

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

TANAMI GOLD NL

ABN

51 000 617 176

Quarter ended ("current quarter")

30 June 2010

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	17,425	57,134
1.2 Payments for		
(a) exploration & evaluation	(1,172) <sup>(1)</sup>	(4,270) <sup>(1)</sup>
(b) development	(3,976)	(12,273)
(c) production	(10,024)	(41,202)
(d) administration	(917)	(3,052)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	150	247
1.5 Interest and other costs of finance paid	(403)	(926)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>1,083</b>	<b>(4,342)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(1,734) <sup>(2)</sup>	(4,242) <sup>(2)</sup>
(c) other fixed assets	(1,389) <sup>(3)</sup>	(23,689) <sup>(3)</sup>
1.9 Proceeds from sale of:		
(a) prospects	-	1,500
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Payments for security bonds	521 <sup>(1)</sup>	(8,079) <sup>(1)</sup>
<b>Net investing cash flows</b>	<b>(2,602)</b>	<b>(34,510)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,519)</b>	<b>(38,852)</b>

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1.13	Total operating and investing cash flows (brought forward)	(1,519)	(38,852)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	47,135
1.17	Repayment of borrowings	(37)	(95)
1.18	Dividends paid	-	-
1.19	Other – borrowing costs	-	(2,614)
	<b>Net financing cash flows</b>	<b>(37)</b>	<b>44,426</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,556)</b>	<b>5,574</b>
1.20	Cash at beginning of quarter/year to date	8,287	1,157
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>6,731<sup>(4)</sup></b>	<b>6,731<sup>(4)</sup></b>

<sup>1</sup> Payments for cash backed bonds associated with Tanami Gold NL's Central Tanami Gold Project rehabilitation obligations that were previously recognised in payments for exploration & evaluation have been reclassified as payments for security bonds to correctly reflect the nature of the expenditure.

<sup>2</sup> Payments for the purchases of equity investments relate to Tanami Gold NL's participation in the ABM Resources NL share placement announced to the ASX on 22 February 2010.

<sup>3</sup> Payments for the purchases of other fixed assets primarily relate to the acquisition of the Central Tanami Gold Project and associated stamp duty.

<sup>4</sup> As at 30 June 2010, Tanami Gold NL had total cash, gold on hand and gold in-transit of \$8.322 million.

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(163)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

<b>Directors' base remuneration (136)</b>
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**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
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+ See chapter 19 for defined terms.

- 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
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### **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	<b>53,305<sup>(5)</sup></b>	<b>53,305<sup>(5)</sup></b>
3.2	Credit standby arrangements	N/A	N/A

<sup>5</sup> On 17 September 2008, Tanami Gold NL announced that it had entered into two loan agreements with Hong Kong based AP Finance Limited for a total of HK\$ 49.5 million. These loans were due for repayment on 30 September 2009; however Tanami Gold NL and AP Finance Limited agreed to increase Tanami Gold NL's total loan facilities from HK\$ 49.5 million to HK\$ 75 million upon expiry of the initial loan period to assist with funding of the current exploration program. This loan facility is fully drawn down as at 31 March 2010 and equates to approximately \$A10.5 million.

On 24 March 2010, Tanami Gold NL entered into a new loan agreement with AP Finance Limited for a total of A\$37 million. This loan facility has been used primarily to fund the acquisition of the Central Tanami Gold Project (formerly known as the Groundrush Gold Project), meet associated cash backed bond requirements relating to Central Tanami Gold Project rehabilitation obligations and to provide working capital.

On 29 March 2010, Tanami Gold NL entered into a loan agreement with Eurogold Limited for a total of A\$5 million. This loan facility has been used primarily to fund the Company's participation in the ABM Resources NL share placement announced to the ASX on 22 February 2010.

### **Estimated cash outflows for next quarter**

	\$A'000	
4.1	Exploration and evaluation	<b>5,508</b>
4.2	Development	<b>4,129</b>
4.3	Production	<b>7,784</b>
4.4	Administration	<b>865</b>
<b>Total</b>		<b>18,286</b>

### **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	<b>6,731</b>	<b>8,287</b>
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>		<b>6,731</b>	<b>8,287</b>

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**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	<p><b>Reduction in area by Compulsory/ Voluntary Partial Surrender</b>            E80/3388 35 Blocks (112 km<sup>2</sup>)            E80/3389 35 Blocks (112 km<sup>2</sup>)</p> <p><b>Outright Surrender</b>            Nil</p> <p><b>Expiry</b>            Nil</p> <p><b>Withdrawal</b>            Nil</p> <p><b>Sale</b>            Nil</p>	100% 100%	Nil Nil
6.2	Interests in mining tenements acquired or increased	<p><b>Application for Exploration Licence</b>            Nil</p> <p><b>Purchase</b>            Nil</p>		

**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	<b>Preference + securities</b>			
7.2	<i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	3,538,390,059	3,538,390,059	

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7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	<b>+Convertible debt securities</b> <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	950,000 1,750,000 1,750,000 22,000,000	- - - -	<i>Exercise price</i> 15 cents 20 cents 15 cents 1.3 cents	<i>Expiry date</i> 31/03/2012 22/11/2012 22/11/2012 28/02/2014
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 29 July 2010  
(Director)

Print name: **Graeme Sloan**

**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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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