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DRILLING EXTENDS HIGH GRADE GOLD ZONES AT COYOTE GOLD MINE

HIGHLIGHTS

COYOTE GOLD MINE

- Near mine exploration drilling continues to return high grade mineralisation including:
 - 0.5m @ 221.0g/t Au
 - 3.2m @ 12.3g/t Au
 - 0.3m @ 90.2g/t Au
 - 0.3m @ 146.0g/t Au
 - 0.3m @ 166.0g/t Au
- Ore drive development well positioned to access new South Zone Inlier Lodes

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 the Coyote Gold Mine. Recent drilling has returned high grade gold intersections which provide opportunities to open up new mining areas aimed at producing additional mill feed.

Deputy Chairman, Denis Waddell said, “The Company is pleased with the strong progress that is being made in relation to the updated exploration model. It is pleasing that the new high grade intersections are close to existing mining infrastructure as the associated mineralised zones can be accessed with limited development.”

“We have recently commenced drilling new targets from surface and will shortly turn the underground diamond drills to the north and commence targeting the Kavanagh Lode surface. The Kavanagh Lode, which is a conceptual target located 150 metres north of the Gonzales Lode, is a high priority target due to its potential scale and high grade. We look forward to what may unfold in the coming weeks from the current drilling program.”

COYOTE EXPLORATION MODEL

The Coyote Exploration Model has been further advanced by the Company’s geologists and several well-respected structural and geochemical consultants. Historically, the Coyote Fault which occurs in the main central mine corridor, had been considered a controlling feature on mineralisation, however, current interpretation suggests the Coyote Fault is a late feature which has offset mineralisation.

The recent review has also confirmed the relationship between a thick carbonaceous siltstone unit and arsenic distribution, with the siltstone working as a geochemical trap and a key control on gold mineralisation.

The recent change in the interpretation of the Coyote Exploration Model is highly significant as it has elevated the prospectivity of several untested targets located deeper within the Coyote Anticline (refer Figure 1) previously considered less prospective due to the distance from the Coyote Fault. The new priority targets are currently being tested with a combination of underground and surface diamond drill rigs.

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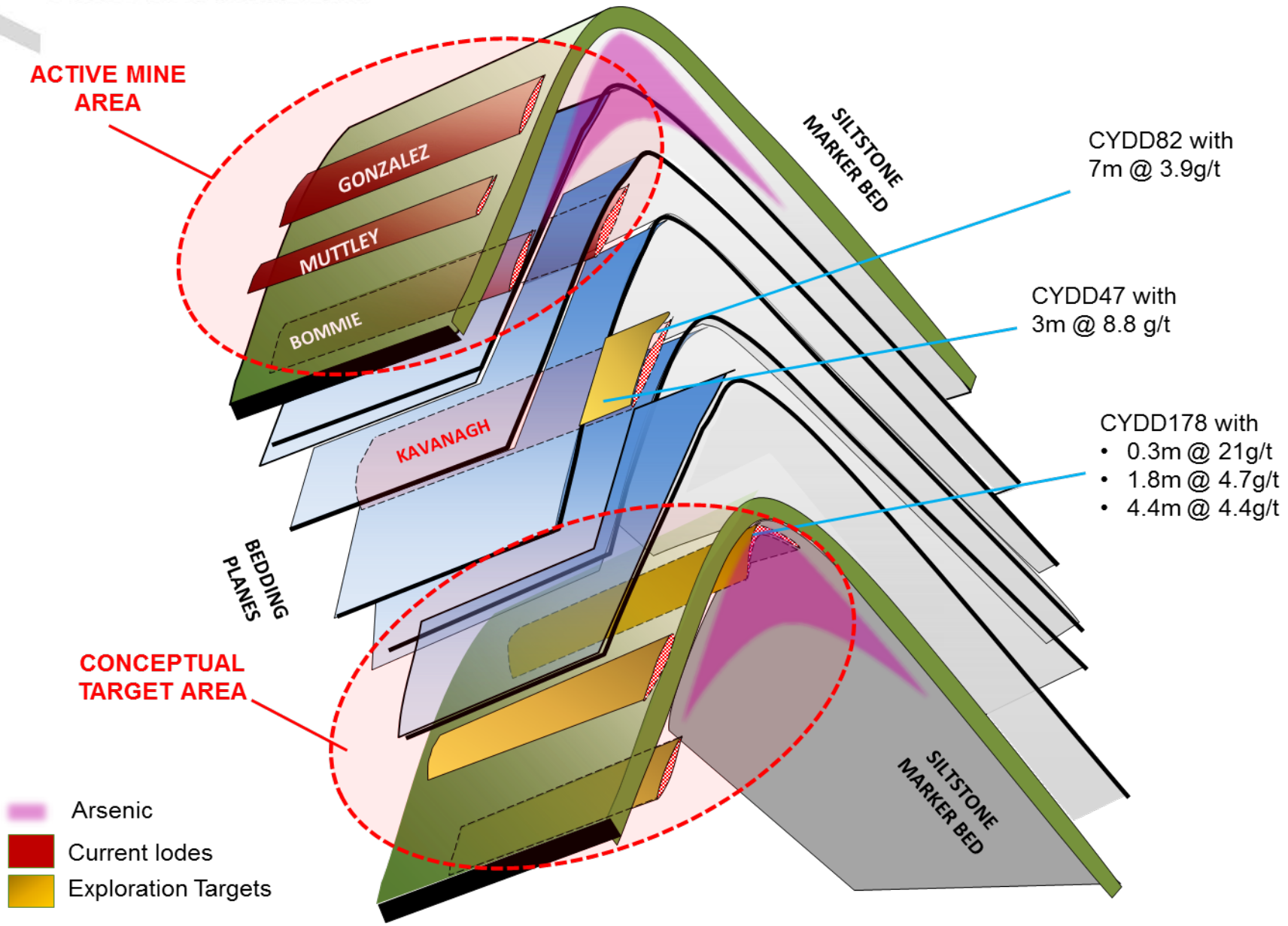


Figure 1: Coyote Conceptual Exploration Model

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Near Mine Exploration Results

Recent near-mine drilling has been successful in identifying significant mineralisation close to the existing mine area with strong results returned from the new South Zone Inlier Lodes. These lodes are currently accessible from existing development and as such, will carry a lower extraction cost. This zone remains open up and down dip and down plunge and is currently a focus for one of the Company's underground diamond rigs. It is significant that this lode is interpreted to be in the same stratigraphic position as the Muttely Lode to the east with the 200 metre extent between these lodes being poorly tested to date and considered highly prospective.

Significant results received to date from the South Zone Inlier drilling include:

CYUG322	-	0.7 m @ 23.1g/t Au
CYUG323	-	1.0 m @ 34.7g/t Au
CYUG507	-	3.2 m @ 12.3g/t Au
CYUG513	-	0.3 m @ 90.2g/t Au
CYUG597	-	0.7 m @ 32.9g/t Au

In addition to the above results, drilling of the West zone vertical lodes has also produced encouraging results with mineralisation hosted across multiple veins resulting in wider zone of mineralisation. Significant results received to date from this drilling include:

CYUG553	-	0.6 m @ 26.2g/t Au
CYUG554	-	1.3 m @ 9.5 g/t Au & 0.3 m @ 70.1g/t Au
CYUG557	-	0.95 m @ 24.1g/t Au
CYUG560	-	0.3 m @ 146g/t Au
CYUG570	-	0.3 m @ 138g/t Au
CYUG573	-	0.5 m @ 221g/t Au

Denis Waddell
Deputy Chairman

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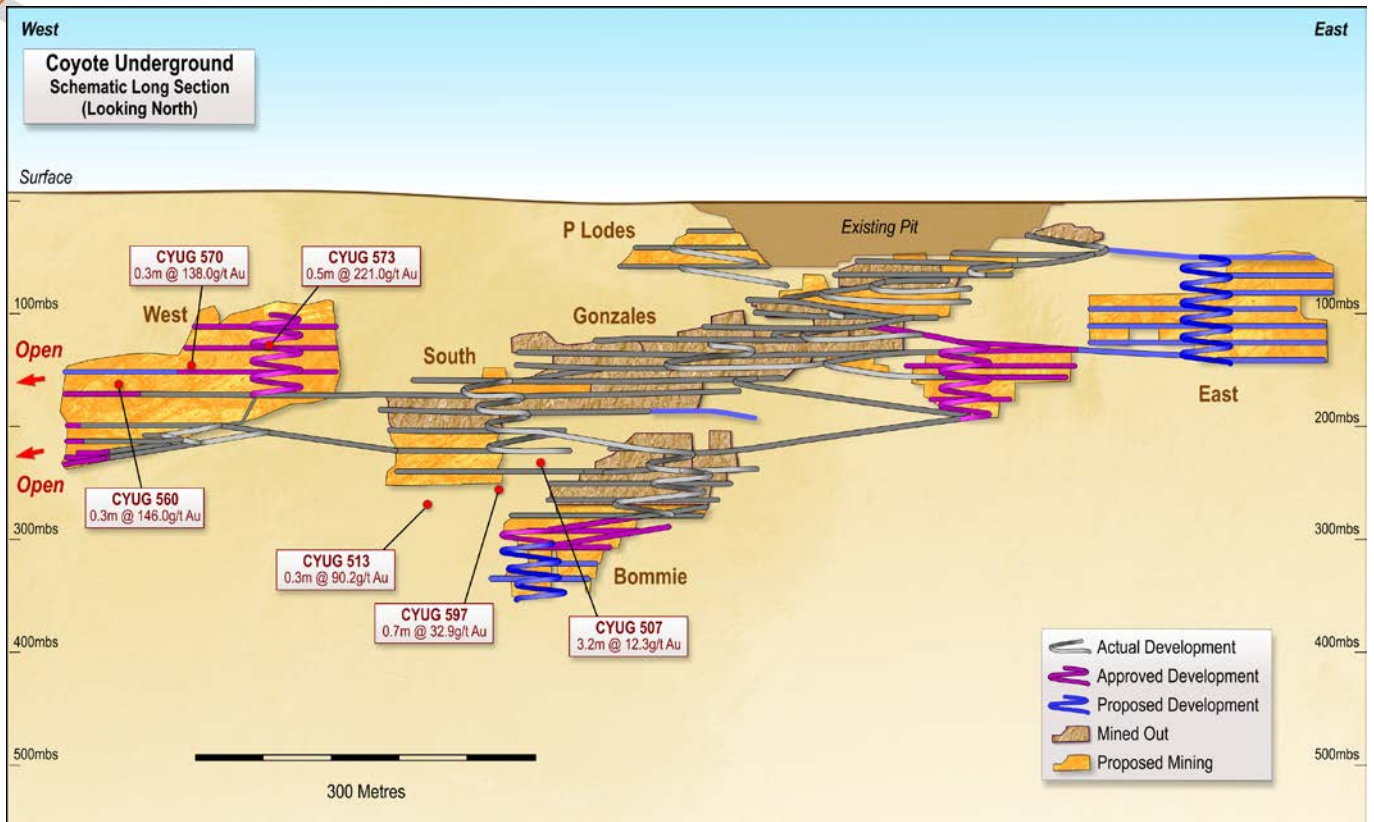


Figure 2: Coyote Underground Schematic Longsection

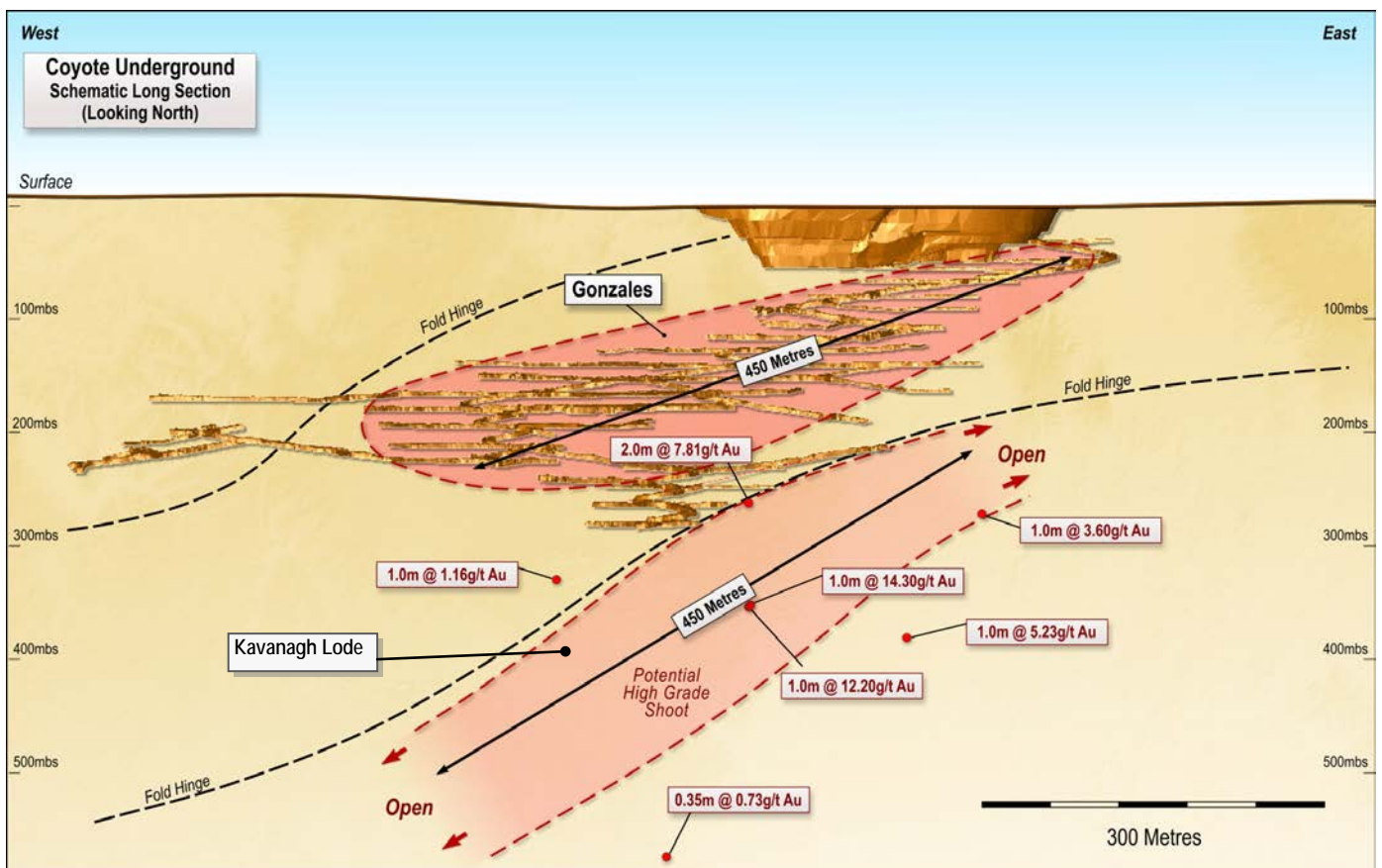


Figure 3: Kavanagh Underground Schematic Long Section– Looking North

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Table 1: Significant Intersections from Coyote Deposit

Hole_ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Max Depth	m From	m To	Interval Width	Grade	Gram Metre
CYUG315	482142	7799673	102	-15	313	80.5	53.05	53.35	0.3	166	49.8
CYUG322	482060	7799661	138	0	199	70.5	46.3	47	0.7	23.1	16.2
CYUG323	482060	7799661	138	-19	199	85.7	65	66	1	34.7	34.7
CYUG334	482113	7799719	99	0	334	12.2	7.7	8	0.3	37	11.1
CYUG507	482066	7799649	165	-8	92	96.1	45.5	48.7	3.2	12.3	39.4
CYUG513	482039	7799637	165	-8	218	118.7	51.2	51.5	0.3	90.2	27.1
CYUG553	481723	7799586	208	50	135	71.3	52.4	53	0.6	26.2	15.7
CYUG554	481722	7799586	208.07	29	133	59.4	22.7	24	1.3	9.5	12.3
							28.6	28.9	0.3	70.1	21
CYUG557	481723	7799586	207.7	44	223	70.5	30.15	31.1	0.95	24.1	22.9
							48.7	49	0.3	49.1	14.7
CYUG560	481717	7799586	207	18	241	79.6	58.1	58.4	0.3	146	43.8
CYUG563	481717	7799586	207	13	250	100.5	50.9	51.32	0.42	37.9	15.9
CYUG570	481729	7799587	207	23	116	75.9	33.15	33.45	0.3	138	41.4
CYUG573	481730	7799585	206.982	21	104	104.7	50.9	51.4	0.5	221	110.5
							84	86	2	25.2	50.3
CYUG597	482055	7799644	164	-45	140	90.5	30.5	31.2	0.7	32.9	22.9

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 1.0g/t with maximum 2 metres internal dilution.
5. Intervals are all down hole length.
6. Shaded intervals previously reported

Competent Person Statement

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