



## CHAIRMAN'S ADDRESS TO TANAMI GOLD NL ANNUAL GENERAL MEETING

29 NOVEMBER 2010

Ladies and gentlemen

I am very pleased to report that excellent progress has been made during the past year on a number of fronts including:

- 48,000 ounces of gold production at the Coyote operations for 2009-2010.
- Completion of the ABM Resources NL transaction in December 2009 which resulted in Tanami Gold having approximately a 25% fully diluted shareholding in ABM which provides significant leverage to ABM's highly prospective tenement holdings in the Tanami-Arunta Province. ABM has announced numerous significant drill results during 2010.
- Completion of the acquisition of the Central Tanami Project in March 2010 from Newmont which will underpin Tanami Gold's progression to being a +200,000 ounce per annum gold producer.
- Completion of a successful \$63 million entitlements issue and a 1:30 share consolidation which resulted in the Company being debt free.
- Expansion of the exploration budget for 2010-2011 to \$15 million per annum.
- A 31% increase in the Western Tanami Resource with a further Central Tanami Resource upgrade scheduled for early 2011.

Graeme Sloan will provide more detail on all of these achievements in his presentation.

Given the achievements of the past twelve months, I would like to express the Board's appreciation to Graeme and all of our employees for their efforts and contribution to the ongoing growth of the Company.

Specifically in relation to Graeme, I would like to bring shareholders' attention to an announcement the Company made on 28 November 2008 regarding Graeme's appointment as Managing Director/CEO and an option incentive package which was announced at that time. As set out in the announcement, the Board had resolved to issue Graeme 36 million options exercisable at 1.3 cps (39 cps following the 1:30 consolidation) with applicable restrictions and conditions, with the aim of seeking shareholder approval at the next shareholder meeting.

The options were seen as an incentive for Graeme to accept the appointment as Managing Director/CEO and as an incentive to improve the Company's operations and to identify growth opportunities. Graeme's appointment at that time required Graeme to accept a very high level of responsibility and commitment at a time when many other opportunities existed for Graeme.

The full vesting period proposed for Graeme's options was a two year period through to September 2010. In the May 2009 Budget, the Federal Government proposed a number of changes to the taxation legislation regarding employee share plans which created uncertainty for recipients of option incentive remuneration packages. Due to the potential negative impact stemming from the now legislated taxation changes, it was decided not to seek shareholder approval for the issue of the proposed options to Graeme until after the vesting period was reached in September 2010.

Notwithstanding the significant contribution made by Graeme to the successful development of the Company, which has resulted in the ongoing employment of over 150 people and which has placed the Company in a strong position for future growth, Graeme would be required to meet a significant tax liability without the ability to sell the options to meet such liabilities, if the options were issued on the terms proposed.

As such, it was determined by the Board to defer the seeking of shareholder approval for the issue of Graeme's options until this year when the options would have been fully vested and Graeme would have more time to continue to add shareholder value, and therefore value to his options, before he is required to meet a tax liability on unrealised gains.

The Board has again determined to defer the seeking of shareholder approval for the issue of Graeme's options until a later date so a tax liability is not created now which will force Graeme to have to sell shares to meet such liability which is not in Graeme's or the Company's interest.

Given the recent 6:5 rights issue and 1:30 share consolidation, the Board has agreed (subject to shareholder approval at a later date) to adjust on a pro-rata basis, the proposed options for Graeme which results in the proposed option package now being 2.64 million options at an exercise price of 42 cents per share. At the appropriate time shareholder approval will be sought for the issue of Graeme's options.

Based on our achievements during the past year, the Board looks forward to further improvements at Coyote, the development of the Central Tanami Project and to ongoing exploration success.

Graeme will now give a presentation on the Company's activities and our plans going forward.

Thank you.

**Denis Waddell**  
**Chairman**