

19 April 2011

TANAMI GOLD NL



## WESTERN TANAMI OPERATIONS RETURN TO FULL OPERATIONAL MODE

### EXPLORATION UPDATE

#### Operations

Tanami Gold NL is pleased to advise that the Company's Western Tanami Operations have returned to full operational mode following extended disruption due to heavy wet season rains.

The re-opening of the Tanami Road from Alice Springs has resulted in fuel and freight deliveries returning to normal. At Bald Hill, open pit operations are back to normal and the Coyote treatment plant is operating at full capacity.

As reported in the Company's ASX announcement dated 16 March 2011, the Coyote Stage I plant upgrade is performing well with increased recoveries of approximately 98% being maintained and throughput achieving a rate equivalent to 350,000 tonnes per annum.

#### Central Tanami Project – near mine exploration

In addition to the positive Hurricane-Repulse drill results reported on 11 March 2011, the Company is pleased to report that the first two holes at Groundrush have intersected broad zones of mineralisation well below the base of the existing open pit.

Groundrush is by far the largest producing historical open pit on the Central Tanami Project (CTP) tenements (+600,000 ounces recovered) and produced more than 5,000 ounces of gold per vertical metre when it was mined over a three year period up to 2004. Given that the first hole of the current drill program has already intersected mineralisation 200 metres below the base of the open pit, the Company is confident that Groundrush has the potential to quickly and significantly add to the Company's Resource base from extensions to mineralisation both along strike and at depth.

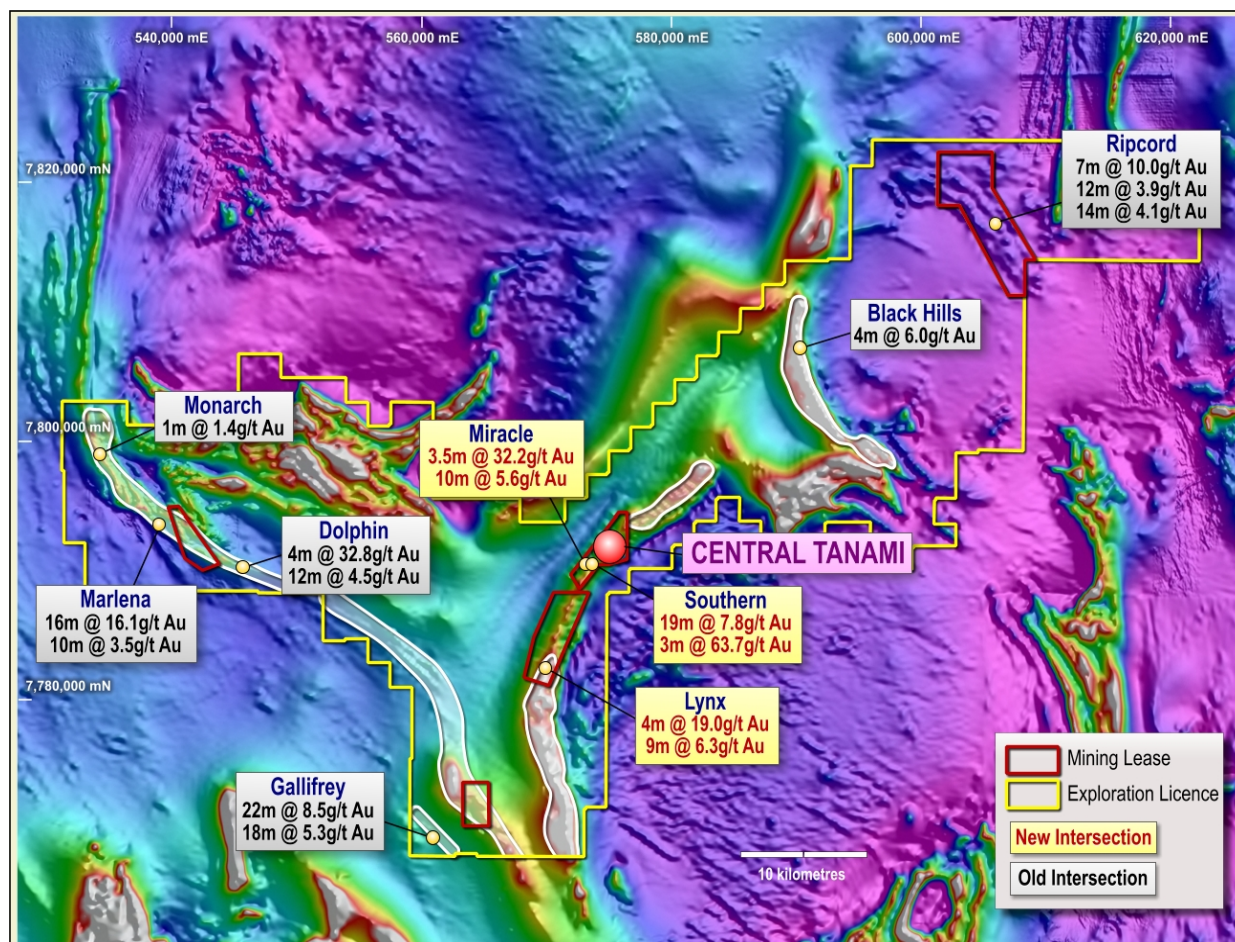
In addition to the two surface diamond drill rigs operating at Groundrush, the Company has mobilised another smaller diamond drill rig to test the Groundrush footwall lode which was exposed through previous open pit mining and delivered high grade ore to the mill. Other than in the southern part of the open pit, where the lode was exposed and mined, the footwall lode has only had one hole drilled into it along strike to the north which returned an interval of 2 metres at 30g/t Au. The lode, which will be drill tested using the third rig, remains open along strike to the north and south and at depth.

**Central Tanami Project – regional exploration**

Following the grant of SELs 26925 and 26926 on 25 January 2011, the Company now has access to approximately 100 kilometres of strike of the prospective Mount Charles Formation which includes high priority drill targets located within trucking distance of the CTP treatment plant. The priority targets include Gallifrey (historic drill interval of 22 metres @ 8.5g/t Au), Marlana (historic drill interval of 16 metres @ 16.1g/t Au) and Dolphin (historic drill interval of 4 metres @ 32.8g/t Au). With the wet season rains having subsided, the Company plans to commence drill testing the regional targets during the June 2011 quarter. Refer to Figure 1 which highlights the 100 kilometres of the prospective Mount Charles Formation and the priority drill targets.

**Graeme Sloan**  
**Managing Director**

*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.*



**Figure 1 – Central Tanami Project tenement outline highlighting Mt Charles Formation sequences and significant gold intersections from regional prospects**