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CENTRAL TANAMI PROJECT **GROUNDROUSH EXPLORATION UPDATE**

HIGHLIGHTS

Ongoing infill and extension drilling continues to intersect significant mineralisation at the Groundrush Deposit.

- **17.3 metres @ 4.7g/t Au**
- **12.5 metres @ 5.8g/t Au**
- **10.8 metres @ 6.3g/t Au**
- **9.2 metres @ 5.2g/t Au**
- **7.7 metres @ 8.5g/t Au**
- **Exploration holes in south deeps target intersect visible gold**

Note: Details of all holes drilled are shown at the end of this report.

Australian gold producer Tanami Gold NL (ASX: TAM – ‘Tanami’ or ‘the Company’) is pleased to announce continued exploration success at its 100% owned Central Tanami Project.

Deputy Chairman, Denis Waddell said, “The continued exploration and drilling success at the Central Tanami Project is very pleasing as it provides a high level of confidence in the Project leading into the dry season which will see increasing drilling activity. We are particularly encouraged that positive results are being returned at both the Groundrush Deposit and regionally, as highlighted in the Ripcord Prospect results reported on 16 March 2012”.

Project Update

Drilling has continued at the Groundrush Deposit since the first hole was drilled in April 2011. To date, over 80 diamond drill holes have been drilled and a Resource of 535,000 ounces (see ML22934 in Table 2) has been defined which remains open in all directions.

Tanami Gold’s technical team has recently carried out a complete re-log of the core drilled to date to enable detailed geological, alteration and mineralisation models to be developed which will assist in ongoing exploration targeting and increase the confidence in the current Resources.

Drilling is set to ramp up in coming months with additional rigs secured. The current and planned drill programs include infill drilling and testing for depth and strike extensions to the current Resource.

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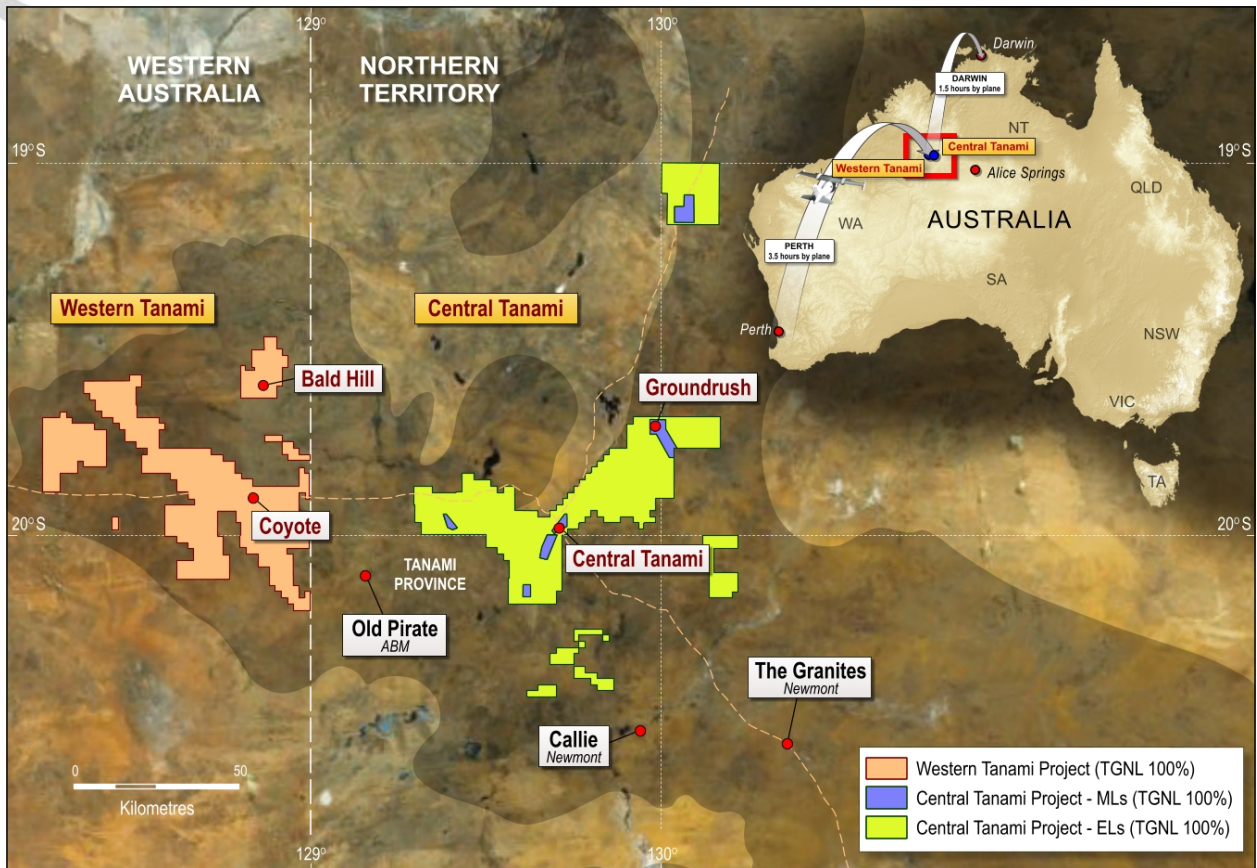


Figure 1: Location Map

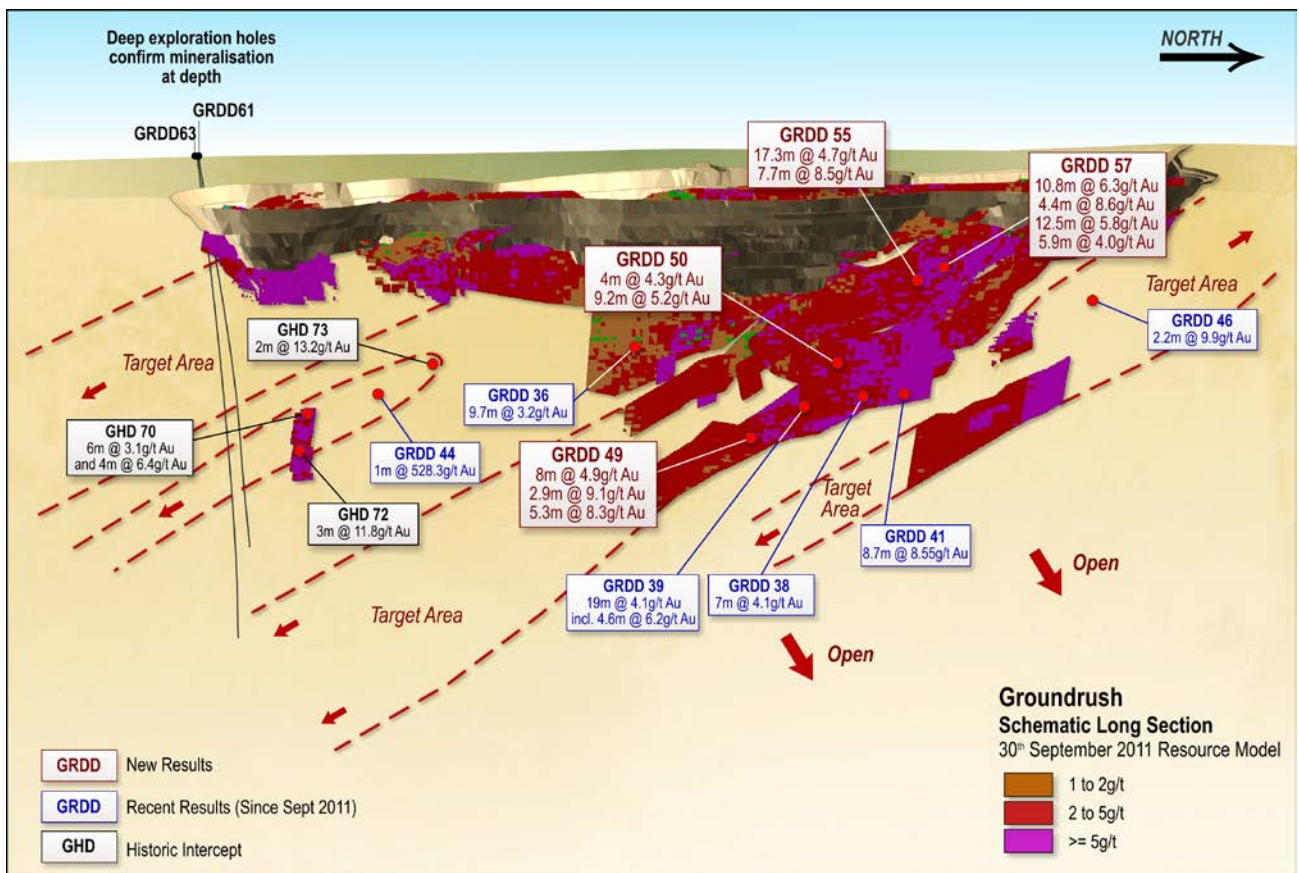


Figure 2: Groundrush Schematic Long Section (open pit 1.5kms in length)

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In Pit Diamond Drilling Program

In late December 2011, Tanami Gold commenced a Resource infill program from within the historic Groundrush open pit. This part of the Resource has not been accessible for surface drilling due to the presence of the open pit and as such, drilling to date has been limited (Figure 3). Drilling is still in progress and to date, has intersected several zones of significant mineralisation which will be included in the Resource model update scheduled for completion by late April 2012.

Recent significant results from the in pit program include:

- **GRDD53** – 0.8m @ 30.6g/t Au from 11.2m and 2.0m @ 11.3g/t Au from 25m
- **GRDD55** – 17.3m @ 4.7g/t Au from 90.m and 7.7m @ 8.5g/t Au from 110m
- **GRDD57** – 10.8m @ 6.3g/t Au from 15.3m and 12.5m @ 5.8g/t Au from 82.1m

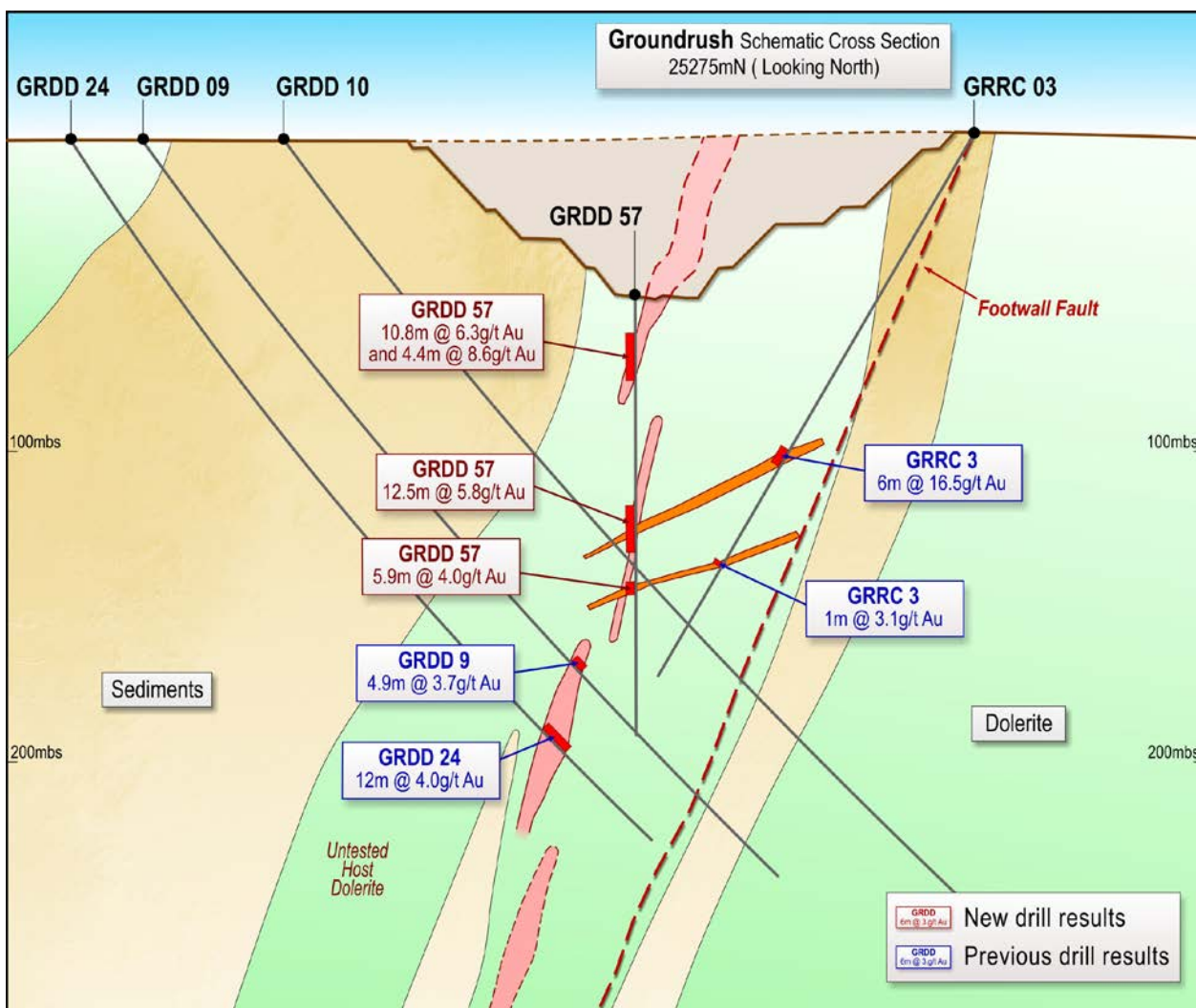


Figure 3 : Groundrush Schematic Cross Section: 25275N

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Resource Extension Drilling

Diamond drilling has continued to be successful with a combination of resource extension holes and exploration step-out holes completed since January 2012. Results received for GRDD49 are very encouraging (Figure 4) with multiple zones of mineralisation intersected towards the base of known mineralisation. These intercepts remain open down dip and down plunge with follow up drilling scheduled in the coming months.

Significant intercepts from the Resource extension drilling include:

- **GRDD49** – 8.0m @ 4.9g/t Au from 378m, 2.9m @ 9.1g/t Au from 396m and 5.3m @ 8.0g/t Au from 408m
- **GRDD50** – 4.0m @ 4.3g/t Au from 250m and 9.2m @ 5.2g/t Au from 293m

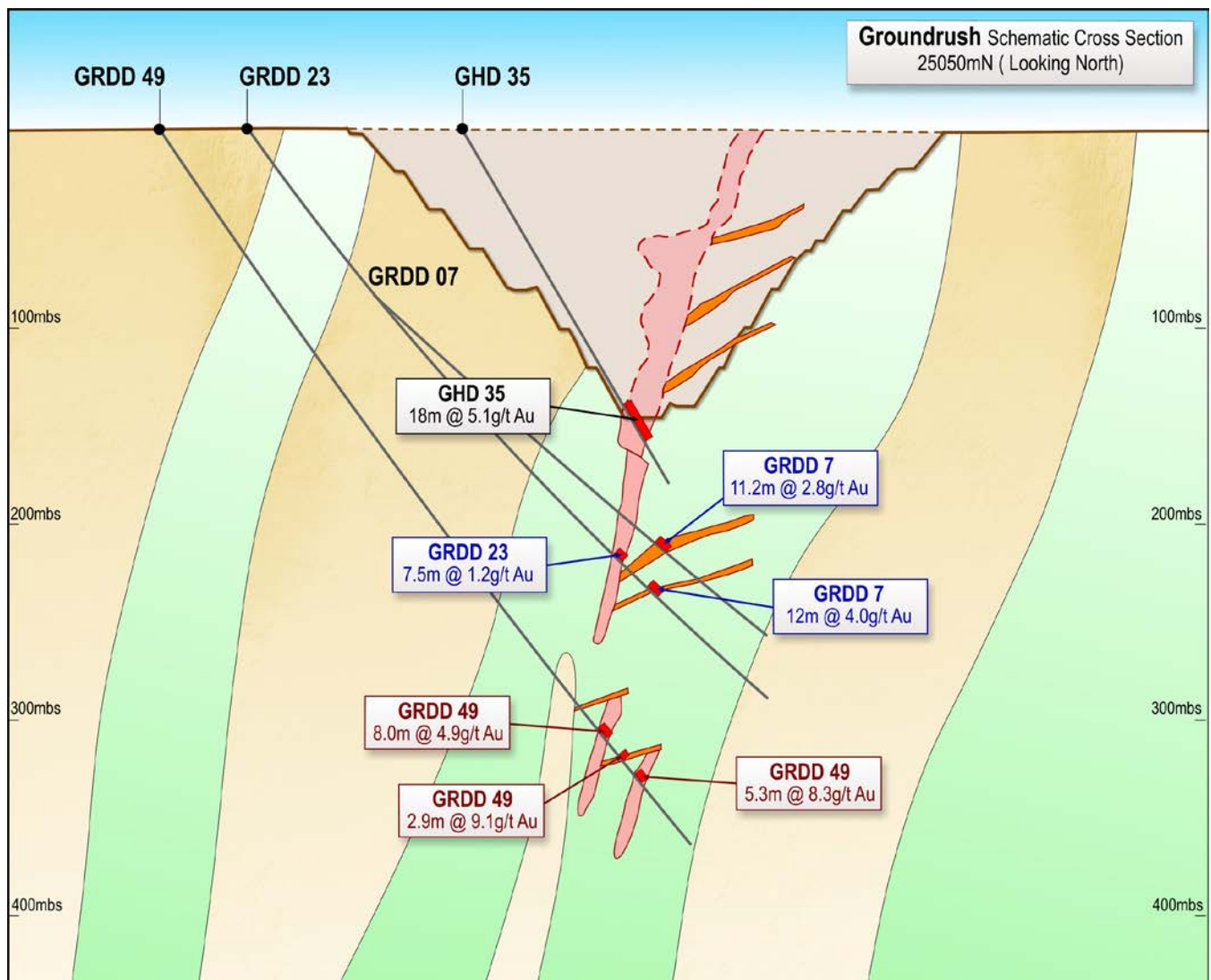


Figure 4 : Groundrush Schematic Cross Section: 25050N

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Exploration Drilling

Tanami Gold recently completed the two deepest diamond holes in the south deeps target at Groundrush which confirmed the presence of the host dolerite unit and intersected zones of strong alteration with visible gold logged in each hole. Although results for these holes are pending, the intensity and style of alterations logged in the holes are consistent with that logged in high grade mineralised zones in the main orebody and suggests that mineralisation exists at depth and is open in all directions.

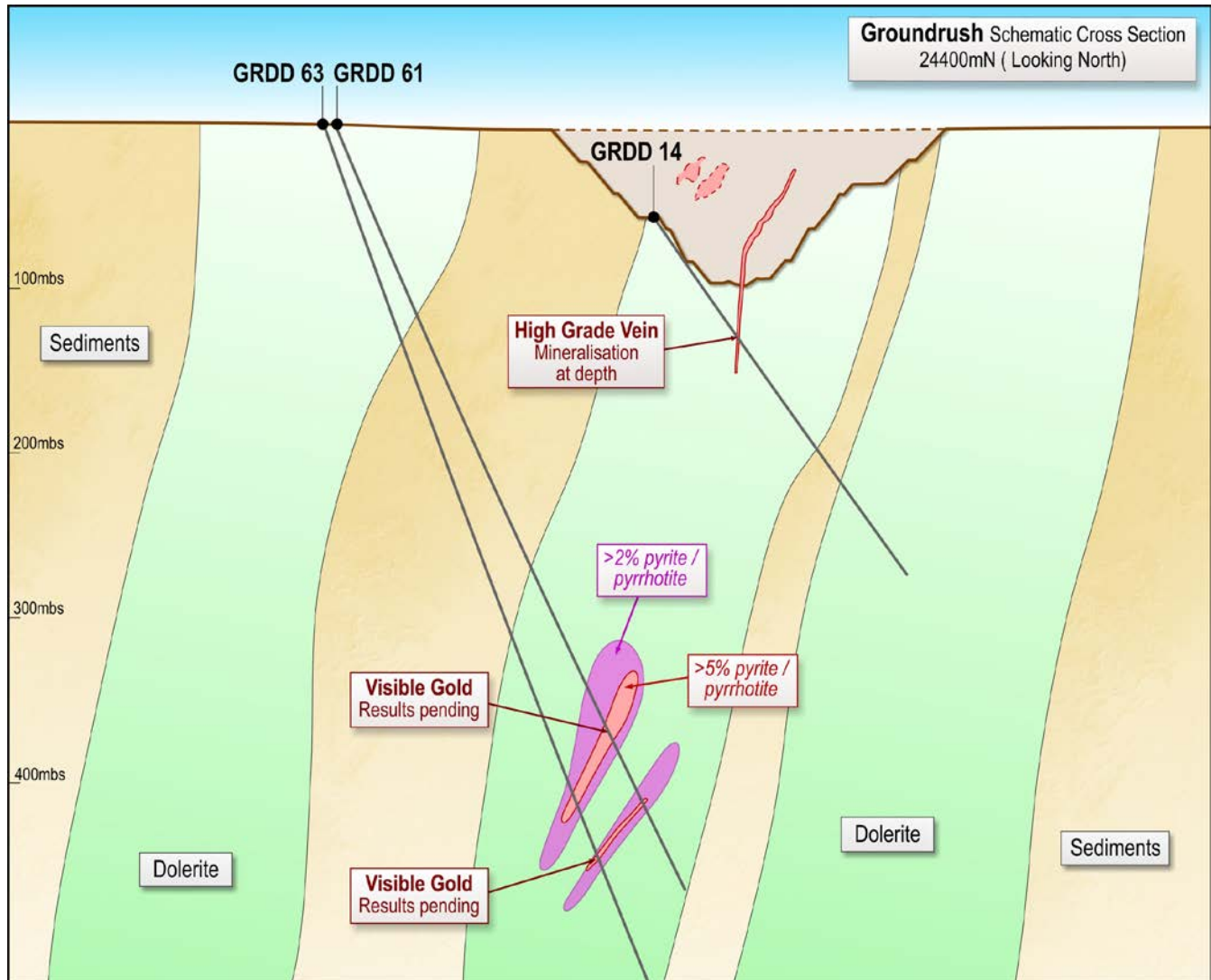


Figure 5 : Groundrush Schematic Cross Section: 24400N

Denis Waddell Deputy Chairman

The information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Michael Thomson, a full time employee and Principal Geologist of Tanami Gold NL. Mr Thomson is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Thomson consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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

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Table 1: New Significant Intersections from Groundrush Diamond Drilling

Hole_ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Max Depth	Metres From	Metres To	Interval Width	Grade
GRDD49	603844	7820062	420	-55	48.5	453.8	363.5	364.3	0.75	27.0
							378.0	386.0	8.0	4.9
							396.0	398.9	2.9	9.1
							407.7	413.0	5.3	8.0
GRDD50	604142	7820446	421	-52	227.5	408.7	250.0	254.0	4.0	4.3
							293.0	302.2	9.2	5.2
GRDD53	603978	7820340	359	-45	49.7	136.0	11.2	12.0	0.8	30.6
							25.0	27.0	2.0	11.3
GRDD55	603983	7820360	361	-50	349.7	141.5	90.5	107.3	17.3	4.7
							110.3	118.0	7.7	8.5
GRDD57	603955	7820451	371	-90	3.5	149.1	15.3	26.0	10.8	6.3*
							incl. 21.6	26.0	4.4	8.6
							69.6	82.0	12.5	5.8
							98.1	104.0	5.9	4.0

Notes to accompany Table 1

- Collar Northing, Easting and Azimuth are all in MGA Grid coordinates. Collar RL is relative to AHD. Collar coordinates may vary upon final survey.
- Analyses by 50g fire assay with AAS finish of half diamond core samples.
- No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
- Significant intersections are greater than 1.0g/t with maximum 2 metres internal dilution.
- * Significant intersections are greater than 0.5g/t with maximum 2 metres internal dilution.
- Intervals are all down hole length.

Table 2: Central Tanami Project Mineral Resources as at 30 September 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	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	500,000	4.1	66,000	995,000	4.3	136,000	2,101,000	4.9	333,000	3,596,000	4.6	535,000
Subtotal	6,755,000	3.0	645,000	8,016,000	2.71	699,000	6,505,000	3.26	686,000	21,277,000	2.97	2,031,000
Stockpiles	1,700,000	0.9	48,000							1,700,000	0.9	48,000
Total	8,455,000	2.6	693,000	8,016,000	2.7	699,000	6,505,000	3.3	686,000	22,977,000	2.8	2,079,000

Notes to accompany Table 2

- Resource estimations completed using MineMap, Vulcan and Micromine software packages comprising a combination of ellipsoidal inverse distance and ordinary kriging grade interpolation methods.
- Grade estimation was constrained to material within >0.7g/t mineralisation outlines.
- Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
- Resources reported above 0.7g/t block model grade.
- Stockpile figures from previously reported Otter Gold Mines NL 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific.
- Tonnes and ounces rounded to the nearest thousand and grade rounded to 0.1g/t. Rounding may affect tallies.
- The information in this report pertaining to Mineral Resources for the Central Tanami Project was compiled by Mr Bill Makar (MAusIMM), Consultant Geologist – Tanami Gold NL, Mr Michael Thomson (MAusIMM), Resource Geologist for Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), Contract Geologist for Tanami Gold NL and Mr Peter Ball (MAusIMM), Director of Datageo Geological Consultants. Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard and Mr Ball have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Persons as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Makar, Mr Nicholls, Mrs Hillyard and Mr Ball consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.
- The Western Tanami Resource figure stated has not been depleted for combined Coyote mine production of 41,467 ounces during the period 1 July 2010 30th September 2011