# quarterly report

FOR THE PERIOD ENDING
30 JUNE 2011

COMPANY ENQUIRIES
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## HIGHLIGHTS

### CORPORATE

- Total Company gold Resources increase by 12% to 2.3 million ounces and Reserves to +0.4 million ounces.

### WESTERN TANAMI OPERATIONS

- Record Quarterly gold production of 14,391 ounces from the Western Tanami Operations lifts full year gold production to 40,542 ounces.
- Cash Costs for the June Quarter of $772 per ounce excluding royalties ($807 per ounce including royalties).
- A second underground diamond drill rig to be deployed at Coyote to focus on Resource extensions to known lodes and to follow up on recent high grade intersections that have identified possible new lodes.
- Significant intersections from infill and extensional drilling at the Coyote deposit include:
  - **0.3m @ 81.3g/t Au from 30.3m and 0.3m @ 15g/t Au from 42.8m – CYUG203**
  - **0.3m @ 68.3g/t Au from 39.1m – CYUG204**
  - **0.3m @ 251.5g/t Au from 40.3m – CYUG205**
  - **0.3m @ 1,386g/t Au from 31.5m – CYUG206**
- At Bald Hill a total of 9,629 ounces was mined for the Quarter. At the Kookaburra open pit, mining has reached the top of the wide high grade keel zone which will result in a significant increase in ore production in the coming months.
- A new secondary cone crusher has been installed at Coyote to improve operating efficiencies and lower overall treatment costs. The new crusher was successfully commissioned on time and under budget.

### CENTRAL TANAMI PROJECT

Outstanding results returned from ongoing drilling at Groundrush continue to confirm the deposit's enormous upside.
Significant results from Groundrush, Carbine and Phoenix returned during the Quarter include:

- **4.3m @159.5g/t Au from 183.9m, 11.2m @3.7g/t Au from 224.4m – *Groundrush* – GRDD8**
- **6.8m @ 53.2g/t Au from 239.0m - *Groundrush* – GRDD8**
- **5.0m @ 7.1g/t Au from 273.0m – *Groundrush* – GRDD8**
- **12.7m @ 15.1g/t Au from 192.2m including 2.3m @ 46.1g/t Au –*Groundrush* - GRDD16**
- **3.2m @ 41.3g/t Au from 208.6m – *Groundrush* - GRDD16**
- **Visible gold logged in GRDD20, GRDD21, GRDD23, GRDD24, GRDD25, GRDD26, and GRDD28 - assays pending**
- **6.0m @ 5.1g/t Au from 376.0m – *Carbine* - CADD 20**
- **2.9m @ 12.1g/t Au from 144.0m – *Phoenix* - PHDD 1**

Based on recent drilling at Groundrush, a new Resource and Reserve is expected to be published in the September 2011 Quarter.

The Central Tanami Project Feasibility Study remains on schedule to be delivered to the Tanami Board in October 2011.

# quarterly report

FOR THE PERIOD ENDING 30 June 2011

## INTRODUCTION – Tanami Gold NL

Tanami Gold NL is a Perth-based gold exploration and production company.

The Company has current gold Resources of 2.3 million ounces and Reserves of 0.4 million ounces which will underpin the Company's long term growth and transition into a mid-tier gold producer. The Company in in production at its Western Tanami Operations, is developing the Central Tanami Project and has exposure to 34,000 $km^2$ of prospective ground through its 100% owned tenements and its strategic shareholding in ABM Resources NL.

## OPERATIONS – Western and Central Tanami

### Summary

**Table 1: 2010-11 Annual and Quarterly Treatment and Gold 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 |
| 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 |
| Dec - 10 | 32,479 | 8.3 | 8,307 | 25,198 | 2.4 | 1,757 | 57,677 | 5.7 | 10,064 | 95.1 | 9,894 | 1,386 |
| Mar-11 | 13,673 | 12.1 | 5,092 | 37,240 | 1.7 | 1,913 | 50,913 | 4.5 | 7,005 | 94.6 | 7,595 | 1,388 |
| June-11 | 50,046 | 8.6 | 13,574 | 15,846 | 1.9 | 817 | 65,891 | 7.0 | 14,391 | 97.7 | 14,256 | 1,423 |
| TOTAL 10/11 | 126,051 | 8.5 | 33,918 | 104,812 | 2.2 | 6,624 | 230,863 | 5.7 | 40,542 | 96.2 | 41,439 | 1,394 |

**Note to accompany Table 1:**

1. Recovered ounces calculated by tonnes x grade x recovery.

### Western Tanami Operations

Record gold production of 14,391 ounces was achieved from the Western Tanami Operations for the June 2011 Quarter, lifting full year gold production to 40,542 ounces. This was a substantial turnaround in gold production from the March 2011 Quarter production which was heavily impacted by record rainfalls.

The June Quarter cash cost decreased to $772 per ounce excluding royalties ($807 per ounce including royalties), a 15% improvement on the full year average cash cost of $910 per ounce excluding royalties.

During the Quarter, work also commenced on a number of key initiatives at the Western Tanami Operations with the aim of improving overall efficiencies and lower operating costs. These initiatives include:-

- A modified underground mining method (the "Tanami HGS method") which is expected to lower dilution and increase the average underground mine grade. This initiative will also free up additional milling capacity to treat more Bald Hill ore.
- A program to modify sections of the main Coyote decline allowing larger capacity trucks (40 tonne haulage capacity) to be utilised. This will deliver a 50% reduction in the number of trucks used at Western Tanami, with associated operating cost reductions.
- A scoping study is underway at Bald Hill to determine the viability of commencing a second underground mining operation at Western Tanami.
- A new cone crusher and conveying system has been successfully installed and commissioned at the Coyote treatment plant to increase operating efficiencies and reduce mill operating costs.

**Underground Mining**

The Coyote underground operation returned a strong performance following rain interruptions in the previous two Quarters, with a total of **13,574 ounces** of gold produced from **50,046 tonnes** at an average grade of **8.6g/t**. (March 2011 Quarter - 14,213 tonnes at 10.9g/t for 4,980 ounces).

A total of 946.8 metres of level and capital development was completed during the Quarter, representing a **15% increase** on the March Quarter (820.5 metres). Development of the main decline to access lower levels of the high grade Bommie lode continued during the Quarter.

Mechanised long-hole stoping continued in the Gonzales ore body. This ore was supplemented with air leg stoping from the exceptionally high grade South Lode where stope mining widths of less than one metre were achieved, with grades in excess of **20 g/t Au** continuing to be produced**.**

Underground diamond drilling has returned the following significant intersections from infill and extensional drilling:

- **0.3m @ 35.8g/t Au from 35m – CYUG202**
- **0.3m @ 81.3g/t Au from 30.3m and 0.3m @ 15g/t Au from 42.8m – CYUG203**
- **0.3m @ 68.3g/t Au from 39.1m – CYUG204**
- **0.3m @ 251.5g/t Au from 40.3m – CYUG205**
- **0.3m @ 1,386g/t Au from 31.5m – CYUG206**

Following the success of the underground drilling at Coyote, a specialist team of structural and experienced geological consultants has been engaged by the Company to provide additional technical support to fast track a detailed study of the Coyote mineralised system. This work, which complements work being undertaken by the Company's own geological department, has identified a significant number of drill targets which will be followed up throughout the September and December 2011 quarters.

To assist in drilling these new targets, a second underground diamond drill rig is scheduled to be deployed to the Coyote underground operation to focus on targets identified during this ongoing geological evaluation. New drill platforms are being established at the extremities of the mineralised zones to better target extensions to the known Resource and to test the conceptual targets. This work is expected to add to the current Resources and Reserves at Coyote.

**Surface Mining**

Total ore mined for the June 2011 Quarter was 127,835 tonnes for 9,629 ounces, a substantial improvement over the previous Quarter of 18,303 tonnes for 924 ounces. The pit floor has reached the top of the main ore zone at Kookaburra, where mining widths in excess of 50 metres are expected to continue for some months. The main ore zone is a shallow plunging, high grade synclinal keel which plunges beneath the south wall of the pit. Ore production rates are expected to increase now the main zone has been reached.

A scoping study is underway to determine the viability of underground mining the extension of this wide high grade zone beneath the floor of the Kookaburra pit. This work is subject to further geotechnical and metallurgical testing and is expected to be completed during the December 2011 Quarter.

The Kookaburra pit produced a 17% positive reconciliation in total ounces for the Quarter, compared to the Reserve model. A positive reconciliation trend is expected to continue given the latest round of grade control drilling.

**Processing and Metallurgy**

Gold production for the June 2011 Quarter was 14,391 ounces from a mill throughput of 65,891 dry tonnes at a calculated grade of 7.0g/t with a recovery of 97.7%. This resulted in full year production of 40,542 ounces from 230,863 tonnes at a grade of 5.7g/t and an average recovery of 96.2%. Ore processed for the Quarter comprised 50,046 tonnes from underground and 15,845 tonnes from the Bald Hill open pits.

The June 2011 Quarter was the first full Quarter of processing following completion of the Stage 1 upgrade of the Coyote treatment plant. While overall recoveries were excellent, the full impact of the upgrade will not be fully realised until the introduction of higher tonnages of Bald Hill ore, where recoveries have typically been around 92-93%. The majority of ore treated during the Quarter was sourced from underground which historically has higher recoveries. Increased levels of Bald Hill open pit ore are forecast to be treated in the coming Quarters, where it is expected that with the higher throughput rates, recoveries will remain above 95%. Late in the June 2011 Quarter, mill throughput rates increased to approximately 1,000 tonnes per day (mostly Bald Hill ore) with recoveries higher than previously recorded for this ore type.

A modified Stage 2 upgrade of the Coyote plant involving the installation of a new secondary crusher and conveying systems was commissioned in mid-July. The works were commissioned on time and under budget. This latest upgrade is expected to deliver significant savings in processing costs through improved efficiencies.

## EXPLORATION AND RESOURCE DELINEATION

Exploration and Resource delineation drilling throughout the June 2011 Quarter continued to deliver positive results at both the Western Tanami Operations and Central Tanami Project. A total of 13,542 metres of combined diamond core (DC) and reverse circulation (RC) drilling was completed at both projects.

### Central Tanami Project

At the Central Tanami Project, exploration focused entirely on Resource delineation at the Groundrush deposit where a total of 21 holes for 7,392 metres were drilled. The drilling was predominantly diamond core supplemented by tri-cone roller pre-collaring through surface weathered horizons.

The current drill program has been targeting the main mineralised horizons at Groundrush which are hosted within a thick fractionated dolerite unit. The Groundrush pit historically produced more than 600,000 ounces of gold (approx. 5,000 ounces per vertical metre) between 2001 and 2004 at a recovered grade of 4.3g/t Au.

The vast majority of the drilling undertaken during the Quarter was carried out by two surface multi-purpose diamond drill rigs on a two shift basis, with a third smaller diamond drill rig utilised within the Groundrush pit to target areas immediately below the base of the pit that could not be drilled from surface.

Drilling has consistently intersected the main Groundrush zone of mineralisation and **a new zone of mineralisation** not previously recognised in the historic geological model for the Groundrush deposit. This zone appears to be high grade in nature and remains open down dip and along strike. Drilling to date has shown that one of these high grade zones has a potential strike in excess of 200 metres (remains open along strike), with widths up to 5 metres and grades of approximately 15g/t in sections (GRDD 16, which was drilled from the east of the Groundrush pit, has been interpreted to have been drilled sub-parallel to one of these high grade vein sets).

To date, drilling at Groundrush has only tested a very small area approximately 450 metres along strike and 150 metres below the base of the existing pit which extends over 1.5 kilometres in length. A schematic long section showing all holes drilled to date is shown in Figure 1.

Significant intersections from the drilling previously reported to the ASX during the June 2011 Quarter are presented in Tables 3 and 4 which also include results from Carbine, Hurricane and Phoenix which were drilled in the March 2011 Quarter with assays results returned during April 2011.

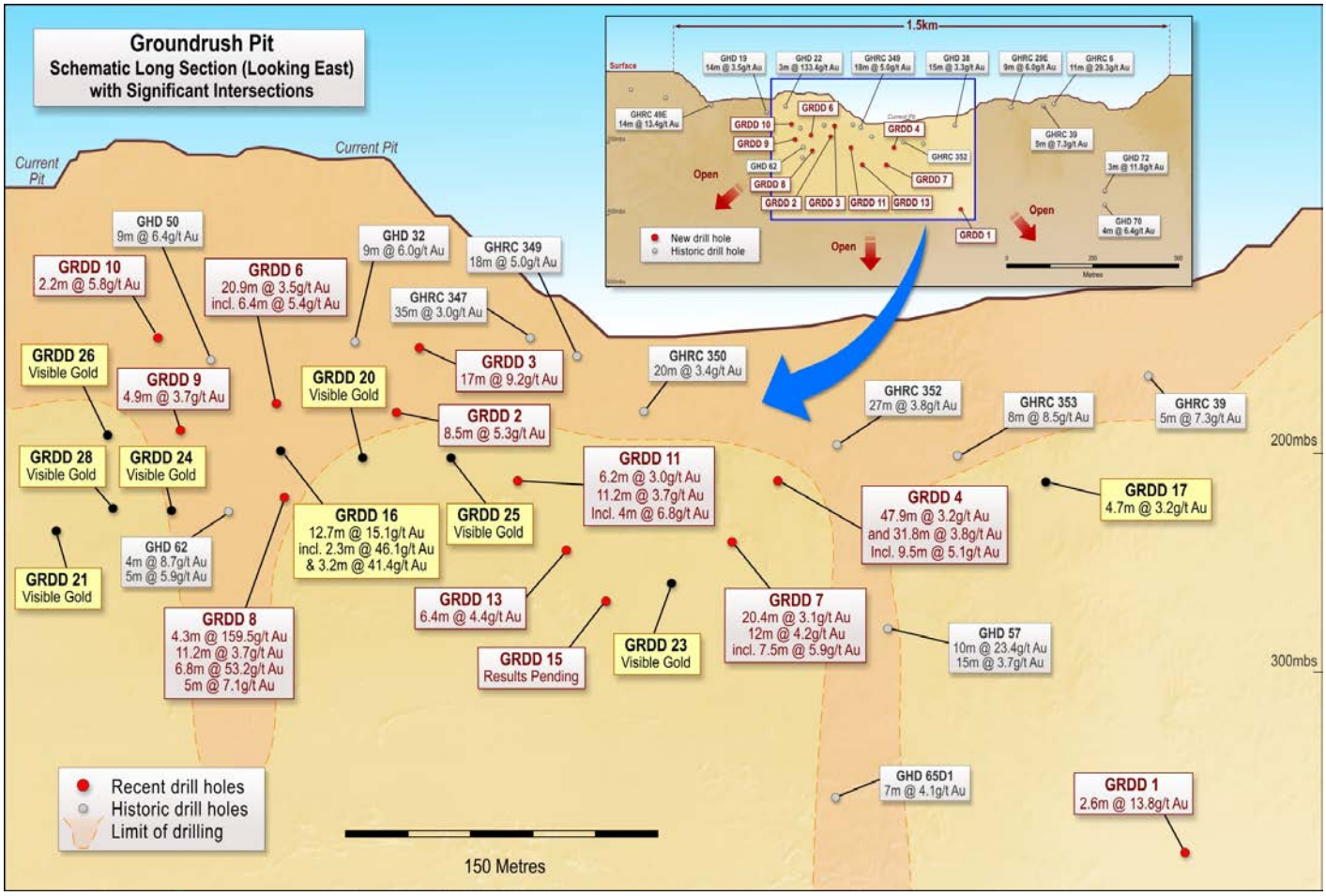


**Figure 1 : Groundrush schematic long section showing significant historic and recent drill results**

**Mineral Resources and Ore Reserve Update**

The Company announced a substantial increase in its Mineral Resources during the Quarter, with total Measured, Indicated and Inferred Resources increasing to 2.3 million ounces of gold from 24.0 million tonnes grading 3.0g/t (*see Table 5*).

**Mineral Resources**

The updated Mineral Resources include a 17% increase in the Mineral Resources at the Company's 100%-owned Central Tanami Project in the Northern Territory and a 12% increase in the Company's total Mineral Resources when compared to the December 2010 estimate of 21.3 million tonnes @ 3g/t for 2.03 million ounces.

The increase in Mineral Resources at Central Tanami is a further increase since the Company acquired the Central Tanami tenements from Newmont in March 2010 and highlights the potential of the project area and clearly supports the Company's decision to acquire the property.

The latest Central Tanami Project Resource estimate has resulted in total Measured, Indicated and Inferred Resources of 1.7 million ounces of gold from 20.9 million tonnes grading 2.6g/t (*see Table 6*). Within the total new Central Tanami Project Resources, 1.3 million ounces, or approximately 75%, is classified as Measured or Indicated. The distribution of Resources by tenement is shown in Figure 2.

The Company's Mineral Resources have increased by more than 300% since June 2009 from 0.5 million ounces to 2.3 million ounces at an average cost of less than $22 per Resource ounce reflecting a combination of exploration and drilling success and the acquisition of the Central Tanami Project. This significant increase in Mineral Resources has been achieved over a relatively short period of time and highlights the potential for further cost effective and rapid additions to the Company's Resource and Reserve base.

**Ore Reserves**

During the June Quarter, a new **402,200 ounce Mineral Reserve** was announced for the Company's Western and Central Tanami Operations (*see Table 8*). The flagship Groundrush deposit at the Central Tanami Project delivered a maiden Mineral Resource of 203,000 ounces and an Ore Reserve of 48,400 ounces (*see Table 9 ML22934*). Groundrush remains open at depth and along strike in both directions where only a small area below the 1.5 kilometre length of the pit has been tested to date. Only two of the 33 drill holes completed to date were included in the Resource estimation which highlights the potential for a rapid increase in the size and tenor of the Groundrush Mineral Resource.

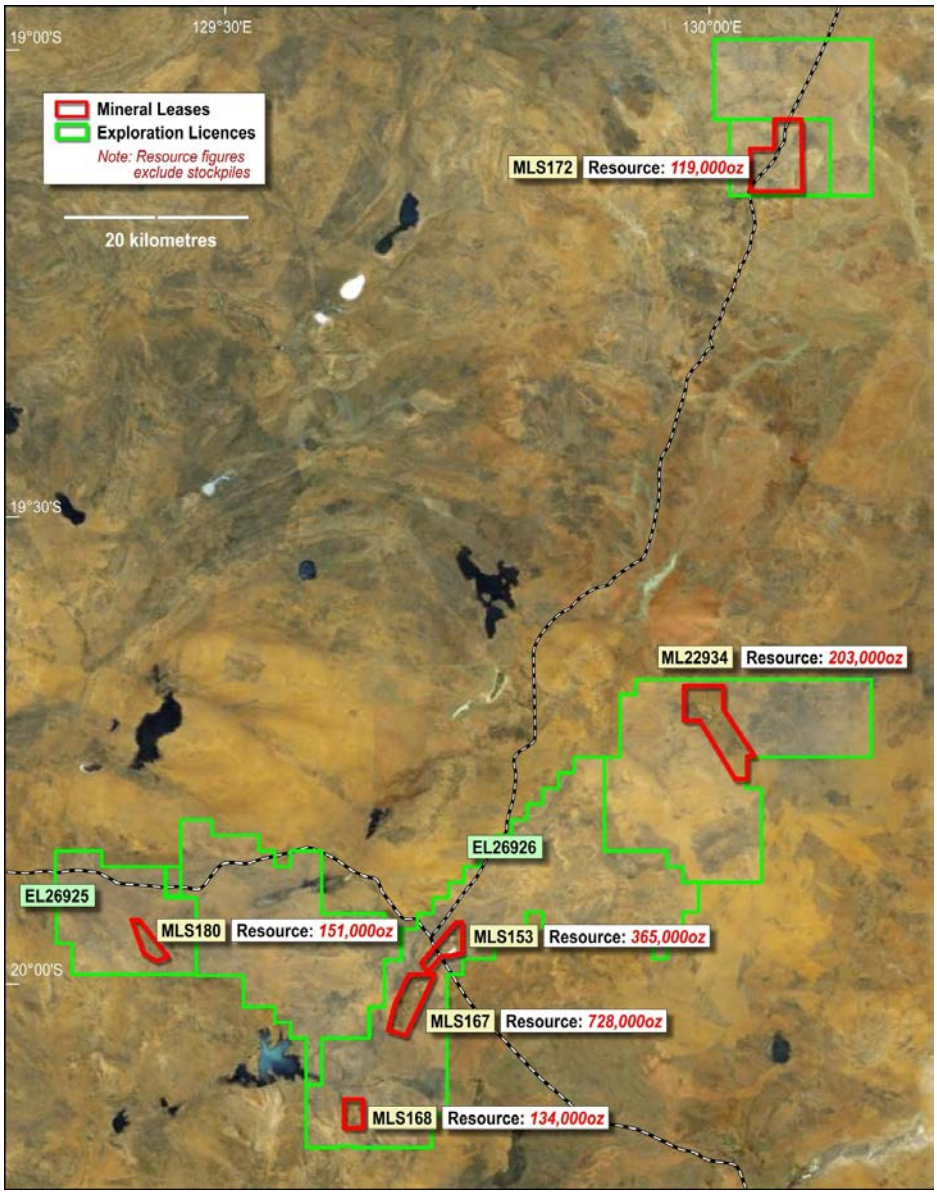


**Figure 2: Central Tanami Project Gold Mineral Resource by tenement**

## Western Tanami Operations

### Coyote Deep Hole

Drilling of the Coyote Deep Hole (CYDD0178) was completed during April with 268.4 metres drilled during the month to achieve an end of hole depth of 1,206.9 metres. CYDD0178 intersected a new zone of mineralisation 170 metres to the north of the mine workings. Assays from this hole returned an interval of 6.1 metres grading 2.8g/t Au from 487.9 metres including 0.3 metres @ 21g/t from 489.9 metres that contained several occurrences of visible gold within quartz veins.

The Coyote Deep Hole was designed to determine the stratigraphic succession and structure at depth beneath the Coyote Mine system. The hole intersected several zones of intense alteration, veining and sulphide accumulation in mafic and sedimentary sequences that are prospective for gold mineralisation. Further evaluation of the drill core and geology is planned with the objective of designing follow-up drill programs.

**Cuckoo / Osprey / Albatross**

Reverse circulation drilling was completed at the Cuckoo, Osprey and Albatross prospects on tenements adjacent to and comprising the Bald Hill open pit operations. A total of 3,502 metres (32 holes) was drilled as follow-up work to earlier exploration programs and assays are pending.

**Coyote Underground**

An underground diamond drill program totalling 2,380 metres (44 holes) was completed at the Coyote Mine during the June 2011 Quarter. Given the high grade nature of the results obtained from a number of areas tested to date, there appears to be very good potential to expand the existing Coyote Resource through extensional drilling of known Resources and new identified targets.

**Table 2: Significant intersections from Coyote UG 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| CYUG0202 | 74657 | 50112 | 145 | | | 70.0 | 35.0 | 35.3 | 0.3 | 35.8 |
| CYUG203 | 74659 | 50112 | 145 | -17.5 | 10.7 | 86.4 | 30.3 | 30.6 | 0.3 | 81.3 |
| | | | | | | | 42.8 | 43.1 | 0.3 | 15.0 |
| CYUG0204 | 74657 | 50112 | 144 | | | 73.0 | 39.1 | 39.4 | 0.3 | 68.3 |
| CYUG0205 | 74655 | 50111 | 144 | | | 86.4 | 40.3 | 40.6 | 0.3 | 251.5 |
| CYUG206 | 74658 | 50112 | 144 | -46.5 | 335 | 82.2 | 31.5 | 31.8 | 0.3 | 1,386.0 |

**Notes to accompany Table 2**

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.
2. Analyses by 50g fire assay with AAS finish of half diamond core samples.
3. No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
4. Intervals are all down hole length.

# CORPORATE

**Financial**

The Company achieved the following cash cost per ounce for the quarter ended 30 June 2011 and for the year ended 30 June 2011:

| | June 2011 Quarter | Year to 30 June 2011 |
|---|---|---|
| Cash cost per ounce – including royalties | 807 | 947 |
| Cash cost per ounce – excluding royalties | 772 | 910 |

**Cash and Cash Equivalents**

As at 30 June 2011, the Company had cash on hand of $6.7 million, up from cash and gold on hand of $6.1 million as at 31 March 2011.

The Company also has a significant ROM stockpile of 181,000 tonnes which contains an estimated 11,400 ounces of gold.

**Loan Facilities**

During the Quarter, the Company increased its loan facilities with AP Finance Limited by HKD82.2 million (approximately AUD10 million as at 30 June 2011). The loan funds are being used to maintain the Company's intensive exploration programs at the Western Tanami Operations (both surface and underground) and the Central Tanami Project, to fund the Coyote treatment plant upgrade including the new cone crusher, and to fund the ongoing open pit pre-strip at Bald Hill.

The Company's total available loan facilities with AP Finance Limited were HKD234.2 million (approximately AUD28.0 million) as at 30 June 2011.

As at 30 June 2011, the Company had drawn down approximately AUD23.1 million and has approximately AUD4.9 million in available funds to draw down if required.

**GRAEME SLOAN**
**MANAGING DIRECTOR/CEO**

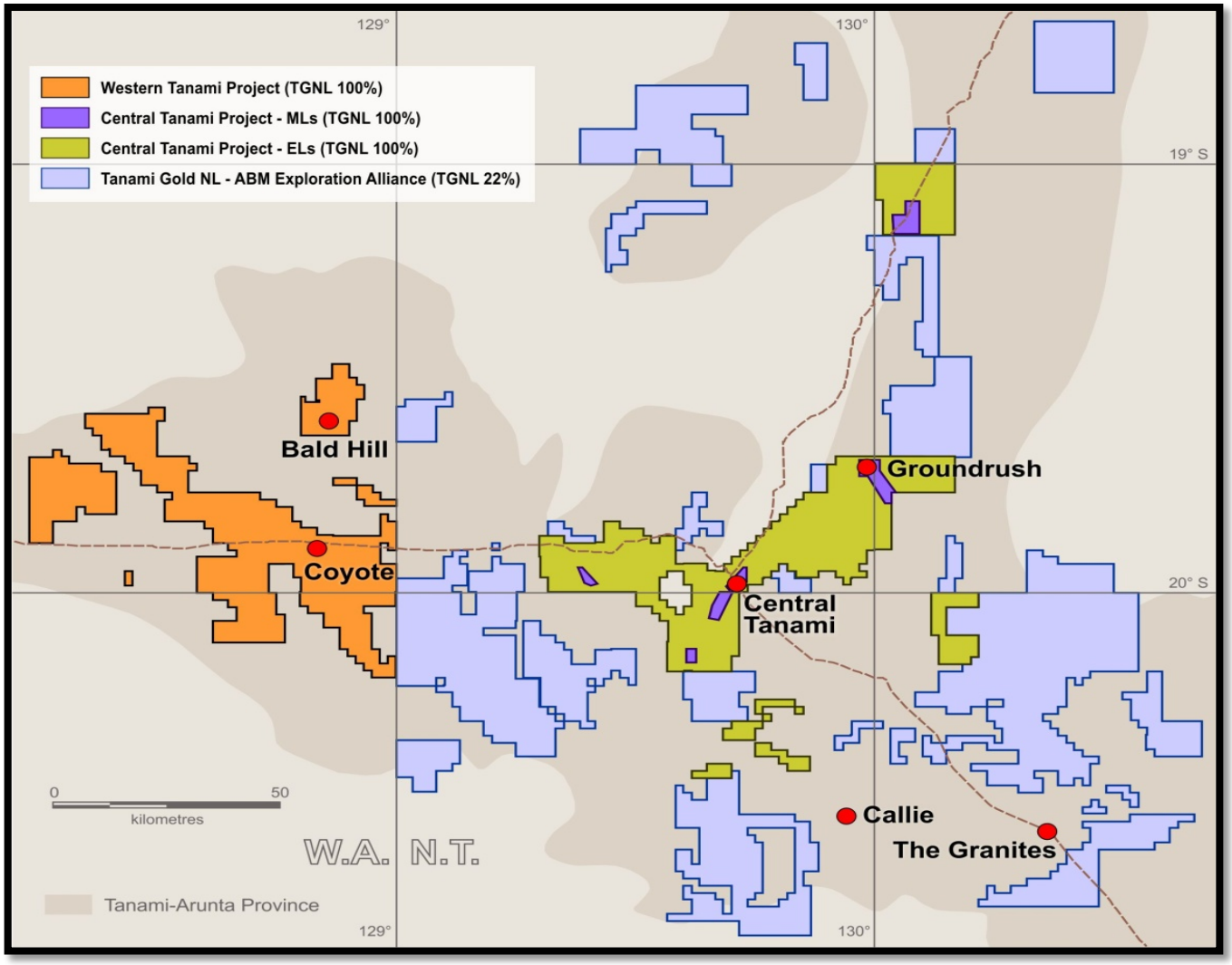


**Figure 3: Project Location Plan**

**Table 3: Significant Intersections from Carbine, Hurricane and Phoenix**

| Hole ID | Easting | Northing | Collar RL | Collar Dip | Collar Azimuth | Hole Depth | Depth From | Depth To | Width | Grade g/t Au |
|---|---|---|---|---|---|---|---|---|---|---|
| Carbine CADD11 | 572113.6 | 7787836.2 | 417.4 | -60 | 334 | 381.9 | 144.2 | 147.1 | 2.9 | 5.1 |
| | | | | | | | 366.8 | 368.4 | 1.6 | 4.8 |
| Carbine CADD16 | 572437.0 | 7788051.0 | 416.0 | -48 | 334 | 279.8 | 174.1 | 181.7 | 7.6 | 3.0 |
| Carbine CADD18 | 572512.0 | 7788074.0 | 416.0 | -50 | 334 | 210.5 | 151.0 | 153.4 | 2.4 | 2.3 |
| | | | | | | | 156.5 | 159.0 | 2.5 | 3.2 |
| Carbine CADD20 | 571544.6 | 7787764.7 | 425.7 | -75 | 334 | 634.1 | 376.0 | 382.0 | 6.0 | 5.1 |
| | | | | | | | 549.6 | 556.8 | 7.2 | 3.3 |
| Carbine CADD21 | 571638.8 | 7787570.3 | 424.0 | -63 | 334 | 700.0 | 643.7 | 653.3 | 9.6 | 2.3 |
| Hurricane HRDD9 | 574977.4 | 7792234.5 | 439.7 | -48 | 310 | 337.5 | 47.5 | 49.7 | 2.2 | 2.5 |
| Phoenix PHDD1 | 571449.1 | 7786974.8 | 421.6 | -60 | 334 | 262.9 | 144.0 | 146.9 | 2.9 | 12.1 |
| | | | | | | | 183.7 | 189.2 | 5.5 | 2.0 |
| Phoenix PHDD2 | 571688.2 | 7787068.7 | 418.9 | -60 | 334 | 260.4 | 230.9 | 233.3 | 2.4 | 4.5 |

**Notes to accompany Table 3**

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.
2. Analyses by 50g fire assay with AAS finish of 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 0.5g/t with maximum 2 metres internal dilution.
5. *Significant intersections are greater than 0.2g/t with maximum 3 metres internal dilution
6. Intervals are all down hole length.

**Table 4: Significant Intersections from Groundrush**

| Hole ID | Collar Easting | Collar Northing | Collar RL | Collar Dip | Collar Azimuth | Hole Depth | Depth From | Depth To | Interval Width | Grade g/t Au |
|---|---|---|---|---|---|---|---|---|---|---|
| GRDD1 | 603980.0 | 7819851.0 | 420.0 | -57 | 50 | 447.7 | 346.5 | 349.1 | 2.6 | 13.8 |
| GRDD2 | 603856.7 | 7820236.0 | 420 | -48 | 50 | 333.8 | 235.5 | 244.0 | 8.5 | 5.3 |
| | | | | | | | Inc 239.5 | 243.0 | 3.5 | 8.1 |
| GRDD3 | 603859 | 7820309 | 420 | -60 | 73.5 | 267.7 | 198.0 | 214.0 | 16.0 | 9.7 |
| | | | | | | | Inc 198.0 | 199.7 | 1.7 | 64.6 |
| | | | | | | | Inc 207.0 | 214.0 | 7.0 | 5.8 |
| 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 | 6.5 | 4.4 |
| GRDD16 | 604390 | 7819963 | 420 | -47 | 235 | 293 | 192.2 | 204.9 | 12.7 | 15.1 |
| | | | | | | | inc 199 | 201.3 | 2.3 | 46.1 |
| | | | | | | | 208.6 | 211.8 | 3.2 | 41.3 |
| GRDD17 | 603956 | 7819962 | 420 | -53 | 49.5 | 398 | 244.0 | 248.7 | 4.7 | 3.2 |

**Notes to accompany Table 4**

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.
2. Analyses by 50g fire assay with AAS finish of 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 0.5g/t with maximum 2 metres internal dilution.
5. *Significant intersections are greater than 0.2g/t with maximum 3 metres internal dilution
6. Intervals are all down hole length.

## Mineral Resources

### Table 5: Tanami Gold NL Mineral Resources as at 31 March 2011

| Project | Resource Category | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Measured | | | Indicated | | | Inferred | | | Total | | |
| | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces |
| **WT** | 260,000 | 9.5 | 79,700 | 1,478,000 | 5.9 | 281,000 | 1,380,000 | 4.4 | 194,000 | 3,119,000 | 5.5 | 554,700 |
| **CT** | 6,255,000 | 2.9 | 579,000 | 7,905,000 | 2.6 | 668,000 | 5,054,000 | 2.8 | 451,000 | 19,215,000 | 2.8 | 1,699,000 |
| **Sub Total** | **6,515,000** | **3.1** | **658,700** | **9,383,000** | **3.1** | **949,000** | **6,434,000** | **3.1** | **645,000** | **22,334,000** | **3.1** | **2,253,700** |
| **CT Stockpile** | 1,700,000 | 0.9 | 48,000 | | | | | | | 1,700,000 | 0.9 | 48,000 |
| **Total** | **8,215,000** | **2.7** | **706,700** | **9,383,000** | **3.1** | **949,000** | **6,434,000** | **3.1** | **645,000** | **24,034,000** | **3.0** | **2,301,700** |

**Notes to accompany Table 5**

1. Resource estimations completed using MineMap, Vulcan and Micromine software packages comprising a combination of ellipsoidal inverse distance and ordinary kriging grade interpolation methods.
2. Grade estimation was constrained to material within >0.7g/t mineralisation outlines.
3. Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
4. Resources reported above 0.7g/t block model grade.
5. Stockpile figures from previously reported Otter Gold Mines NL 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific.
6. Tonnes and ounces rounded to the nearest thousand and grade rounded to 0.1g/t. Rounding may affect tallies.
7. The information in this report pertaining to Mineral Resources for the Central Tanami Project was compiled by Mr Bill Makar (MAusIMM), Consultant Geologist – Tanami Gold NL, Mr Michael Thomson (MAusIMM), Resource Geologist for Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), Contract Geologist for Tanami Gold NL and Mr Peter Ball (MAusIMM), Director of Datageo Geological Consultants. Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard and Mr Ball have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Persons 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, Mr Nicholls, Mrs Hillyard and Mr Ball consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

### Table 6: Central Tanami Project Mineral Resources by tenement as at 31 March 2011

| Mineral Lease | Resource Category | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Measured | | | Indicated | | | Inferred | | | Total | | |
| | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces |
| **MLS153** | 1,051,000 | 2.2 | 73,000 | 3,046,000 | 2.2 | 217,000 | 849,000 | 2.7 | 74,000 | 4,946,000 | 2.3 | 365,000 |
| **MLS167** | 2,709,000 | 3.4 | 293,000 | 2,613,000 | 2.9 | 244,000 | 2,050,000 | 2.9 | 191,000 | 7,373,000 | 3.1 | 728,000 |
| **MLS168** | 854,000 | 2.2 | 60,000 | 314,000 | 1.6 | 16,000 | 1,094,000 | 1.6 | 58,000 | 2,262,000 | 1.8 | 133,000 |
| **MLS180** | 545,000 | 3.3 | 57,000 | 872,000 | 2.7 | 76,000 | 269,000 | 2.0 | 18,000 | 1,685,000 | 2.8 | 151,000 |
| **MLSA172** | 1,096,000 | 2.7 | 96,000 | 176,000 | 1.8 | 10,000 | 142,000 | 2.7 | 12,000 | 1,415,000 | 2.6 | 119,000 |
| **ML22934** | | | | 884,000 | 3.7 | 105,000 | 650,000 | 4.7 | 98,000 | 1,534,000 | 4.1 | 203,000 |
| **Stockpiles** | 1,700,000 | 0.9 | 48,000 | | | | | | | 1,700,000 | 0.9 | 48,000 |
| **Total** | **7,955,000** | **2.5** | **627,000** | **7,905,000** | **2.6** | **668,000** | **5,054,000** | **2.8** | **451,000** | **20,915,000** | **2.6** | **1,747,000** |

**Notes to accompany Table 6**

1. Resource estimations completed using MineMap, Vulcan and Micromine software packages comprising a combination of ellipsoidal inverse distance and ordinary kriging grade interpolation methods.
2. Grade estimation was constrained to material within >0.7g/t mineralisation outlines.
3. Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
4. Resources reported above 0.7g/t block model grade.
5. Stockpile figures from previously reported Otter Gold Mines NL 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific.
6. Tonnes and ounces rounded to the nearest thousand and grade rounded to 0.1g/t. Rounding may affect tallies.
7. The information in this report pertaining to Mineral Resources for the Central Tanami Project was compiled by Mr Bill Makar (MAusIMM), Consultant Geologist – Tanami Gold NL, Mr Michael Thomson (MAusIMM), Resource Geologist for Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), contract Geologist for Tanami Gold NL and Mr Peter Ball (MAusIMM), Director of Datageo Geological Consultants. Mr Makar, Mr Thomson, Mr Nicholls and Mr Ball have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Persons 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, Mr Nicholls, Mrs Hillyard and Mr Ball consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

**Table 7: Western Tanami Operations - Mineral Resources as at 30 June 2010**

| Deposit | Resource Category | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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** | **1,478,000** | **5.9** | **281,000** | **1,380,000** | **4.4** | **194,000** | **3,119,000** | **5.5** | **554,700** |

**Notes to accompany Table 7**

1. The Western Tanami Operations Resource estimations were completed using Micromine, Surpac and Datamine software, comprising inverse distance grade interpolation within block models constrained by 3D wireframed geological boundaries. The wireframes defining the mineralisation were based on structural, assay and lithological information.
2. 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.
3. 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.
4. The Mineral Resource Estimate is reported at a 1g/t Au lower cut-off.
5. Tonnes are rounded to the nearest thousand and grade to 0.1g/t. Rounding may affect tallies.
6. Deposit ounces rounded to nearest thousand. Stockpile ounces rounded to nearest hundred.
7. 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 2.72$t/m^3$ (Fresh rock).
8. 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 Resources have 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.
9. Resource estimation of Coyote and Sandpiper deposits was completed by Mr Steven Nicholls, former Senior Geologist of Tanami Gold NL.
10. The Kookaburra Resource estimation was conducted by Mr Peter Ball, Director of Datageo Geological Consultants.
11. The Pebbles Resource estimate was completed in 2007 by Mr Malcolm Titley of CSA Australia Pty Ltd.
12. 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 consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.
13. The Western Tanami Resource figure stated has not been depleted for combined Coyote and Kookaburra mine production of 26,000 ounces during the period 1 July 2010 to March 2011.

## Ore Reserves

### Table 8: Total Tanami Gold NL Ore Reserves as at 31 March 2011

| Project | Reserve Category | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Proven | | | Probable | | | Total | | |
| | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces |
| WT | 84,100 | 10.5 | 28,500 | 692,600 | 4.7 | 104,400 | 776,700 | 5.3 | 132,900 |
| CT | 355,000 | 5.5 | 62,400 | 1,689,000 | 2.9 | 159,000 | 2,044,000 | 3.4 | 221,300 |
| **Sub Total** | **439,100** | **6.4** | **90,900** | **2,381,600** | **3.7** | **263,400** | **2,820,700** | **3.9** | **354,200** |
| CT Stockpile | 1,700,000 | 0.9 | 48,000 | | | | 1,700,000 | 0.9 | 48,000 |
| **Total** | **2,139,100** | **2.0** | **138,900** | **2,381,600** | **3.7** | **263,400** | **4,520,700** | **2.8** | **402,200** |

**Notes to accompany Table 8**

1. WT is Western Tanami and CT is Central Tanami
2. These Ore reserves have been compiled by Mr Peter Lock (MAusIMM), of Mining Plus Pty Ltd, Mr Brad Evans (MAusIMM), of Mining Plus Pty Ltd, Mr Colin McVie (MAusIMM), of Mining Plus Pty Ltd, Mr Bill Makar, Consultant Geologist – Tanami Gold NL, and Mr Peter Clifford, of MineMap Pty Ltd. Mr Lock, Mr Evans, Mr McVie, Mr Makar and Mr Clifford have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore reserves (the JORC Code) 2004 edition. Mr Lock, Mr Evans, Mr McVie, Mr Makar and Mr Clifford consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

### Table 9 : Central Tanami Project Ore Reserves as at 31 March 2011

| Mineral Lease | Reserve Category | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Proven | | | Probable | | | Total | | |
| | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces |
| MLS153 | - | - | - | 363,100 | 2.4 | 27,500 | 363,100 | 2.4 | 27,500 |
| MLS167 | 355,000 | 5.5 | 62,400 | 120,500 | 5.4 | 21,100 | 475,500 | 5.5 | 83,400 |
| MLSA172 | - | - | - | 844,800 | 2.3 | 62,000 | 844,800 | 2.3 | 62,000 |
| ML22934 | - | - | - | 360,600 | 4.2 | 48,400 | 360,600 | 4.2 | 48,400 |
| Stockpiles | 1,700,000 | 0.9 | 48,000 | | | | 1,700,000 | 0.9 | 48,000 |
| **Total** | **2,055,000** | **1.7** | **110,400** | **1,689,000** | **2.9** | **159,000** | **3,744,000** | **2.2** | **269,300** |

**Note to accompany Table 9**

1. These Ore Reserves have been compiled by Mr Peter Lock (MAusIMM), of Mining Plus Pty Ltd, Mr Brad Evans (MAusIMM), of Mining Plus Pty Ltd, Mr Colin McVie (MAusIMM), of Mining Plus Pty Ltd and Mr Bill Makar, Consultant Geologist – Tanami Gold NL. Mr Lock, Mr Evans, Mr McVie and Mr Makar have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore reserves (the JORC Code) 2004 edition. Mr Lock, Mr Evans, Mr McVie and Mr Makar consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

### Table 10: Western Tanami Operations Ore Reserves as at 31 March 2011

| Deposit | Reserve Category | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Proven | | | Probable | | | Total | | |
| | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces |
| Coyote | 84,100 | 10.5 | 28,500 | 231,600 | 8.4 | 62,400 | 315,700 | 9.0 | 90,900 |
| Sandpiper | - | - | - | 53,000 | 3.0 | 5,000 | 53,000 | 3.0 | 5,000 |
| Kookaburra | - | - | - | 408,000 | 2.8 | 37,000 | 408,000 | 2.8 | 37,000 |
| **Total** | **84,100** | **10.5** | **28,500** | **692,600** | **4.7** | **104,400** | **776,700** | **5.3** | **132,900** |

**Note to accompany Table 10**

1. These Ore reserves have been compiled by Mr Peter Lock (MAusIMM), of Mining Plus Pty Ltd, and Mr Peter Clifford, of MineMap Pty Ltd. Mr Lock, and Mr Clifford have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore reserves (the JORC Code) 2004 edition. Mr Lock and Mr Clifford consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.