



2 June 2010

TANAMI LAUNCHES MAJOR GOLD DRILLING PROGRAM

FOUR RIGS INCREASING TO AS MANY AS EIGHT AS PART OF BIGGEST DRILL CAMPAIGN IN TANAMI'S HISTORY

Key Points

- **Major regional and reconnaissance exploration underway at Western Tanami, in parallel with underground drilling at the Coyote Mine which is planned to commence in the September 2010 quarter.**
- **1.2km deep diamond drill hole planned to test conceptual target below the Coyote Resource.**
- **Two rigs contracted at the Central Tanami Project to increase the current 1.061Moz resource inventory, with two additional rigs to be mobilised to site subject to results.**

Australian gold producer Tanami Gold NL (ASX: TAM) is pleased to announce that it has commenced the largest drilling program in its history, with multiple rigs in service across its two major operational centres, the Western Tanami Project and newly acquired Central Tanami Project, located respectively in Western Australia and the Northern Territory.

Four rigs are currently contracted, with planning in place to increase to six rigs within two months and up to eight rigs within four months.

The drilling is designed to further increase the JORC Code compliant resource inventory at both the Western and Central Tanami Projects, test a number of deep conceptual targets for the first time, and underpin the Company's core objective of increasing gold production to in excess of 200,000 ounces per annum by the end of 2011.

Western Tanami Project (WTP)

A multi-purpose Diamond/RCP rig is testing numerous advanced prospects located within short trucking distance of the Western Tanami treatment plant. An Aircore rig is also currently drilling numerous regional prospects located within a 50 kilometre radius of the treatment plant as part of a 45,000 metre reconnaissance program.

An underground diamond drill rig is scheduled to re-commence drill testing numerous high grade underground targets at the Coyote Mine during the September 2010 quarter.

The objective of delineating additional Resources at the Western Tanami Project is aimed at increasing both annual production and mine life.

Coyote Deeps (part of WTP)

In addition to the major drill program outlined above, Tanami Gold will, for the first time, drill a 1.2 kilometre diamond core hole at Coyote designed to test a conceptual mineralisation and geological model below the currently delineated Coyote Resource, which remains open at depth. This hole is planned to commence during the September 2010 Quarter.

The principal target is the Stubbins Formation, considered the most favourable unit within the WTP tenements to host large tonnage high grade deposits and is the lateral equivalent of the host unit at Newmont's +10 million ounce Callie deposit located within a similar geological setting in the Tanami structural corridor.

The Coyote Deeps diamond drill hole will be partly funded through a \$200,000 grant from the Western Australian Government Royalties for Regions Exploration Incentive Scheme which is a very important initiative designed to assist in the discovery of new deposits within Western Australia.

Central Tanami Project (CTP)

A Multi-purpose Diamond/RCP rig is currently testing for extensions to defined resources at the Central Tanami Project which are open at depth. This program will aim to increase the recently upgraded Measured, Indicated and Inferred Resource inventory of 11.677 million tonnes grading 2.8g/t gold for 1.061 million ounces of gold. (Refer to Table 1 below for Resource details).

The multi-purpose rig will also systematically drill for metallurgical samples and for geological and geotechnical features in advance of mining.

An RCP rig will commence drilling on 8 June 2010 in conjunction with the multi-purpose rig on systematic Resource extension and confirmation programs.

Two additional rigs will be mobilised to site subject to drill results from the current drill program. The additional rigs will be assigned to fast-tracking the delineation of additional Resources, defining Ore Reserves and testing high priority targets generated from the current program.

The major drill program underway in the Central Tanami is designed to elevate the quality and quantity of the Central Tanami Project gold Resources in advance of recommencing mining operations.

The recommencement of the CTP operations combined with the WTP operations is designed to initially increase Tanami Gold NL's annualised production to 200,000 ounces by the end of 2011.

"This is a very significant time for Tanami as we mobilise resources for what will be the largest ever drilling program in our 15 year plus history as a company," said Tanami Gold's Managing Director, Mr Graeme Sloan.

“With up to eight drill rigs expected to be operating within four months, shareholders and investors can look forward to very strong news flow as we start to generate results across both of our highly prospective project centres.

“We expect that the work to be undertaken over the coming months will lay the foundations for a quantum increase in Tanami Gold’s production profile, which will reposition us as a mid-tier Australian gold producer.”



Graeme Sloan
Managing Director/CEO

Note:

The information in this report pertaining to Mineral Resources was compiled by Mr Bill Makar (MAusIMM - Member Number 109848). Mr Makar 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 Makar is a senior resource consultant, and has consented in writing to the inclusion in this statement of his compiled information in the form and context in which it appears.

Other information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Robert Henderson, a full time employee and Geology Manager of Tanami Gold NL. Mr Henderson is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists 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 Henderson consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Table 1: Central Tanami Project Mineral Resources

Mineral Lease	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
MLS153	578,000	2.3	43,000	744,000	2.2	53,000	441,000	3.9	56,000	1,763,000	2.7	151,000
MLS167	2,369,000	3.2	248,000	2,004,000	4.0	256,000	640,000	3.7	75,000	5,013,000	3.6	579,000
MLS168	707,000	2.3	52,000	63,000	2.1	4,000	509,000	1.9	30,000	1,279,000	2.1	87,000
MLS180	438,000	3.6	51,000	544,000	3.0	53,000	59,000	3.0	6,000	1,041,000	3.3	109,000
MLSA172	1,026,000	2.7	89,000	112,000	1.9	7,000	44,000	5.0	7,000	1,181,000	2.7	103,000
Stockpiles	1,400,000	0.7	31,000							1,400,000	0.7	31,000
Total	6,518,000	2.5	514,000	3,467,000	3.3	373,000	1,692,000	3.2	174,000	11,677,000	2.8	1,061,000

Notes to accompany Table 1

Resource estimation completed using MineMap software comprising an ellipsoidal inverse distance grade interpolation method.

Grade estimation was constrained to material within >0.5g/t mineralisation outlines.

Gold assay top cut of 30g/t used for MLS167 and 20g/t used for the remainder, based on geostatistical parameters and historical production reconciliation.

Resources reported above 0.7g/t block model grade constrained within pit shells optimised at A\$1350 per ounce gold price.

Resources reported above 2.5g/t block grade for mineralisation at the Carbine deposit, within MLS167, occurring below the southern plunge extent of the optimal pit shells.

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. Rounding may affect tallies