



25 August 2010

# WESTERN TANAMI RESOURCE INCREASES 31% TO 554,700 OUNCES

## ***Total Resource for Tanami Operations now over 1.61 Million Ounces***

Australian gold producer Tanami Gold NL (ASX: TAM<sup>1</sup>) is pleased to announce an updated Mineral Resource estimate for its Western Tanami Gold Operations ('Western Tanami'), has leapt by 31 per cent to 554,700 ounces.

The upgraded figure comprises **3.12 million tonnes grading 5.5g/t** (see Table 1) and represents a **31% increase** on the previous estimate at 30 June 2009 (see Table 2) after taking into account the record 47,960 ounces produced for the year ended 30 June 2010.

The 132,700 ounce increase in Resource resulted from a successful campaign of diamond and reverse circulation drilling at key deposits within the project area.

The Company now has total Measured, Indicated and Inferred Resources at its Western and Central Tanami projects of **14,796,000 tonnes grading 3.4g/t for 1.616 million ounces**.

Underground diamond core drilling at the Coyote Mine has delineated additional high grade mineralisation at Bommie and South Zone which has contributed significantly to the Coyote Resource.

Coyote total Measured, Indicated and Inferred Resources increased by 66,000 ounces after mining depletion of 39,000 ounces.

In addition, surface diamond core drilling at the Sandpiper deposit has delineated a further 65,000 ounces of Indicated and Inferred Resources by extending mineralisation over 400 metres down-plunge from the base of the Sandpiper open pit with mineralisation remaining open at depth.

The discovery cost of the additional Resource is approximately **\$24 per ounce**.

### **Western and Central Tanami Exploration**

Ongoing surface reverse circulation and diamond core exploration drilling at the Company's Western and Central Tanami project areas continues to deliver encouraging results.

At Western Tanami, recent assays received from drill hole HFRC1 at the Hutch's Find prospect, located 22 kilometres southwest of the Coyote treatment plant, include:-

- 2m @ 3.7g/t Au from 64 to 66 metres
- 19m @ 2.3g/t Au from 98 to 117 metres
- 10m @ 5.4g/t Au from 123 to 133 metres (including 5m @ 9.6g/t from 123 metres)

*Refer Figure 1 and Table 4.*

This mineralisation is related to abundant quartz stringer veins hosted within foliated micaceous sandstone and siltstone. Follow-up drilling is planned for this prospect.

Underground diamond drilling is expected to resume at Coyote during the December 2010 Quarter to test a number of high grade targets adjacent to existing mineralisation. Resource definition drilling programs will also be undertaken within the Coyote system.

At Central Tanami, reverse circulation and diamond core exploration drilling continues at a high level of activity with prospective structure and alteration intersected in many of the holes completed to date. A large number of assays are pending with assay turn-around time steadily improving. An update on the Central Tanami drilling campaign is expected to be released shortly.



**Graeme Sloan**  
**Managing Director/CEO**

***<sup>1</sup> ASX has allocated Tanami Gold NL a temporary code of TAMDA while the consolidation process is being finalised. The TAM code will revert back on 7 September 2010.***

**Table 1: Western Tanami Project Mineral Resources as at 30 June 2010**

Deposit	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Coyote	78,000	25.6	64,000	473,000	11.5	174,000	329,000	7.0	74,000	880,000	11.0	312,000
Sandpiper	27,000	3.3	3,000	466,000	4.0	61,000	633,000	4.4	90,000	1,126,000	4.2	153,000
Kookaburra	55,000	2.8	5,000	539,000	2.6	46,000	342,000	2.2	24,000	936,000	2.5	75,000
Pebbles	-	-	-	-	-	-	76,000	2.5	6,000	76,000	2.5	6,000
Stockpiles	100,000	2.4	7,700	-	-	-	-	-	-	100,000	2.4	7,700
<b>Total</b>	<b>260,000</b>	<b>14.0</b>	<b>79,700</b>	<b>1,479,000</b>	<b>5.9</b>	<b>281,000</b>	<b>1,380,000</b>	<b>4.4</b>	<b>194,000</b>	<b>3,119,000</b>	<b>5.5</b>	<b>554,700</b>

**Notes to accompany Table 1.**

1. The Mineral Resource Estimate is reported at a 1g/t Au lower cut-off.
2. Tonnes are rounded to the nearest thousand and grade to 0.1g/t. Rounding may affect tallies.
3. Deposit ounces rounded to nearest thousand. Stockpile ounces rounded to nearest hundred.
4. Resource estimation of Coyote and Sandpiper deposits was completed by Mr Steven Nicholls, a full time employee of Tanami Gold NL.
5. The Kookaburra Resource estimation was conducted by Mr Peter Ball of Datageo Geological Consultants.
6. The Pebbles Resource estimate was completed in 2007 by Mr Malcolm Titley of CSA Australia Pty Ltd.
7. 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 have given permission for the inclusion in this report of the matters based on their information in the form and context in which it appears.
8. The Resource estimations were completed using Micromine, Surpac and Datamine software, comprising an inverse distance grade interpolation within block model constrained by 3D wireframed geological boundaries. The wireframes defining the mineralisation were based on structural, assay and lithological information. Various top cuts have been applied to the drill hole samples based on lode domain analysis, with the exception of Kookaburra where the effect of top cutting was deemed immaterial. Where top cuts were applied they ranged from 35g/t for Sandpiper to 120g/t for Coyote. The search constraints applied to the grade estimation were controlled by the orientation of the lodes and the known dip and plunge of the mineralisation within the lodes based on geological knowledge and mining experience.
9. The Resource estimations used bulk density measurements conducted on a deposit scale and broken down by regolith profile. As such the density measurements applied were based on test work applicable to the deposit of interest. These ranged from 2.00 t/m<sup>3</sup> (base of transported) to 2.72t/m<sup>3</sup> (Fresh rock).
10. The Resource has been depleted for mining undertaken at the Coyote, Sandpiper and Kookaburra mines during the period 1 July 2009 to 30 June 2010.
11. The Measured Resource at Coyote has been based on the high level of confidence of the location and grade of mineralisation between the current underground development drives. The development drives have typically six metres separation. The Sandpiper and Kookaburra Measured Resource has been based on a 10 metre distance below the current pit floor, which is supported by a combination of mining at the base of the pits, and five metre deep grade control drilling below the floor of the pit.

**Table 2: Western Tanami Project Mineral Resources as at 30 June 2009**

Deposit	Indicated			Inferred			Total		
	Tonnes	Grade g/t	Ounces	Tonnes	Grade g/t	Ounces	Tonnes	Grade g/t	Ounces
<b>Coyote</b>	355,000	15.5	176,000	274,000	7.9	70,000	629,000	12.2	246,000
<b>Sandpiper</b>	321,000	3.7	38,000	471,000	3.3	50,000	792,000	3.4	88,000
<b>Kookaburra</b>	668,000	2.7	58,000	343,000	2.2	24,000	1,011,000	2.5	82,000
<b>Pebbles</b>				76,000	2.5	6,000	76,000	2.5	6,000
<b>Total</b>	1,344,000	6.3	272,000	1,164,000	4.0	150,000	2,508,000	5.3	422,000

**Notes to accompany Table 2.**

1. The Mineral Resource Estimate is reported at a 1g/t Au lower cut-off.
2. Tonnes are rounded to the nearest thousand and grade to 0.1g/t. Rounding may affect tallies.
3. Resource estimation of Coyote and Sandpiper deposits was completed by Mr Steven Nicholls, a full time employee of Tanami Gold NL.
4. The Kookaburra Resource estimation was conducted by Mr Peter Ball of Datageo Geological Consultants.
5. The Pebbles Resource estimate was completed in 2007 by Mr Malcolm Titley of CSA Australia Pty Ltd.
6. 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 have given permission for the inclusion in this report of the matters based on their information in the form and context in which it appears.
7. The resource estimations were completed using Micromine, Vulcan, Surpac and Datamine software, comprising of inverse distance grade interpolation within a block model constrained by 3D wireframed geological boundaries. The wireframes defining the mineralisation lodes were based on structural, assay and lithological information. Various top cuts were applied to the drill hole samples based on lode domain analysis. Top cuts ranged from 13 to 120 g/t Au.

**Table 3: Central Tanami Project Mineral Resources as at 30 April 2010**

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
<b>Total</b>	<b>6,518,000</b>	<b>2.5</b>	<b>514,000</b>	<b>3,467,000</b>	<b>3.3</b>	<b>373,000</b>	<b>1,692,000</b>	<b>3.2</b>	<b>174,000</b>	<b>11,677,000</b>	<b>2.8</b>	<b>1,061,000</b>

**Notes to accompany Table 3.**

- 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.
- The information in this report pertaining to Mineral Resources for the Central Tanami Project was compiled by Mr Bill Makar (MAusIMM), former Chief Mine Geologist for Otter Gold Mines Limited Tanami Mine Joint Venture. 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 has provided written consent to Tanami Gold NL for the inclusion in the report of the matters based on his information in the form and context in which they appear.

**Table 4: Western Tanami Project Hutch's Find recent drilling Significant Intersections**

Hole Number	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth (m)	Significant Intersections		
							Interval	Length (m)	Grade (g/t)
HFRC1	463560	7790150	410	-60	180	133	98m to 117m	19	2.3
							123m to 133m (eoh)	10	5.4
							Inc 123m to 128m	5	9.6

**Notes to accompany Table 4**

- Collar Northing, Easting and Azimuth are all in AMG Grid coordinates. Collar positions may vary slightly upon final survey location.
- Analyses by 50g fire assay with AAS finish.
- No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
- Intervals reported are greater than 1g/t with maximum 2 metres internal waste.
- Interval length is down hole length

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.

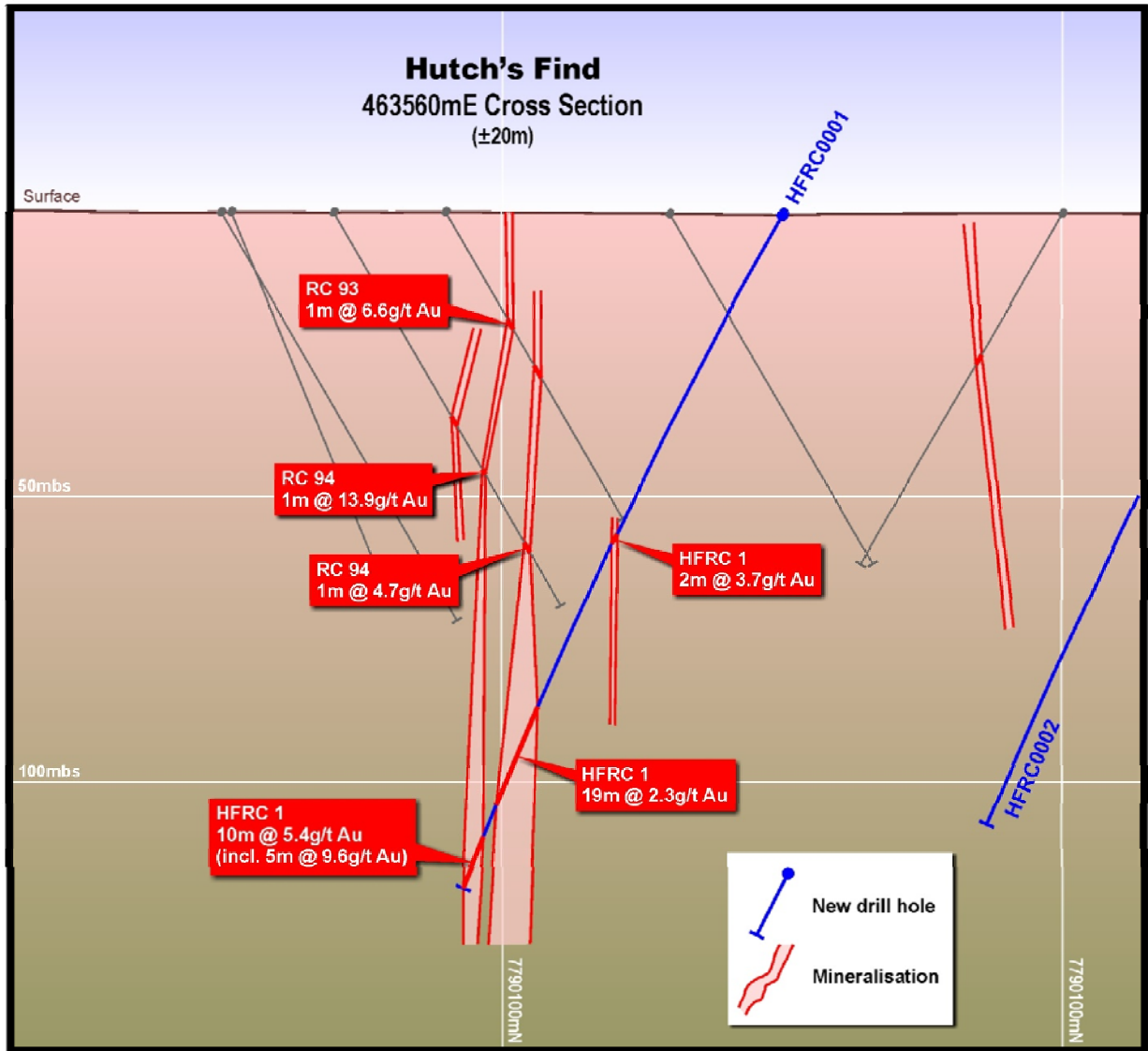


Figure 1: Hutch's Find cross section showing significant intersections from HFRC1