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CENTRAL TANAMI PROJECT

GROUNDROUSH STEP OUT DRILLING INTERSECTS BROAD ZONES OF MINERALISATION WITH VISIBLE GOLD

HIGHLIGHTS

Southern Deeps step out drilling intersects broad zones of mineralisation with visible gold identified in multiple horizons including:

- **37 metres of intense alteration and veining**
- **22 metres of intense alteration, veining and visible gold**

Assay results pending

Australian gold producer Tanami Gold NL (ASX: TAM – ‘Tanami’ or ‘the Company’) is pleased to announce that the first hole of a major step out drill program targeting the down plunge extension of the recently announced intersections (GRDD61 - **34m @ 3.0g/t** and GRDD63 - **38m @ 45.9g/t**) has intersected two broad zones of intense alteration and veining with visible gold in GRDD86 which is located approximately 200 metres down plunge of holes GRDD61 and GRDD63 (See Figure 2).

These results confirm that the mineralised system is open down plunge to the south and clearly have the potential to significantly enhance the exploration opportunities currently in front of the Company. Drilling is focused on defining this new zone with broad spaced drilling to confirm the extent of the mineralisation with an additional drill rig scheduled to arrive in May 2012.

Deputy Chairman, Denis Waddell said, “The fact that these broad zones of alteration with multiple occurrences of visible gold occurred within metres of the predicted position, confirms the strength of the new geological model and its ability to accurately predict target zones. Our exploration team’s interpretation work is to be commended given these outstanding results.”

“The Groundrush +1 million ounce Deposit historically produced 610,000 ounces from the open pit, has another 535,000 ounces in Resources (see Table 2 – ML 22934) and is open at depth and along strike. The recent success with GRDD61 and GRDD63 along with the broad alteration zones intersected in GRDD86, clearly demonstrate the mineralised system remains strong and open at depth, with potential repetitions to the south at the same tenor as the mineralisation already defined.” (See Figure 2).

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Southern Deeps Exploration

The geological model that formed the basis of the successful drill results achieved to date (GRDD61 and GRDD63) is based on the concept that one of the major controls on mineralisation is the southerly plunge within a relatively linear mineralised corridor. It is believed that the +1 million ounce Groundrush Deposit is one dilation zone within this plunging corridor and the Southern Deeps exploration target is interpreted to be the first of possibly multiple repeats of this dilation zone and as such is considered by the Company to be a significant exploration target.

The target dimensions which are based on the core of the main Groundrush Deposit are interpreted to extend to between 600-700 metres down plunge, between 150-200 metres down dip and between 15-20 metres wide with an expected grade range of 4-6 g/t Au.

The intersections in GRDD86 consist of strong silica-sericite alteration with >3.5% disseminated sulphides +/- quartz-carbonate-chlorate veining and visible gold. This alteration assemblage is of similar appearance and intensity to that seen in GRDD61 and GRDD63 with assay results pending.

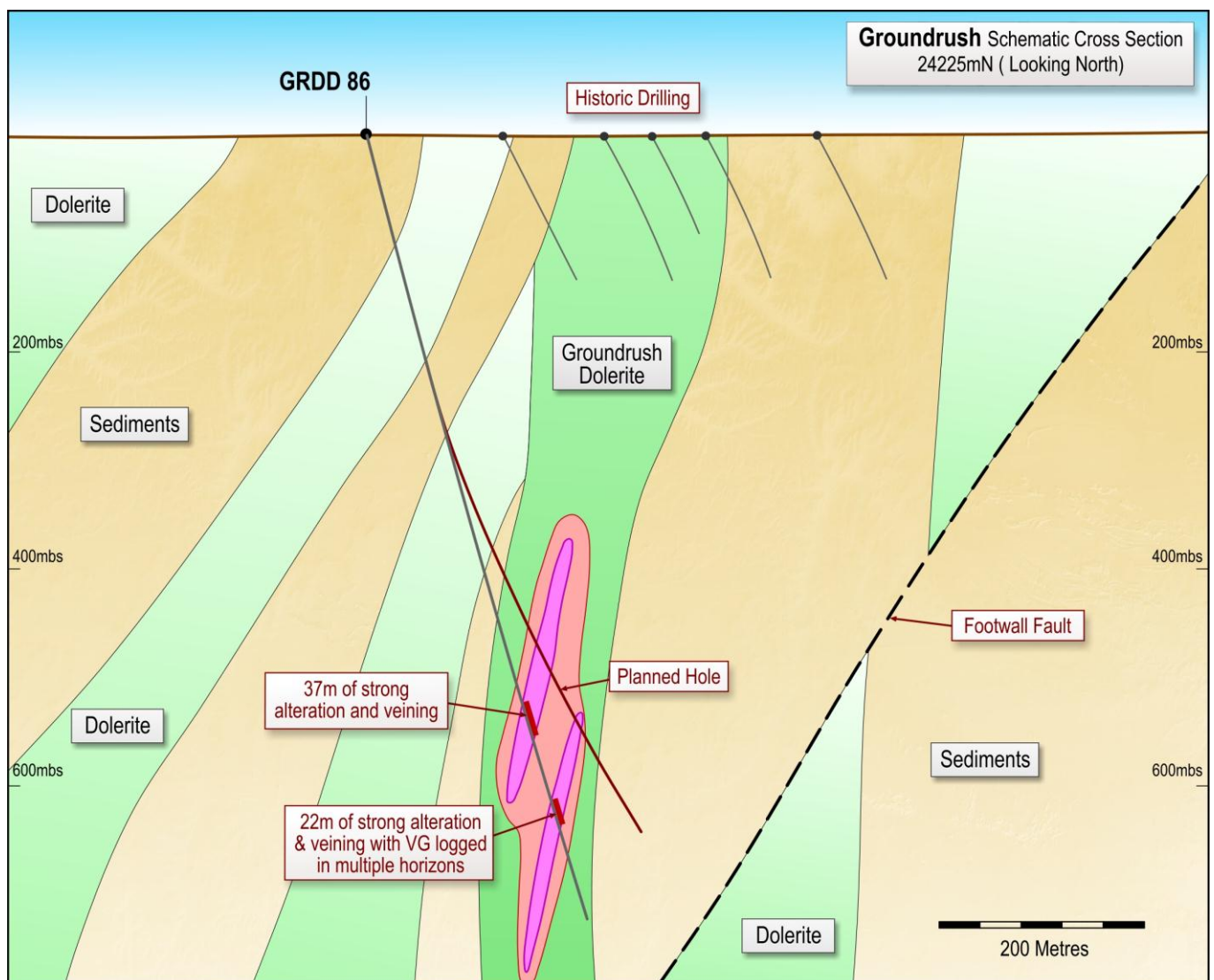


Figure 1: Groundrush Cross Section 24225N

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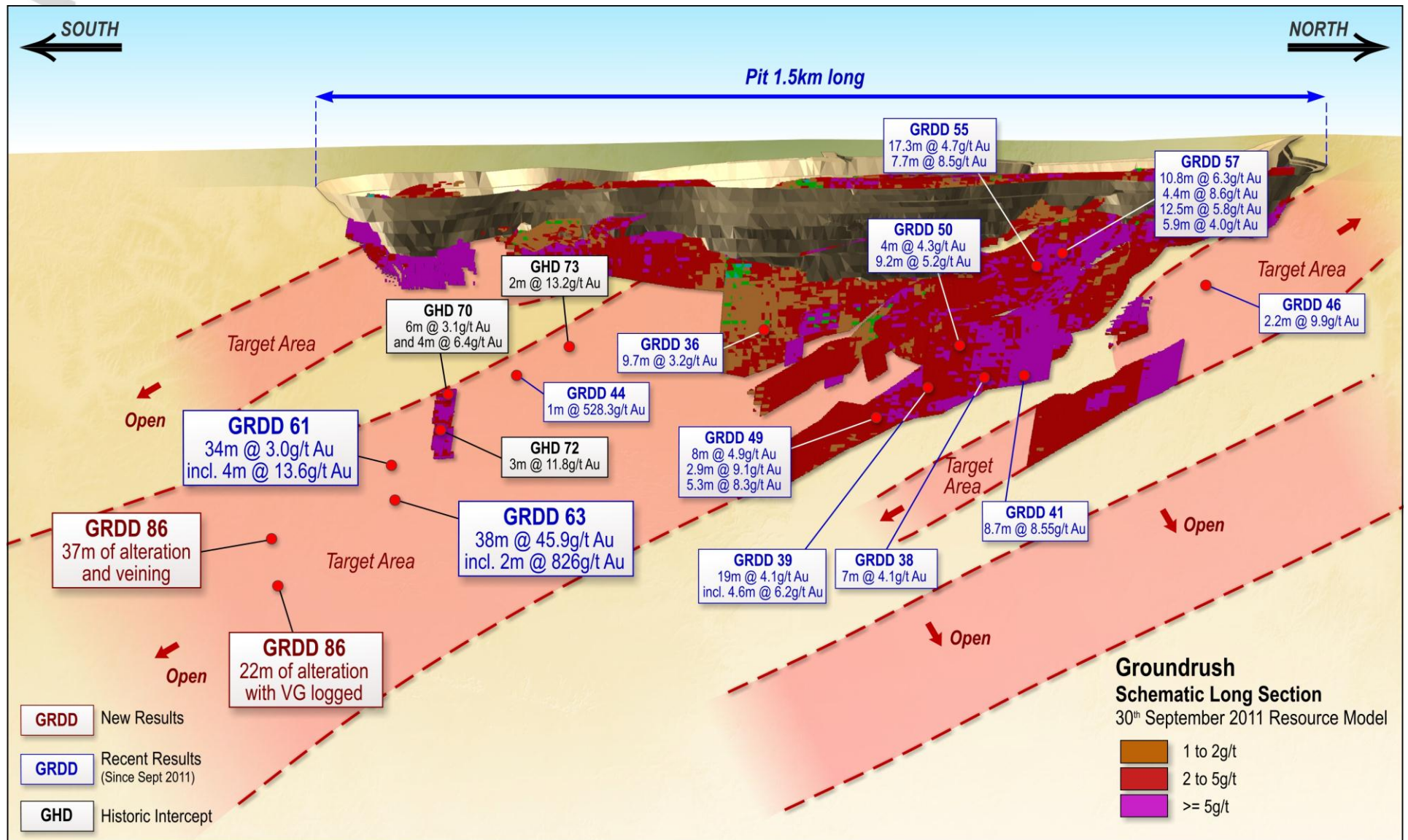


Figure 2: Groundrush Schematic Long Section

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These latest results, combined with the positive results reported since January 2012, justify the Board's decision to delay the Central Tanami Feasibility Study so as to provide the technical team with additional time to better evaluate the scale of the Groundrush Deposit which will impact on the optimised mine plan and the design and scale of the treatment plant.

Given the ongoing positive exploration results at Groundrush, an interim Resource upgrade is scheduled to be completed by the end of May 2012. A further Resource upgrade will be expedited within the next few months after additional drilling is undertaken as follow up to the exceptional intercepts returned in holes 61 and 63, these latest results, and ongoing infill and extensional drilling to known lodes.

Denis Waddell
Deputy Chairman

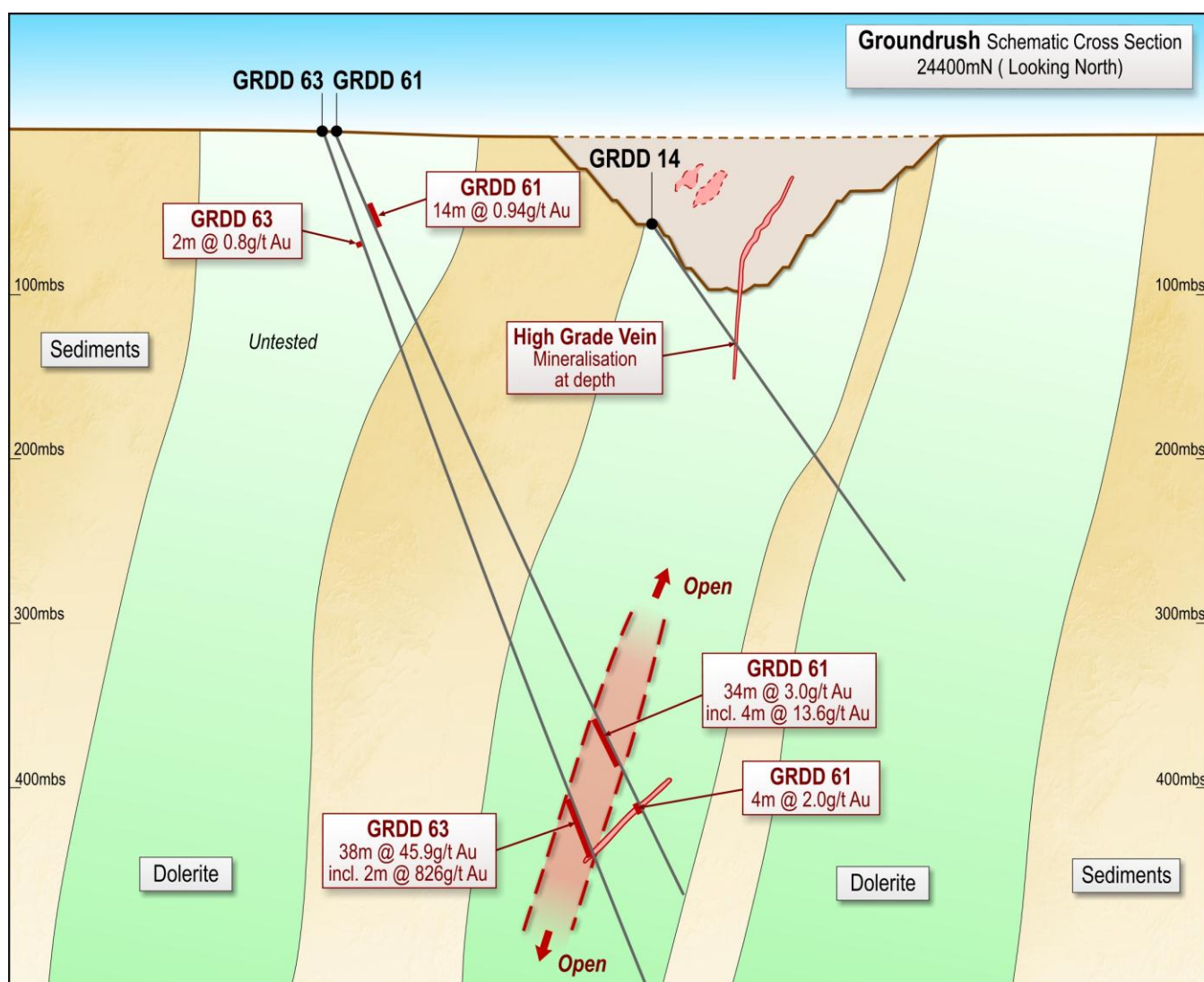


Figure 3 : Groundrush Schematic Cross Section: 24400N

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Competent Person Statement

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.

The potential quantity and grade of the Exploration targets outlined in the document are conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

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

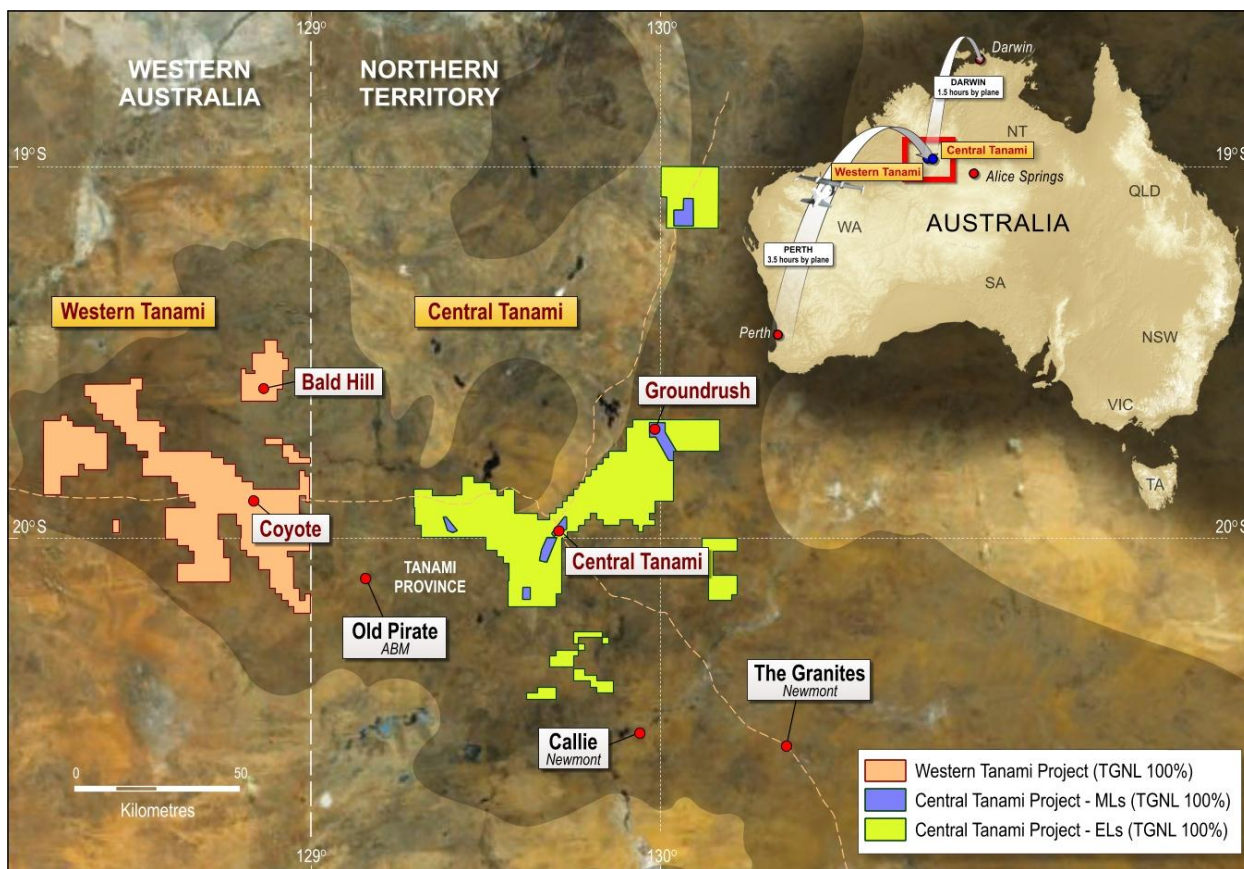


Figure 4: Location Map

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Table 1: Significant Intersections from Groundrush Southern Deeps Diamond Drilling

Hole_ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Max Depth	Metres From	Metres To	Interval Width	Grade
GRDD61	604132	7819454	420	-67	45.5	512.1	53.0	65.0	14.0	0.94*
							375.0	409.0	34.0	3.0*
							396.0	400.0	4.0	13.6
GRDD63	604130	7819450	420	-71	45.5	623.1	80.0	82.0	2.0	0.8
							421.0	459.4	38.4	45.9*
							Incl 433.0	435.0	2.0	826.0

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 0.2g/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 - 30 September 2011