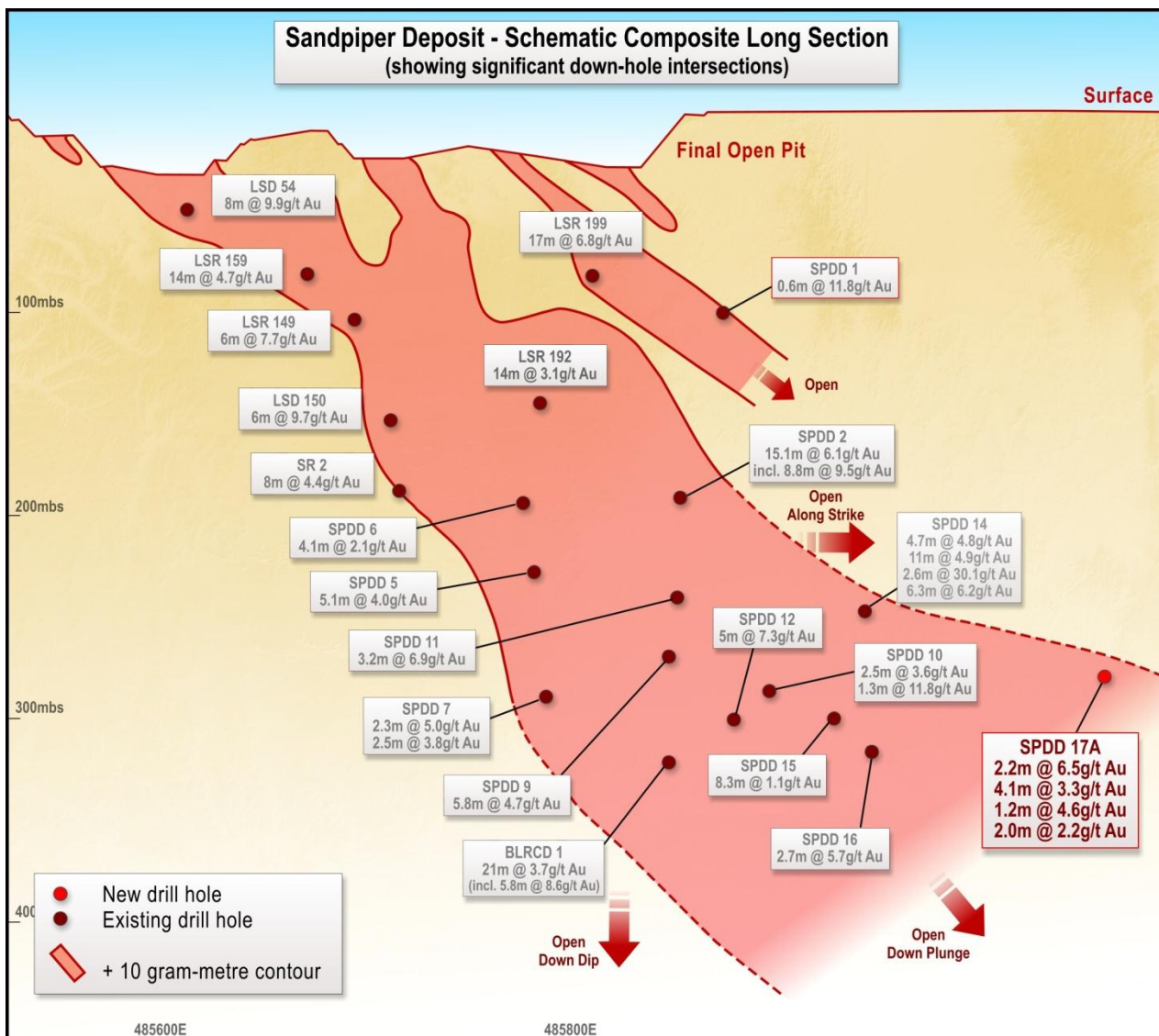


Figure 5: Sandpiper Deposit schematic long section

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.