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## **CENTRAL TANAMI PROJECT**

### **GROUND RUSH DRILLING UPDATE**

**Recent drilling returns further positive results including:**

- **9 metres @ 260g/t from 113 metres (including 4 metres @ 583g/t au from 114 metres)**
- **3 metres @ 22g/t Au from 88 metres**
- **4 metres @ 10.7g/t Au from 67 metres**

Australian gold producer Tanami Gold NL (ASX: TAM – ‘Tanami’ or ‘the Company’) is pleased to announce continued exploration success at the 100% owned Groundrush deposit which forms part of the Central Tanami Project.

An RC drill program carried out on the north eastern side (footwall) of the Groundrush deposit has successfully defined a new high grade vein with possible repetitions at depth. The high grade quartz vein has a true width of 2-5 metres and has been defined at 20 metres below surface which is likely to be mineable by way of a small cut back at the northern end of the existing open pit (See Figures 1 and 2).

Diamond drilling has continued at Groundrush targeting depth and strike extensions of the current Resource with several holes stepping out to the north and south of previous drilling, while also stepping down plunge of the main zone of mineralisation. Due to the Christmas period the majority of samples from this program are still pending with a backlog of over 3,000 samples.

A second diamond drill rig has recently arrived on site to conduct a targeted infill program from the ramp of the current open pit. This program is expected to quantify the potential upside to the multiple flat high grade veins present at Groundrush by enabling drilling down the main shear hosted zones, something that is has not been possible to date.

In addition, an RC drilling program commenced in December 2011 at the Ripcord Prospect located approximately 2 kilometres southeast of Groundrush. The aim of this program is to delineate the strike, depth and lateral extent of the existing zone of gold mineralisation, prior to an open pit Resource definition drilling program. Ripcord has geology and geophysics similar to Groundrush and has additional potential for deeper hidden gold mineralisation. The program was suspended for the wet season with eight holes for a total of 1,165 metres drilled. Assay results are pending.

**Denis Waddell**  
**Deputy Chairman**

# ASX Announcement

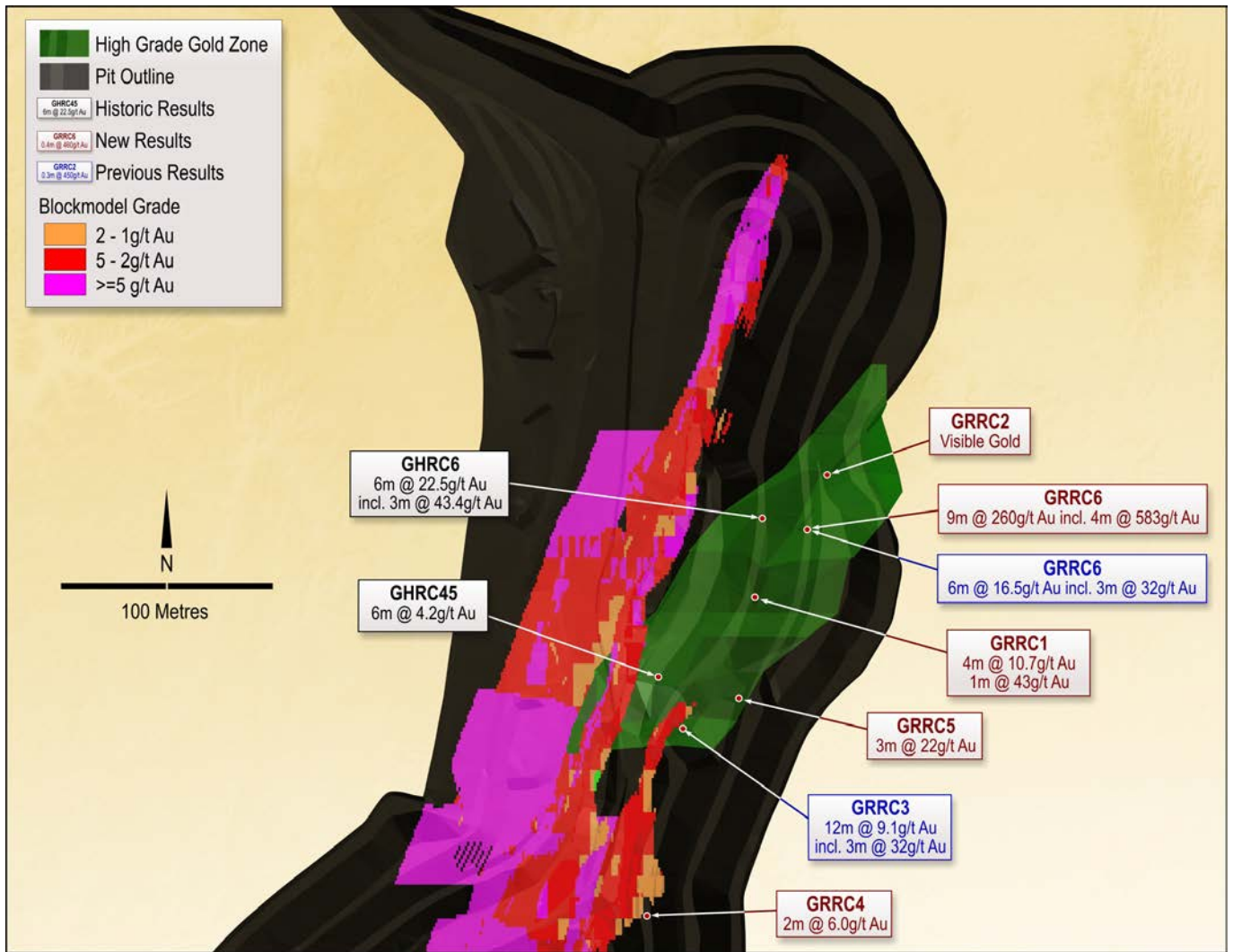


Figure 1: Groundrush Plan View – showing high grade vein in the northeast end of the current Resource

# ASX Announcement

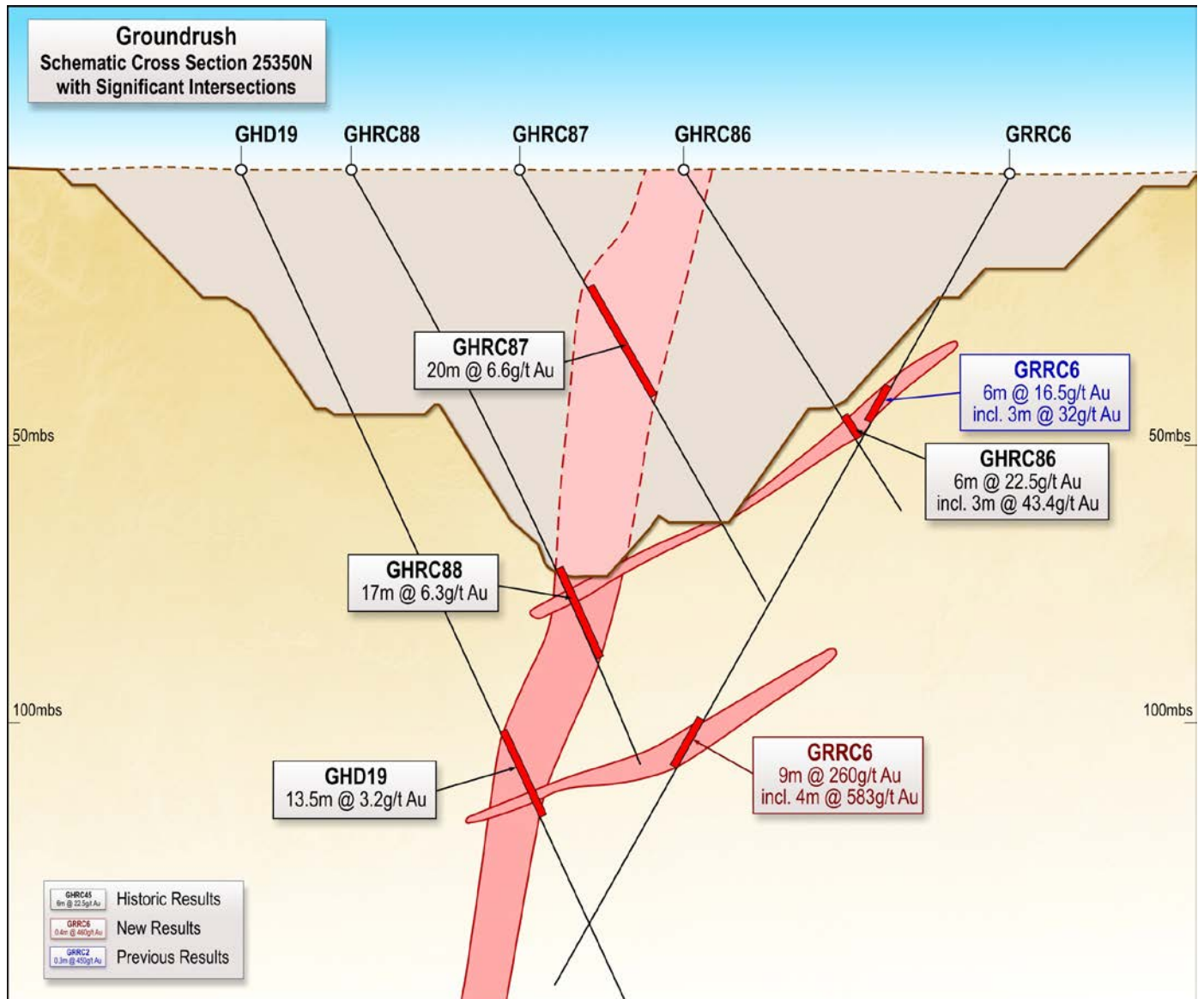


Figure 2 Groundrush Schematic Cross Section 25350N

# ASX Announcement

**Table 1: Significant intersections since September 2011 – Groundrush**

Hole ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Depth From	Depth To	Interval Width	Grade g/t Au
GRDD39	603815	7820068	420	-51	45	470	414	433	19	4.1
GRDD41	603849	7820265	420	-55	48	372	311.3	320	8.7	8.55
GRDD44	604090	7819681	420	-63	48	455	264.3	265.4	1.1	528.3
GRDD46	603742	7820500	420	-60	48	342	300.8	303	2.2	9.9
GRR1	604005	7820560	422	-60	236.7	180	67	71	4	10.7
							118	119	1	43.8
GRR3	604038	7820522	422	-60	236	216	119	131	12	9.1*
							inc 121	124	3	32
GRR4	604079	7820458	422	-62	237	246	205	207	2	6.0
GRR5	604014	7820535	422	-65	236.7	156	88	91	3	22
GRR6	603989	7820579	422	-60	237	168	45	51	6	16.5
							inc 45	48	3	32
							113	122	9	260
							inc 114	118	4	583

## 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 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. Intervals are all down hole length.

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 Senior 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.

This announcement contains certain statements which constitute "forward looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statement. No representation or warranty, expressed or implied, is made by Tanami Gold NL that material contained in this announcement will be achieved or proved correct.

## 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, 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 Western Tanami treatment facility.

In March 2010, the Company acquired the Central Tanami Project from Newmont Asia Pacific. The Company previously intended to complete a Feasibility Study of the Project however, the Company subsequently decided that further exploration drilling should be completed to more thoroughly define the Mineral Resource as well as other work being carried out before a Definitive Feasibility Study could be completed. A significant drill program is currently underway at the Central Tanami Project with the main focus being Mineral Resource delineation at the Groundrush deposit.

The Company also has exposure to over 34,000 km<sup>2</sup> of prospective ground adjacent to and surrounding the Western Tanami Operation and Central Tanami Project, through its 100% owned tenements and its strategic shareholding in ABM Resources NL.

Tanami Gold NL has current Mineral Resources of 2.6 million ounces of gold and over 400,000 ounces of gold Ore Reserves which are expected support the Company's long term growth.

# ASX Announcement

**Table 2: Tanami Gold NL Mineral Resources as at 30 September 2011**

Project	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
WT	497,000	5.5	88,000	1,214,000	6.5	255,000	1,393,000	4.3	194,000	3,104,000	5.4	538,000
CT	6,755,000	3	645,000	8,016,000	2.7	699,000	6,505,000	3.3	686,000	21,277,000	3	2,031,000
<b>Sub Total</b>	<b>7,252,000</b>	<b>3.1</b>	<b>734,000</b>	<b>9,230,000</b>	<b>3.2</b>	<b>954,000</b>	<b>7,898,000</b>	<b>3.5</b>	<b>880,000</b>	<b>24,381,000</b>	<b>3.3</b>	<b>2,569,000</b>
CT Stockpile	1,700,000	0.9	48,000							1,700,000	0.9	48,000
<b>Total</b>	<b>8,952,000</b>	<b>2.7</b>	<b>781,000</b>	<b>9,230,000</b>	<b>3.2</b>	<b>954,000</b>	<b>7,898,000</b>	<b>3.5</b>	<b>880,000</b>	<b>26,081,000</b>	<b>3.1</b>	<b>2,617,000</b>

**Notes to accompany Table 2**

- WT is Western Tanami and CT is Central Tanami
- 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.
- The Western Tanami Resource figure stated has not been depleted for Coyote mine production of 41,467 ounces during the period 1 July 2010 30 September 2011.

**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
<b>Sub Total</b>	<b>439,100</b>	<b>6.4</b>	<b>90,900</b>	<b>2,381,600</b>	<b>3.7</b>	<b>263,400</b>	<b>2,820,700</b>	<b>3.9</b>	<b>354,200</b>
CT Stockpile	1,700,000	0.9	48,000				1,700,000	0.9	48,000
<b>Total</b>	<b>2,139,100</b>	<b>2.0</b>	<b>138,900</b>	<b>2,381,600</b>	<b>3.7</b>	<b>263,400</b>	<b>4,520,700</b>	<b>2.8</b>	<b>402,200</b>

**Notes to accompany Table 3**

- WT is Western Tanami and CT is Central Tanami
- Tonnes are rounded to the nearest thousand and grade to 0.1g/t. Rounding may affect tallies.
- 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.