

COMPANY ENQUIRIES

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EXCEPTIONAL HIGH GRADE DRILL RESULTS FROM GROUNDROUSH DEPOSIT CONTINUE

KEY POINTS

Four new holes produce further high grade drill results.

Intersections confirm the emergence of a new footwall lode.

Substantial number of assays pending.

Groundrush metallurgical gold recoveries of 95% with 60% recoverable by gravity separation.

Latest drilling at the Groundrush deposit includes:

- ***18.0m @ 8.0 g/t Au from 289.9m - GRDD28***
- ***10.1m @ 9.1 g/t Au from 258.5m - GRDD31***
- ***2.7m @ 59.6 g/t Au from 183.7m - GRDD31***
- ***4.9m @ 6.0 g/t Au from 301.0m - GRDD31 (footwall lode)***
- ***0.4m @ 220.0 g/t Au from 323.3m - GRDD24***
- ***2.4m @ 6.8 g/t Au from 325.0m - GRDD15***

Australian gold producer Tanami Gold NL (ASX: TAM – ‘Tanami’ or ‘the Company’) is pleased to report further exceptional results from its ongoing Resource extensional drilling program at its 100%-owned **Central Tanami Project** (CTP) in the Northern Territory.

Tanami’s Managing Director, Graeme Sloan said, “since drilling commenced in April 2011, the Company has seen a consistent flow of outstanding results from the Groundrush drilling. When you add both historic and our recent drilling, we have done little more than scratch the surface of the deposit. To date we have only tested an area approximately 700 metres along strike and just under 100 metres below the base of the existing pit, or approximately 250-300 metres below surface.”

The Groundrush deposit is hosted within a thick fractionated dolerite unit and is located approximately 40 kilometres north-east of the CTP treatment plant. The deposit consists of a main north plunging zone of mineralisation, two footwall zones of mineralisation similar in tenor to the main zone and at least three shallow dipping high grade zones of mineralisation. More recent drilling has also confirmed the emergence of a thinner zone of gold mineralisation near to or at the footwall contact between the host dolerite and the footwall sediment package.

With less than half of the 1.5 kilometre pit length tested to date (and most of this to a relatively shallow depth), potential clearly exists to increase Resources and for repeat zones of mineralisation at depth (refer Figures 2 and 3) and along strike. The Company remains on target to provide an updated Resource Statement later this year to coincide with completion of the CTP Feasibility Study.

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Recent assay results from holes GRDD15, GRDD24, GRDD28 and GRDD31 have all returned excellent gold intervals including:

- **18.0m @ 8.0 g/t Au from 289.9m - GRDD28**
- **10.1m @ 9.1 g/t Au from 258.5m - GRDD31**
- **2.7m @ 59.6 g/t Au from 183.7m - GRDD31**
- **4.9m @ 6.0 g/t Au from 301.0m - GRDD31 (footwall lode)**
- **0.4m @ 220.0 g/t Au from 323.3m - GRDD24**
- **2.4m @ 6.8 g/t Au from 325.0m - GRDD15**
- **8.8m @ 2.5 g/t Au from 363.0m - GRDD15**
- **12.0m @ 4.0 g/t Au from 251.4m - GRDD24**
- **0.7m @ 50.7 g/t Au from 251.3 - GRDD28**
- **5.3m @ 3.9 g/t Au from 337.0m - GRDD28 (footwall lode)**
- **0.7m @ 42.7 g/t Au from 209.3m - GRDD31**

A detailed summary of these and other holes are presented in Tables 1 and 2.

The third phase of diamond drilling at Groundrush is now complete with a total of 38 holes drilled since April 2011. A significant number of assays remain outstanding. Planning of the fourth phase of drilling is underway and will be finalised when all outstanding assays from Groundrush are received and assessed.

Test work to determine gold recoveries for the Groundrush deposit has been undertaken by metallurgical consultants with the results showing gold recoveries in excess of 95%. This is consistent with historical gold recoveries achieved during earlier mining operations. Importantly, the test work also indicated a very high gravity component with up to 60% recoverable by gravity separation.

Mr Sloan said, "given the extremely high success rate of drilling to date, multiple zones of mineralisation identified during this early phase of drilling, excellent gold recoveries including a very high gravity component, and the clear potential for this system to continue at depth and along strike, the Groundrush deposit has the potential to increase significantly and to underpin the Company's transition into the ranks of mid-tier gold producers."

Graeme Sloan
Managing Director

The information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Michael Thomson, a full time employee and Resource Geologist of Tanami Gold NL. Mr Thomson is a member of the Australasian Institute of Mining and Metallurgy 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 Thomson consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Tanami Gold NL Overview

Tanami Gold NL is a Perth-based gold exploration and production company.

The Company is in production at its Western Tanami Operations (WTO), which comprises two mining centres, the Coyote underground mine and the Bald Hill open pit operations, both of which feed into the centrally located 350,000 tonnes per annum WTO treatment facility.

In March 2010, the Company acquired the Central Tanami Project (CTP) from Newmont Asia Pacific. The CTP is the subject of a Feasibility Study which is expected to be completed by October 2011. When in production the CTP will significantly add to the Company's production profile and will complement the Company's existing production base at the WTO. An extensive drill program is currently underway at the CTP with the main focus being Resource delineation at the Groundrush deposit.

The Company also has exposure to over 34,000 km² of prospective ground adjacent to and surrounding the WTO and CTP, through its 100% owned tenements and its strategic shareholding in ABM Resources NL.

Tanami Gold NL has current gold Resources of 2.3 million ounces and over 400,000 ounces of Reserves which will underpin the Company's long term growth and transition into a mid-tier gold producer.

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Figure 1 – Groundrush Pit – Schematic Long Section (looking east) with Significant Gold Intersections

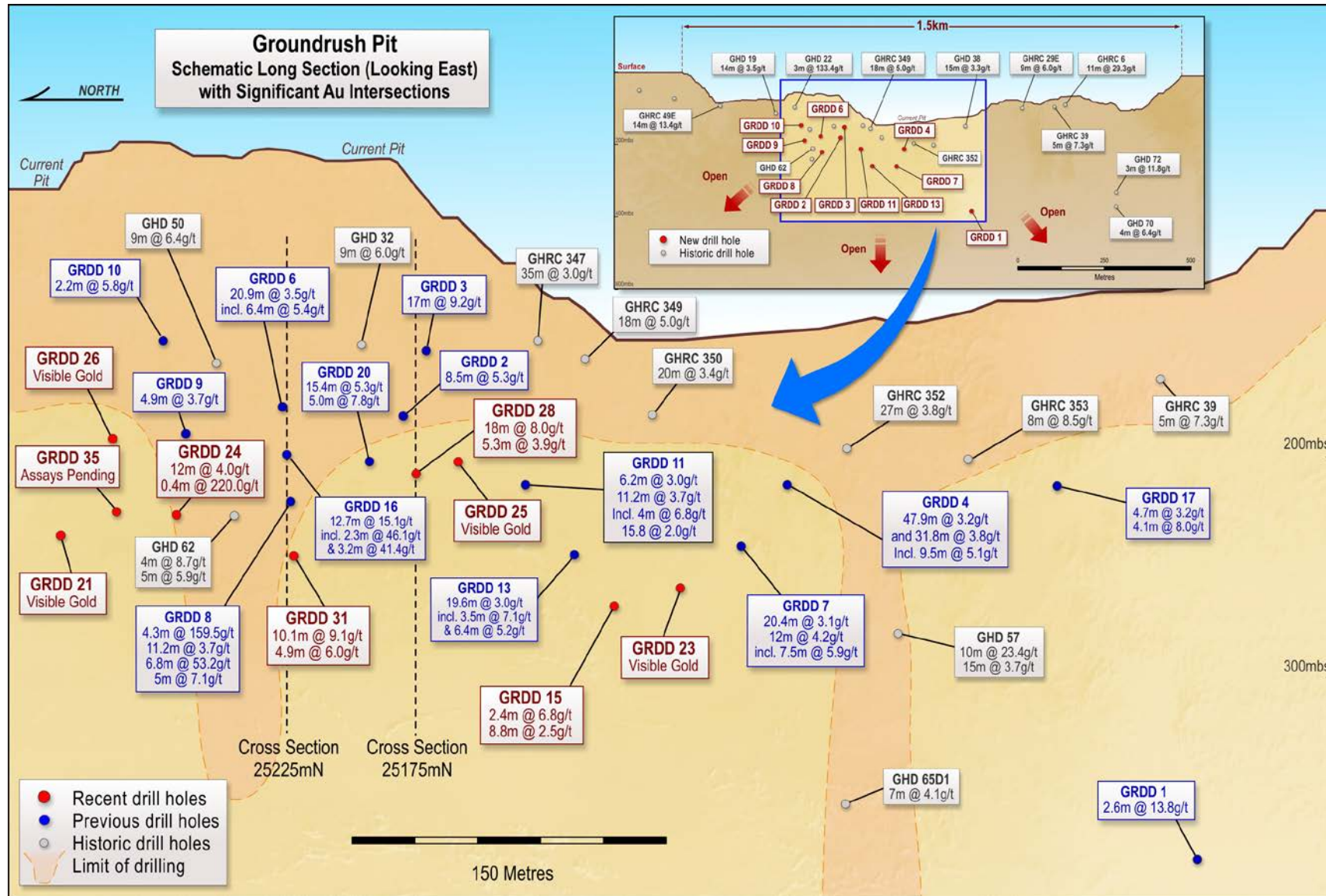


Figure 2 – Groundrush Schematic Cross Section 25175mN

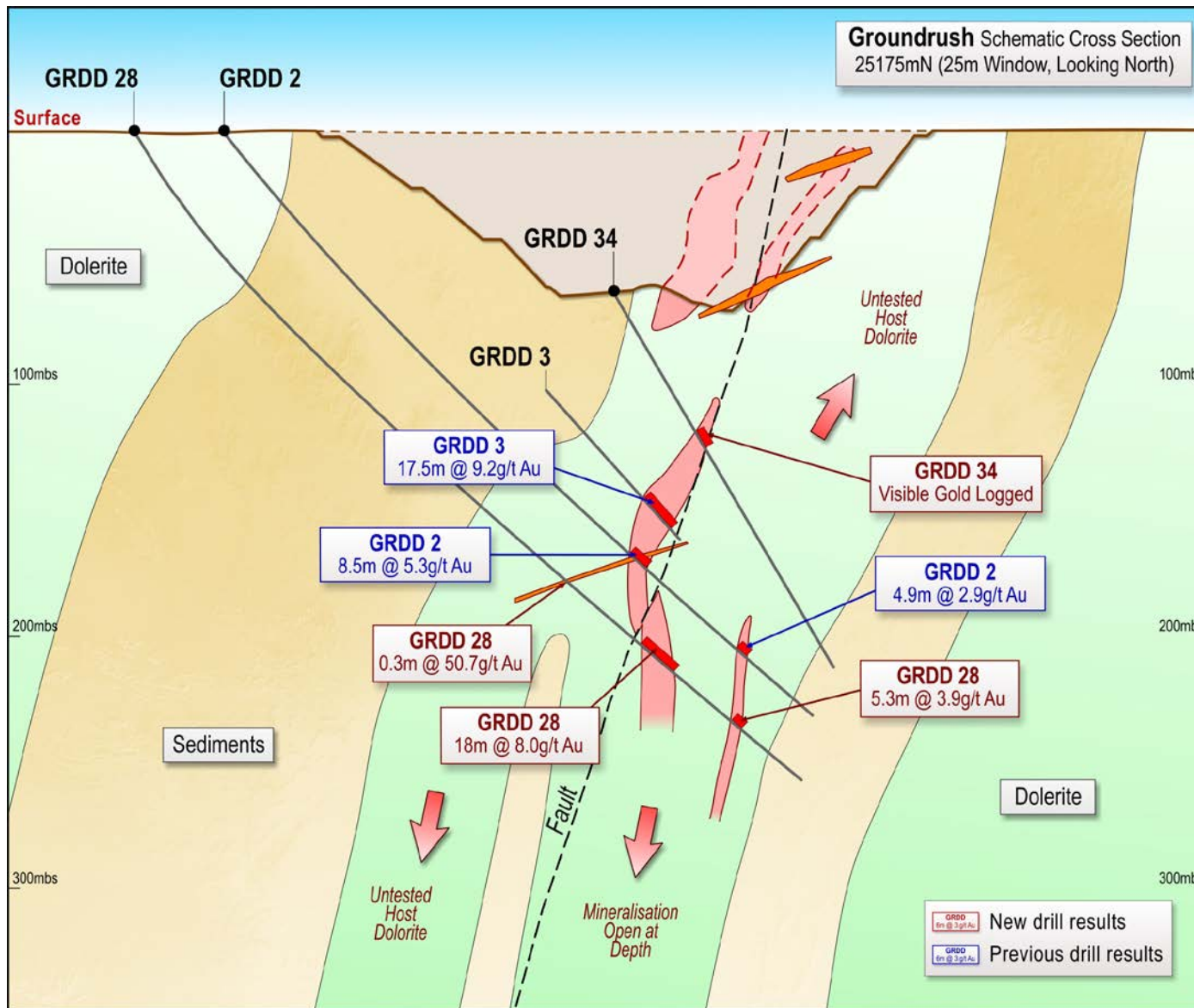
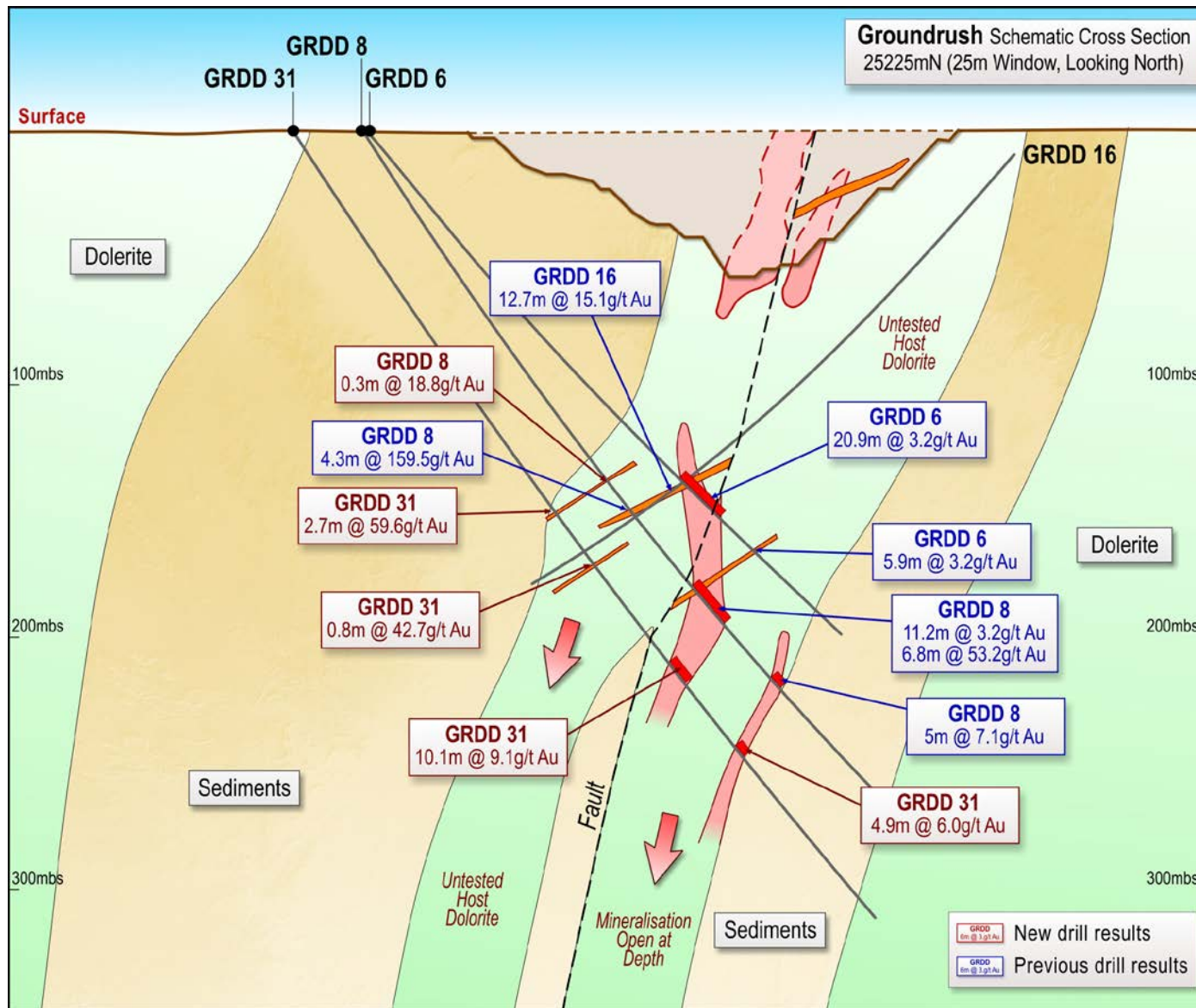


Figure 3 – Groundrush Schematic Cross Section 25225mN



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Table 1: Significant intersections from recent Groundrush diamond drilling

Hole ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Max Depth	Metres From	Metres To	Interval Width	Grade g/t Au
GRDD15	603849	7820102	422	-48	46	415	325.0	327.4	2.4	6.8
							363.0	371.8	8.8	2.5
GRDD24	603813	7820334	423	-55	48	325	251.4	263.4	12.0	4.0*
							323.3	323.7	0.4	220.0
GRDD28	603828	7820210	420	-48	44	374.4	251.3	252.1	0.7	50.7
							289.9	307.9	18.0	8.0
							337.0	342.3	5.3	3.9
GRDD31	603865	7820178	422	-55	48	390	183.7	186.4	2.7	59.6
							209.3	210.0	0.7	42.7
							258.5	268.6	10.1	9.1
							301.0	305.9	4.9	6.0

Notes to accompany Table 1

1. Collar Northing, Easting and Azimuth are all in MGA Grid coordinates. Collar RL is relative to AHD. Collar coordinates may vary upon final survey.
2. Analyses by 50g fire assay with AAS finish of half diamond core samples.
3. No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
4. Significant intersections are greater than 1.0g/t with maximum 2 metres internal dilution.
5. *Significant intersections are greater than 0.2g/t with maximum 3 metres internal dilution
6. Intervals are all down hole length.

**Table 2 : Significant intersections from Groundrush diamond drilling
(Previously reported)**

Hole ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Depth From	Depth To	Interval Width	Grade g/t Au
GRDD1	603980	7819851	420	-57	50	447.7	346.5	349.1	2.6	13.8*
GRDD2	603856.7	7820236	420	-48	50	333.8	235.5	244.0	8.5	5.3
							Inc 239.5	243.0	3.5	8.1
GRDD 3	603859	7820309	420	-60	73.5	267.7	198.0	214.0	16.0	9.7
							Inc 198.0	199.7	1.7	64.6
							Inc 207.0	214.0	7.0	5.8
GRDD4	603888	7820109	420	-48	58.5	309.9	243.1	291.0	47.9	3.2*
							Inc 243.1	255.9	12.8	2.6
							Inc 259.2	291.0	31.8	3.8
							303.0	304.9	1.9	5.1
GRDD6	603871	7820313	420	-48	47.5	276.6	188.5	209.4	20.9	3.5
							Inc 196.6	203.0	6.4	5.4
							225.1	231.0	5.9	3.2
GRDD7	603853	7820102	420	-48	56	420.8	275.3	295.7	20.4	3.1*
							Inc 275.3	276.8	1.5	16.9
							302.0	303.3	1.3	7.9
							307.0	319.0	12.0	4.5
GRDD8	603866	7820310	420	-55	48	336.5	170.0	173.2	3.2	2.8

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							183.9	188.2	4.3	159.5*
							<i>Inc</i> 185.0	187.0	2.0	341.6
							224.4	235.6	11.2	3.7
							239.0	245.8	6.8	53.2+
							273.0	278.0	5.0	7.1
GRDD9	603830	7820352	420	-53	46.5	325	225.9	230.8	4.9	3.7
GRDD10	603869	7820379	420	-52.5	46.5	420.6	182.5	184.2	2.2	5.8
GRDD11	603867	7820179	420	-50	51.5	408.7	239.0	245.2	6.2	3.0
							251.0	266.8	15.8	2.0
							<i>Inc</i> 262.0	266.8	4.8	3.8
							311.0	322.2	11.2	3.7
							<i>Inc</i> 311.0	315.0	4.0	6.8
GRDD13	603862	7820146	420	-50	48.5	415.9	289.4	309.0	19.6	3.0 [#]
							<i>Inc</i> 291.0	294.5	3.5	7.1
							<i>Inc</i> 302.9	306.0	3.1	4.6
							331.5	337.9	6.4	5.2
GRDD14	604292	7819563	366	-54	51.7	187	88.9	89.2	0.3	15.5
GRDD16	604079	7820474	420	-47	235	422	192.2	204.9	12.7	15.12
							<i>inc</i> 199	201.3	2.3	46.1
GRDD17	603954	7819965	421	-53	48.8	398	208.6	211.8	3.2	41.3
							244.0	248.7	4.7	3.2
							307.3	311.3	4.1	8.0
GRDD18	604309	7819548	368	-55	50	188	9.0	10.0	1.0	32.9
							63.1	65.5	2.5	5.6
GRDD20	603848	7820263	423	-51	52.8	355	261.0	276.4	15.4	5.3
							<i>Inc</i> 269.1	272.0	2.9	10.9
							<i>Inc</i> 274.5	276.4	1.9	12.2
							312.0	317.0	5.0	7.8

Notes to accompany Table 2

1. Collar Northing, Easting and Azimuth are all in MGA Grid coordinates. Collar RL is relative to AHD. Collar coordinates may vary upon final survey.
2. Analyses by 50g fire assay with AAS finish of half diamond core samples.
3. No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
4. Significant intersections are greater than 0.5g/t with maximum 2 metres internal dilution.
5. *Significant intersections are greater than 0.2g/t with maximum 3 metres internal dilution
6. + Previously reported as 9.5m @ 38.8g/t.
7. #Previously reported as 6.4m @ 4.4g/t
8. Intervals are all down hole length.

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Table 3: Total Tanami Gold NL Ore Reserves as at 31 March 2011

Project	Reserve Category								
	Proven			Probable			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
WT	84,100	10.5	28,500	692,600	4.7	104,400	776,700	5.3	132,900
CT	355,000	5.5	62,400	1,689,000	2.9	159,000	2,044,000	3.4	221,300
Sub Total	439,100	6.4	90,900	2,381,600	3.7	263,400	2,820,700	3.9	354,200
CT Stockpile	1,700,000	0.9	48,000				1,700,000	0.9	48,000
Total	2,139,100	2.0	138,900	2,381,600	3.7	263,400	4,520,700	2.8	402,200

Notes to accompany Table 3

- WT is Western Tanami and CT is Central Tanami
- These Ore reserves have been compiled by Mr Peter Lock (MAusIMM), of Mining Plus Pty Ltd, Mr Brad Evans (MAusIMM), of Mining Plus Pty Ltd, Mr Colin McVie (MAusIMM), of Mining Plus Pty Ltd, Mr Bill Makar, Consultant Geologist – Tanami Gold NL, and Mr Peter Clifford, of MineMap Pty Ltd. Mr Lock, Mr Evans, Mr McVie, Mr Makar and Mr Clifford have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore reserves (the JORC Code) 2004 edition. Mr Lock, Mr Evans, Mr McVie, Mr Makar and Mr Clifford consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Table 4: Tanami Gold NL Mineral Resources as at 31 March 2011

Project	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
WT	260,000	9.5	79,700	1,478,000	5.9	281,000	1,380,000	4.4	194,000	3,119,000	5.5	554,700
CT	6,255,000	2.9	579,000	7,905,000	2.6	668,000	5,054,000	2.8	451,000	19,215,000	2.8	1,699,000
Sub Total	6,515,000	3.1	658,700	9,383,000	3.1	949,000	6,434,000	3.1	645,000	22,334,000	3.1	2,253,700
CT Stockpile	1,700,000	0.9	48,000							1,700,000	0.9	48,000
Total	8,215,000	2.7	706,700	9,383,000	3.1	949,000	6,434,000	3.1	645,000	24,034,000	3.0	2,301,700

Notes to accompany Table 4

- Resource estimations completed using MineMap, Vulcan and Micromine software packages comprising a combination of ellipsoidal inverse distance and ordinary kriging grade interpolation methods.
- Grade estimation was constrained to material within >0.7g/t mineralisation outlines.
- Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
- Resources reported above 0.7g/t block model grade.
- 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), Consultant Geologist – Tanami Gold NL, Mr Michael Thomson (MAusIMM), Resource Geologist for Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), Contract Geologist for Tanami Gold NL and Mr Peter Ball (MAusIMM), Director of Datageo Geological Consultants. Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard and Mr Ball have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Persons 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, Mr Nicholls, Mrs Hillyard and Mr Ball consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.