# quarterly report

FOR THE PERIOD ENDING
31 MARCH 2014

COMPANY ENQUIRIES
Pauline Collinson
COMPANY SECRETARY

TANAMI GOLD NL
ABN 51 000 617 176
T: +61 8 9212 5999
F: +61 8 9212 5900

L2, 56 Ord Street, West Perth
Western Australia 6005
PO Box 1892, West Perth
Western Australia 6872

## COYOTE EXPLORATION

Drilling on the Kavanagh Lodes at the Coyote Mine was completed on the 3rd of March 2014 with 3 holes for a total of 2,238 metres completed during the quarter, this brings the total drilling for The Kavanagh Drilling program to 8,044 metres of UG Diamond Drilling and 4,365m metres of Surface Diamond Drilling since October 2013. Significant rainfall in the Tanami area led to the closure of the Tanami Track for large periods of February and March, these closures resulted in core samples from the drilling program remaining onsite for several weeks leading to delays in results from the laboratories and subsequently delaying the completion of the Resource update until late April.

All results have now been received and The Kavanagh Resource has been updated with the new Resource consisting of **76,800** tonnes at **29.5 g/t** Au for a total of **72,300** ounces with **11,200** ounces being upgraded to an Indicated category. The new Resource estimate represents a substantial decrease in total ounces within the Kavanagh lodes while increasing the Resource grade when comparing it to the March 2013 Resource Estimate (Refer to Table 1 & 2).

The reduction in the Kavanagh Resource has been triggered by the following changes in the interpretation:

- Detailed geological modelling identified inconsistencies in the previous geological model, the re-interpretation of the mineralised lodes has resulted in the previously continuous lodes being separated into several less continuous higher grade lodes. This re-interpretation has led to a reduction in the average thickness from 0.9m to 0.7m wide.

- Infill drilling into the Western high grade section of the March 2013 Resource returned narrower mineralisation that previously defined and has locally downgraded this section of the March Resource. (Refer to Figure 1).

In addition to the above changes underground drilling was overall unsuccessful in extending the Resource on the Southern Limb with the mineralisation intersected not being of economic grade to be incorporated in the Resource.

The Surface Drilling Program targeting the Northern Limb was successful with several holes confirming the presence of high grade gold mineralisation (listed below). In addition CYDD0216 (3.6m @ 5.6g/t) confirmed mineralisation at depth that correlates well with a previously announce intersection identified in CYDD0208 (2m @ 81.6g/t). Both the Northern Limb and the deeper mineralization remain open.

The following significant results from the Kavanagh Drilling Program were received during the quarter

- **CYDD0216** with 3.6m @ **5.6g/t Au** from 528m
- **CYDD0217** with 1.0m @ **17.2 g/t Au** from 410.0m
- **CYDD0219** with 0.3m @ **25.1 g/t Au** from 407.7m
- **CYDD0219** with 2.0m @ **22.1g/t Au** from 418.0m
- **CYDD0219** with 0.7m @ **37.9 g/t Au** from 437.4m
- **CYDD0219** with 1.0m @ **311g/t Au** from 445.0m

With the completion of the Kavanagh Drilling Program and subsequent Resource update the Coyote Mine remains on a Care and Maintenance basis while further evaluation of the Kavanagh Resource is carried out. This reduced state involves maintaining access to the Underground Mine and relevant dewatering requirements with a skeleton crew remaining onsite.

**Figure 1: Coyote Long Section (Looking North)**

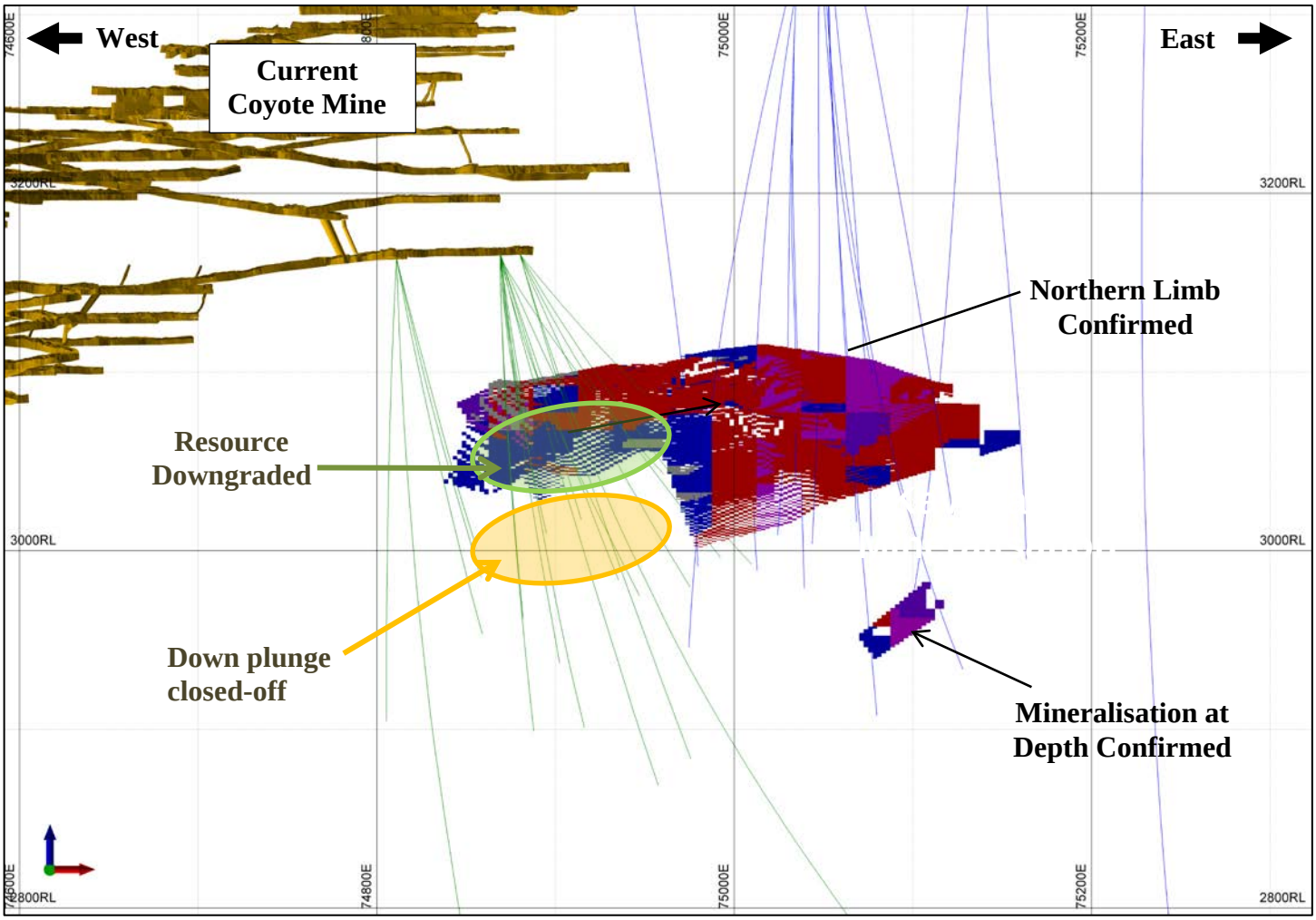



**Table 1: Kavanagh Resource Statement April 2014**

| Classification | Tonnes | Grade (g/t Au) | Ounces |
|---|---|---|---|
| Indicated | 8,300 | 41.8 | 11,200 |
| Inferred | 68,500 | 27.7 | 61,100 |
| Total | 76,800 | 29.5 | 72,300 |

**Notes to accompany Table 1**

1. Tonnes and ounces of gold are rounded to significant figures and grade is rounded to the nearest 0.1g/t Au. Rounding may affect tallies.
2. Resources reported above 5g/t Au block model grade.
3. A top-cut of 100 gram per metre was applied during the modelling process.
4. Grade was estimated using the Inverse Distance Squared (ID2) technique.

**Table 2: Kavanagh Resource Statement March 2013**

| Classification | Tonnes | Grade (g/t Au) | Ounces |
|---|---|---|---|
| **Inferred** | **122,000** | **25.2** | **100,000** |

**Notes to accompany Table 1**

1. Tonnes and ounces of gold are rounded to significant figures and grade is rounded to the nearest 0.1g/t Au. Rounding may affect tallies.
2. Resources reported above 2.5g/t Au block model grade.
3. A top-cut of 150 gram per metre was applied during the modelling process.
4. Grade was estimated using the Inverse Distance Squared (ID2) technique.

## CARE AND MAINTENANCE

During the quarter the Company continued with the review of Care and Maintenance costs at both its Central Tanami and Coyote Operations. Upgrades to the existing dewatering system at the Coyote Mine site along with other cost saving initiatives have reduced the forecasted cost from the $400,000-450,000 per monthly announced in July last year to approximately $200,000 per month. Further cost reductions are expected to be achieved in the coming months.

## REGIONAL EXPLORATION

Due to the onset of the wet season in the Tanami, Regional Exploration during the quarter was limited to a few small scale surface programs within tenements that were close to existing infrastructure & roads. (Refer to Figure 3 and Figure 4)

One surface exploration program was completed on Western Tanami Project tenement E80/1737 and a programs were started on Central Tanami Project tenements EL28474 and ML22934 (refer Figures 3-5). Extremely high rainfall during the quarter hampered efforts to complete other programs. A reconnaissance surface program was completed in the east of tenement E80/173 with sampling at 400m by 100m over an unexplored area on the east-southeast strike projection of a significant arsenic anomaly at Penfold Prospect, assaying results have not been received.

With the wet season coming to an end in late March a surface sampling program is underway approximately 3km south of Groundrush covering parts of EL28474 and ML22934. Sampling is being carried out in a 400m by 100m pattern over the following targets:

- A magnetically depleted dolerite of similar signature and orientation to the dolerite host to mineralisation at Ripcord and Groundrush. This is adjacent to granite margin and thus closer to the potential mineralising fluid source and/or heat source driving mineralisation.
- Highly magnetic stratigraphy in an anticlinal dome, interpreted to be either basalts of the Mount Charles Formation or iron oxide rich units of the upper Dead Bullock Formation. These are both highly prospective in the Tanami region.
- A low level gold anomaly in historic surface sampling.

Results are not yet available.

Tanami Gold successfully secured Co-funding from the DMP to complete a 1,200 metre deep exploration diamond hole beneath the Coyote Mine, this hole was completed in March 2014. The aim of this deep hole is to confirm the Coyote's deposits position in the Regional Geological setting. Preliminary logging is now completed, further interpretation will be carried out once geochemical assay have been received. The results of this hole have no impact on the Kavanagh Resource.

**Figure 3: Western Tanami Exploration Tenement - Active work areas**

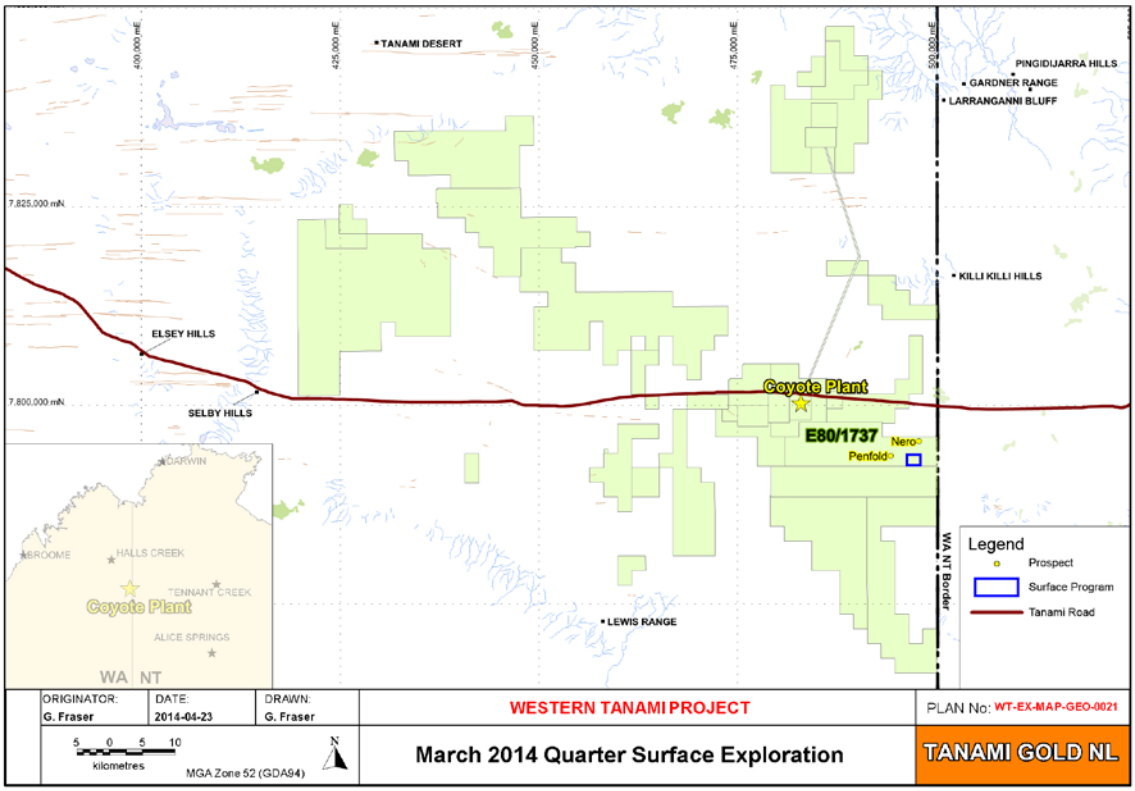
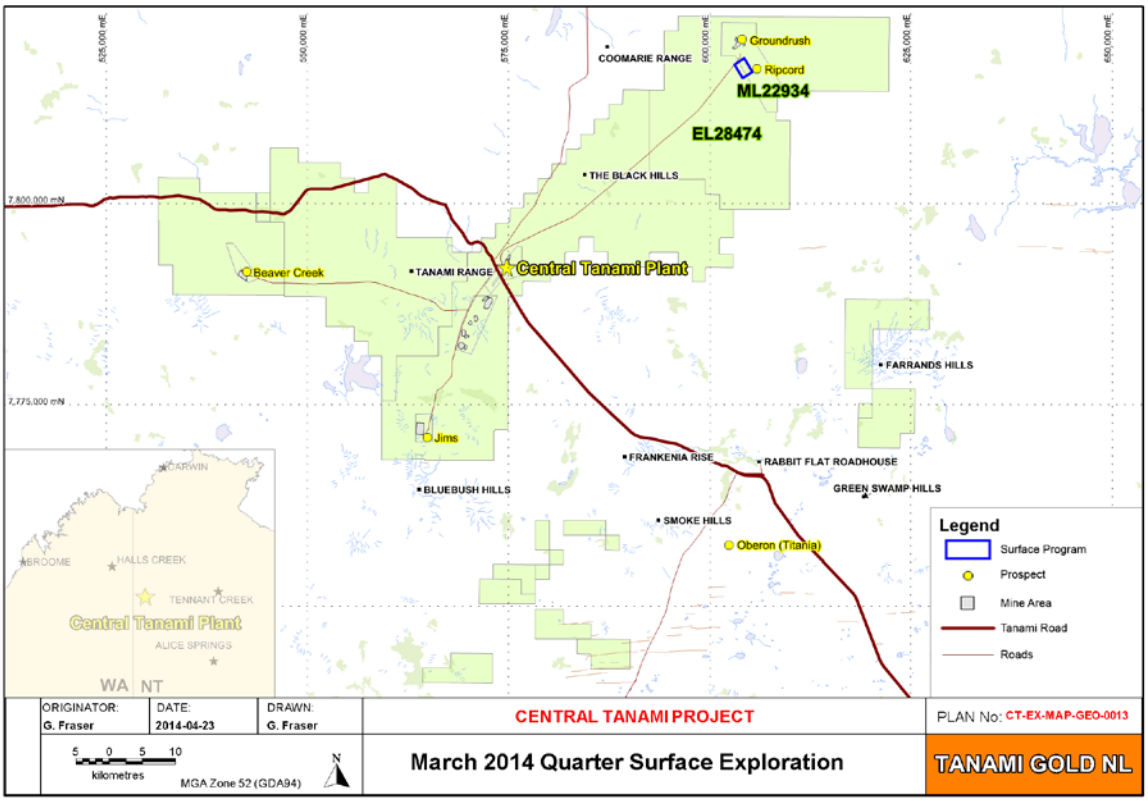



**Figure 4: Central Tanami Exploration Tenement - Active work areas**



During the quarter the Company initiated a review of its Regional Exploration approach with an aim of extracting significantly more value from existing exploration data. The aim of this review is to ensure that going forward exploration is conducted in a systematic and professional manner, utilising past exploration to improve future targeting.

Currently this review is focused on evaluating, compiling and validating the Surface Geochemistry sampling datasets with the following key objective;

- Gain a greater understanding of the surface signature of existing deposits, leading to more accurate exploring
- Identification of any untested anomalies, to be included in future exploration programs
- Identify areas where historic data has not adequately tested a target ( analysis not carried with adequate detection limits)

Significant progress has been made to date with the identification of sample data within the historic archives that was not within the current database. The review is ongoing and when completed the same process will be carried out on historical regional drilling data. The outcome of these reviews will be critical in directing future exploration for the company.

## CORPORATE

**Cash and Cash Equivalents**

As at 31 March 2014, the Company had cash of $1,565,632.

**Entitlement Issue**

On 2 January 2014, the Company issued the remaining 249,475,338 new shares to Underwriters and Sub-Underwriters as part of the Company's fully underwritten pro-rata renounceable Entitlements Issue ("Issue") receiving approximately $4.99 million before costs (total funds raised from the Issue was $11.75 million before costs).

**Loan Facility with Sun Hung Kai International Bank [Brunei] Limited ("SHKIBBL")**

Following the Issue, the Company made a voluntary prepayment of A$10 million towards its A$15 million unsecured loan facility ("Loan Facility") with SHKIBBL. Pursuant to the Company's loan agreement any amount that has been prepaid may be redrawn in accordance with the terms of the loan agreement.

On 4 March 2014, the Company made an A$2 million drawdown from the A$10 million available for redraw from its Loan Facility.

At 31 March 2014, the Company had drawn down a total of A$7 million from its Loan Facility leaving A$8 million in unused funds remaining.

**Strategic Direction**

Following the completion of the Kavanagh Drilling Programme the Board is considering its options, which includes an assessment of its options at Central Tanami. In the meantime, the Board continues to focus on reducing its care and maintenance fixed costs and overheads.

**Other Corporate Matters**

The Company is in continuing discussions with various third parties regarding possible corporate proposals and funding options.

The Board's primary concern is to restore and grow shareholder value.

**Gerard McMahon**
**Chairman**

**Table 3: Kavanagh Significant Intercepts**

| Hole ID | Collar Easting | Collar Northing | Collar RL | Collar Dip | Collar Azimuth | Max Depth | Metres From | Metres To | Interval Width | Grade | Gram Metre |
|---|---|---|---|---|---|---|---|---|---|---|---|
| CYUG1044 | 74880 | 50105 | 3166 | -33 | 20 | 357.35 | 211.6 | 212 | 0.4 | 2.19 | 0.9 |
| | | | | | | | 237 | 237.4 | 0.4 | 24.8 | 9.9 |
| | | | | | | | 244 | 245 | 1 | 4.88 | 4.9 |
| | | | | | | | 249 | 250 | 1 | 3.69 | 3.7 |
| | | | | | | | 254.2 | 254.6 | 0.38 | 2.19 | 0.8 |
| | | | | | | | 255.5 | 256 | 0.5 | 3.7 | 1.9 |
| | | | | | | | 261 | 262 | 1 | 2.52 | 2.5 |
| | | | | | | | 338.9 | 339.3 | 0.4 | 2.59 | 1.0 |
| CYUG1045 | 74869 | 50105 | 3166 | -44 | 13.1 | 450.2 | 270 | 270.4 | 0.4 | 7.4 | 3.0 |
| | | | | | | | 304.4 | 304.7 | 0.3 | 2.07 | 0.6 |
| | | | | | | | 403 | 404 | 1 | 2.42 | 2.4 |
| CYUG1046 | 74880 | 50105 | 3166 | -51 | 18 | 710.85 | 456 | 456.3 | 0.3 | 2.13 | 0.6 |
| | | | | | | | 471.9 | 472.2 | 0.3 | 2.34 | 0.7 |
| | | | | | | | 558 | 559 | 1 | 2.52 | 2.5 |
| | | | | | | | 653 | 654 | 1 | 4.73 | 4.7 |
| CYUG1047 | 74869 | 50105 | 3166 | -32 | 11 | 280.2 | 180.5 | 182 | 1.5 | 7.4 | 11.1 |
| | | | | | | | 200.53 | 201 | 0.47 | 22.4 | 10.5 |
| | | | | | | | 210.8 | 211.2 | 0.39 | 21.1 | 8.2 |
| CYUG1048 | 74869 | 50105 | 3166 | -27.5 | 12.5 | 227.92 | 199.9 | 204.2 | 4.3 | 5.6 | 24.0 |
| | | | | | | | 225.5 | 226 | 0.5 | 3.82 | 1.9 |
| CYDD208 | 75049 | 50054 | 3393 | -58 | 001 | 567.8 | 517 | 519 | 2.0 | 81.6 | 163.7 |
| CYDD0216 | 75049 | 50569 | 3413 | -66 | 173 | 582.4 | 478 | 479.0 | 0.95 | 2.3 | 2.2 |
| | | | | | | | 504 | 504.5 | 0.5 | 2.2 | 1.1 |
| | | | | | | | 512.8 | 513.2 | 0.36 | 3.35 | 1.2 |
| | | | | | | | 526.6 | 530.1 | 3.6 | 5.6 | 20 |
| CYDD0217 | 75049 | 50568 | 3413 | -54 | 169.5 | 501 | 410 | 411 | 1 | 17.2 | 17.2 |
| CYDD0217 | 75049 | 50568 | 3413 | -54 | 169.5 | 501.1 | 418 | 418.3 | 0.3 | 4.69 | 1.4 |
| | | | | | | | 436 | 438 | 2 | 8.4 | 16.8 |
| | | | | | | | 450 | 454 | 4 | 2.93 | 11.7 |
| CYDD0219 | 75049 | 50569 | 3413 | -52 | 171.5 | 501.2 | 407.7 | 408 | 0.3 | 25.1 | 7.5 |
| | | | | | | | 418 | 420 | 2.0 | 22.1 | 44.2 |
| | | | | | | | 421.8 | 422.7 | 0.9 | 8.0 | 7.2 |
| | | | | | | | 433.5 | 434 | 0.5 | 3.06 | 1.5 |
| | | | | | | | 437.4 | 438.1 | 0.7 | 37.9 | 26.5 |
| | | | | | | | 445 | 446 | 1.0 | 311 | 311 |
| CYDD0220 | 75230 | 50100 | 3392 | -62 | 355.5 | 1200 | 749.9 | 750.3 | 0.4 | 77.2 | 30.9 |

**Notes to accompany Table 2**

1. Collar Northing, Easting and Azimuth are all in Local Grid coordinates. Collar RL is relative to AHD. Collar coordinates may vary upon final survey.
2. Standard analyses is by 50g fire assay with AAS finish or screen fired 1kg assay with AAS finish where grades are above 5g/t Au.
3. Samples are of half diamond NQ2 core samples.
4. No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
5. Intervals are all down hole length.
6. Cut-off of for reporting as significant results is greater than 2g/t
7. Shaded intervals have been previously reported

## Mineral Resources

### Table 4: Tanami Gold NL Mineral Resources as at 30 April 2014

| Project | Resource Category | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Measured | | | Indicated | | | Inferred | | | Total | | |
| | Tonnes | Grade g/t Au | Ounces | Tonnes | Grade g/t Au | Ounces | Tonnes | Grade g/t Au | Ounces | Tonnes | Grade g/t Au | Ounces |
| WTP | 482 | 2.8 | 44 | 1,079 | 6.0 | 208 | 1,446 | 5.8 | 271 | 2,931 | 5.6 | 523 |
| CTP | 6,730 | 3 | 648 | 9,491 | 3 | 954 | 9,279 | 3 | 1,022 | 25,500 | 3 | 2,625 |
| Sub Total | 7,212 | 3.0 | 692 | 10,570 | 3.4 | 1,162 | 10,725 | 3.7 | 1,293 | 28,431 | 3.4 | 3,148 |
| CTP Stockpile | 1,700 | 0.9 | 48 | | | | | | | 1,700 | 0.9 | 48 |
| Total | **8,912** | **2.6** | **740** | **10,570** | **3.4** | **1,162** | **10,725** | **3.7** | **1,293** | **30,131** | **3.3** | **3,196** |

**Notes to accompany Table 4**

1. WTP is Western Tanami Prospect and CTP is Central Tanami Project.
2. Resource estimations completed using MineMap, Vulcan, Surpac, Datamine and Micromine software packages comprising a combination of ellipsoidal inverse distance and ordinary kriging grade interpolation methods.
3. Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
4. Resources reported above relevant cut-offs based on economic extractions, varying between 0.7g/t Au and 5.0g/t Au 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 Au. 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, Mr Mark Drabble (MAusIMM) – Principal Consultant Geologist, Optiro Pty Ltd and Mr Peter Ball (MAusIMM), Director of Datageo Geological Consultants. Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard, Mr Drabble 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 Thomson, Mr Nicholls, Mrs Hillyard, Mr Drabble 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 5: Western Tanami Project Mineral Resources as at 30 April 2014

| Deposit | Resource Category | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Measured | | | Indicated | | | Inferred | | | Total | | |
| | Tonnes | Grade g/t Au | Ounces | Tonnes | Grade g/t Au | Ounces | Tonnes | Grade g/t Au | Ounces | Tonnes | Grade g/t Au | Ounces |
| Coyote | 25,000 | 23.6 | 19,000 | 338,300 | 11.7 | 127,000 | 382,500 | 12.3 | 151,000 | 669,000 | 13.8 | 297,000 |
| 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 | **482,000** | **2.8** | **44,000** | **1,079,300** | **6.0** | **208,000** | **1,446,500** | **5.8** | **271,000** | **2,931,000** | **5.6** | **523,000** |

**Notes to accompany Table 5:**

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. Where top cuts were applied they ranged from 35g/t for Sandpiper, a range of 100-250g/t for Coyote and 100 gram metres for Kavanagh.
3. The Mineral Resource Estimate is reported at a 2.0g/t Au lower cut-off for Coyote, a 5.0g/t Au Cut-off for Kavanagh and 1.0g/t for the remaining Resources.
4. Tonnes and ounces of gold are rounded to significant figures and grade is rounded to the nearest 0.1g/t Au. Rounding may affect tallies. Stockpile ounces rounded to nearest hundred.
5. Resource estimation for the Muttley and Kavanagh lodes was completed by Michael Thomson, full time employee and Principal Geologist of Tanami Gold, the resource estimation of the remaining Coyote and Sandpiper deposits was completed by Mr Steven Nicholls, former Senior Geologist of Tanami Gold NL. The Kookaburra Resource estimation was conducted by Mr Peter Ball, Director of Datageo Geological Consultants. The Pebbles Resource estimate was completed in 2007 by Mr Malcolm Titley of CSA Australia Pty Ltd.
6. Mr Thomson, 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.
7. The resource presented in this table has not been depleted by 7,675 ounces mined between January 2013 and June 2013 from the Coyote Mine.

**Table 6 Schedule of mineral tenements- Western Australia**

| WESTERN AUSTRALIA | | | | |
|---|---|---|---|---|
| **WA (TGNL 100%)** | **Name** | **Granted From** | **Expiry Date** | **Blocks** |
| E80/1481 | Balwina | 5/10/1993 | 4/10/2014 | 24 |
| E80/1483 | Bold Hill | 16/04/1992 | 15/04/2014 | 15 |
| E80/1677 | Slatey Creek | 15/03/1994 | 14/03/14* | 32 |
| E80/1679 | Southside | 15/03/1994 | 14/03/14* | 18 |
| E80/1737 | Camel Hump | 22/03/1994 | 21/03/14* | 28 |
| E80/1905 | Bald Hill Central | 6/09/1994 | 5/09/2014 | 38 |
| E80/2036 | Bald Hill North | 17/02/1995 | 16/02/14* | 8 |
| E80/2133 | Killi Killi Hills | 11/08/2004 | 10/08/2014 | 12 |
| E80/3238 | Afghan | 29/12/2004 | 28/12/13* | 4 |
| E80/3378 | Tent Hill East | 20/02/2006 | 19/02/14* | 3 |
| E80/3388 | Olive | 15/05/2006 | 14/05/2015 | 35 |
| E80/3389 | Popeye | 15/05/2006 | 14/05/2015 | 35 |
| E80/3665 | Border | 19/10/2007 | 18/10/2017 | 17 |
| E80/3845 | Lewis West | 8/04/2008 | 7/04/2018 | 3 |
| E80/3846 | Camel | 8/04/2008 | 7/04/2018 | 2 |
| E80/3847 | Hutch's Find | 8/04/2008 | 7/04/2018 | 4 |
| E80/4006 | Hermes | 20/11/2008 | 19/11/2014 | 64 |
| E80/4305 | Triton | 16/06/2010 | 15/06/2015 | 34 |
| E80/4306 | Apollo | 17/09/2010 | 16/09/2015 | 42 |
| E80/4307 | Argos | 17/09/2010 | 16/09/2015 | 88 |
| | | | | |
| M80/559 | Coyote 1 | 27/09/2005 | 26/09/2026 | 997 hectares |
| M80/560 | Coyote 2 | 27/09/2005 | 26/09/2026 | 998 hectares |
| M80/561 | Coyote 3 | 27/09/2005 | 26/09/2026 | 988 hectares |
| M80/562 [1] | Bald Hill 1 | 2/12/2005 | 1/12/2026 | 991 hectares |
| M80/563 [1] | Bald Hill 2 | 2/12/2005 | 1/12/2026 | 978 hectares |
| M80/564 [1] | Bald Hill 3 | 2/12/2005 | 1/12/2026 | 990 hectares |

**WESTERN AUSTRALIA TOTAL** **1,703 km²**

* Application for Extension of term lodged.

**Table 7 Schedule of Mineral Tenements- Northern Territory**

| NORTHERN TERRITORY | | | | |
|---|---|---|---|---|
| **CENTRAL TANAMI (TGNL 100%)** | **Name** | **Granted From** | **Expiry Date** | **Blocks** |
| EL8797 | Gamma | 9/09/1999 | 25/08/2014 | 2 |
| EL9763 | Red Hills | 24/07/00 | 23/07/2015 | 7 |
| EL9843 | Chapmans Hill | 27/03/06 | 31/12/2015 | 21 |
| EL10355 | Red Hills North | 04/06/01 | 3/06/2015 | 4 |
| EL10411 | Tanami Downs North | 04/06/01 | 3/06/2015 | 7 |
| EL22061 | Farrands Hill South | 27/03/06 | 31/12/2015 | 13 |
| EL22229 | Question Mark Bore East | 08/06/01 | 7/06/2015 | 8 |
| EL22378 | Question Mark Bore Far East | 08/06/01 | 7/06/2015 | 6 |
| EL23342 | Coomarie | 38862 | 31/12/2015 | 8 |
| EL26925 | Goanna 2 | 25/01/2011 | 24/01/2015 | 60 |
| EL26926 | Black Hills 2 | 25/01/2011 | 24/01/2015 | 204 |
| EL28282 | Suplejack | 20/04/2011 | 19/04/2017 | 35 |
| EL28474 | Rushmore | 12/03/2013 | 11/03/2019 | 148 |
| EL(A)28283 | Goat Creek 2 | Application | | 72 |
| EL(A)28613 | Gamma East | Application | | 123 |
| ML22934 | Groundrush | 14/09/2001 | 13/09/2026 | 3950 hectares |
| MLS119 | Reward | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS120 | No. 1 South | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS121 | No. 2 South | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS122 | No. 3 South | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS123 | No. 4 South | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS124 | No. 1 North | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS125 | No. 2 North | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS126 | No. 3 North | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS127 | No. 4 North | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS128 | No. 5 North | 15/05/1964 | 31/12/1930 | 7 hectares |
| MLS129 | No. 6 North | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS130 | East Block | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS131 | No. 5 South | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS132 | No. 6 South | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS133 | South-East Block | 15/05/1964 | 31/12/1930 | 8 hectares |
| MLS153 | Tanami Extended | 5/10/1990 | 4/10/2015 | 1000 hectares |
| MLS167 | Matilda | 13/10/1995 | 31/12/2020 | 1877 hectares |
| MLS168 | Enterprise | 13/10/1995 | 31/12/2020 | 712 hectares |
| MLS(A)172 | Crusade | Application | | 3946 hectares |
| MLS180 | Molech | 18/11/1998 | 31/12/2022 | 804 hectares |

**NORTHERN TERRITORY TOTAL** **2,268 KM²**

***Competent Person Statement***

*The information in this report that relates to all Mineral Resources other than the Kavanagh April 2014 Resource 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 information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

*The information in this report that relates to Kavanagh April 2014 Mineral Resource, Geological Data and Exploration Results is based on, and fairly represents information and supporting documentation compiled by Mr Michael Thomson, a full time employee of Tanami Gold NL. Mr Thomson is a Member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". 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.*

**Table 8: JORC Section 1: Sampling Technique and Data**

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Sampling techniques*** | • *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* | Tanami Gold utilised Diamond drilling during the drilling of the Kavanagh Resource. Holes were generally angled to grid north (from underground) and grid south (from Surface)<br><br>Core was sampled a 1 metre intervals or to geological contacts. A minimal sample length of 0.3m was applied<br><br>All core from within approximately 50m of the Kavanagh mineralisation is sampled, beyond this point core is selected for sampling by the onsite geologists based on geological observations. |
| | • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | To ensure representivity half core samples were always taken from the same side of the core for each hole ( western half of core retained) |
| | • *Aspects of the determination of mineralisation that are Material to the Public Report.* | To reduce issues related to sampling coarse gold, where visible gold has been identified |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | during geological inspections 2 feldspar flushes are inserted after these sample into the same sample stream at the laboratory to limit the chance of contamination of subsequent samples.<br><br>Where visible gold is identified the sample has an additional 1 kilogram Screen Fire Assay to reduce the effect coarse gold has on smaller sample sizes.<br><br>All samples that report greater than 5g/t Au within the target area are selected for additional 1 kilogram screen Fire Assays. |
| ***Drilling techniques*** | • *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | #Diamond drilling carried out was with NQ2 sized equipment with standard tube. Some intervals at the top of the hole were drilled with HQ3 sized core until competent rock was intercepted<br><br># Core was orientated with a Reflex orientation Tool (bottom of core) |
| ***Drill sample recovery*** | • *Method of recording and assessing core and chip sample recoveries and results assessed.* | #Core recovery is logged for every metre as a percentage. Recoveries for this program have been in excess of 90%. |
| | • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | # During drilling in broken ground where core loss is possible drillers have adjusted the drill technique to ensure maximum recovery is obtained. As greater than 90% of the sample on average has been recovered these samples are representative of the material being sampled. |
| | • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.* | #At Coyote (Kavanagh) no relationship exists between sample recovery and grade |
| ***Logging*** | • *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* | All diamond core was logged for recovery, RQD, Geology and structure.<br><br>Core logging has been done to an appropriate level to support Mineral Resource Estimation |
| | • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* | Core was photographed by tray with both wet and dry taken<br><br>Logging is quantitative in nature |
| | • *The total length and percentage of the relevant intersections logged.* | All diamond core was logged |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| **Sub-sampling techniques and sample preparation** | • *If core, whether cut or sawn and whether quarter, half or all core taken.* | Core is cut in half with an Almonte Core saw onsite to either metre intervals or geological contacts.<br><br>To ensure representivity standard protocol is to sample the same side of the core for each hole, retaining the western side of the core. |
| | • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* | Not applicable as only core samples taken |
| | • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | The sample preparation used is believed to be industry standard for gold mineralisation with adequate sample sizes taken to correctly represent gold mineralisation based on the style of mineralisation and thickness of mineralisation. |
| | • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* | All samples are submitted to an accredited commercial laboratory with standard reference material to ensure accuracy of results. An average of 1:20 field blanks and 1 in 25 standard reference material are inserted.<br><br>The laboratory also runs its own internal checks that are reported to the company for verification.<br><br>Detailed procedures are in place for all sampling processes onsite while the commercial laboratory also has procedures to ensure representivity of samples is maintained. |
| | • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* | No field duplicates have been carried out to date due to this process consuming the complete core and not leaving any core for future geological observations. This process is scheduled for after geological observations are complete. |
| | • *Whether sample sizes are appropriate to the grain size of the material being sampled.* | Due to the variable nature of coarse gold, all results in the Kavanagh drilling program that return greater than 5 g/t are selected for additional 1kg screen fire assay. |
| **Quality of assay data and laboratory tests** | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* | The techniques used for gold analysis is a 50 gram fire assay or 1000 gram screen fire assay with atomic absorption finish. Both analytical techniques provide total gold content. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* | No additional tools used for analysis |
| | • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | TGNL submit an average of 1 standard and 1 blank every 25 samples with the addition of further blank material when coarse gold is logged. All results received to date have fallen within adequate ranges of the expected values. No duplicates or laboratory checks have been performed. |
| ***Verification of sampling and assaying*** | • *The verification of significant intersections by either independent or alternative company personnel.* | Significant intersections have not been verified by an external partly to date. |
| | • *The use of twinned holes.* | No diamond twinning has been done to date. |
| | • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | The majority of data is recorded digitally and archived. All physical copies remain archived onsite, the majority are scanned and digitally stored.<br><br>All relevant procedures exist for data entry, data verification and data storage |
| | • *Discuss any adjustment to assay data.* | Where present Screen fire assays are the preferred value for any particular sample, and are consider more accurate than the 50gm Fire Assay. On average screen fire assay received to date have returned marginally higher grades than the 50gm Fire assay |
| ***Location of data points*** | • *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* | All collar points have been surveyed in the local mine grid.<br><br>A combination of singleshot, multishot and high accuracy north seeking gyro surveys have been carried out downhole for all holes drilled to date.<br><br>Mine workings support this approach with good accuracy achieved with historical drilling at Coyote<br><br>None of the holes listed in this report have been used in a Mineral Resource estimation |
| | • *Specification of the grid system used.* | The grid used is the Local Coyote Mine Grid which has a direct transformation to GDA 94 - MGA Zone 52. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | • *Quality and adequacy of topographic control.* | The surface topography has been surveyed to a high level of accuracy |
| ***Data spacing and distribution*** | • *Data spacing for reporting of Exploration Results.* | The data spacing varies within the Kavanagh Mineralisation from 100m on the extremities to approximately 50m in the better defined regions. This drill spacing is deemed adequate for an Inferred Resource as good geological continuity is present, with acceptable grade continuity. |
| | • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* | |
| | • *Whether sample compositing has been applied.* | Samples have not been composited at this stage of interpretation |
| ***Orientation of data in relation to geological structure*** | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* | Where possible drilling is designed to intercept mineralisation at high angles (as close to perpendicular to mineralisation as possible)<br><br>No orientation based sample bias has been identified in the data |
| | • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | Due to the narrow nature of the Kavanagh mineralisation all intervals have a true width calculated prior to resource estimation to ensure that no bias is carried through. |
| ***Sample security*** | • *The measures taken to ensure sample security.* | Samples are securely stored during the transportation stages to the laboratories in calico bags that are placed within larger waterproof plastic bags that are cable-tied prior to transport |
| ***Audits or reviews*** | • *The results of any audits or reviews of sampling techniques and data.* | No audit has been carried out on this drilling program, previous drilling associated with the Kavanagh Resource have been externally reviewed with no significant issues identified. |

**Table 9: JORC Section 2: Reporting of Exploration Results**

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Mineral tenement and land tenure status*** | • *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* | Kavanagh is located within M80/559 which is registered to Tanami Exploration, a wholly owned subsidiary of Tanami Gold NL.<br><br>The Kavanagh resource is subject to the Coyote Mine Agreement dated 20 April 2005 with the Tjurabalan People.<br><br>The Coyote Mining Lease is subject to royalty provisions pursuant to the Sale and Purchase Agreement dated 16 January 2004 between AngloGold Australia Ltd, Tanami Exploration NL and Tanami Gold NL. |
| | • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.* | The tenement is in good standing and no known impediments exist. |
| ***Exploration done by other parties*** | • *Acknowledgment and appraisal of exploration by other parties.* | The Coyote deposit was discovered by Anglo Gold Ashanti Pty Ltd in 1998 through follow-up of Au and As geochemical anomalies that were discovered by them as a result of wide-spaced (500m spaced lines) shallow RAB drilling in an area of transported overburden . Tanami Gold NL acquired the property as part of their extensive Western Tanami Tenements in 2003.<br><br>Tanami Gold has carried out a combination of open pit mining and underground mining at Coyote between 2005 and 2013. |
| ***Geology*** | • *Deposit type, geological setting and style of mineralisation.* | Kavanagh, which is part of the Coyote Deposit, is a vein hosted coarse gold deposit hosted within turbiditic sediments of the Killi Killi Formation that forms part of the early Proterozoic Tanami Orogeny. |
| ***Drill hole Information*** | • *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* | Refer to table 2 |
| | o *easting and northing of the drill hole collar* | Refer to table 2 |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* | Refer to table 2 |
| | o *dip and azimuth of the hole* | Refer to table 2 |
| | o *down hole length and interception depth* | Refer to table 2 |
| | o *hole length.* | Refer to table 2 |
| | • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | Refer to table 2 |
| ***Data aggregation methods*** | • *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* | The high grades in the exploration results have not been cut, where irregular sample lengths have been taken, these lengths have been clearly stated. |
| | • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* | Due to narrow nature of Kavanagh mineralisation intercepts rarely contain more than 1 sample. In cases where this does occur a maximum 1m internal dilution is included and a minimum grade of 5g/t is required for additional samples before they are added to an intercept.<br><br>For example a 1 metre at 30g/t Au results with a consecutive 1 metre at 2g/t result will not be aggregated and reported as 1m @ 30g/t Au while a 1 metre at 30g/t Au results with a consecutive 1 metre a 6g/t Au result would be aggregated to 2m @ 18g/t Au |
| | • *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | No metal equivalent values have been used |
| ***Relationship between mineralisation widths and intercept lengths*** | • *These relationships are particularly important in the reporting of Exploration Results.* | All results stated in this report are downhole. |
| | • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* | True width not known at this point in time |
| | • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').* | High grade ore bodies such as Kavanagh are sensitive to intercept thickness, as such true width is calculated for all intercepts and used in the resource estimation stages with a grade x true thickness calculation. This value is subsequently estimated. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| ***Diagrams*** | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | Refer to Figure 1-3 |
| ***Balanced reporting*** | • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | All results related to Kavanagh have been reported. |
| ***Other substantive exploration data*** | • *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | All relevant exploration information has been reported |
| ***Further work*** | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | All planned drilling has currently been completed at Coyote with the majority of results returned. Some final check results are still pending and if deemed significant will be released at a later date.<br><br>No further drilling will be conducted until a complete geological and mining review is carried out and further drilling is approved. |

**Table 10 - JORC Section 3: Mineral Resources**

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Database integrity* | • *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* | Data sourced for this estimation is stored within a SQL database that has inbuilt controls on data entry. Subsequent checks are carried out periodically to ensure the integrity of database is maintained. |
| | • *Data validation procedures used.* | Data is validated in the SQL database and again once the data is imported into Micromine Modelling software. All aspects of the drilling is check ( collar coordinates, surveys, assays, geological logging). Data is also validated in the field with Gyro surveys carried out and re-logging of all core at the end of the drilling program |
| *Site visits* | • *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* | Site visits were conducted between October 2013 and March 2014 by the Competent Person ( Michael Thomson).<br>Over 40 separate holes were inspected and logging confirmed by the competent Person during his visit. |
| | • *If no site visits have been undertaken indicate why this is the case.* | |
| *Geological interpretation* | • *Confidence in (or conversely, the uncertainty of ) the geological interpretation of the mineral deposit.* | The geological sequence that hosts the Kavanagh Mineral Resource consists of predominately tubiditic sediments that are very similar in appearance, within this sequence 2 recognizable marker units have been identified ( Marker Siltstone and Blue quartz marker) that have enable a reasonably good geological interpretation across drillholes. |
| | • *Nature of the data used and of any assumptions made.* | Drill hole gold assay intersections in conjunction with the geological logging of the drillholes has formed the basis of the geological model. Previous geological understanding from the surrounding Coyote mine has also been utalised. |
| | • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* | The geological model is an interpretation and as such cannot be an absolute representation of the actual geology. Additional drilling would enhance the geological model but would unlikely lead to major changes. Any alternate interpretation would influence the mineralisation as mineralisation is interpretation is be predominately stratabound |
| | • *The use of geology in guiding and controlling Mineral Resource estimation.* | Lithological interpretations for the basis for the modelling |

| | | |
|---|---|---|
| | • *The factors affecting continuity both of grade and geology.* | Recognizable geological units can be traces over distances of up to 1,000 metres. Early isoclinal folding with shoot development within the hinges are thought to control mineralisation continuity. These shoots have been re-folded in subsequent deformation events, there is evidence of re-mobilisation during the later deformation events. |
| *Dimensions* | • *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.* | The current mineralised zone at Kavanagh extends for approximately 360 metres in strike , 180 metres in height and 80 metres in width. The mineralisation is folded over an E-W orientation regional anticline. Mineralisation begins at approximately 280m below surface and extends down to 460m below surface. The mineralisation consists of several narrow (approximately 0.5m wide) mineralised horizons within the defined area. |
| *Estimation and modelling techniques* | • *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* | The estimation technique used for this Mineral Resource is Inverse Distance squared (ID2). An Accumulation method of grade interpolation was utalised, this method involves a combination of an estimation of the total metal (grade multiplied by true thickness) and the estimation of true thickness. This technique is commonly used for thin high grade mineralisation where total contained ounces is extremely sensitive to lode thickness.<br><br>Wireframes were created using the polygons with a minimal 5.0g/t Au cutoff. In some cases lower grade material was included to ensure continuity of the mineralised envelopes. The minimal width of the wireframe was kept at above 0.3m downhole.<br>Each wireframe was assigned a unique code as well as a broader domain based on the interpreted structural setting.<br><br>Four estimation passes were used, increasing search neighborhood size and varying minimal sample requirements. Search ellipses parameters used varied from the north to south limbs. |

| | | |
|---|---|---|
| | • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* | The Kavanagh Mineralisation occurs within the Coyote Mine Area that was actively mined between 2006 and 2013, the understanding of grade distribution and shoot development has been used during the validation of this Resource estimate. There is also a previous Resource estimate from March 2013 that has again been used for comparison during Validation. The resource is spatially several 100m from current mining areas and as such mine production records are not relevant. |
| | • *The assumptions made regarding recovery of by-products.* | No by products have been estimated |
| | • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* | No deleterious elements have been estimated |
| | • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* | The parent block size utalised for this estimate was 25m East x 5m North x 5m RL. The block size was selected to represent drill spacing and also ensure volume representivitiy of the narrow lodes is achieved. Only parent cell estimation was done |
| | • *Any assumptions behind modelling of selective mining units.* | Mining units have not been used in this estimate |
| | • *Any assumptions about correlation between variables.* | |
| | • *Description of how the geological interpretation was used to control the resource estimates.* | Lodes are interpreted to be predominately bedding parallel so geology interpretation between drillhole has guided the mineralisaton interpretation between drillholes |
| | • *Discussion of basis for using or not using grade cutting or capping.* | Grade capping was utalised due to the nuggety nature of the orebody being estimated. A topcut of 100 gram metres was applied to the dataset. |
| | • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.* | Checks carried out included comparisons of the block and sample grade distribution spatially and statistically. Checks carried out in Micromine Software as well as associated MS Office software. |
| *Moisture* | • *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.* | Tonnes are estimated based on density testing done on select samples in conjunction with historic density data from relevant areas of the Coyote Mine. ( with natural moisture) |
| *Cut-off parameters* | • *The basis of the adopted cut-off grade(s) or quality parameters applied.* | The Kavanagh Resource has been reported at a 5g/t cutoff |

| | | |
|---|---|---|
| *Mining factors or assumptions* | • *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.* | The Resource estimate is an undiluted Resource that does not account for minimum mining width, this is due to the fact that depending on the mining technique adopted the minimum mining will vary.<br>Any conventional UG mining method is expected to dilute this Resource and as such the Resource grade should not be mistaken for mine production grade. |
| *Metallurgical factors or assumptions* | • *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.* | The metallurgical recoveries used for the Kavanagh Resource has been sourced from preliminary site based bottle roll tests which suggested recoveries of 95-98% which is in line with the historical recoveries from other underground areas that have been mined at the Coyote UG Mine. |
| *Environmental factors or assumptions* | • *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.* | As there is an existing processing facility in place at the Coyote Minesite the environmental factors related to processing material from the Coyote UG is well documented and understood and does not influences the recoverable nature of this resource |
| *Bulk density* | • *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*<br>• *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* | Density values used were derived from Historic production figures from Fresh Coyote underground material in conjunction with selected site based SG samples from within the Kavanagh Resource. Both suggest a SG of 2.75 is valid which has been applied to the Resource.<br><br>The method used to determine density was the based on Archimedes Principle and involved weighing sample weights dry in air and then underwater. The samples where sealed so as to ensure water did not enter any cavities. |

| | | |
|---|---|---|
| | • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.* | Alteration is minimal in this deposit and does not have any significant effect on the density of the surrounding rocks. |
| *Classification* | • *The basis for the classification of the Mineral Resources into varying confidence categories.* | The Resource has been classified into Measured, Indicated and Inferred Resources according to the JORC code..<br><br>Mineral Resource classification has appropriately taken into account data spacing, distribution, reliability, quality and quantity. Confidence in predicting grade continuity, geological confidence and estimation quality have also been taken into account.<br><br>Indicated Mineral Resources are blocks within areas with drill hole intercept spacing of less than 25m by 25m, estimated with minimum 6 samples and were in an areas of good geological & grade continuity .<br><br>The geological model and Mineral Resource estimation reflect the Competent Person's view of the deposit. |
| | • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* | |
| | • *Whether the result appropriately reflects the Competent Person's view of the deposit.* | |
| *Audits or reviews* | • *The results of any audits or reviews of Mineral Resource estimates.* | Internal audits and validations have been carried out during the estimation process. No issues were identified.<br>No external audits have been carried out |
| *Discussion of relative accuracy/ confidence* | • *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* | Geostatistical analysis was carried out on all lodes within the Kavanagh Resource evaluating the various top-cut and un-cut gold grades, gram metre and true thickness files. Log and Normal Probability plots were generated during this process.<br><br>As the majority of this Resource remains in an Inferred category there is still a lack of confidence present, this would most likely require additional infill drilling to improve.<br><br>The estimate is a global estimate or tonnes and grade. |
| | • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* | |
| | • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.* | |

*Rule 5.5*

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

| TANAMI GOLD NL | |
|---|---|
| ABN | Quarter ended ("current quarter") |
| 51 000 617 176 | 31 March 2014 |

## Consolidated statement of cash flows

| | | Current quarter $A'000 | Year to date (9 months) $A'000 |
|---|---|---|---|
| **Cash flows related to operating activities** | | | |
| 1.1 | Receipts from product sales and related debtors | 1 | 526 |
| 1.2 | Payments for (a) exploration & evaluation | (1,735) | (4,794) |
| | (b) development | (73) | (1,522) |
| | (c) [1]production | [1](1,061) | [1](4,645) |
| | (d) administration | (351) | (2,376) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | 4 | 113 |
| 1.5 | Interest and other costs of finance paid | (97) | (540) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other – withholding tax paid | (5) | (36) |
| | **Net Operating Cash Flows** | (3,317) | (13,274) |
| | **Cash flows related to investing activities** | | |
| 1.8 | Payment for purchases of: (a) prospects | - | - |
| | (b) equity investments | - | - |
| | (c) other fixed assets | (9) | (37) |
| 1.9 | Proceeds from sale of: (a) prospects | - | - |
| | (b) equity investments | - | 2,665 |
| | (c) other fixed assets | - | - |
| 1.10 | Loans to other entities | - | - |
| 1.11 | Loans repaid by other entities | - | - |
| 1.12 | Other – payment for security bond | - | (71) |
| 1.13 | Other – refund of security bond | - | 2,605 |
| | **Net investing cash flows** | (9) | 5,162 |
| 1.14 | Total operating and investing cash flows (carried forward) | (3,326) | (8,112) |

[1.] The Company's sole operating gold mine (Coyote) was placed on care and maintenance 24 April 2013. The on-going care and maintenance costs incurred at Coyote are captured internally by Management within its existing production departments (Maintenance, Underground and Processing). The presentation of the care and maintenance costs as production costs within the Appendix 5B is consistent with Company guidelines and internal reporting.

+ See chapter 19 for defined terms.

| | | | |
|---|---|---|---|
| 1.14 | Total operating and investing cash flows (brought forward) | (3,326) | (8,112) |
| | **Cash flows related to financing activities** | | |
| 1.15 | Proceeds from issues of shares, options, etc. | 4,370 | 11,132 |
| 1.16 | Proceeds from sale of forfeited shares | - | - |
| 1.17 | Proceeds from borrowings | 2,000 | 8,000 |
| 1.18 | Repayment of borrowings | (10,176) | (10,572) |
| 1.19 | Dividends paid | - | - |
| 1.20 | Other (provide details if material) | (55) | (506) |
| | **Net financing cash flows** | (3,861) | 8,054 |
| | **Net increase (decrease) in cash held** | (7,187) | (58) |
| 1.21 | Cash at beginning of quarter/year to date | 8,753 | 1,624 |
| 1.22 | Exchange rate adjustments to item 1.20 | - | - |
| 1.23 | **Cash at end of quarter** | 1,566 | 1,566 |

## Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

| | | Current quarter $A'000 |
|---|---|---|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2 | (70) |
| 1.25 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.26 Explanation necessary for an understanding of the transactions

N/A

## Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

## Financing facilities available

*Add notes as necessary for an understanding of the position.*

| | | Amount available $A'000 | Amount used $A'000 |
|---|---|---|---|
| 3.1 | Loan facilities | 8,000 | 7,000 |
| 3.2 | Credit standby arrangements | - | - |

## Estimated cash outflows for next quarter

| | | $A'000 |
|---|---|---|
| 4.1 | Exploration and evaluation | 300 |
| 4.2 | Development | 70 |
| 4.3 | Production | 464 |
| 4.4 | Administration | 406 |
| | **Total** | 1,240 |

## Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Cash on hand and at bank | 1,566 | 8,753 |
| 5.2 | Deposits at call | - | - |
| 5.3 | Bank overdraft | - | - |
| 5.4 | Other (provide details) | - | - |
| | **Total: cash at end of quarter** (item 1.23) | 1,566 | 8,753 |

+ See chapter 19 for defined terms.

## Changes in interests in mining tenements and petroleum tenements

| | | Tenement reference and location | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|---|---|---|---|---|---|
| 6.1 | Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed | | **Reduction in area by Compulsory/ Voluntary**<br>**Partial Surrender** | | |
| | | EL9843<br>EL22061<br>EL23342 | 1 block (3 km2)<br>4 blocks (12 km2)<br>1 block (3 km2) | 100%<br>100%<br>100% | NIL<br>NIL<br>NIL |
| | | | **Outright Surrender**<br>Nil<br>**Expiry**<br>**Withdrawal**<br>Nil<br>**Sale**<br>Nil | | |
| 6.2 | Interests in mining tenements and petroleum tenements acquired or increased | | **Application for Exploration Licence**<br>Nil<br>**Purchase**<br>Nil | | |

## Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

| | | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|---|---|---|---|---|---|
| 7.1 | **Preference +securities** *(description)* | | | | |

+ See chapter 19 for defined terms.

| | | | | | |
|---|---|---|---|---|---|
| 7.2 | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 | +**Ordinary securities** | 1,175,097,046 | 1,175,097,046 | | |
| 7.4 | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs | 249,475,318 | 249,475,318 | | |
| 7.5 | +**Convertible debt securities** (*description)* | | | | |
| 7.6 | Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted | | | | |
| 7.7 | **Options** *(description and conversion factor)* | 300,000<br>212,500<br>200,000 | -<br>-<br>- | *Exercise price*<br>$1.34<br>$0.90<br>$1.00 | *Expiry date*<br>22/12/2016<br>28/03/2017<br>28/03/2017 |
| 7.8 | Issued during quarter | | | | |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | 1,237,500<br>37,500 | -<br>- | $0.90<br>$1.00 | 31/03/2014<br>31/03/2014 |
| 7.11 | **Debentures** *(totals only)* | | | | |
| 7.12 | **Unsecured notes** *(totals only)* | | | | |

+ See chapter 19 for defined terms.

## Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 30 April 2014
(Company secretary)

Print name: Pauline Collinson

## Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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