T A N A M I
G O L D N L

ABN 51 000 617 176

CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

CONTENTS

DIRECTORS' REPORT
For the half-year ended 31 December 2012

The Directors present their report together with the consolidated interim financial report of the consolidated entity, being the Company and its controlled entities, for the half-year ended 31 December 2012 and the auditor's independent review report thereon.

1. Directors

The Directors of the Company at any time during or since the end of the half-year are:

Name		***Period of Directorship***
Mr A.G. Dew	Non-Executive Chairman	Appointed 2 December 2011
Mr S.H. Lee	Non-Executive Director	Appointed 5 March 2008
Mr C.C. Procter	Non-Executive Director	Appointed 9 December 2011
Mr B. Montgomery	Non-Executive Director	Appointed 6 February 2013
Mr D.P. Waddell	Deputy Chairman/Executive Director	Appointed 21 July 1995, Resigned 15 November 2012
Mr A.A. Senior	Non-Executive Director	Appointed 31 July 2007, Resigned 15 November 2012

2. Results

The Consolidated Entity has generated a total comprehensive loss for the period ended 31 December 2012 of $17,399,067 (2011: Loss of $10,744,380).

3. Principal Activity

The principal activity of the consolidated entity during the course of the half-year was gold mining operations and mineral exploration.

4. Corporate

On 15 November 2012, Mr D.P. Waddell resigned as Deputy Chairman/Executive Director of the Company and Mr A.A. Senior resigned as a Non-Executive Director of the Company.

On 26 November 2012, Mr P.G. Cordin was appointed as Acting Chief Executive Officer of the Company whilst it continues its search for a permanent candidate for the position.

On 6 February 2013, Mr B. Montgomery was appointed as an Independent Non-Executive Director of the Company.

HK$80 Million Increase in Loan Facilities with AP Finance Limited

During the period ended 31 December 2012, the Company increased its loan facilities with AP Finance Limited by HK$80 million (approximately A$10 million) to HK$360.7 million (approximately A$44.7 million). At 31 December 2012, the Company had drawn down HK$344.7 million (approximately A$42.8 million) under its increased loan facilities with AP Finance Limited leaving HK$16 million (approximately A$2 million) in unused funds remaining.

Partial Sale of Investment in ABM Resources NL

In October 2012, the Company sold 70,103,203 of its shares in ABM Resources NL ('ABM') at an average price of 5.4 cents per share receiving approximately $3.8 million. At 31 December 2012, the Company retained 90 million shares in ABM Resources NL valued at 4.1 cents per share (for a value of approximately $3.7 million).

The additional loan funds received from AP Finance Limited combined with funds realised from the partial sale of the Company's shareholding in ABM were used to assist with funding:

- Exploration programs at the Coyote Gold Project and the Central Tanami Project ('CTP') which has increased both Mineral Resources and Ore Reserves;
- The continuation of a refurbishment program for components of the Coyote Gold Mine which includes mining equipment, support equipment and camp infrastructure;
- Ongoing work associated with completing the Definitive Feasibility Study ('DFS') for the development of the CTP; and
- Care and maintenance costs associated with the CTP.

5. Review of Activities

Overview

Tanami Gold NL's mining and exploration centres are situated in the Tanami Desert straddling the Western Australian and Northern Territory border. The Company's Coyote Gold Project, located in Western Australia, consists of a 350,000 tonnes per annum carbon-in-leach treatment plant and an underground mine.

In April 2010, the Company acquired the CTP from Newmont Mining Corporation. The CTP is located adjacent to the Tanami Road and approximately 90 kilometres east of the Coyote Gold Mine. The acquisition included 0.5 million ounces of JORC compliant Resources, a treatment facility which (subject to major refurbishment) is expected to be capable of treating 1.2 million tonnes per annum, key infrastructure and 2,300 square kilometres of mining and exploration tenements. Since the acquisition of the CTP, an intensive drilling campaign has been undertaken targeting extensions to known Resources which has resulted in the CTP JORC compliant Resource increasing to 2.6 million ounces, with the Groundrush part of that Resource now standing at 1.04 million ounces.

Mining on the CTP tenements commenced in the late 1980's and continued until 2004 with over two million ounces of gold produced from approximately forty three open pits. Apart from some limited deeper drilling beneath the historic open pits, the entire area remains relatively untested. Importantly, many of the Resources remain open down plunge and down dip.

As at 31 December 2012, the Company had a combined Mineral Resource at the Coyote Gold Project and the CTP of 3.1 million ounces.

Gold produced for the half-year ended 31 December 2012 totalled 20,646 ounces which was mostly sourced from the development and stoping at the Coyote Gold Mine and stockpiled ore from the previous Bald Hill mining operations.

Mining

Coyote Gold Mine and Exploration

For the half-year ended 31 December 2012, the Coyote mine produced approximately 67,087 tonnes of ore grading 7.5g/t for 16,104 ounces. The delineated Resource at West Zone is now generally exhausted and the development focus has shifted to the Muttley Lode at the eastern end of the mine. The Muttley Resource was increased during the reporting period following a targeted underground diamond drilling campaign. The current six month mine plan (which extends until the end of June 2013), should, if successful, see Muttley make a positive economic contribution to the Company. The development required to access Muttley will also provide additional key drilling positions for the Kavanagh Target Area exploration drill program.

In January 2012, a fresh geological approach was applied to the Coyote Deposit which was aimed at expanding the conceptual exploration model. The Company has been intensively drilling this new model at the Kavanagh Target Area, situated approximately 150 metres north and east of the main Coyote Mine, which has provided encouraging results to date. Three Company owned underground drilling rigs and a single contracted surface rig completed 14,270 metres of diamond drilling. The Kavanagh lodes remain open in multiple directions and the exploration effort continues.

The Kavanagh Target Area is interpreted to represent a folded repeat of the geological sequence that hosts the main Coyote Mine and is currently considered highly prospective by the Company's geologists with potential to host a repeat of the Coyote mineralised system.

The aim of the exploration effort is to define an expanded Resource base that will enable a robust two to three year mine plan to be developed. The exploration results to date are encouraging.

The exploration effort aimed at increasing the Coyote Gold Mine Resources, particularly at Kavanagh remains crucial if extensions to mine life are to be achieved beyond the current Muttley six month mine plan which only extends until the end of June 2013.

Regional Exploration

Exploration and Resource delineation drilling continued during the half-year ended 31 December 2012. A total of 69,482 metres of combined diamond core (DC), reverse circulation (RC) and aircore (AC) drilling was completed at both the Central Tanami and Western projects.

Exploration - Groundrush Deposit

The Resource infill and extensional drilling at Groundrush continued to successfully define zones of high grade mineralisation in multiple holes with a total of 38 holes for 14,582 metres drilled in the half-year ended December 2012. The priority infill drill program was completed and several exploration holes were drilled to test the extension of mineralisation to the south which was aimed at continuing the growth of the Resource.

Both the infill program and southern extension program achieved their objectives with the central mine area now defined to a level of confidence and with the southern drilling defining significant new mineralisation that remains open. In late December 2012 all drill activities at Groundrush were placed on hold due to both the onset of the wet season and the work on the DFS.

Exploration - Ripcord

The Ripcord Deposit is located 2.5 kilometres south east along strike of the Groundrush Deposit within ML22934. Drilling commenced in December 2011, with a total of 120 RC holes completed to date, all testing the 1,000 metres of mineralised strike.

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

In accordance with its accounting policies, the Company undertook a detailed review of its capitalised exploration expenditure at 31 December 2012 and determined that certain components of this expenditure should be written off. Whilst these areas remain prospective, no Resources have been delineated to date within these areas and the Company has higher priority targets for the application of its exploration budget. Capitalised exploration expenditure written off as at 31 December 2012 was approximately $10.5 million.

Central Tanami Project

During 2012 the Groundrush Resource of 1,040,000 ounces underwent a substantial upgrade with the Measured and Indicated Resource categories increased to 460,000 ounces of gold, up 60% from the 287,000 ounces announced in the September 2012 Quarter. The Measured and Indicated Mineral Resource forms the basis of the JORC compliant Mining Reserve being developed as the mining model, mine planning and scheduling evolves.

The Resource update undertaken by the independent external consultant Optiro Pty Ltd, also significantly increased the total Resource grade to 4.8g/t Au, up from 4.5g/t Au in September 2012. Importantly, the Measured and Indicated grade also increased to 4.8g/t Au, up from 4.3g/t Au.

The update delivered a number of key fundamentals for the CTP DFS:

- An independently verified Mineral Resource;
- A substantial increase in the Measured and Indicated Mineral Resource which will form the basis of a Mining Reserve; and
- A significant increase in the Mineral Resource grade.

The Groundrush Deposit remains open in multiple directions with the Company's geologists confident of being able to achieve further Resource growth with additional drilling.

6. Subsequent Events

(i) On 3 January 2013, the Company drew down the remaining HK$16 million (approximately A$2 million) available under its HK$360.7 million (approximately A$44.7 million) loan facility with AP Finance Limited. These funds were used to assist with funding the Bald Hill and Osprey ore haulage campaign, the exploration programs at the Coyote Gold Project and the CTP DFS.

(ii) On 23 January 2013, the Company reached agreement with AP Finance Limited for an increase in the Company's loan facilities of HK$50 million (approximately A$6.1 million) to HK$410.7 million (approximately A$51.35 million). On 24 January 2013, these additional funds were drawn down.

(iii) On 4 February 2013, the Company announced it had reached an agreement with Patersons Securities Limited to underwrite a renounceable pro-rata entitlements issue ('Issue') to raise $65.3 million before costs.

The Issue will be made to eligible shareholders at an issue price of 20 cents per share on the basis of 5 new shares for every 4 shares held.

Proceeds of the Issue will be used to:

- Repay approximately A$ 51.35 million of the Company's debt to AP Finance Limited, as stated in the Replacement Prospectus to the Issue;
- Pay the accrued interest and charges to AP Finance Limited (to 31 March 2013), as stated in the Replacement Prospectus to the Issue, of approximately A$1.41 million;
- Fund the completion of the DFS for the development of the CTP;
- Fund the costs of the Issue; and
- Provide additional working capital.

(iv) On 6 February 2013, the Company announced the appointment of Mr Brett Montgomery as an Independent Non-Executive Director.

(v) On 7 February 2013, the Company sold 11.6 million shares in ABM at 4.57 cents, receiving $531,017. The Company retains 78,392,301 shares in ABM, valued at approximately $3.1 million (as at 11 March 2013 at 4.0 cents per share).

(vi) On 18 February 2013, the Company reached an agreement with AP Finance Limited for a new loan facility of HK$52.2 million (approximately A$6.5 million). This new loan facility will be used to provide additional working capital to the completion of the Issue that is currently being completed.

(vii) During the period from 18 February 2013 to 8 March 2013, the Company progressively drew down the HK$52.2 million under its new unsecured loan facility with AP Finance Limited, receiving approximately A$6.5 million. These funds were (and will be) used to provide the Company with additional working capital pending the completion of the Issue. This loan facility is now fully drawn.

(viii) On 12 March 2013 the Company put in place limited recourse loans for 5 senior/long serving employees of the Company to assist them with taking up their entitlements under the Issue. These loans did not result in a cash outflow for the Company and the loans must be immediately repaid if the employee ceases employment with the Company for any reason.

7. Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The directors have received confirmation from the auditor of Tanami Gold NL that they are independent of the Company.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is included on the following page and forms part of the directors' report for the half year ended 31 December 2012.

8. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Directors:

Mr A.G. Dew
Chairman

Perth, Western Australia
14 March 2013

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 review for the half-year ended 31 December 2012 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Grant Robinson

Grant Robinson
Partner

Perth

14 March 2013

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 31 December 2012

	Note	31 Dec 2012 $'000	31 Dec 2011 $'000
Revenue from operating activities		34,015	31,398
Mine costs (including depreciation and amortisation)	7	(35,999)	(44,078)
Profit on sale of assets		1,140	-
Other income		266	1,148
Exploration and evaluation expenses written off	8	(10,479)	(43)
Corporate and other expenses		(3,265)	(1,892)
Results from operating activities		(14,322)	(13,467)
Financial income		106	5,578
Financial expenses		(3,770)	(2,345)
Foreign exchange gain/(loss)		397	(1,547)
Net financing (expense)/income		(3,267)	1,686
Share of loss of equity accounted investees (net of income tax)		-	(331)
Gain on dilution of shareholding in equity accounted investees (net of income tax)		-	1,381
Loss before tax		(17,589)	(10,731)
Income tax expense		-	-
Loss for the period		(17,589)	(10,731)
Other comprehensive loss			
Other comprehensive loss - share of other comprehensive income of equity accounted investees		-	(13)
Other comprehensive income - net change in fair value of available for sale financial assets		189	-
Total comprehensive loss for the period		(17,399)	(10,744)
Earning per share			
Basic loss per share		(0.067)	(0.041)
Diluted loss per share		(0.067)	(0.041)

The condensed consolidated interim statement of comprehensive income is to be read in conjunction with the condensed notes to the consolidated interim financial report.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
For the half-year ended 31 December 2012

Assets	Note	31 Dec 2012 $'000	30 Jun 2012 $'000
Current Assets			
Cash and cash equivalents		578	2,815
Trade and other receivables		2,520	1,814
Available for sale financial assets	11	3,690	6,084
Inventories	9	7,255	8,713
Total Current Assets		14,043	19,426
Non-Current Assets			
Other receivables		5,410	5,396
Property, plant and equipment	10	32,633	30,275
Exploration and evaluation	8	74,598	72,318
Total Non-Current Assets		112,641	107,989
Total Assets		126,684	127,415
Liabilities			
Current Liabilities			
Interest bearing liabilities	12	625	599
Trade and other payables		13,065	12,987
Provisions		1,720	1,408
Deferred tax liability		81	-
Total Current Liabilities		15,491	14,994
Non-Current Liabilities			
Interest bearing liabilities	12	43,571	28,421
Provisions		5,467	5,192
Total Non-Current Liabilities		49,038	33,613
Total Liabilities		64,529	48,607
Net Assets		**62,155**	**78,808**
Equity			
Issued capital	13	244,189	244,189
Accumulated losses		(184,129)	(166,540)
Reserves		2,095	1,159
Total Equity Attributable to Equity Holders of the Company		**62,155**	**78,808**

The condensed consolidated interim statement of financial position is to be read in conjunction with the condensed notes to the consolidated interim financial report.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2012

	Issued Capital $'000	Accumulated Losses $'000	Share Based Payment Reserve $'000	Available For Sale Fair Value Reserve $'000	Total Equity $'000
Balance at 1 July 2011	244,794	(162,214)	477	-	83,057
Total comprehensive income for the period					
Loss for the period	-	(10,731)	-	-	(10,731)
Other comprehensive loss	-	(13)	-	-	(13)
Total comprehensive loss for the period	-	(10,744)	-	-	(10,744)
Transactions with owners, recorded direct to equity					
Amount expensed for options issued	-	-	130	-	130
Total contributions by the distributions to owners	-	-	130	-	130
Total transaction with owners	-	-	130	-	130
Balance at 31 December 2011	244,794	(172,958)	607	-	72,443
Balance at 1 July 2012	244,189	(166,540)	1,159	-	78,808
Total comprehensive income for the period					-
Loss for the period	-	(17,589)	-		(17,589)
Other comprehensive income	-	-	-	189	189
Total comprehensive loss for the period	-	(17,589)	-	189	(17,400)
Transactions with owners, recorded direct to equity					
Amount expensed for options issued	-	-	747		747
Total contributions by the distributions to owners	-	-	747	-	747
Total transaction with owners	-	-	747	-	747
Balance at 31 December 2012	244,189	(184,129)	1,906	189	62,155

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the condensed notes to the consolidated interim financial report.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2012

	For the half year ended 31 Dec 2012	For the half year ended 31 Dec 2011
	$'000	**$'000**
Cash flows from operating activities		
Cash receipts from customers	34,281	31,855
Cash payments in the course of operations	(28,337)	(27,853)
Cash payments for withholding tax	(101)	(82)
Interest received	101	194
Interest paid	(965)	(980)
Net cash provided by operating activities	4,979	3,134
Cash flows from investing activities		
Payments for property, plant and equipment	(1,984)	(2,081)
Proceeds from sale of financial assets	3,804	-
Proceeds from exploration security deposit refunds	-	118
Payments for exploration security deposits	(14)	-
Payments for exploration and evaluation	(13,109)	(10,727)
Payments for development expenditure	(11,370)	(9,869)
Net cash used in investing activities	(22,673)	(22,559)
Cash flows from financing activities		
Net proceeds from borrowings	15,836	18,042
Repayment of borrowings	-	(1,786)
Repayment of finance lease liabilities	(377)	(85)
Net cash provided from financing activities	15,459	16,171
Net decrease in cash and cash equivalents held	(2,237)	(3,254)
Cash and cash equivalents at beginning of the period	2,815	6,749
Cash and cash equivalents at the end of the period	578	3,495

The condensed consolidated interim statement of cash flows is to be read in conjunction with the condensed notes to the consolidated interim financial report.

1. Reporting Entity

Tanami Gold NL (the "Company") is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity") and the Consolidated Entity's interests in associates and jointly controlled entities. The Consolidated Entity primarily is involved in gold mining operations and mineral exploration.

The consolidated annual financial statements of the Consolidated Entity as at and for the year ended 30 June 2012 are available upon request from the Company's registered office at Level 2, 56 Ord Street, West Perth, WA 6005 or at www.tanami.com.au.

2. Statement of Compliance

These condensed consolidated interim financial statements are a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Consolidated Entity as at and for the year ended 30 June 2012.

These condensed consolidated interim financial statements were approved by the Board of Directors on 14 March 2013.

3. Going Concern Basis of Preparation

The going concern basis of preparation has been adopted which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Consolidated Entity has generated a total comprehensive loss for the period ended 31 December 2012 of $17,399,067 (2011: Loss of $10,744,380). At 31 December 2012, it had a net working capital deficiency of $1,447,573 (30 June 2012: Surplus of $4,432,046).

The Company's Coyote Gold Mine at the Coyote Gold Project is a high cost producer with limited mine life. Current mine development is on the Muttley Lodes and continuation of the operation is dependent on the successful mining of these lodes. The continued success of diamond drilling at the Kavanagh Target Area is critical to extending the operations at the Coyote Gold Mine. A detailed review of the Coyote Gold Mine will be undertaken in April 2013.

The Company is currently undertaking a fully underwritten renounceable entitlements issue ('Issue') on the basis of 5 new shares for every 4 shares held to eligible shareholders at 20 cents per share to raise approximately $65.3 million before costs. The underwriting agreement is subject to customary termination events including decreases in the ASX 200 Index, ASX 300 Metals and Mining Index and decreases in the spot gold price between the date of the underwriting agreement and the completion of the Issue. As at the date of the Report, the Directors have no reason to believe the termination events will be triggered.

As indicated in the Replacement Prospectus (lodged with the Australian Securities and Investments Commission ('ASIC') on 13 February 2013), the Issue will allow the Company to:

- Repay the Company's debt to AP Finance Limited to the level stated in the Replacement Prospectus to the Issue of approximately A$ 51.35 million;
- Pay the accrued interest and charges to AP Finance Limited (to 31 March 2013) as stated in the Replacement Prospectus to the Issue of approximately A$1.41 million;
- Fund the completion of the DFS at the CTP;
- Fund the expenses of the Issue; and
- Provide approximately $7.12 million additional working capital.

3. Going Concern Basis of Preparation (Cont'd)

On 18 February 2013, the Company entered into a new unsecured loan agreement 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) for HK$ 52.2 million (approximately A$6.5 million) to provide the Company with additional working capital through to completion of the Issue. As at the date of this Report, the Company had fully drawn down against this facility, receiving approximately A$ 6.5 million. The Company's debt with AP Finance Limited has a repayment date of 30 June 2014.

Subject to the successful completion of the CTP DFS referred to above, the Directors will progress the various funding options being considered (including debt and/or equity) to fund the development of the CTP.

The Company also has received a Letter of Support from AP Finance Limited stating that AP Finance Limited will continue to provide financial support to the Company as they have done in the past subject to:

- The execution of loan agreement/s on terms and conditions to be agreed between AP Finance Limited and the Company; and

- Repayment of the Company's debt (and accrued interest and charges) as at the date that the Replacement Prospectus for the Issue was lodged with ASIC.

In the event that the Coyote Gold Project fails to achieve anticipated production and cash flow outcomes, the Company may be required to reduce discretionary expenditure on all non-essential areas and/or source additional funds from debt or equity markets or from the sale of 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.

The ability of the Company to continue as a going concern is dependent upon the successful completion of the Issue. For this reason, together with the other matters noted above including the ongoing support from the Company's major 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.

4. Significant Accounting Polices

The accounting policies applied by the Consolidated Entity in these condensed consolidated interim financial statements are the same as those applied by the Consolidated Entity in its consolidated financial statements as at and for the year ended 30 June 2012.

5. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and 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.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Consolidated Entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2012.

6. Dividends

There were no dividends paid or provided for during the half year and up to the date of this report.

7. Mine Costs	31 Dec 2012 $'000	31 Dec 2011 $'000
Included in mine costs for the period are the following:	35,999	44,078
Mine costs		
Mining	16,420	20,781
Processing	5,899	6,354
Site administration	2,840	3,394
Depreciation and amortisation	10,840	13,549
	35,999	44,078

8. Exploration and Evaluation	31 Dec 2012 $'000	30 Jun 2012 $'000
Exploration and evaluation costs carried forward in respect of areas of interest	74,598	72,318
Reconciliation of movement during the period		
Carrying amount at beginning of period	72,318	49,483
Expenditure during period	16,363	22,904
Transfers to mine development	(3,604)	-
Expenditure written off	(10,479)	(69)
	74,598	72,318

The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas.

In accordance with its accounting policies, the Company undertook a detailed review of its capitalised exploration expenditure at 31 December 2012 and determined that certain components of this expenditure should be written off. Whist these areas remain prospective, no Resources have been delineated to date within these areas and the Company has higher priority targets for the application of its exploration budget.

9. Inventories	31 Dec 2012 $'000	30 Jun 2012 $'000
Inventories		
Stockpiles	839	2,095
Raw materials and stores	4,198	3,867
Gold in circuit	1,314	1,861
Bullion	904	890
	7,255	8,713

Inventories are stated at the lower of cost or net realisable value. Of the $839,290 shown as stockpile, $196,873 is carried at cost (2012: $1,511,894) and $642,417 is carried at net realisable value (2012: $583,157).

	31 Dec 2012 $'000	30 Jun 2012 $'000
10. Property, Plant and Equipment		
Property, Plant & Equipment		
Property, plant & equipment (at cost net of depreciation and amortisation)	32,633	30,275
Reconciliation		
Carrying amount at beginning of financial year	30,275	32,522
Additions (i)	13,283	20,134
Disposals	(85)	(464)
Accumulated depreciation on disposals	-	459
Depreciation	(2,139)	(3,520)
Depreciation capitalised in exploration and evaluation asset	(358)	(658)
Amortisation	(8,343)	(18,198)
Carrying amount at end of financial year	32,633	30,275
(i) Additions for the half-year ended 31 December 2012 consist of:		
Plant and equipment	2,684	6,074
Motor vehicles	221	68
Mine development	11,456	14,154
Rehabilitation asset	151	704
Movement in capital works in progress	(1,229)	(866)
	13,283	20,134

11. Available for sale financial assets

Available for sale financial assets:		
Quoted equity shares	3,690	6,084

At 31 December 2012, the Company had a remaining investment of 90 million listed equity shares in ABM Resources NL valued at 4.1 cents per share. Available for sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, available for sale financial assets are measured at fair value and changes therein, other than impairment losses are recognised in other comprehensive income and presented in the available for sale fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss.

12. Interest Bearing Liabilities	31 Dec 2012 $'000	30 Jun 2012 $'000
(a) *Finance Lease Liabilities*		
Current: Finance Lease Liabilities	625	599
Non-Current: Finance Lease Liabilities	522	869
	1,147	1,468

(b) *Loans*

	Effective Interest Rate	Maturity	31 Dec 2012 $'000	30 Jun 2012 $'000
HKD 344.7 million	6%	30-Jun-14	43,049	27,552
Balance as at 31 December 2012			43,049	27,552

At 31 December 2012, the Company had drawn down HK$344.7 million (approximately A$42.8 million) of its HK$360.7 million (approximately A$44.7 million) 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.

Refer to note 15 for drawdowns under the HK$360.7 million loan agreement that have occurred subsequent to 31 December 2012.

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.

13. Issued Capital	31 Dec 2012 $'000	30 Jun 2012 $'000
Share Capital		
261,132,677 (2011: 261,132,677) ordinary shares, fully paid	244,189	244,189
	244,189	244,189

During the half-year ended 31 December 2012 116,668 options expired.

14. Segment Information

The consolidated entity operates in the gold exploration and gold mining industry in the Tanami region of central Australia.

14. Segment Information (Cont'd)

Information about reportable segments

In thousands AUD	Gold Production		Exploration		Total	
	31 Dec 2012 $'000	31 Dec 2011 $'000	31 Dec 2012 $'000	31 Dec 2011 $'000	31 Dec 2012 $'000	31 Dec 2011 $'000
Revenues	34,015	31,398	-	-	34,015	31,398
Interest income	69	77	34	68	103	145
Interest expense	(58)	(20)	-	-	(58)	(20)
Depreciation and amortisation	(10,483)	(13,031)	(358)	(330)	(10,841)	(13,361)
Reportable segment loss before income tax	(1,778)	(12,293)	(10,445)	(286)	(12,223)	(12,579)
Reportable segment assets	39,971	38,716	81,718	66,092	121,689	104,808
Reportable segment liabilities	16,331	19,382	5,121	3,900	21,452	23,282
Capital expenditure	(13,167)	(8,125)	(116)	(44)	(13,283)	(8,169)

	Consolidated	
	31 Dec 2012 $'000	31 Dec 2011 $'000
Reconciliation of reportable segment revenues, profit or loss, assets and liabilities		
Revenue and other income		
Total revenue and other income for reportable segments	34,015	31,398
Consolidated revenue and other income	34,015	31,398
Profit or loss		
Total loss for reportable segments	(12,223)	(12,579)
Profit on sale of assets	1,140	-
Other profit	228	5,378
Unallocated amounts: other corporate expenses	(6,734)	(4,580)
Share of loss of equity accounted investees	-	(331)
Gain on dilution of shareholding in equity accounted investees	-	1,381
Consolidated loss before income tax	(17,589)	(10,731)
Assets		
Total assets for reportable segments	121,689	104,808
Investments in equity accounted investees	-	11,076
Other unallocated amounts	4,995	22,559
Consolidated total assets	126,684	138,443
Liabilities		
Total liabilities for reportable segments	21,452	23,282
Other unallocated amounts	43,077	42,719
Consolidated total liabilities	64,529	66,001

Major Customer

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

15. Subsequent Events

(i) On 3 January 2013, the Company drew down the remaining HK$16 million (approximately A$2 million) available under the existing HK$360.7 million (approximately A$44.7 million) loan with AP Finance Limited. These funds were used to assist with funding the Bald Hill and Osprey ore haulage campaign, the exploration programs at the Coyote Gold Project and the CTP DFS.

(ii) On 23 January 2013, the Company reached an agreement with AP Finance Limited for an increase in the Company's loan facilities of HK$50 million (approximately A$6.1 million) to HK$410.7 million (approximately A$51.35 million). On 24 January 2013, these additional funds were drawn down.

(iii) On 4 February 2013, the Company announced it had reached an agreement with Patersons Securities Limited to underwrite a renounceable pro-rata entitlements issue ('Issue') to raise $65.3 million before costs.

The Issue will be made to eligible shareholders at an issue price of 20 cents per share on the basis of 5 new shares for every 4 shares held.

Proceeds of the Issue will be used to:

- Repay the Company's debt to AP Finance Limited to the level stated in the Replacement Prospectus to the Issue of approximately A$ 51.35 million;
- Repay accrued interest and charges to AP Finance Limited (to 31 March 2013) as stated in the Replacement Prospectus to the Issue of approximately A$1.41 million;
- Fund the completion of the DFS for the development of the CTP;
- Fund the costs of the Issue; and
- Provide additional working capital.

(iv) On 6 February 2013, the Company announced the appointment of Mr Brett Montgomery as an Independent Non-Executive Director.

(v) On 7 February 2013, the Company sold 11.6 million shares in ABM at 4.57 cents, receiving $531,017. The Company retains 78,392,301 shares in ABM, valued at approximately $3.1 million (as at 11 March 2013 at 4.0 cents per share).

(vi) On 18 February 2013, the Company reached an agreement with AP Finance Limited for a new loan facility of HK$52.2 million (approximately A$6.5 million). This new loan facility will be used to provide additional working capital to the completion of the Issue that is currently being completed.

(vii) During the period from 18 February 2013 to 8 March 2013, the Company progressively drew down the HK$52.2 million under its new unsecured loan facility with AP Finance Limited, receiving approximately A$6.5 million. These funds were (and will be) used to provide the Company with additional working capital to the completion of the Issue. This loan facility is now fully drawn.

(viii) On 12 March 2013 the Company put in place limited recourse loans for 5 senior/long serving employees of the Company to assist them with taking up their entitlements under the Issue. These loans did not result in a cash outflow for the Company and the loans must be immediately repaid if the employee ceases employment with the Company for any reason.

DIRECTORS' DECLARATION
For the half-year ended 31 December 2012

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

1. In the opinion of the Directors:

   a) The financial statements and notes of Tanami Gold NL for the half-year ended 31 December 2012 are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of its financial position as at 31 December 2012 and performance;

      (ii) complying with Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

   b) As set out in Note 3, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board

Mr A.G. Dew
Chairman

Perth, Western Australia
14 March 2013

KPMG

Independent auditor's review report to the members of Tanami Gold NL

Report on the financial report

We have reviewed the accompanying interim financial report of Tanami Gold NL, which comprises the condensed consolidated interim statement of financial position as at 31 December 2012, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the interim period ended on that date, notes 1 to 15 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 half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim 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 interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.* As auditor of Tanami Gold NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Tanami Gold NL is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Grant Robinson
Partner

Perth

14 March 2013