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October 201

GROUNDRUSH DELIVERS A 535,000oz MINERAL RESOURCE IN SIX MONTHS AT A DISCOVERY COST OF \$10/oz

TOTAL COMPANY MINERAL RESOURCE NOW STANDS AT 2.62 MILLIONozs OF GOLD

KEY POINTS

- Groundrush Mineral Resource increases to 535,000 ounces.
- > Total Company Mineral Resource increases to 2.6 million ounces.
- Groundrush endowment exceeds 1.1 Million ounces.
- Resource grade increases 12% to 4.6g/t (up from 4.1g/t).
- Mineral Resource discovery cost of approximately \$10 per ounce.
- Newly identified high grade zone at depth opens up additional exploration potential with initial results including:

GRDD 33 2.3m @ 5.8 g/t Au from 221.7m and 5.8m @ 6.7 g/t Au from 348.3m GRDD 37 7.7m @ 7.2 g/t Au from 338.0m

Exploration success continues to deliver with many lodes remaining open and potential for repetitions at depth.

Australian gold producer Tanami Gold NL (ASX: TAM – 'Tanami' or 'the Company') is pleased to announce a 160% increase in the Mineral Resource estimate for its flagship Groundrush deposit, which is part of the Company's 100% owned Central Tanami Project in the Northern Territory. This brings the Company's total Mineral Resource estimate to 25,989,000 tonnes at 3.1g/t for 2,615,000 ounces of gold.

Tanami's Managing Director, Graeme Sloan said, "This is an exceptional result, with over 330,000 ounces added to the Groundrush Mineral Resource or a 160% increase in less than six months. For some months we have been recording consistent drill results and now the size and scope of the deposit is clearly being demonstrated through this very impressive growth in Mineral Resources, with the Groundrush endowment now in excess of 1.1 million ounces (historical mining 610,000 ounces and new Mineral Resource of 535,000 ounces)."

Mr Sloan added, "The discovery cost to date of approximately \$10 per ounce coupled with the magnitude of the increase in the gold Resource provides us with a high level of confidence that the Groundrush deposit will underpin the successful development of the Central Tanami Project.

"This is a tremendous result for Tanami shareholders, especially given the considerable upside the deposit exhibits with new mineralised zones identified (See Figure 2) and many lodes remaining open with clear potential for repetitions at depth. With ore available immediately below the base of the open pit, metallurgical recoveries around 95% and very good geotechnical conditions, Groundrush is developing into an exceptional deposit upon which to base our growth strategy."

Since early 2011 when the Company commenced drilling at Groundrush, a total of 38 holes have been drilled into the deposit, with all holes intersecting the targeted mineralisation and most returning very strong grades and widths. A fourth phase of drilling which commenced during September 2011 comprises infill and extensional drill holes designed to confirm a number of high grade ore zones and further extend the Resource. The additional holes will also provide improved geological understanding of the mineralised system beneath and down plunge of known lodes.

Mineral Resource Update - Groundrush

A new Mineral Resource estimate of 3.6Mt @ 4.6g/t Au for 535,000 ounces of gold (see Table 1a and Figure 2) has been completed for the Groundrush deposit at the Central Tanami Project for inclusion in the Central Tanami Project Feasibility Study. This upgrade has resulted in a 160% increase in contained ounces and has increased the confidence of the mineralisation outlined in the inaugural estimate released on 31 March 2011 (see Table 1b and Figure 1).

Of particular note is the increase in the estimated grade of the deposit from 4.1g/t Au to 4.6g/t Au (a 12% increase). The striking similarity in tenor of this grade with the recovered grade of ore previously mined in the open pit provides a high level of confidence in the grade interpolation methodology used in the Resource estimate.

Multiple 'stacked' lodes remain open at depth and down plunge of the identified mineralisation. There appears huge scope to further delineate mineralised envelopes away from the intersections that comprise the current Mineral Resource (see Figure 2).

An Ore Reserve statement is currently being developed which will be incorporated into the Central Tanami Project Feasibility Study.

Groundrush Deposit

The Groundrush deposit is hosted within a thick fractionated dolerite unit and is located approximately 40 kilometres north-east of the Central Tanami Project treatment plant. The deposit consists of multiple south plunging zones of mineralisation, two footwall zones of mineralisation and a set of shallow dipping high grade zones of mineralisation.

Recent drilling has identified a new zone of high grade mineralisation at depth (see Figure 2). Recent assay results from holes GRDD21, GRDD33, GRDD34, GRDD37, GRDD38 and GRDD39 have all returned excellent gold intervals including:

Newly identified zone at depth:

•	GRDD 33	2.3m @ 5.8 g/t Au from 221.7m and
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- 5.8m @ 6.7 g/t Au from 348.3m
- GRDD 37 7.7m @ 7.2 g/t Au from 338.0m

Also

- GRDD21 11.0m @ 4.1 g/t Au from 251.0m
- GRDD34 6.5m @ 4.9 g/t Au from 64.5m
- GRDD38 7.0m @ 4.1 g/t Au from 375.0m
- GRDD39 19.0m @ 4.1 g/t Au from 414.0m (deepest Tanami Gold intercept)

Following the latest drill results and the growth in Mineral Resources (compare Resources depicted in Figure 1 as at 31 March 2011 and the Resources in Figure 2 as at 30 September 2011), the Groundrush deposit remains the focus of the Central Tanami geological team. An RC drill rig is expected to arrive on site later in the December 2011 Quarter to also test a number of deposits adjacent to and south of the Central Tanami treatment plant. A comprehensive regional exploration program planned to start early in the new year is also being developed to test a number of the higher priority greenfields targets identified from recent desk top studies.

Graeme Sloan Managing Director

Tanami Gold NL Overview

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

The Company is in production at its Western Tanami Operations, which comprises two mining centres, the Coyote underground mine and the Bald Hill open pit operations, both of which feed into the centrally located 350,000 tonnes per annum Western Tanami treatment facility.

In March 2010, the Company acquired the Central Tanami Project from Newmont Asia Pacific. The Central Tanami Project is the subject of a Feasibility Study which is expected to be completed later this year. When in production the Central Tanami Project will significantly add to the Company's production profile and will complement the Company's existing production base at the Western Tanami Operations. An extensive drill program is currently underway at the Central Tanami Project with the main focus being Mineral Resource delineation at the Groundrush deposit.

The Company also has exposure to over 34,000 km² of prospective ground adjacent to and surrounding the Western Tanami Operation and Central Tanami Project, through its 100% owned tenements and its strategic shareholding in ABM Resources NL.

Tanami Gold NL has current Mineral Resources of 2.6 million ounces of gold and over 400,000 ounces of gold Ore Reserves which will underpin the Company's long term growth and transition into a mid-tier gold producer.

Classification	Tonnes	Grade (g/t Au)	Ounces	
Measured	500,000	4.1	66,000	
Indicated	995,000	4.3	136,000	
Inferred	2,101,000	4.9	333,000	
Total	3,596,000	4.6	535,000	

Table 1a – Groundrush Deposit – Mineral Resource as at 30 September 2011

Notes to accompany Table 1a

1. Tonnes and ounces of gold are rounded to the nearest thousand and grade is rounded to the nearest 0.1g/t Au. Rounding may affect tallies. 2. Resources reported above 1.0g/t Au block model grade

Table 1b - Groundrush Deposit - Mineral Resource as at 31 March 2011

Classification	Tonnes	Grade (g/t Au)	Ounces	
Measured	-	-	-	
Indicated	884,000	3.7	105,000	
Inferred	650,000	4.7	98,000	
Total	1,534,000	4.1	203,000	

Notes to accompany Table 1b

1. Tonnes and ounces of gold are rounded to the nearest thousand and grade is rounded to the nearest 0.1g/t Au. Rounding may affect tallies.

2. Resources reported above 0.7g/t block model grade.

Table 2: Significant intersections from recent Groundrush diamond drilling (this announcement)

Hole ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Max Depth	Metres From	Metres To	Interval Width	Grade g/t Au
GRDD21	603802	7820422	424	-60	50	293	251.0	262.0	11.0	4.1
GRDD33 603771	602774	7820394	424	-65	50	387	221.7	224.0	2.3	5.8
	003771	7620394	424	-60-	50		348.3	354.1	5.8	6.7
GRDD34	603976	7820338	358	-60	50	174	64.5	71.0	6.5	4.9
GRDD36	603985	7819925	422	-52	45	363	249.3	259.0	9.7	3.2
GRDD37	603771	7820394	424	-58	32	372	338.0	345.7	7.7	7.2
GRDD38	603775	7820167	420	-50	48	447	375.0	382.0	7.0	4.1
GRDD39	603815	7820068	420	-51	45	470	414.0	433.0	19.0	4.1

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. Significant intersections are greater than 1.0g/t with maximum 2 metres internal dilution.

5. Intervals are all down hole length.

The information in this report that relates to Mineral Resource Estimation, Geological Data and Exploration Results is based on information compiled by Mr Michael Thomson, a full time employee and Senior 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.

This announcement contains certain statements which constitute "forward looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statement. No representation or warranty, expressed or implied, is made by Tanami Gold NL that material contained in this announcement will be achieved or proved correct.

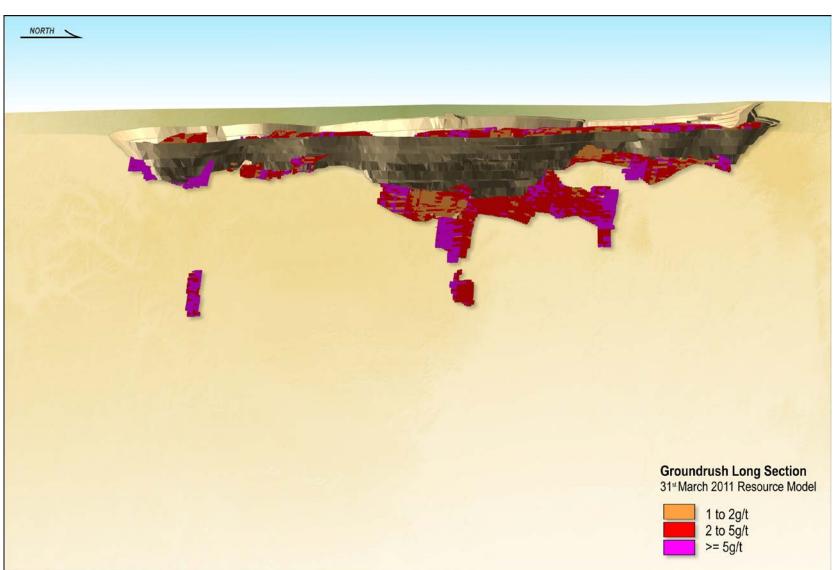
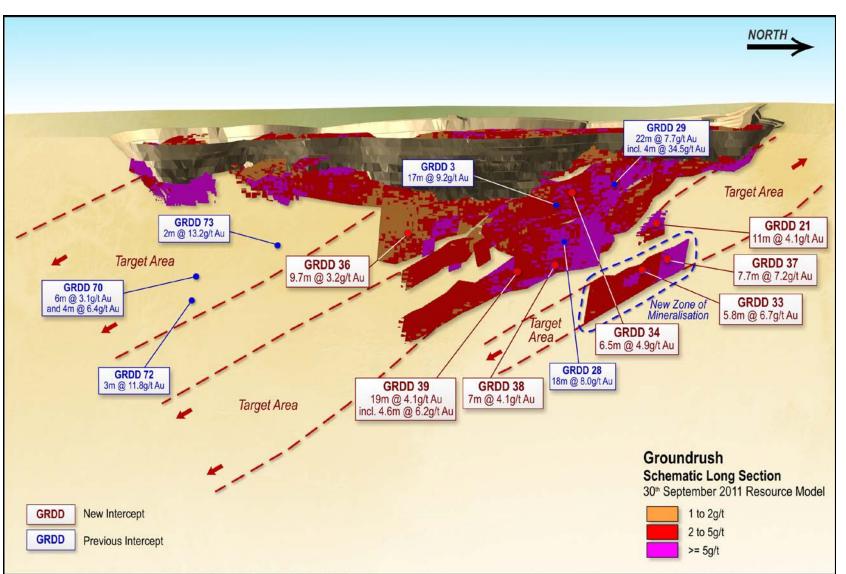


Figure 1 – Groundrush Deposit – 3D Mineral Resource Block Model as at 31 March 2011





	Reserve Category												
Project		Proven			Probable		Total						
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces				
wт	84,100	10.5	28,500	692,600	4.7	104,400	776,700	5.3	132,900				
СТ	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				

Table 3: Total Tanami Gold NL Ore Reserves as at 31 March 2011

Notes to accompany Table 3

WT is Western Tanami and CT is Central Tanami

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 2 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 4: Tanami Gold NL Mineral Resources as at 30 September 2011

	Resource Category													
Project	Measured			Indicated			Inferred			Total				
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces		
wт	497,000	5.5	88,000	1,214,000	6.5	255,000	1,393,000	4.3	194,000	3,012,000	5.4	538,000		
СТ	6,755,000	3.0	645,000	8,016,000	2.7	699,000	6,505,000	3.3	686,000	21,277,000	3.0	2,031,000		
Sub Total	7,252,000	8.5	733,000	9,230,000	9.3	954,000	7,898,000	7.6	880,000	24,289,000	8.4	2,569,000		
CT Stockpile	1,700,000	0.9	48,000							1,700,000	0.9	48,000		
Total	8,952,000	2.7	781,000	9,230,000	3.2	954,000	7,898,000	3.5	880,000	25,989,000	3.1	2,617,000		

Notes to accompany Table 4

WT is Western Tanami and CT is Central Tanami 1.

- 2 Resource estimations completed using MineMap, Vulcan and Micromine software packages comprising a combination of ellipsoidal inverse distance and ordinary kriging grade interpolation methods.
- 3. Grade estimation was constrained to material within >0.7g/t mineralisation outlines.
- Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation. 4.
- 5. Resources reported above 0.7g/t block model grade.
- 6.
- 7.

Stockpile figures from previously reported Otter Gold Mines NL 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific. Tonnes and ounces rounded to the nearest thousand and grade rounded to 0.1g/t. Rounding may affect tallies. 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.

The Western Tanami Resource figure stated has not been depleted for combined Coyote mine production of 41,467 ounces during the period 1 July 9 2010 30th September 2011

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

		Resource Category													
Project	Measured			Indicated			Inferred			Total					
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces			
₩Т	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			
СТ	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.
- 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: Significant intersections from Groundrush diamond drilling
(Previously reported and including latest results)

		•	•	•		•	,			
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	7819851	420	-57	50	447.7	346.5	349.1	2.6	13.8*
00000	0000507	700000	100	10	50	000.0	235.5	244.0	8.5	5.3
GRDD2	603856.7	7820236	420	-48	50	333.8	Inc 239.5	243.0	3.5	8.1
				-60			198.0	214.0	16.0	9.7
GRDD 3	603859	7820309	420		74	267.7	Inc 198.0	199.7	1.7	64.6
							Inc 207.0	214.0	7.0	5.8
							243.1	291.0	47.9	3.2*
	000000	7000400	400	40	50	200.0	Inc 243.1	255.9	12.8	2.6
GRDD4	603888	7820109	420	-48	59	309.9	Inc 259.2	291.0	31.8	3.8
							303.0	304.9	1.9	5.1
GRDD6 603871					48		188.5	209.4	20.9	3.5
	603871	7820313	420	-48		276.6	Inc 196.6	203.0	6.4	5.4
							225.1	231.0	5.9	3.2
							275.3	295.7	20.4	3.1*
GRDD7 6038	602952	603853 7820102	420	-48	56	420.8	Inc 275.3	276.8	1.5	16.9
	003653		420				302.0	303.3	1.3	7.9
							307.0	319.0	12.0	4.5
			420	-55	48	336.5	170.0	173.2	3.2	2.8
							183.9	188.2	4.3	159.5*
GRDD8	603866	7820310					Inc 185.0	187.0	2.0	341.6
GRDDo	003000						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	47	325.0	225.9	230.8	4.9	3.7
GRDD10	603869	7820379	420	-53	47	420.6	182.5	184.2	2.2	5.8
							239.0	245.2	6.2	3.0
							251.0	266.8	15.8	2.0
GRDD11	603867	7820179	420	-50	52	408.7	Inc 262.0	266.8	4.8	3.8
							311.0	322.2	11.2	3.7
							Inc 311.0	315.0	4.0	6.8
							289.4	309.0	19.6	3.0
GRDD13	603862	7820146	420	-50	49	415.9	Inc 291.0	294.5	3.5	7.1
0.0010	00002	1020140	.20		10	110.0	Inc 302.9	306.0	3.1	4.6
							331.5	337.9	6.4	5.2
GRDD14	604292	7819563	366	-54	52	187.0	88.9	89.2	0.3	15.5
GRDD15	603849	7820102	422	-48	46	415.0	325.0	327.4	2.4	6.8
0.00010	000010	1020102	722	-40	40	415.0	363.0	371.8	8.8	2.5
GRDD16	604079	7820474	420	-47	235	422.0	192.2	204.9	12.7	15.12
			,				inc 199.0	201.3	2.3	46.1

1 marsh										
							208.6	211.8	3.2	41.3
GRDD17	603954	7819965	421	-53	49	398.0	244.0	248.7	4.7	3.2
							307.3	311.3	4.1	8.0
GRDD18	604309	7819548	368	-55	50	188.0	9.0	10.0	1.0	32.9
GRDD10	004309	7019340	300	-55	50	100.0	63.1	65.5	2.5	5.6
							261.0	276.4	15.4	5.3
GRDD20	603848	7820263	423	-51	53	355.0	Inc 269.1	272.0	2.9	10.9
GRDD20	003040	7020203	423	-51	55	355.0	Inc 274.5	276.4	1.9	12.2
							312.0	317.0	5.0	7.8
GRDD21	603802	7820422	424	-60	50	293	251.0	262.0	11.0	4.1
GRDD24	602842	7000004	400	FF	40	225.0	251.4	263.4	12.0	4.0*
GRDD24	603813	7820334	423	-55	48	325.0	323.3	323.7	0.4	220.0
						218.0	98.0	104.1	6.1	2.9
GRDD25 603966	603966	7820264	350	-60	50		172.9	183.6	10.7	5.7
							Inc 177.7	181.0	3.4	13.5
							251.3	252.1	0.7	50.7
GRDD28	603828	7820210	420	-48	44	374.4	289.9	307.9	18.0	8.0
							337.0	342.3	5.3	3.9
				-50	50		71.0	93.0	22.0	7.7
GRDD29	603969	7820264	349			183.0	<i>Inc</i> 80.0	123.0	6.0	3.0
							117.0	123.0	6.0	3.0
			422	-55	48	390.0	183.7	186.4	2.7	59.6
000004	000005	7820178					209.3	210.0	0.7	42.7
GRDD31	603865						258.5	268.6	10.1	9.1
							301.0	305.9	4.9	6.0
							273.0	296.0	23.0	4.0
							Inc 275.7	282.0	6.3	7.6
	000005	7000470	400		40	202.0	302.0	318.0	16.0	10.4
GRDD32	603865	7820178	422	-55	48	362.0	Inc 307.0	309.0	2.0	52.6
							334.0	347.0	13.0	4.4
							Inc 334.0	336.0	2.0	14.2
000000	000774	7000004	10.1	05	=	007	221.7	224.0	2.3	5.8
GRDD33	603771	7820394	424	-65	50	387	348.3	354.1	5.8	6.7
GRDD34	603976	7820338	358	-60	50	174	64.5	71.0	6.5	4.9
GRDD36	603985	7819925	422	-52	45	363	249.3	259.0	9.7	3.2
GRDD37	603771	7820394	424	-58	32	372	338.0	345.7	7.7	7.2
GRDD38	603775	7820167	420	-50	48	447	375.0	382.0	7.0	4.1
GRDD39	603815	7820068	420	-51	45	470	414.0	433.0	19.0	4.1

Notes to accompany Table 6

Collar Northing, Easting and Azimuth are all in MGA Grid coordinates. Collar RL is relative to AHD. Collar coordinates may vary upon final survey. 1.

2. Analyses by 50g fire assay with AAS finish of half diamond core samples.

3.

4.

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 are greater than 0.2g/t with maximum 3 metres internal dilution 5.

Intervals are all down hole length. 6.