TANAMI GOLD NL

ANNUAL REPORT 2012

2012 Annual Report

Contents

Dear Shareholder

I am pleased, to present to shareholders the Annual Report of Tanami Gold NL for the year ended 30 June 2012.

The past year has been both a year of change as well as significant development for your Company. In December 2011, the Board was restructured resulting in my appointment to the Board and subsequent election as Chairman. Mr Denis Waddell was elected as Deputy Chairman, Mr Carlisle Procter was appointed as an Independent Non-Executive Director and Mr Graeme Sloan resigned as Managing Director/CEO.

Following the Board restructure, the Company's Management team was also restructured with Mr Waddell assuming an executive role from 9 December 2011 and Mr Andrew Czerw being appointed as General Manager of the Company on 1 January 2012. In the succeeding months, a number of experienced and well-credentialed personnel were also appointed to key management positions across the Company.

The new Board and Management team has developed and pursued a more focused strategy for the development and operation of the Company's projects which is directed towards positioning the Company for strong growth and delivering benefits for the Company's shareholders, its personnel and the communities within which it operates.

Firstly, the Company's flagship Groundrush Deposit located at the Central Tanami Project is now being approached on a basis considered to be more appropriate to its significant potential. The targeted Resource for the Pre Feasibility Study being undertaken last year was reviewed by the Company's new Board and Management team and considered to be too conservative. As a result, it was decided to continue further drilling at the Groundrush Deposit and undertake the additional work necessary to complete a Definitive Feasibility Study ('DFS') based upon an expanded Resource base.

This work has now resulted in a current Resource in excess of 1 million ounces at the Groundrush Deposit and is expected to result in the completion of the Company's DFS in April 2013. Results to date for the DFS indicate that development of the Central Tanami Project presents a compelling investment case based on robust economics, low start-up capital requirements, low execution risk and substantial organic growth opportunities. Subject to the successful conclusion of the DFS and Board approval, the Company would expect to commence the development of the Central Tanami Project in mid-2013 as it seeks to deliver upon its objective of becoming a leading mid-tier Australian gold producer.

The Company's operations at its Coyote Gold Project have been upgraded as part of its continuing drive to optimise its operations. Considerable resources have been directed towards the development of an upgraded geological model; modernisation of the Company's mining equipment and support infrastructure and ongoing drilling programs at both the Coyote Gold Project as well as the Central Tanami Project. These improvements have significantly strengthened the Company and have resulted in consistent current production and a reduction in costs. Considerable resources are also being directed towards development drilling with the objective of extending mine life.

The Company has also established a regional exploration team focused on the evaluation and exploration of targets, within its extensive regional tenements. Initial success has been achieved at the Ripcord Deposit with a maiden Resource of 89,000 ounces as well as the identification of a number of highly prospective targets.

Finally the Company has introduced a Continuous Improvement Program to optimise its operating procedures, governance procedures and internal controls as it continues to strengthen its operations.

I would like to thank my fellow Directors, our Management team and personnel as well as our Shareholders for their continuing support during the year.

Yours faithfully

Arthur Dew
Chairman

Community Relations

The Company recognises the importance of developing relationships based on trust and mutual advantage. We believe in respecting the needs and concerns of the communities located within the regions in which we operate.

The Company has agreements in place with the Traditional Owners and is committed to building strong relationships by:

- being open and transparent in its communications;
- improving cross-cultural awareness through training and education;
- developing community relations management procedures that include business alliances, employment and training initiatives;
- being sensitive to the values and heritage issues of the local communities; and
- being a good neighbour.

Environment

Tanami operates in the Northern Territory and Western Australia and understands its role in the responsible management of its mining and exploration activities. It is committed to good corporate citizenship and effective stakeholder engagement to ensure an environmentally sustainable and acceptable performance. All Company personnel are required to undertake environmental training and participate in environmental management activities.

Tanami is progressively implementing and improving its environment management systems to eliminate, mitigate or remediate the environmental impacts of the Company's operational activities. The Company has reviewed all environmental management activities through formal risk assessments and developed operating procedures that are compliant with Australian Standards. As part of its environmental management system the Company is undertaking internal audits to ensure good environmental performance.

Tanami undertakes rehabilitation as soon as practicable after environmental disturbance occurs. The Company defines successful rehabilitation as returning disturbed land to an agreed land use capability, to minimise erosion and promote stability and provide ecological diversity that is self-sufficient and sustainable. Significant rehabilitation activities have occurred at the Coyote Gold Project with works undertaken over the period including; profiling, topsoiling and tilling, native seeding, vegetation monitoring and building water management structures.

The Company has continued to gather baseline data to assist with the approvals and permitting of its Central Tanami Project in the Northern Territory. These activities included ground and surface water monitoring, extensive flora and fauna studies, ecosystem function analysis and hydrological and hydrogeological studies.

Tanami's strategic goal for environmental management is positive environmental, social and economic benefits for the region where it operates. The Company has an environmental policy that is adhered to at all times. Over the past year the Company has increased its resources and internal environmental governance capabilities to achieve these goals.

Occupational Health and Safety

As part of Tanami's ongoing commitment to the health and safety of all its employees, the Company undertook two major studies across its business during the year, namely:

1. Risk, Emergency, Crisis and Business Continuity Management Audit
2. Audit of the Tanami Safety Management System

The Risk, Emergency, Crisis and Business Continuity Management Audit resulted in an updated Company-wide risk register and the implementation of some additional training programs to further strengthen the Company's existing training initiatives.

The audit of the Tanami Safety Management System involved a review of existing safety practises and procedures across the Company's operations and has confirmed that the Company has a generally robust occupational health and safety system in place.

The Company remains committed to a continual review and improvement process across all aspects of its business, while maintaining a focus on safety.


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Corporate

Tanami has achieved significant growth over the past 12 months with its committed workforce well supported by a restructured management team and board.

Key achievements:

- Strong platform for growth with 3.08 million ounces of Resources and 400,000 ounces of Reserves.
- Groundrush deposit developing into a Company making asset with a Mineral Resource growth of 393% over the past twelve months.
- Well advanced on the Central Tanami Project (CTP) Definitive Feasibility Study to be completed by April 2013.
- CTP is expected to deliver a significant step change in the Company's gold production profile.
- Regional drilling success at the Ripcord Prospect, 2.5 kilometres south of Groundrush.
- Gold production of 41,184 ounces at the Coyote Gold Mine at a cash operating cost of $1,022 per ounce including royalties.
- Gold production at Coyote of 12,181 ounces for the June 2012 Quarter, an increase of 36% from the March 2012 Quarter.
- Successfully progressed a conceptual Coyote exploration model.
- New target (Kavanagh Lode) drilled at the Coyote Underground Mine.
- Successful construction of an additional tailings storage cell lift.

The Company underwent a significant Board and management restructure in December 2011. This has resulted in a clear corporate strategy and a disciplined, focussed management team intent on growing the 40,000-50,000 ounce per annum unhedged production base at its Coyote Gold Mine and the successful development of the anticipated 150,000-160,000 ounce per annum mine at the CTP. The combined production from the Coyote Gold Mine and the CTP, if achieved, will see the Company shift to a +200,000 ounce per annum gold producer.

In addition, the Company has invested heavily in its geological team and now has a team of motivated professionals dedicated to unlocking the potential of the Company's significant and highly prospective exploration tenements. The Company remains confident that the team will deliver organic growth opportunities well into the future.

Sale of the Majority of the Company's Shareholding in ABM Resources NL

On 13 February 2012, the Company announced that it had entered into an agreement to sell the majority of the Company's shareholding in ABM Resources NL. The Company realised gross proceeds of $32,395,550 from this transaction which were utilised as follows:

- $4.5 million was used to convert the Company's 300 million options in ABM Resources NL to shares;
- $5.1 million was retained by the Company as working capital; and
- $22.7 million was paid to AP Finance Limited to significantly reduce the Company's debt.

Coyote Gold Project

The Company's 100% owned Coyote Gold Project is located in northern Western Australia. Over the past twelve months, a number of operational improvements have resulted in an increase in gold production, a decrease in operating costs and a steady underground development program.

Gold production at Coyote for the 2011-12 financial year totalled 41,184 ounces at a cash operating cost of $1,022 per ounce including royalties.

Over the course of the year the Company has improved key components of its infrastructure, developed a robust and greatly enhanced conceptual exploration model targeting additional underground Resources and has embarked on a significant replacement and rebuilding program for its underground mining equipment.

These improvements have had a positive impact on operations and the Company intends to capitalise on these improvements as it continues to optimise its operations.

Underground Mining

Underground mining for the year concluded strongly with the June 2012 Quarter results significantly out-performing the three previous Quarters. The mine produced a total of 126,589 (processed) tonnes at 7.6 g/t Au for 31,177 ounces for the year ended 30 June 2012. The performance of the mine was boosted following a significant capital development program undertaken during January and February 2012, aimed at accessing the high grade West Zone. This new mining area has performed well, delivering 8-10g/t Au development grades and stoping grades of between 15-20g/t Au. This area continues to provide the bulk of the Company's near-term gold production following the reduced output from the main Gonzales Lode. Underground mining combines mechanised long hole and hand held stoping techniques.

Open Pit Mining Operations

An open pit mining episode at Bald Hill was concluded in mid-December 2011, prior to the onset of the wet season. As a result of those mining operations a significant stockpile remains available as supplementary millfeed to be blended with underground ores.

Stockpiled ore from the Bald Hill Open Pit operations contributed 10,006 ounces from 137,776 tonnes at 2.5g/t Au.

The Bald Hill mining operation was not commercially successful. The restructured Board and management team will ensure that more rigorous and detailed feasibility studies will be undertaken for future projects and tighter operational controls applied.

Processing

The Coyote plant continued to perform well during the year following further upgrades and successfully achieved designed metallurgical recoveries. Overall throughput rates were impacted due to higher than anticipated tonnage coming from the harder underground ores, although this was offset by higher recovered grades. Total ore processed was 264,366 tonnes at an average recovered grade of 5.0g/t Au with an overall gold recovery of 94.6%. The tailings storage facility was successfully raised during the March 2012 Quarter resulting in an additional one and a half to two years of storage capacity.


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Coyote Mine Exploration

In January 2012, the restructured Board and management team applied a fresh geological approach to the Coyote deposit aimed at expanding the scope of the conceptual exploration model. The overarching objective of the exploration effort is to build a substantial geological mineral Resource thereby allowing the mining operations to move to a sustainable medium and long term mine plan. A consultant in structural and economic geology was commissioned by the Company to examine the structural controls on gold mineralisation at Coyote with a view to providing a conceptual exploration model which will assist in following known ore shoots and in the discovery of new high grade mineralisation.

The findings from the structural/geological report have highlighted potential extensions of known lodes extending down plunge of the west-block-down movement (See Figure 1).

The most immediate outcome from the reinterpretation was the generation of additional drill targets within the mine corridor. Importantly, these areas are proximal to the existing mine development and infrastructure. Three drill rigs, one surface multi-purpose drill rig and two Company owned and operated underground diamond rigs are currently deployed to test these targets. Early exploration success has now resulted in additional Resources being incorporated into the mine plan (significant intersections detailed below).

In addition, changes in the interpretation of the Coyote Exploration Model have elevated the prospectivity of several targets located deeper within the Coyote Anticline (See Figure 2).

The new target areas were considered less prospective in earlier exploration models as they were a greater distance away from the Coyote fault, which at the time was thought to be a primary controlling structure on mineralisation. These newly identified priority targets, including the Kavanagh Lode which is considered to be highly prospective, are situated approximately 150 metres north of the deepest levels of the current mine and are currently being drill tested.

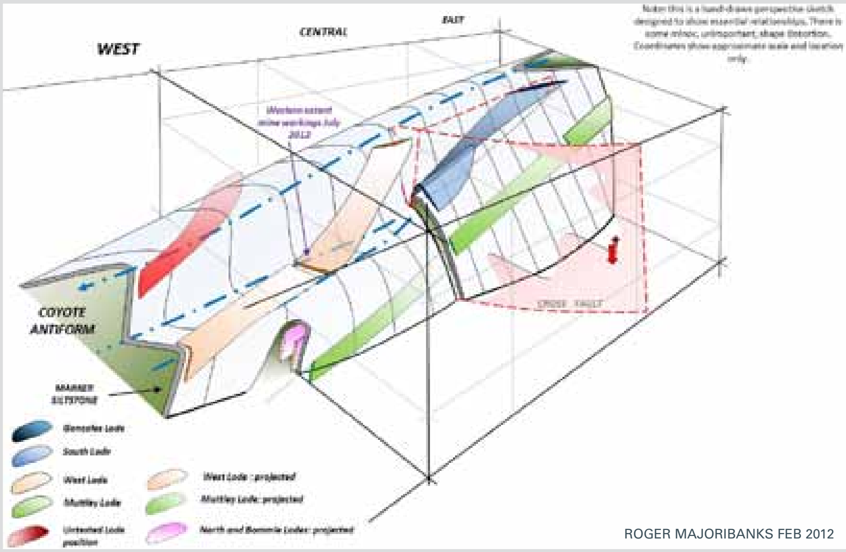

FIGURE 1 – COYOTE CONCEPTUAL MODEL

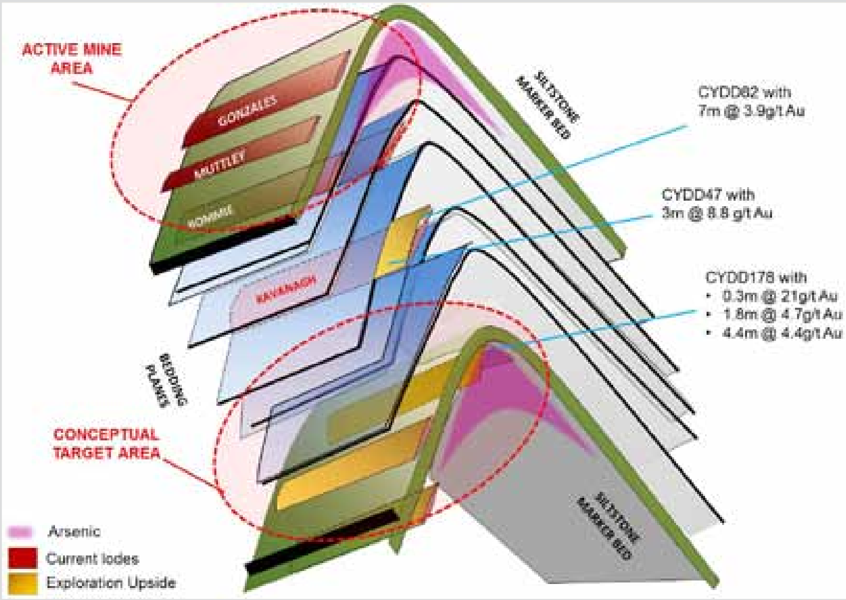

FIGURE 2 – COYOTE CONCEPTUAL EXPLORATION MODEL

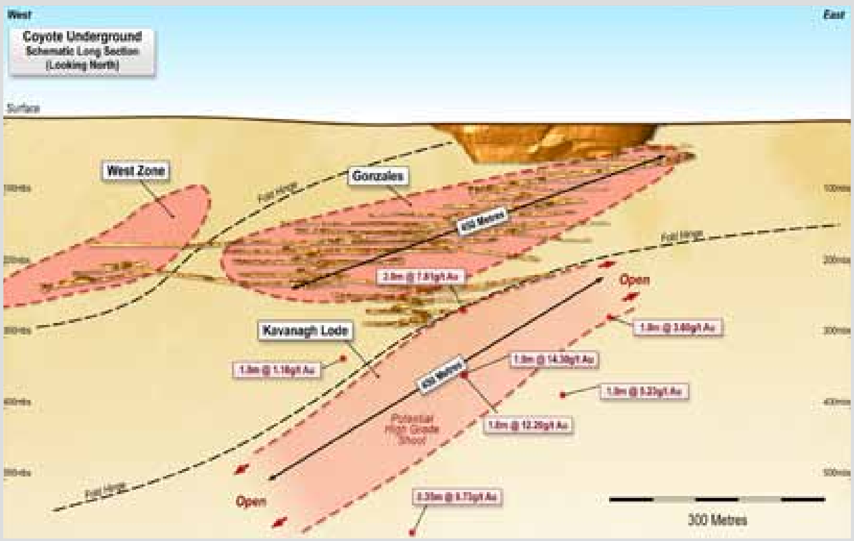

FIGURE 3 – COYOTE UNDERGROUND SCHEMATIC LONG SECTION

Near-Mine Exploration Results

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 - 0.7m @ 23.1g/t Au
- CYUG323 - 1.0m @ 34.7g/t Au
- CYUG507 - 3.2m @ 12.3g/t Au
- CYUG513 - 0.3m @ 90.2g/t Au
- CYUG597 - 0.7m @ 32.8g/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 a wider zone of mineralisation. Significant results received to date from this drilling include:

- CYUG553 - 0.6m @ 26.2g/t Au
- CYUG554 - 1.3 m @ 9.5 g/t Au and 0.3 m @ 70.1g/t Au
- CYUG557 - 1.0m @ 24.1g/t Au
- CYUG560 - 0.3m @ 146g/t Au
- CYUG570 - 0.3m @ 138g/t Au
- CYUG573 - 0.5m @ 221g/t Au

TABLE 1 – SIGNIFICANT INTERSECTIONS FROM COYOTE UNDERGROUND 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	Gram Metres
CYUG238	481717	7799586	207	223	23	67.0	48.3	48.6	0.3	379.0	114.0
CYUG242	481716	7799559	205	-41	218	114.0	45.6	45.9	0.3	316.0	95.0
CYUG244	481716	7799559	205	-45	191	100.0	48.7	49.0	0.3	33.6	10.0
CYUG246	481770	7799561	205	-40.5	203	116.3	30.6	30.9	0.3	166.0	50.0
CYUG267	74478.529	50037.569	3224.961	37	220	39.9	19.0	23.0	4.0	92.0	368.8
CYUG268	74478.001	50037.005	3224.234	18	219	35.5	19.0	37.0	17.6	18.0	309.76
CYUG270	74479.666	50037.7	3225.198	48	184	34.8	13.0	17.0	4.2	18.0	76.86
CYUG273	74487.239	50038.658	3224.784	52	170	36.5	37.0	45.0	7.7	12.0	88.55
CYUG315	482142	7799673	102	-15	313	80.5	53.05	53.35	0.3	166.0	50.0
CYUG322	482060	7799661	138	0	199	70.5	46.3	47.0	0.7	23.1	16.0
CYUG323	482060	7799661	138	-19	199	85.7	65.0	66.0	1.0	34.7	35.0
CYUG334	482113	7799719	99	0	334	12.2	7.7	8.0	0.3	37.0	11.0
CYUG501	482044.63	7799640.2	164.6	0	8	61.0	23.95	24.25	0.3	240.0	72.0
CYUG507	482066	7799649	165	-8	92	96.1	45.5	48.7	3.2	12.3	39.0
CYUG513	482039	7799637	165	-8	218	118.7	51.2	51.5	0.3	90.2	27.0
CYUG528	482213	7799746	117	339	3.4	73.3	14.0	14.3	0.3	100.0	30.0
CYUG546	481809	7799566	204	-47	193	50.2	17.3	17.6	0.3	189.0	57.0
CYUG553	481723	7799586	208	50	135	71.3	52.4	53.0	0.6	26.2	16.0
CYUG554	481722	7799586	208.07	29	133	59.4	22.7	24.0	1.3	9.5	12.0
							28.6	28.9	0.3	70.1	21.0
CYUG557	481723	7799586	207.7	44	223	70.5	30.15	31.1	1.0	24.1	23.0
							48.7	49.0	0.3	49.1	15.0
CYUG560	481717	7799586	207	18	241	79.6	58.1	58.4	0.3	146.0	44.0
CYUG563	481717	7799586	207	13	250	100.5	50.9	51.32	0.42	37.9	16.0
CYUG570	481729	7799587	207	23	116	75.9	33.15	33.45	0.3	138.0	41.0
CYUG573	481730	7799585	206.982	21	104	104.7	50.9	51.4	0.5	221.0	111.0
							84.0	86.0	2.0	25.2	50.0
CYUG597	482055	7799644	164	-45	140	90.5	30.5	31.2	0.7	32.8	23.0

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. Intervals are all down hole length

Central Tanami Project

The restructured Board and management team in December 2011, on the back of strong exploration success at the Groundrush deposit, decided to delay the delivery date of the Central Tanami Project (CTP) Pre-Feasibility Study (PFS). This strategic delay decision was made to allow adequate time for Resource delineation drilling and evaluation studies, appropriate to the potential of the deposit, to enable the preparation of an optimised and robust mine plan for inclusion in the Definitive Feasibility Study (DFS).

A substantial amount of work has also been undertaken on building detailed geological models, which has seen a successful shift to predictive drilling programs and outstanding Resource growth.

The Groundrush deposit, which was previously mined by Newmont Australia Limited (Newmont) between 2003 and 2005 by open pit methods producing an impressive 611,000 ounces, has quickly evolved into the focus of the Company's exploration effort at CTP.

To date, the Company's Resource delineation drilling has been handsomely rewarded with the Groundrush Mineral Resource now totalling 6.5 million tonnes at 4.5g/t for 1,001,000 ounces of gold. Drilling at Groundrush is ongoing and the mineralised system, which remains open at depth and in multiple directions, continues to deliver outstanding results.

The CTP PFS was completed on schedule early in 2012 and the Company's Board of Directors elected to proceed with the DFS aimed at recommissioning the CTP operations. The DFS remains on schedule and on budget and is due for completion in April 2013.

Located in a Tier 1 mineral province which hosts Newmont's +10 million ounce Callie deposit, the Company's large 100% owned tenement holding remains a core strength which is expected to underpin intensive ongoing exploration activities well into the future.

Key achievements over the course of the past year include delivering rapid growth of a high quality Mineral Resource at low discovery costs, completion of a detailed CTP PFS into re-establishment of mining and processing operations and very good progress towards completion of the CTP DFS on time and on budget by April 2013.

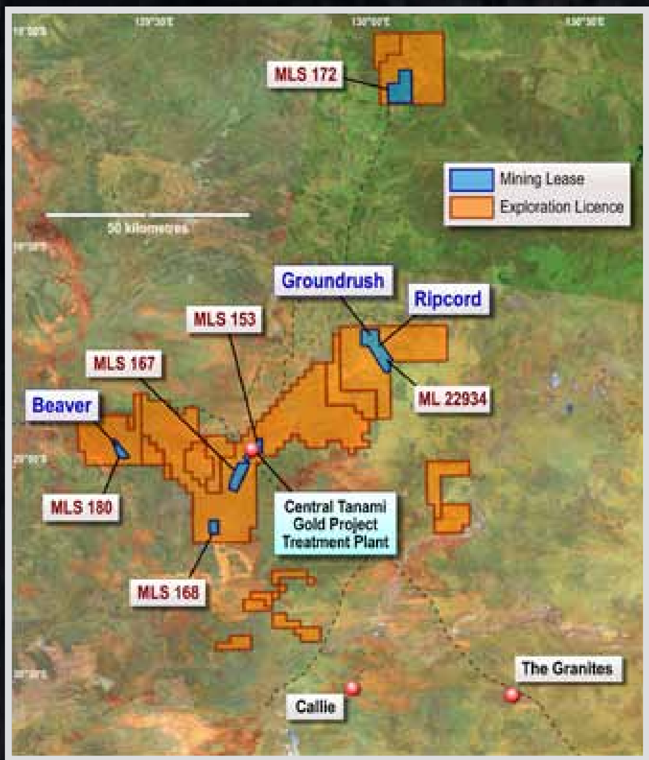

FIGURE 4 - CENTRAL TANAMI PROJECT LOCALITY MAP


BOGGER DRIVER

GROUNDRUSH GOLD PANNED FROM 1 METRE OF REVERSE CIRCULATION DRILL CUTTINGS FROM GRRC6 114M TO 115M.

Central Tanami Definitive Feasibility Study

The Company has made solid progress on the DFS, which has included taking several components of the PFS to a feasibility standard. The intensive drill programs completed during the past year and the advanced state of the Resource and mining model has provided an insight into what the future mining operations will deliver. Early indications are that the Study should provide a compelling investment case based on robust economics, low start-up capital requirements, low execution risk and substantial organic growth opportunities.

Key progress of the DFS:

- Substantial Resource growth at Groundrush in line with expectations (>1 Moz).
- Metallurgical testwork is well advanced, with indications of a 95% recovery for Groundrush.
- Site civil geotechnical work for the tailings storage facility has been completed.
- Environmental and hydrological studies are well advanced.
- Evaluation of mining, airfield upgrade, and power and water supply options are in progress.
- Permitting requirements are on schedule.

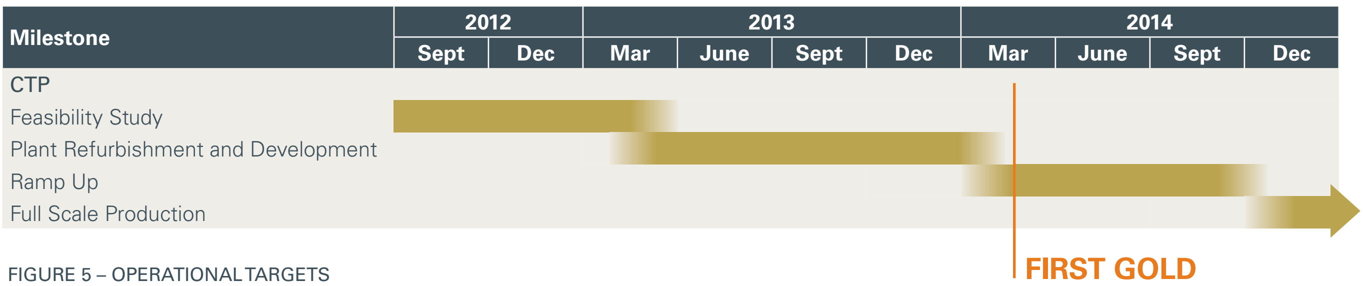

FIGURE 5 – OPERATIONAL TARGETS

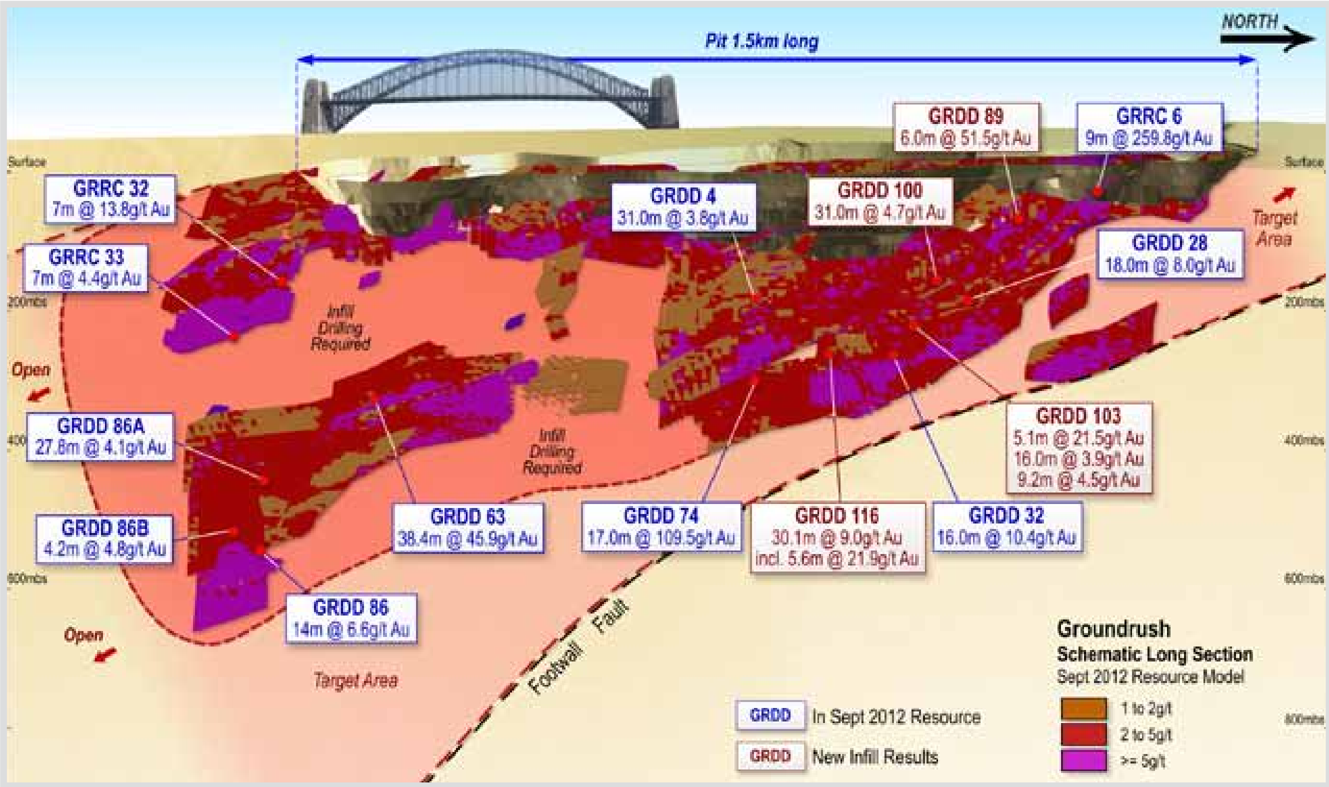

FIGURE 6 – GROUNDRUSH SCHEMATIC LONG SECTION

Groundrush Deposit

The Groundrush deposit is on Mining Lease ML22934 which is located approximately 40 kilometres northeast of the CTP treatment plant. Tanami commenced drilling the Groundrush deposit in April 2011 and has been drilling continuously since then which has resulted in rapid Resource growth to +1 million ounces which was achieved well ahead of the December 2012 targeted date. The scale of the Groundrush deposit continues to impress with the following significant results clearly demonstrating the strength of the deposit:

- GRDD63 - 38.4m @ 45.9g/t Au
- GRDD116 - 30.1m @ 9.0g/t Au
- GRRC6 - 9.0m @ 259.8g/t Au
- GRRD28 - 18.0m @ 8.0g/ t Au
- GRDD32 - 16.0m @ 10.4g/t Au

The Groundrush deposit is hosted in a 200 metre thick fractionated dolerite that intrudes the turbiditic metasediments of the Killi Killi Formation. A comprehensive re-logging exercise was undertaken in early 2012 with a concerted effort made to construct a detailed understanding of all geological aspects of this deposit, including its structural setting, lithologies, alteration and sulphide assemblages, multi-element geochemistry and vein set relationships. This work has added significant value to the current exploration effort and will remain a focus and continue to evolve as the Company moves to commence mining operations at Groundrush.

Drilling has progressed well with a balance being maintained between partly upgrading the Resource to a measured and indicated status, which will underpin a mining Reserve, and exploration drilling which is aimed at increasing the Resource base.

Following the success of a first phase of reverse circulation (RC) drilling in this area, further drilling was conducted down plunge as well as further north under the current open pit. Drilling successfully intersected vein hosted mineralisation and returned the following results:

- GRRC32 - 7.0m @ 13.8g/t Au including 2.0m @ 45.5g/t Au
- GRRC33 - 7.0m @ 4.4g/t Au including 2.0m @ 11.9g/t Au
- GRRC38 - 1.0m @ 38.0g/t Au

The Company remains enthusiastic about the exploration potential of the next 1.5 kilometres of prospective dolerite host and the down dip and down plunge potential of these new shoots.

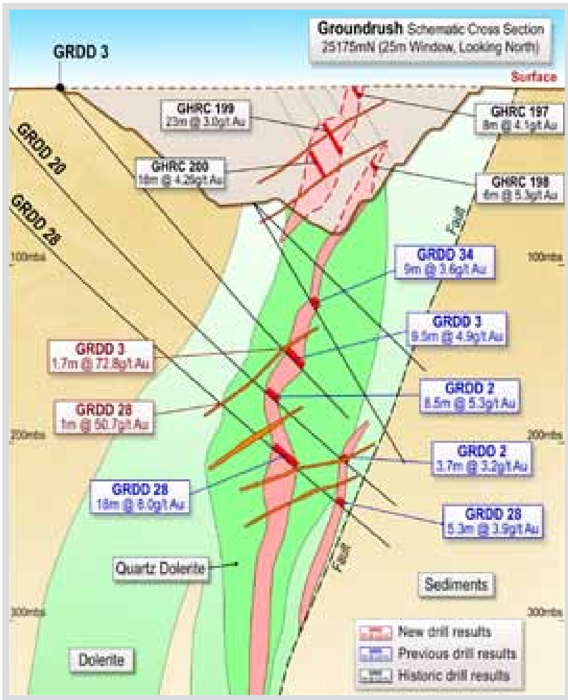

FIGURE 7 – GROUNDRUSH SCHEMATIC CROSS SECTION 25175mN

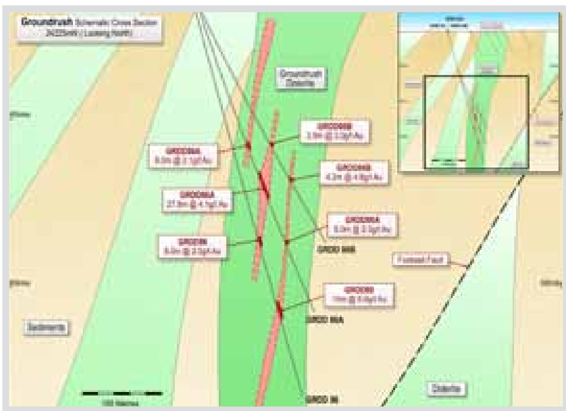

FIGURE 8 – GROUNDRUSH SCHEMATIC CROSS SECTION 24225mN

Central Tanami Exploration

The past 12 months has been an extremely active period for the exploration team, with 19,035 metres of RC drilling and 29,112 metres of diamond core drilling completed. Drilling has been carried out on a combination of historic deposits and lesser advanced prospects, all of which have delivered significant results to date.

Ripcord Deposit

In addition to Groundrush, the Company has delivered a maiden Resource estimate for the Ripcord deposit of 1,100,000 tonnes at 2.53g/t for 89,000 gold ounces. Preliminary investigations into the mining potential of this deposit have returned promising results. The Company continues to investigate the synergies of adding another potential open pit mining operation at Ripcord which would complement the Groundrush mine given the close proximity of the deposits.

Significant results received to date:

- RPRC5 - 52 metres @ 2.1g/t Au
- RPRC6 - 12 metres @ 2.2g/t Au
- RPRC27 - 11 metres @ 3.7g/t Au
- RPRC33 - 8 metres @ 4.9g/t Au
- RPRC34 - 3 metres @ 10.8g/t Au
- RPRC35 - 4 metres @ 6.7g/t Au

The current mineralisation model at Ripcord has been based on the Groundrush deposit which displays multiple similarities, including the same fractionated dolerite, alteration assemblages, geometry and magnetic signature.

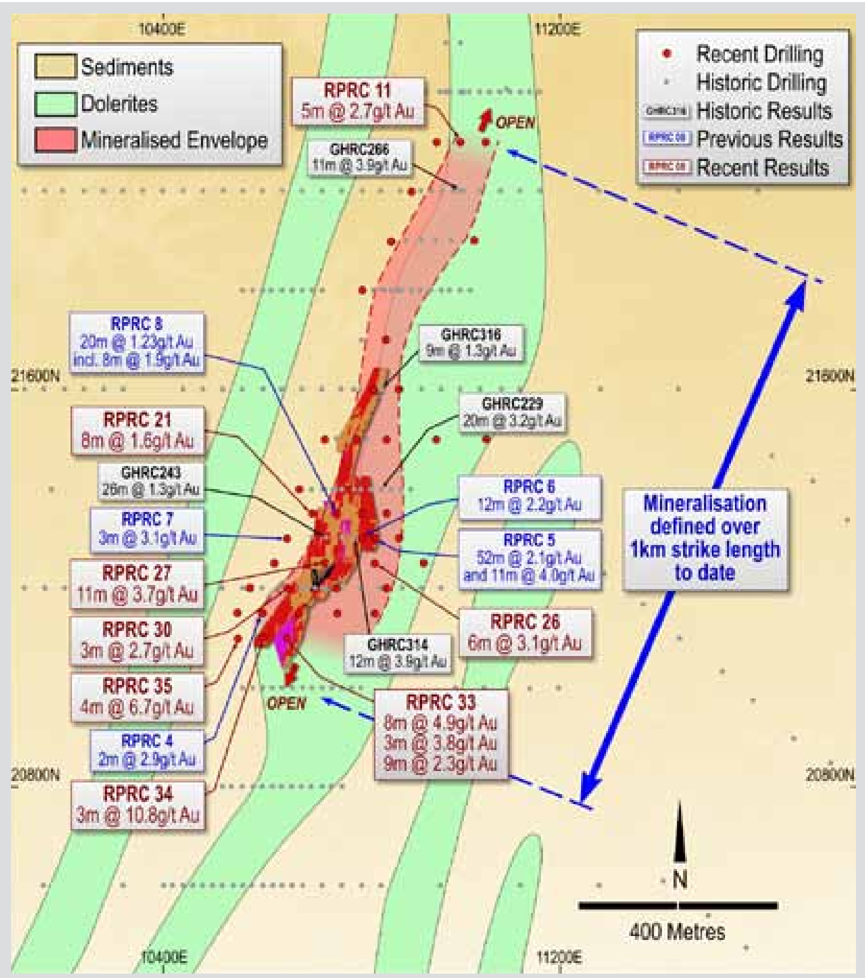

FIGURE 9 – RIPCORD GEOLOGICAL INTERPRETATION

Western Dolerite

The Company continues to examine other dolerite units surrounding the Groundrush dolerite, with particular interest being shown in the Western Dolerite, situated approximately 100 metres to the west of the Groundrush Deposit. Mineralisation was first identified during routine sampling of pre-collars for diamond holes that were targeting the deeper Groundrush mineralisation in March 2012. The following anomalous grades have been intersected:

- GRDD61 - 4m @ 1.0g/t Au from 53m and 2m @ 3.4g/t Au from 64m
- GRDD63 - 1.6m @ 0.8g/t Au from 80m
- GRRC25 - 3m @ 4.1g/t Au
- GRRC31 - 1m @ 47.3g/t Au and 1m @ 13.4g/t Au
- GRRC19 - 3m @ 1.4g/t Au
- GRRC30 - 3m @ 2.1g/t Au

The Western Dolerite mineralisation is highly significant as it is the first mineralisation identified outside the main Groundrush Dolerite and opens up potential for the surrounding dolerites to host gold mineralisation. This new zone of mineralisation remains open and untested to the south.

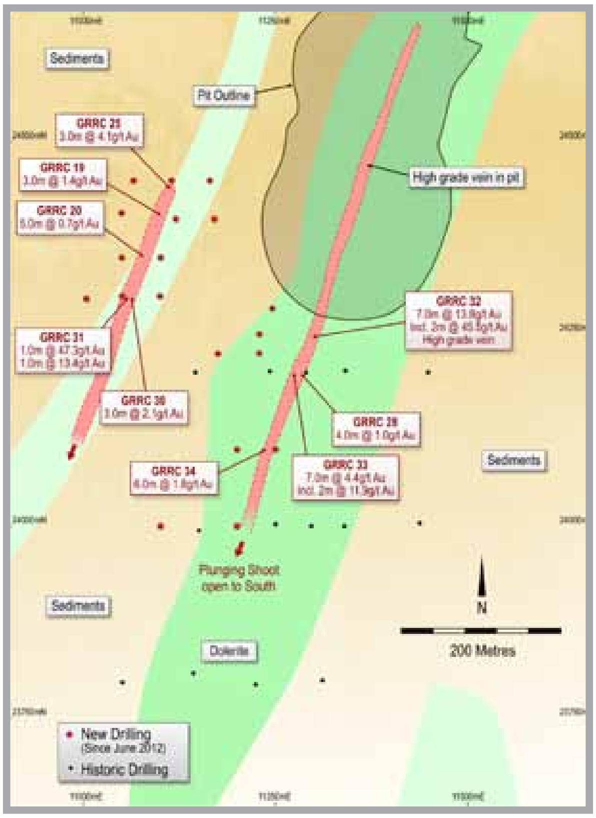

FIGURE 10 – GROUNDRUSH NEAR MINE EXPLORATION

Beaver Deposit

The Beaver Deposit is situated on Mining Lease MLS180, 36 kilometres west of the Central Tanami plant. The deposit was mined from June 1999 to February 2001 by Otter Gold Mines Limited, producing 57,000 ounces of gold.

A comprehensive project review was carried out by Tanami geologists in April 2012 which identified multiple areas where the Resource had significant potential to be expanded. A total of 4,884 metres of RC drilling during May and July 2012 intersected mineralisation to the east of the main mineralisation with the following significant results being returned:

- BVRC12 - 4m @ 6.4g/t Au
- BVRC23 - 4m @ 5.3g/t Au
- BVRC24 - 5m @ 6.5g/t Au
- BVRC25 - 6m @ 3.9g/t Au
- BVRC22 - 4m @ 3.0g/t Au

The significance of this second zone of mineralisation is that it enhances the open pit viability of the deposit. Geological interpretation and Resource modelling is underway which once completed, will enable open pit optimisation to be carried out. Due to its proximity to the Coyote treatment plant (64 kilometres), this deposit also has the potential to provide additional open pit ore feed to Coyote.

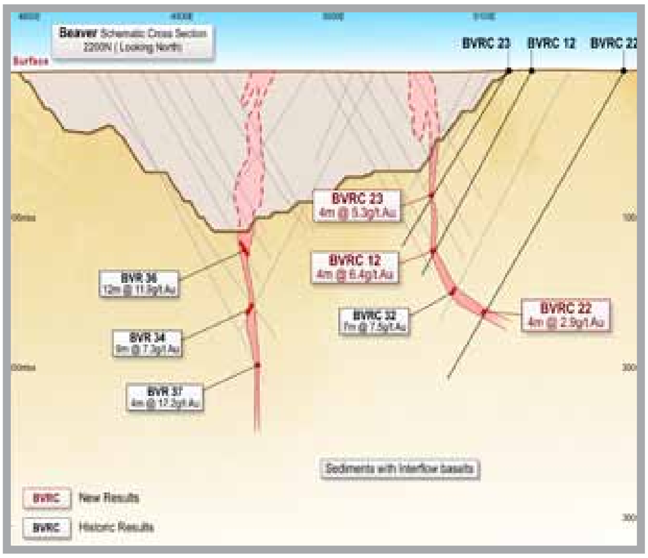

FIGURE 11 – BEAVER SCHEMATIC CROSS SECTION 2200N

TABLE 2 - SIGNIFICANT INTERSECTIONS FROM THE CENTRAL TANAMI PROJECT

Deposit	Hole ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Depth From	Depth To	Interval Width	Grade g/t Au	Gram Metres
GROUNDRUSH	GRDD63	604130	7819450	420	-71	45.5	623.1	80.0	82	2.0	0.8	2
								421.0	459	38.4	45.9	1,763
								Incl 433.0	435	2.0	826.0	1,652
GROUNDRUSH	GRDD116	603862	7820145	422	-52	48	369	328.6	359	30.1	9.0	272*
								Incl 328.6	334	5.6	21.9	123
								Incl 334	359	10.4	12.6	131
GROUNDRUSH	GRDD28	603828	7820210	420	-48	44	374.4	251.3	252	0.7	50.7	36
								289.9	308	18.0	8.0	144
								337.0	342	5.3	3.9	21
GROUNDRUSH	GRDD32	603865	7820178	422	-55	48	362	273.0	296	23.0	4.0	92
								Incl 275.7	282	6.3	7.6	48
								302.0	318	16.0	10.4	166
								Incl 307	309	2.0	52.6	105
								334.0	347	13.0	4.4	57
								Incl 334	336	2.0	14.2	28
GROUNDRUSH	GRDD86	604172	7819268	420	-73	93		563.0	571	8.0	2.0	16
								594.0	599	5.0	2.0	10
								641.0	655	14.0	6.6*	92
GROUNDRUSH	GRDD86A	604172	7819268	420	-70	96		451.0	457	6.0	2.2	13
								493.0	521	28.7	4.1	118
								Incl 494	498	4.0	8.5	34
								577.0	582	5.0	2.6	13
GROUNDRUSH	GRDD86B	604172	7819268	420	-67	100		467.0	470	3.0	3.1	9
								508.8	513	4.2	4.8	19
GROUNDRUSH	GRRC6	603989	7820579	422	-60	236.7	168	113.0	122	9.0	259.8	2,338
GROUNDRUSH	GRRC32	604327	7819423	420	-60	49.7	204	127.0	134	7.0	13.8	97
								Incl 127	129	2.0	45.5	89
								142.0	148	6.0	2.2	13
GROUNDRUSH	GRRC33	604302	7819369	420	-65	74.7	246	186.0	193	7.0	4.4	31
								Incl 189	191	2.0	11.9	24
GROUNDRUSH	GRRD38	604365	7819455	420	-60	49.5	108	74.0	75	1.0	38.8	39
GROUNDRUSH	GRDD97	604292	7819561	366	-65	54.7	176	117.0	118	1.0	16.3	16
GROUNDRUSH	GRDD61	604132	7819454	420	-67	45.5	512.1	375.0	409	34.0	3.0	102
								396.0	400	4.0	13.6	54
								53.0	57	4.0	1.0	4
GROUNDRUSH	GRDD63	604130	7819450	420	-71	45.5	623.1	421.0	459	38.4	45.9	1,763
								Incl 433.0	435	2.0	826	1,652
								80.0	82	1.6	0.8	2
GROUNDRUSH	GRRC19	604088.0	7819427	422	-60	50	150	97.0	100	3.0	1.4	4
GROUNDRUSH	GRRC25	604073.0	7819469	420	-60	50	195	106.0	109	3.0	4.1	12
GROUNDRUSH	GRRC30	604196.0	7819377	420	-60	50	102	61.0	64	3.0	2.1	6
GROUNDRUSH	GRRC31	604158	7819345	420	-60	50	150	76.0	77	1.0	47.3	47
								105.0	106	1.0	13.4	13

Deposit	Hole ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Depth From	Depth To	Interval Width	Grade g/t Au	Gram Metres
BEAVER	BVRC1	542460	7791747	418	-60	44.5	126	32.0	33	1.0	45.3	45
BEAVER	BVRC5	542315	7791683	418	-60	94.5	228	31.0	35	4.0	1.4	6
BEAVER	BVRC10	542617	7791989	418	-60	134.5	204	173.0	174	1.0	18.5	19
BEAVER	BVRC12	542808	7791657	418	-60	313.5	156	137.0	141	4.0	6.4	26
BEAVER	BVRC22	542836	7791600	416	-60	314.5	234	182.0	186	4.0	3.0	12
BEAVER	BVRC23	542813	7791689	416	-55	281.5	144	101.0	105	4.0	5.3	21
BEAVER	BVRC24	542822	7791711	415	-56	276.5	144	100.0	105	5.0	6.5	32
BEAVER	BVRC25	542818	7791660	416	-60	314.5	203	134.0	140	6.0	3.9	23
RIPCORD	RPRC4	605854	7816653	414	-55	53.5	138	75.0	77	2.0	2.9	6
RIPCORD	RPRC5	605929	7816910	414	-55	230	132	34.0	86	52.0	2.1	109
								99.0	114	11.0	4.0	44
RIPCORD	RPRC6	605909	7816897	414	-60	50	150	35.0	47	12.0	2.2	26
RIPCORD	RPRC7	605795	7816800	414	-55	50	180	110.0	113	3.0	3.1	9
								149.0	153	4.0	1.1	4
RIPCORD	RPRC8	605839	7816903	414	-60	50	150	63.0	83	20.0	1.2	24
								Incl.75.0	83	8.0	1.9	15
RIPCORD	RPRC11	605969	7817211	414	-60	50	120	51.0	56	5.0	2.7	14
RIPCORD	RPRC15	605774	7817042	414	-60	50	150	68.0	73	5.0	1.1	6
RIPCORD	RPRC16	605722	7817001	414	-60	50	174	97.0	99	2.0	5.5	11
RIPCORD	RPRC21	605800	7816870	414	-60	50	180	138.0	146	8.0	1.6	13
RIPCORD	RPRC26	605923	7816835	414	-60	50	120	17.0	23	6.0	3.1	19
RIPCORD	RPRC27	605884	7816810	414	-60	50	150	71.0	82	11.0	3.7	41
RIPCORD	RPRC30	605859	7816723	414	-60	50	174	50.0	53	3.0	2.7	8
RIPCORD	RPRC33	605924	7816647	414	-60	50	174	27.0	33	8.0	4.9	39
								39.0	42	3.0	3.8	11
								46.0	55	9.0	2.3	21
RIPCORD	RPRC34	605886	7816615	414	-60	50	174	109.0	112	3.0	10.8	32
RIPCORD	RPRC35	605848	7816583	414	-60	50	174	168.0	172	4.0	6.7	27

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 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.

Regional Geology

Tanami has a highly prospective and extensive tenement package of 4,341 square kilometres in the Tanami Desert region near the border between the Northern Territory and Western Australia (see Figure 12). The Company remains steadfast in its view that the Tanami region is one of the last great underexplored gold provinces in Australia. Significant exploration programs in recent years by Tanami and other operators in the district have led to major discoveries and the Company is confident this recent trend will continue.

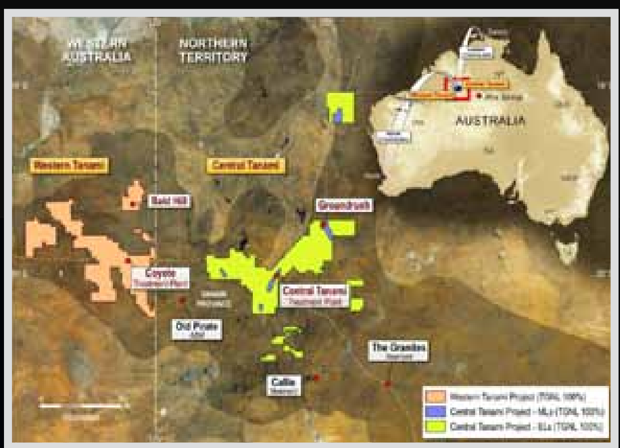

FIGURE 12 – LOCALITY PLAN

The Company's geology department was restructured during the year resulting in the formation of a dedicated fully funded regional exploration team with a clear directive to evaluate all available technical data covering the entire tenement package and develop a list of prioritised prospects and target areas.

The work undertaken by the regional geology department has culminated in the generation of a detailed targeting matrix which will assist the regional exploration team in early identification of geological terrains and prospects of significance and ensure a higher rate of exploration success at lower costs and ultimately new discoveries.

In March 2012 this criteria was applied to current datasets in a technical gold target session with the assistance of external consultants whose field of expertise covered structural geology, geochemistry, geophysics and regional geological domaining and targeting. In excess of 40 high priority targets have been generated. Many of the targets identified through the geological and geophysical modelling exercise lie beneath unexplored transported Aeolian cover and represent outstanding opportunities for major discoveries.

Tanami has secured a contract with one of the Tanami region's remote rotary air blast (RAB) and aircore (AC) drilling specialists. The drilling program is designed to test priority targets identified through soil sampling and results of the technical gold target session.

Soil Sampling

Results of recent soil sampling programs are also beginning to be received with the highlights being the new Apollo prospect which has delivered results in the order of +200ppb and which remains open in all directions. The 400m x 400m soil sampling effort is currently being infill soil sampled in anticipation of drilling later in 2012. This along with existing outstanding regional opportunities will be tested by the forthcoming RAB/AC drill program.

An orientation soil sampling program was undertaken over part of the Ripcord prospect (ML22934) prior to the RC drill program commencing. The principal aim of this program is to test partial leach analysis techniques on known significant gold mineralisation under shallow to moderate cover. This is typical of approximately 90% of the Company's tenements and if the program is successful, it will advance effective surface exploration.

Regional Mapping and Ground Truthing

In an effort to advance the regional geological mapping and soil sampling program, the Company purchased a fully equipped All Terrain Vehicle (ATV). The ATV is allowing field crews to move quickly and efficiently over the rough terrain encountered in the Tanami and has become in important asset for the team.

Geophysical Reprocessing

When the Company acquired the Central Tanami Project, it inherited over 30 magnetic datasets that in most cases were low quality and required re-gridding, levelling and resampling. The unmerged data did not enable large scale correlation of magnetic features across images. These images are an important baseline data set that is used for the geological interpretation conducted in this area due to the extensive transported cover in the region. As such, the Company considered this to be a critical base data set for regional success and enlisted external geophysical consultants to conduct a regional merge of this data in mid-2012. The results from this exercise provide important information that has not previously been available which will assist the regional exploration effort as it will be incorporated in the Company's targeting matrix.

Mineral Resources

TABLE 3 – TANAMI GOLD MINERAL RESOURCES AS OF SEPTEMBER 2012

Project	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
COYOTE	486,000	2.9	45,000	1,073,000	5.7	197,000	1,378,000	4.7	210,000	2,937,000	4.8	453,000
CTP	6,799,000	3.0	654,000	8,538,000	2.8	774,000	10,396,000	3.5	1,157,000	25,733,000	3.1	2,586,000
Sub Total	**7,285,000**	**3.0**	**699,000**	**9,611,000**	**3.1**	**971,000**	**11,774,000**	**3.6**	**1,367,000**	**28,670,000**	**3.3**	**3,039,000**
CT Stockpile	1,700,000	0.9	48,000							1,700,000	0.9	48,000
Total	**8,985,000**	**2.6**	**747,000**	**9,611,000**	**3.1**	**971,000**	**11,774,000**	**3.6**	**1,367,000**	**30,370,000**	**3.2**	**3,087,000**

Notes to accompany Table 3

1. Coyote is Coyote Gold Project and CTP is Central Tanami Project
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 variable block model grades based on expected economic extraction for these resources. (between 0.7-1.0g/t Au)
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), Principal Geologist for Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), Resource 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 4 – CENTRAL TANAMI PROJECT MINERAL RESOURCES BY TENEMENT AS OF SEPTEMBER 2012

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	7,372,000	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	544,000	4.3	75,000	1,517,000	4.3	211,000	5,992,000	4.2	804,000	8,053,000	4.2	1,090,000
Sub Total	**6,799,000**	**3.0**	**654,000**	**8,538,000**	**2.8**	**774,000**	**10,396,000**	**3.5**	**1,157,000**	**25,733,000**	**3.1**	**2,586,000**
Stockpiles	1,700,000	0.9	48,000							1,700,000	0.9	48,000
Total	**8,499,000**	**2.6**	**702,000**	**8,538,000**	**2.8**	**774,000**	**10,396,000**	**3.5**	**1,157,000**	**27,433,000**	**3.0**	**2,634,000**

Notes to accompany Table 4

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), Principal Geologist for Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), Resource 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.
8. ML22934 Resource consists of two Resources – Groundrush Deposit (1,001,000oz) and Ripcord Deposit (89,000oz).

TABLE 5 – COYOTE GOLD PROJECT MINERAL RESOURCES AS OF SEPTEMBER 2012

Deposit	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Coyote	29,000	21.5	20,000	332,000	10.9	116,000	314,000	8.9	90,000	675,000	10.5	227,000
Sandpiper	27,000	3.3	3,000	455,000	4.1	59,000	635,000	4.4	90,000	1,117,000	4.2	152,000
Kookaburra	55,000	2.6	5,000	286,000	2.4	22,000	353,000	2.1	24,000	694,000	2.3	51,000
Pebbles							76,000	2.5	6,000	76,000	2.5	6,000
Stockpiles	375,000	1.4	17,000							375,000	1.4	17,000
Total	**486,000**	**2.88**	**45,000**	**1,073,000**	**5.71**	**197,000**	**1,378,000**	**4.74**	**210,000**	**2,937,000**	**4.80**	**453,000**

Notes to accompany Table 5

1. The Coyote Gold 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/m^3 (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.

Ore Reserves

TABLE 6 – 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
Coyote	84,100	10.5	28,500	692,600	4.7	104,400	776,700	5.3	132,900
CTP	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 6

1. Coyote is Coyote Gold Project and CTP is Central Tanami Project.
2. Tonnes are rounded to the nearest thousand and grade to 0.1g/t. Rounding may affect tallies.
3. 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.

Competent Person's Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Michael Thomson, a full time employee and Principal Geologist of Tanami Gold NL and who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Thomson has 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). Mr Thomson consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

2012 ANNUAL FINANCIAL REPORT

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 2012 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 – Arthur G Dew, B.A., L.L.B. (appointed 2 December 2011)

Mr Arthur Dew is a non-practising Barrister with a broad range of corporate and business experience and has served as a Director, and in some instances Chairman of the Board of Directors, of a number of public listed companies in Australia, Hong Kong and elsewhere. He is Chairman and Non-Executive Director of Allied Group Limited, a Hong Kong listed company which is indirectly Tanami Gold NL's largest shareholder. Mr Dew is also Chairman and Non-Executive Director of the Hong Kong listed companies, Allied Properties (H.K.) Limited and Allied Overseas Limited and is a Non-Executive Director of SHK Hong Kong Industries Limited.

Special responsibilities - Member of the Audit Committee and the Remuneration and Nomination Committee.

Deputy Chairman/Executive Director – Denis P Waddell, ACA, FAICD (appointed 21 July 1995)

Mr Denis Waddell 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 29 years, he has gained considerable experience in corporate, finance and operations management of exploration and mining companies. Mr Waddell is also the Chairman of Orion Gold NL and was appointed to that position on 27 February 2009.

Special responsibilities - Member of the Audit Committee and the Remuneration and Nomination Committee.

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

Mr Alan Senior 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 is also the independent Non-Executive Chairman of Talisman Mining Limited and was appointed to that position on 7 November 2007.

Special responsibilities - Chairman of the Risk Committee, Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee.

Non-Executive Director – Lee Seng Hui, L.L.B (appointed 5 March 2008)

Mr Lee Seng Hui 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 N M Rothschild & Sons (Hong Kong) Limited. Following his appointment as a Non-Executive Director of AGL in July 1992, Mr Lee became an Executive Director of AGL 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 appointed to the Board of Mount Gibson Iron Limited as a Non-Executive Director on 29 January 2010.

Non-Executive Director – Carlisle C Procter, B.Ec, M.Ec, FFin, (appointed 9 December 2011)

Mr Carlisle Procter graduated from the University of Sydney with a Bachelor's Degree and a Master's Degree in Economics, and is a fellow of the Financial Services Institute of Australasia (FFin.). Mr Procter worked in the Reserve Bank of Australia for over 30 years, holding various senior management positions. Since leaving the Reserve Bank, he has worked as a consultant to the International Monetary Fund and the Asian Development Bank and has also undertaken private consulting work in the Philippines, Indonesia and Papua New Guinea in the areas of bank supervision, anti-money laundering and corporate governance respectively. Mr Procter is currently a Non-Executive Director of Bank South Pacific Limited, a company listed on the Port Moresby Stock Exchange, and an independent Non-Executive Director of Sun Hung Kai & Co Limited and Allied Overseas Limited.

Special responsibilities – Chairman of the Audit Committee and Member of the Risk Committee.

Managing Director/CEO – Graeme J Sloan, B.App.Sc (Mining), Dip Mine Survey, MAusIMM (appointed 18 September 2008; resigned 9 December 2011)

2. COMPANY SECRETARY

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 18 years' 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 Committee Meetings		Remuneration & Nomination Committee Meetings	
	Eligible to Attended	Attend	Eligible to Attended	Attend	Eligible to Attended	Attend
Mr A Dew	2	2	1	1	-	-
Mr D Waddell	7	7	2	2	-	-
Mr A Senior	7	7	2	1	-	-
Mr SH Lee	7	7	-	-	-	-
Mr C Procter	1	1	1	1	-	-
Mr G Sloan	6	6	1	1	-	-

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

Community Relations

The Company recognises the importance of developing relationships based on trust and mutual advantage and in respecting the needs and concerns of the communities located within the regions in which it operates.

The Company has agreements in place with the Traditional Owners and is committed to building strong relationships by:

- Being open and transparent in its communications;
- Improving cross-cultural awareness through training and education;
- Developing community relations management procedures that include business alliances, employment and training initiatives;
- Being sensitive to the values and heritage issues of the local communities; and
- Being a good neighbour.

Coyote Gold Project

The Coyote Gold Project overcame several challenges during the year to deliver 41,184 ounces of gold at an average cash cost of $1,022 per ounce (including royalties). Challenges included a significant bush fire event, a reduced mineral Resource base upon which to draw and ageing mining equipment. The Company has worked diligently to rectify these issues over the course of the year and has:

- Improved key components of its infrastructure, including an upgrade to its Tailings Storage Facility;
- Developed a robust and greatly enhanced conceptual exploration model targeting additional underground Resources; and
- Embarked on a significant replacement and rebuilding program for its mining equipment.

These improvements have had a positive impact on operations at the Coyote Gold Project and are expected to deliver ongoing benefits to the Company as it continues to optimise and improve its operations.

5. OPERATING AND FINANCIAL REVIEW (CONTINUED)

Central Tanami Project Definitive Feasibility Study

The Company's Central Tanami Project (CTP) was acquired from Newmont Australia Limited in March 2010 and following this acquisition, the Company commenced a Pre-Feasibility Study (PFS) for the development of the CTP.

In December 2011 the Company's restructured Board and management team, following strong exploration success at the Groundrush deposit, decided to delay the delivery date of the CTP PFS. This strategic decision was undertaken to allow adequate time for:

- Resource delineation drilling and evaluation studies (appropriate to the potential of the deposit) to be completed; and
- To enable the preparation of an optimised and robust mine plan.

The CTP PFS was completed on schedule early in 2012 and the Company's Board of Directors elected to proceed with a Definitive Feasibility Study (DFS) aimed at recommissioning the CTP operations.

The Company has made solid progress on the DFS with key achievements being:

- Substantial Resource growth at the Groundrush Deposit to 1 million ounces;
- Metallurgical testwork is well advanced, with indications of a 95% recovery for Groundrush;
- Site civil geotechnical work for the Tailings Storage Facility has been completed;
- Environmental and hydrological studies are well advanced;
- Evaluation of mining, airfield upgrade and power and water supply options are in progress; and
- Permitting requirements are on schedule.

Early indications are that the DFS should provide a compelling investment case based on robust economics, low start-up capital requirements, low execution risk and substantial organic growth opportunities. The DFS is on track for completion by April 2013.

Coyote Mine Exploration

In January 2012, a fresh geological approach and reinterpretation was applied to the Coyote deposit aimed at expanding the scope of the conceptual exploration model. The overarching objective of the exploration effort is to build a substantial geological mineral Resource thereby allowing the mining operations to move to a sustainable medium and long term mine plan.

The most immediate outcome from the reinterpretation was the generation of additional drill targets within the mine corridor. Importantly, these areas are proximal to the existing mine development and infrastructure. Three drill rigs, one surface multi-purpose drill rig and two Company owned and operated underground diamond rigs are currently deployed to test these targets. Additionally, the reinterpretation of the Coyote Deposit has elevated the prospectivity of several targets located deeper within the Coyote Anticline.

Central Tanami Exploration

The past 12 months has been an extremely active period for the Central Tanami exploration team, with 19,035 metres of reverse circulation drilling and 29,112 metres of diamond core drilling completed. Drilling has been carried out on a combination of historic deposits and lesser advanced prospects, all of which have delivered significant results to date.

In addition to Groundrush, the Company has delivered a maiden Resource estimate for the Ripcord deposit of 1,100,000t at 2.53g/t for 89,000 ounces of gold. Preliminary investigations into the mining potential of this deposit have returned promising results. The Company continues to investigate the synergies of adding another potential open pit mining operation at Ripcord which would complement the Groundrush mine given the close proximity of the deposits.

Western Dolerite

The Company continues to examine other dolerite units surrounding the Groundrush dolerite, with particular interest being shown in the Western Dolerite, situated approximately 100 metres to the west of the Groundrush Deposit. Mineralisation was first identified during routine sampling of pre-collars for diamond holes that were targeting the deeper Groundrush mineralisation in March 2012.

The Western Dolerite mineralisation is highly significant as it is the first mineralisation identified outside the main Groundrush Dolerite and opens up potential for the surrounding dolerites to host gold mineralisation. This new zone of mineralisation remains open and untested to the south.

Beaver Deposit

The Beaver Deposit is situated on Mining Lease MLS180, 36 kilometres west of the Central Tanami plant. It was mined from June 1999 to February 2001 by Otter Gold Mines Limited, producing 57,000 ounces of gold.

A comprehensive project review was carried out by Tanami geologists in April 2012 which identified multiple areas where the Resource had significant potential to be expanded.

The significance of this second zone of mineralisation is that it enhances the open pit viability of the deposit. Geological interpretation and Resource modelling is underway which once completed, will enable open pit optimisation to be carried out. Due to its proximity to the Coyote treatment plant (64 kilometres), this deposit also has the potential to provide additional open pit ore feed to Coyote.

5. OPERATING AND FINANCIAL REVIEW (CONTINUED)

Corporate

Board Restructure and Management Changes

On 9 December 2011, the Company's former Managing Director/CEO, Mr Graeme Sloan resigned to pursue personal interests.

On 12 December 2011, the Company announced that its Board had been strengthened with the appointment of Mr Arthur Dew and Mr Carlisle Procter as Non-Executive Directors of the Company. Both Mr Dew and Mr Procter have significant corporate experience which is outlined in Section 1 of this Report. Mr Dew was also elected Chairman of the Board with Mr Denis Waddell assuming the role of Deputy Chairman.

The Company is being managed by Denis Waddell and the Company's senior executive team along with assistance from the Board.

The Company also strengthened its management team with the promotion of Mr Andrew Czerw to General Manager of the Company on 1 January 2012. Mr Czerw is a highly experienced, multi-disciplined geoscience professional with over 22 years of significant senior management experience in Australia and overseas.

Sale of the Majority of the Company's Shareholding in ABM Resources NL

On 13 February 2012, the Company announced that it had entered into an agreement to sell the majority of the Company's shareholding in ABM Resources NL. As part of this transaction, the Company:

- Sold 508,014,212 shares in ABM Resources NL to APAC Resources Capital Limited on 15 February 2012;
- Converted its 300,000,000 options in ABM Resources NL to shares at an exercise price of 1.5 cents per option; and
- Sold a further 139,896,797 shares in ABM Resources NL to APAC Resources Capital Limited.

The Company realised gross proceeds of $32,395,550 from this transaction which were utilised as follows:

- $4.5 million was used to convert the Company's 300 million options in ABM Resources to shares;
- $5.1 million was retained by the Company as working capital; and
- $22.7 million was paid to AP Finance Limited to significantly reduce the Company's debt.

Loan Facility with AP Finance Limited

During the year ended 30 June 2012, the Company has continued to use its unsecured loan facility with AP Finance Limited to assist with funding its:

- Intensive exploration programs at both the Company's Coyote Gold Project and the Central Tanami Project which have resulted in significant increases in the Company's Resources;
- Definitive Feasibility Study for the development of the Central Tanami Project;
- Ongoing care and maintenance costs at the Central Tanami Project;
- Progressive refurbishment of the Company's mining equipment, support equipment and camp infrastructure;
- Other capital upgrades such as increases to the Tailings Storage Facility at the Coyote Gold Project; and
- Provision of additional working capital.

The Company has an unsecured loan facility with AP Finance Limited for HK$280.7 million (approximately A$35.52 million) that has a 30 June 2014 repayment date. As at 30 June 2012, the Company had drawn down HK$216.7 million (approximately A$27.42 million), leaving it with HK$64 million (approximately A$8.10 million) in undrawn loan funds under its facility with AP Finance Limited.

Financial Result

The Consolidated Entity has generated a total comprehensive loss for the period ended 30 June 2012 of $4,326,014 (2011: Profit $1,070,896).

Growth Strategy

The Company's growth strategy is to:

- Optimise production and lower operating costs at its Coyote Gold Mine;
- Complete the Definitive Feasibility Study for the development of the Central Tanami Project by April 2013;
- Target first gold from the Central Tanami Project by mid-2014 (based on the successful completion of the Definitive Feasibility Study and Board approval); and
- Continue a watching brief on value accretive corporate opportunities that complement the Company's existing assets and expertise.

5. OPERATING AND FINANCIAL REVIEW (CONTINUED)

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 Coyote Gold Mine and the ongoing flow of exceptional exploration results at both Central Tanami (Groundrush deposit) and Coyote Gold Mine has provided the Company with the platform necessary to allow it to work towards 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 allow 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 targeted production of 45,000 - 50,000 ounces of gold from the Coyote Gold Mine for the year ending 30 June 2013, the completion of the Central Tanami Definitive Feasibility Study by April 2013, the development of the Central Tanami Project following Board approval, and an ongoing intensive 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 year.

9. EVENTS SUBSEQUENT TO REPORTING DATE

Drawdown of Additional Funds under Loan Facility with AP Finance Limited

During the period from 1 July 2012 to 20 September 2012, the Company progressively drew down its remaining HK$64 million under its unsecured loan facilities with AP Finance Limited, receiving approximately A$8.93 million over 5 drawdowns. As indicated in the Corporate section of this report above, these drawdowns were used to assist with funding the Company's:

- Intensive exploration programs at both the Company's Coyote Gold Project and the Central Tanami Project which have resulted in significant increases in the Company's Resources;
- Definitive Feasibility Study for the development of the Central Tanami Project;
- Ongoing care and maintenance costs at the Central Tanami Project;
- Progressive refurbishment of the Company's mining equipment, support equipment and camp infrastructure;
- Other capital upgrades such as increases to the Tailings Storage Facility at the Coyote Gold Project; and
- Provision of additional working capital.

10. LIKELY DEVELOPMENTS

The Company will continue to develop and optimise the Coyote Gold Mine and develop and commission the Central Tanami Project (subject to Board approval). In addition, the Company plans significant expenditure on intensive Resource and Reserve definition and exploration programs across the Company's large prospective tenement holdings 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 Australian Securities Exchange in accordance with section S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Directors	Relevant Interest of Directors in Securities of Tanami Gold NL	
	Fully Paid Shares	Unquoted Options
Mr A Dew	-	-
Mr D Waddell	5,772,134	-
Mr A Senior	66,705	416,668
Mr SH Lee*	61,378,788	-
Mr C Procter	-	-

** These shares are held by Allied Properties Resources Limited, a company in which Mr SH Lee (together with others as trustees of the Lee and Lee Trust) has an interest of 64.90%. Accordingly, Mr SH Lee is taken to have a relevant interest in the 61,378,788 shares held by Allied Properties Resources Limited.*

12. SHARE OPTIONS

Options granted to Directors and Executives of the Company

During or since the end of the financial year, the Company granted options for no consideration over unissued ordinary shares in the Company to the following directors and to the following most highly remunerated officers of the Company as part of their remuneration:

	Number of options granted	Exercise Price	Expiry Date
Directors			
Mr A Dew	-	-	-
Mr D Waddell	-	-	-
Mr A Senior	300,000	$1.34	22 December 2016
Mr SH Lee	-	-	-
Mr C Procter	-	-	-
Executives			
Mr A Czerw	500,000	$0.90	28 March 2017
Mr A Czerw	500,000	$1.00	28 March 2017
Mr A Czerw	500,000	$1.10	28 March 2017
Mr J Latto	250,000	$0.90	28 March 2017
Mr J Latto	250,000	$1.00	28 March 2017

All options were granted during the financial year. No options have been granted to key management personnel of the Company since the end of the financial year.

Unissued shares under option

At the date of this report the unissued ordinary shares in the Company under option are:

Number	Type	Exercise Price	Expiry Date
58,334	Unquoted	$6.00	22 November 2012
58,334	Unquoted	$4.50	22 November 2012
300,000	Unquoted	$1.34	22 December 2016
2,300,000	Unquoted	$0.90	28 March 2017
2,300,000	Unquoted	$1.00	28 March 2017
500,000	Unquoted	$1.10	28 March 2017
5,516,668			

All options expire on the earlier of their expiry date or six months from the date on which the option holder's employment with the Company is terminated, subject to the Board of Directors waiving this condition. These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During the year, the following options were forfeited due to performance criteria not being achieved or cessation of employment.

Exercise Price	Number of Options	Grant Date	Expiry Date
$4.50	30,000	20 April 2007	31 March 2012

Shares issued

Since the end of the financial year, there were no shares issued.

Shares issued on exercise of options

During the financial year, no shares were issued by the Company as a result of the exercise of options.

13. REMUNERATION REPORT – AUDITED

Remuneration is referred to as compensation throughout this report.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Consolidated Entity. Key management personnel comprise the directors of the Company and executives of the Company and the Consolidated Entity including the 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 compensation structures explained below 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 through a process that considers individual performance and the overall performance of the Consolidated Entity.

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 2012.

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

The Company has put in place an Option and Performance Rights Plan. Options may only be issued to directors subject to approval by shareholders in a general meeting.

The Remuneration and Nomination Committee uses equity-based long-term incentives (LTIs) where appropriate 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.

LTIs shall be in such form and content and with such terms and conditions as the Board determines, including exercise price, vesting conditions, disposal conditions and terms of expiry.

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.

On 20 September 2012 the Company introduced 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. Entering into such arrangements has been prohibited by law since 1 July 2011.

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 Coyote Gold Project 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:

	2012	2011	2010	2009	2008
(Loss)/profit attributable to owners of the Company	($4,304,922)	$972,405	$353,667	($21,029,451)	($32,585,921)
Dividends paid	-	-	-	-	-
Share price as at 30 June	$0.730	$0.895	$0.041	$0.028	$0.066

13. REMUNERATION REPORT – AUDITED (CONTINUED)

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 Denis Waddell – Deputy Chairman/Executive Director

Mr Waddell is employed on a contract basis as Executive Director. The arrangement can be terminated by either party without notice and without a termination payment. Mr Waddell has been Executive Director since 9 December 2011 and his duties as Executive Director are in addition to his duties as Deputy Chairman of the Company.

Mr Andrew Czerw – General Manager

Mr Czerw has a contract of employment with the Company dated 10 October 2011 as Geology Manager. The contract specifies the duties and obligations to be fulfilled by the Geology Manager. 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 $90,000. Mr Czerw was appointed to the position of General Manager on 1 January 2012.

Mr Jon Latto – Company Secretary/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 $73,750 (2011: $68,760). Mr Latto was appointed to the position of Company Secretary on 1 September 2010.

Mr Graeme Sloan – Managing Director/CEO (resigned 9 December 2011)

Mr Sloan had a contract of employment with the Company dated 18 September 2008. The contract specified the duties and obligations to be fulfilled by the Managing Director/CEO. The contract could be terminated by Mr Sloan on the provision of 3 months' notice or alternatively by the Company on the provision of 6 months' notice. Mr Sloan resigned on 9 December 2011.

Mr Don Harper – Chief Operating Officer (resigned 6 January 2012)

Mr Harper had a contract of employment with the Company dated 10 March 2011. The contract specified the duties and obligations to be fulfilled by the Chief Operating Officer. The contract could be terminated by either party by the provision of three months' notice. Mr Harper resigned on 6 January 2012.

No remuneration consultants were engaged by the Company during the year.

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 & Fees	Accrued Remuneration	Payment of Accrued Annual Leave & Long Service Leave	STI Cash Bonuses	Non Monetary Benefits
In dollars		$	$	$	$	$
Directors						
A Dew (i)	2012	43,466	-	-	-	-
(Non-Executive Chairman)	2011	-	-	-	-	-
D Waddell	2012	372,250	98,000	-	-	8,741
(Deputy Chairman/Executive Director)	2011	197,500	39,500	-	-	5,889
A Senior	2012	55,000	-	-	-	-
(Non-Executive Director)	2011	55,000	-	-	-	-
SH Lee	2012	32,083	-	-	-	-
(Non-Executive Director)	2011	10,000	-	-	-	-
C Procter (ii)	2012	-	32,083	-	-	-
(Non-Executive Director)	2011	-	-	-	-	-
Total all specified Directors	**2012**	**502,799**	**130,083**	**-**	**-**	**8,741**
	2011	**262,500**	**39,500**	**-**	**-**	**5,889**
Executives						
A Czerw (iii)	2012	192,500	-	-	-	4,979
(General Manager)	2011	-	-	-	-	-
J Latto	2012	285,000	-	-	-	6,638
(Company Secretary/Chief Financial Officer)	2011	265,833	-	-	-	4,765
Former Executives						
G Sloan (iv)	2012	436,829	-	81,017	-	54,343
(Managing Director/CEO)	2011	400,000	-	-	-	73,062
D.Harper (v)	2012	278,182	-	17,460	-	-
(Chief Operating Officer)	2011	32,728	-	-	-	-
Total all named Executives	**2012**	**1,192,511**	**-**	**98,477**	**-**	**65,960**
	2011	**698,561**	**-**	**-**	**-**	**77,827**
Total all specified Directors and Executives	**2012**	**1,695,310**	**130,083**	**98,477**	**-**	**74,701**
	2011	**961,061**	**39,500**	**-**	**-**	**83,716**

(i) Appointed December 2011.
(ii) Appointed December 2011.
(iii) Appointed January 2012.
(iv) Appointed September 2008, resigned December 2011.
(v) Appointed March 2011, resigned January 2012.

Post Employment Superannuation Benefits	Share Based Payments Calculated Value of Options (Non Cash)	Total Remuneration	Proportion of Remuneration Performance Related	Value of Options as a Proportion of Total Remuneration
$	$	$	%	%
3,912	-	47,378	-	-
-	-	-	-	-
-	-	478,991	-	-
-	-	242,889	-	-
4,950	130,151	190,101	-	68.46%
4,950	-	59,950	-	-
2,888	-	34,971	-	-
-	-	10,000	-	-
2,888	-	34,971	-	-
-	-	-	-	-
14,638	**130,151**	**786,412**	**-**	**-**
4,950	**-**	**312,839**	**-**	**-**
17,325	118,083	332,887	-	35.47%
-	-	-	-	-
25,650	48,688	365,976	-	13.30%
23,925	3,636	298,159	-	1.22%
15,955	-	588,144	-	-
36,000	-	509,062	-	-
16,936	-	312,578	-	-
2,946	-	35,674	-	-
75,866	**166,771**	**1,599,585**	**-**	**-**
62,871	**3,636**	**842,895**	**-**	**-**
90,504	**296,922**	**2,385,997**	**-**	**-**
67,821	**3,636**	**1,155,734**	**-**	**-**

13. REMUNERATION REPORT – AUDITED (CONTINUED)

13.4 EQUITY INSTRUMENTS - AUDITED

13.4.1 OPTIONS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION - AUDITED

Details on options over ordinary shares in the Company that were granted as compensation to key management personnel during the reporting period and details of options that vested during the reporting period are as follows:

	Balance 1 July 2011	Granted as Remuneration	Options Exercised	Options Forfeited	Options Expired	Balance 30 June 2012	Vested 30 June 2012	Vested and Exercisable 30 June 2012	Vested and Un-Exercisable 30 June 2012
Directors									
Mr A Dew	-	-	-	-	-	-	-	-	-
Mr D Waddell	-	-	-	-	-	-	-	-	-
Mr A Senior	116,668	300,000	-	-	-	416,668	416,668	416,668	-
Mr SH Lee	-	-	-	-	-	-	-	-	-
Mr C Procter	-	-	-	-	-	-	-	-	-
Company Executives									
Mr A Czerw	-	1,500,000	-	-	-	1,500,000	-	-	-
Mr J Latto	10,000	500,000	-	(10,000)	-	500,000	-	-	-

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, no shares were issued on the exercise of options previously granted as compensation to key management personnel.

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

Details of the options granted and vesting profiles of the options granted as remuneration to key management personnel of the Company are detailed below:

	Options Granted					Vesting Profile		
	Number	Date	Fair value	Exercise price $	Expiry date	% Vested in year	% Forfeited in year	Financial year in which grant vests
Directors								
Mr A Dew	-	-	-	-	-	-	-	-
Mr D Waddell	-	-	-	-	-	-	-	-
Mr A Senior	300,000	22 Dec 2011	$0.434	$1.34	21 Dec 2016	100%	-	2012
Mr SH Lee	-	-	-	-	-	-	-	-
Mr C Procter	-	-	-	-	-	-	-	-
Company Executives								
Mr A Czerw	500,000	29 Mar 2012	$0.524	$0.90	28 Mar 2017	-	-	2013
Mr A Czerw	500,000	29 Mar 2012	$0.510	$1.00	28 Mar 2017	-	-	2014
Mr A Czerw	500,000	29 Mar 2012	$0.497	$1.10	28 Mar 2017	-	-	2015
Mr J Latto	10,000	5 Oct 2007	-	-	-	-	100%	-
Mr J Latto	250,000	29 Mar 2012	$0.524	$0.90	28 Mar 2017	-	-	2013
Mr J Latto	250,000	29 Mar 2012	$0.510	$1.00	28 Mar 2017	-	-	2014

13.4.5 ANALYSIS OF MOVEMENTS IN OPTIONS AND RIGHTS

The only movement during the financial year were options granted to key management personnel. There were no options exercised and 30,000 options were forfeited due to performance criteria not being achieved or cessation of employment.

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.

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	
	2012 $	2011 $
Audit services		
Auditors of the Company:		
Audit and review of financial reports	148,644	129,277
Other services (tax and accounting advice)	6,200	12,460

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 2011 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 38 and forms part of the directors' report for the financial year ended 30 June 2012.

17. ROUNDING OFF

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Perth, Western Australia this 28th day of September 2012.

Signed in accordance with a resolution of the Directors.

Mr A G Dew
Non-Executive Chairman

Perth, Western Australia
28 September 2012

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations 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 2012, 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
Partner

Perth

28 September 2012

TANAMI GOLD NL CORPORATE GOVERNANCE STATEMENT

The Board of Directors ('Board') of Tanami Gold NL ('Tanami' or the 'Company') is responsible for the corporate governance of the Company. The Board guides and monitors the business activities and affairs of the Company on behalf of its shareholders by whom they are elected and to whom they are accountable. To ensure that the Board is well equipped to discharge its responsibilities, the Company has adopted systems of control and accountability as the basis for the administration of corporate governance.

The Board is committed to administering its policies and procedures transparently, with integrity and following best practice principles. The Company's Corporate Governance Statement has been structured to promote compliance with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ('Principles').

The Company's corporate governance documents are available in the Corporate Governance section of the Company's website at www.tanami.com.au.

This Corporate Governance Statement summarises the Company's compliance with the ASX Corporate Governance Council's Principles as at the date of this report.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Company complies with this Principle.

Recommendation 1.1: Establish the functions reserved to the Board

The Company has adopted a Statement of Matters Reserved to the Board, a copy of which is available in the Corporate Governance section of the Company's website at www.tanami.com.au. In carrying out its responsibilities the Board:

- Recognises that its primary responsibility is to develop and oversee the business activities, corporate strategy and management of the Company for the benefit of its shareholders;
- Acknowledges its responsibilities to the Company's employees, the environment and the communities in which the Company operates and where appropriate, other stakeholders; and
- Strives to create shareholder value and ensure that shareholders' funds are prudently safeguarded.

To assist the Board in discharging its duties properly, it has established the following committees:

- Remuneration and Nomination Committee whose responsibilities include the identification of candidates considered suitable to act as Directors;
- Audit Committee whose responsibilities include reviewing the quality and integrity of financial reporting and reviewing the system of internal controls that the Company has established to safeguard its financial assets; and
- Risk Management Committee whose responsibilities include identifying areas of significant business and operational risk and overseeing the arrangements in place to properly manage those risks.

The responsibility for the operation of the Company is delegated by the Board to the Managing Director/CEO (or equivalent). The responsibility for the administration of the Company is delegated by the Board to the Company Secretary/Chief Financial Officer. The Board is responsible for appointing the Managing Director/CEO (or equivalent) and ensuring that both the Managing Director/CEO (or equivalent) and the Company Secretary/Chief Financial Officer are appropriately qualified and experienced to discharge their responsibilities.

Recommendation 1.2: Evaluation of the Performance of Senior Executives

The Managing Director/CEO (or equivalent) undertakes a formal performance review with each of the Company's senior executives on an annual basis to review their performance over the preceding 12 month period and to set an action plan with specific outcomes and targets for the following 12 months.

This process took place during the year ended 30 June 2012.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

The Company complies with this recommendation except as indicated below.

Recommendation 2.1, 2.2 and 2.3: Composition of the Board

The Company's Board comprises the following Directors:

Director	Position	Classification
Mr AG Dew	Non-Executive Chairman	Not Independent
Mr DP Waddell	Deputy Chairman/Executive Director	Not Independent
Mr SH Lee	Non-Executive Director	Not Independent
Mr AA Senior	Non-Executive Director	Independent
Mr CC Procter	Non-Executive Director	Independent

Mr Procter is an Independent Non-Executive Director of Sun Hung Kai & Co Limited and Allied Overseas Limited both of which are subsidiaries of Allied Group Limited of which another subsidiary (Allied Properties Resources Limited) is the major shareholder of the Company.

Mr Procter has confirmed to the Board that he is able to act independently and on the basis of that assurance and the fact that his aforesaid directorships are only as an Independent Non-Executive Director of other Allied Group Limited subsidiaries, the Board considered Mr Procter to be independent at the time of his appointment and the announcement of same and continues to consider him independent.

The Company's Board composition does not comply with Recommendation 2.1 or 2.2 of Principle 2 as the majority of the Company's Board are not independent and the Chairman of the Board is not independent. However, the Board considers that the Company's Directors are appropriately qualified and have the skills and experience necessary to properly execute their duties. The skills and experience of each of the Company's Directors has been documented on page 26 of this report.

In determining whether or not a Director is independent, the Company makes reference to the independence indicators contained within Box 2.1 of Principle 2. The membership of the Board and its composition is subject to periodic review.

In accordance with the Company's Constitution, the tenure of a Director (other than the Managing Director/CEO (or equivalent) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment.

Subject to the requirements of the Corporations Act 2001, and the ASX Listing Rules, the Board does not subscribe to the principle of a set retirement age, and there is no maximum period of service as a Director.

The Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other Boards.

A procedure exists to allow Directors, in the furtherance of their duties, to seek independent professional advice at the Company's expense. Independent professional advice may be sought by a Director generally; however the Managing Director/CEO (or equivalent) must be notified before advice is sought. The advice must only be sought in relation to the discharge of the Director's responsibilities to the Company. The Company will reimburse reasonable expenses where the above principles have been followed.

Recommendation 2.4: Nomination Committee

The Board has established a Nomination Committee (referred to as the Remuneration and Nomination Committee) which is responsible for, amongst other things, identifying individuals with the requisite skill set, experience and professional expertise from which the Company could benefit.

At the date of this report, the members of the Remuneration and Nomination Committee are Mr AA Senior (Chairman), Mr AG Dew and Mr DP Waddell. The composition of the Remuneration and Nomination Committee does not comply with Recommendation 2.4 of Principle 2 as it does not comprise of a majority of independent Directors.

The Board considers that the current composition of the Remuneration and Nomination Committee is appropriate given the size of the entity and the skills and experience of the committee members. Details of the relevant qualifications and experience of Mr AA Senior, Mr AG Dew and Mr DP Waddell are set out in page 26 of this report.

The Remuneration and Nomination Committee has a formal charter, a copy of which can be found in the Corporate Governance section of the Company's website at www.tanami.com.au.

Recommendation 2.5: Evaluation of the Performance of the Board

The Chairman meets with each Director to assess and review their performance on an annual basis. In the event a Director's performance is unsatisfactory he or she will be asked to retire. Due to the change in the composition of the Board that occurred in December 2011, this review did not take place for the year ending 30 June 2012; however it will occur on an annual basis going forwards.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

The Company complies with this recommendation except for the Diversity recommendations as indicated below.

Recommendation 3.1: Code of Conduct

The Board actively promotes ethical and responsible decision making and has established a:

- Code Of Conduct for the Company;
- Directors and Executives Code of Conduct;
- Policy for Reporting and Investigating Unethical Practices; and
- Whistle-blowers' Policy.

The Board maintains high standards of ethical and responsible decision making, recognising the legitimate interests of the Company's shareholders, employees, the environment and the communities in which the Company operates and the responsibilities it has to regulatory authorities.

Recommendation 3.2, 3.3, and 3.4: Diversity

The Company is fully supportive of workplace diversity and is currently working towards the introduction of a formal diversity policy. As it does not yet have a formal diversity policy in place, the Company does not comply with Recommendation 3.2 of Principle 3. Despite this, the Company always actively seeks the best candidate for its available positions regardless of gender, race, age, or cultural heritage.

The Company employs the following number of women in the following categories within its workforce:

Category	Number	Percentage
Women employees in the Company	26	13%
Women in senior executive positions in the Company	1	25%
Women on the Board of the Company	-	0%

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Company complies with this recommendation except as indicated below.

Recommendation 4.1, 4.2 and 4.3: Audit Committee

The Board has established an Audit Committee comprising Mr CC Procter (Chairman), Mr AG Dew, Mr DP Waddell and Mr AA Senior. The structure of the Company's Audit Committee means that it does not comply with Recommendation 4.2 of Principle 4 which recommends that the Audit Committee comprise only Non-Executive Directors, the majority of whom should be independent.

The Board considers that the current composition of the Audit Committee is appropriate given the size of the entity and the skills and experience of the committee members. Details of the relevant qualifications and experience of each of the members of the Audit Committee are set out in page 26 of this report.

The Audit Committee has a formal charter that is available in the Corporate Governance section of the Company's website at www.tanami.com.au.

The Audit Committee is responsible for making a recommendation regarding the appointment of the external auditor to the Board (for subsequent approval by shareholders).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.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Company complies with this recommendation.

The Board has nominated its Company Secretary to be the person responsible for:

- Ensuring the Company's compliance with the ASX Listing Rules; and
- Overseeing and coordinating disclosure of information to the ASX, as well as communicating with the ASX.

In accordance with the ASX Listing Rules, the Company Secretary will ensure that the Company notifies the ASX immediately with regards to:

- All information concerning the Company that could reasonably be expected to have a material effect on the price or value of the Company's securities; and
- All information that would, or would be likely to, influence people who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Recommendation 5.1: Disclosure

The Board has a Disclosure Policy and the purpose of this policy is to ensure that the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

The Company is committed to ensuring that all announcements are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner.

The Board has introduced a Securities Trading Policy that deals with the sale and purchase of securities in the Company by its Key Management Personnel. Key Management Personnel for the purposes of this policy have been defined as Directors and those employees that report directly to the Company's Managing Director/CEO (or equivalent).

The Company's Securities Trading Policy is primarily designed to prevent any contravention of the insider trading provisions of the Corporations Act by the Company's Key Management Personnel.

The Company's Key Management Personnel are required to seek authorisation from the Chairman (in the case of Directors), or another Non-Executive Director (in the case of the Chairman) or the Managing Director/CEO (or equivalent) or Company Secretary (in the case of employees) prior to undertaking any transaction in the Company's securities.

As required by the ASX Listing Rules, the Company will notify the ASX of all transactions in securities of the Company conducted by a Director of the Company. Each Director of the Company has signed an agreement to provide information to the Company regarding any change in their shareholding in the Company as soon as possible after the date of change and in any event, no later than three business days after the date of the change.

The Company's Disclosure Policy and the Company's Securities Trading Policy can be found in the Corporate Governance section of the Company's website at www.tanami.com.au.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

The Company complies with this recommendation.

The Company is committed (subject to commercial and confidentiality constraints) to maintaining direct, open and timely communications with all shareholders and prospective shareholders.

At a minimum, shareholders and prospective shareholders have access via the Company's website to the following information:

- ASX Announcements;
- Annual Financial Report;
- Annual Report;
- Notice of Meeting for the Annual General Meeting (AGM) and all accompanying papers;
- Report of the Chairman as disclosed at the AGM (ordinarily the same day as the AGM);
- Interim/half yearly Report; and
- Quarterly Reports.

The Company has a Shareholder Communication Policy a copy of which is available in the Corporate Governance section of the Company's website at www.tanami.com.au.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Company complies with this recommendation.

The Board has established a Risk Management Committee to assist the Board to effectively and properly review, amongst other things, the adequacy of the Company's policies in relation to risk management, compliance and internal control.

It is the Risk Management Committee's role to oversee the identification of strategic, operational and legal risks and the effective assessment, management and monitoring of these risks to enable the Company's objectives to be achieved.

The appointment of the Risk Management Committee, together with the Audit Committee ensures the existence of an effective internal control framework within the Company.

The Risk Management Committee Charter is available in the governance section of the Company's website at www.tanami.com.au.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

The Company complies with this recommendation except as documented below.

Recommendation 8.1: Remuneration and Nomination Committee

The Board established a Remuneration and Nomination Committee on 1 July 2005. The Remuneration and Nomination Committee was established to determine appropriate levels of remuneration for Executive and Non-Executive Directors, to review the various skills and experience on the Board, identify specific individuals for nomination as directors and overseeing Board and executive succession planning.

The Remuneration and Nomination Committee Charter is available in the governance section of the Company's website at www.tanami.com.au.

Recommendation 8.2: Composition of the Remuneration and Nomination Committee

The Company's Remuneration and Nomination Committee comprises Mr AA Senior (Chairman), Mr AG Dew and Mr DP Waddell. This composition does not comply with Principle 8.2 as the majority of the Company's Remuneration and Nomination Committee are not independent. However, the members of the Remuneration and Nomination Committee are appropriately qualified and have the skills and experience necessary to properly execute their duties. The skills and experience of Mr AA Senior, Mr AG Dew and Mr DP Waddell are documented on page 26 of this report.

Recommendation 8.3: Distinction between Non-Executive Directors' Remuneration and Remuneration of Executive Directors and Senior Executives

Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Non-Executive Directors' interests with shareholder interests, Non-Executive Directors are encouraged to hold shares in the Company that have been purchased on-market (subject to the provisions of the Tanami Gold NL Securities Trading Policy).

Generally, Non-Executive Directors should not:

- Receive options or cash bonuses from the Company. However, the Board has the discretion to determine (where shareholder approval is obtained) that Non-Executive Directors be granted incentive shares and/or options; and
- Be provided with retirement benefits other than superannuation.

Compensation levels for senior executives of the Company are competitively set to attract and retain appropriately qualified and experienced executives.

Compensation levels 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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated 2012 $'000	Consolidated 2011 $'000
Revenue from operating activities	3	65,343	57,781
Mine costs (including depreciation and amortisation)	4	(74,503)	(55,879)
Other income	3	14,497	97
Exploration and evaluation expenses	14	(69)	(5)
Corporate and other expenses		(6,885)	(4,770)
Results from operating activities		(1,617)	(2,776)
Financial income	6	3,623	5,988
Financial expenses	6	(8,463)	(2,261)
Net finance (expense)/income		(4,840)	3,727
Share of loss of equity accounted investees (net of income tax)		(331)	(325)
Gain on dilution of shareholding in equity accounted investees (net of income tax)		2,484	346
(Loss)/profit before income tax		(4,304)	972
Income tax expense	7	-	-
(Loss)/profit from operations		(4,304)	972
(Loss)/profit for the year		(4,304)	972
Other comprehensive (loss)/income			
Share of other comprehensive income of equity accounted investees	15	(22)	99
Other comprehensive (loss)/income for the year (net of income tax)		(22)	99
Total comprehensive (loss)/income for the year attributable to owners of the Company		(4,326)	1,071
Earnings per share			
Basic (loss)/earnings per share	28	(0.016)	0.004
Diluted (loss)/earnings per share	28	(0.016)	0.004

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

		Consolidated	
		2012	2011
	Note	$'000	$'000
Assets			
Current assets			
Cash and cash equivalents	9	2,815	6,749
Other receivables	10	1,814	2,852
Available for sale financial assets	11	6,084	-
Inventories	12	8,713	11,186
Total current assets		19,426	20,787
Non-current assets			
Other receivables	10	5,396	5,972
Property, plant and equipment	13	30,275	32,522
Exploration and evaluation	14	72,318	49,482
Investment in associates	15	-	10,040
Derivatives	16	-	7,800
Total non-current assets		107,989	105,816
Total assets		127,415	126,603
Liabilities			
Current liabilities			
Interest-bearing liabilities	17	599	22,900
Trade and other payables	18	12,987	14,693
Provisions	19	1,408	1,165
Total current liabilities		14,994	38,758
Non-current liabilities			
Interest-bearing liabilities	17	28,421	100
Provisions	19	5,192	4,688
Total non-current liabilities		33,613	4,788
Total liabilities		48,607	43,546
Net assets		**78,808**	**83,057**
Equity			
Issued capital	20	244,189	244,794
Accumulated losses	21	(166,540)	(162,214)
Reserves		1,159	477
Total equity attributable to equity holders of the Company		**78,808**	**83,057**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Total
	$'000	$'000	$'000	$'000
Consolidated				
Balance at 1 July 2010	183,469	(163,765)	877	20,581
Total comprehensive income for the year				-
Profit for the year	-	972	-	972
Other comprehensive income	-	99	-	99
Total comprehensive income for the year	-	1,071	-	1,071
Transactions with owners, recorded direct to equity				
Contributions by and distributions to owners				
Share based payments transactions	-	-	80	80
Transfer of reserve upon exercise of options	-	480	(480)	-
Total contributions by and distributions to owners	-	480	(400)	80
Shares issued during the year, net of issue costs	61,325	-	-	61,325
Total transaction with owners	61,325	480	(400)	61,405
Balance at 30 June 2011	244,794	(162,214)	477	83,057
Consolidated				
Balance at 1 July 2011	244,794	(162,214)	477	83,057
Total comprehensive loss for the year				-
Loss for the year	-	(4,304)	-	(4,304)
Other comprehensive loss	-	(22)	-	(22)
Total comprehensive loss for the year	-	(4,326)	-	(4,326)
Transactions with owners, recorded direct to equity				
Contributions by and distributions to owners				
Share based payments transactions	-	-	682	682
Limited recourse loans (i)	(605)	-	-	(605)
Total contributions by and distributions to owners	(605)	-	682	77
Balance at 30 June 2012	244,189	(166,540)	1,159	78,808

(i) Refer note 10

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

	Note	Consolidated 2012 $'000	Consolidated 2011 $'000
Cash flows from operating activities			
Cash receipts from customers		66,610	57,878
Cash payments in the course of operations		(58,004)	(46,130)
Cash payments for withholding tax		(168)	(255)
Interest received		334	620
Interest paid		(1,672)	(2,994)
Net cash provided by operating activities	29(b)	7,100	9,119
Cash flows from investing activities			
Payments for property, plant and equipment		(4,898)	(7,630)
Proceeds from sale of financial assets		32,395	-
Proceeds from exploration security deposit refunds		-	5,224
Payments for exploration security deposits		(28)	-
Payments for the purchases of equity investments		(4,500)	(2,319)
Payments for exploration and evaluation		(20,832)	(19,870)
Payments for development expenditure		(16,880)	(15,260)
Net cash used in investing activities		(14,743)	(39,855)
Cash flows from financing activities			
Net proceeds from issue of shares and options		-	60,720
Net proceeds from borrowings		26,688	23,306
Repayment of borrowings		(22,662)	(53,099)
Repayment of finance lease liabilities		(317)	(171)
Net cash provided from financing activities		3,709	30,756
Net (decrease)/increase in cash and cash equivalents held		(3,934)	20
Cash and cash equivalents at beginning of the financial year		6,749	6,729
Cash and cash equivalents at the end of the financial year	29(a)	2,815	6,749

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 2012 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity") and the Consolidated Entity's interest in associates. The Consolidated Entity is a for profit entity and is primarily 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 28 September 2012.

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
- Available for sale financial assets are measured at fair value.

Going Concern Basis of Preparation

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Consolidated Entity has generated a total comprehensive loss for the year ended 30 June 2012 of $4,326,014 (2011: Profit $1,070,896).

At 30 June 2012, it had a net working capital surplus of $4,432,046 (2011: Deficit $17,969,940).

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$280.7 million (approximately $35.52 million as at 30 June 2012). The facility has a repayment date of 30 June 2014.

As at 30 June 2012, the Company had drawn down a total of HK$216.7 million (approximately $27.42 million) under its loan facilities; leaving approximately $8.10 million available for the Company to draw down, which has subsequently been fully drawn down (refer note 30). These funds have been used to assist with funding:

- Intensive exploration programs at both the Coyote Gold Project and the Central Tanami Project which have resulted in significant increases in the Company's Resources;
- The Definitive Feasibility Study for the development of the Central Tanami Project;
- Ongoing care and maintenance costs at the Central Tanami Project;
- The progressive refurbishment of the Company's mining equipment, support equipment and camp infrastructure;
- Other capital upgrades such as increases to the Tailings Storage Facility at the Coyote Gold Project; and
- Provision of additional working capital.

Subject to the completion of the Definitive Feasibility Study referred to above, 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 operations fail to achieve anticipated production and cash flow outcomes, the Company may be required to source additional cash from debt or equity markets or from the sale of other non-core assets. 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 and cash flow forecasts from the Company's Coyote operations and ongoing support from the Company's largest shareholder, 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 Company's functional currency.

Use of estimates and judgements

The preparation of consolidated 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 note 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 reserves and resources. 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 determined in this way are used in the calculation of 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 where there are impairment indicators.

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 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, except as explained in note 1(c).

(c) Changes in Accounting Policies

There were no changes to accounting policies in the current financial year.

(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 32.

(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.

(vi) Gain/loss on dilution

Any gain/(loss) on dilution of stake in an associate, whilst retaining significant influence, is recognised in the profit or loss at the date of dilution.

(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:	**2012**	**2011**
Buildings	2.5%	2.5%
Plant and equipment	15–33%	15–33%
Motor vehicles	13-33%	13-25%
Furniture and fittings	7.5-40%	7.5-40%
Mine development costs	Units of production	Units of production
Rehabilitation asset	Over life of mine	Over life of mine

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

(i) Useful lives

Mine development costs 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 development costs are amortised on a units of production basis over economically recoverable resources. The rehabilitation asset is amortised on a straight line basis over the life of the mine.

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

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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

(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 are 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 mine development costs within property, plant and equipment.

(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 expensed 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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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 finance costs 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.

(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) 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, gains and losses on sale of financial assets, 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 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 ASX 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) Available for Sale Financial Assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available for sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note i) are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss.

Available for sale financial assets comprise equity securities.

(q) 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.

(r) Employee Benefits

Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave and the 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Employee Benefits (continued)

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.

(s) Share Based Payment Transactions

The Company's Option and Performance Rights Plan and Employee Share Plan allows specified employees to acquire shares of the Company subject to any attached conditions being met. 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.

(t) 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. 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.

(u) 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 which is generally on receipt of funds from gold sales, and there is no continuing management involvement with the goods.

(v) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Income Tax (continued)

In determining the amount of current and deferred tax, the Consolidated Entity takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Consolidated Entity believes its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Consolidated Entity to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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.

(w) 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.

(x) 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.

(y) Trade and Other Payables

Trade and other payables are stated at their amortised cost.

(z) 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.

(aa) 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 (or equivalent) 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 (or equivalent) 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.

(ab) 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ac) 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.

(ad) New Accounting Standards and Interpretations

The following amended Australian Accounting Standards and Interpretations relevant to the operations of the Consolidated Entity and effective 1 July 2011 have been adopted from 1 July 2011.

- AASB 124 (Revised) Related Party Disclosures (December 2009), effective 1 January 2011;
- AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052], effective 1 January 2011;
- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101, 134 and Interpretation 13], effective 1 January 2011;
- AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042], effective 1 January 2011;
- AASB 1054 Australian Additional Disclosures, effective 1 July 2011;
- AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & 7], effective 1 July 2011;
- AASB 2010-9 Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time adopters [AASB 1], effective 1 July 2011.

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

(ae) Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2012. These are outlined in the table below. The impact of these standards has not been determined on the financial statements.

Reference	Title	Summary	Application date of Standard	Application date for Group
AASB 2011-9	Further Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	This Standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.	1 July 2012	1 July 2012
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and UIG-112 Consolidation – Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to other standards via AASB 2011-7.	1 January 2013	1 July 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reference	Title	Summary	Application date of Standard	Application date for Group
AASB 11	Joint Arrangements	AASB 11 replaces AASB 131 Interests in Joint Ventures and UIG-113 Jointly- controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 128.	1 January 2013	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	1 July 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	1 July 2013
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans are recognized in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	1 July 2013

2. DETERMINATION OF FAIR VALUES

a) The fair value of derivative financial assets is based on a Black Scholes option pricing model valuation as at the reporting date. Refer to note 16 for details of assumptions used.

b) The fair value of investments in quoted equity securities is determined by reference to their quoted closing bid price at the reporting date.

3. REVENUE & OTHER INCOME

	Consolidated	
	2012 $'000	2011 $'000
From operating activities		
Gold sales	65,343	57,781
	65,343	57,781
Other income (i)	14,497	97
	79,840	57,878

(i) Other income includes the $13.23 million gain on the sale of 508,014,212 shares in ABM Resources NL an equity accounted investee (refer note 15).

4. MINE COSTS

	Consolidated	
	2012 $'000	2011 $'000
Mine costs (i)	74,503	55,879
which includes:		
Mining	35,601	19,501
Processing	12,022	12,763
Site administration	5,161	4,053
Depreciation - plant and equipment	3,521	4,937
Amortisation - mine development	18,198	14,625
	74,503	55,879

(i) Mine costs relate to the development and production of the Coyote Gold Project, the mining of the Bald Hill Open Pits and include an $8.39 million write down of low grade ore stockpiles (refer note 12), ore processing and site administration. Mine costs include depreciation and amortisation.

(ii) During the year management changed its estimate of remaining resource used in its amortisation calculations from ounces to tonnes. It has been determined that the future impact of this change would not affect the total amortisation charge to be recognised over the remaining life of the mine. The impact of the change in the current period resulted in the amortisation charge being $209,518 lower than would have been incurred had the Company's estimate remained unchanged. In accordance with the Company's significant accounting policies (note 1(b)(iii)) this change was recognised prospectively.

5. PERSONNEL EXPENSES

	Consolidated	
	2012 $'000	2011 $'000
Wages and salaries	25,518	22,153
Superannuation costs	1,643	1,504
Increase in liability for annual leave	199	271
Share based payments	682	80
Total personal expenses	28,042	24,008
Less: expenditure capitalised to exploration and evaluation assets	(2,942)	(3,056)
	25,100	20,952

6. FINANCE INCOME AND EXPENSE

Finance income:		
Interest income	316	592
Gain in fair value of financial assets at fair value through profit or loss (note 1)	3,307	3,780
Foreign exchange gain	-	1,616
Finance income	3,623	5,988
Finance expense:		
Loss on sale of financial assets	(280)	-
Interest - borrowings	(1,672)	(1,516)
Borrowing costs	(3,618)	(910)
Impairment loss on available for sale financial assets	(2,241)	-
Unwind of discount on site restoration provision	(128)	165
Foreign exchange loss	(524)	-
Finance expense	(8,463)	(2,261)
Net finance (expense) and income	(4,840)	3,727

Note 1: Denotes gain on options over ABM Resources NL shares.

7. TAXATION

	Consolidated	
	2012	2011
	$'000	$'000
Major components of income tax expense are as follows:		
Income statement		
Current income tax expense/(benefit)		
Current income tax charge	-	-
Prior year adjustment	(27)	(1,459)
Deferred income tax expense		
Relating to origination and reversal of temporary differences	(1,058)	1,775
Deferred tax assets not recognised in the current period	1,085	(316)
Income tax benefit/(expense) reported in income statement	-	-
The components of recognised deferred tax balance are as follows:		
CONSOLIDATED		
Deferred tax liabilities		
Exploration	6,336	4,335
Consumables	1,168	1,235
Accrued income	153	184
Investments	353	904
Unrealised foreign exchange gains	-	518
Deferred tax asset offset against deferred tax liability	(8,010)	(7,176)
Gross deferred income tax liabilities	-	-
Deferred tax assets		
Provisions	1,980	1,795
Accruals	48	142
Property, plant and equipment	5,982	5,239
Deferred tax asset offset against deferred tax liability	(8,010)	(7,176)
Gross deferred income tax assets	-	-
Reconciliation to income tax benefit on account loss		
(Loss)/profit before income tax	(4,304)	972
Prima facie tax payable at the statutory income tax rate	(1,291)	292
Non-deductible expenses		
Prior period adjustment	-	(2)
Share based payments	205	24
Other	1	2
Deferred tax assets not recognised	1,085	-
Tax losses recouped not previously booked	-	(316)
Income tax (benefit)/expense	-	-
Deferred tax asset (30%) not recognised arising on:		
Tax losses	42,839	42,785
Temporary differences	7,562	6,531
	50,401	49,316

8. AUDITOR'S REMUNERATION

	Consolidated 2012 $'000	Consolidated 2011 $'000
Audit services		
Amounts paid, or due and payable, to the auditor KPMG for:		
Audit and review of the financial statements	148,644	129,277
	148,644	129,277
Other services		
Employee share option advice	3,300	-
Employee share scheme advice	2,900	2,960
GST advice	-	2,000
Advice regarding share and asset sale agreement	-	7,500
Total other services	6,200	12,460

9. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	2,815	6,749
	2,815	6,749

The Consolidated Entity's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 31.

10. OTHER RECEIVABLES

	Consolidated 2012 $'000	Consolidated 2011 $'000
Current		
GST receivable	719	1,717
Prepayments	328	270
Other debtors	762	847
Interest receivable	5	18
	1,814	2,852
Non-current		
Other debtors (a)	5,396	5,367
Limited recourse loans (b)	-	605
	5,396	5,972

(a) Non-current other debtors represent term deposits placed in support of environmental performance bonds lodged with the Minister for State Development (WA) $2,336,000 (2011: $2,190,000), Newmont Australia Limited $1,105,000 (2011: $1,105,000) and the Department of Resources (NT) $1,777,426 (2011: $1,777,426). In addition, $177,295 (2011: $177,679) has been held as a rental bond for the corporate office and excess funds of $574 (2011: $117,426) are held in term deposit with the National Australia Bank Limited for future bond requirements.

10. OTHER RECEIVABLES (CONTINUED)

(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 and initially had a 24 month term which has been extended indefinitely by the Board. The loans are interest free and total $604,500.

Subject to Board discretion:

- 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; and
- 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.

The shares issued have limited recourse and accordingly the loans have been derecognised in the financial statements at 30 June 2012.

11. AVAILABLE FOR SALE ASSETS

	Consolidated	
	2012 $'000	2011 $'000
Available for sale financial assets:		
Quoted equity shares	6,084	-

The Company has a remaining investment of 160,103,203 listed equity shares in ABM Resources NL (an equity accounted investee until 15 February 2012). Subsequent to initial recognition, these shares are measured at fair value being the published price quotation in an active market. Changes therein are recognised in other comprehensive income and presented in the unrealised gain/(loss) reserve in equity. The fair value movement in the asset during the period was a loss of $2,241,445 (2011: nil) which has been recognised as an impairment loss in the Consolidated Statement of Comprehensive Income.

12. INVENTORIES

	Consolidated	
	2012 $'000	2011 $'000
Current		
Stockpile	2,095	5,074
Raw material and stores	3,867	3,878
Gold in circuit	1,861	2,221
Bullion	890	-
Other	-	13
	8,713	11,186

In line with accounting policy note 1(l), inventories are stated at lower of cost or net realisable value. Of the $2,095,051 shown as stockpile, $1,511,894 is carried at cost (2011: $4,272,573) and $583,157 is carried at net realisable value (2011: 801,725).

For the full year ended 30 June 2012, the Company wrote down $8.39 million of low grade ore stockpiles to a net realisable value of nil. The Company, upon reviewing cut off grades, reclassified material below 1.3g/t as mineralised waste. The cut-off grade was determined by considering gold spot price, the recoverability of the ore and treatment cost. This write down is included in mining costs in the Consolidated Statement of Comprehensive Income.

13. PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2012 $'000	Consolidated 2011 $'000
Buildings at cost	7,958	7,958
Less: accumulated depreciation	(481)	(357)
Less: accumulated impairment	(3,134)	(3,134)
	4,343	4,467
Plant and equipment at cost	53,405	47,717
Less: accumulated depreciation	(15,226)	(11,923)
Less: accumulated impairment	(24,579)	(24,579)
	13,600	11,215
Motor vehicles at cost	1,786	1,794
Less: accumulated depreciation	(1,428)	(1,309)
	358	485
Furniture and fittings at cost	1,478	1,478
Less: accumulated depreciation	(1,109)	(934)
	369	544
Mine development costs	56,913	42,759
Less: accumulated depreciation	(47,665)	(29,530)
	9,248	13,229
Rehabilitation asset	1,002	298
Less: accumulated depreciation	(63)	-
	939	298
Capital works in progress	1,418	2,284
Total property, plant and equipment	30,275	32,522

Reconciliation

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

	2012 $'000	2011 $'000
Buildings		
Carrying amount at beginning of financial year	4,467	4,574
Additions	-	28
Depreciation	(119)	(130)
Depreciation capitalised in exploration and evaluation asset	(5)	(5)
Carrying amount at end of financial year	4,343	4,467
Plant and equipment		
Carrying amount at beginning of financial year	11,215	8,870
Transfers/additions	6,074	6,744
Disposals	(385)	(52)
Accumulated depreciation on disposals	385	29
Depreciation	(3,082)	(4,330)
Depreciation capitalised in exploration and evaluation asset	(607)	(46)
Carrying amount at end of financial year	13,600	11,215

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Consolidated	
	2012 $'000	2011 $'000
Motor vehicles		
Carrying amount at beginning of financial year	485	476
Transfers/additions	68	357
Disposals	(76)	(54)
Accumulated depreciation on disposals	73	46
Depreciation	(178)	(325)
Depreciation capitalised in exploration and evaluation asset	(14)	(15)
Carrying amount at end of financial year	358	485
Furniture and fittings		
Carrying amount at beginning of financial year	544	327
Additions	-	400
Disposals	(3)	-
Accumulated depreciation on disposals	1	-
Depreciation	(141)	(154)
Depreciation capitalised in exploration and evaluation asset	(32)	(29)
Carrying amount at end of financial year	369	544
Mine development costs		
Carrying amount at beginning of financial year	13,229	7,880
Additions: capitalised underground mine development costs	14,154	14,337
Additions: capitalised Bald Hill stripping costs	-	5,637
Amortisation	(18,135)	(14,625)
Carrying amount at end of financial year	9,248	13,229
Rehabilitation asset		
Carrying amount at beginning of financial year	298	298
Additions	704	-
Amortisation	(63)	-
Carrying amount at end of financial year	939	298
Capital works in progress		
Carrying amount at beginning of financial year	2,284	955
Additions	5,276	5,398
Transfers to other asset classes	(6,142)	(4,069)
Carrying amount at end of financial year	1,418	2,284
Total property plant and equipment		
Carrying amount at beginning of financial year	32,522	23,379
Additions	20,134	28,831
Disposals	(464)	(106)
Accumulated depreciation on disposals	459	75
Depreciation	(3,520)	(4,937)
Depreciation capitalised in exploration and evaluation asset	(658)	(95)
Amortisation	(18,198)	(14,625)
Carrying amount at end of financial year	30,275	32,522

14. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2012 $'000	Consolidated 2011 $'000
Exploration and evaluation costs carried forward in respect of areas of interest	72,318	49,482
(a) Reconciliation		
Carrying amount at beginning of the year	49,483	29,202
Expenditure during the year	22,904	20,286
Expenditure written off (i)	(69)	(5)
	72,318	49,483

(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 $69,104 (2011: $4,913).

15. INVESTMENT IN ASSOCIATES

The Consolidated Entity's shareholding in its equity accounted investee reduced from 20.4% at 1 July 2011 to 19.04% at 22 July 2011 and 17.27% at 6 February 2012. The reduction in the Consolidated Entity's shareholding was due to the placement of shares in the equity accounted investee to shareholders other than Tanami Exploration NL, the entity that owned shares and options in the equity accounted investee. A total gain of $2,483,866 was recognised in relation to this dilution.

On 15 February 2012 Tanami Exploration NL sold 508,014,212 shares in its equity accounted investee to APAC Resources Capital Limited reducing the Consolidated Entity's shareholding from 17.27% to nil prior to the exercise of the Company's 300 million options in ABM Resources NL. This transaction resulted in the loss of significant influence and the discontinuation of equity accounting for an associate from that date.

The Consolidated Entity's share of losses in its equity accounted investee for the period 1 July 2011 to 30 June 2012, whilst it continued to retain significant influence by virtue of the existence of convertible options, was $330,769 (2011: $325,353) and the Consolidated Entity did not receive dividend income from its investments in equity accounted investees.

Reconciliation of Investment in Equity Accounted Investee

	Consolidated 2012 $'000	Consolidated 2011 $'000
Balance at 1 July	10,040	7,601
Increase in investment due to take up of rights issue	-	2,319
Share of loss	(331)	(325)
Gain on dilution of shareholding	2,484	346
Other comprehensive income	(22)	99
Sale of investment in associate	(12,171)	-
Balance at 30 June	-	10,040

16. DERIVATIVES

	Consolidated 2012 $'000	Consolidated 2011 $'000
Non-current investments		
Options over ABM Resources NL shares	-	7,800

The value of these options were recognised initially at fair value. Subsequent to initial recognition, these options were measured at fair value and changes therein recognised immediately in profit or loss. On 16 February 2012 the Company exercised all ABM Resources NL options at 1.5 cents per option and converted them to quoted equity shares (refer note 11).

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

- Volatility: 110%
- Risk free rate: 4.74% per annum
- Underlying security spot price: $0.037
- Exercise price: $0.015

17. INTEREST BEARING LIABILITIES

	Consolidated 2012 $'000	Consolidated 2011 $'000
Current		
Finance lease liabilities (i)	599	151
Loan (ii)	-	22,749
	599	22,900
Non-Current		
Finance lease liabilities (i)	869	100
Loan (ii)	27,552	-
	28,421	100

(i) Finance liabilities of the group are as follows:

	Future minimum lease payments 2012	Interest 2012	Present value of minimum lease payments 2012	Future minimum lease payments 2011	Interest 2011	Present value of minimum lease payments 2011
In thousands of dollars						
Less than one year	697	98	599	171	20	151
Between one and five years	924	55	869	113	13	100
	1,621	153	1,468	284	33	251

During the year, the Consolidated Entity acquired property, plant and equipment of which $1.47 million was acquired by means of finance lease. Cash payments of $317,000 were used to reduce the Company's lease liability during the year.

The finance lease liabilities are denominated in Australian dollars with interest rates from 4.89% per annum to 8.25% per annum and will mature from 2012 to 2015.

17. INTEREST BEARING LIABILITIES (CONTINUED)

(ii) Loan (unsecured)

	Effective Interest Rate	Maturity	30 June 2012 Carrying Amount $'000	30 June 2011 Carrying Amount $'000
HKD216.7 million	(a)	30 June 2014	27,552	22,749
			27,552	22,749

(a) At 30 June 2012, the Company had drawn down HK$ 216.7 million of its HK$ 280.7 million unsecured loan facility with AP Finance Limited which has an interest rate of 6% per annum, a refundable facility fee of 6% per annum (where facility fees payable in advance are refunded on a prorated basis if loan repayments are made) and a non-refundable facility fee of 9% per annum. The unsecured HK$ 280.7 million loan is due for repayment on 30 June 2014.

18. TRADE AND OTHER PAYABLES

	Consolidated 2012 $'000	Consolidated 2011 $'000
Current		
Trade creditors	5,512	8,769
Other creditors and accruals	7,475	5,923
	12,987	14,692

The Consolidated Entity's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 31.

19. PROVISIONS

	Consolidated 2012 $'000	Consolidated 2011 $'000
Current		
Employee entitlements	1,408	1,165
	1,408	1,165
Non-current		
Employee entitlements	678	656
Site and mine restoration	4,514	4,032
	5,192	4,688
Reconciliation of site and mine restoration		
Opening Balance at 1 July	4,032	4,197
Provision made during the year	705	-
Provision utilised during the year	(351)	-
Unwind of discount	128	(165)
Balance at 30 June	4,514	4,032

19. PROVISIONS (CONTINUED)

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.

20. ISSUED CAPITAL

	Consolidated	
	2012 $'000	2011 $'000
Share capital		
261,132,677 (2011: 260,997,677) ordinary shares, fully paid	244,189	244,794
	244,189	244,794
Movements in issued capital		
Balance at 1 July	244,794	183,469
Shares issued		
135,000 shares (2011: 143,051,342)	-	64,328
Transaction costs arising from issue of shares	-	(3,003)
Limited recourse loans (i)	(605)	-
Balance at 30 June	244,189	244,794

(i) The shares issued have limited recourse and accordingly the loans have been derecognised in the financial statements at 30 June 2012.

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.

The 135,000 shares issued during the year ended 30 June 2012 were issued to qualifying employees under the Company's Employee Share Plan. Shares to the value of $1,000 each were issued to 100 qualifying employees. This has been recognised as a share based payments expense.

21. ACCUMULATED LOSSES

	Consolidated	
	2012 $'000	2011 $'000
Accumulated losses at July	(162,214)	(163,765)
Net (loss)/profit for the year	(4,326)	1,071
Transfer of reserve upon exercise of options	-	480
Accumulated losses at June	(166,540)	(162,214)

22. 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.

23. 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 are outlined below. The Consolidated Entity's tenement commitment can be reduced by obtaining expenditure exemptions and/or relinquishment of tenements.

Exploration Expenditure Commitments

	Consolidated	
	2012	2011
	$'000	$'000
Within one year	2,468	2,374

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 2012 $348,664 (2011: $355,477) was recognised as an expense in the income statement in respect to the operating lease.

Operating Lease Commitments

	Consolidated	
	2012	2011
	$'000	$'000
Within one year	192	329
Between one and five years	-	192
	192	521

24. SHARE BASED PAYMENTS

Options

During the year the following options were issued:

Exercise Price ($)	Number of Options	Grant Date	Expiry Date
$1.34	300,000	22 December 2011	22 December 2016
$0.90	2,212,500	29 March 2012	28 March 2017
$1.00	2,212,500	29 March 2012	28 March 2017
$1.10	500,000	29 March 2012	28 March 2017

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	30,000	30 April 2007	31 March 2012

During the year, no options were exercised.

At 30 June 2012 there were 5,341,668 unissued ordinary shares in respect of which unquoted options were outstanding as follows:

Expiry Date	Type	Exercise Price	2012 Number	2011 Number
31 March 2012	Unquoted	$4.50	-	30,000
22 November 2012	Unquoted	$6.00	58,334	58,334
22 November 2012	Unquoted	$4.50	58,334	58,334
22 December 2016	Unquoted	$1.34	300,000	-
28 March 2017	Unquoted Tranche 1	$0.90	2,212,500	-
28 March 2017	Unquoted Tranche 2	$1.00	2,212,500	-
28 March 2017	Unquoted Tranche 3	$1.10	500,000	-
			5,341,668	146,668

On 22 December 2011 300,000 options were granted to Mr Alan Senior, a Director of the Company. Material terms and conditions are:

- The option term is 5 years from the date of grant; and
- The exercise price of the options ($1.34) is 40% above the five day volume weighted average price of shares on the ASX immediately prior to the date of the Annual General Meeting held on 29 November 2011. These options have been valued using a Black Scholes option valuation model. As these options vested immediately the fair value of $130,151 has been recognised as an expense in profit or loss.

The significant assumptions used in the valuation at that time were:

- Volatility: 90%;
- Risk free rate: 4.25% per annum;
- Underlying security spot price: $0.705;
- Exercise price: $1.34; and
- Valuation per option: $0.434.

The options granted on 29 March 2012 were valued using the Black Scholes option valuation methodology. The significant assumptions used in the valuations at that time were:

- Volatility: 85%;
- Risk free rate: 2.66% per annum;
- Underlying security spot price: $0.795;
- Exercise price: $0.90, $1.00 and $1.10 for Tranche 1, Tranche 2 and Tranche 3 respectively;
- Valuation per option: $0.524, $0.510 and $0.497; and
- Valuation per Tranche: $1,159,350, $1,128,375 and $248,500.

The grant date fair value of the options was $2,536,225 of which $452,592 was recognised as an expense for the year ended 30 June 2012. The remaining value of the options will continue to be expensed over the vesting period attributable to each Tranche.

24. SHARE BASED PAYMENTS (CONTINUED)

(i) Employee share option plan

The Tanami Gold NL Option and Performance Rights Plan was approved by shareholders at a general meeting of the Company on 27 November 2009.

On 29 March 2012 (and in consideration of the continued services of specified employees), the Company granted options to subscribe for one ordinary fully paid share in the capital of the Company per option with the following conditions:

- 2,212,500 options were issued to employees with an exercise price of $0.90 per option. These options do not vest until 12 months from the date of grant;
- 2,212,500 options were issued to employees with an exercise price of $1.00 per option. These options do not vest until 24 months from the date of grant; and
- 500,000 options were issued to employees with an exercise price of $1.10 per option. These options do not vest until 36 months from the date of grant.

Summary of option movements for the financial year:

Number of options at 30 June 2012

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 2008	22 Nov 2012	$4.50	58,334	-	-	-	58,334	58,334
23 Nov 2007	23 Nov 2009	22 Nov 2012	$6.00	58,334	-	-	-	58,334	58,334
30 Apr 2007	31 Mar 2009	31 Mar 2012	$4.50	30,000	-	(30,000)	-	-	-
22 Dec 2011	22 Dec 2011	21 Dec 2016	$1.34	-	300,000	-	-	300,000	300,000
29 Mar 2012	29 Mar 2013	28 Mar 2017	$0.90	-	2,212,500	-	-	2,212,500	-
29 Mar 2012	29 Mar 2014	28 Mar 2017	$1.00	-	2,212,500	-	-	2,212,500	-
29 Mar 2012	29 Mar 2015	28 Mar 2017	$1.10	-	500,000	-	-	500,000	-

25. KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Details of Key Management Personnel

(i) Specified Directors

Arthur Dew (Non-Executive Chairman)	(appointed December 2011)
Denis Waddell (Deputy Chairman/Executive Director)	(appointed July 1995)
Graeme Sloan (Managing Director/CEO)	(appointed September 2008, resigned December 2011)
Alan Senior (Non-Executive Director)	(appointed July 2007)
Seng Hui Lee (Non-Executive Director)	(appointed March 2008)
Carlisle Procter (Non-Executive Director)	(appointed December 2011)

(ii) Specified Executives

Andrew Czerw (General Manager)	(appointed January 2012)
Jon Latto (Company Secretary/Chief Financial Officer)	(appointed November 2007)
Rob Walker (General Manager Operations)	(appointed October 2008, ceased to be key management personnel in 2011)
Don Harper (Chief Operating Officer)	(appointed March 2011, resigned January 2012)

25. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

b) Remuneration of Key Management Personnel

(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.

From July 2011 to November 2011, Mr Waddell provided consulting services on corporate and operational matters to Tanami Gold NL. These services were provided on arms-length, commercial terms as and when required by the Consolidated Entity. From December 2011 to June 2012, Mr Waddell provided full time executive support to the Company. The combined cost of these services from 1 July 2011 to 30 June 2012 was $404,000 (2011: $162,000).

Shareholdings of Directors and Key Management Personnel
2012

Ordinary Fully Paid Shares	Balance 1 July 2011	Granted as Remuneration	Entitlements Issue	On Market Purchases/ (Sales)	Balance 30 June 2012
Directors					
Mr A Dew	-	-	-	-	-
Mr D Waddell	5,672,134	-	-	100,000	5,772,134
Mr A Senior	66,705	-	-	-	66,705
Mr SH Lee*	70,697,899	-	-	(9,319,111)	61,378,788
Mr C Procter	-	-	-	-	-
Key Management Personnel					
Mr A Czerw	-	-	-	-	-
Mr J Latto	73,334	-	-	-	73,334
Mr R Walker**	734,732			(130,646)	604,086
Total	**77,244,804**	**-**	**-**	**(9,349,757)**	**67,895,047**

* The shares that were sold were held by Eurogold Limited which is 36.37% indirectly owned by Allied Properties (H.K) Limited, which is an intermediate holding listed company of Allied Properties Resources Limited. The ultimate holding company of Allied Properties Resources Limited is Allied Group Limited, a company in which Lee Seng Hui, together with other trustees of the Lee and Lee Trust has an interest of 64.90%.

Accordingly, Lee Seng Hui was taken to have had a relevant interest in the shares held by Eurogold Limited in Tanami Gold NL.

Lee Seng Hui is not a director of Eurogold Limited and has no input into Eurogold Limited's decision to trade the securities that Eurogold Limited held in Tanami Gold NL.

The shares arising from the entitlements issue shown for Mr SH Lee in the table above are held by Allied Properties Resources Limited a company in which Mr SH Lee (together with others as trustees of the Lee and Lee Trust) has an interest of 64.90%. Accordingly, Mr SH Lee is taken to have a relevant interest in the 61,378,788 shares held by Allied Properties Resources Limited.

**Mr R Walker ceased to be classified as key management personnel on 1 July 2011.

Options of Directors and Key Management Personnel
2012

Options	Balance 1 July 2011	Granted as Remuneration	Options Forfeited	Balance 30 June 2012	Vested 30 June 2012
Directors					
Mr A Dew	-	-	-	-	-
Mr D Waddell	-	-	-	-	-
Mr A Senior	116,668	300,000	-	416,668	416,668
Mr SH Lee	-	-	-	-	-
Mr C Procter	-	-	-	-	-
Key Management Personnel					-
Mr A Czerw	-	1,500,000	-	1,500,000	-
Mr J Latto	10,000	500,000	(10,000)	500,000	-
Total	**126,668**	**2,300,000**	**(10,000)**	**2,416,668**	**416,668**

25. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

Shareholdings of Directors and Key Management Personnel
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
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**

Options of Directors and Key Management Personnel
2011

Options	Balance 1 July 2010	Options Exercised	Balance 30 June 2011
Directors			
D Waddell	-	-	-
G Sloan	-	-	-
A Senior	116,668	-	116,668
SH Lee	-	-	-
Key Management Personnel			
D Harper	-	-	-
R Henderson	-	-	-
J Latto	43,334	(33,334)	10,000
R Walker	333,334	(333,334)	-
Total	**493,336**	**(366,668)**	**126,668**

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 ad-hoc administrative services to Orion Gold NL, a Company of which Denis Waddell is a Director. These administrative services, which had a value of $1,665 for the year ended 30 June 2012, were recharged to Orion Gold NL on commercial terms.

26. 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

During the year ended 30 June 2012, the Company has continued to use its unsecured loan facility with AP Finance Limited to assist with funding its:

- Intensive exploration programs at both the Company's Coyote Gold Project and the Central Tanami Project which have resulted in significant increases in the Company's Resources;
- Definitive Feasibility Study for the development of the Central Tanami Project;
- Ongoing care and maintenance costs at the Central Tanami Project;
- Progressive refurbishment of the Company's mining equipment, support equipment and camp infrastructure;
- Other capital upgrades such as increases to the Tailings Storage Facility at the Coyote Gold Project; and
- Provision of additional working capital.

The Company has an unsecured loan facility with AP Finance Limited for HK$280.7 million (approximately A$35.52 million). As at 30 June 2012, the Company had drawn down HK$216.7 million (approximately A$27.56 million), leaving it with HK$64 million (approximately A$8.10 million) in undrawn funds. The Company's unsecured loan facility with AP Finance Limited has a repayment date of 30 June 2014.

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.

27. SEGMENT INFORMATION

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

Information about reportable segments

	Gold Production		Exploration		Total	
	2012	2011	2012	2011	2012	2011
In thousands AUD	$'000	$'000	$'000	$'000	$'000	$'000
Revenues	65,343	57,781	-	-	65,343	57,781
Interest income	143	-	125	337	268	337
Interest expense	(203)	(42)	-	-	(203)	(42)
Depreciation and amortisation	(21,719)	(19,467)	(659)	(23)	(22,378)	(19,490)
Reportable segment (loss)/profit before income tax	(8,518)	1,954	(566)	310	(9,084)	2,264
Reportable segment assets	38,754	46,169	79,582	51,950	118,336	98,119
Reportable segment liabilities	16,264	16,715	4,753	2,904	21,017	19,620
Capital expenditure	(20,131)	(28,593)	(5)	(211)	(20,136)	(28,804)

27. SEGMENT INFORMATION (CONTINUED)

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

	Consolidated 2012 $'000	Consolidated 2011 $'000
Revenue and other income		
Total revenue and other income for reportable segments	65,343	57,781
Consolidated revenue and other income	65,343	57,781
Profit or loss		
Total loss or profit for reportable segments	(9,084)	2,264
Other profit	12,353	3,944
Unallocated amounts: other corporate expenses	(9,726)	(5,257)
Share of loss of equity accounted investees	(331)	(325)
Gain on dilution of shareholding in equity accounted investees	2,484	346
Consolidated (loss)/profit before income tax	(4,304)	972
Assets		
Total assets for reportable segments	118,336	98,119
Investments in equity accounted investees	-	10,039
Other unallocated amounts	9,079	18,445
Consolidated total assets	127,415	126,603
Liabilities		
Total liabilities for reportable segments	21,017	19,620
Other unallocated amounts	27,590	23,926
Consolidated total liabilities	48,607	43,546

Major customer

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

28. EARNINGS PER SHARE

	Number of shares 2012	2011
Weighted average number of ordinary shares used as the denominator in the calculation of basic earnings per share	261,045,759	241,414,503

Basic earnings/(loss) per share

The calculation of basic earnings per share at 30 June 2012 was based on the loss attributable to ordinary shareholders of $4,304,922 (2011: Profit $972,405) and a weighted average number of ordinary shares outstanding of 261,045,759 (2011: 241,414,503), calculated as follows.

Weighted average number of ordinary shares	2012	2011
Issued ordinary shares at 1 July	260,997,677	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
Effect of shares issued in February 2012	48,082	-
Weighted average number of ordinary shares at 30 June	261,045,759	241,414,503

Diluted earnings/(loss) per share

Diluted loss per share for 2012 equals basic loss per share as the options on issue are considered anti-dilutive.

	2012	2011
Weighted average number of ordinary shares (diluted)	261,045,759	241,414,503
Weighted average number of ordinary shares (basic)	261,045,759	241,414,503
Effect of share options on issue	-	-
Weighted average number of ordinary shares (diluted) at 30 June	261,045,759	241,414,503

29. NOTES TO STATEMENT OF CASH FLOWS

a) Reconciliation of cash and cash equivalents

For the purpose of the Consolidated Statement 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 Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	Consolidated	
	2012 $'000	2011 $'000
Cash assets	2,815	6,749

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

	2012 $'000	2011 $'000
Net (loss)/profit	(4,304)	972
Add/(less) non-cash items		
Exploration expenditure written off	69	5
Depreciation	3,521	4,937
Amortisation	18,198	14,625
Foreign exchange loss/(gain)	524	(1,615)
Unwinding of interest rate on provision for rehabilitation	128	(165)
Share based payments	682	80
Gain on dilution of shareholding in ABM Resources NL	(2,484)	(346)
Add/(less) items classified as investing/financing activities		
Gain on disposal of fixed assets	(177)	-
Gain on derivative asset	(3,307)	(3,780)
Loss on sale of financial assets	280	
Share of loss of equity accounted investee (net of income tax)	331	325
Impairment loss on available for sale financial assets	2,241	-
Gain on sale of investment	(13,223)	-
Net cash provided by operating activities before changes in assets and liabilities	2,479	15,038
Changes in assets and liabilities during the financial year:		
Increase/(decrease) in receivables	1,103	(1,563)
Increase/(decrease) in inventories	2,464	(4,950)
Decrease in prepayments	(295)	(81)
Increase in provisions	619	456
Increase in payables	730	219
Net cash used in operating activities	7,100	9,119

30. EVENTS SUBSEQUENT TO BALANCE DATE

During the period from 1 July 2012 to 20 September 2012, the Company progressively drew down its remaining HK$64 million under its unsecured loan facilities with AP Finance Limited, receiving approximately A$8.93 million over 5 drawdowns. These funds were used to assist in funding the Company's:

- Intensive exploration programs at both the Company's Coyote Gold Project and the Central Tanami Project which have resulted in significant increases in the Company's Resources;
- Definitive Feasibility Study for the development of the Central Tanami Project;
- Ongoing care and maintenance costs at the Central Tanami Project;
- Progressive refurbishment of the Company's mining equipment, support equipment and camp infrastructure;
- Other capital upgrades such as increases to the Tailings Storage Facility at the Coyote Gold Project; and
- Provision of additional working capital.

31. 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 that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Consolidated Entity is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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.

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	2012 $'000	2011 $'000
Cash and cash equivalents	9	2,815	6,749
Other receivables	10	7,210	8,824
Available for sale financial assets	11	6,084	-
Derivatives	16	-	7,800

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 payable from Government institutions which management consider is risk free. Of the $7,210,364 in other receivables, $5,219,000 relates to environmental performance bonds lodged with the Northern Territory Department Resources, the Western Australian Minister of State Development and Newmont Australia Limited, $719,035 relates to GST receivables and $503,924 relates to fuel rebates; and

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

1. Credit Risk (continued)

- Of the remaining $768,405 of the Consolidated Entity's other receivables, $23,634 relates to recharges to contractors engaged at the Coyote Gold Project and the Central Tanami Project, $327,251 relates to insurance prepayments, $177,175 relates to a rental bond for the corporate office and the balance of $240,345 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 and when 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 2012

	Carrying Amount $'000	Contractual Cash Flows $'000	6 Months Or Less $'000	6-12 Months $'000	1-2 Years $'000	2-5 Years $'000	More Than 5 Years $'000
Finance lease liabilities	1,468	(1,619)	(377)	(320)	(592)	(330)	-
Loans	27,552	(39,067)	(3,014)	(2,879)	(33,174)	-	-
Trade and other payables	12,987	(12,987)	(12,987)	-	-	-	-
	42,007	(53,673)	(16,378)	(3,199)	(33,766)	(330)	-

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$280.7 million (approximately A$35.52 million) unsecured loan facility with AP Finance Limited. This loan is due for repayment on 30 June 2014.

Consolidated 30 June 2011

	Carrying Amount $'000	Contractual Cash Flows $'000	6 Months Or Less $'000	6-12 Months $'000	1-2 Years $'000	2-5 Years $'000	More Than 5 Years $'000
Finance lease liabilities	251	(284)	(85)	(85)	(114)	-	-
Loans	22,749	(24,072)	(24,072)	-	-	-	-
Trade and other payables	14,692	(14,692)	(14,692)	-	-	-	-
	37,692	(39,048)	(38,849)	(85)	(114)	-	-

3. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: currency risk, interest rate risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, available for sale financial assets and derivative financial instruments.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

4. Currency risk (continued)

The Consolidated Entity currently has Hong Kong dollar denominated debt with an Australian dollar equivalent of $27,551,703 as at 30 June 2012 (2011: $23,171,886) 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	
	2012 A$'000	**2011 A$'000**	**2012 A$'000**	**2011 A$'000**
Australian dollar carrying amount of Hong Kong dollar denominated liabilities	27,552	22,749	-	-

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 2012, if exchange rates had moved, as illustrated in the table below, the loan payable (and accrued interest) would be affected as follows:

	2012 A$'000	**2011 A$'000**
Judgements of reasonably possible movements		
AUD/HKD +5% Loan higher/(lower)	(1,312)	(1,042)
AUD/HKD -5% Loan higher/(lower)	1,450	1,226

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	
	2012 $'000	**2011 $'000**
Fixed rate instruments		
Finance lease liability	1,468	251
Loans	27,552	22,749
	29,020	**23,000**
Variable rate instruments		
Cash and cash equivalents	2,815	6,749
Other receivables*	5,396	5,368
	8,211	**12,117**

* 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) $2,336,000 (2011: $2,190,000), Newmont Australia Limited $1,105,000 (2011: $1,105,000), and the Department of Resources (NT) $1,777,426 (2011: $1,777,426). In addition, $177,175 (2011: $177,679) has been held as a rental bond for the corporate office and excess funds of $574 (2011: $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.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

5. Interest Rate Risk (continued)

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.

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 2011.

30 June 2012	Profit or loss		Equity	
	100bp increase $'000	100bp decrease $'000	100bp increase $'000	100bp decrease $'000
Interest income on cash balance	28	(28)	28	(28)
Interest income on other receivables (term deposits)	54	(54)	54	(54)
Cash flow sensitivity (net)	82	(82)	82	(82)

30 June 2011	Profit or loss		Equity	
	100bp increase $'000	100bp decrease $'000	100bp increase $'000	100bp decrease $'000
Interest income on cash balance	67	(67)	67	(67)
Interest income on other receivables (term deposits)	54	(54)	54	(54)
Cash flow sensitivity (net)	121	(121)	121	(121)

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 2012		30 June 2011	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Cash and cash equivalents	2,815	2,815	6,749	6,749
Available for sale financial assets	6,084	6,084	-	-
Other receivables	7,210	7,210	8,824	8,824
Derivatives	-	-	7,800	7,800
Trade and other payables	12,847	12,847	14,692	14,692
Finance lease liabilities	1,468	1,468	251	251
Loans	27,552	27,552	23,172	22,749

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 2012	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Available for sale financial assets	6,084	-	-	6,084

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

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.

31. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 utilising 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.

Sensitivity analysis – gold price

Judgement of reasonably possible movements	2012 $'000	2011 $'000
Gold Price +50.00 AUD per ounce		
- Net profit/loss for the year higher/(lower)	2,061	2,072
- Total equity higher/(lower)	(2,061)	(2,072)
Gold Price -50.00 AUD per ounce		
- Net profit/loss for the year higher/(lower)	(2,061)	(2,072)
- Total equity higher/(lower)	2,061	2,072

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 debt and or 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.

The Group's debt-to-adjusted capital ratio at the end of the reporting period was as follows:

	Consolidated	
	2012 $'000	2011 $'000
Total liabilities	48,607	43,546
Less: cash and cash equivalents	(2,815)	(6,749)
Net debt	45,792	36,797
Total equity	78,808	83,057
Adjusted capital	78,808	83,057
Debt-to-adjusted capital ratio at 30 June	0.58	0.44

32. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2012 the parent company of the Consolidated Entity was Tanami Gold NL.

	2012 $'000	2011 $'000
Result of the parent entity		
(Loss)/profit for the year	(6,493)	1,071
Total comprehensive income for the year	(6,493)	1,071
Financial position of the parent entity at year end		
Current assets	292	3,035
Total assets	104,231	105,917
Current liabilities	(38)	22,859
Total liabilities	(27,590)	22,859
Total equity of the parent entity comprising of:		
Issued capital	244,189	244,794
Accumulated losses	(168,707)	(162,214)
Share based payment reserve	1,159	477
Total equity	76,641	83,057

In accordance with a resolution of the Directors of Tanami Gold NL (the Company), I state that:

1. In the opinion of the directors:
   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 2012 and of its performance for the financial year ended on that date; and
      ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
   b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(b);
   c) subject to note 1b, 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. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2012.

On behalf of the board

Mr A G Dew
Non-Executive Chairman

Perth, Western Australia
28 September 2012

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 Group), which comprises the consolidated statement of financial position as at 30 June 2012, 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 32 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.

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

KPMG

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 2012 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 2012. 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 2012, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Grant Robinson

Grant Robinson
Partner

Perth

28 September 2012

DISTRIBUTION OF EQUITY SECURITIES AS AT 28 SEPTEMBER 2012:

Number of Securities Held			Number of Holders
1	-	1,000	2,041
1,001	-	5,000	1,653
5,001	-	10,000	558
10,001	-	100,000	929
100,001	and	over	220
Total number of holders			5,401

Holders of less than a marketable parcel as at 28 September 2012:

Ordinary Shares 1,501 (363,456 shares)

Holders of an uneconomical parcel as at 28 September 2012:

Ordinary Shares 2,973 (2,311,410 shares)

Substantial Shareholders as at 28 September 2012:

- Allied Properties Resources Limited (APRL) – 61,378,788 Ordinary Shares.
- Sun Hung Kai Investment Services Limited Future Rise Investments Limited – 26,609,990 Ordinary Shares

OPTIONS

Options on issue as at 28 September 2012:

Expiry Date	Type	Exercise Price	Number	Number of Holders
22 November 2012	Unquoted	$6.00	58,334	1
22 November 2012	Unquoted	$4.50	58,334	1
22 December 2016	Unquoted	$1.34	300,000	1
28 March 2017	Unquoted	$0.90	2,300,000	48
28 March 2017	Unquoted	$1.00	2,300,000	48
28 March 2017	Unquoted	$1.10	500,000	1
			5,516,668	100

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	23.50%
2	Sun Hung Kai Investment Services Limited (Client Future Rise)	26,609,990	10.19%
3	Perth Select Seafoods Pty Ltd	7,956,000	3.05%
4	Future Rise Inv Limited	5,000,000	1.91%
5	Krone Jorg (Tynedale Farm Account)	4,463,430	1.71%
6	Jemaya Pty Ltd (JH Featherby S/F Account)	4,300,000	1.65%
7	Tarney Holdings Pty Ltd (DP & FL Waddell Family Account)	4,046,093	1.55%
8	JP Morgan Nominees Australia Limited (Cash Income Account)	3,760,156	1.44%
9	Yandal Investments Pty Ltd	3,666,667	1.40%
10	National Nominees Limited	3,453,591	1.32%
11	JP Morgan Nominees Australia Limited	3,068,656	1.18%
12	Jemaya Pty Ltd (Featherby Family Account)	3,060,000	1.17%
13	HSBC Custody Nominees Australia Limited	2,873,195	1.10%
14	Coultas Donald Norman	2,600,000	1.00%
15	Aumen Engineering Pty Ltd (S/F A/C)	2,566,667	.98%
16	Apache Investments Limited (Number 2 Account)	2,408,334	.92%
17	CEN Pty Ltd	2,367,568	.91%
18	LCY Super Pty Ltd (LCY S/F Account)	1,950,000	.75%
19	Hendricus Pty Ltd (Perth Select Seafood)	1,810,000	.69%
20	Waddell Denis P & Francine L (DP Waddell S/F A/C)	1,712,177	.66%
		149,051,312	57.08%

WESTERN AUSTRALIA		Granted From	Expiry Date	Blocks
WA (Tanami Gold 100%)				
E80/1481	Balwina	05/10/93	04/10/12*	24
E80/1483	Bold Hill	16/04/92	15/04/13	15
E80/1677	Slatey Creek	15/03/94	14/03/13	32
E80/1679	Southside	15/03/94	14/03/13	18
E80/1737	Camel Hump	22/03/94	21/03/13	28
E80/1905 [1]	Bald Hill Central	06/09/94	05/09/12*	38
E80/2036 [1]	Bald Hill North	17/02/95	16/02/13	8
E80/2133	Killi Killi Hills	11/08/04	10/08/13	12
E80/3238	Afghan	29/12/04	28/12/13	4
E80/3378	Tent Hill East	20/02/06	19/02/14	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.

NORTHERN TERRITORY		Granted From	Expiry Date	Blocks
NT (Tanami Gold 100%)				
EL8797*	Gamma	09/09/99	25/08/12	2
EL9763	Red Hills	24/07/00	23/07/13	7
EL9843	Chapmans Hill	27/03/06	31/12/15	22
EL10355	Red Hills North	04/06/01	03/06/13	4
EL10411	Tanami Downs North	04/06/01	03/06/13	7
EL22061	Farrands Hill South	27/03/06	31/12/15	17
EL22229	Question Mark Bore East	08/06/01	07/06/13	8
EL22378	Question Mark Bore Far East	08/06/01	07/06/13	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
EL26925	Goanna 2	25/01/11	24/01/15	60
EL26926	Black Hills 2	25/01/11	24/01/15	276
ML22934	Groundrush	14/09/01	13/09/26	3,950 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	1,000 hectares
MLS167	Matilda	13/10/95	31/12/20	1,877 hectares
MLS168	Enterprise	13/10/95	31/12/20	712 hectares
MLS(A)172	Crusade	Application		3,946 hectares
MLS180[2]	Molech	18/11/98	31/12/22	804 hectares
NORTHERN TERRITORY TOTAL				**2,287 km²**
TOTAL HELD				**4,341 km²**

* Application for Extension of term lodged.

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

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Corporate Directory

CHAIRMAN
Arthur Dew

DEPUTY CHAIRMAN/EXECUTIVE DIRECTOR
Denis Waddell

NON-EXECUTIVE DIRECTOR
Alan Senior

NON-EXECUTIVE DIRECTOR
Lee Seng Hui

NON-EXECUTIVE DIRECTOR
Carlisle Procter

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

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TANAMI GOLD NL

LEVEL 4, 50 COLIN STREET
WEST PERTH
WESTERN AUSTRALIA 6005

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

www.tanami.com.au

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