



NEW GOLD ZONE INTERSECTED AT GROUNDROUSH WITH MORE HIGH-GRADE DRILLING HITS

Groundrush continues to develop as a high-grade system with the potential to underpin future production at the Central Tanami Project

KEY POINTS

- **Latest drilling at the Groundrush deposit (Central Tanami Project, NT) intersects a new zone of mineralisation with latest gold intersections from all zones including:**
 - **6.8m @ 53.2g/t from 239.0m, 5.0m @ 7.1g/t from 273.0m - GRDD8;**
 - **47.9m @ 3.2g/t from 243.1m - GRDD4;**
 - **20.9m @ 3.5g/t from 188.5m including 6.4m @ 5.4g/t from 196.6m - GRDD6;**
 - **20.4m @ 3.1g/t Au from 275.3m and 12.0m @ 4.2g/t Au from 307.0m - GRDD7;**
 - **11.2m @ 3.7g/t from 311.0m including 4.0m @ 6.8g/t Au from 311.0m - GRDD11; and**
 - **6.4m @ 4.4g/t from 288.1m - GRDD13.**
- **Mineralisation remains open at depth along the 1.5 kilometre strike of the Groundrush deposit. The new zone of mineralisation demonstrates the significant potential to delineate additional Resources beneath and adjacent to historic mining operations.**
- **Additional diamond drill rigs being sourced to expedite and expand the current work program.**

Australian gold producer Tanami Gold NL (ASX: TAM – ‘Tanami’ or ‘the Company’) is pleased to report further outstanding results from ongoing diamond drilling at its 100%-owned **Central Tanami Project** in the Northern Territory with latest drilling **identifying a new zone of gold mineralisation** beneath and adjacent to the historic Groundrush open pit.

The new zone of mineralisation has now been intersected in five diamond drill holes and appears to have a northerly plunge in line with that exhibited by the high grade zone within the historic open pit.

The latest results include additional assay results from previously reported holes and new results received since the announcement on 24 May 2011. The results are from an ongoing program of in-fill and resource extension drilling at Groundrush which commenced at the end of March 2011.

The current drill program is targeting the main mineralised horizons hosted within a thick fractionated dolerite unit and a discrete high-grade quartz vein located in the southern part of the existing Groundrush pit, which produced over 600,000 ounces of gold between 2001 and 2004 at a recovered grade of 4.3g/t Au (see *Figure 1*). Drilling has progressed steadily with a total of 14 holes completed to date.

Assay results from holes GRDD4, GRDD6, GRDD7, GRDD11, GRDD13 and further results from GRDD8 have all returned significant gold intervals including:

- **6.8m @ 53.2g/t from 239.0m, 5.0m @ 7.1g/t from 273.0m - GRDD8**
- **47.9m @ 3.2g/t from 243.1m - GRDD4;**
- **20.9m @ 3.5g/t from 188.5m including 6.4m @ 5.4g/t from 196.6m - GRDD6;**
- **20.4m @ 3.1g/t Au from 275.3m and 12.0m @ 4.2g/t Au from 307.0m - GRDD7;**
- **11.2m @ 3.7g/t from 311.0m including 4.0m @ 6.8g/t Au from 311.0m - GRDD11; and**
- **6.4m @ 4.4g/t from 288.1m - GRDD13.**

The mineralisation intersected in holes GRDD4, GRDD7, GRDD11 and GRDD13 represent a newly identified zone of mineralisation that was not previously included in the historic geological model for the Groundrush deposit, and this zone remains open down dip and along strike (see *Figure 2*). These new drill holes indicate that the new zone has a potential strike extent of greater than 200 metres. To date, limited drilling has been conducted below the 1.5 kilometre strike length of the deposit or within the immediate environs.

Significant intersections from recent diamond drilling are presented in Table 1.

As a result of the drilling success to date, the Company has decided to source additional diamond drill rigs to expedite and expand the current program of work to further delineate the gold mineralisation identified beneath and adjacent to the historic open pit at Groundrush.

Tanami Gold's Managing Director, Mr Graeme Sloan, said the receipt of further outstanding intersections and the recognition of new zones of mineralisation at Groundrush reinforced the significant upside of the Central Tanami Project.

"The identification of a new zone of mineralisation so early in a drilling program vindicates our belief that the Groundrush deposit is a high-grade mineralised system that clearly has the potential to underpin long term production at Central Tanami," Mr Sloan said.

"These latest intersections illustrate the potential to add significantly to our Resources and Reserves and support our objective of increasing gold production to over 200,000 ounces per annum," he added.

Graeme Sloan
Managing Director

The information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Michael Thomson, a full time employee and Resource Geologist of Tanami Gold NL. Mr Thomson is a member of the Australasian Institute of Mining and Metallurgy 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 Thomson consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

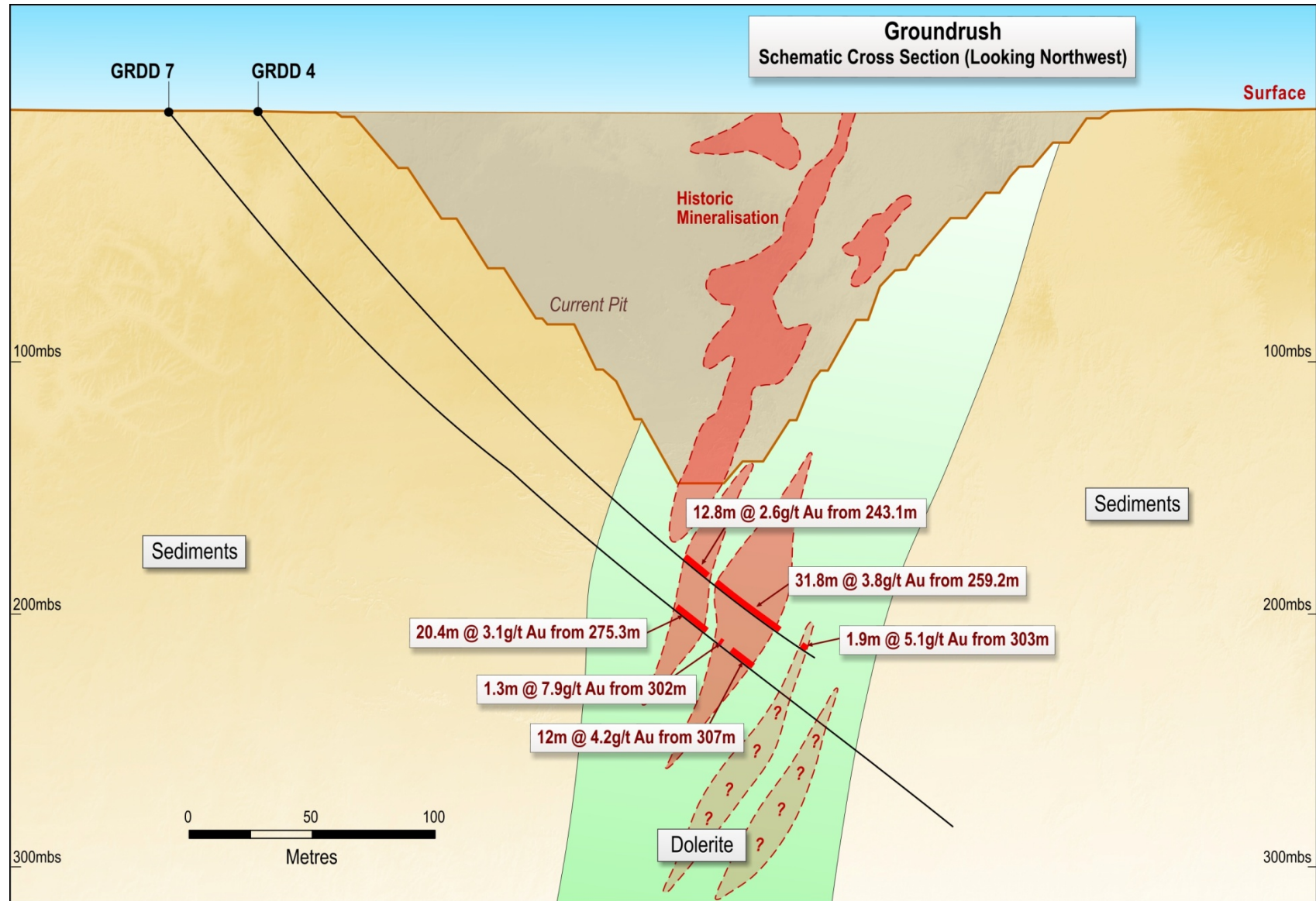


Figure 2 : Groundrush Cross section showing recent drill results in GRDD4 and GRDD7

Table 1 : Significant intersections from recent Groundrush diamond drilling

Hole ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Depth From	Depth To	Interval Width	Grade g/t Au
GRDD4	603888	7820109	420	-48	58.5	309.9	243.1	291.0	47.9	3.2*
							Inc 243.1	255.9	12.8	2.6
							Inc 259.2	291.0	31.8	3.8
							303.0	304.9	1.9	5.1
GRDD6	603871	7820313	420	-48	47.5	276.6	188.5	209.4	20.9	3.5
							Inc 196.6	203.0	6.4	5.4
							225.1	231.0	5.9	3.2
GRDD7	603853	7820102	420	-48	56	420.8	275.3	295.7	20.4	3.1*
							Inc 275.3	276.8	1.5	16.9
							302.0	303.3	1.3	7.9
							307.0	319.0	12.0	4.2
GRDD8	603866	7820310	420	-55	48	336.5	170.0	173.2	3.2	2.8
							183.9	188.2	4.3	159.5*
							Inc 185.0	187.0	2.0	341.6
							224.4	235.6	11.2	3.7+
							239.0	245.8	6.8	53.2+
							273.0	278.0	5.0	7.1
GRDD9	603830	7820352	420	-53	46.5	325	225.9	230.8	4.9	3.7
GRDD10	603869	7820379	420	-52.5	46.5	420.6	182.5	184.2	2.2	5.8
GRDD11	603867	7820179	420	-50	51.5	408.7	239.0	245.2	6.2	3.0
							311.0	322.2	11.2	3.7
							Inc 311.0	315.0	4.0	6.8
GRDD13	603862	7820146	420	-50	48.5	415.9	288.1	294.5	6.4	4.4
<i>Previously reported (24/05/11)</i>										

Notes to accompany Table 1

- Collar Northing, Easting and Azimuth are all in MGA Grid coordinates. Collar RL is relative to AHD. Collar coordinates may vary upon final survey.
- Analyses by 50g fire assay with AAS finish of half diamond core samples.
- No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
- Significant intersections are greater than 0.5g/t with maximum 2 metres internal dilution.
- *Significant intersections for GRDD8 are greater than 0.2g/t with maximum 3 metres internal dilution
- Intervals are all down hole length.
- + Previously reported as 9.5m @ 38.8g/t.