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CENTRAL TANAMI PROJECT

GROUNDROUSH EXPLORATION UPDATE

HIGHLIGHTS

Ongoing drilling continues to intersect broad zones of mineralisation at the Groundrush Deposit with the following significant results returned:

- **Broad zones of alteration and visible gold logged in step out hole GRDD86A**
- **17.0m @ 109g/t Au (including 0.6m @ 3,000g/t Au)**
- **25.0m @ 3.2g/t Au**
- **18.0m @ 3.3g/t Au**
- **1.8m @ 53.9g/t Au (northern high grade vein)**

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 that the second hole of a major step out drill program targeting the down plunge extension of the recently announced intersections (GRDD61 – **34 metres @ 3.0g/t Au** and GRDD63 – **38 metres @ 45.9g/t Au**) has intersected two broad zones of intense alteration and veining with visible gold in GRDD86A which is located approximately 200 metres down plunge of holes GRDD61 and GRDD63 (See Figure 3) and 50 metres up dip from GRDD86 which also intersected two broad zones of intense alteration and veining with visible gold (refer ASX announcement dated 9 May 2012).

Deputy Chairman, Denis Waddell said, “The results from GRDD86A confirm the presence of two main zones of mineralisation which correlate with the two broad zones intersected in GRDD86, and significantly, both lodes now have visible gold logged. These results extend the mineralisation intersected in GRDD86 and further enhance the potential of the new lodes to extend up and down dip and plunge, based on the Groundrush geological model.”

“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 and GRDD86A, clearly demonstrate that 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 3).

ASX Announcement

Groundrush Southern Deeps Exploration

Drilling has continued to progress well on the Southern Deeps target at Groundrush with the first of two daughter holes (drilled 50 metres up dip from GRDD86) intersecting broad zones of mineralisation with visible gold. The results from this hole confirm the interpretation of two main zones of mineralisation plunging to the west with both lodes now having been logged with visible gold.

The Southern Deeps target is based on the concept that the +1 million ounce Groundrush Deposit is one dilation zone within this plunging corridor and the Southern Deeps exploration target is 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 of the new southern zone mineralisation which are based on the core of the main Groundrush Deposit, are interpreted by the Company's geologists 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 and a tonnage range of 3,800,000 – 8,000,000 tonnes¹.

The intersections in GRDD86A consist of strong silica-sericite alteration with >3.5% disseminated sulphides +/- quartz-carbonate-chlorite veining and visible gold. This alteration assemblage is of similar appearance and intensity to that seen in GRDD86 and also in GRDD61 and GRDD63 which are located 200 metres up plunge to the north. Assay results for GRDD86 and GRDD86A are pending.



Figure 1: Visible gold in core from GRDD86

¹ The potential quantity and grade of the Exploration targets outlined 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

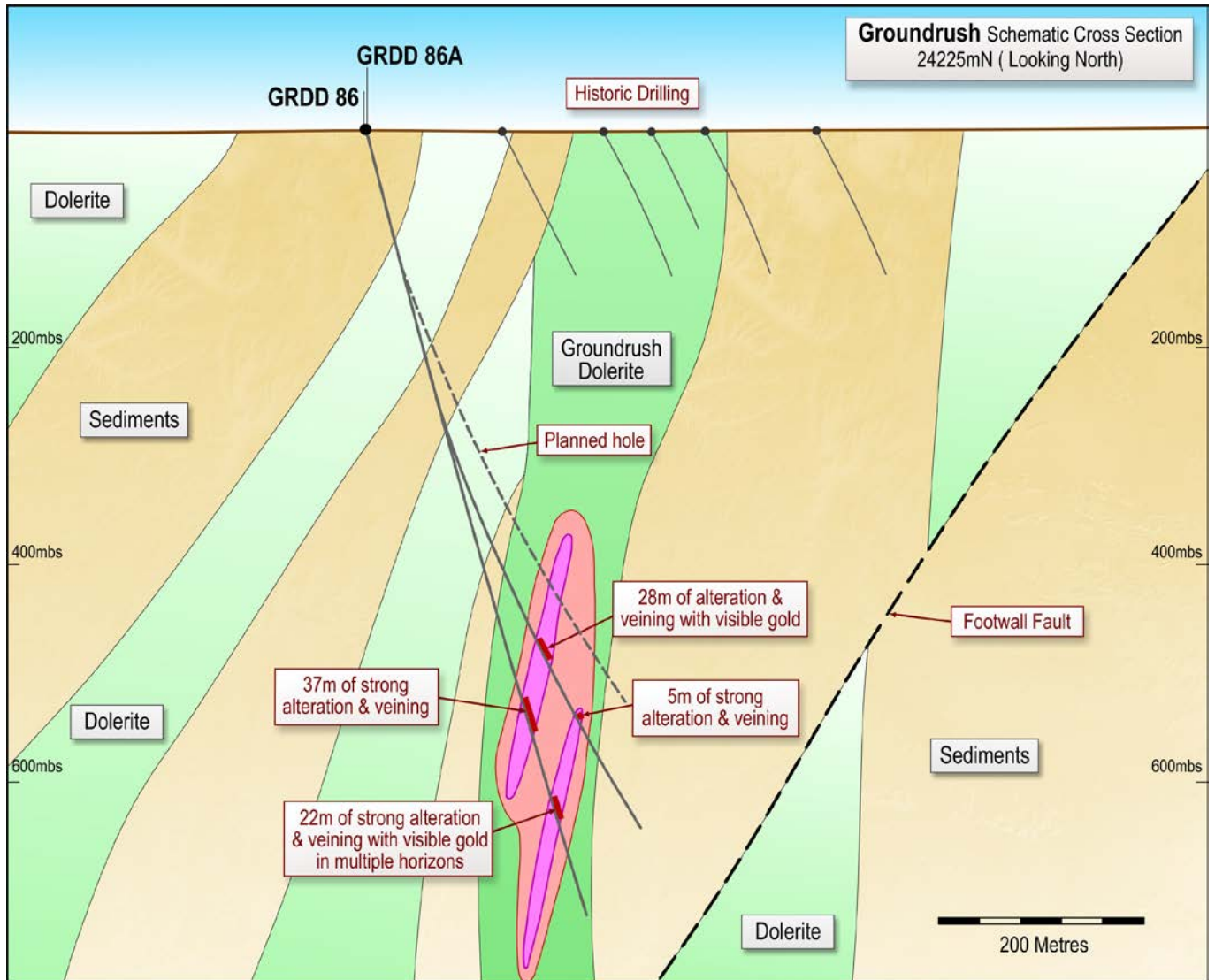


Figure 2: Groundrush Cross Section 24225N

ASX Announcement

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. The rig is expected to complete the current program in the northern pit within two weeks and is scheduled to move to the southern end of Groundrush and conduct a 700 metre drill program targeting depth and strike extensions to the previously identified high grade vein.

Recent significant results from the northern in pit program include:

- **GRDD62** **14.5m @ 2.9g/t Au from 68m**
- **GRDD62** **13.8m @ 3.6g/t Au from 87m**
- **GRDD70** **1.8m @ 53.9g/t Au from 69m**

Resource Drilling

Diamond drilling has continued to be successful with a combination of Resource extension holes and Resource infill holes completed since January 2012. Results from GRDD74 and GRDD58 (Figure 4) are encouraging in that they have intersected significant mineralisation towards the base of the current defined Resource and indicate that mineralisation is open at depth. In addition, hole GRDD77 (See Figure 4) has also intersected a broad zone (28 metres) of pyrite-pyrrhotite alteration with quartz-carbonate veining and visible gold. Results are pending.

Significant intercepts from the Resource drilling include:

- **GRDD74** **17.0m @ 109.0g/t Au from 322m** (Extension Drilling)
- **GRDD58** **25.0m @ 3.2g/t from 279m** (Extension Drilling)
- **GRDD60A** **6.2m @ 4.9g/t Au from 286m** (Infill Drilling)
- **GRDD76** **18.0m @ 3.3g/t Au from 258m** (Infill Drilling)

These latest results, combined with the positive results reported since January 2012, further vindicate the Board's decision to defer 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.

Denis Waddell
Deputy Chairman

ASX Announcement

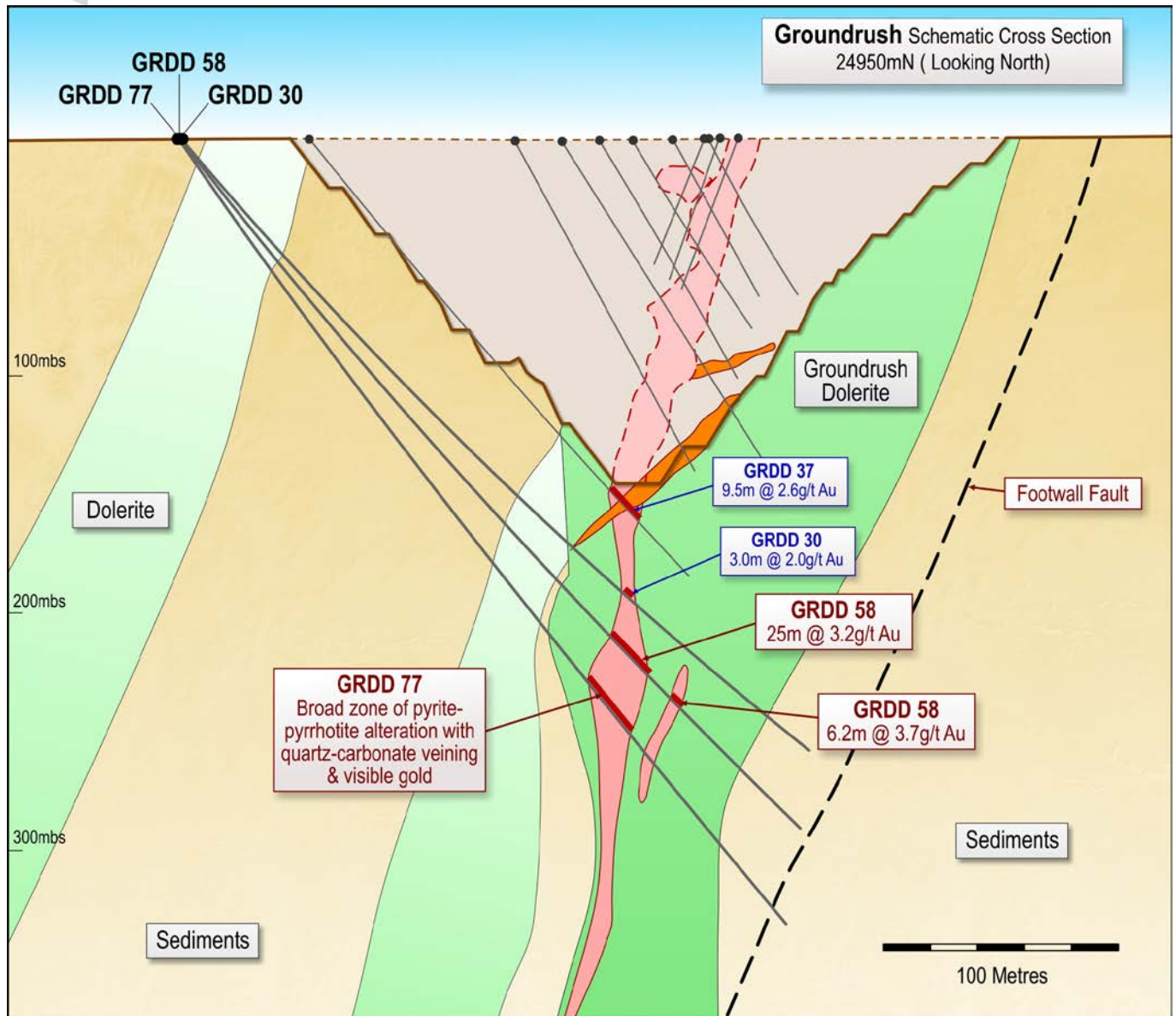


Figure 4: Schematic Cross Section 24950N

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.

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.

ASX Announcement

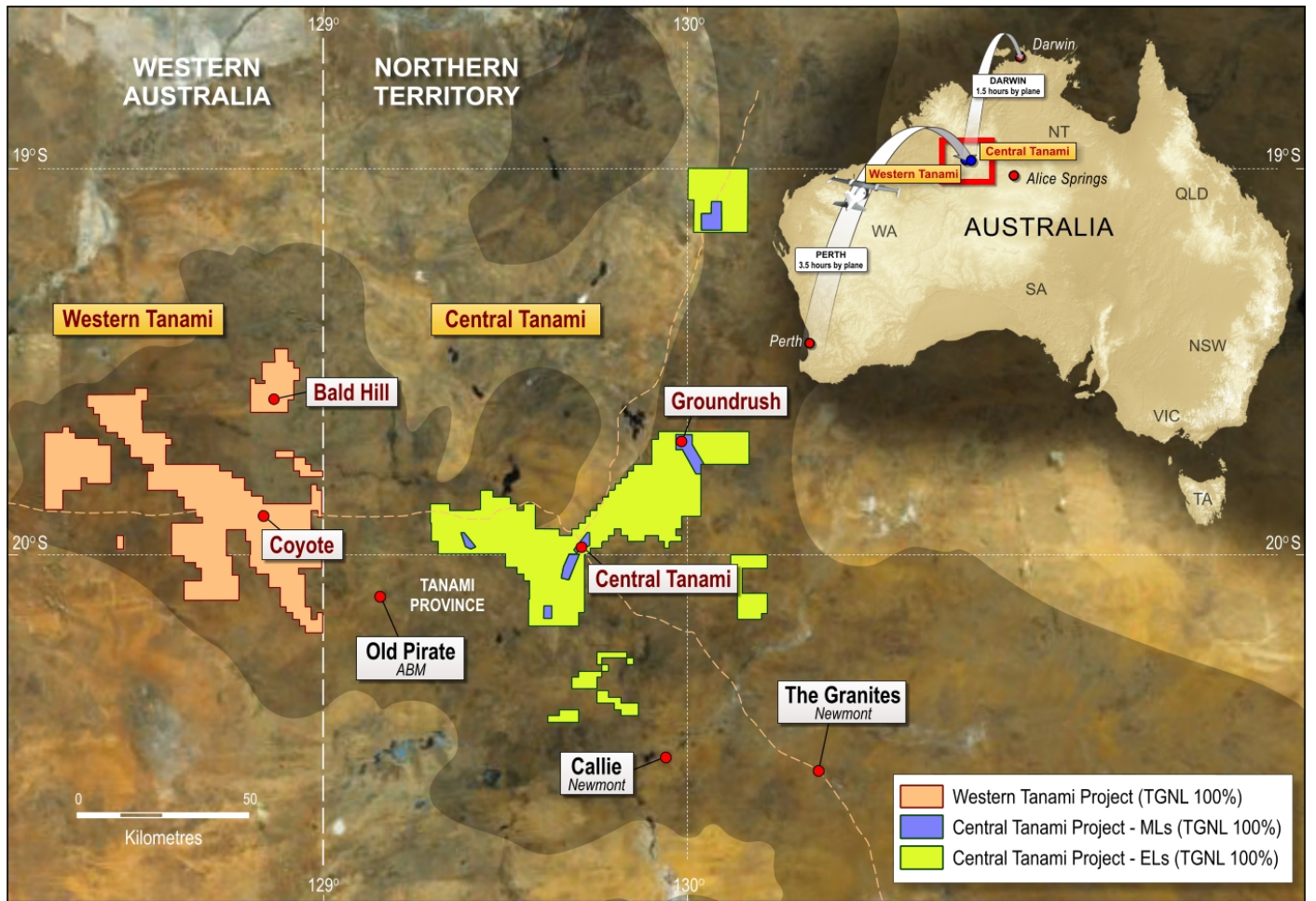


Table 1: Significant Intersections from Groundrush Southern Deeps Diamond Drilling

Hole_ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Max Depth	Metres From	Metres To	Interval Width	Grade	Gram Metre
GRDD51	603855	7820211	423	-62	48	450	369.0	371.3	2.3	5.3	12
GRDD54	603851	7820169	423	-57	48	385	373.7	378.0	4.4	2.8	12
GRDD58	603927	7820005	422	-51	48	392	279.0	304.0	25.0	3.2	80
							314.8	324.0	9.2	3.2	30
GRDD60A	603918	7820031	422	-50	46	368	278.3	284.5	6.2	4.9	31
							299.0	301.0	2.0	9.4	19
GRDD61	604132	7819454	420	-67	45.5	512.1	53.0	65.0	14.0	0.9	13
							375.0	409.0	34.0	3.0	102
							396.0	400.0	4.0	13.6	54
GRDD63	604130	7819450	420	-71	45.5	623.1	80.0	82.0	2.0	0.8	2
							421.0	459.4	38.4	45.9	1763
							Incl 433.0	435.0	2.0	826.0	1652
GRDD64	603917	7820485	376	-49	43	81	40.5	45.0	4.5	2.4	11
GRDD62	603960	7820439	372	-90	4	135	68.0	82.5	14.5	2.9	42
							87.2	101.0	13.8	3.6	50
GRDD66	603985	7819931	422	-50	46	341	221.0	230.0	9.0	2.0	18
GRDD68	603938	7820466	373	-45	35	89	18.0	22.0	4.0	3.2	13
GRDD69	603976	7819922	422	-58	47	378	320.0	325.7	5.7	4.6	26
GRDD70	603938	7820467	373	-56	63	100	68.9	70.7	1.8	53.9	96
GRDD72	604244	7820204	422	-50	228	411	283.0	293.0	10.0	3.4	34
GRDD74	603953	7819965	421	-57	48	386	312.0	319.0	7.0	2.2	15
							322.0	339.0	17.0	109.5	1861*
									0.6	3,000.0	1800
							337.1	339.0	2.0	9.8	19
GRDD73	603945	7820459	373	-75	50	104	23.0	26.0	3.0	3.4	10
							36.2	46.0	9.8	1.7	17
GRDD76	603849	7820263	423	-50	46	334	258.0	276.0	18.0	3.3	60

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.
- Shaded intervals previously reported
- These significant intersections represent a selection from results received for 17 holes from between 3 February 2012 and 4 April 2012 using a cut of greater than 10 gram meters (gram meters = interval width multiplied by grade)

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