



COMPANY ENQUIRIES

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Company Update

The Board of Directors of Tanami Gold NL ('the Company') has met and reviewed the Company's strategic direction given the current market conditions and the Company's financial position.

Having placed the Coyote mine on care and maintenance, the Company has, over the past few months, focused upon reducing fixed costs and overheads. These have now been reduced to a more sustainable level however this exercise is ongoing.

The Company is now looking to strengthen its asset base commencing with a new exploration programme. The success of this exploration together with further cost reductions and some improvement in the gold price may mean the Company can show an economic case for going back into production. However such a decision will only be made after the Board is satisfied there are sufficient economic resources for it to proceed.

In this regard, the Board has considered a proposed drilling programme for the Kavanagh lode at its Western operations and has obtained an independent expert's review of the proposal. The Board has decided that, in the light of all the circumstances, including the independent report, the proposed drilling programme, if successful, offers an opportunity for the commercial development of the Kavanagh lode in a reasonably short time frame.

Accordingly, a decision has been taken to proceed with the drilling programme at an estimated cost of approximately \$3.5 million, provided funding can be arranged. Funding will also have to be arranged to ensure the Company remains financially viable while the drilling programme and subsequent evaluation proceeds. It is expected that, providing all necessary funding can be arranged in a short time, the drilling programme could be completed by February 2014. The future of the current care and maintenance program at Coyote will remain under ongoing review as the drilling programme proceeds.

In the event that the drilling programme is successful the Board will consider development and mining of the system.

The Company's current financial position is that it will have fully drawn its \$15 million facility with Sun Hung Kai International Bank [Brunei] Limited ("SHKIBL") by 30th August, 2013. Negotiations are proceeding with SHKIBL to delay the repayment date until 30 June 2015.

Upon completion of the drilling programme, the Board will consider the various options available to it to raise further equity to repay debt, provide its ongoing reduced operating costs and fund any development and mining of Kavanagh.

The Company is also continuing discussions with various third parties regarding possible corporate proposals but no firm proposal has been developed at the present time.

Gerard McMahon
Chairman