

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")

31 December 2010

Consolidated statement of cash flows

	Current quarter	Year to date (6 months)
Cash flows related to operating activities	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	13,675	26,693
1.2 Payments for		
(a) exploration & evaluation	(4,961)	(9,206)
(b) development	(4,515)	(8,331)
(c) production	(7,840)	(16,440)
(d) administration	(1,002)	(2,045)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	153	408
1.5 Interest and other costs of finance paid	-	(2,429)
1.6 Income taxes paid	-	-
1.7 Other - withholding tax paid	-	(237)
Net Operating Cash Flows	(4,490)	(11,587)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(2,319)	(2,319)
(c) other fixed assets	(1,094)	(1,810)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(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	(177)	(177)
1.13 Other – Refund of security bonds	5,262	5,401
1.14 Other – Refund of stamp duty	-	163
Net investing cash flows	1,672	1,258
1.13 Total operating and investing cash flows (carried forward)	(2,818)	(10,329)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,818)	(10,329)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	60,701
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	5,238	5,238
1.17	Repayment of borrowings	(38)	(53,174)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(295)	(295)
	Net financing cash flows	4,905	12,470
	Net increase (decrease) in cash held	2,087	2,141
1.20	Cash at beginning of quarter/year to date	6,783	6,729
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8,870	8,870

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	(223)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' base remuneration	(155)
-------------------------------------	--------------

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	19,232¹	5,188¹
3.2 Credit standbyarrangements	-	-

¹ On 13 December 2010, Tanami Gold NL entered into a loan agreement with Hong Kong based AP Finance Limited for HK\$ 152 million. As at 31 December 2010, total funds available to be drawn down under this loan agreement were approximately A\$ 19.232 million. As at 31 December 2010, Tanami Gold NL had drawn down a total of HK\$ 41 million which equated to approximately A\$ 5.188 million.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,984
4.2 Development	7,888
4.3 Production	11,651
4.4 Administration	784
Total	23,307

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	8,870	6,783
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,870	6,783

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	SELA26925 SELA26926	Reduction in area by Compulsory/Voluntary Partial Surrender 5 Blocks (16 km ²) 72 Blocks (230 km ²)	100% 100%	NIL NIL
	EL7150 EL25061	Outright Surrender 111 Blocks (355 km ²) 31 Blocks (256 km ²)	100% 100%	NIL NIL
		Expiry Nil		
	ELA27922 ELA27976	Withdrawal 18 Blocks (58 km ²) 11 Blocks (35 km ²)	100% 100%	NIL NIL
6.2 Interests in mining tenements acquired or increased		Sale Nil		
	ELA28337 ELA28474	Application for Exploration Licence 106 Blocks (339 km ²) 148 Blocks (474 km ²)	NIL NIL	100% 100%
		Purchase Nil		

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 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.3	+Ordinary securities	260,947,676	260,947,676		
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>	31,667 58,334 58,334 50,000	- - - -	<i>Exercise price</i> \$4.50 \$6.00 \$4.50 \$0.39	<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	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

The ordinary securities and options quoted in the preceding table are post completion of the 1-for-30 consolidation of capital that the Company undertook following approval from a General Meeting of the Company's shareholders held on 20 August 2010.

+ 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: 31 January 2011
(Company Secretary)

Print name: **Jon Latto**

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.

== == == == ==

+ See chapter 19 for defined terms.