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## EXPLORATION SUCCESS AT COYOTE GOLD MINE

### HIGHLIGHTS

#### COYOTE GOLD MINE

Ongoing exploration drilling continues to return high grade mineralisation including:

- 0.5m @ 584.4g/t Au – West Zone
- 1.3m @ 38.4g/t Au – Kavanagh Lode
- 3.7m @ 4.6g/t Au – Kavanagh Lode
- 0.6m @ 15.6g/t Au – Kavanagh Lode
- 0.3m @ 48.5 g/t Au – B16 Lode
- 0.3m @ 25.0g/t Au – B16 lode
- 1.0m @ 34.7g/t Au – South Zone Inlier
- 0.7m @ 23.1g/t Au – South Zone Inlier

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

Australian gold producer Tanami Gold NL (ASX: TAM – ‘Tanami’ or ‘the Company’) is pleased to announce continued exploration success at the Coyote Gold Mine. The Company has been intensively drilling the new exploration geological model for the Coyote mineralised system.

General Manager, Andrew Czerw said, “The exploration success rate has been pleasing. The objective of the intensive exploration effort is to expand the Mineral Resource base associated with the mine. The drilling conducted to date within the Kavanagh target area has returned positive results which demonstrate the potential to increase the mineral Resources and Reserves at Coyote.”

“The drilling results to date have identified gold mineralisation across a broad area. The infill drilling that has been completed has identified high grade shoots within the broader mineralised envelope. The rate of infill drilling is being increased with the commissioning of a third Company owned underground diamond drill rig. In addition, there is significant potential to extend the known Muttley and Speedy Zones located at the eastern margin of the known mineralisation. The Muttley Zone is being targeted from underground with the Speedy Zone currently being targeted from the surface.”

#### Kavanagh Exploration Target

Recent drilling has been successful in identifying significant mineralisation in the Kavanagh Target Area situated approximately 150 metres north of the main Coyote Mine (refer to Figure 1). The Kavanagh Target Area is interpreted to be a folded repeat of the geological sequence that hosts the Coyote Mine and is considered highly prospective by the Company’s geologists with potential to host a repeat of the entire Coyote Mineralised system.

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***The Kavanagh Exploration Target is based on the Coyote Mine Mineralisation Model and as such has the potential to host between 700,000 and 800,000 tonnes at a grade range of between 10-15g/t Au<sup>1</sup>.***

Results received to date are encouraging with the mineralisation now defined over a length of 450 metres down plunge with very limited drill testing to date in this target area. Of significance is the sequence of a thick sandstone and carbonaceous siltstone which has been intersected in multiple holes and confirms a key part of the exploration model.

Significant results received to date include:

- CYUG356 - **1.3m @ 38.4g/t Au**
- CYDD203 - **3.7m @ 4.6g/t Au**
- CYUG355 - **0.6m @ 15.6g/t Au**
- CYUG358 – **Visible Gold logged** – results pending

Drilling is ongoing with two diamond rigs focused on the Kavanagh Target Area.

## South Zone Inlier

Drilling has continued to test the extent of the South Zone Inlier and has successfully extended mineralisation down dip and to the west with the following significant results returned:

- CYUG323 - **1.0m @ 34.7g/t Au**
- CYUG322 - **0.7m @ 23.1g/t Au**
- CYUG317A - **0.35m @ 38.7g/t Au**
- CYUG513 – **0.3m @ 90.2g/t Au**

## B16 Lode

The B16 Lode is a new discovery that is located 50 metres north of the current Bommie development and within 100 metres of the Kavanagh Lode position. This Lode remains open in multiple directions and has the potential to provide immediate additional mining options as well as improved drilling platforms to test for down plunge extensions to the Kavanagh Lode.

Significant results received to date include:

- CYUG622 - **0.3m @ 48.5 g/t Au**
- CYUG351 - **0.3m @ 25.0g/t Au**

**Andrew Czerw**  
General Manager

## Competent Person's Statement

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

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

<sup>1</sup> *The potential quantity and grade of the exploration targets outlined are conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.*

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Figure 1: Coyote Underground Schematic Longsection

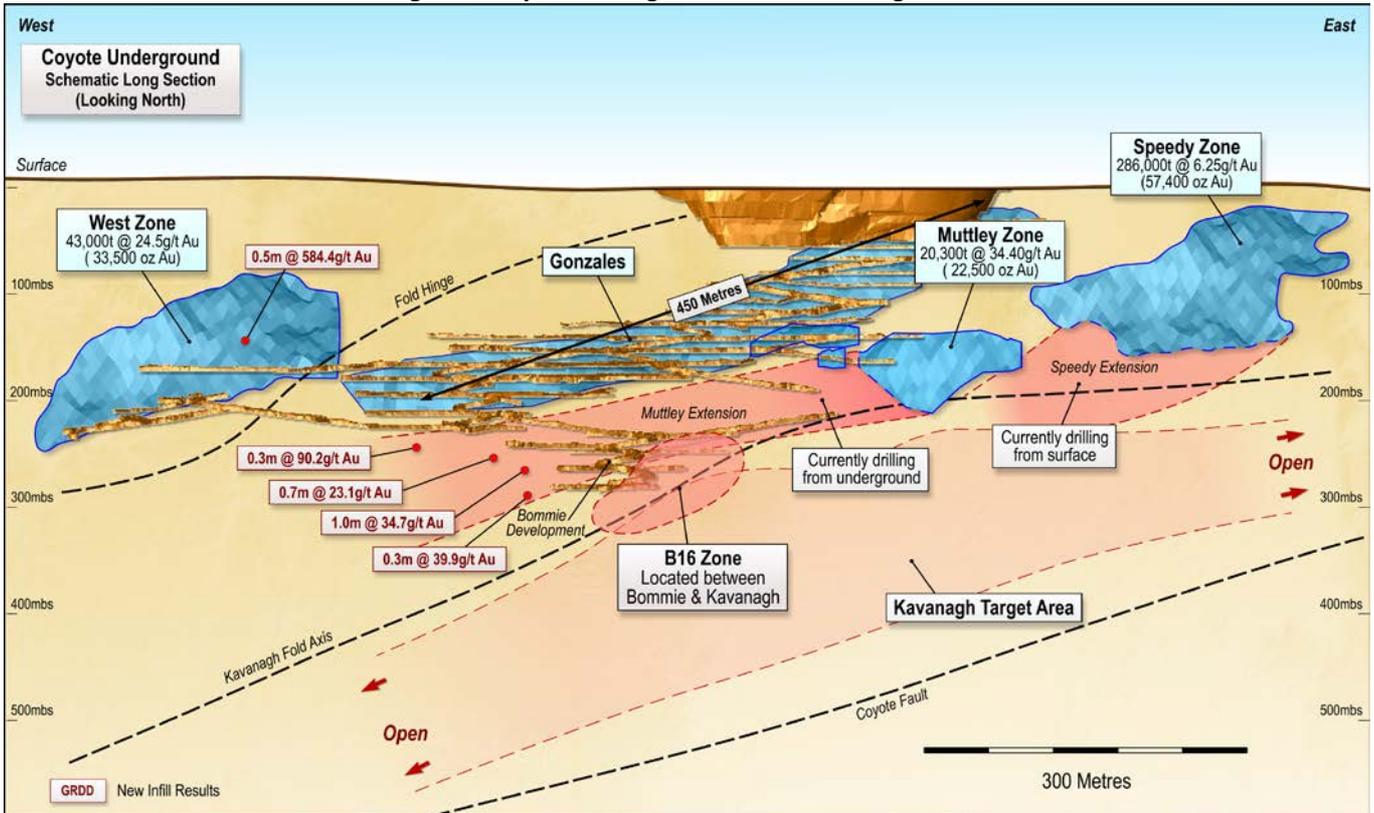
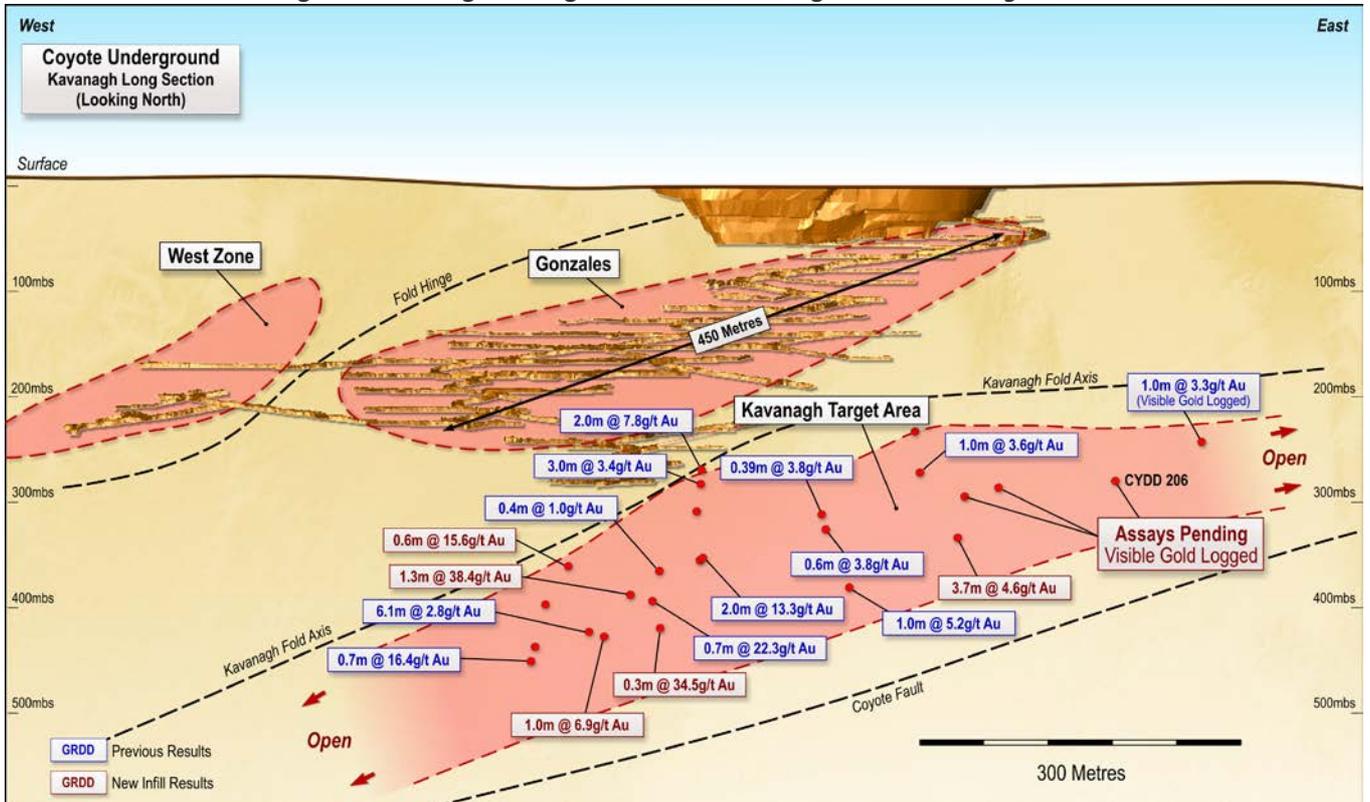


Figure 2: Kavanagh Underground Schematic Long Section– Looking North



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Figure 3: Visible gold in drill core from the Kavanagh Lode – CYDD206



Table 1: Significant Intersections from Coyote Deposit

Hole_ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Max Depth	Metres From	Metres To	Interval Width	Grade	Gram Metre
CYDD203	482344	7800014	412	-53	180	523	458.5	462.2	3.7	4.6	17
							Inc 461.9	462.2	0.3	36.2	11
CYUG207	481724	7799565	204	-40.5	67	38	24.5	25	0.5	584.4	292
CYUG317A	482060	7799661	138	-19.5	155	77	36.75	37.1	0.35	38.7	14
CYUG322	482057	7799661	138	0	199	71	46.3	47	0.7	23.1	16
CYUG323	482057	7799661	137	-19	199	86	65	66	1	34.7	35
CYUG350	482127	7799758	99	-51	3.5	253	186	187	1	6.9	7
CYUG351	482127	7799758	99	-35	4	218	39.9	40.2	0.3	25.0	8
CYUG355	482127	7799758	99	-30.5	345	220	149.7	150.3	0.6	15.6	9
CYUG356	482127	7799758	99	-39	13	231	166.1	167.4	1.3	38.4	50
CYUG513	482039	7799637	165	-8	218	119	51.2	51.5	0.3	90.2	27
CYUG622	482146	7799748	115	-31	18	246	64.1	64.4	0.3	48.5	15
CYUG624	482146	7799748	115	-45	15	240	176	176.7	0.7	22.3	16
CYUG624	482146	7799748	115	-45	15	240	219.7	220	0.3	34.5	10
CYUG625A	482146	7799748	115	-53	4	295	2.9	3.2	0.3	39.9	12

**Notes to accompany Table 1**

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

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**Table 2: Coyote Mine Mineral Resources as at 30 June 2012**

Zones	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Speedy Inlier				125,000	7.9	32,000	103,000	6.8	23,000	228,000	7.4	55,000
Muttley				4,000	49.1	6,000	16,000	31.7	16,000	20,000	35.2	22,000
Speedy Lower				75,000	7.0	17,000	87,000	5.5	15,000	162,000	6.2	32,000
Gonzales	17,000	15.4	8,000				33,000	9.0	10,000	50,000	11.2	18,000
South Zone Inlier							16,000	10.1	5,000	16,000	9.7	5,000
West Zone	5,000	52.5	9,000	22,000	20.6	15,000	15,000	20.6	10,000	42,000	25.2	34,000
South Zone	3,000	20.0	2,000							3,000	20.7	2,000
Bommie	4,000	10.0	1,000	94,000	12.2	37,000	55,000	11.7	21,000	153,000	12.0	59,000
<b>Total</b>	<b>29,000</b>	<b>21.4</b>	<b>20,000</b>	<b>320,000</b>	<b>10.4</b>	<b>107,000</b>	<b>325,000</b>	<b>9.5</b>	<b>100,000</b>	<b>674,000</b>	<b>10.4</b>	<b>227,000</b>

**Notes to accompany Table 2**

1. The Western Tanami 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. The Mineral Resource Estimate is reported at a 2.0g/t Au lower cut-off for Coyote and 1.0g/t for the remaining Resources.
3. The Mineral Resource Estimate is reported at a 2.0g/t Au lower cut-off for Coyote.
4. Tonnes are rounded to the nearest thousand and grade to 0.1g/t. Deposit ounces rounded to nearest thousand.