

quarterly report

FOR THE PERIOD ENDING
31 DECEMBER 2015



COMPANY ENQUIRIES
Pauline Collinson
COMPANY SECRETARY

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CORPORATE

Cash and Cash Equivalents

As at 31 December 2015, the Company had cash of \$5,600,458.

Joint Venture with Northern Star Resources Limited

On 3 August 2015, the Company announced that the conditions precedent to the Northern Star Resources Limited ("NST") Heads of Agreement ("NST HoA") for the Central Tanami Project ("CTP") had been satisfied and Completion had occurred resulting in the formation of an unincorporated joint venture ("JV") between the Company (75%) and NST (25%).

In accordance with the JV, management of the exploration activities at the Company's CTP were handed over to NST who will sole fund all JV expenditure including all CTP exploration and evaluation costs, assessment and development costs, mining of the JV tenements and refurbishing the CTP process plant and associated infrastructure, during the Sole Funding Period.

The Sole Funding Period will expire on the date on which the process plant at the CTP has been refurbished to operating condition and has operated for a continuous 30 day period or has produced 5,000 ounces of gold ore (whichever occurs first). On the expiry of the Sole Funding Period, NST will have earned a further 35% undivided interest in the CTP (taking NST's total JV Interest to 60%).

Refer to the Exploration section for an update on the JV activities undertaken by NST at the Company's CTP.

Sale of Northern Star Resources Limited Shares

During the quarter, the Company sold 1,000,000 shares in NST at an average price of \$2.76 per share receiving approximately \$2.76 million (net of transactions costs).

As at 31 December 2015, the Company has 2,290,228 NST shares remaining.

Litigation with Metals X Limited

The Board has previously advised shareholders that there is ongoing litigation with Metals X Limited ("MLX") regarding the aforementioned NST HoA.

On 25 November 2015, the Company and MLX attended a Mediation Conference which failed to resolve the matter.

The Company's Board denies the legal and factual basis of MLX's claims and the matter will now proceed to be dealt with in The Supreme Court of WA.

The litigation is not expected to affect the operation of the NST Joint Venture.

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Coyote Plant Agreement with ABM Resources NL

The Coyote Plant Agreement (“Agreement”) with ABM Resources NL (“ABM”) Initial Lease Term is for 12 months commencing 14 July 2015.

Under the terms of the Agreement, ABM has the option to renew the Initial Lease Term for a further term of 12 months and/or exercise an option to purchase Coyote. The Agreement also includes pre-emptive rights on the Company’s surrounding exploration licences.

ABM has not advised the Company of its future intentions at Coyote and does not need to do so until 3 months before the expiry date of the Initial Lease Term, however ABM have recently announced to the ASX that mining at their Old Pirate Gold Mine is scheduled to be completed by early April 2016.

Loan Facility with AP Finance Limited

The Company has a legally binding letter of support from AP Finance Limited offering to provide an unsecured Loan Facility of approximately A\$12 million (“Loan Offer”). The Loan Offer has a repayment date of 31 March 2016 and the Company has not made any drawdowns (all terms and conditions are consistent with the original letter of support).

Gerard McMahon
Chairman

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EXPLORATION

Central Tanami Project (75% Tanami)

During the quarter, NST exploration focused on a 20,000m diamond drilling program at the flagship Groundrush Deposit with the aim of improving the confidence level in the existing 1Moz Resource in the lead-up to a decision to commence refurbishing the Projects processing plant.

By the end of December 2015, a total of 16,000m had been completed, with results in line with previous drilling by Tanami Gold. The drilling program is expected to be completed by the end of January 2016 with all assay results expected to be returned by the end of the March quarter.

Further detail of this drilling is detailed in “*Central Tanami Project Update*” announcements made by NST on the 10 December 2015 and 20th January 2016.

Western Tanami (100% Tanami)

During the quarter, the Company’s exploration activities were predominately focused on continuing the previous quarter’s pXRF (“portable XRF”) surveying, within the Company’s Border (E80\1841) and Olive (E80\3388) exploration tenements, and the expansion of the pXRF over the Rabies and Rabid South Prospects (Figure 1). A total of 459 pXRF readings were collected during the quarter which saw the Company’s current exploration strategy expand to include a greater focus on pathfinder elements (e.g. Arsenic) to vector in on hydrothermal alterations in addition to gold analysis.

Fremlin-Rabies Traverse

The area between known mineralisation trends at the Fremlin Project area and Rabies Prospect is considered to be under explored, with most of the area is under alluvium cover (Figure 1). The interpretation of aeromagnetic images suggests there is a sharp contact between the magnetically high unit (Stubbins\Dead Bullock Formation) and the magnetically quiet Killi Killi Formation, with several NE trending discontinuities evident on both aeromagnetic maps and on satellite imagery.

Initially, a reconnaissance line of 200m spaced soils traverse was carried out in a northeast orientation (Figure 1) located between the known mineralisation at Fremlin and the prominent Tanami Fault at the Rabies Prospect. There is a general low level increase in Arsenic across the interpreted Stubbins/Killi Killi Formation contact, with peak of 52 ppm approximately 700m south of the Tanami Fault (Rabid South Prospect).

Rabid South

Following the initial traverse, the Rabies pXRF soil grid was extended on a 100m X 100m spacing in a SW direction over the Rabid South Prospect, with a combination of soil, termite and lag sampling. The area covered is in-situ loam with variable proportions of quartz vein scree. Most of the surface is patchy quartz vein float. Peak pXRF readings of 274ppm Arsenic were returned (Figure 2) with samples from the same location panned to yield very fine gold flakes (after the entire sample was coarsely crushed). No samples have been sent to a commercial laboratory for analysis and verification although onsite pXRF standards are used during the survey process to ensure instrument calibration is satisfactory.

Work on the Rabid South Prospect, planned for the first quarter of 2016, will involve continued expansion of the pXRF survey along with detailed field mapping to confirm orientation of the geology which will be used to determine the preferred orientation for drill design.

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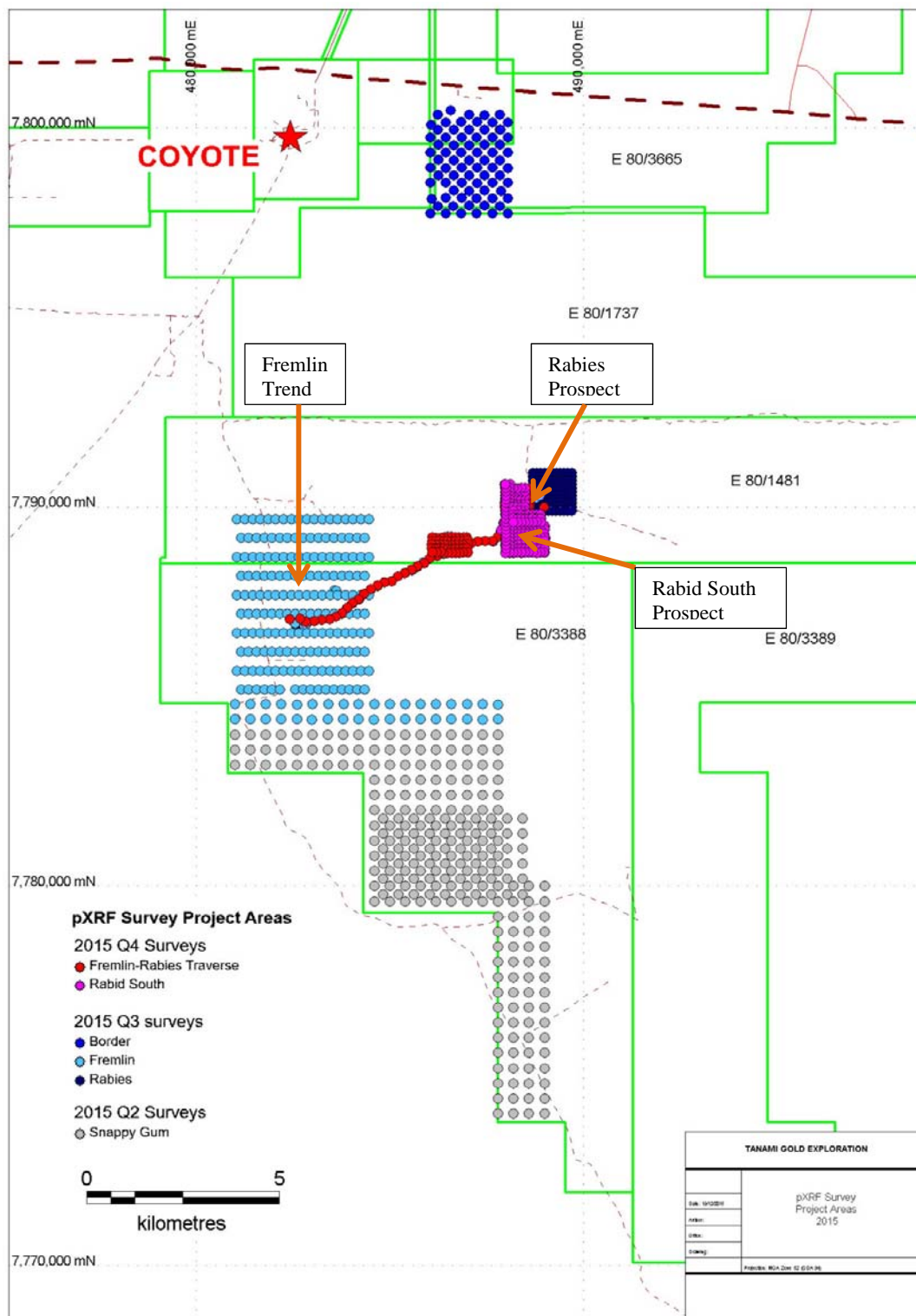


Figure 1: December 2015 Quarter pXRF Survey Locations

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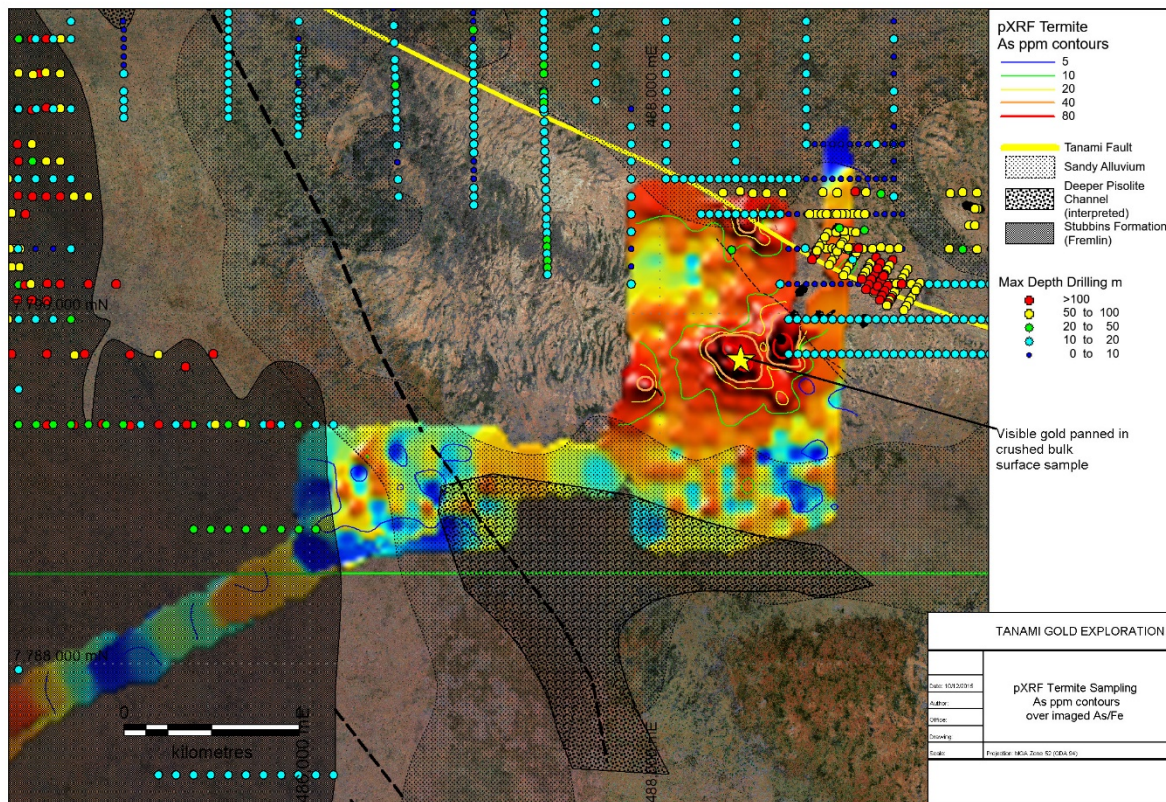


Figure 2: Rabid South pXRF Survey Results

Mineral Resources

Table 1: 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 ¹⁰	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 ¹⁰	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 1

- WTP is Western Tanami Prospect and CTP is Central Tanami Project.
- 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.
- Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
- Resources reported above relevant cut-offs based on economic extractions, varying between 0.7g/t Au and 5.0g/t Au block model grade.
- Stockpile figures from previously reported Otter Gold Mines NL 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific.
- Tonnes and ounces rounded to the nearest thousand and grade rounded to 0.1g/t Au. Rounding may affect tallies.
- The information in this report pertaining to Mineral Resources was compiled by Mr Bill Makar (MAusIMM), former Consultant Geologist – Tanami Gold NL, Mr Michael Thomson (MAusIMM), former Principal Geologist for Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), former 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.
- The dates referred to in this table titles (30th April 2014) represent the date of the most recent update of a Resource within this table.

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9. Within the WTP stated Figures is the Kavanagh Resource that is compliant to the JORC Code 2012, all other Resources were prepared and first disclosed under the JORC Code 2004 and have 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.
10. On 4th of August 2015, an unincorporated joint venture was formed between the Company and Northern Star Resources Limited who purchased an initial 25% interest in the Company's Central Tanami Project ("CTP"). At the time of this report, the Company retains a 75% interest in the CTP Resources stated in this table.

Table 2: Schedule of mineral tenements - Western Australia

WESTERN AUSTRALIA				
WA (TGNL 100%)	Name	Granted From	Expiry Date	Blocks
E80/1481	Balwina	05/10/93	04/10/15	24
E80/1483	Bold Hill	16/04/92	15/04/16	15
E80/1737	Camel Hump	22/03/94	21/03/16	28
E80/3388	Olive	15/05/06	14/05/16	35
E80/3389	Popeye	15/05/06	14/05/16	35
E80/3665	Border	19/10/07	18/10/17	17
M80/559	Coyote 1	27/09/05	26/09/26	997 hectares
M80/560	Coyote 2	27/09/05	26/09/26	998 hectares
M80/561	Coyote 3	27/09/05	26/09/26	988 hectares
M80/563	Bald Hill 2	02/12/05	01/12/26	978 hectares

WESTERN AUSTRALIA TOTAL

532 km²

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Table 3: Schedule of Mineral Tenements - Northern Territory

NORTHERN TERRITORY				
CENTRAL TANAMI (TGNL 75%)	Name	Granted From	Expiry Date	Blocks
EL8797	Gamma	09/09/99	25/08/16	2
EL9763	Red Hills	24/07/00	23/07/15	7
EL9843	Chapmans Hill	27/03/06	31/12/15	21
EL10355	Red Hills North	04/06/01	03/06/15	4
EL10411	Tanami Downs North	04/06/01	03/06/15	7
EL22061	Farrands Hill South	27/03/06	31/12/15	13
EL22229	Question Mark Bore East	08/06/01	07/06/15	8
EL22378	Question Mark Bore Far East	08/06/01	07/06/15	6
EL23342	Coomarie	25/05/06	31/12/15	8
EL26925	Goanna 2	25/01/11	24/01/15	60
EL26926	Black Hills 2	25/01/11	24/01/15	204
EL28282	Suplejack	20/04/11	19/04/17	35
EL28474	Rushmore	12/03/13	11/03/19	148
EL(A)28613	Gamma East	Application		123
ML22934	Groundrush	14/09/01	13/09/26	3950 hectares
MLS119	Reward	15/05/64	31/12/30	8.09 hectares
MLS120	No. 1 South	15/05/64	31/12/30	8.09 hectares
MLS121	No. 2 South	15/05/64	31/12/30	8.09 hectares
MLS122	No. 3 South	15/05/64	31/12/30	8.09 hectares
MLS123	No. 4 South	15/05/64	31/12/30	8.09 hectares
MLS124	No. 1 North	15/05/64	31/12/30	8.09 hectares
MLS125	No. 2 North	15/05/64	31/12/30	8.09 hectares
MLS126	No. 3 North	15/05/64	31/12/30	8.09 hectares
MLS127	No. 4 North	15/05/64	31/12/30	8.09 hectares
MLS128	No. 5 North	15/05/64	31/12/30	7.09 hectares
MLS129	No. 6 North	15/05/64	31/12/30	8.09 hectares
MLS130	East Block	15/05/64	31/12/30	8.09 hectares
MLS131	No. 5 South	15/05/64	31/12/30	8.09 hectares
MLS132	No. 6 South	15/05/64	31/12/30	8.09 hectares
MLS133	South-East Block	15/05/64	31/12/30	8.09 hectares
MLS153	Tanami Extended	05/10/90	04/10/15	1000 hectares
MLS167	Matilda	13/10/95	31/12/20	1877 hectares
MLS168	Enterprise	13/10/95	31/12/20	712 hectares
MLS180	Molech	18/11/98	31/12/22	804 hectares

NORTHERN TERRITORY TOTAL

2,196 km²

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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 consultant geologist Mr Michael Thomson of MiGeo Enterprise Pty Ltd. 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 consultant geologist Mr Michael Thomson of MiGeo Enterprise Pty Ltd. 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.

The information in this report that relates to all Geological Data and Exploration Results is based on, and fairly represents information and supporting documentation compiled by consultant geologist Mr Michael Thomson of MiGeo Enterprise Pty Ltd. 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.

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

51 000 617 176

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	2,083
1.2 Payments for (a) exploration & evaluation	(245)	(478)
(b) development	-	-
(c) care and maintenance	-	(301)
(d) administration	(348)	(906)
1.3 Dividends received	129	129
1.4 Interest and other items of a similar nature received	32	49
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – withholding tax paid	(23)	(43)
Net Operating Cash Flows	(455)	533
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	¹ 2,772	5,322
(c) other fixed assets	-	11,000
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – payment for security bond	-	-
1.13 Other – refund of security bond	-	-
Net investing cash flows	2,772	16,322
1.14 Total operating and investing cash flows (carried forward)	2,317	16,855

¹: During the quarter, the Company sold 1.0 million NST shares at an average price of \$2.76 per share (net of transaction costs).

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.14	Total operating and investing cash flows (brought forward)	2,317	16,855
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	1,000
1.18	Repayment of borrowings	-	(12,197)
1.19	Dividends paid	-	-
1.20	Other – Borrowing costs	-	(254)
	Net financing cash flows	-	(11,451)
	Net increase (decrease) in cash held	2,317	5,404
1.21	Cash at beginning of quarter/year to date	3,283	196
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	5,600	5,600

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	(72)
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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Care and maintenance	-
4.4 Administration	537
Total	687

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	5,600	3,283
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	5,600	3,283

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	300,000	-	<i>Exercise price</i> \$1.34	<i>Expiry date</i> 22/12/2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ 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: 
(Company secretary)

25 January 2016

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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Appendix A: Schedule of Mineral Tenements - Northern Territory

CENTRAL TANAMI (TGNL 75%)	Name	Interest at beginning of quarter	Interest at end of quarter
EL8797	Gamma	100%	75%
EL9763	Red Hills	100%	75%
EL9843	Chapmans Hill	100%	75%
EL10355	Red Hills North	100%	75%
EL10411	Tanami Downs North	100%	75%
EL22061	Farrands Hill South	100%	75%
EL22229	Question Mark Bore East	100%	75%
EL22378	Question Mark Bore Far East	100%	75%
EL23342	Coomarie	100%	75%
EL26925	Goanna 2	100%	75%
EL26926	Black Hills 2	100%	75%
EL28282	Suplejack	100%	75%
EL28474	Rushmore	100%	75%
EL(A)28613	Gamma East	100%	75%
ML22934	Groundrush	100%	75%
MLS119	Reward	100%	75%
MLS120	No. 1 South	100%	75%
MLS121	No. 2 South	100%	75%
MLS122	No. 3 South	100%	75%
MLS123	No. 4 South	100%	75%
MLS124	No. 1 North	100%	75%
MLS125	No. 2 North	100%	75%
MLS126	No. 3 North	100%	75%
MLS127	No. 4 North	100%	75%
MLS128	No. 5 North	100%	75%
MLS129	No. 6 North	100%	75%
MLS130	East Block	100%	75%
MLS131	No. 5 South	100%	75%
MLS132	No. 6 South	100%	75%
MLS133	South-East Block	100%	75%
MLS153	Tanami Extended	100%	75%
MLS167	Matilda	100%	75%
MLS168	Enterprise	100%	75%
MLS180	Molech	100%	75%

NORTHERN TERRITORY TOTAL

2,196 km²