ANNUAL REPORT 2011

TANAMI GOLD NL

2011 ANNUAL FINANCIAL REPORT

CONTENTS

DEAR SHAREHOLDER

I am pleased to report that during the past year, the Company continued to consolidate its operational performance at the Western Tanami Operations. Although production was lower than last year due to the impact of a prolonged and heavy wet season, a number of positive developments were achieved including the upgrade of the treatment plant, operational improvements at the Coyote underground mine, recommencement of open pit mining at Bald Hill and ongoing exploration success.

At the Central Tanami Project, very positive drill results have translated into a large increase in the Resource base which will underpin the development of the Project. Intensive exploration programs undertaken during the year have returned excellent results which highlight the potential of the Central Tanami Project both near mine and regionally. Also pleasing has been the exploration success of ABM Resources NL ('ABM') at its projects located in the Tanami Province which resulted in a maiden 1.7 million ounce Mineral Resource at Buccaneer – Old Pirate. Tanami Gold NL's 23.7% interest in ABM (on a fully diluted basis) provides the Company with further exploration leverage to the Tanami Province.

The Company's Mineral Resources now stand at 2.3 million ounces which is a 44% increase from last year. Importantly, the very positive drill results returned from Groundrush during the past six months will result in a further increase in Resources being announced in the near term. The updated Central Tanami Project Resource will form the basis of the Central Tanami Project Feasibility Study which is currently underway and which we are confident will underpin the Company's transition to a mid-tier gold producer.

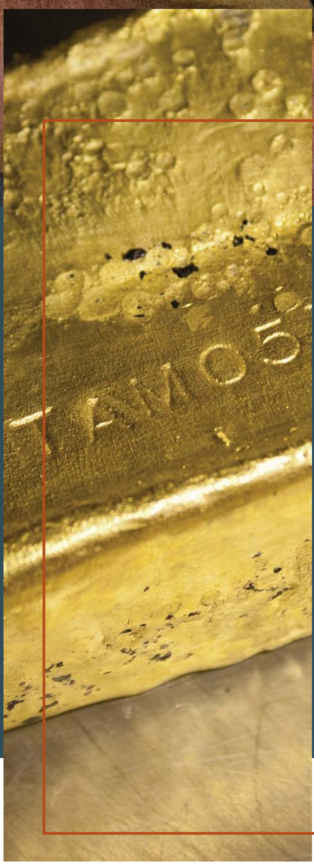
The Review of Operations section of this Report provides more detail on what has been achieved during the past year and what is planned going forward.

I would like to thank all of our employees and contractors both in Perth and on site, for their continued loyalty and commitment during the past year. Their continued efforts have contributed to the significant progress made during the past year.

Following many years of persistent exploration and mining in the remote and highly prospective Tanami Province, the Company is well positioned for future success. The Board looks forward to the next 12 months with confidence that both our Western and Central Tanami Projects will deliver major upside for our shareholders.

Yours faithfully

Denis Waddell
Chairman



OVERVIEW

Tanami Gold NL has continued to make significant progress over the past year in its strategy to transition into one of Australia's leading mid-tier gold producers.

During the year, the Company achieved a number of key operational and corporate goals, none of which would have been possible without the dedication and commitment of all Tanami employees and contractors. These achievements will provide the platform for the development and sustained growth for the Company's Western and Central Tanami Projects.

CORPORATE

In July 2010, the Company announced a fully underwritten renounceable entitlements issue on the basis of six shares for every five shares held at an issue price of 1.5 cents per share to raise $63.7 million before issue costs. The issue was highly successful with a take up by shareholders of approximately 91%. The funds raised were used to retire the Company's $53 million debt and provide additional working capital.

Subsequent to the completion of the entitlements issue and following shareholder approval, the Company also completed a 1-for-30 capital consolidation resulting in the Company's issued capital reducing to approximately 261 million shares. The capital consolidation and removal of approximately $53 million of debt were seen as key factors in maintaining shareholder support and in attracting new investors.

Strategically, the Company remains committed to developing its 100% owned Central Tanami Project (subject to the successful completion of the Feasibility Study, Board approval and funding requirements), continual optimisation of the Company's 100% owned Western Tanami operations and maintaining an extensive exploration program across the Company's 100% owned 4,341km^2 exploration tenements.

The key milestones achieved during the 2010-11 financial year include:-

- Gold production of 40,542 ounces.
- Record gold production of 14,391 ounces for the June 2011 Quarter.
- The re-establishment of the Central Tanami Project site facilities to support the feasibility study and exploration teams.
- Launched the Central Tanami Project Feasibility Study (expected completion date, December 2011 Quarter).
- Increased total Mineral Resources by 44% from 1.6 million to 2.3 million ounces.
- Increased Ore Reserves to 0.4 million ounces.
- A successful upgrade of the Coyote treatment plant from 250,000tpa to 350,000tpa completed on time and within budget.
- Installation of a secondary crusher at Coyote to improve crushing efficiencies, lower costs and accommodate the harder underground ore types.
- Acquired and commissioned two underground diamond drill rigs for the Coyote operations.
- A surface stockpile of 181,000 tonnes containing 11,400 ounces of gold as at 30 June 2011.
- A $15 million exploration program at Western and Central Tanami resulting in a total of 82,825 metres of surface drilling and 5,583 metres of underground drilling.
- A successful 6-for-5 pro-rata renounceable entitlements issue which raised approximately $63.7 million before issue costs. The proceeds of the issue were used to retire the Company's debt with AP Finance Limited and Eurogold Limited and to accelerate exploration at the Central Tanami Project.
- A 1-for-30 consolidation of the Company's capital structure which reduced total shares on issue to 260,947,676.

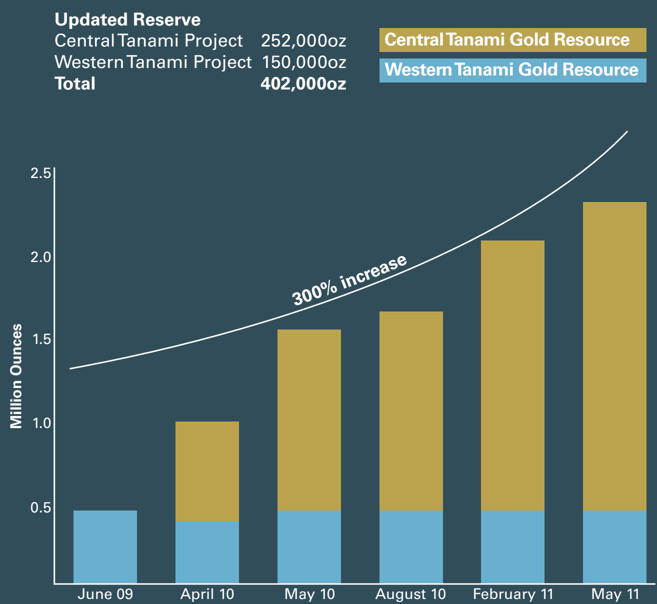
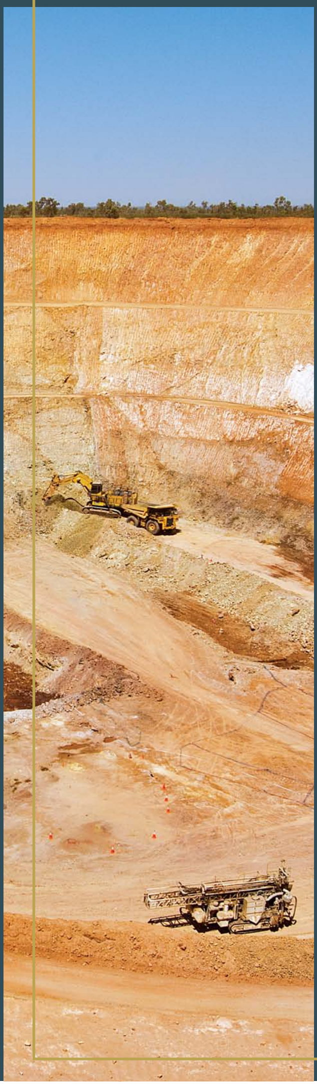


FIGURE 1 - MINERAL RESOURCE GRAPH

At 30 June 2011, the Company's shareholding in ABM Resources NL had reduced to 20.4% (25.0% on a fully diluted basis) and was valued at $26.6 million. This strategic shareholding in ABM provides the Company additional leverage to what is fast being recognised as Australia's last exploration frontier. The value of this investment is reinforced by ABM's announcement of a maiden 1.7 million ounce gold Resource at its Buccaneer-Old Pirate prospect which is located approximately half way between Tanami Gold's Western and Central Tanami treatment plants.



OPERATIONS

WESTERN TANAMI OPERATIONS

The Company's 100% owned Western Tanami Operations are located approximately 300 kilometres south-east of Halls Creek in northern Western Australia and 30 kilometres west of the Western Australia-Northern Territory border. The Company's Central Tanami Project is 90 kilometres east of the Western Tanami Operations and when in production will provide numerous opportunities and operational synergies between the two sites.

For the 2010-11 financial year, the Western Tanami Operations achieved gold production of 40,542 ounces at a cash operating cost of A$910 per ounce. This was an 15% decrease in gold production compared to 2009-10 (47,960 ounces) which was largely due to the disruption to mining activities from the prolonged and heavy wet season.

For the full year the Coyote underground operations supplied approximately 55% of the mill feed (126,052 tonnes at 8.5g/t Au) with the remaining 45% from Bald Hill open pits (104,812 tonnes at 2.2g/t Au). The majority of the underground ore was sourced from the Gonzales Lode, the high-grade South Zone and the newly accessed Bommie Lode. In the latter part of the 2010-11 year, a number of operational improvements at the Coyote Mine were implemented with the aim of optimising mining efficiencies and lowering costs. The improvements, some of which have yet to be completed, include widening the main decline to allow larger capacity trucks to be used underground, the addition of a two boom jumbo to replace the older and less efficient single boom jumbo and a modified mining method to decrease mine dilution. The results of these changes are expected to become evident in the December 2011 Quarter.

In an effort to lower costs and provide operational flexibility, the Company acquired two second hand underground diamond drill rigs. One drill rig is underground at Coyote and the second rig was used to complete a short program of in-pit drilling at Central Tanami. Both drills are now operating full time at Coyote.

COYOTE TREATMENT PLANT UNDERWENT AN UPGRADE TO **INCREASE THROUGHPUT RATES**

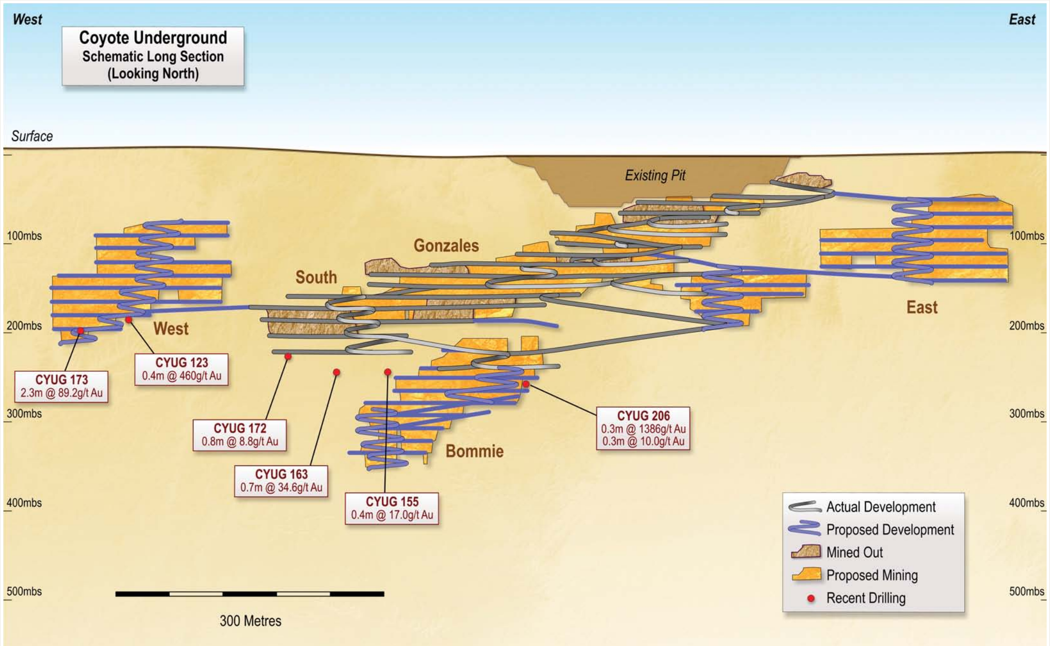


FIGURE 2 - WESTERN TANAMI – COYOTE UNDERGROUND SCHEMATIC LONG SECTION

Underground drilling at Coyote initially focussed on infill holes to convert Mineral Resources to Ore Reserves to provide greater confidence in mine planning and more consistent production outcomes. The current drill strategy at Coyote has one drill focused on infill drilling with the second completing extensional drilling and investigating new targets. Significant intersections from drilling the South, Gonzales and Bommie Lodes include:-

CYUG173 2.3 metres @ 89.2g/t Au (new lode - South Lode)

CYUG123 0.4 metres @ 460g/t Au (new lode - South Lode)

CYUG163 0.7 metres @ 34.6g/t Au (Gonzales extensional drilling)

CYUG206 0.3 metres @ 1,386g/t Au (Bommie extensional drilling)

Underground diamond drilling over the next 12 months when coupled with the operational improvements undertaken or underway to lower costs, will provide the confidence to optimise the planning and mining of existing ore bodies while new targets will provide the foundation for future production.

In November 2010, surface mining operations recommenced at Bald Hill with mining initially focused on the Kookaburra pit which required an extensive pre-strip to access the higher grade ore at depth. Although there were minor amounts of low grade material within the pre-strip mining, the higher grade ore could not be accessed until late in the year due to a prolonged and record wet season. The record wet weather severely impacted surface and underground mining activities through the closure of the Bald Hill open pits for several weeks and road closures which restricted ore haulage and critical supplies such as diesel fuel to site. It was not until late in the March 2011 Quarter that Bald Hill mining operations returned to full operational mode which immediately resulted in the resumption of regular deliveries of higher grade open pit ore to the Coyote processing plant.

In March 2011, the Coyote treatment plant underwent an upgrade to increase throughput rates from 250,000 to approximately 350,000 tonnes per annum (a 40% increase). The upgrade involved the installation of three leach tanks and associated ancillary equipment and was completed on schedule and within budget. In addition to the increase in mill throughput, recoveries for the underground ore exceeded 98%.

Following the successful commissioning of the upgrade, work began immediately on improving the secondary crushing circuit. This work involved the installation of a new cone crusher, a more efficient screen and the widening of the jaw crusher product conveyor and was completed post year end in July 2011.

In the June 2011 Quarter, the first full Quarter following the wet season and the Coyote plant upgrade, the Company reported record gold production of 14,391 ounces at a cash cost of $772 per ounce excluding royalties ($807 per ounce including royalties). For the full 2010-11 year, the Western Tanami treatment plant treated a total of 230,863 tonnes of ore at an average head grade of 5.7g/t Au and at year end there was approximately 181,000 tonnes on the surface Run of Mine (ROM) stockpile containing an estimated 11,400 ounces of gold.

At the Western Tanami Operations, production is forecast to be 50,000 ounces for the 2011-12 full year. Over this same period, the Company's major focus will remain on employee safety while examining ways to improve on production and lowering operating costs.

CENTRAL TANAMI PROJECT

With the acquisition of the Central Tanami Project from Newmont Australia Limited in March 2010, surface diamond and RC drilling commenced in May 2010. The initial focus of the drilling was to look for shallow oxide ore close to the Central Tanami treatment plant on MLS153 and 167 while a prioritisation of exploration targets was undertaken. Throughout this process the potential of the Groundrush deposit quickly became evident and a drill program was designed to test its prospectivity.

The consistent and exceptional flow of drill results from Carbine, Southern, Hurricane followed by Groundrush, reinforced the Board's belief that the Central Tanami Project has the potential to underpin the Company's transition to a mid-tier gold producer.

Although the historic Groundrush pit is only one of 43 known deposits and is a very small part of an extensive mineralised system at Central Tanami, it extends over 1,500 metres in length, has an average depth of approximately 100 metres and produced in excess of 611,000 ounces of gold. At around 5,000 ounces per vertical metre, this places the Groundrush deposit as one of Australia's best producing open pit gold mines.

At year end, a total of 33 holes had been drilled beneath the Groundrush pit, all of which intersected significant mineralisation and in the majority of cases intersected multiple lodes as evident from the schematic Long and Cross Sections shown in Figures 4, 5, 6 and 7.

Only two of the 33 holes drilled to date have been included in the current Mineral Resource (203,000 ounces) and Ore Reserve (48,400 ounces).

With only a very small section of the Groundrush deposit tested to date (approximately 450 metres along strike and 150 metres below the base of the pit) and the mineralisation open at depth and along strike in both directions, the Company is expecting a significant increase in Mineral Resources and Ore Reserves with the release of a revised Mineral Resource and Ore Reserve Statement expected later this year.

Based on the success of the drilling throughout the year and a significant Mineral Resource base already existing at Central Tanami to draw upon, a Feasibility Study to develop the Central Tanami Project was launched in March 2011.

The Feasibility Study is expected to see the Central Tanami treatment plant recommissioned at 1.2-1.5 million tonnes per annum and over time production is expected to increase from around 80,000 to 150,000 ounces per annum.

Contingent on the successful completion of the Feasibility Study and Board approval by the December 2011 Quarter, the Company is targeting first gold from the Central Tanami Project by mid-2012.

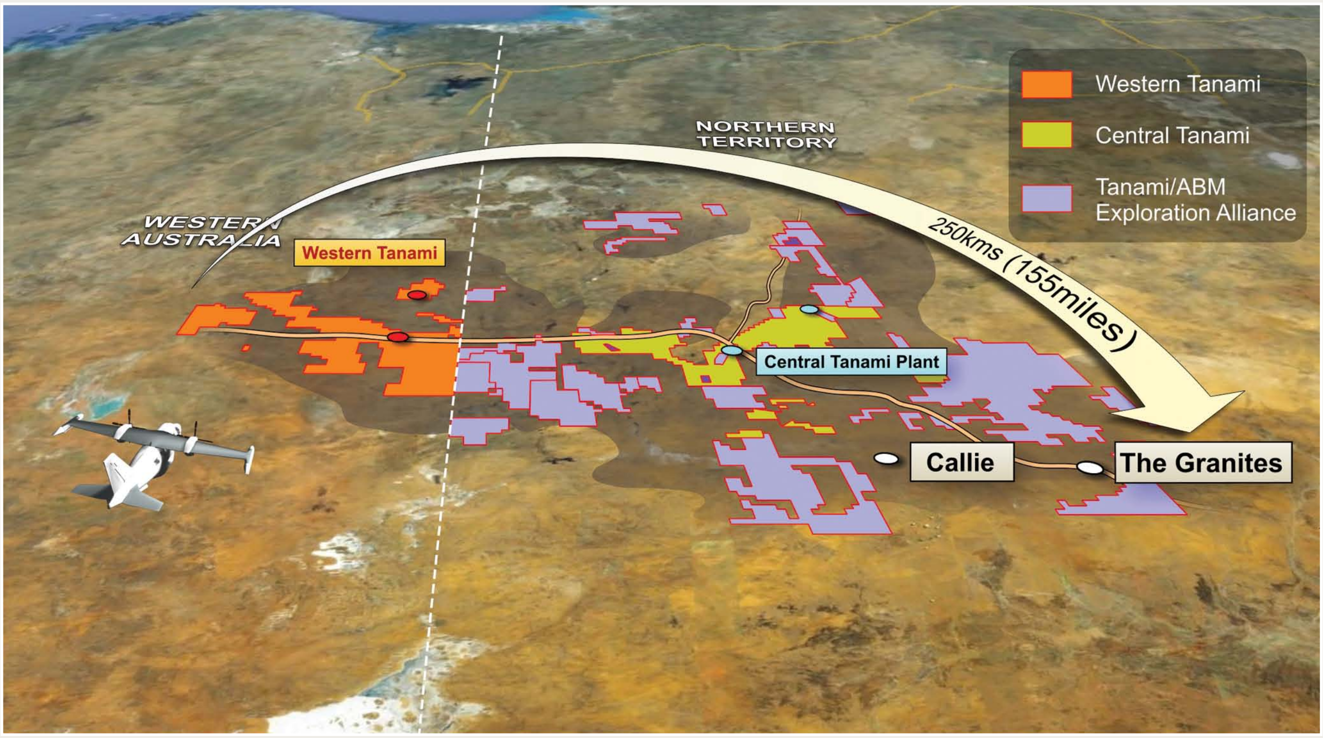


FIGURE 3 - WESTERN AND CENTRAL TANAMI TENEMENTS

EXPLORATION

OVERVIEW

During the year, the Company continued with its substantial exploration schedule including active regional exploration and resource delineation initiatives at both Western and Central Tanami, as well as the commencement of underground drilling at Coyote. A total of 88,408 metres was drilled for the year despite a prolonged wet season, which hampered off-site exploration activities.

Total drilling for the year is divided into the following categories:

Aircore drilling	17,363 metres
Reverse Circulation (RC) drilling	38,679 metres
Surface Diamond drilling (DD) (includes shallow pre-collars by both RC and roller bit)	26,783 metres
Underground Diamond drilling	5,583 metres
Total	**88,408 metres**

This year's regional programs were mostly first round drilling campaigns and targeted favourable rock sequences and structures interpreted from remote sensing data and limited regional mapping. Wide spaced drilling yielded anomalous gold and coincident gold pathfinder elements from varying depths within bedrock at several locations within the Western Tanami Project tenements.

Exploration was also undertaken within and immediately adjacent to the Bald Hill mining operations and in and around the Coyote Underground mine. Surface diamond drilling tested several advanced stage targets within the leases comprising the Bald Hill operations and those of the Coyote underground mine. In particular, at Coyote, partial funding was obtained from the Western Australian Government under the Department of Mines and Petroleum's Exploration Incentive Scheme to determine the stratigraphy and structure at depth beneath the known Coyote Mine system. Drilling of the co-funded surface diamond drill hole (CYDD0178) reached a final depth of 1,206.9 metres and intersected a new deep zone of Coyote style mineralisation approximately 170 metres to the north of the current mine workings.

Resource delineation drilling predominantly centred on the extensions of known deposits at Central Tanami within Mineral Leases MLS153, MLS167, MLS168 and MLS180.

A program of close-spaced diamond drilling commenced beneath the historic open pit at Groundrush (ML22934) during the March 2011 Quarter. Two multi-purpose drill rigs continued on a two-shift basis throughout the June 2011 Quarter and at year end had approximately six weeks of drilling remaining in the Phase I program.

An updated Mineral Resource estimate was prepared for the Company's projects as at 31 March 2011 which resulted in a 44% increase in contained ounces of gold over that previously calculated as at 30 June 2010. At year end the Mineral Resource stood at 24.0Mt @ 3.0g/t Au for 2.3Mozs.

CENTRAL TANAMI EXPLORATION (N.T.)

OVERVIEW

The Groundrush deposit (ML22934) became the principal focus of activity in 2011 following early significant results and as a result, two multi-purpose drill rigs continued on a two-shift basis throughout the March and June 2011 Quarters. During the latter part of the year, this effort was aided by a smaller Company-owned diamond drill rig which completed some essential drill holes from an access ramp within the historic open pit.

Exploration also focussed on the extensions of known deposits within Mineral Leases MLS153, MLS167, MLS168 and MLS180. Included with this work were the historic Carbine and Hurricane open pits where the aim was to bring at least one of the prospects into a mineable Resource for inclusion in the Central Tanami Project Feasibility Study. Iterative investigation through reverse circulation and diamond drilling continued to return significant intersections and provide representative mineralised intervals for metallurgical test work and geotechnical evaluation.

MINERAL LEASE ML22934

GROUNDRUSH

The Groundrush deposit is located 40 kilometres north east of the Central Tanami treatment plant and is by far the largest producing historical open pit on the Central Tanami Project tenements and was mined over a three year period from 2001 to 2004. Greater than 600,000 ounces of gold was recovered at approximately 5,000 ounces of gold per vertical metre with a recovered grade of 4.3 g/t Au.

Unfortunately, an early wet season prevented access to the site and it wasn't until April 2011 that the first hole was drilled and at year end, a total of 21 holes were completed for 7,392 metres. In this highly successful first phase of drilling which continued into late August 2011, a total of 37 holes were completed for 11,932 metres. A second phase of drilling re-commenced mid-September 2011 and at present, one multi-purpose diamond drill rig is operating on a two-shift basis. A short one month hiatus in drilling between Phase 1 and 2 was necessary to allow a backlog of drill samples to be received by the Company.

The Phase 1 drilling program utilised two surface multi-purpose diamond drill rigs on a two shift basis augmented by a third smaller underground diamond drill rig. The smaller drill was able to utilise an existing ramp from within the open pit to target mineralisation immediately below the base of the pit that could not be drilled from surface.

The main mineralised horizons at Groundrush are hosted within a thick fractionated dolerite unit and the vast majority of drilling during the year consistently intersected the main Groundrush zone of mineralisation, while new zones of mineralisation not previously recognised in the historic geological model for the Groundrush deposit, were identified.

One such zone appears to be high grade in nature and remains open down dip and along strike. Drilling to date has also shown that one of these high grade zones has a strike in excess of 500 metres (remains open along strike) with widths up to 35 metres.

Significant intersections during the on-going drill program include:

GRDD 8	4.3 metres @159.5g/t Au from 183.9 metres
	11.2 metres @ 3.7g/t Au from 224.4 metres
	6.8 metres @ 53.2g/t Au from 239 metres
	5.0 metres @ 7.1g/t Au from 273 metres
GRDD29	22.0 metres @ 7.7g/t Au from 71 metres
Including	4.0 metres @ 34.5g/t Au from 80 metres
GRDD31	10.1 metres @ 9.1g/t Au from 258.5 metres
	2.7 metres @ 59.6g/t Au from 183.7 metres
	4.9 metres @ 6.0g/t Au from 301 metres
GRDD32	16.0 metres @ 10.4g/t Au from 302 metres
Including	2.0 metres @ 52.6g/t Au from 307 metres
	23.0 metres @ 4.0g/t Au from 273 metres
Including	6.3 metres @ 7.6g/t Au from 275.7 metres

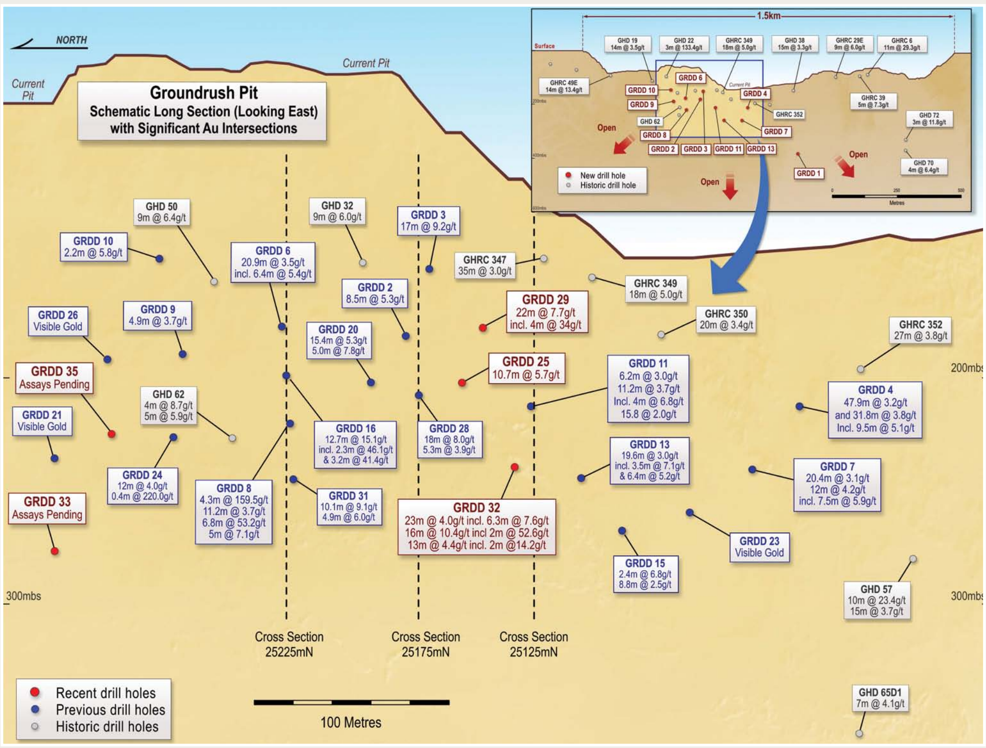


FIGURE 4 - GROUNDRUSH PIT SCHEMATIC LONG SECTION – LOOKING EAST

Prior to the completion of the first phase of drilling, a new "footwall" lode was identified near or immediately adjacent to the contact between the host dolerite and the footwall sediment package. The new zone appears to be approximately five metres wide, high grade in nature (5.0m @ 7.1g/t GRDD8, 10.7m @ 5.7g/t GRDD29, 4.9m @ 6.0g/t GRDD31, 13m @ 4.4g/t including 2m @ 54g/t in GRDD32) and remains open along strike in both directions and at depth.

At Groundrush, drilling to date has only tested a very small area of approximately 450 metres along strike and 150 metres below the base of the existing pit.

MINERAL LEASES MLS153, 167, 168 & 180

Earlier in the year, resource definition drilling continued at the Central Tanami Project on the mining leases and investigated 11 individual deposits. Reverse circulation and diamond drilling focussed on defining down dip and lateral extensions to known mineralisation.

- MLS 153 – Tombola, Miracle, Southern, Hurricane.
- MLS 167 – Legs, Lynx, Dogbolter, Bulldog, Carbine, Inca, Phoenix.

All deposits drilled to date have yielded strongly mineralised intervals at depth below the historic open pits and have identified many lateral strike extensions which bodes well for the future expansion of open pits.

The mineralisation intersected to date occurs within three principal structural orientations - 080˚, 060˚ and 020˚ "trends", and on two of the five granted Mineral Leases (MLS153 and MLS167) the Company identified over 35 kilometres of these highly prospective structures for further drill testing.

Many of the deposits include a combination of these structural orientations which may be incorporated within a single large open pit. Current exploration drilling is targeting the multiple lode systems and similar structural intersections both at depth and near surface.

Metallurgical test work has been routinely carried out on each deposit from mineralised intervals composited from diamond core and RC samples to further reveal possible gold recoveries from the oxide, unweathered and transitional mineralisation.

Geotechnical evaluation has occurred on appropriate sections of the diamond core to ensure that geomechanical considerations are recorded for all deposits likely to be incorporated in the Central Tanami Project Feasibility Study.

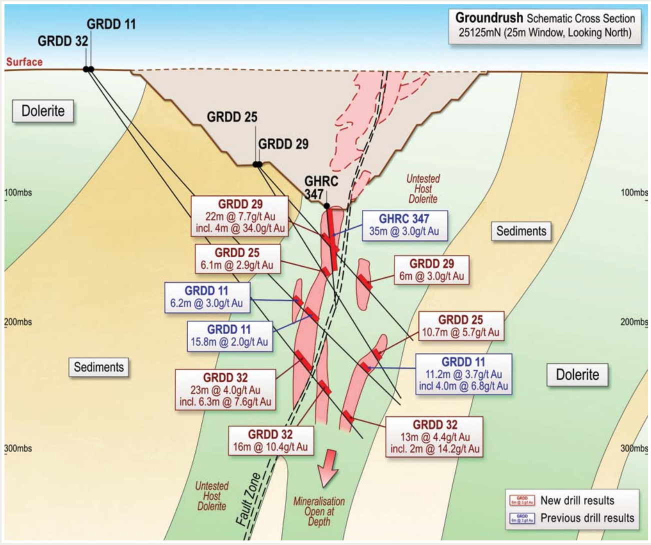


FIGURE 5 - GROUNDRUSH SCHEMATIC CROSS SECTION 25125mN

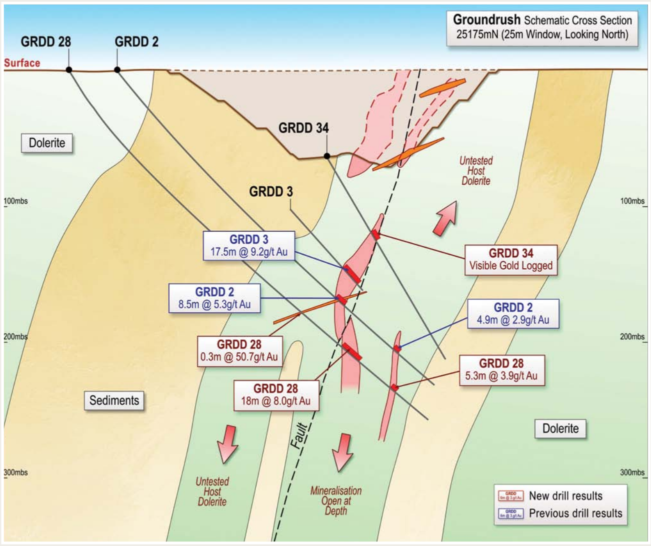


FIGURE 6 - GROUNDRUSH SCHEMATIC CROSS SECTION 25175mN

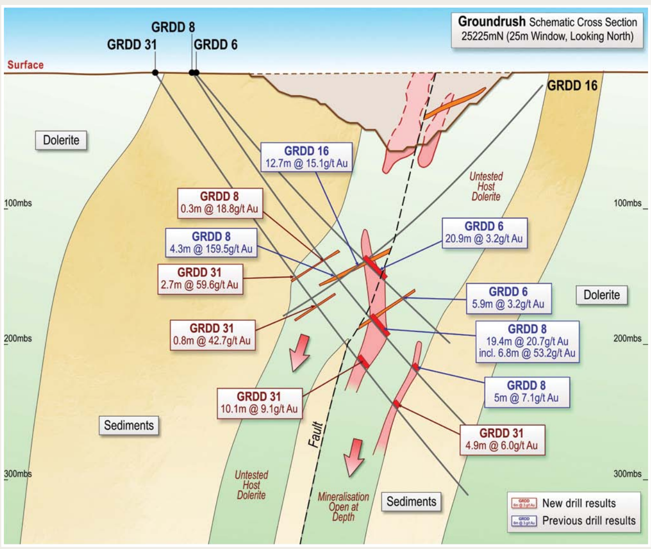


FIGURE 7 - GROUNDRUSH SCHEMATIC CROSS SECTION 25225mN

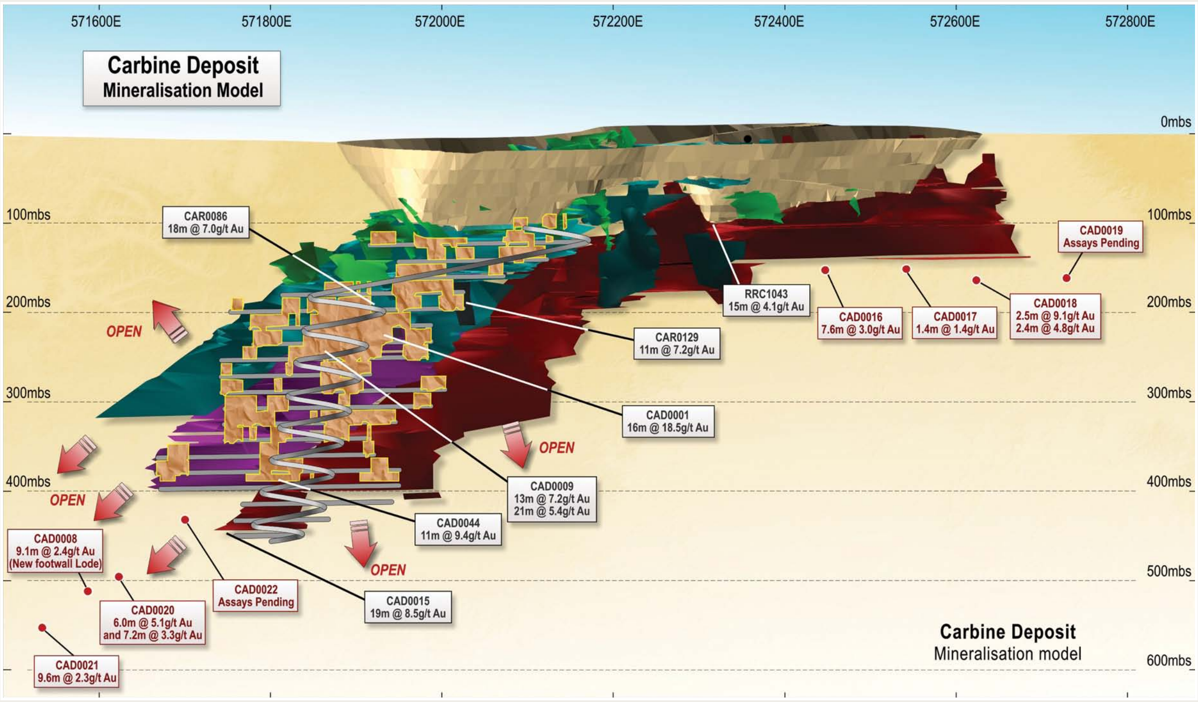


FIGURE 8 - CARBINE DEPOSIT – MINERALISATION MODEL

CARBINE

The Carbine deposit is located at the north end of MLS167 and was previously mined by open pit methods to a maximum depth of 103 metres, yielding over 90,000 ounces of gold at an average mined grade of 2.7g/t Au. Carbine was identified as one of the key deposits in the Company's plans to recommence gold production at the Central Tanami Project, due to the robust widths and grades of previous intersections. Historic diamond and RC drilling by Otter Gold Mines Limited ("Otter Gold") identified a strongly mineralised system extending over 1,200 metres down plunge with the mineralisation open in most directions. Significant down hole intersections from the Otter Gold drilling include:-

CADD01	16.0 metres @ 18.5g/t Au from 236.0 metres
CADD09	13.0 metres @ 7.2g/t Au from 190.0 metres
	21.0 metres @ 5.4g/t Au from 451.0 metres
CADD15	19.0 metres @ 8.5g/t Au from 322.0 metres
CADD44	11.0 metres @ 9.4g/t Au from 408.0 metres
CADD86	18.0 metres @ 7.0g/t Au from 103.0 metres
CADD129	11.0 metres @ 7.2g/t Au from 113.0 metres

Drilling focussed on extending the Carbine lodes at depth, along strike and also testing the shallower mineralisation beneath the northern end of the pit and north east strike extensions below a veneer of younger sedimentary rocks.

Ten holes were completed for the year for a total of 3,574 metres. The drilling tested both the north eastern extent of the deposit beneath the current open pit and extensions to the deeper resource that could form the basis for an underground mining evaluation.

Significant intersections returned from the program include:

CADD11	2.9 metres @ 5.1g/t Au from 144.2 metres
CADD13	3.4 metres @ 5.1g/t Au from 498.6 metres
CADD16	7.6 metres @ 3.0g/t Au from 174.1 metres
CADD20	6.0 metres @ 5.1g/t Au from 376.0 metres

HURRICANE

The Hurricane deposit is located immediately to the north of the Central Tanami treatment plant on MLS153 and was previously mined by open pit methods to a maximum depth of approximately 130 metres, yielding over 250,000 ounces of gold. Hurricane was also identified as a key deposit in the Company's future mine plans due to its proximity to the plant and its robust mining characteristics exhibited by the remaining mineralisation.

Intersections of quartz-sulphide mineralisation in holes below known lode positions have indicated that the mineralised structures continue at depth.

Significant gold intersections include:

HRDD5	1.1 metres @ 17.8g/t Au from 372.6 metres
HRDD7	14.2 metres @ 3.9g/t Au from 396.5 metres
Including higher grade core of	
	7.1 metres @ 5.9g/t Au from 400.4 metres
HRDD10	4.3 metres @ 4.4g/t Au from 377.8 metres
	2.6 metres @ 5.4g/t Au from 368.2 metres
	3.3 metres @ 8.6g/t Au from 251.7 metres
HRDD11	2.4 metres @ 8.1g/t Au from 361.7 metres
	25.2 metres @ 3.1g/t Au from 368.2 metres
Including	5.1 metres @ 5.7g/t Au from 385.5 metres

The results from this campaign at Hurricane confirm that mineralisation continues over 300 metres below the surface with strong potential to extend well beyond this level.

Diamond drilling recommenced at Hurricane subsequent to year end and recently HRDD14 intersected a new zone of mineralisation (30.2 metres @ 3.2g/t Au from 144 metres) that was approximately 40 metres into the hanging wall of what was previously thought to be the host boundaries to the Hurricane mineralised system.

This new zone remains open down dip and along strike.

HURRICANE WAS IDENTIFIED AS A **KEY DEPOSIT** IN THE COMPANY'S FUTURE MINE PLANS

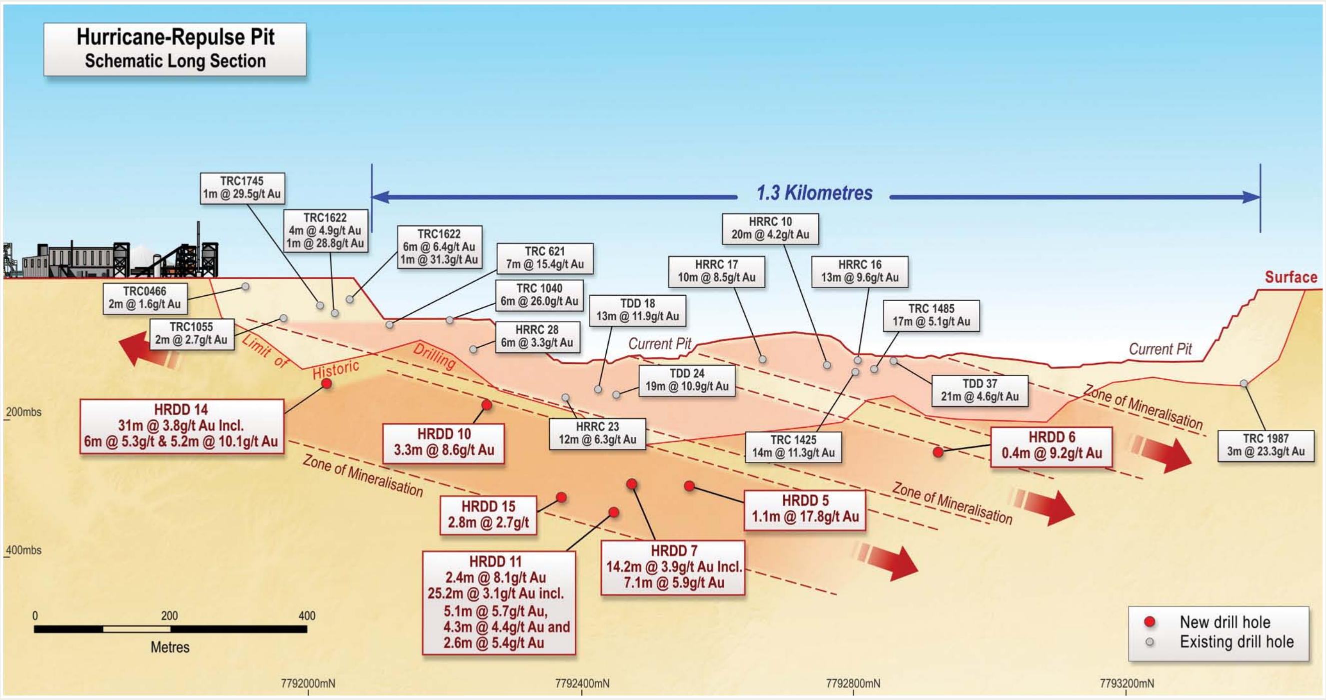


FIGURE 9 - HURRICANE-REPULSE PIT – SCHEMATIC LONG SECTION

REGIONAL EXPLORATION

There was no regional exploration drilling on the Central Tanami exploration tenements however the granting of Substitute Exploration Licences SEL26925 and SEL26926 will provide the Company access to high priority advanced exploration prospects such as Gallifrey (historic RAB interval of 22 metres @ 8.5g/t Au), Marlena (historic RAB interval of 16 metres @ 16.1g/t Au) and Dolphin (historic RAB interval of 4 metres @ 32.8g/t Au) as well as over 90 kilometres of strike of the prospective Mount Charles Formation external to that contained within the Mineral Leases (see Figure 10).

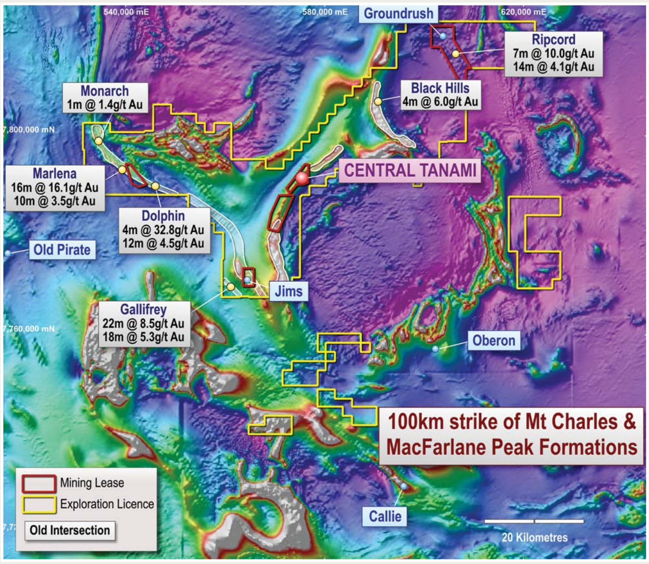


FIGURE 10 - CENTRAL TANAMI REGIONAL EXPLORATION

TABLE 1 - SIGNIFICANT INTERSECTIONS FROM 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
GRDD1	603980	7819851	420	-57	50	447.7	346.5	349.1	2.6	13.8*
GRDD2	603856.7	7820236	420	-48	50	333.8	235.5	244.0	8.5	5.3
							Inc 239.5	243.0	3.5	8.1
GRDD 3	603859	7820309	420	-60	74	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	59	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	48	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	4.5
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	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
GRDD11	603867	7820179	420	-50	52	408.7	239.0	245.2	6.2	3.0
							251.0	266.8	15.8	2.0
							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
GRDD13	603862	7820146	420	-50	49	415.9	289.4	309.0	19.6	3.0
							Inc 291.0	294.5	3.5	7.1
							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
							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
GRDD17	603954	7819965	421	-53	49	398.0	208.6	211.8	3.2	41.3
							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
							63.1	65.5	2.5	5.6
GRDD20	603848	7820263	423	-51	53	355.0	261.0	276.4	15.4	5.3
							Inc 269.1	272.0	2.9	10.9
							Inc 274.5	276.4	1.9	12.2
							312.0	317.0	5.0	7.8
GRDD24	603813	7820334	423	-55	48	325.0	251.4	263.4	12.0	4.0*
							323.3	323.7	0.4	220.0
GRDD25	603966	7820264	350	-60	50	218.0	98.0	104.1	6.1	2.9
							172.9	183.6	10.7	5.7
							Inc 177.7	181.0	3.4	13.5
GRDD28	603828	7820210	420	-48	44	374.4	251.3	252.1	0.7	50.7
							289.9	307.9	18.0	8.0
							337.0	342.3	5.3	3.9
GRDD29	603969	7820264	349	-50	50	183.0	71.0	93.0	22.0	7.7
							Inc 80.0	123.0	6.0	3.0
							117.0	123.0	6.0	3.0
GRDD31	603865	7820178	422	-55	48	390.0	183.7	186.4	2.7	59.6
							209.3	210.0	0.7	42.7
							258.5	268.6	10.1	9.1
							301.0	305.9	4.9	6.0
GRDD32	603865	7820178	422	-55	48	362.0	273.0	296.0	23.0	4.0
							Inc 275.7	282.0	6.3	7.6
							302.0	318.0	16.0	10.4
							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

Notes to accompany Table 1

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.

THE RESULTS FROM HURRICANE CONFIRM THAT MINERALISATION CONTINUES OVER 300 METRES BELOW THE SURFACE WITH **STRONG POTENTIAL TO EXTEND**

TABLE 2 - SIGNIFICANT INTERSECTIONS FROM HURRICANE 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
HRDD5	575188	7792564	433	-55	307	381.3	372.6	373.7	1.1	17.8
HRDD6	575176	7792859	429	-55	307	381.9	281.8	282.1	0.4	9.2
HRDD7	575179	7792460	434	-50	307	429.8	396.5	410.7	14.2	3.9
HRDD9	574977	7792235	440	-48	310	337.5	47.5	49.7	2.2	2.5
HRDD10	574921	7792208	440	-48	307	270.7	251.7	255.0	3.3	8.6
HRDD11	575191	7792599	433	-48	277	434.4	361.7	364.1	2.4	8.1
							368.2	393.4	25.2	3.1
							Inc 368.2	370.8	2.6	5.4
							Inc 377.8	382.1	4.3	4.4
							Inc 385.5	390.6	5.1	5.7
HRDD14	574812	7792159	438	-50	310	225.0	144.0	175.0	30.2	3.8*
HRDD15	574718	7792682	450	-50	130	401.2	366.2	369.0	2.8	2.7

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 1g/t with maximum 2 metres internal dilution.
5. *Significant intersections are greater than 0.2g/t with maximum 2 metres internal dilution.
6. Intervals are all down hole length.

WESTERN TANAMI EXPLORATION (W.A.)

OVERVIEW

Following a six month hiatus due to a redistribution of resources to the Central Tanami Project and the impact of a record and prolonged wet season, regional exploration activity recommenced on the Company's Western Australia tenements. This work consisted of aircore, reverse circulation and diamond drilling programs within proximity of the Company's mining operations and at more remote tenement locations within the Western Tanami portfolio.

Many programs were often the first drilling campaigns on the tenements and targeted favourable rock sequences and structures interpreted from remote sensing data and limited regional mapping. The unseasonal wet weather prior to the normal wet season restricted access to some remote areas.

COYOTE OPERATIONS

COYOTE DEEP HOLE

To better understand the geological setting that hosts the Coyote mineralisation, a joint exploration study was undertaken between the Company and the Western Australian Government under the Department of Mines and Petroleum's Exploration Incentive Scheme. The aim of the study was to determine the stratigraphy and structure at depth beneath the known Coyote Mine system.

A surface diamond drill hole (CYDD178) reached a final depth of 1,206.9 metres and intersected several zones of intense alteration, veining and sulphide accumulation in mafic and sedimentary sequences that are prospective for gold mineralisation.

A significant new zone of mineralisation some 170 metres to the north of the current mine workings was identified where selective sampling returned an interval of 6.1 metres @ 2.8g/t Au from 487.9 metres including 0.3 metres @ 21g/t Au from 489.9 metres and contained several occurrences of visible gold within quartz veins.

Other intersections from CYDD178 greater than three gram metres include:

- 1.0 metres @ 3.3g/t Au from 128.0 metres
- 0.9 metres @ 6.7g/t Au from 207.4 metres
- 1.0 metres @ 6.7g/t Au from 218.4 metres
- 0.4 metres @ 10.7g/t Au from 492.2 metres
- 0.7 metres @ 19.4g/t Au from 501.3 metres
- 1.0 metres @ 9.6g/t Au from 597.2 metres

COYOTE WEST LODE SURFACE DRILLING

The Coyote West Lode is the lateral equivalent of the Gonzales and South Zone veins located in an area of minimal vertical displacement of the Coyote Fault zone within the Coyote underground mine.

Surface drilling was conducted to infill existing intersections of the steep West Lode and to test the high grade flat and steep dipping equivalents of the South Zone across the Buggsy Fold hinge. This confirmation now provides for drilling at a later date from appropriate underground drill positions.

Five holes were completed and mineralised veins were intersected at the predicted lode positions indicating continuity of the system within both the West and South Lode equivalents.

COYOTE UNDERGROUND DRILLING

Diamond drilling within the Coyote underground mine was undertaken utilising the Company's owned and operated drill rigs.

Programs included infill drill patterns on parts of the Gonzales veins and testing for extensions to the West Lode and South Lode, a sparsely tested area of the Gonzales Lode below the 164 level mine development, and other compelling targets unable to be drilled from the surface.

Broad high-grade zones from the GZ12 vein position in Gonzales were intersected in several holes and included:

CYUG103 9 metres @ 20g/t Au from 10 metres

CYUG104 7.4 metres @ 14.3g/t Au from 9 metres

The improved definition of this zone will have a positive impact on future mine production.

South Lode veins also yielded strong high grade results including:

CYUG106 0.9 metres @ 126.2g/t Au from 42.1 metres

CYUG119 1.0 metres @ 218.4g/t Au from 46.0 metres

CYUG121 1.8 metres @ 25.5g/t Au from 37.3 metres

Other significant results included:

CYUG159 0.6 metres @ 1,409g/t Au from 63.6 metres

CYUG160 2.1 metres @ 174g/t Au from 70.3 metres

TABLE 3 - SIGNIFICANT INTERSECTIONS FROM COYOTE UNDERGROUND AND SURFACE 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
CYUG103	482032	7799650	223	12	193	80.1	8.0	19.0	11.0	16.5
CYUG104	482032	7799650	223	5	167	80.1	9.0	16.4	7.4	14.3
CYUG106	482106	7799671	222	6	180	55.0	42.1	43.0	0.9	126.2
CYUG119	482055	7799677	212	4	220	64.1	46.0	47.0	1.0	218.4
CYUG121	482055	7799677	212	2	230	84.6	37.3	39.1	1.8	25.5
CYUG123	481760	7799561	203	-77	180	50.0	25.0	25.4	0.4	460.4
CYUG155	482006	7799589	197	-40	24	129.9	71.7	73.5	1.8	4.2
							94.4	94.8	0.4	17.7
CYUG159	482005	7799587	198	-46	6	80.1	63.6	64.2	0.6	1,409.5
CYUG160	482005	7799587	198	-40	301	86.1	70.3	72.4	2.1	173.6
CYUG163	482005	7799587	198	-57	324	98.1	80.7	82.5	1.8	14.7
CYUG172	482005	7799587	198	-33	284	108.0	96.2	97.0	0.8	8.8
CYUG173	481703	7799683	392	-59	180	430.0	266.0	268.3	2.3	89.2
							266.0	266.3	0.3	654.0
CYUG206	482210	7799725	144	-47	335	82.2	31.5	31.8	0.3	1386.0
CYDD178	482050	7799665	392	-65	0	1206.9	128.0	129.0	1.0	3.3
							207.4	208.3	0.9	6.7
							218.4	219.4	1.0	6.7
							492.2	492.6	0.4	10.7
							501.3	502.0	0.7	19.4
							597.2	598.2	1.0	9.6

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 1.0g/t.
4. Intervals are all down hole length.

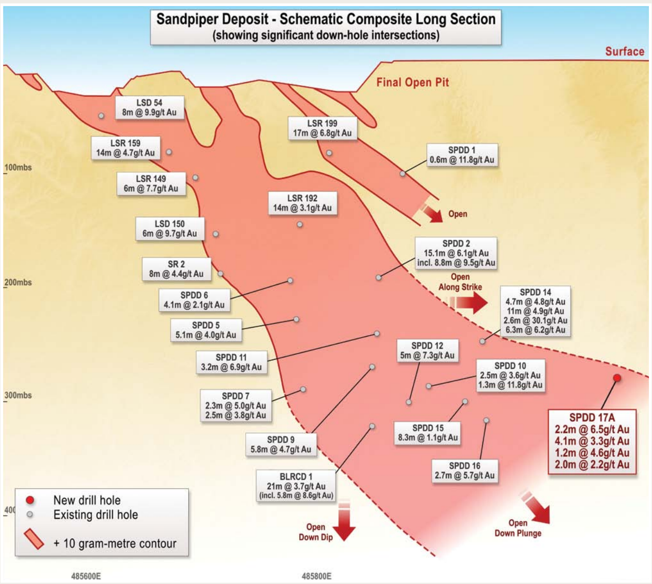


FIGURE 11 - SANDPIPER DEPOSIT SCHEMATIC COMPOSITE LONG SECTION

METALLURGICAL SAMPLES REPRESENTING MINERALISED HORIZONS HAVE BEEN SUBMITTED FOR **ANALYSIS AND TEST WORK**

BALD HILL OPERATIONS

KOOKABURRA

Two diamond drill holes were completed at the current Kookaburra open pit for metallurgical sampling and mine planning purposes as part of the Kookaburra pit expansion Feasibility Study and targeted fresh mineralisation within the northern limb and hinge zone of the Kookaburra syncline.

The best intersection returned 39.9 metres @ 5.0g/t Au from KBDD1 and composite metallurgical samples representing mineralised horizons were submitted for analysis and test work with results pending.

SANDPIPER

Diamond drilling was completed at Sandpiper where three successful drill holes targeted down plunge extensions of the mineralisation to better understand this deposit at depth.

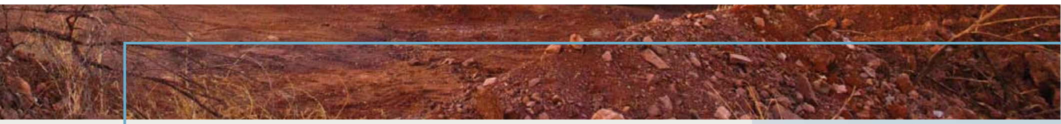
Two holes below the deepest intersections demonstrated that the mineralisation remains open at depth where SPDD16 intersected 2.7 metres @ 5.7g/t Au from 355.8 metres.

SPDD17A tested the down plunge component to the mineralisation in a step out of approximately 100 metres to the east of known drilling and intersected multiple parallel lodes returning 2.2 metres @ 6.6g/t Au from 316 metres and 4.1 metres @ 3.3g/t Au from 320.9 metres.

All lodes within the Sandpiper system remain open along strike to the east, up and down dip and down plunge providing further strong evidence of the potential to support future underground mining operations. Metallurgical samples representing mineralised horizons have been submitted for analysis and test work.

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 as follow up to earlier exploration activity.



A PROGRAM OF WIDE SPACED DRILLING HAS YIELDED **ENCOURAGING RESULTS**

REGIONAL EXPLORATION

Regional exploration drilling on the Western Tanami tenements encompassed reverse circulation and aircore drilling programs at multiple prospects.

HUTCH'S FIND

Reverse circulation and diamond drilling at Hutch's Find produced significant results from a program aimed at understanding geological controls to earlier anomalous results.

HFDD4 returned 19 metres @ 2.3g/t Au from 98 metres and 10 metres @ 5.4g/t Au from 123 metres with a diamond tail producing a further intersection of 0.5 metres @ 17.2g/t Au from 164.3 metres.

CAMEL

Reverse circulation and diamond drilling at Camel followed up a previously identified anomalism where CMDD2 returned a significant intersection of 7.2 metres @ 3.1g/t Au from 94.8 metres related to quartz veining within fresh dolerite.

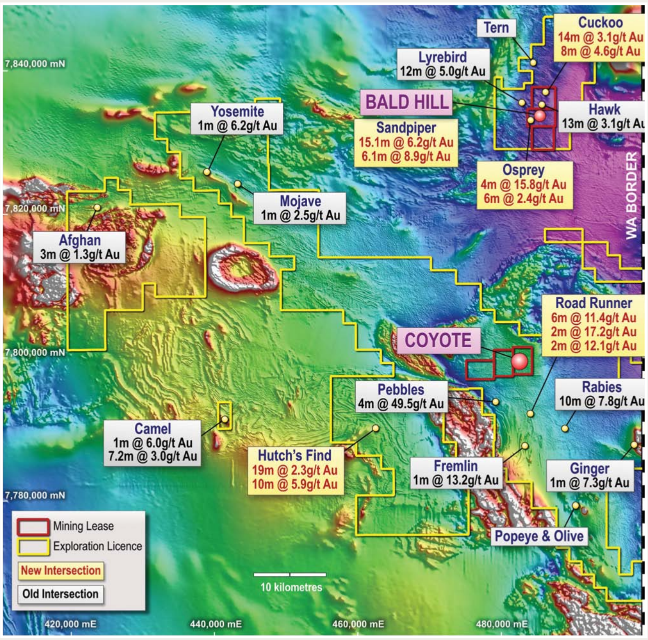


FIGURE 12 - WESTERN TANAMI PROSPECT LOCATIONS ON AEROMAGNETIC IMAGE

REGIONAL AIRCORE PROGRAMS

First-pass regional reconnaissance campaigns of aircore drilling were undertaken at Hermes, Fleegle, Popeye and Olive where in excess of 17,000 metres of drilling was completed in two distinct field programs.

This was the first major drilling campaign completed over the area encompassing the Popeye and Olive prospects where favourable rock sequences and structures interpreted from remote sensing data and limited regional mapping were targeted. A program of wide spaced drilling has yielded encouraging results with anomalous gold values >20ppb identified from varying depths within bedrock across the northern part of the area.

Drilling at Hermes was also successful and returned anomalous gold results (>20ppb) with coincident arsenic and other pathfinder minerals in numerous holes.

MINERAL RESOURCES

For the year ending 30 June 2011, the Company's total Mineral Resources increased by 44% from 1.6 million to 2.3 million ounces, and also lifted its Ore Reserve inventory to 0.4 million ounces.

WESTERN TANAMI OPERATIONS

During the September 2010 Quarter, the Company completed an updated Mineral Resource Estimate as at 30 June 2010 for the Western Tanami Project which resulted in a 31% increase in Measured, Indicated and Inferred Resources from the previous estimate completed at 30 June 2009.

Details of the Mineral Resource estimate are shown in Table 4.

TABLE 4 - WESTERN TANAMI PROJECT 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 4

1. The Western Tanami Project 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/m3 (base of transported) to 2.72t/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.

Subsequent to this, an updated Mineral Resource estimate as at 31 March 2011 taking into account the mining depletion at the Coyote underground mine and Bald Hill open pits was completed in the June 2011 Quarter, in conjunction with an updated Mineral Resource Estimate for the Central Tanami Project.

CENTRAL TANAMI PROJECT

During the June 2011 Quarter, the Company completed an updated Mineral Resource Estimate as at 31 March 2011 for the Central Tanami Project which resulted in a 17% increase in the total Mineral Resource for the project over and above that previously quoted as at 30 April 2010.

Details of the Mineral Resource estimate are shown in Table 5.

TABLE 5 - 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	1700,000	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 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 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 - 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 6

1. WT is Western Tanami and CT is Central Tanami.
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.
4. Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
5. Resources reported above 0.7g/t block model grade.
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), 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 7 - 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 7

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.

LAND MANAGEMENT

Early in 2011 applications for Substitute Exploration Licences SEL26925 and SEL26926 were granted. These strategic tenements constitute about 38% of the Central Tanami Project area and surround Mineral Leases MLS153, MLS167, MLS168 and MLS180 which contain the majority of the 43 historic open pits that produced approximately 2.0 million ounces of gold.

The information in this report that relates to Exploration Results and Geological Data is based on information compiled by Mr Terry Burns, a full time employee of Warbrooke-Burns & Associates Pty Ltd and who is a Fellow of the Australasian Institute of Mining and Metallurgy and Mr Michael Thomson, a full time employee and Senior Resource Geologist of Tanami Gold NL and who is a Member of the Australasian Institute of Mining and Metallurgy. Both Mr Burns and Mr Thomson have sufficient experience which is relevant to the styles of mineralisation and types 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). Both Mr Burns and Mr Thomson consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

ENVIRONMENT

The Company is committed to community support and environmental management as it is critical to the Company's future and licence to operate as a responsible corporate citizen.

The Company accepts that its employees, customers, suppliers, regulators and communities in which it operates, as well as the wider Western Australian and Northern Territory communities, expect responsible and environmentally sustainable performance.

Over the 2010-11 year, the Company:

- Implemented proactive programs to conserve resources, cut down on waste, promote recycling, and seek to minimise environmental harm while working as a trusted partner with our local community;
- Made sure that all employees and contractors are fully aware of their role in achieving environmental performance targets;
- Reviewed, evaluated and made sure it was accountable for the environmental performance of its operations and, where possible, sought opportunities for improvement; and
- Provided adequate resources and training to maintain and improve environmental performance.

OCCUPATIONAL HEALTH AND SAFETY

The Company is committed to the health and safety of all its employees, contractors and visitors.

The Company continues to work towards ensuring it:

- Implements the highest occupational health, hygiene and safety standards;
- Implements efficient and effective risk and hazard management processes;
- Provides effective training and appropriate high quality safety equipment;
- Meets or exceeds all relevant legislative and statutory obligations;
- Continues to review and improve its safety management systems; and
- Ensures all contractors managed health and safety in line with this policy.

THE COMPANY IS COMMITTED TO RAISING AWARENESS OF THE **CULTURAL DIVERSITY AND ENVIRONMENTAL SENSITIVITY** NECESSARY WHEN WORKING IN THE TANAMI AREA.

TRADITIONAL OWNERS

The Company strongly believes in delivering positive outcomes for indigenous people by identifying opportunities for them to share in the economic benefits produced by its exploration and mining activities at the Western Tanami and Central Tanami Projects.

The Company is committed to training all employees to raise the awareness of the cultural diversity and environmental sensitivity necessary for working in the Tanami area. This training and Company focus will look to:

- Building and maintaining good relationships with all indigenous people in the communities in which the Company operates;
- Becoming an indigenous employer of choice;
- Developing and assisting with training opportunities;
- Partnering with the indigenous community to develop sustainable economic business opportunities where appropriate; and
- Ensuring the Company operates within environmental guidelines and with respect to the connection indigenous people have with the land.

2011 ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2011

The directors present their report together with the consolidated financial report of the Consolidated Entity, being the Company and its subsidiaries for the year ended 30 June 2011 and the auditor's report thereon.

1. DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Non-Executive Chairman – Denis P Waddell, ACA, FAICD (appointed 21 July 1995)

Mr Denis Waddell, aged 54, is a Chartered Accountant with extensive experience in the management of exploration and mining companies. Prior to establishing Tanami Exploration NL in 1994, he was the Finance Director of the Metana Minerals NL group. During the past 28 years, he has gained considerable experience in corporate, finance and operations management of exploration and mining companies. Mr Waddell is also the Executive Chairman of Orion Gold NL and was appointed to that position on 27 February 2009.

Managing Director/CEO – Graeme J Sloan, B.App.Sc (Mining), Dip Mine Survey, MAusIMM (appointed 18 September 2008)

Mr Graeme Sloan, aged 57, is a Mining Engineer with extensive operational and corporate experience both within Australia and overseas including experience as a Managing Director/CEO of a publicly listed mining company. Mr Sloan's mining experience has been gained in different commodities and includes project development, open pit and underground mining. Prior to joining Tanami Gold NL, Mr Sloan was Managing Director/CEO of Perseverance Limited and resigned in August 2007. Mr Sloan is currently a Non-Executive Director of Orion Gold NL (appointed on 23 July 2008) and ABM Resources NL (appointed on 30 November 2010).

Non-Executive Director – Alan A Senior, AsscshpMechEng, FIEAUST, CPEng, FAusIMM (appointed 31 July 2007)

Mr Alan Senior, aged 64, is a Consulting Engineer with over 30 years of experience in design and project development mainly associated with the mining and mineral processing industry in Australia. Mr Senior's previous roles include Project Manager for the development of the Cosmos Nickel Mine and the subsequent transition from open cut to underground mining for Jubilee Mines NL. Mr Senior was previously a Non-Executive Director of Jubilee Mines NL, resigning on 11 February 2008. Mr Senior is also the independent Non-Executive Chairman of Talisman Mining Limited and was appointed to that position on 7 November 2007.

Non-Executive Director – Lee Seng Hui (appointed 5 March 2008)

Mr. Lee Seng Hui, aged 42, is currently the Chief Executive of Allied Group Limited ("AGL") a Hong Kong listed company, having been appointed in January 1998. Mr. Lee graduated with Honours from the Law School of the University of Sydney and worked with Baker & McKenzie and NM Rothschild & Sons (Hong Kong) Limited. Following his appointment as a Non-Executive Director of AGL in July 1992, Mr. Lee became an Executive Director in December 1993. On 2 October 2009, Mr. Lee was appointed as a Non-Executive Director of APAC Resources Limited which is a Hong Kong listed company. On 18 June 2010, Mr. Lee was appointed as the Chief Executive and Executive Director of Allied Properties (H.K.) Limited ("APL") which is a Hong Kong listed company and a non wholly-owned subsidiary of AGL. He is also a Non-Executive Director and Chairman of Tian An China Investments Company Limited which is a Hong Kong listed company and an associate of AGL and APL. Mr. Lee was previously the Chairman and an Executive Director of Yu Ming Investments Limited (now known as SHK Hong Kong Industries Limited),which is also a Hong Kong listed company and a non wholly-owned subsidiary of AGL. Mr. Lee was appointed to the Board of Mount Gibson Iron Limited as a Non-Executive Director on 29 January 2010.

2. COMPANY SECRETARY

Kim Hogg B.Com

Mr Kim Hogg was re-appointed to the position of Company Secretary on 1 June 2007, having previously held the position between April 1998 and December 2005. Mr Hogg has worked in the private sector for the past 18 years as a principal of an accounting practice providing specialist services to clients seeking to raise capital and list on the Australian Securities Exchange (ASX). He has predominately been involved in the preparation of prospectuses and in compliance work as Company Secretary for both listed and unlisted entities, and is currently Company Secretary of several ASX-listed companies. Mr Hogg resigned as Company Secretary on 1 September 2010.

Jon Latto B.Com CA MBA GradDipAppCorpGov ACIS

Mr Jon Latto, the Company's Chief Financial Officer, was appointed Company Secretary on 1 September 2010. Mr Latto is a Chartered Accountant with over 17years' experience gained both locally and internationally. Prior to joining Tanami Gold NL in November 2007, Mr Latto was a Senior Manager within Ernst & Young's Business Advisory Services division working in Australia, America and India on projects focussed primarily on finance function reform. Prior to this, Mr Latto held roles with Iluka Resources Limited in Australia and Halifax Bank of Scotland and Cable & Wireless Plc in London. Mr Latto qualified as a Chartered Secretary in September 2009.

3. DIRECTORS' MEETINGS

Director	Board Meetings		Audit and Risk Committee Meetings		Remuneration & Nomination Committee Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
D Waddell	10	10	2	2	1	1
G Sloan	10	10	2	2	1	1
A Senior	10	10	2	1	1	1
SH Lee	10	10	-	-	-	-

4. NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The Company is a no liability company and is domiciled and incorporated in Australia. The principal activity of the Consolidated Entity during the course of the financial year was gold mining operations and mineral exploration.

5. OPERATING AND FINANCIAL REVIEW

This year has been one of achievement and challenge for the Company. Despite a record and extended wet season which caused significant disruption to the Western Tanami Operations, the Company was still able to report gold production for the year totalling 40,542 ounces. The Company also achieved a number of key milestones throughout the year and made significant progress in evaluating and progressing a Feasibility Study on developing a second production centre, the Central Tanami Project.

The Company acquired the Central Tanami Project from Newmont Australia Limited in March 2010 for $22 million and since then has added an impressive 1.2 million ounces of Mineral Resource and 0.3 million ounces of Ore Reserve. It is expected that when the Central Tanami Project is in full production it will increase total Company gold production to approximately 200,000 ounces per annum and provide many operating synergies and cost saving opportunities.

A summary of the key milestones achieved for the 2010-11 financial year include:

- A successful 6-for-5 pro-rata fully underwritten renounceable entitlements issue (announced in July 2010) which raised approximately $63.7 million before issue costs. The proceeds were used to retire the Company's debt with AP Finance Limited and Eurogold Limited (as at 23 August 2010) and to accelerate exploration at the Central Tanami Project.
- A 1-for-30 consolidation of the Company's issued capital which reduced total shares on issue to approximately 261 million shares.
- Gold production of 40,542 ounces despite a record wet season which caused significant disruption to operations.
- A 42% increase in the Company's total gold Resources from 1.6 million ounces to 2.3 million ounces.
- Announcement of a Reserve of 0.4 million ounces.
- The re-establishment of the Central Tanami Project site facilities to support the exploration team and the Central Tanami Feasibility Study.
- Significant progress with the Central Tanami Feasibility Study.
- A successful six month pre-strip of the Bald Hill open pit.
- At the Western Tanami Operations Coyote processing plant:
  - Throughput was increased from 250,000 tonnes per annum to 350,000 tonnes per annum (completed on time and within budget) through the addition of three new leach tanks; and
  - The installation of a secondary crusher to improve overall operating efficiencies, lower costs and to accommodate the harder underground ore types.
- A $15 million exploration program which resulted in 82,825 metres of surface drilling and 5,583 metres of underground drilling being completed for the year.

The Company remains strongly focused on the continual improvement and optimisation of its Western Tanami Operations and the development of the Central Tanami Project. To assist in these aims being achieved, the Company has appointed Mr Don Harper, a mining engineer with significant operational and corporate experience, as Chief Operating Officer.

5. OPERATING AND FINANCIAL REVIEW (CONTINUED)

At the end of the financial year, the Company's 20.4% shareholding in ABM Resources NL (25.0% on a fully diluted basis) was valued at $26.6 million. This strategic shareholding provides the Company with further leverage to the highly prospective Tanami-Arunta Province through ABM Resources NL's vast tenement holdings.

Exploration

The Company continued exploration activities at a vigorous pace with active regional exploration and resource delineation initiatives and the commencement of underground drilling programs at Coyote following the purchase of three Atlas Copco U6 track-mounted drill rigs.Drilling for the year totalled 88,408 metres with a breakdown as follows:

- Aircore drilling 17,363 metres
- Reverse Circulation drilling 38,679 metres
- Surface Diamond drilling 26,783 metres *(includes RC and other pre-collars)*
- Underground Diamond drilling 5,583 metres

Total 88,408 metres

Regional exploration activity was centred on the Western Tanami tenements and encompassed aircore, reverse circulation and surface diamond drilling. Programs were undertaken within and immediately adjacent to the Bald Hill mining operations, at more remote tenement locations within the Western Tanami portfolio and in and around the Coyote Underground mine. Unseasonal wet weather hampered aircore drilling and restricted access to remote areas.

This year's programs were often the first drilling campaigns undertaken within the tenements and targeted favourable rock sequences and structures interpreted from remote sensing data and limited regional mapping. Wide spaced drilling yielded anomalous gold and coincident gold pathfinder elements from varying depths within bedrock at several locations within the Western Tanami project tenements.

At the Central Tanami Project, resource development activity predominantly centred upon the extensions of known deposits within Mineral Leases MLS153, MLS167, MLS168 and MLS180 and a program of close-spaced diamond drilling commenced beneath the historic open pit at Groundrush (ML22934) during the March Quarter. Two multi-purpose drill rigs continued on a two-shift basis throughout the June 2011 Quarter and at year end had approximately six weeks of drilling remaining in the current phase of work.

Surface diamond drilling tested several advanced stage projects within the Bald Hill operations and the Coyote underground mine. Funding was obtained from the Western Australian Government under the Department of Mines and Petroleum's Exploration Incentive Scheme to determine the stratigraphy and structure at depth beneath the known Coyote Mine system. Drilling of the co-funded surface diamond drill hole (CYDD0178) reached a final depth of 1,206.9 metres and intersected a new deep zone of mineralisation approximately 170 metres to the north of the current mine workings.

During the December 2010 Quarter, the Company's applications for Substitute Exploration Licences SEL26925 and SEL26926 surrounding the Central Tanami Mining leases were granted and now comprise 38% of the total Central Tanami Project area.

An updated Mineral Resource estimate resulted in a 12 percent increase in total gold inventory across the entire lease holding with a specific increase of 17 percent in estimated gold at the Central Tanami Project. At year end the Mineral Resource stood at 24.0Mt @ 3.0g/t Au (for 2.3 million ounces).

Corporate

Fully Underwritten Pro-Rata Renounceable Entitlements Issue

On 15 July 2010, the Company announced a 6-for-5 pro-rata renounceable entitlements issue at 1.5 cents per share to raise approximately $63.7 million before issue costs.

The entitlements issue was fully underwritten by the Company's major shareholder Allied Properties Resources Limited who received an underwriting fee of $3,003,139 (being 6% of the net of the underwritten amount of $63,691,021 less the underwriter's entitlement of $13,638,706) based on the underwriter's direct shareholding in the Company prior to the commencement of the entitlements issue.

The proceeds of the issue were used to retire the Company's debt with AP Finance Limited and Eurogold Limited (as at 23 August 2010) and were used to accelerate exploration at the Central Tanami Project.

On 17 August 2010, the Company announced the successful completion of the entitlements issue.

5. OPERATING AND FINANCIAL REVIEW (CONTINUED)

Consolidation of Capital

On 15 July 2010, the Company announced that it would seek shareholder approval to undertake a 1-for-30 consolidation of the Company's capital. A General Meeting of the Company's shareholders was held on 20 August 2010 and the resolution for the consolidation of capital was passed. Following the consolidation, the Company had 260,947,676 shares on issue.

Repayment of Loans: $37 Million Loan Facility with AP Finance Limited

On 23 August 2010, the Company repaid all amounts owing (including accrued interest and borrowing costs) under its $37 million loan with AP Finance Limited.

The Company, AP Finance Limited and Allied Properties Resources Limited entered into a Settlement and Offset Deed on 14 July 2010 to allow the underwriter's entitlement and shortfall allocation under the entitlements issue to be offset against the amounts owing by the Company to AP Finance Limited under the Company's loan agreement with AP Finance Limited.

Allowing for this offset, the Company extinguished this loan with a repayment of approximately $24.9 million on 23 August 2010.

Repayment of Loans: HK$75 Million Loan Facility with AP Finance Limited

On 23 August 2010, the Company repaid all amounts owing (including accrued interest and borrowing costs) under its HK$75 million loan with AP Finance Limited.

The Company extinguished this loan with a repayment of approximately $10.9 million on 23 August 2010.

Repayment of Loans: $5 Million Loan Facility with Eurogold Limited

On 23 August 2010, the Company repaid all amounts owing (including accrued interest and borrowing costs) under its $5 million loan with Eurogold Limited.

The Company and Eurogold Limited agreed to allow Eurogold Limited's entitlement under the entitlements issue to be offset against the amounts owing by the Company to Eurogold Limited under the Company's loan agreement with Eurogold Limited.

Allowing for this offset, the Company extinguished this loan with a repayment of approximately $2.7 million on 23 August 2010.

HK$152 Million Loan Facility with AP Finance Limited

On 13 December 2010, the Company entered into a loan agreement with AP Finance Limited for an unsecured loan facility of HK$152 million (approximately A$19.86 million).This loan facility was used to assist with funding the:

- Installation of three new leach tanks at the Western Tanami Operations treatment plant which led to an increase in throughput capacity from 250,000 tonnes per annum to 350,000 tonnes per annum; and
- Significant pre-strip associated with the resumption of mining at the Company's Bald Hill deposits.

This loan facility was fully drawn down as at 30 June 2011 and equated to approximately A$18.19 million at that date.

Key provisions of this loan agreement include:

- A 3% facility fee per annum payable 50% at first draw down and 50% after six months;
- An interest rate of 8% per annum with interest payments being payable quarterly in arrears; and
- The loan was repayable in full by 30 November 2011, however the Company entered into a Deed of Variation with AP Finance Limited to increase its loan facilities and to extend the repayment date of the loan to 30 June 2012 if required by the Company.

HK$82.2 Million Increase in Loan Facility with AP Finance Limited

On 13 June 2011, the Company entered into a Deed of Variation with AP Finance Limited to increase its loan facility by HK$82.2 million (approximately A$9.93 million) to HK$234.2 million (approximately A$28.29 million). This loan facility is being used to assist with funding the:

- Substantial surface and underground drilling programs at the Western Tanami Operations and the surface drilling program at the Central Tanami Project;
- Installation of a new secondary cone crusher at the Western Tanami Operations to increase productivity and reduce maintenance costs; and

5. OPERATING AND FINANCIAL REVIEW (CONTINUED)

- A Feasibility Study for the development of the Central Tanami Project.

As at 30 June 2011, the Company had drawn down HK$41.1 million (approximately A$4.91 million) of this increased loan facility.

Key provisions of this loan agreement include:

- A non-refundable facility fee of 5% per annum payable on the additional facility amount;
- A pro-rated facility fee of 6% per annum on the aggregate of the initial loan facility (HK$152 million) and the increased loan facility (HK$82.2 million) payable quarterly in advance and being refundable to the extent that the aggregate loan facility remains undrawn;
- An interest rate of 6% per annum with interest payments being payable quarterly in arrears; and
- Provision for the Company to extend the repayment date of the loan (at the Company's election and with the same facility fees and interest rate as those listed above) from 30 November 2011 to 30 June 2012.

Financial Result

The Consolidated Entity recorded a profit of $972,405 (2010: $353,667) for the year.

Growth Strategy

The Company's growth strategy is to:

- Optimise production and lower operating costs at its Western Tanami Operations;
- Complete the Central Tanami Feasibility Study;
- Target first gold from the Central Tanami Project by the third Quarter of 2012 (based on the successful completion of the Feasibility Study and Board approval); and
- Continue a watching brief on value accretive corporate opportunities that complement the Company's existing assets and expertise.

Conclusion

The acquisition of the Central Tanami Project from Newmont Australia Limited in March 2010 combined with the continued turnaround in the performance of the Western Tanami Operations and the ongoing flow of exceptional exploration results at both Central Tanami (Groundrush deposit) and Western Tanami (Coyote underground) has provided the Company with the platform necessary to meet its stated objective of becoming a leading mid- tier Australian gold producer.

The impressive growth in the Company's total Mineral Resources, in particular the Groundrush deposit, should ensure long mine life operations which are further supported through the Company's 100% ownership of over 4,000 square kilometres of extremely prospective exploration tenements.

With a forecast of 50,000 ounces of gold production for the Western Tanami Operations for the year ending 30 June 2012, the completion of the Central Tanami Feasibility Study by the fourth Quarter of 2011, the development of the Central Tanami Project following Board approval and a planned $15 million exploration program, the Company is well positioned for strong growth.

6. ENVIRONMENTAL REGULATION

The Consolidated Entity's operations are subject to environmental regulations under Commonwealth and State legislation. The Directors believe that the Consolidated Entity has adequate systems in place for the management of the requirements under those regulations, and are not aware of any breach of such requirements as they apply to the Consolidated Entity.

7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes to the Company's State of Affairs have been set out in section 5 above.

8. DIVIDENDS

The Directors have not recommended the declaration of a dividend. No dividends were paid or declared during the period.

9. EVENTS SUBSEQUENT TO REPORTING DATE

There were no events subsequent to the reporting date to disclose.

10. LIKELY DEVELOPMENTS

The Company will continue to develop and optimise its Western Tanami Operations while developing and commissioning its Central Tanami Project (subject to Board approval). In addition, the Company will expend around $15 million on extensive Resource and Reserve definition and exploration programs across both sites which should add significantly to the Company's Resource and Reserve inventory.

11. DIRECTORS' INTERESTS

The relevant interest of each Director in shares and options of the Company, as notified by the Directors to the ASX in accordance with section S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Relevant Interest of Directors in Securities of Tanami Gold NL	
Directors	**Fully Paid Shares**	**Unquoted Options**
D Waddell	5,672,134	-
G Sloan	-	-
A Senior	66,705	116,667
SH Lee*	70,697,899	-

The relevant interests shown in the preceding table are on a post consolidation basis and therefore incorporate the 1-for-30 capital consolidation that was approved by a General Meeting of the Company's shareholders on 20 August 2010.

** These shares are held by Allied Properties Resources Limited and its associate Eurogold Limited. Eurogold Limited is 36.37% indirectly owned by Allied Properties (H.K.) Limited, which is an intermediate holding company of Allied Properties Resources Limited. The ultimate holding company of Allied Properties Resources Limited is Allied Group Limited, a company in which Mr SH Lee (together with others as trustees of the Lee and Lee Trust) has an interest of 54.24%. Accordingly, Mr SH Lee is taken to have a relevant interest in the 70,697,899 shares held by Allied Properties Resources Limited and Eurogold Limited.*

12. SHARE OPTIONS

Options granted to Directors of the Company

During or since the end of the financial year, no options were granted to the Directors of the Company.

Options granted to Executive Officers of the Company

During or since the end of the financial year, no options were granted to the Executive Officers of the Company.

Unissued shares under option

At the date of this report the unissued ordinary shares in Tanami Gold NL under option are:

Number	Type	Exercise Price ($)	Expiry Date
30,000	Unquoted	$4.50	31 March 2012
58,333	Unquoted	$6.00	22 November 2012
58,334	Unquoted	$4.50	22 November 2012
146,667			

The unissued ordinary shares shown in the preceding table are on a post consolidation basis and therefore incorporate the 1-for-30 capital consolidation that was approved by a General Meeting of the Company's shareholders on 20 August 2010.

During the year, the following options were forfeited on cessation of employment.

Exercise Price ($)	Number of Options	Grant Date	Expiry Date
$4.50	1,667	20 April 2007	31 March 2012

The forfeited options shown in the preceding table are on a post consolidation basis and therefore incorporate the 1-for-30 capital consolidation that was approved by a General Meeting of the Company's shareholders on 20 August 2010.

Share options issued

During or since the end of the financial year, there were no options issued.

12. SHARE OPTIONS (CONTINUED)

Shares issued on exercise of options

During the financial year, the following shares were issued by the Company as a result of the exercise of the following options:

Exercise Price ($)	Number of Options	Grant Date	Expiry Date
$0.39	733,334	3 March 2009	28 February 2014

The shares issued on exercise of options shown in the preceding table are on a post consolidation basis and therefore incorporate the 1-for-30 capital consolidation that was approved by a General Meeting of the Company's shareholders on 20 August 2010.

13. REMUNERATION REPORT – AUDITED

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Consolidated Entity, including directors of the Company and other executives. Key management personnel comprise the directors of the Company and executives for the Company and the Consolidated Entity including the five most highly remunerated Company and Consolidated Entity executives.

Compensation levels for key management personnel of the Company, and relevant key management personnel of the Consolidated Entity are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Remuneration and Nomination Committee obtains independent advice on the appropriateness of compensation packages of both the Company and the Consolidated Entity, which takes into consideration trends in comparative companies both locally and internationally.

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and to achieve the broader outcome of creation of value for shareholders. Compensation packages include a mix of fixed compensation and equity-based compensation as well as employer contributions to superannuation funds.

Shares and options may only be issued to directors subject to approval by shareholders in a general meeting.

The Board has no established retirement or redundancy schemes.

13.1.1 FIXED COMPENSATION

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation funds.

Compensation levels are reviewed annually by the Remuneration and Nomination Committee through a process that considers individual performance and the overall performance of the Consolidated Entity. In addition, external consultants provide analysis and advice to ensure the directors' and senior executives' compensation is competitive in the market place. A senior executive's compensation is also reviewed on promotion.

13.1.2 PERFORMANCE-LINKED COMPENSATION (SHORT-TERM INCENTIVE BONUS)

The Company has not paid any performance linked short-term incentives to key management personnel during the financial year ended 30 June 2011.

13.1.3 EQUITY-BASED COMPENSATION (LONG-TERM INCENTIVE BONUS)

The Remuneration and Nomination Committee has introduced equity-based long-term incentives (LTIs) to promote continuity of employment and to provide additional incentive to increase shareholder wealth. LTIs are provided as options over ordinary shares of the Company and are provided to key management personnel and employees based on their level of seniority and position within the Company and are exercisable on various dates.

If the option holder ceases to be a director and/or employee of the Company during the vesting period for any reason, the options will expire six months after cessation (subject to the exercise of discretion by the Board) and cease to carry any rights or benefits unless otherwise approved by the Remuneration and Nomination Committee.

There are no voting or dividend rights attached to the options. Voting rights will be attached to the ordinary issued shares when the options have been exercised.

The Company has put in place an Employee Option Plan. Options may only be issued to Directors subject to approval by shareholders in a general meeting.

The Consolidated Entity does not have a policy that prohibits those that are granted share-based payments as part of their remuneration from entering into other arrangements that limit their exposure to losses that would result from share price decreases.

13. REMUNERATION REPORT – AUDITED (CONTINUED)

13.1.4 CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

The Company continues to focus on enhancing shareholder wealth through the development of a significant production profile and an ongoing commitment to exploration aimed at increasing the Company's Resource inventory at its Western Tanami Operations and at its Central Tanami Project. To assist shareholders in assessing the Consolidated Entity's performance and benefits for shareholder wealth, the Company reports the following data for the current financial year and the previous four financial years:

	2011	2010	2009	2008	2007
Profit/(Loss) attributable to owners of the company	972,405	353,667	(21,029,451)	(32,585,921)	(56,309,031)
Dividends paid	-	-	-	-	-
Share price as at 30 June	$0.895	$0.041	$0.028	$0.066	$0.14

The share price quoted for 2011 reflects the 1-for-30 capital consolidation that was approved by a General Meeting of the Company's shareholders on 20 August 2010.

13.1.5 SERVICE CONTRACTS

Compensation and other terms of employment for directors and key management personnel are formalised in contracts of employment. The major provisions of the agreements relating to compensation are set out below.

Mr Don Harper – Chief Operating Officer

Mr Harper has a contract of employment with the Company dated 10 March 2011. The contract specifies the duties and obligations to be fulfilled by the Chief Operating Officer. The contract may be terminated by either party by the provision of three months' notice, which, based on current remuneration rates, would amount to a termination payment of $98,100.

Mr Rob Henderson – Geology Manager

Mr Henderson had a contract of employment with the Company dated 1 October 2009. The contract specified the duties and obligations to be fulfilled by the Geology Manager. The contract could be terminated by either party by the provision of three months' notice. Mr Henderson resigned on 28 April 2011 and no termination payment was payable.

Mr Jon Latto – Chief Financial Officer

Mr Latto has a contract of employment with the Company dated 14 September 2007. The contract specifies the duties and obligations to be fulfilled by the Chief Financial Officer. The contract may be terminated by either party by the provision of three months' notice, which, based on current remuneration rates, would amount to a termination payment of $74,938 (2010: $59,950). Mr Latto was appointed to the position of Company Secretary on 1 September 2010.

Mr Graeme Sloan – Managing Director/CEO

Mr Sloan has a contract of employment with the Company dated 18 September 2008. The contract specifies the duties and obligations to be fulfilled by the Managing Director/CEO. The contract may be terminated by Mr Sloan on the provision of 3 months' notice, which, based on current remuneration rates, would amount to a termination payment of $109,000 (2010: $109,000). Alternatively, under the contract a termination notice period of 6 months is required from the Company, which, based on current remuneration rates would amount to a termination payment of $218,000 (2010: $218,000).

Mr Rob Walker – General Manager Operations

Mr Walker has a contract of employment with the Company dated 22 October 2008.The contract specifies the duties and obligations to be fulfilled by the General Manager Operations. The contract may be terminated by either party by the provision of three months' notice, which, based on current remuneration rates, would amount to a termination payment of $84,475 (2010: $84,475).

13.2 NON-EXECUTIVE DIRECTORS

Non-executive directors do not receive performance related compensation. Directors' fees cover all main board activities and membership of any committee. The Board has not established retirement or redundancy schemes in relation to non-executive directors.

13. REMUNERATION REPORT – AUDITED (CONTINUED)

13.3 DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

Details of the nature and amounts of each major element of the remuneration of each director of the Company and each of the named officers of the Company and the Consolidated Entity receiving the highest remuneration are:

		Short Term				
		Salary & Fee	Accrued Remuneration	Payment of Accrued Annual Leave & Long Service Leave	STI Cash Bonuses	Non Monetary Benefits
Directors		$	$	$	$	$
D Waddell (Non-Executive Chairman)	2011	197,500	39,500	-	-	5,889
	2010	138,250	98,750	-	-	9,755
G Sloan (Managing Director/CEO)	2011	400,000	-	-	-	73,062
	2010	400,000	-	-	-	77,357
A Senior (Non-Executive Director)	2011	55,000	-	-	-	-
	2010	55,000	-	-	-	-
SH Lee (Non-Executive Director)	2011	10,000	-	-	-	-
	2010	-	-	-	-	-
Total all specified Directors	**2011**	662,500	39,500	-	-	78,951
	2010	593,250	98,750	-	-	87,112
Executives						
D.Harper (i) (Chief Operating Officer)	2011	32,728	-	-	-	-
	2010	-	-	-	-	-
J Latto (Chief Financial Officer)	2011	265,833	-	-	-	4,765
	2010	208,518	-	-	-	4,771
R Walker (General Manager Operations)	2011	310,000	-	-	-	4,765
	2010	310,000	-	-	-	4,072
Former Executives						
R Henderson (ii) (Geology Manager)	2011	187,397	-	15,692	-	4,368
	2010	155,015	-	-	-	3,327
T Smith (iii) (Geology Manager)	2011	-	-	-	-	-
	2010	117,156	-	-	-	1,106
Total all named Executives	**2011**	795,958	-	15,692	-	13,898
	2010	790,689	-	-	-	13,276
Total all specified Directors and Executives	**2011**	1,458,458	39,500	15,692	-	92,849
	2010	1,383,939	98,750	-	-	100,388

(i) Appointed March 2011.

(ii) Appointed September 2009. Resigned April 2011.

(iii) Appointed July 2003. Resigned September 2009.

Post Employment	Share Based Payments			
Superannuation Benefits	Calculated Value of Options (Non Cash)	Total Remuneration	Proportion of Remuneration Performance Related	Value of Options as a Proportion of Total Remuneration
$	$	$	%	%
-	-	242,889	-	-
-	-	246,755	-	-
36,000	-	509,062	-	-
36,000	-	513,357	-	-
4,950	-	59,950	-	-
4,950	8,654	68,604	-	12.61%
-	-	10,000	-	-
-	-	-	-	-
40,950	-	821,901		
40,950	8,654	828,716		
2,946	-	35,674	-	-
-	-	-	-	-
23,925	3,636	298,159	-	1.22%
18,766	14,649	246,704	-	5.94%
27,900	36,359	379,024	-	9.59%
27,900	127,258	469,230	-	27.12%
16,866	-	224,323	-	-
13,951	-	172,293	-	-
-	3,636	3,636	-	100.00%
3,844	12,726	134,832	-	9.44%
71,637	43,631	940,816		
64,461	154,633	1,023,059		
112,587	43,631	1,762,717		
105,411	163,287	1,851,775		

13. REMUNERATION REPORT – AUDITED (CONTINUED)

13.4 EQUITY INSTRUMENTS

13.4.1 OPTIONS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION

There were no options granted as compensation to key management personnel during the reporting period.

Details on options that vested during the reporting period are as follows:

	Balance 1 July 2010	Granted as Remuneration	Options Exercised	Options Forfeited	Options Expired	Balance 30 June 2011	Vested 30 June 2011	Vested and exercisable 30 June 2011	Vested and unexercisable 30 June 2011
Directors									
Mr D Waddell	-	-	-	-	-	-	-	-	-
Mr G Sloan	-	-	-	-	-	-	-	-	-
Mr A Senior	116,667	-	-	-	-	116,667	116,667	116,667	-
Mr SH Lee	-	-	-	-	-	-	-	-	-
Company Executives									
Mr T Burns	-	-	-	-	-	-	-	-	-
Mr D Harper	-	-	-	-	-	-	-	-	-
Mr J Latto	43,334	-	(33,334)	-	-	10,000	10,000	10,000	-
Mr R Walker	333,334	-	(333,334)	-	-	-	-	-	-
Former Company Executives									
Mr T Smith	33,334	-	(33,334)	-	-	-	-	-	-

The options shown in the preceding table are on a post consolidation basis and therefore incorporate the 1-for-30 capital consolidation that was approved by a General Meeting of the Company's shareholders on 20 August 2010.

13.4.2 MODIFICATIONS OF TERMS OF EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to key management personnel) have been altered or modified by the issuing entity during the reporting period or the prior period.

13.4.3 EXERCISE OF OPTIONS GRANTED AS COMPENSATION

During the financial year, the following shares were issued on the exercise of options previously granted as compensation to key management personnel. There are no amounts unpaid on the shares issued as a result of the exercise of the options in the 2011 financial year.

	Number of Shares	Amount Paid Per Share
Company Executives		
Mr J Latto*	73,334	$0.42
Mr R Walker*	733,334	$0.42
Former Company Executives		
Mr T Smith	33,334	$0.39

The shares shown in the preceding table are on a post consolidation basis and therefore incorporate the 1-for-30 capital consolidation that was approved by a General Meeting of the Company's shareholders on 20 August 2010.

**In July 2010, the Company put in place limited recourse loans with employees who held 650,000 39 cent options. The loans were to assist with the conversion of these options and associated rights into shares arising under the Company's 6:5 fully underwritten pro-rata renounceable entitlements issue.*

These loans did not result in any cash outflow for the Company. The loans have a 24 month term, are interest free and total $604,500.

The shares resulting from these loans cannot be sold or transferred until the loans are repaid in accordance with the terms and conditions of the underlying loan agreements. Should any of the employees to which the loans relate cease to be an employee of the Company then the loans are immediately repayable in accordance with the terms and conditions of the underlying loan agreements.

13. REMUNERATION REPORT – AUDITED (CONTINUED)

13.4.4 ANALYSIS OF OPTIONS AND RIGHTS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION

Details of the vesting profile of the options granted as remuneration to each director of the Company and each of the named Company executives and relevant Consolidated Entity executives are detailed below.

	Options Granted		% Vested in year	% Forfeited in year	Financial year in which grant vests	Value yet to vest ($)
	Number	Date				
Directors						
Mr D Waddell	-	-	-	-	-	-
Mr G Sloan	-	-	-	-	-	-
Mr A Senior	58,334	23 Nov 2007	-	-	-	-
Mr A Senior	58,333	23 Nov 2007	-	-	-	-
Mr SH Lee	-	-	-	-	-	-
Company Executives						
Mr J Latto	10,000	5 Oct 2007	-	-	-	-
Mr J Latto	16,667	3 Mar 2009	-	-	-	-
Mr J Latto	16,667	3 Mar 2009	33%	-	2011	-
Mr R Walker	166,667	3 Mar 2009	-	-	-	-
Mr R Walker	166,667	3 Mar 2009	33%	-	2011	-
Former Company Executives						
Mr T Smith	16,667	3 Mar 2009	-	-	-	-
Mr T Smith	16,667	3 Mar 2009	33%	-	2011	-

The options shown in the preceding table are on a post consolidation basis and therefore incorporate the 1-for-30 capital consolidation that was approved by a General Meeting of the Company's shareholders on 20 August 2010.

13.4.5 ANALYSIS OF MOVEMENTS IN OPTIONS AND RIGHTS

The movement during the reporting period, by value, of options over ordinary shares in the Company held by each key management person is detailed below:

	Dollar value of options exercised in year
Company Executives	
Mr J Latto	$6,000
Mr R Walker	$60,000
Former Company Executives	
Mr T Smith	$18,500

The value of options exercised during the year is calculated as the market price of shares of the Company as at close of trading on the date the options were exercised after deducting the price paid to exercise the options.

14. NON-AUDIT SERVICES

During the year KPMG, the Consolidated Entity's auditor, performed certain other services in addition to their statutory duties.

The Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

a. Non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor.

b. Ensuring non-audit services do not involve the auditors reviewing or auditing their own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

14. NON-AUDIT SERVICES (CONTINUED)

Details of the amounts paid or payable to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are set out below.

	Consolidated	
	2011	2010
	$	$
Audit services		
Auditors of the Company:		
Audit and review of financial reports	129,277	132,000
Other services	**12,460**	**16,000**

15. INDEMNIFICATION AND INSURANCE OF OFFICERS

Indemnification

The Company has agreed to indemnify both the current directors of the Company and former directors against liability incurred to a third party (not being the Company or any related company) that may arise from their positions as directors of the Company and its controlled entities, unless the liability arises out of conduct involving a lack of good faith.

The Company has also agreed to cover the costs and expenses incurred in successfully defending civil or criminal proceedings, or in connection with a successful application for relief under the Corporations Act 2001. The Company also provides indemnity against costs and expenses in connection with an application where a court grants relief to a director under the Corporations Act 2001.

Insurance Premiums

Since the end of the 2010 financial year, the Company has paid insurance premiums in respect of directors' and officers' liability insurance, for the directors of the controlled entity. In accordance with subsection 300(9) of the Corporations Act 2001, further details have not been disclosed due to confidentiality provisions of the insurance contracts.

16. LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 35 and forms part of the directors' report for the financial year ended 30 June 2011.

Dated at Perth, Western Australia this 30th day of September 2011.

Signed in accordance with a resolution of the Directors.

G J Sloan
Managing Director/CEO

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporation Act 2001

To: the directors of Tanami Gold NL

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2011, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Grant Robinson

Grant Robinson
Partner

Perth

30 September 2011

CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

The Board of Directors of Tanami Gold NL is responsible for the corporate governance of the economic entity. The Board guides and monitors the business and affairs of Tanami Gold NL on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure that the Board is well equipped to discharge its responsibilities, it has established guidelines for the nomination and selection of directors and for the operation of the Board.

COMPOSITION OF THE BOARD

The composition of the Board is determined in accordance with the following principles and guidelines:

- The Board should comprise at least three directors a majority of whom should be non-executive directors;
- The Board should comprise directors with an appropriate range of qualifications and expertise; and
- The Board should meet at regular intervals and follow meeting guidelines set down to ensure all directors are made aware and have available all necessary information to participate in an informed discussion of all agenda items.

When a vacancy exists, through whatever cause, or where it is considered that the Board would benefit from the service of a new director with particular skills, the Board selects a candidate or panel of candidates with the appropriate expertise.

The Board then appoints the most suitable candidate, who must stand for election at the next general meeting of shareholders.

REMUNERATION

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. The expected outcomes of the remuneration structure are:

- Retention and motivation of key executives;
- Attraction of quality management to the Company; and
- Performance incentives which allow executives to share the rewards of the success of Tanami Gold NL.

For details on the amount of remuneration and all monetary and non-monetary components for all directors, refer to the Directors' Report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the Board, having regard to the overall performance of Tanami Gold NL and the performance of the individual during the period.

There is no scheme to provide retirement benefits, other than statutory superannuation, to directors.

A Remuneration Committee was established on 1 July 2005. Remuneration levels are set by the Committee in accordance with industry standards to attract suitably qualified and experienced Directors and senior executives. The Committee now comprises Mr Alan Senior and Mr Denis Waddell.

AUDIT COMMITTEE

The Company has an Audit Committee comprising Mr Alan Senior (Chairman), and Mr Denis Waddell. Both members have the relevant financial and industry experience required to perform Audit Committee functions. Details regarding the relevant qualifications and experience of each Director who is a member of the Audit Committee is set out in the Directors' Report.

The appointment of the external auditor is the responsibility of the Audit Committee and the performance of the external auditor is assessed annually. Rotation of the external audit engagement partner is undertaken in line with the requirements of the Corporations Act 2001 and is managed by the external auditor.

BOARD RESPONSIBILITIES

As the Board acts on behalf of and is accountable to the shareholders, it seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The Board seeks to discharge these responsibilities in a number of ways.

The responsibility for the operation of the Consolidated Entity is delegated by the Board to the Managing Director/CEO. The responsibility for the administration of the Consolidated Entity is delegated by the Board to the Company Secretary/Chief Financial Officer. The Board ensures that the Managing Director/CEO and Company Secretary/Chief Financial Officer are appropriately qualified and experienced to discharge their responsibilities, and have put in place procedures to assess the performances of the Company's officers, employees, contractors and consultants.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. It has a number of mechanisms in place to ensure this is achieved, including the following:

- Regular review by the Board of the Company's growth strategies which are designed to meet shareholder needs and manage business risk;
- Implementation of operating plans and budgets by management and Board monitoring of progress against budget; and
- Procedures to allow Directors, in the furtherance of their duties, to seek independent professional advice at the Company's expense.

MONITORING OF THE BOARD'S PERFORMANCE

In order to ensure that the Board continues to discharge its responsibilities in an appropriate manner, the performance of all Directors is reviewed annually by the Chairman. This process took place during the year ended 30 June 2011. Directors whose performance is unsatisfactory are asked to retire.

MONITORING THE PERFORMANCE OF SENIOR EXECUTIVES

The Company undertakes a formal review of the performance of each of its senior executives at least annually and this process took place during the year ended 30 June 2011.

BEST PRACTICE RECOMMENDATION

Outlined below are the 8 Principles of Good Corporate Governance and Best Practice Recommendations as outlined by the ASX and the Corporate Governance Council. The Company has complied with the Corporate Governance Best Practice Recommendations except as identified below. Details about the Company's corporate governance policies are set out on the Company's website at www.tanami.com.au.

Principles of Good Corporate Governance and Best Practice Recommendations	Action taken and reasons if not adopted
Establish and disclose the respective roles and responsibilities of board and management.	
Principle 1: Lay solid foundation for management and oversight	Adopted
1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	
1.2 Companies should disclose the process for evaluating the performance of senior executives.	
1.3 Companies should provide the information indicated in the Guide to reporting on Principle 1.	
Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties.	
Principle 2: Structure the Board to add value	Adopted except as follows:
2.1 A majority of the board should be independent directors.	2.1 The Board considers that its current structure is appropriate given its size and that the current directors provide the necessary diversity of skills and experience which is appropriate for the company's projects and business. - Mr DP Waddell was employed within the last three years as Executive Chairman and is therefore not independent. - Mr GJ Sloan is Managing Director/CEO and is therefore not independent. - Mr SH Lee is a substantial shareholder of a company holding more than five percent of the Company's voting stock and is therefore not independent.
2.2 The chair should be an independent director.	2.2 Mr DP Waddell was employed within the last three years as Executive Chairman and is therefore not independent.
2.3 The roles of chair and chief executive officer should not be exercised by the same individual.	
2.4 The board should establish a nomination committee.	
2.5 Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	
2.6 Companies should provide the information indicated in the Guide to reporting on Principle 2.	
Actively promote ethical and responsible decision-making.	
Principle 3: Promote ethical and responsible decision-making	Adopted
3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	
3.2 Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	
3.3 Companies should provide the information indicated in the Guide to reporting on Principle 3.	
Have a structure in place to independently verify and safeguard the integrity of the Company's financial reporting.	
Principle 4: Safeguard integrity in financial reporting	Adopted except as follows:
4.1 The board should establish an audit committee.	
4.2 The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members.	4.2 The Company has an Audit Committee comprising Mr AA Senior (independent non- executive director and Chairman of the Audit Committee) and Mr DP Waddell (Non-Executive Director and Chairman of the Board). The Board considers that the current structure is appropriate given the size of the entity and the skills and experience that the current audit committee members bring to these meetings.
4.3 The audit committee should have a formal charter.	
4.4 Companies should provide the information indicated in the Guide to reporting on Principle 4.	

Principles of Good Corporate Governance and Best Practice Recommendations	Action taken and reasons if not adopted
Promote timely and balanced disclosure of all material matters concerning the Company.	
Principle 5: Make timely and balanced disclosure	Adopted
5.1 Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	
5.2 Companies should provide the information indicated in the Guide to reporting on Principle 5.	
Respect the rights of shareholders and facilitate the effective exercise of those rights.	
Principle 6: Respect the rights of shareholders	Adopted
6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	
6.2 Companies should provide the information indicated in the Guide to reporting on Principle 6.	
Establish a sound system of risk oversight and management and internal control.	
Principle 7: Recognise and manage risk	Adopted
7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	
7.2 The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	
7.3 The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	
7.4 Companies should provide the information indicated in the Guide to reporting on Principle 7.	
Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.	
Principle 8: Remunerate fairly and responsibly	Adopted except for:
8.1 The board should establish a remuneration committee.	8.1 A Remuneration and Nomination Committee was established on 1 July 2005. It currently comprises Mr AA Senior (independent non-executive director) and Mr DP Waddell (Non-Executive Director and Chairman of the Board). The board considers that the current structure is appropriate given the size of the company and the skills and experience that the remuneration and nomination committee members possess.
8.2 Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	
8.3 Companies should provide the information indicated in the Guide to reporting on Principle 8.	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

		Consolidated	
		2011	2010
	Note	$	$
Revenue from operating activities	3	57,780,725	57,076,561
Mine costs (including depreciation and amortisation)	4	(55,879,157)	(55,922,165)
Profit on sale of assets		-	11,742,643
Other income	3	97,078	55,278
Exploration and evaluation expenses written off	13	(4,913)	(671)
Administration and corporate expenses		(4,769,652)	(3,948,763)
Results from operating activities		(2,775,919)	9,002,883
Financial income	6	4,372,415	292,990
Financial expenses	6	(2,261,473)	(5,903,676)
Foreign exchange gain/(loss)	6	1,616,301	(63,218)
Net financing income/(costs)		3,727,243	(5,673,904)
Share of loss of equity accounted investees (net of income tax)	14	(325,353)	(2,975,312)
Gain on dilution of shareholding in equity accounted investees (net of income tax)	14	346,434	-
Profit before tax		972,405	353,667
Income tax expense	7	-	-
Profit for the period		972,405	353,667
Other comprehensive income – share of equity accounted investees	14	98,491	-
Total comprehensive income for the period		1,070,896	353,667
Earnings per share			
Basic earnings per share		0.004 cents	0.003 cents
Diluted earnings per share		0.004 cents	0.003 cents

The consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

		Consolidated	
		2011	2010
	Note	$	$
CURRENT ASSETS			
Cash and cash equivalents	9	6,749,292	6,728,829
Other receivables	10	2,851,587	1,228,515
Inventories	11	11,186,461	6,228,263
Total current assets		20,787,340	14,185,607
Other receivables	10	5,972,179	10,594,867
Property, plant and equipment	12	32,521,594	23,378,524
Exploration and evaluation expenditure	13	49,482,328	29,201,662
Investment in associates	14	10,039,522	7,600,758
Derivatives	15	7,800,000	4,020,000
Total non-current assets		105,815,623	74,795,811
TOTAL ASSETS		126,602,963	88,981,418
CURRENT LIABILITIES			
Interest-bearing liabilities	16	22,899,575	54,985,980
Trade and other payables	17	14,692,222	7,600,478
Provisions	18	1,165,483	889,056
Total current liabilities		38,757,280	63,475,514
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	16	100,392	250,981
Provisions	18	4,687,999	4,673,355
Total non-current liabilities		4,788,391	4,924,336
TOTAL LIABILITIES		43,545,671	68,399,850
NET ASSETS		83,057,292	20,581,568
EQUITY			
Issued capital	19	244,794,180	183,469,346
Accumulated losses	20	(162,213,932)	(163,764,772)
Share based payment reserve		477,044	876,994
TOTAL EQUITY		83,057,292	20,581,568

The consolidated statement of financial position is to be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Issued Capital $	Accumulated Losses $	Share Based Payment Reserve $	Total $
Consolidated				
Balance at 1 July 2009	183,469,346	(164,118,439)	586,449	19,937,356
Total comprehensive income for the period				
Profit	-	353,667	-	353,667
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	353,667	-	353,667
Transactions with owners, recorded direct to equity				
Contributions by and distributions to owners				
Share based payments transactions	-	-	290,545	290,545
Total contributions by and distributions to owners	-	-	290,545	290,545
Shares issued during the year	-	-	-	-
Total transactions with owners	-	-	290,545	290,545
Balance at 30 June 2010	183,469,346	(163,764,772)	876,994	20,581,568
Consolidated				
Balance at 1 July 2010	183,469,346	(163,764,772)	876,994	20,581,568
Total comprehensive income for the period				
Profit	-	972,405	-	972,405
Other comprehensive income	-	98,491	-	98,491
Total comprehensive income for the period	-	1,070,896	-	1,070,896
Transactions with owners, recorded direct to equity				
Contributions by and distributions to owners				
Share based payments transactions	-	-	79,994	79,994
Transfer of reserve upon exercise of options	-	479,944	(479,944)	-
Total contributions by and distributions to owners	-	479,944	(399,950)	79,994
Shares issued during the year	61,324,834	-	-	61,324,834
Total transactions with owners	61,324,834	479,944	(399,950)	61,404,828
Balance at 30 June 2011	244,794,180	(162,213,932)	477,044	83,057,292

The consolidated statements of changes in equity is to be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

		Consolidated	
		2011	2010
	Note	$	$
Cash Flows from Operating Activities			
Cash receipts from customers		57,877,803	57,191,294
Cash payments in the course of operations		(46,129,326)	(44,706,616)
Cash payments for withholding tax		(255,356)	(163,683)
Interest received		619,719	246,587
Interest paid		(2,993,816)	(732,254)
Net cash provided by operating activities	28(b)	9,119,024	11,835,328
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(7,629,829)	(1,664,962)
Proceeds from sale of other assets		-	1,500,000
Payments for exploration security deposits		-	(8,793,739)
Proceeds from exploration security deposit refunds		5,223,561	551,483
Payments for the purchase of equity investments		(2,319,194)	(4,242,038)
Payments for exploration and evaluation		(19,869,926)	(3,972,433)
Payments for development expenditure		(15,259,923)	(10,986,531)
Payments for the acquisition of the Central Tanami Project		-	(23,074,148)
Net cash used in investing activities		(39,855,310)	(50,682,368)
Cash Flows from Financing Activities			
Net proceeds from issue of shares and options		60,720,334	-
Net proceeds from borrowings		23,305,548	44,521,132
Repayment of borrowings		(53,269,133)	(102,457)
Net cash provided by financing activities		30,756,749	44,418,675
Net increase in cash and cash equivalents held		20,463	5,571,635
Cash and cash equivalents at the beginning of the financial year		6,728,829	1,157,195
Cash and cash equivalents at the end of the financial year	28(a)	6,749,292	6,728,830

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes to the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Tanami Gold NL ("the Company") is a company domiciled in Australia. The address of the Company's registered office is Level 4, 50 Colin Street, West Perth, Western Australia 6005. The consolidated financial statements of the Company as at and for the year ended 30 June 2011 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity") and the Consolidated Entity's interest in investments in associates. The Consolidated Entity primarily is involved in gold mining operations and mineral exploration.

(b) Basis of Preparation

Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 30 September 2011.

Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value; and
- Financial instruments at fair value through profit or loss are measured at fair value.

Going Concern Basis of Preparation

The going concern basis of preparation has been adopted.

The Consolidated Entity has generated a net profit for the year ended 30 June 2011 of $972,405 (2010: $353,667). At 30 June 2011, it had a net working capital deficiency of $17,969,940 (2010: $49,289,907).

The Company has an unsecured loan facility with AP Finance Limited (of which the ultimate holding company is Allied Group Limited, an entity associated with Mr Lee Seng Hui who is a Director of the Company) totalling HK$234.2 million (approximately $28.02 million as at 30 June 2011). The facility is unsecured and has a repayment date of 30 November 2011 which can be extended (at the Company's election) to 30 June 2012.

As at 30 June 2011, the Company had drawn down a total of HK$193.1 million (approximately $23.10 million) under its loan facilities; leaving approximately $4.92 million available for the Company to draw down if required. These funds have been used to assist with funding:

- The installation of three new leach tanks at the Western Tanami Operations treatment plant which led to an increase in throughput capacity from 250,000 tonnes per annum to 350,000 tonnes per annum;
- The significant pre-strip associated with the resumption of mining at the Company's Bald Hill deposits;
- The Company's substantial surface and underground drilling program at the Western Tanami Operations and surface drilling program at the Central Tanami Project;
- The installation of a new secondary cone crusher at the Western Tanami Operations to increase productivity and reduce maintenance costs; and
- The Feasibility Study for the development of the Central Tanami Project.

Subject to the completion of the Central Tanami Feasibility Study, the Directors will further progress the various funding options currently being considered (including debt and/or equity) to fund the development of the Central Tanami Project.

In the event that the Coyote and Bald Hill operations fail to achieve anticipated production and cash flow outcomes, the Company may be required to source additional cash from debt or equity markets. The Company has demonstrated historically that it can raise funds through both debt and equity avenues and can repay its debts as and when they fall due.

Given the above, and based upon the current production forecasts from the Company's Coyote and Bald Hill operations, the Directors consider that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable and the Directors are confident that the going concern basis of preparation remains appropriate.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Preparation (continued)

Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars, which is the functional currency of the Consolidated Entity.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of the Australian Accounting Standards that have significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed below.

Accounting estimates and judgements

Management discussed with the Audit Committee the development, selection and disclosure of the Consolidated Entity's critical accounting policies and estimates and the application of these policies, estimates and judgements. The estimates and judgements that may have a significant impact on the carrying amount of assets and liabilities are discussed below:

(i) Mine rehabilitation and site restoration provision

The Consolidated Entity assesses its mine rehabilitation and site restoration provision at each balance date in accordance with accounting policy 1(j). Significant judgement is required in determining the provision for mine rehabilitation and site restoration as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate and restore the mine sites and related assets. Factors that will affect this liability include future development, changes in technology, price increases and changes in interest rates. When these factors change or become known in the future, such differences will impact the site restoration provision and asset in the period in which they change or become known.

(ii) Units of production method of amortisation

The Consolidated Entity amortises mine properties in production on a units of production basis over economically recoverable ounces. These calculations require the use of estimates and assumptions. Significant judgement is required in assessing the available reserves and resources under this method. Factors that must be considered in determining reserves and resources are the complexity of metallurgy, product prices, foreign exchange rates, cost structures and future developments. When these factors change or become known in the future, such differences will impact amortisation expense and the carrying value of mine property assets.

(iii) Determination of ore reserves and mineral resource

The Consolidated Entity estimates its ore reserves and mineral resources based on information compiled by competent persons in accordance with the Australian Code for Reporting of Mineral Resources and Ore Reserves December 2004 (the JORC code). Reserves and where applicable resources demined in this way are used in the calculation of depreciation, amortisation and impairment charges, the assessment of mine lives and for forecasting the timing of the payment of restoration costs.

When a change in estimated recoverable gold ounces contained in proved and probable ore reserves, and where applicable resources, is made, amortisation and depreciation is accounted for prospectively.

(iv) Impairment

In accordance with accounting policy note 1(i), the Consolidated Entity, in determining whether the recoverable amount of its cash generating unit is the higher of fair value less costs to sell or value-in-use against which asset impairment is to be considered, undertakes future cash flow calculations which are based on a number of critical estimates and assumptions including, for its mine properties, forward estimates of:

- mine life, including quantities of mineral reserves and resources for which there is a high degree of confidence of economic extraction with given technology;
- production levels and demand;
- metal price;
- inflation;
- cash costs of production; and
- discount rates applicable to the cash generating unit.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Preparation (continued)

(v) Impairment of exploration and evaluation of assets, investment in subsidiary and loans to subsidiary

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in its subsidiaries and loans to its subsidiaries is dependent on successful development and commercial exploitation, or alternatively, sale of the underlying mineral exploration properties. The Consolidated Entity undertakes at least on an annual basis, a comprehensive review of indicators of impairment of these assets. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of estimation and judgement that are considered in this review include:

- recent drilling results and reserves and resource estimates;
- environmental issues that may impact that underlying tenements;
- the estimated market value of assets at the review date;
- independent valuation of underlying assets that may be available;
- fundamental economic factors such as the gold price, exchange rates and current and anticipated operating costs in the industry; and
- the Consolidated Entity's market capitalisation compared to its net assets.

Information used in the review process is tested against externally available information as appropriate.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Consolidated Entity, except as explained in note 1(c).

(c) Changes in accounting policies

Presentation of transactions recognised in other comprehensive income

From 1 July 2010 the Consolidated Entity has applied amendments to AASB 101 *Presentation of Financial Statements* outlined in AASB 2010-4 *Further amendments to Australian Accounting Standards arising from the Annual Improvement Project.* The change in accounting policy only relates to disclosures and had no impact on consolidated earnings per share or net income.

(d) Removal of parent entity financial statements

The Consolidated Entity has applied amendments to the Corporations Act (2001) that remove the requirement for the Consolidated Entity to lodge parent entity financial statements. Parent entity financial statements have been replaced by the specific parent entity disclosure in note 31.

(e) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a Company so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Consolidated Entity.

(ii) Investments in associates (equity accounted investee)

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Consolidated Entity's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements includes the Consolidated Entity's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Consolidated Entity's, from the date that significant influence commences until the date that significant influence ceases. When the Consolidated Entity's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Consolidated Entity's has an obligation or has made payments on behalf of the investee.

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Consolidated Entity's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Gains and losses are recognised when the contributed assets are consumed or sold by the equity accounted investees or, if not consumed or sold by the equity accounted investee, when the Consolidated Entity's interest in such entities is disposed of.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Basis of Consolidation (continued)

(iv) Jointly controlled operations and assets

The interest of the Consolidated Entity in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in its financial statements the assets it controls, the liabilities that it incurs, the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint venture.

(v) Loss of control

Upon the loss of control, the Consolidated Entity derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of the equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Consolidated Entity retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(f) Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

All such assets, except freehold land, are depreciated over their estimated useful lives on a straight line, reducing balance or production output basis, as considered appropriate, commencing from the time the asset is held ready for use.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Consolidated Entity and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated depreciation rates for the current and comparative periods are as follows:

Major depreciation periods are:	**2011**	**2010**
Buildings	2.5%	2.5%
Plant and equipment	15–33%	15–33%
Motor vehicles	13-25%	13-25%
Furniture and fittings	7.5-40%	7.5-40%
Mine development costs	Units of production	Units of production

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

(i) Useful lives

Mine assets are depreciated or amortised over the lower of their estimated useful lives and the estimated remaining life of the mine. The estimated remaining life of the mine is based upon geological resources. Assets not linked to the mining operation are depreciated over their estimated useful lives.

(ii) Amortisation

Amortisation is charged to the income statement, except to the extent that it is included in the carrying amount of another asset as an allocation of production overheads.

Mine properties in production are amortised on a units of production basis over economically recoverable resources.

Amortisation is not charged on costs carried forward in respect of interest in the development phase until commercial production commences.

(g) Exploration and Evaluation

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, exploration costs are accumulated in respect of each separate area of interest.

Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in profit or loss as incurred.

Exploration costs are carried forward at cost where the rights of tenure are current and either:

(i) Such costs are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Exploration and Evaluation (continued)

(ii) Exploration activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets will be assessed annually for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable value. Where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units. Expenses arising from the excess of the carrying values of exploration and evaluation assets over the recoverable amounts of the assets are recognised in profit or loss.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

Mining Properties in Production or Under Development
Mining properties in production (including exploration, evaluation and development expenditure) are accumulated and brought to account at cost less accumulated amortisation in respect of each identifiable area of interest. Amortisation of capitalised costs is provided on the production output basis, proportional to the depletion of the mineral resource of each area of interest expected to be ultimately economically recoverable.

(h) Acquisition of Assets

Assets acquired are recognised at cost. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the Company if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the original performance of the asset will flow to the Company in future years. Costs that do not meet the criteria for capitalisation are expended as incurred.

(i) Impairment

The carrying amounts of the Consolidated Entity's assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Provision

A provision is recognised if, as a result of a past event, the Consolidated Entity has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Provision (continued)

A provision is made for the estimated cost of rehabilitation relating to areas disturbed during the mine's operation up to reporting date but not yet rehabilitated. Provision has been made in full for all disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flows. The estimated cost of rehabilitation includes the current cost of recontouring, topsoiling and revegetation, employing legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise.

Uncertainty exists as to the amount of rehabilitation obligations which will be incurred due to the impact of changes in environmental legislation. The amount of the provision relating to rehabilitation of mine infrastructure and dismantling obligations is recognised at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time. The provision is recognised as a non-current liability with a corresponding asset included in property, plant and equipment.

At each reporting date the rehabilitation liability is re-measured in line with changes in discount rates and timing or amount of costs to be incurred. Changes in the liability relating to rehabilitation of mine infrastructure and dismantling obligations are added to or deducted from the related asset, other than the unwinding of the discount which is recognised as a finance cost in profit or loss as it occurs.

If the change in liability results in a decrease in the liability that exceeds the carrying amount of the asset, the asset is written-down to nil and the excess is recognised immediately in the income statement. If the change in the liability results in an addition to the cost of the asset, the recoverability of the new carrying amount is considered. Where there is an indication that the new carrying amount is not fully recoverable, an impairment test is performed with the write-down recognised in profit or loss in the period in which it occurs.

The amount of the provision relating to rehabilitation of environmental disturbance caused by ongoing production and extraction activities is recognised in profit or loss as incurred. Changes in the liability are charged to profit or loss as rehabilitation expense, other than the unwinding of the discount which is recognised as a finance cost.

(k) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense and spread over the lease term.

(ii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each reporting period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(iii) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, finance establishment costs, discount unwind on the restoration and rehabilitation provision, interest receivable on funds invested, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the income statement using the effective interest method.

(l) Inventories

Raw materials and stores, work in progress (stockpiles and gold in circuit) and finished goods (bullion) are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs are assigned to individual items of inventory on the basis of weighted average costs. Cost includes direct material, overburden removal, mining, processing, labour related transportation cost to the point of sale, mine rehabilitation costs incurred in the extraction process and other fixed and variable costs directly related to mining activities.

(m) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Investments (continued)

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Consolidated Entity has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Securities Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is not a quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

(n) Other Receivables

Other receivables are initially recorded at the amount of proceeds due and are subsequently measured at amortised cost.

(o) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(p) Interest-bearing liabilities

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discounts or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

(q) Employee benefits

Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave and current portion of long service leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

No provision is made for non-vesting sick leave as the anticipated pattern of future sick leave taken indicates that accumulated non-vesting leave will never be paid.

Other long-term benefits

The Consolidated Entity's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. Provision for annual leave and the current portion of long service leave together with the associated employment on-costs are measured at their nominal amounts based on remuneration rates expected to be paid when the liability is settled. The non-current portions of long service leave and its associated employment on-costs are measured at the present value of estimated future cash flows.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Contributions to defined contribution superannuation plans are expensed as incurred.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Share based payment transactions

The share options plan allows employees to acquire shares of the Company. The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised is adjusted to reflect the number of share options that are expected to vest, except for those that fail to vest due to market conditions not being met.

(s) Leases

Finance leases, which transfer to the Consolidated Entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Determining whether an arrangement contains a lease
At inception of an arrangement, the Consolidated Entity determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of the specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Consolidated Entity the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the Consolidated Entity separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Consolidated Entity concludes for a finance lease that it is impracticable to separate the payment reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Consolidated Entity's incremental borrowing rate.

(t) Revenue

Goods sold
Revenue from the sale of gold is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be measured reliably, and there is no continuing management involvement with the goods. Revenue is recognised on receipt of funds from gold sales.

Interest
Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

(u) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Tax Consolidation
The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2002 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Tanami Gold NL.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(w) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

(x) Trade and other payables

Trade and other payables are stated at their amortised cost.

(y) Earnings per share

The Consolidated Entity presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for shares held by the Company's sponsored employee share plan trust, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(z) Segment reporting

An operating segment is a component of the Consolidated Entity that engages in business activities from which it may earn revenues and incur expenses. The Consolidated Entity operates in Western Australia and the Northern Territory, in the gold mining and exploration industries. All operating segments' operating results are regularly reviewed by the Consolidated Entity's Managing Director/CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director/CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total costs incurred during the period to acquire property, plant and equipment.

(aa) Financial instruments

Derivative financial instruments
Derivatives are recognised initially at fair value and attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are accounted for as described below.

Non-trading derivatives
When a derivative financial instrument is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

(ab) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

(ac) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2010, and have not been applied in preparing these consolidated financial statements of the Consolidated Entity. The following standards, amendments to standards, and interpretations have been identified as ones which may impact the entity in the period of initial application:

(a) AASB 9 *Financial Instruments*, which becomes mandatory for the Consolidated Entity's 2014 consolidated financial statements could change the classification and measurement of financial assets. The Consolidated Entity does not plan to adopt this standard early and the extent of the impact has not been determined.

(b) AASB 10 *Consolidated Financial Statements* introduces a new approach to determining which investees should be consolidated. An investor controls an investee when the investor is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. AASB 10 will become mandatory for the Group's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions. The Group has not yet determined the potential effect of the standard.

2. DETERMINATION OF FAIR VALUES

a) The fair value of derivative financial assets is based on a binomial model valuation as at the reporting date. Refer to note 15 for details of assumptions used.

3. REVENUE

	Consolidated	
	2011 $	2010 $
Gold sales	57,780,725	57,076,561
Other income	97,078	55,278
	57,877,803	57,131,839

4. MINE COSTS

Profit before income tax benefits has been arrived at after:		
Mine Costs (i)	55,879,157	55,922,165
Which includes:		
Mining	19,500,928	24,761,487
Processing	12,762,692	11,820,261
Site Administration	4,053,194	4,394,019
Depreciation – plant and equipment	4,937,119	4,210,470
Amortisation – mine development	14,625,224	10,735,928
	55,879,157	55,922,165

(i) Mine costs relate to the development and production of the Coyote Gold Project, the mining of the Bald Hill Open Pits, ore processing and site administration. Mine costs include depreciation and amortisation.

5. PERSONNEL EXPENSES

Wages and salaries	22,153,461	16,422,976
Superannuation costs	1,503,766	1,419,656
Increase in liability for annual leave	271,404	169,558
Share based payments	79,994	290,545
Total Personnel Expenses	24,008,625	18,302,735
Less: expenditure capitalised to exploration and evaluation assets	(3,056,281)	(1,206,774)
	20,952,344	17,095,961

6. FINANCE INCOME AND EXPENSE

Finance income:		
Interest income	592,415	292,990
Gain in fair value of financial assets at fair value through profit or loss	3,780,000	-
Foreign exchange gain	1,616,301	-
Finance income	5,988,716	292,990
Finance expense:		
Interest – borrowings	(1,515,683)	(2,403,449)
Borrowing costs	(910,370)	(2,614,080)
Loss in fair value of financial assets at fair value through profit or loss	-	(675,000)
Unwind of discount on site restoration provision	164,580	(211,147)
Foreign exchange loss	-	(63,218)
Finance expense	(2,261,473)	(5,966,894)
Net Finance Income and (Expense)	3,727,243	(5,673,904)

7. TAXATION

	Consolidated	
	2011	2010
	$	$
Major components of income tax expense are as follows:		
Income Statement		
Current income tax expense/(benefit)		
Current income tax charge	(2,072,466)	-
Income tax expense not recognised due to availability of group revenue tax losses	-	-
Prior year adjustment	(1,458,899)	2,438,727
Deferred income tax expense		
Relating to origination and reversal of temporary differences	3,847,088	(7,015,910)
Deferred tax assets not recognised in the current period	(315,723)	4,577,183
Income tax benefit/(expense) reported in income statement	-	-
The components of recognised deferred tax balance are as follows:		
CONSOLIDATED		
Deferred tax liabilities		
Mine development	-	-
Exploration	4,334,631	2,544,732
Property, plant and equipment	-	-
Consumables	1,234,934	1,013,285
Accrued income	183,862	49,055
Investments	903,970	-
Unrealised foreign exchange gains	518,037	-
Other	-	62,904
Deferred tax asset offset against deferred tax liability	(7,175,434)	(3,669,976)
Gross deferred income tax liabilities	-	-
Deferred tax assets		
Provisions	1,794,948	1,138,072
Accruals	141,587	137,300
Property, plant and equipment	5,238,899	2,394,604
Deferred tax asset offset against deferred tax liability	(7,175,434)	(3,669,976)
Gross deferred income tax assets	-	-
Reconciliation to income tax benefit on account loss		
Profit before income tax	972,405	353,667
Prima facie tax payable at the statutory income tax rate	291,722	106,100
Non-deductible expenses		
Prior period adjustment	(1,759)	(1,193)
Share based payments	23,997	87,164
Other	1,763	1,411
Deferred tax assets not recognised	(315,723)	4,577,183
Tax losses recouped not previously booked	-	(4,770,665)
Income tax benefit	-	-
Deferred tax asset (30%) not recognised arising on:		
Tax losses	42,785,408	39,311,626
Temporary differences	5,627,309	8,667,830
	48,412,717	47,979,456

8. AUDITOR'S REMUNERATION

	Consolidated 2011 $	Consolidated 2010 $
Audit Services		
Amounts paid, or due and payable, to the auditor KPMG for:		
Audit and review of the financial statements	129,277	132,000
Other Services		
Employee share scheme advice	2,960	-
GST advice	2,000	-
Share and Asset sale agreement with Newmont Australia Limited	7,500	-
Financial model integrity checking	-	16,000
Total Other Services	12,460	16,000

9. CASH AND CASH EQUIVALENTS

	2011 $	2010 $
Cash at bank and on hand	6,749,292	6,728,829
	6,749,292	6,728,829

The Consolidated Entity's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 30.

10. OTHER RECEIVABLES

	2011 $	2010 $
Current		
GST Receivable	1,716,960	447,787
Prepayments	269,672	188,645
Other debtors	847,016	551,147
Interest Receivable	17,939	40,936
	2,851,587	1,228,515
Non-current		
Other debtors (a)	5,367,679	10,594,867
Limited recourse loans (b)	604,500	-
	5,972,179	10,594,867

(a) Non-current other debtors represent term deposits placed in support of environmental performance bonds lodged with the Minister for State Development (WA) $2,190,000 (30 June 2010: $2,190,000), Newmont Australia Limited $1,105,000 (30 June 2010: $8,078,518) and the Department of Resources $1,777,426 (30 June 2010: $145,043). In addition, $177,679 (30 June 3010: $181,306) has been held as a rental bond for the corporate office and excess funds of $117,574 are held in term deposit with the National Australia Bank Limited for future bond requirements.

(b) In July 2010, the Company put in place limited recourse loans with employees who held 19,500,000 1.3 cent options. The loans were to assist with the conversion of these options and associated rights into shares arising under the Company's 6:5 fully underwritten pro-rata renounceable entitlements issue announced on 15 July 2010.

These loans did not result in any cash outflow for the Company. The loans have a 24 month term, are interest free and total $604,500.

The shares resulting from these loans cannot be sold or transferred until the loans are repaid in accordance with the terms and conditions of the underlying loan agreements. Should any of the employees to which the loans relate cease to be an employee of the Company then the loans are immediately repayable in accordance with the terms and conditions of the underlying loan agreements.

11. INVENTORIES

	2011 $	2010 $
Current		
Stockpile	5,074,298	2,006,714
Raw materials and stores	3,877,686	3,026,055
Gold in circuit	2,220,718	604,861
Bullion	-	576,874
Other	13,759	13,759
	11,186,461	6,228,263

In line with accounting policy Note 1(l), inventories are stated at lower of cost or net realisable value. All inventory components shown above are carried at cost except for the stockpile which is carried at net realisable value.

12. PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2011 $	Consolidated 2010 $
Buildings at cost	8,341,482	8,198,883
Less: accumulated depreciation	(618,959)	(484,274)
Less: accumulated impairment	(3,134,004)	(3,134,004)
	4,588,519	4,580,605
Plant and equipment at cost	47,332,017	40,754,375
Less: accumulated depreciation	(11,661,313)	(7,314,592)
Less: accumulated impairment	(24,578,572)	(24,578,572)
	11,092,132	8,861,211
Motor vehicle at cost	1,793,700	1,491,149
Less: accumulated depreciation	(1,308,260)	(1,015,349)
	485,440	475,800
Furniture and fittings at cost	1,478,160	1,078,143
Less: accumulated depreciation	(934,017)	(750,952)
	544,143	327,191
Capital works in progress	2,283,952	955,446
Mine development assets	13,229,213	7,880,076
Rehabilitation asset	298,195	298,195
Total property, plant and equipment	32,521,594	23,378,524

Reconciliation
Reconciliations of carrying amounts for each class of property, plant and equipment are set out below:

	2011 $	2010 $
Building		
Carrying amount at beginning of financial year	4,580,605	4,501,073
Additions	142,599	208,001
Depreciation	(129,592)	(128,469)
Depreciation capitalised in exploration and evaluation asset	(5,093)	-
Carrying amount at end of financial year	4,588,519	4,580,605
Plant and equipment		
Carrying amount at beginning of financial year	8,861,211	7,938,288
Additions including capital works in progress transfers	6,629,907	4,602,178
Disposal	(52,265)	(57,500)
Accumulated depreciation on disposals	28,985	20,762
Depreciation	(4,329,539)	(3,642,517)
Depreciation capitalised in exploration and evaluation asset	(46,167)	-
Carrying amount at end of financial year	11,092,132	8,861,211
Motor Vehicle		
Carrying amount at beginning of financial year	475,800	639,908
Additions	356,734	122,379
Disposal	(54,182)	-
Accumulated depreciation on disposals	45,812	-
Depreciation	(324,148)	(286,487)
Depreciation capitalised in exploration and evaluation asset	(14,576)	-
Carrying amount at end of financial year	485,440	475,800
Furniture and fittings		
Carrying amount at beginning of financial year	327,191	278,156
Additions	400,017	202,032
Depreciation	(153,840)	-
Depreciation capitalised in exploration and evaluation asset	(29,225)	(152,997)
Carrying amount at end of financial year	544,143	327,191

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Consolidated 2011 $	Consolidated 2010 $
Capital works in progress		
Carrying amount at beginning of financial year	955,446	56,746
Additions	5,397,683	2,071,987
Transferred to plant and equipment	(4,069,177)	(1,173,287)
Carrying amount at end of financial year	2,283,952	955,446
Mine development assets		
Carrying amount at beginning of financial year	7,880,076	7,809,100
Additions: Capitalised underground mine development costs	14,337,702	10,806,904
Additions: Capitalised Bald Hill stripping costs	5,636,659	-
Amortisation	(14,625,224)	(10,735,928)
Carrying amount at end of financial year	13,229,213	7,880,076
Rehabilitation asset		
Carrying amount at beginning of financial year	298,195	-
Additions	-	298,195
Carrying amount at end of financial year	298,195	298,195
Total property plant and equipment		
Carrying amount at beginning of financial year	23,378,524	21,223,271
Additions	28,832,124	17,138,389
Disposals	(106,447)	(57,500)
Accumulated depreciation on disposals	74,797	20,762
Depreciation	(4,937,119)	(4,210,470)
Depreciation capitalised in exploration and evaluation asset	(95,061)	-
Amortisation	(14,625,224)	(10,735,928)
Carrying amount at end of financial year	32,521,594	23,378,524

13. EXPLORATION AND EVALUATION EXPENDITURE

	2011 $	2010 $
Exploration and evaluation costs carried forward in respect of areas of interest	49,482,328	29,201,662

a) Reconciliation

	2011 $	2010 $
Carrying amount at the beginning of the year	29,201,662	3,992,169
Expenditure during the period	20,285,579	5,245,461
Acquisition of Central Tanami mineral resources	-	20,719,222
Expenditure written off (i)	(4,913)	(671)
Carrying value of tenements sold	-	(754,519)
	49,482,328	29,201,662

(i) The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas. During the year the Company wrote off expenditure totalling $4,913 (2010:$671).

14. INVESTMENT IN ASSOCIATES

The Consolidated Entity's share of losses in its equity accounted investee for the year ended 30 June 2011 was $325,353 (2010: $2,975,312).

During the year ended 30 June 2011 the Consolidated Entity did not receive dividend income from its investments in equity accounted investees.

The Consolidated Entity's shareholding in its equity accounted investee has reduced from 21.57% as at 1 July 2010 to 20.40% as at 30 June 2011. The Consolidated Entity has significant influence due to this shareholding and the Consolidated Entity's representation on the equity accounted investee's board.

The reduction in the Consolidated Entity's shareholding is due to the exercise of options in the equity accounted investee by shareholders other than Tanami Exploration NL, the entity that owns shares and options in the equity accounted investee. A gain of $346,434 was recognised in relation to this dilution.

14. INVESTMENT IN ASSOCIATES (CONTINUED)

Summary of financial information for equity accounted investees, not adjusted for the percentage ownership held by the Consolidated Entity.

In thousands of AUD 2011	Ownership	Current Assets	Non-Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Revenue	Expenses	Profit/ (Loss)
ABM Resources NL (associate)	20.40%	11,138	19,755	30,893	1,306	426	1,732	514	(9,768)	(9,254)

Reconciliation of Investment in Equity Accounted Investee

	Consolidated 2011 $	Consolidated 2010 $
Balance as 1 July	7,600,758	-
Initial investment	-	6,334,032
Increase in investment due to take up of rights issue	2,319,192	4,242,038
Share of loss	(325,353)	(2,975,312)
Gain on dilution of shareholding	346,434	-
Other comprehensive income	98,491	-
Balance at 30 June	10,039,522	7,600,758

15. DERIVATIVES

Non-current investments

	2011	2010
Options over ABM Resources NL shares	7,800,000	4,020,000

The values of these options were recognised initially at fair value. Subsequent to initial recognition, these options are measured at fair value and changes therein are recognised immediately in profit or loss. The fair value movement in the derivatives during the period was a gain of $3,780,000 (2010: $675,000 loss) and is included in financial income within the consolidated statement of comprehensive income.

The options were valued as at 30 June 2011 using the Binomial valuation methodology. The significant assumptions used in the valuations were:

- Volatility: 110% (2010: 125%)
- Risk free rate: 4.74% (2010: 4.44%)
- Underlying security spot price: $0.037 (2010: $0.019)
- Exercise price: $0.015

16. INTEREST BEARING LIABILITIES

	2011	2010
Current		
Finance lease liabilities (i)	150,588	150,588
Loan (ii)	22,748,987	54,835,392
	22,899,575	54,985,980
Non-current		
Finance lease liabilities (i)	100,392	250,981

	30 June 2011 Face Value	30 June 2011 Carrying Amount	30 June 2010 Face Value	30 June 2010 Carrying Amount
(i) Current: Finance lease liabilities	170,508	150,588	170,508	150,588
(i) Non- Current: Finance lease liabilities	113,672	100,392	284,180	250,981
	284,180	**250,980**	**454,688**	**401,569**

The finance lease liability is denominated in Australian dollars with a nominal interest rate of 8.25% and will mature in 2013.

16. INTEREST BEARING LIABILITIES (CONTINUED)

(ii) Loan Amount

	Effective Interest Rate	Maturity	30 June 2011		30 June 2010	
			Face Value	Carrying Amount	Face Value	Carrying Amount
HKD 75 million	12%	31 Dec 10	-	-	11,305,396	11,651,063
AUD 37 million	12%	27 Sep 10	-	-	37,000,000	38,179,945
AUD 5 million	8%	27 Sep 10	-	-	5,000,000	5,004,384
HKD193.1 million	(i)	30 Nov 11	23,103,337	22,748,987	-	-
			23,103,337	**22,748,987**	**53,305,396**	**54,835,392**

(i) The HK$193.1million loan comprises an initial loan of HK$152 million which had an interest rate of 8% per annum and HK$41.1 million that was borrowed under a Deed of Variation entered into with AP Finance Limited on 13 June 2011 to increase the Company's total available facilities by HK$82.2 million to HK$234.2 million. At 30 June 2011, the Company had drawn down HK$41.1 million of the HK$82.2 increase in loan facility at an interest rate of 6% per annum. The HK$193.1 million loan is due for repayment on 30 November 2011; however this may be extended to 30 June 2012 at the Company's election.

17. TRADE AND OTHER PAYABLES

	Consolidated	
	2011 $	2010 $
Current		
Trade creditors	8,769,124	4,289,777
Other creditors and accruals	5,923,098	3,310,701
	14,692,222	7,600,478

The Consolidated Entity's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 30.

18. PROVISIONS

Current		
Employee entitlements	1,165,483	889,056
	1,165,483	889,056
Non-current		
Employee entitlements	655,541	476,318
Site and mine restoration	4,032,458	4,197,037
	4,687,999	4,673,355

Annual Leave

Current employee entitlements comprise annual leave that is expected to be settled within 12 months of the reporting date and represents present obligations resulting from employees' services provided to reporting date. Current employee entitlements are calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Site and mine restoration

In accordance with the Consolidated Entity's environmental policy and applicable legal requirements, a provision for site restoration and mine rehabilitation is recognised when the land is disturbed. The basis of accounting is set out in Note 1(j) of the significant policies.

Long service leave

Long service leave that is due and payable is disclosed as a current employee provision.

19. ISSUED CAPITAL

Share capital		
260,997,677 (2010: 117,946,335) ordinary shares, fully paid	244,794,180	183,469,346
	244,794,180	183,469,346
Movements in issued capital		
Balance at beginning of year	183,469,346	183,469,346
Shares issued		
- 143,051,342 (2010: nil) shares issued	64,327,973	-
- Transaction costs arising from issues	(3,003,139)	-
Balance at end of year	244,794,180	183,469,346

19. ISSUED CAPITAL (CONTINUED)

On 17 August 2010, the Company completed a 6:5 fully underwritten, pro-rata renounceable entitlements issue which resulted in 143,051,342 shares being issued.

On 20 August 2010, the Company obtained approval at a general meeting of shareholders for a 1 for 30 consolidation of its issued capital. The ordinary shares shown in the preceding table are on a post consolidation basis and therefore incorporate the 1-for-30 capital consolidation.

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

20. ACCUMULATED LOSSES

	Consolidated	
	2011 $	2010 $
Accumulated losses at the beginning of the year	(163,764,772)	(164,118,439)
Net profit/(loss) for year	1,070,896	353,667
Transfer of reserve upon exercise of options	479,944	-
Accumulated losses at the end of the year	(162,213,932)	(163,764,772)

21. CONTINGENT LIABILITIES

Claims of Native Title

On 20 April 2005 the Company entered into the Tjurabalan Native Title Coyote Gold Project Agreement which enabled the Coyote Gold Project to be developed. Central to the Agreement is a commitment to employment, training and business development opportunities for the Tjurabalan People. Importantly, the Tjurabalan People's interests and benefits payable by the Company are aligned with gold production levels achieved by the Company from the Project.

The Company has entered into several Deeds for Exploration with different traditional owner groups and the Central Land Council in relation to tenements held in the Northern Territory. Such agreements provide for exploration to be undertaken on Aboriginal Land Trust areas subject to certain conditions being met including approved clearance surveys over areas to be explored.

One of the Company's tenements in the Northern Territory is subject to the procedures of the Native Title Act 1993.

22. COMMITMENTS

(a) Exploration Expenditure

The Consolidated Entity has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Consolidated Entity's exploration program and priorities. These obligations are also subject to variations by negotiation, joint venturing or relinquishing some of the relevant tenements. As at balance date, total exploration expenditure commitments of the Consolidated Entity which have not been provided for in the financial statements amount to $2,374,480 per annum (2010: $1,676,140). The Consolidated Entity's tenement commitment can be reduced by obtaining expenditure exemptions and/or relinquishment of tenements.

Exploration Expenditure Commitments

Within one year	2,374,480	1,676,140

(b) Operating lease

The Consolidated Entity leases the corporate office under an operating lease. The lease runs for 3 years commencing on 1 February 2010 and expiring on 31 January 2013. Lease payments are adjusted annually to reflect market rentals. During the year ended 30 June 2011 $355,477 was recognised as an expense in the income statement in respect to the operating lease (2010: $378,335).

Operating Lease Commitments

Within one year	328,862	322,717
Between one and five years	191,831	527,085
	520,693	849,802

23. SHARE BASED PAYMENTS

Options

During the year, no options were issued.

During the year, no options were lapsed unexercised.

During the year the following options were forfeited:

Exercise Price ($)	Number of Options	Grant Date	Expiry Date
$4.50	1,667	30 April 2007	31 March 2012

During the year the following options were exercised:

Exercise Price ($)	Number of Options	Grant Date	Expiry Date
$0.39	733,334	3 March 2009	28 February 2014

At the end of the year there were 146,667 unissued ordinary shares in respect of which unquoted options were outstanding as follows:

Expiry Date	Type	Exercise Price	2011 Number	2010 Number
31 March 2012	Unquoted	$4.50	30,000	31,667
22 November 2012	Unquoted	$6.00	58,333	58,333
22 November 2012	Unquoted	$4.50	58,334	58,334
28 February 2014	Unquoted	$0.39	-	733,334
			146,667	881,668

The options shown in the preceding tables are on a post consolidation basis and therefore incorporate the 1-for-30 capital consolidation that was approved by a General Meeting of the Company's shareholders on 20 August 2010.

Equity Plans

(i) Directors' options

2011
During the financial year, no options were issued to Directors.

2010
During the financial year, no options were issued to Directors.

Summary
Details of options over unissued shares as at the beginning and ending of the reporting date are set out below.

				Number of options at 30 June 2011				
Grant Date	Exercise Date on or after	Expiry Date	Exercise Price	Number of options at beginning of year	Options Granted	Options Expired/ Forfeited	On Issue	Vested
23 Nov 2007	23 Nov 2007	22 Nov 2012	$6.00	58,333	-	-	58,333	58,333
23 Nov 2007	23 Nov 2007	22 Nov 2012	$4.50	58,334	-	-	58,334	58,334

The options shown in the preceding table are on a post consolidation basis and therefore incorporate the 1-for-30 capital consolidation that was approved by a General Meeting of the Company's shareholders on 20 August 2010.

(ii) Employee share option plan

The Employee Share Option Plan ("ESOP") was approved by shareholders at a general meeting of the Company on 27 November 2009.

In consideration of the continued services of the specified employees, the Company granted options to subscribe for one ordinary fully paid share in the capital of the Company per option. The options on issued at the start of the financial year may only be exercised on or after the second anniversary of the date of issue of the options except where otherwise noted.

23. SHARE BASED PAYMENTS (CONTINUED)

Summary of option movements for the financial year:

				Number of options at 30 June 2011					
Grant Date	Exercise Date on or after	Expiry Date	Exercise Price	Number of options at beginning of year	Options Granted	Options Expired/ Forfeited	Options Exercised	On Issue	Vested
23 Nov 2007	23 Nov 2007	22 Nov 2012	$6.00	58,333	-	-	-	58,333	58,333
23 Nov 2007	23 Nov 2007	22 Nov 2012	$4.50	58,334	-	-	-	58,334	58,334
30 Apr 2007	31 Mar 2009	31 Mar 2012	$4.50	31,667	-	(1,667)	-	30,000	30,000
3 Mar 2009	*	28 Feb 2014	$0.39	733,334	-	-	(733,334)	-	-

* The exercise date is dependent on the commencement date of the individual employees who have been issued the options. 50% of the options can be exercised after 12 months of continuous employment and 50% can be exercised after 24 months of continuous employment. The employees' commencement dates range from 28 August 1995 to 1 January 2009.

24. KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Details of Key Management Personnel

(i) Specified Directors

Denis Waddell (Non-Executive Chairman) (appointed July 1995)
Graeme Sloan (Managing Director/CEO) (appointed September 2008)
Alan Senior (Non-Executive Director) (appointed July 2007)
Seng Hui Lee (Non-Executive Director) (appointed March 2008)

(ii) Specified Executives

Don Harper (Chief Operating Officer) (appointed March 2011)
Rob Henderson (Geology Manager) (appointed September 2009, resigned April 2011)
Jon Latto (Chief Financial Officer) (appointed November 2007)
Rob Walker (General Manager Operations) (appointed October 2008)

b) Remuneration of Key Management Personnel

The key management personnel compensation included in 'personnel expenses' (see note 5) is as follows.

	Consolidated	
	2011	2010
	$	$
In AUD		
Short-term employee benefits	1,606,499	1,583,077
Post-employment benefits	112,586	105,411
Share-based payments	43,631	176,013
Total	1,762,716	1,864,501

(i) Individual directors and executives compensation disclosures

Information regarding individual director's and executive's compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 and 2M.6.04 is provided in the Remuneration Report section of the Directors' Report.

For the financial year ended 30 June 2011, Mr Waddell provided consulting services on corporate and operational matters to Tanami Gold NL totalling $162,000. These consulting services have been provided on arms length, commercial terms as and when required by the Consolidated Entity.

24. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

Shareholdings of directors – number of shares in Tanami Gold NL

2011

Ordinary Fully Paid Shares	Balance 1 July 2010	Granted on Exercise of Options	Entitlements Issue	Balance 30 June 2011
Directors				
D Waddell	2,336,000	-	3,336,134	5,672,134
G Sloan	-	-	-	-
A Senior	23,333	-	43,372	66,705
SH Lee	29,651,914	-	41,045,985	70,697,899
Other Key Management Personnel				
D Harper	-	-	-	-
R Henderson	-	-	-	-
J Latto	-	33,334	40,000	73,334
R Walker	1,398	333,334	400,000	734,732
Total	32,012,645	366,668	44,865,491	77,244,804

2011

Options	Balance 1 July 2010	Options Exercised	Balance 30 June 2011
Directors			
D Waddell	-	-	-
G Sloan	-	-	-
A Senior	116,667	-	116,667
SH Lee	-	-	-
Other Key Management Personnel			
D Harper	-	-	-
R Henderson	-	-	-
J Latto	43,334	(33,334)	10,000
R Walker	333,334	(333,334)	-
Total	493,335	(366,668)	126,667

The ordinary fully paid shares and options shown in the preceding table are on a post consolidation basis and therefore incorporate the 1-for-30 capital consolidation that was approved by a General Meeting of the Company's shareholders on 20 August 2010.

The entitlements issue shown in the preceding table relates to the Company's 6:5 fully underwritten pro-rata renounceable entitlements issue that was announced on 15 July 2010. The entitlements issue was fully underwritten by Allied Properties Resources Limited.

The shares arising from the entitlements issue shown for Mr SH Lee in the table above are held by Allied Properties Resources Limited and its associate Eurogold Limited. Eurogold Limited is 36.37% indirectly owned by Allied Properties (H.K.) Limited, which is an intermediate holding company of Allied Properties Resources Limited. The ultimate holding company of Allied Properties Resources Limited is Allied Group Limited, a company in which Mr SH Lee (together with others as trustees of the Lee and Lee Trust) has an interest of 54.24%. Accordingly, Mr SH Lee is taken to have a relevant interest in the 70,697,899 shares held by Allied Properties Resources Limited and Eurogold Limited.

2010

Ordinary Fully Paid Shares	Balance 1 July 2009	Granted as Remuneration	On Market Purchases/(Sales)	Balance 30 June 2010
Directors				
D Waddell	2,336,000	-	-	2,336,000
G Sloan	-	-	-	-
A Senior	23,333	-	-	23,333
SH Lee	29,651,914	-	-	29,651,914
Other Key Management Personnel				
R Henderson	-	-	-	-
J Latto	-	-	-	-
T Smith	-	-	-	-
R Walker	20,790	-	(19,392)	1,398
Total	32,032,037	-	(19,392)	32,012,645

24. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

2010

Options	Balance 1 July 2009	Granted as Remuneration	Options Expired	Balance 30 June 2010
Directors				
D Waddell	500,000	-	(500,000)	-
G Sloan	-	-	-	-
A Senior	116,667	-	-	116,667
SH Lee	-	-	-	-
Other Key Management Personnel				
R Henderson	-	-	-	-
J Latto	43,333	-	-	43,333
T Smith	41,667	-	-	41,667
R Walker	333,333	-	-	333,333
Total	1,035,000	-	(500,000)	535,000

The ordinary fully paid shares and options shown in the preceding table are on a post consolidation basis and therefore incorporate the 1-for-30 capital consolidation that was approved by a General Meeting of the Company's shareholders on 20 August 2010.

All equity transactions with directors other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

c) Other transactions with the Company or its controlled entities

Specified directors hold positions in other entities that resulted in them having control or significant influence over the financial or operating policies of those entities. These entities transacted with the Company or its subsidiaries during the financial year. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

The Company provided administrative services to Orion Gold NL, a Company of which Denis Waddell and Graeme Sloan are Directors. These administrative services were recharged to Orion Gold NL on commercial terms.

25. NON-KEY MANAGEMENT PERSONNEL RELATED PARTIES DISCLOSURES

Wholly-Owned Group

Tanami Exploration NL and Tanami (NT) Pty Ltd are both wholly owned subsidiaries of Tanami Gold NL.

Loan from Related Parties

On 13 December 2010, the Company entered into a loan agreement with Hong Kong based AP Finance Limited for the provision of up to HK$152 million (approximately $19.86 million). The Company entered into a Deed of Variation with AP Finance Limited on 13 June 2011 to increase its loan facility by HK$82.2 million (approximately $9.93 million) to HK$234.2 (approximately $28.29 million).

As at 30 June 2011, the Company has drawn down a total of HK$193.1 million (approximately $23.10 million) under its loan facility with AP Finance Limited.

These funds were used to fund the pre-strip at Bald Hill, the Company's significant exploration programs at its Western Tanami Project and its Central Tanami Project, the Stage 1 upgrade of the Western Tanami processing plant and to provide additional working capital.

The ultimate holding company of AP Finance Limited is Allied Group Limited, an entity associated with Mr Lee Seng Hui who is a Director of the Company.

26. SEGMENT INFORMATION

The Consolidated Entity operates predominantly in the gold exploration and gold mining industry.

Information about reportable segments

In thousands of AUD	Gold Production		Exploration		Total	
	2011	2010	2011	2010	2011	2010
Revenues	57,781	57,077	-	-	57,781	57,077
Interest Income	-	-	337	85	337	85
Interest Expense	(42)	(24)	-	-	(42)	(24)
Depreciation and amortisation	(19,467)	(14,843)	(23)	(18)	(19,490)	(14,861)
Reportable segment profit/(loss) before income tax	1,954	1,234	310	66	2,264	1,300
Reportable segment assets	46,169	30,347	51,950	31,669	98,119	62,016
Capital Expenditure	28,593	16,691	211	93	28,804	16,784

26. SEGMENT INFORMATION (CONTINUED)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items

	Consolidated	
	2011 $	2010 $
Revenue		
Total revenue for reportable segments	57,780,725	57,076,561
Consolidated revenue	57,780,725	57,076,561
Profit or loss		
Total profit or loss for reportable segments	2,263,872	1,299,474
Profit/(loss) on sale of assets	-	11,742,643
Other profit/ (loss)	3,944,580	(211,146)
Unallocated amounts: other corporate expenses	(5,257,128)	(9,501,992)
Share of profit/(loss) of equity accounted investees	(325,353)	(2,975,312)
Gain on dilution of shareholding in equity accounted investees	346,434	-
Consolidated profit/(loss) before income tax	972,405	353,667
Assets		
Total assets for reportable segments	98,118,881	62,016,650
Investments in equity accounted investees	10,039,522	7,600,758
Other unallocated amounts	18,444,560	19,364,010
Consolidated total assets	126,602,963	88,981,418

Major customer

The Consolidated Entity sells gold on-market through third parties and is not able to identify the end customer.

27. EARNINGS PER SHARE

	Number of shares	
	2011	2010
Weighted average number of ordinary shares used as the denominator in the calculation of basic earnings per share	241,414,503	117,946,335

Basic earnings/loss per share

The calculation of basic earnings per share at 30 June 2011 was based on the profit attributable to ordinary shareholders of $972,405 (2010: $353,667) and a weighted average number of ordinary shares outstanding of 241,414,503 (2010: 117,946,335).

Weighted average number of ordinary shares	2011	2010
Issued ordinary shares at 1 July	117,946,335	117,946,335
Effect of employee option conversions in July 2010	631,370	-
Effect of employee option conversions in March 2011	16,575	-
Effect of rights taken up under July 2010 entitlements issue	122,820,223	-
Weighted average number of ordinary shares at 30 June	241,414,503	117,946,335

The weighted average number of ordinary shares shown in the preceding table are on a post consolidation basis and therefore incorporate the 1-for-30 capital consolidation that was approved by a General Meeting of the Company's shareholders on 20 August 2010.

In accordance with AASB 133 Earnings Per Share, the weighted average number of ordinary shares for 2011 has been re-stated to incorporate the impact of the 1-for-30 consolidation of issued capital that was approved by a general meeting of shareholders on 20 August 2010. The weighted average number of shares for 2010 has also been restated on the same basis.

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2011 was based on the profit attributable to ordinary shareholders of $972,405 and a weighted average number of ordinary shares outstanding after adjustment for the effect of all dilutive potential ordinary shares of 241,414,503.

Weighted average number of ordinary shares (diluted)	241,414,503
Weighted average number of ordinary shares (basic)	241,414,503
Effect of share options on issue	-
Weighted average number of ordinary shares (diluted) at 30 June	241,414,503

The average market value of the Company's share for the purpose of calculating the dilutive effect of the share options was based on quoted market prices for the period during which options were outstanding.

28. NOTES TO STATEMENT OF CASH FLOWS

a) Reconciliation of cash and cash equivalents

For the purpose of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows in reconciled to the related items in the statement of financial position as follows:

	Consolidated	
	2011	2010
	$	$
Cash assets	6,749,292	6,728,830

b) Reconciliation of net cash flow from operating activities to net profit/(loss)

	2011 $	2010 $
Net profit/(loss)	972,405	353,667
Add/(less) non-cash items		
Exploration expenditure written off	4,913	671
Depreciation	4,937,119	4,210,470
Amortisation	14,625,224	10,735,928
Foreign exchange gain/(loss)	(1,616,301)	63,218
Unwinding of interest rate on provision for rehabilitation	(164,581)	211,147
Share based payments	79,994	290,545
Add/(less) items classified as investing/financing activities:		
Loss on disposal of fixed assets	-	36,686
(Gain) on disposal of assets to equity accounted investees	-	(11,779,330)
Unrealised loss/(gain) on derivative asset	(3,780,000)	675,000
Gain on dilution of shareholding in equity accounted investee	(346,434)	-
Share of loss of equity accounted investee (net of income tax)	325,353	2,975,312
Net cash provided by/(used in) operating activities before changes in assets and liabilities	15,037,692	7,773,314
Changes in assets and liabilities during the financial year:		
Increase in receivables	(1,562,447)	(373,225)
increase in inventories	(4,949,381)	(242,027)
Increase in prepayments	(81,025)	(24,631)
Increase in provisions	455,651	274,964
Increase in payables	218,534	4,426,933
Net cash used in operating activities	9,119,024	11,835,328

29. EVENTS SUBSEQUENT TO BALANCE DATE

There were no events subsequent to reporting date to disclose.

30. FINANCIAL RISK MANAGEMENT

Overview

This note presents information about the Consolidated Entity's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

1. Credit Risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Consolidated Entity's receivables from its customers and investment securities.

Presently, the Consolidated Entity undertakes mining, exploration and evaluation activities exclusively in Australia. At the balance sheet date there were no significant concentrations of credit risk.

Cash and cash equivalents

The Consolidated Entity limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Other receivables

The Consolidated Entity's revenue is derived (apart from immaterial recharges) from gold sales. Management does not expect any counterparty to a gold sale to fail to meet its obligations.

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

Exposure to credit risk

The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Consolidated Entity's maximum exposure to credit risk at the reporting date is:

	Note	2011	2010
Cash and cash equivalents	9	6,749,292	6,728,829
Other receivables	10	8,823,766	11,823,382
Derivatives	15	7,800,000	4,020,000

The Consolidated Entity is exposed to minimal credit risk in relation to the cash and cash equivalents or other receivables in the preceding table because:

- The Consolidated Entity invests in or deposits cash with counterparties that have an acceptable credit risk rating, and as a result, management consider that there is minimal credit risk attached to the Consolidated Entity's cash and cash equivalents balances.
- The Consolidated Entity's other receivables predominantly relate to amounts receivable from Government institutions which management consider is risk free. Of the $8,823,766 in other receivables, $5,190,000 relates to environmental performance bonds lodged with the Northern Territory Department Resources – Mineral and Energy, the Western Australian Minister of State Development and Newmont Australia Limited, $1,716,960 relates to GST receivables, and $594,257 relates to fuel rebates.

Of the remaining $1,322,549 of the Consolidated Entity's other receivables, $604,500 relates to the limited recourse loan with employees, $60,606 relates to recharges to contractors engaged at the Western Tanami Operations and the Central Tanami Project, $269,672 relates to insurance prepayments, $177,679 relates to a rental bond for the corporate office and the balance of $210,092 relates to miscellaneous receivables. These recharges, prepayments and rental bonds are on commercial terms, and as a result, management consider that there is minimal risk associated with these amounts.

2. Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The Consolidated Entity manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Consolidated 30 June 2011

	Carrying Amount	Contractual Cash Flows	6 Months Or Less	6-12 Months	1-2 Years	2-5 Years	More Than 5 Years
Financial lease liabilities	250,980	(284,180)	(85,254)	(85,254)	(113,672)	-	-
Loans	22,748,987	(22,748,987)	(22,748,987)	-	-	-	-
Trade and other payables	14,692,222	(14,692,222)	(14,692,222)	-	-	-	-
	37,692,189	(37,725,389)	(37,526,463)	(85,254)	(113,672)	-	-

a. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

b. The loans shown in the preceding table relate to the Company's drawdowns under its HK$234.2 million (approximately $28.02 million) loan facility with AP Finance Limited. This loan is due for repayment on 30 November 2011; however this repayment data can be extended to 30 June 2012 at the Company's election.

Consolidated 30 June 2010

	Carrying Amount	Contractual Cash Flows	6 Months Or Less	6-12 Months	1-2 Years	2-5 Years	More Than 5 Years
Financial lease liabilities	401,569	(454,688)	(85,254)	(85,254)	(284,180)	-	-
Loans	54,835,392	(54,835,392)	(54,835,392)	-	-	-	-
Trade and other payables	7,600,478	(7,600,478)	(7,600,478)	-	-	-	-
	62,837,439	(62,890,558)	(62,521,124)	(85,254)	(284,180)	-	-

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

3. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

4. Currency Risk

The Consolidated Entity currently has Hong Kong dollar denominated debt with an Australian dollar equivalent of $23,171,886 as at 30 June 2011 and therefore has exposure to movements in the Hong Kong dollar/Australian dollar exchange rate.

The carrying amount of the Consolidated Entity's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	Liabilities		Assets	
	2011 (AUD)	2010 (AUD)	2011 (AUD)	2010 (AUD)
Australian dollar carrying amount of Hong Kong dollar denominated liabilities	22,748,987	11,651,063	-	-

Sensitivity analysis – exchange rates

The following sensitivity is based on the foreign currency risk exposures in existence at the balance sheet date.

At 30 June 2011, if exchange rates had moved, as illustrated in the table below, the loan payable (and accrued interest) would be affected as follows:

	2011 (AUD)	2010 (AUD)
Judgements of reasonably possible movements		
AUD/HKD +5%		
Loan higher/(lower)	(1,041,935)	(554,813)
AUD/HKD -5%		
Loan higher/(lower)	1,226,385	582,553

5. Interest Rate Risk

The Consolidated Entity is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instruments value will fluctuate as a result of changes in the market interest rate on interest-bearing financial instruments. The Consolidated Entity does not use derivatives to mitigate these exposures.

	Consolidated Carrying Amount	
	2011	2010
Fixed rate instruments		
Finance lease liability	250,980	401,569
Loans	22,748,987	54,835,392
	22,999,967	**55,236,961**
Variable rate instruments		
Cash and cash equivalents	6,749,292	6,728,829
Other receivables*	5,367,679	10,594,867
	12,116,971	**17,323,696**

* Other receivables which are variable rate instruments are the term deposits placed in support of environmental performance bonds lodged with the Minister of State Development (WA) $2,190,000 (2010: $2,190,000), Newmont Australia Limited $1,105,000 (2010: $8,078,518), and the Department of Resources $1,777,426 (2010: $145,043). In addition, $177,679 (2010: $181,306) has been held as a rental bond for the corporate office and excess funds of $117,574 are held in term deposit with the National Australia Bank Limited for future bond requirements. The term deposits mature on a monthly basis and their value is dependent on a variable interest rate.

Fair value sensitivity analysis for fixed instruments

The Consolidated Entity does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased the Consolidated Entity's equity by $121,170 (2010: $169,973).

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2010.

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

5. Interest Rate Risk (Continued)

30 June 2011

	Profit or loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
Interest income on cash balance	67,493	(67,493)	67,493	(67,493)
Interest income on other receivables (term deposits)	53,677	(53,677)	53,677	(53,677)
Cash flow sensitivity (net)	121,170	(121,170)	121,170	(121,170)

30 June 2010

	Profit or loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
Interest income on cash balance	67,288	(67,288)	67,288	(67,288)
Interest income on other receivables (term deposits)	102,685	(102,685)	102,685	(102,685)
Cash flow sensitivity (net)	169,973	(169,973)	169,973	(169,973)

6. Fair Value

Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Consolidated	30 June 2011		30 June 2010	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	6,749,292	6,749,292	6,728,829	6,728,829
Other receivables	8,823,766	8,823,766	11,823,382	11,823,382
Derivatives	7,800,000	7,800,000	4,020,000	4,020,000
Trade and other payables	14,692,222	14,692,222	7,600,478	7,600,478
Finance lease liabilities	250,980	250,980	401,569	401,569
Loans	22,748,987	22,748,987	54,835,392	54,835,392

7. Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

30 June 2011	Level 1	Level 2	Level 3	Total
Derivative financial assets	-	-	7,800,000	7,800,000

30 June 2010	Level 1	Level 2	Level 3	Total
Derivative financial assets	-	-	4,020,000	4,020,000

Refer to note 6 for details on movement in fair value during the period. There were no acquisitions or disposals of options during the period.

8. Commodity Price Risk

The Consolidated Entity is a gold producer and has exposure to the Gold price. The Consolidated Entity operates so as to remain exposed to fluctuations in the gold price as is the current industry practice. The Consolidated Entity does not have any gold hedging contracts.

The Consolidated Entity manages its exposure to commodity price risk by:

- Actively monitoring gold prices on a daily basis;
- Actively engaging with industry experts to assess and review forecast gold price movements, which are taken into consideration when decisions are made to sell gold produced; and
- Entering into swap arrangements based on advice from industry experts which provides the Consolidated Entity with opportunities to leverage into favourable gold price movements prior to completion of the refining process.

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis – gold price

	2011	2010
Judgements of reasonably possible movements		
Gold Price +50.00 AUD per ounce		
- Net profit/loss for the year higher/(lower)	2,071,985	2,314,004
- Total equity higher/(lower)	(2,071,985)	(2,314,004)
Gold Price -50.00 AUD per ounce		
- Net profit/loss for the year higher/(lower)	(2,071,985)	(2,314,004)
- Total equity higher/(lower)	2,071,985	2,314,004

9. Capital Management

The Consolidated Entity's objectives when managing capital are to safeguard the Consolidated Entity's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Consolidated Entity may return capital to shareholders, issue new shares or sell assets to reduce debt. The Consolidated Entity's focus has been to raise sufficient funds through equity to fund development, exploration and evaluation activities.

There were no changes in the Consolidated Entity's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

10. Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Consolidated Entity's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Consolidated Entity's operations.

The Consolidated Entity's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Consolidated Entity's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Consolidated Entity standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

31. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2011 the parent company of the Consolidated Entity was Tanami Gold NL.

	2011 $	2010 $
Result of the parent entity		
Profit/(loss) for the period	1,070,896	353,667
Total comprehensive income for the period	1,070,896	353,667
Financial position of the parent entity at year end		
Current assets	3,035,437	2,525,334
Total assets	105,916,549	75,568,777
Current liabilities	22,859,259	54,987,209
Total liabilities	22,859,259	54,987,209
Total equity of the parent entity comprising of:		
Issued capital	244,794,180	183,469,346
Accumulated losses	(162,213,932)	(163,764,772)
Share based payment reserve	477,044	876,994
Total Equity	83,057,292	20,581,568

1. In the opinion of the directors of Tanami Gold NL ("the Company"):

    a) the consolidated financial statements and notes and the Remuneration report set out in note 13 in the Directors' report are in accordance with the Corporations Act 2001, including:

        i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and

        ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and

    b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2011.

3. The directors draw attention to Note 1(b) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

G J Sloan
Managing Director/CEO

Dated at West Perth this 30th day of September 2011.

KPMG

Independent auditor's report to the members of Tanami Gold NL

Report on the financial report

We have audited the accompanying financial report of Tanami Gold NL (the company), which comprises the consolidated statement of financial position as at 30 June 2011, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 31 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1(b), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

KPMG

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(b).

Report on the remuneration report

We have audited the Remuneration Report included in Section 13 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Tanami Gold NL for the year ended 30 June 2011, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Grant Robinson

Grant Robinson
Partner

Perth

30 September 2011

SHAREHOLDER INFORMATION

Distribution of Equity Securities as at 30 September 2011:

Number of Securities Held			Number of Holders
1	-	1,000	2,139
1,001	-	5,000	1,646
5,001	-	10,000	599
10,001	-	100,000	931
100,001	and	over	219
Total number of holders			5,534

Holders of less than a marketable parcel as at 30 September 2011:

Ordinary Shares	1,317	(257,966 shares)

Holders of an uneconomical parcel as at 30 September 2011:

Ordinary Shares	2,789	(1,808,531 shares)

Substantial Shareholders as at 30 September 2011:

- Allied Properties Resources Limited (APRL) – 70,697,899 Ordinary Shares (including APRL's relevant interest in Eurogold Ltd's shareholding of 9,319,111.
- Sun Hung Kai Investment Services Limited Account of Future Rise Investments Limited – 34,332,786 Ordinary Shares

Options

Options on issue as at 30 September 2011:

Expiry Date	Type	Exercise Price	Number	Number of Holders
31 March 2012	Unquoted	$4.50	13,334	3
22 November 2012	Unquoted	$6.00	58,334	1
22 November 2012	Unquoted	$4.50	58,334	1
			130,002	5

Voting Rights

On a show of hands, every holder of ordinary shares present or by proxy shall have one vote. Upon a poll, each share shall have one vote.

On-Market Buy Back

There is no current on-market buy back.

Top 20 Shareholders - Ordinary Fully Paid 20 Cent Shares

	Holder	Units Held	% of Units Issued
1	Allied Properties Resources Limited	61,378,788	23.52%
2	Sun Hung Kai Investment Services Limited (Client Future Rise)	34,332,786	13.15%
3	Eurogold Ltd	9,319,111	3.57%
4	Perth Select Seafoods Pty Ltd	5,155,000	1.98%
5	Krone Jorg (Tynedale Farm Account)	4,463,430	1.71%
6	Jemaya Pty Ltd (Featherby Family Account)	4,110,000	1.57%
7	Tarney Holdings Pty Ltd (DP & FL Waddell Family Account)	3,946,093	1.51%
8	Yandal Investments Pty Ltd	3,666,667	1.40%
9	Jemaya Pty Ltd (JH Featherby S/F A/C)	3,210,000	1.23%
10	CEN Pty Ltd	2,700,000	1.03%
11	Coultas Donald Norman	2,600,000	1.00%
12	Sun Hung Kai Investment Services Ltd (Client Katong Assets)	2,587,050	.99%
13	Aumen Engineering Pty Ltd (S/F A/C)	2,566,667	.98%
14	HSBC Custody Nominees Australia Limited	2,555,558	.98%
15	Apache Investments Limited (Number 2 Account)	2,408,334	.92%
16	LCY Super Pty Ltd (LCY S/F Account)	1,810,000	.69%
17	Sun Hung Kai Investment Services Ltd (Clients Account)	1,756,688	.67%
18	Waddell Denis P & Francine L (DP Waddell S/F A/C)	1,712,177	.66%
19	Strathdale Pty Ltd	1,700,000	.65%
20	Wilson Ronald Kim	1,700,000	.65%
		153,678,349	58.86%

WESTERN AUSTRALIA WA (TGNL 100%)		Granted From	Expiry Date	Blocks
E80/1481	Balwina	05/10/93	04/10/11 *	24
E80/1483	Bold Hill	16/04/92	15/04/12	15
E80/1677	Slatey Creek	15/03/94	14/03/12	32
E80/1679	Southside	15/03/94	14/03/12	18
E80/1737	Camel Hump	22/03/94	21/03/12	28
E80/1905	Bald Hill Central	06/09/94	05/09/12	38
E80/2036	Bald Hill North	17/02/95	16/02/12	8
E80/2133	Killi Killi Hills	11/08/04	10/08/13	12
E80/3238	Afghan	29/12/04	28/12/11	4
E80/3378	Tent Hill East	20/02/06	19/02/12	3
E80/3388	Olive	15/05/06	14/05/13	35
E80/3389	Popeye	15/05/06	14/05/13	35
E80/3665	Border	19/10/07	18/10/12	28
E80/3844	Lewis East	08/04/08	07/04/13	3
E80/3845	Lewis West	08/04/08	07/04/13	3
E80/3846	Camel	08/04/08	07/04/13	2
E80/3847	Hutch's Find	08/04/08	07/04/13	4
E80/4006	Hermes	20/11/08	19/11/13	90
E80/4305	Triton	16/06/10	15/06/15	34
E80/4306	Apollo	17/09/10	16/09/15	111
E80/4307	Argos	17/09/10	16/09/15	88
M80/559	Coyote 1	27/09/05	26/09/26	997 hectares
M80/560	Coyote 2	27/09/05	26/09/26	998 hectares
M80/561	Coyote 3	27/09/05	26/09/26	988 hectares
M80/562 [1]	Bald Hill 1	02/12/05	01/12/26	991 hectares
M80/563 [1]	Bald Hill 2	02/12/05	01/12/26	978 hectares
M80/564 [1]	Bald Hill 3	02/12/05	01/12/26	990 hectares
P80/1675	Southside Gap 2	13/01/09	12/01/13	23 hectares
P80/1676	Southside Gap 3	13/01/09	12/01/13	48 hectares
P80/1692	Bald Hill Gap 1	25/08/11	24/08/15	97 hectares
P80/1693	Bald Hill Gap 2	25/08/11	24/08/15	23 hectares
WESTERN AUSTRALIA TOTAL				**2,054 km²**

* Application for Extension of term lodged.

[1] Subject to royalty/claw back agreement with Barrick Gold of Australia Ltd.

SCHEDULE OF MINERAL TENEMENTS CONTINUED

NORTHERN TERRITORY NT (TGNL 100%)		Granted From	Expiry Date	Blocks
EL8797	Gamma	09/09/99	25/08/12	2
EL9763 *	Red Hills	24/07/00	23/07/11	7
EL9843	Chapmans Hill	27/03/06	31/12/15	22
EL10355 *	Red Hills North	04/06/01	03/06/11	4
EL10411 *	Tanami Downs North	04/06/01	03/06/11	7
EL22061	Farrands Hill South	27/03/06	31/12/15	17
EL22229 *	Question Mark Bore East	08/06/01	07/06/11	8
EL22378 *	Question Mark Bore Far East	08/06/01	07/06/11	6
EL23342	Coomarie	25/05/06	31/12/15	9
EL28282	Suplejack	20/04/11	19/04/17	35
EL(A)28283	Goat Creek 2	Application		72
EL(A)28474	Rushmore	Application		148
EL(A)28613	Gamma East	Application		123
SEL26925	Goanna 2	25/01/11	24/01/15	60
SEL26926	Black Hills 2	25/01/11	24/01/15	276
ML22934	Groundrush	14/09/01	13/09/26	3950 hectares
MLS119	Reward	15/05/64	31/12/30	8 hectares
MLS120	No. 1 South	15/05/64	31/12/30	8 hectares
MLS121	No. 2 South	15/05/64	31/12/30	8 hectares
MLS122	No. 3 South	15/05/64	31/12/30	8 hectares
MLS123	No. 4 South	15/05/64	31/12/30	8 hectares
MLS124	No. 1 North	15/05/64	31/12/30	8 hectares
MLS125	No. 2 North	15/05/64	31/12/30	8 hectares
MLS126	No. 3 North	15/05/64	31/12/30	8 hectares
MLS127	No. 4 North	15/05/64	31/12/30	8 hectares
MLS128	No. 5 North	15/05/64	31/12/30	7 hectares
MLS129	No. 6 North	15/05/64	31/12/30	8 hectares
MLS130	East Block	15/05/64	31/12/30	8 hectares
MLS131	No. 5 South	15/05/64	31/12/30	8 hectares
MLS132	No. 6 South	15/05/64	31/12/30	8 hectares
MLS133	South-East Block	15/05/64	31/12/30	8 hectares
MLS153	Tanami Extended	05/10/90	04/10/15	1000 hectares
MLS167	Matilda	13/10/95	31/12/20	1877 hectares
MLS168	Enterprise	13/10/95	31/12/20	712 hectares
MLS(A)172	Crusade	Application		3946 hectares
MLS180[2]	Molech	18/11/98	31/12/22	804 hectares
NORTHERN TERRITORY TOTAL				**2,287 km^2**
TOTAL HELD				**4,341 km^2**

* Application for Extension of term lodged.

[2] Subject to royalty agreement with BHP Billiton Nickel West Pty Ltd

CORPORATE DIRECTORY

CHAIRMAN
Denis Waddell

MANAGING DIRECTOR/CEO
Graeme Sloan

NON-EXECUTIVE DIRECTOR
Alan Senior

NON-EXECUTIVE DIRECTOR
Lee Seng Hui

COMPANY SECRETARY
Jon Latto

REGISTERED OFFICE
Level 4, 50 Colin Street
West Perth, Western Australia 6005
T: +61 8 9212 5999
F: +61 8 9212 5900
E: tanamigold@tanami.com.au

AUDITORS
KPMG
235 St George's Terrace
Perth, Western Australia 6000

SHARE REGISTRY
Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross, Western Australia 6153
T: +61 8 9315 2333
F: +61 8 9315 2233

STOCK EXCHANGE
ASX Limited
Exchange Plaza, 2 The Esplanade
Perth, Western Australia 6000

ASX CODE
TAM – Ordinary Shares

www.tanami.com.au

LEVEL 4, 50 COLIN STREET
WEST PERTH
WESTERN AUSTRALIA
AUSTRALIA 6005

E-MAIL: tanamigold@tanami.com.au
TELEPHONE: +61 8 9212 5999
FAX: +61 8 9212 5900

www.tanami.com.au