

**TANAMI GOLD NL**  
**ACN 000 617 176**

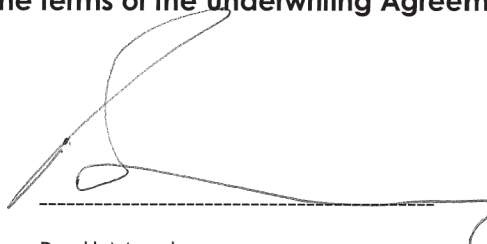
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**ENTITLEMENT ISSUE PROSPECTUS**

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For a renounceable entitlement issue of one (1) Share for every one (1) Share held by those Shareholders registered at the Record Date at an issue price of \$0.02 per Share to raise approximately \$11,750,970 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

**This Offer is fully underwritten by Allied Properties Resources Limited. Refer to sections 3.8 and 9.5 of this Prospectus for details regarding the terms of the Underwriting Agreement.**



Brett Montgomery  
Director  
Tanami Gold NL  
15 November 2013

**IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as highly speculative.

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## 1. CORPORATE DIRECTORY

### Directors

Gerard McMahon  
*Non-Executive Chairman*

Arthur Dew  
*Non-Executive Director*

Carlisle Procter  
*Non-Executive Director*

Brett Montgomery  
*Non-Executive Director*

Mark Wong  
*Alternative Director to Arthur Dew*

### Company Secretary

Pauline Collinson  
[Pauline.Collinson@tanami.com.au](mailto:Pauline.Collinson@tanami.com.au)

### Share Registry\*

Security Transfer Registrars Pty Limited  
770 Canning Highway  
Applecross WA 6153

Telephone: +61 8 9315 2333  
Facsimile: +61 8 9315 2233

### Registered Office

Level 2, 56 Ord Street  
West Perth WA 6005

Telephone: + 61 8 9212 5999  
Facsimile: +61 8 9212 5900

Email: [tanamigold@tanami.com.au](mailto:tanamigold@tanami.com.au)  
Website: [www.tanami.com.au](http://www.tanami.com.au)

### Underwriter

Allied Properties Resources Limited  
22<sup>nd</sup> Floor, Allied Kajima Building  
138 Gloucester Road  
Wanchai, Hong Kong

### Nominee for Foreign Holders

Patersons Securities Limited  
Level 23, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

### Lawyers

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

### Auditor\*

KPMG  
235 St George's Terrace  
Perth WA 6000

\* These entities are included for information purposes only. Neither has been involved in the preparation of this Prospectus nor have they consented to being named in this Prospectus.

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## 2. TIMETABLE

Lodgement of Prospectus with the ASIC	15 November 2013
Notice sent to Optionholders	18 November 2013
Notice sent to Shareholders	19 November 2013
Ex date	22 November 2013
Rights start trading	22 November 2013
Record Date for determining Entitlements	28 November 2013
Prospectus despatched to Shareholders & Company announces despatch has been completed	4 December 2013
Rights stop trading	11 December 2013
Shares quoted on a deferred settlement basis	12 December 2013
Closing Date*	18 December 2013
ASX notified of under subscriptions	23 December 2013
Issue date	30 December 2013
Quotation of Shares issued under the Offer*	31 December 2013

\*The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

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### **3. IMPORTANT NOTES AND KEY CONSIDERATIONS**

This prospectus is dated 15 November 2013 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### **3.1 Kavanagh Drilling Program**

The Kavanagh Drilling program has proceeded as scheduled and within budget with approximately 4,000 metres drilled to date of a planned 8,000-10,000 metre underground drilling program. The surface drill rig arrived in the last week of October and has also begun drilling.

Mineralised veining has been identified in multiple underground holes around the expected target depth while a highly altered mafic rock was intercepted in the first exploration hole targeting mineralisation 100-200 metres beneath Kavanagh. The first batch of samples were dispatched in mid-October, the first results started to come through in the second week in November, these results are yet to be interpreted or analysed by the Company's geologists. In several cases where it is believed coarse gold is present, additional analysis has been requested which is leading to longer turnaround. It is anticipated that these results, along with any additional results received in the next 2 weeks, will be interpreted by the Company's geologists in late November with all relevant information being made public to the ASX at the time.

The underground drilling program is expected to be completed mid-December while the surface drill program is scheduled to continue until February 2014.

#### **3.2 Competent Person's Statement**

The information in this Prospectus that relates to Exploration Results and Mineral Resources is based on information compiled by Michael Thomson, a full time employee and Principal Geologist of the Company. Mr Thomson is a member of The Australasian Institute of Mining and Metallurgy. Mr Thomson has sufficient

experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Mr Thomson consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears. Mr Thomson has not withdrawn his consent prior to the lodgement of this Prospectus with the ASIC.

### 3.3 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in section 8 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

A summary of some of the key risks include:

Risk	Description	Reference in Prospectus
<b>Potential for dilution</b>	Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date; the number of Shares in the Company will increase from 587,548,523 currently on issue to 1,175,097,046. This means that each current Share will represent a significantly lower proportion of the ownership of the Company.	8.2(a)
<b>Change in Control</b>	Shareholders should be aware that the Offer, and in particular the underwriting arrangements relating to the Offer may result in APRL increasing its relevant interest in the voting shares of the Company. Please refer to section 3.10 for further details in relation to the potential change in control effects on the Company.	8.2(b)
<b>Coyote Gold Project</b>	The Company has commenced an extensive drilling program at its Kavanagh deposit, which is part of the Coyote Gold Project.  In the event that the drilling program is successful, the Company will require additional capital (through debt and/or equity finance) to progress development of the Coyote Gold Project. In the event that the drilling program is unsuccessful, the Company will reassess whether or not to continue exploration at the Coyote Gold Project and that reassessment would include a decision as to whether the Coyote Gold Project will be kept on	8.2(c)

Risk	Description	Reference in Prospectus
	care and maintenance.	
<b>Central Tanami Project</b>	<p>The Company has carried out an extensive drilling program during 2012, particularly at its Groundrush deposit. A Definitive Feasibility Study (<b>DFS</b>) was completed in April 2013 as to the viability for reopening a mine at Groundrush. The Board was not satisfied with the DFS and has deferred a decision as to whether to continue further exploration until the Company is in a more sound financial position. Further drilling will be required to establish a satisfactory Mineral Resource prior to developing the Central Tanami Project further.</p> <p>The Company will require additional capital (through debt and/or equity finance) to progress exploration and potential development.</p>	8.2(d)
<b>Additional Requirements for Capital</b>	<p>The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer, particularly with respect to its Central Tanami Project operations.</p> <p>There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>	8.2(e)
<b>Executive Management</b>	<p>The Company's management currently consists of a committee of two (2) of its four (4) non-executive Directors and a core of professional management. The Board's strategy is to await the results of the drilling program at Kavanagh prior to the appointment of a new Chief Executive and other technically qualified management staff. However, while the Company has commenced interviewing potential candidates, there can be no assurance that the Company will be able to secure personnel with the relevant experience to give effect to the Company's future objectives.</p>	8.2(f)

Risk	Description	Reference in Prospectus
<b>Exploration, Development, Mining, Processing and Operating Risks</b>	<p>By its nature, the business of mineral exploration, mine development and mine production expose the Company to significant risk.</p> <p>Ultimate and continuous success of these activities is dependent on many factors such as: successful exploration and definition and/or acquisition of recoverable and economic deposits; successful conclusions to feasibility studies; access to adequate capital for project development; design and construction of efficient mining and processing facilities and competent operation.</p>	8.3(a)
<b>Gold Price</b>	<p>When in production, the Company principally derives its revenue from the sale of gold. Consequently, the potential future earnings of the Company are closely related to the price of gold. Recommencement of the Company's mining operations is dependent (amongst other things) upon the price of gold being adequate to make it economically viable. Price declines in the market price of gold could cause commercial production from the Company's operations to remain uneconomical.</p>	8.3(c)

### 3.4 Directors Interests in Securities

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Gerard McMahon	Nil	Nil	Nil	Nil
Arthur Dew <sup>1</sup>	Nil	Nil	Nil	Nil
Carlisle Procter	Nil	Nil	Nil	Nil
Brett Montgomery	Nil	Nil	Nil	Nil

**Note:**

- Please note, Arthur Dew, a Director of the Company, is a non-executive Director and Chairman of Allied Group Limited (**Allied Group**) and Allied Properties (H.K.) Limited.



### 3.5 Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Allied Properties Resources Limited <sup>1</sup>	142,818,734	24.31
Sun Hung Kai Investment Services Limited as nominee for <Client Future Rise Inv Limited> <sup>2</sup>	71,769,368	12.22

#### Notes:

These Shares are held by APRL. Lee and Lee Trust hold 68.14% of Allied Group, which in turn holds 74.99% of Allied Properties (H.K.) Limited, of which APRL is a wholly owned subsidiary. Mr Lee Seng Hui, a former Director of the Company, is one of three trustees of the Lee and Lee Trust.

<sup>2</sup> Sun Hung Kai Investment Services Limited holds these shares as nominee for Future Rise Inv Limited, which is not an associate of the Company. In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

### 3.6 Rationale for the Offer

The Company has undertaken a comprehensive study in respect of the feasibility of carrying out further drilling at the Kavanagh deposit, which forms part of the Coyote Gold Project. That study has been peer reviewed by an independent mining engineering consultant, confirming that carrying out further drilling at the Kavanagh deposit is warranted.

As a result, on 21 August 2013, the Board decided to proceed with a drilling program at the Kavanagh deposit, with an estimated cost of \$3.5 million. On 7 October 2013, the Company announced that it would fund the drilling program out of its cash reserves from the final drawdown of the Loan Facility from Sun Hung Kai whilst at the same time continuing to explore other methods of raising finance. An update in respect of the Kavanagh drilling program is set out in section 3.1.

In addition, the Company has ongoing obligations in respect of the care and maintenance program at its Coyote Gold Project as well as financing charges in respect of the Loan Facility.

As set out in section 3.12 below, AP Finance has provided the Company with a Financial Support Letter pursuant to which it agreed to support the Company financially for the period until 31 December 2014. However, rather than taking on further debt in order to meet its operating costs, the Board is of the opinion that making the Offer is a more suitable method of raising finance for its operations, as it will give Shareholders an opportunity to maintain (or potentially increase) their interests in the Company and will not increase the Company's reliance on debt funding at a time when it has no revenue source.

The balance of funds raised from the Offer will be used to pay the costs of the Offer and for working capital. Please refer to section 6.1 for further details in respect of the use of funds raised under the Offer.

### **3.7 Future Intentions of APRL**

APRL has indicated that the intentions disclosed in this section are based on the facts and information regarding the Company and the general business environment which are known to it as at the date of this Prospectus. Any future decisions will, of course, be reached by APRL based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, APRL's intentions could change.

APRL has informed the Company that on the facts and circumstances presently known to it, it is supportive of the Company's current direction. APRL has indicated that it is presently willing to consider any proposals the Company's Board and management may put forward as to how APRL could support and assist the Company to achieve its objectives.

APRL has advised the Company that since it is presently supportive of the Company's current direction, APRL does not currently intend to seek any changes to the direction and objectives of the Company, and that other than as disclosed in this Prospectus, APRL:

- (a) does not currently intend to make any significant changes to the existing businesses of the Company;
- (b) does not currently intend to inject further capital into the Company other than participating in the Offer and underwriting the Offer;
- (c) does not currently intend to become involved in decisions regarding the future employment of the Company's present employees and contemplates that they will continue in the ordinary course of business;
- (d) does not currently intend for any property to be transferred between the Company and APRL or any person associated with APRL;
- (e) does not currently intend to redeploy the fixed assets of the Company; and
- (f) does not currently intend to change the Company's existing financial or dividend policies.

APRL will make decisions on its course of action in light of material facts and circumstances at the relevant times and after it receives appropriate legal and financial advice on such matters, where required, including in relation to any requirement for Shareholder approvals.

The statements reflect current intentions only as at the date hereof which may change as new information becomes available or circumstances change or with the passage of time.

### **3.8 Underwriting by APRL**

The Offer is underwritten by APRL up to the full amount under the Offer less APRL's Entitlement, being a balance of approximately \$8,894,596.

The Company has agreed to pay APRL the following fees for its services:

- (a) 6% of the total underwritten amount; and
- (b) \$75,000 (plus GST) by way of a management fee.

The Company will also reimburse APRL for all reasonable costs and expenses incidental to the Offer.

APRL, together with its associates, currently has a relevant interest in 142,818,734 Shares, equating to a voting power in the Company of 24.31%. Please refer to section 3.10 of this Prospectus for further details in relation to the current voting power of APRL, and the potential effects of the Underwriting Agreement on the voting power of APRL.

The ultimate holding company of APRL is Allied Group. Lee and Lee Trust hold 68.14% of Allied Group, which in turn holds 74.99% of Allied Properties (H.K.) Limited, of which APRL is a wholly owned subsidiary. Mr Lee Seng Hui, a former Director of the Company, is one of three trustees of the Lee and Lee Trust.

Shortfall Shares applied for pursuant to the Shortfall Offer will be issued to existing Shareholders and third party investors in priority to APRL (refer to section 5.13 for details of the Shortfall Offer).

APRL has entered into sub-underwriting arrangements with Gerise Pty Limited (**Gerise**), a company controlled by Brett Montgomery (refer to section 3.9) and other unrelated third parties to an aggregate value of \$3,150,000. APRL reserves the right to enter into further sub-underwriting arrangements with other unrelated third parties on commercial terms.

Refer to section 9.5 for a summary of the material terms of the Underwriting Agreement.

### **3.9 Sub -underwriting arrangements**

Gerise, a company controlled by Brett Montgomery who is a non-executive Director of the Company, has entered into a sub-underwriting agreement with APRL whereby agreement has been reached for Gerise to sub-underwrite up to a maximum of 57,500,000 Shares under the Offer on a general sub-underwriting basis, being to a maximum total value of \$1,150,000 (**Sub-Underwriting Commitment**).

Mr Montgomery, Gerise and/or his associates, will receive a sub-underwriting fee of 4% of the Sub-Underwriting Commitment from APRL.

Mr Montgomery, together with Gerise and/or associates, do not currently have a relevant interest in any Shares of the Company. Mr Montgomery has represented to the Company that neither he, Gerise nor any of his associates or sub-underwriters introduced by Mr Montgomery will be issued that number of Shortfall Shares which will result in any person acquiring a relevant interest in voting shares of the Company of 20% or more.

Mr Montgomery reserves the right to allocate his sub-underwriting commitment to third parties.

### **3.10 Effect on control of the Company and potential dilution to Shareholders**

APRL, together with its associates, currently has a relevant interest in 142,818,734 Shares, representing 24.31% of the voting power in the Company. Pursuant to the terms of the Underwriting Agreement, APRL has agreed to underwrite up to

\$8,894,596 under the Offer (being up to 444,729,789 Shares) and subscribe for its full Entitlement under the Offer (142,818,734 Shares).

The potential effect that the issue of Shares under the Offer will have on the control of the Company is as follows:

- (i) if all Shareholders take up all of the Entitlement under the Offer, the percentage interest in the Shares of the Company held by APRL (and any other Shareholders) would not change and there would not be any effect on the control of the Company; and
- (ii) if some or all of the Shareholders do not take up their Entitlement under the Offer, and there is a Shortfall, then the Offer may have an effect on the control of the Company as detailed in the table below.

To comply with the requirement to fully disclose APRL's potential voting power in the Company, the table below sets out various scenarios to indicate the effect on the Company's shareholding depending on the Shortfall (if any). However, in the event that Shortfall Shares are issued to investors pursuant to the Shortfall Offer, the potential voting power of APRL will decrease accordingly (refer to section 5.13 for details of the Shortfall Offer).

The potential increase in the voting power of APRL is set out in the table below and assumes APRL will take up its full Entitlement as a Shareholder under the Offer and takes up its maximum underwriting commitment under the Offer (which assumes that all sub-underwriters, including Brett Montgomery, default in their sub-underwriting obligations). The calculations in the table also assume that no Options are exercised prior to the Record Date.

<b>Event/Date</b>	<b>Number of Shares held by APRL and its associates</b>	<b>Voting Power of Underwriter</b>
Date of Prospectus	142,818,734	24.31%
After APRL takes up its Entitlement	285,637,468	
After issue of Shares assuming 100% Shortfall (less APRL's Entitlement)	730,367,257	62.15%
After issue of Shares assuming 75% Shortfall (less APRL's Entitlement)	619,184,810	52.69%
After issue of Shares assuming 50% Shortfall (less APRL's Entitlement)	508,002,363	43.23%
After issue of Shares assuming 25% Shortfall (less APRL's Entitlement)	396,819,915	33.77%
After issue of Shares assuming 0% Shortfall (less APRL's Entitlement)	285,637,468	24.31%

The number of Shares held by APRL and its voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no shareholders, other than the Underwriter, will take up Entitlements under the Offer and that all sub-underwriters, including Brett Montgomery, will default in their obligations to sub-underwrite the Offer. The underwriting obligation and therefore voting power of APRL will reduce by a corresponding amount for the amount of Entitlements under the Offer taken up by the other Shareholders as well as Shortfall Shares taken up by sub-underwriters, existing Shareholders and third parties.

Details of APRL's intentions as a result of its proposed post-Offer shareholding are set out in section 3.7.

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	20,000,000	3.40%	20,000,000	20,000,000	1.70%
Shareholder 2	10,000,000	1.70%	10,000,000	10,000,000	0.85%
Shareholder 3	3,000,000	0.51%	3,000,000	3,000,000	0.26%
Shareholder 4	800,000	0.14%	800,000	800,000	0.07%
Shareholder 5	100,000	0.02%	100,000	100,000	0.01%
Total	587,548,523	100%	587,548,523	1,175,097,046	100.00%

**Note:**

- The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted, the dilution effect for each Shareholder not accepting their Entitlement could be a lesser percentage.

### 3.11 Loan Facility with Sun Hung Kai International Bank (Brunei) Limited

On 5 April 2013, the Company entered into a \$15 million loan facility (**Loan Facility**) with Sun Hung Kai International Bank (Brunei) Limited (**Sun Hung Kai**), which has been fully drawn down by the Company. The interest rate applicable to the Loan Facility is 6% per annum. The repayment date of the Loan Facility (including interest) is 31 March 2015, or such other date as may be mutually agreed.

The ultimate holding company of Sun Hung Kai is Allied Group. The Lee and Lee Trust hold 68.14% of Allied Group, which in turn holds 74.99% of Allied Properties (H.K.) Limited, of which APRL is a wholly owned subsidiary. Mr Lee Seng Hui, a former Director of the Company, is one of three trustees of the Lee and Lee Trust.

The Loan Facility contains a re-draw provision. The Company intends to make use of this provision with some of the proceeds of the Offer in order to reduce its financing charges payable under the terms of the Loan Facility. However, the Company will only use such proceeds which may be, from time to time, excess to its disclosed requirements which are set out in clause 6.1 of the Prospectus.

### 3.12 Letter of Support from AP Finance

On 18 September 2013, the Company and AP Finance Limited (**AP Finance**) entered into a legally binding letter agreement whereby AP Finance agreed to provide financial support to the Company to the extent of \$12 million should the Company require such funds (**Financial Support Letter**).

Finance under the Financial Support Letter will be on commercial terms and conditions including an interest rate of 6% per annum and, in addition, facility

fees of 6% per annum on amounts drawn down. Funding under the Financial Support Letter is available to the Company from the date of execution until 31 December 2014 and any funding drawn-down pursuant to the Financial Support Letter will be repayable by 31 March 2015, or such other date as agreed between the parties.

The Financial Support Letter was executed in order to ensure that the Company had sufficient capital available to fund its operations until the end of 2014.

### 3.13 Recent Appointments & Resignations

As announced by the Company:

- (a) Mr Gerard McMahon was appointed by the Board as non-executive Director on 23 April 2013 and as Chairman of the Board on 6 June 2013; and
- (b) Mr Lee Seng Hui resigned as a non-executive Director on 7 November 2013.

### 3.14 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$710,944 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,225
ASX fees	20,043
Underwriting fees*	533,676
Legal fees	35,000
Printing and distribution	10,000
Miscellaneous	35,000
APRL management fees	75,000
<b>Total</b>	<b><u>710,944</u></b>

\* Assumes maximum Shortfall

### 3.15 Appointment of Nominee for Foreign Holders

Patersons Securities Limited has been appointed as the Company's nominee for foreign Shareholders for the purposes of ASX Listing Rule 7.7 for those foreign Shareholders who have been deemed ineligible to participate under the Offer (**Nominee**). Please refer to section 5.16 for further details in relation to restrictions placed on the Company in making offers to overseas shareholders.

Pursuant to the arrangement with the Nominee, the Company will transfer to the Nominee the rights that would otherwise be issued to the foreign holders who either accept the Offer or are otherwise entitled to acquire such rights under the Offer and the Nominee will then sell those rights and distribute to each of those foreign holders their proportion of the proceeds of the sale net of expenses.

The Company will pay the Nominee a brokerage fee of 1.5% on the total gross dollar value of all securities sold or \$1,500.00 plus applicable GST, whichever is the greater on the execution of the sale of any rights.

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#### 4. CHAIRMAN'S LETTER

Dear Shareholder

The Board has decided that, given the Company's decision to proceed with a drilling program at Kavanagh, its ongoing need for working capital and its inability to raise funds by way of a share placement, a renounceable rights issue is the most suitable remaining method available to it to raise the necessary capital to meet its stated objectives. In this regard, the Company has been fortunate in obtaining the support of APRL (the Company's major Shareholder) and Mr Brett Montgomery (a non-executive Director of the Company) to provide underwriting and sub-underwriting support in respect of the Offer.

All Shareholders registered as at 5.00pm WST on 28 November 2013 will be entitled to participate in an offer of Shares on the basis of one (1) Share for every one (1) Share then held at an issue price of two (2) cents per Share in order to raise approximately \$11,750,970. The Offer is fully underwritten by APRL, which has also committed to take up its entitlement of 142,818,734 Shares (\$2,856,375) for no fee. Mr. Brett Montgomery (through his controlled entity Gerise Pty Limited), a non-executive Director of the Company and other parties have committed to sub-underwrite up to \$3,150,000 worth of Shortfall Shares under the Offer.

The Closing Date for acceptances is 5.00pm WST on 18 December 2013.

Shareholders who do not wish to take up all or part of their entitlement are permitted to trade their rights on the ASX between 22 November 2013 and 11 December 2013.

Application for official quotation of the Shares by ASX will be made within seven days after the date of this Prospectus.

The Board also invites all Shareholders and other interested parties to apply for Shortfall Shares pursuant to the Shortfall Offer.

The proceeds from the Offer will be used as follows:

- (a) funding the Kavanagh drilling program;
- (b) funding the costs of the Offer;
- (c) paying financing costs on outstanding debt under the Loan Facility; and
- (d) providing additional working capital.

The Company intends to use that part of the proceeds of the Offer which may not be immediately required for working capital to reduce its existing debt financing costs under the Loan Facility by arranging with the lender, Sun Hung Kai, for a re-draw facility on its outstanding \$15 million loan which is due for repayment on 31 March 2015.

Investors should be aware that subscribing for Shares involves a number of specific risks including risks associated with exploration activities, development of new operations and associated requirements for additional funding. Details of these specific risks are set out in section 8 of this Prospectus.

The Directors take this opportunity to thank all Shareholders for their continued support as we continue to develop the Company.

Yours sincerely

**Gerard McMahon**  
**Non-Executive Chairman**  
**TANAMI GOLD NL**

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## **5. DETAILS OF THE OFFER**

### **5.1 The Offer**

The Offer is being made as a renounceable entitlement issue of one (1) Share for every one (1) Share held by Shareholders registered at the Record Date at an issue price of \$0.02 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted, a maximum of 587,548,523 Shares will be issued pursuant to this Offer to raise approximately \$11,750,970.

As at the date of this Prospectus the Company has 2,387,500 Options on issue of which 2,125,000 may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 6.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 7 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in section 6.1 of this Prospectus.

### **5.2 What Eligible Shareholders may do**

The number of Shares to which Eligible Shareholders are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up all of their Entitlement (refer to section 5.3);
- (b) take up all of their Entitlement and apply for additional Shares under the Shortfall Offer (refer to sections 5.3 and 5.13);
- (c) sell all of their Entitlement on ASX (refer to section 5.4);
- (d) take up a proportion of their Entitlement and sell the balance on ASX (refer to section 5.5);
- (e) take up a proportion of their Entitlement and allow the balance to lapse (refer to section 5.6);
- (f) sell all or a proportion of their Entitlement other than on ASX (refer to section 5.7); or
- (g) allow all or part of their Entitlement lapse (refer to section 5.8).

### **5.3 Taking up all of your Entitlement**

Should you wish to accept all of your Entitlement, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment, in accordance with the instructions referred to on your personalised Entitlement and Acceptance Form. Please read the instructions carefully.



Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the Application Monies indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "**Tanami Gold NL — Capital Raising Account**" and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's Share Registry (by post) at:

**Tanami Gold NL**  
**c/- Security Transfer Registrars Pty Limited**  
**PO Box 535**  
**Applecross WA 6953**  
**Australia**

If you wish to pay via BPAY® you must follow the instructions in your personalised Entitlement and Acceptance Form. Make sure that you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. You do not need to return a completed Entitlement and Acceptance Form but are taken to have made the declarations in the Entitlement and Acceptance Form and the representations outlined below in section 5.9. If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your Shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any application in respect of your remaining Shareholdings will not be valid).

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by 3.00pm (WST) on the Closing Date.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

#### **5.4 Selling all your Entitlement on ASX**

The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Shares under the Offer may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on 22 November 2013 and will cease on 11 December 2013.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

#### **5.5 Taking up a proportion of your Entitlement and selling the balance on ASX**

If you wish to take up only part of your Entitlement, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you

wish to take up and follow the steps in section 5.3, or make a payment by BPAY in accordance with section 5.12.

Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.

## **5.6 Taking up a proportion of your Entitlement and allowing the balance to lapse**

If you wish to take up only part of your Entitlement and allow the balance to lapse, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in section 5.3. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

## **5.7 Selling all or a proportion of your Entitlement other than on ASX**

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "**Tanami Gold NL - Capital Raising Account**" and crossed "Not Negotiable" to the Share Registry (by post at any time after the issue of this Prospectus and on or before the Closing Date) at the following address:

**Tanami Gold NL**  
**c/- Security Transfer Registrars Pty Limited**  
**PO Box 535**  
**Applecross WA 6953**  
**Australia**

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry in accordance with section 5.3.

## **5.8 Allow all or part of your Entitlement to lapse**

Shareholders should be aware that their Entitlement may have value. Your Entitlement is renounceable, which enables Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX.

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.

## 5.9 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

## 5.10 Minimum subscription

The minimum subscription under the Offer is \$11,750,970, being the full subscription. No Shares will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application Monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application Monies.

## 5.11 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**Tanami Gold NL – Capital Raising Account**” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company’s share registry no later than 5.00pm WST on the Closing Date (by post) at:

**Tanami Gold NL**  
**c/- Security Transfer Registrars Pty Limited**  
**PO Box 535**  
**Applecross WA 6953**  
**Australia**

## 5.12 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 3.00pm (WST) on the Closing Date. You should be**

**aware that your financial institution may implement cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.** Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be applied toward an application for Shortfall Shares and where such Shortfall Shares are not issued, shall be refunded. No interest will be paid on any application monies received or refunded.

### **5.13 Shortfall Offer**

The offer of the Shortfall is a separate offer pursuant to this Prospectus. A portion of the Shares not taken up by Eligible Shareholders will form part of the Shortfall Offer. The issue price of any Shares offered pursuant to the Shortfall Offer will be two (2) cents each, which is the issue price at which the Offer has been made to Eligible Shareholders.

Allocation of the Shortfall Shares is at the discretion of the Directors and is subject to the terms of the Underwriting Agreement and sub-underwriting agreements. In this regard, only Shortfall Shares which make up APRL's underwriting commitment will form part of the Shortfall Offer. As such, there is no guarantee that Eligible Shareholders will receive the Shortfall Shares applied for.

Shortfall Shares will only be issued if the Offer is undersubscribed and will only be issued to the extent necessary to make up any Shortfall in subscriptions. The Directors reserve the right to place the Shortfall at their discretion within 3 months after the close of the Offer subject to the Listing Rules and any restrictions under any applicable law, provided that Shortfall Shares out of APRL's underwriting commitment will be issued to existing Shareholders who apply for Shortfall Shares under the Shortfall Offer in proportion to their existing shareholding in the Company in priority to third party investors.

The Directors and APRL reserve the right to reject any application for Shortfall Shares or to issue a lesser number of Shortfall Shares than applied for. If the number of Shares issued is less than the number applied for in an Entitlement and Acceptance Form or Shortfall Application Form, surplus Application Monies will be refunded in full as soon as practicable after the closing date of the Shortfall Offer. Interest will not be paid on Application Monies refunded.

#### **Eligible Shareholders**

Eligible Shareholders may, in addition to their Entitlement, apply under the Shortfall Offer, regardless of the size of their present holding.

Eligible Shareholders who wish to apply for Shortfall Shares above their Entitlement can complete the appropriate boxes on the Entitlement and Acceptance Form accompanying this Prospectus and return it together with a cheque for the value of those Shortfall Shares (at two (2) cents per Shortfall Share) to the Share Registry or make a BPAY® in excess of the total value of your Entitlement.

#### **Other Investors**

Other investors can apply for Shortfall Shares by completing the Shortfall Application Form attached to this Prospectus and returning it together with a cheque for the value of those Shortfall Shares (at two (2) cents per Shortfall Share) to the Share Registry.

## **5.14 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

## **5.15 Issue**

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

## **5.16 Overseas shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, unless the Company forms the opinion that it is beneficial and legal to do so, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

However, pursuant to ASX Listing Rule 7.7 the Company has appointed the Nominee to sell the Entitlements to which Ineligible Shareholders are entitled. The Nominee will have the absolute and sole discretion to determine the timing

and price at which the Entitlements will be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee must sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the Nominee will not be required to sell Ineligible Shareholders' Entitlements at a particular price.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **5.17 Enquiries**

Any questions concerning the Offer should be directed to Mrs Pauline Collinson, Company Secretary, at [Pauline.collinson@tanami.com.au](mailto:Pauline.collinson@tanami.com.au) or on +61 8 9212 5999.

## 6. PURPOSE AND EFFECT OF THE OFFER

### 6.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$11,750,970.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Kavanagh drilling program (including infill and possible resource extension drilling and exploration for new lodes at depth)	\$3,610,282	30.72%
2.	Coyote Gold Project care and maintenance program and associated costs (period until 30 November, 2014)	\$4,278,545	36.41%
3.	Payment of Loan Facility financing charges <sup>1</sup>	\$1,642,192	13.97%
4.	Expenses of the Offer <sup>2</sup>	\$710,944	6.05%
5.	Working capital	\$1,509,007	12.85%
	<b>Total</b>	<b>\$11,750,970</b>	<b>100%</b>

#### Notes:

1. Refer to section 3.11 of this Prospectus for further details relating to the Loan Facility.
2. Refer to section 3.14 of this Prospectus for further details relating to the estimated expenses of the Offer.

The Company intends to use that part of the proceeds of the Offer which may not be immediately required for working capital to reduce its existing debt financing costs under the Loan Facility by arranging with the lender, Sun Hung Kai, for a re-draw facility on its outstanding \$15 million loan which is due for repayment on 31 March 2015.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

### 6.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$11,040,026 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer. Please refer to notes 1 and 3 of the pro-forma balance sheet at

section 6.3 for additional information regarding deployment of funds raised under the Offer; and

- (b) increase the number of Shares on issue from 587,548,523 as at the date of this Prospectus to 1,175,097,046 Shares.

### **6.3 Pro-forma balance sheet**

The unaudited pro-forma balance sheet as at 30 September 2013 shown below has been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.



	UNAUDITED 30 September 2013	PROFORMA
<b>CURRENT ASSETS</b>		
Cash and cash equivalents <sup>1, 2, 3, 7</sup>	4,703,913	13,448,221
Other receivables	345,111	345,111
Inventories	1,744,910	1,744,910
<b>TOTAL CURRENT ASSETS</b>	<b>6,793,934</b>	<b>15,538,241</b>
<b>NON-CURRENT ASSETS</b>		
Other receivables <sup>5</sup>	5,589,585	3,239,585
Property, plant & equipment	8,089,435	7,777,352
Exploration and evaluation	74,325,965	77,161,888
<b>TOTAL NON-CURRENT ASSETS</b>	<b>88,004,985</b>	<b>88,178,825</b>
<b>TOTAL ASSETS</b>	<b>94,798,919</b>	<b>103,717,066</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables <sup>6</sup>	567,450	567,450
Interest bearing liabilities	577,626	1,675,560
Provisions	531,974	531,974
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,677,050</b>	<b>2,774,984</b>
<b>NON CURRENT LIABILITIES</b>		
Interest-bearing liabilities <sup>7</sup>	15,297,703	15,187,666
Provisions	5221,670	5,221,670
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>20,519,373</b>	<b>20,409,336</b>
<b>TOTAL LIABILITIES</b>	<b>22,196,424</b>	<b>23,184,320</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>72,602,495</b>	<b>80,532,746</b>
<b>EQUITY</b>		
Share capital	306,660,542	317,802,836
Options Reserve	1,854,132	1,854,132
Retained loss	(235,912,178)	(239,124,222)
<b>TOTAL EQUITY</b>	<b>72,602,495</b>	<b>80,532,746</b>

**Notes:**

1. Cash and cash equivalents includes proceeds (less costs) from the entitlements issue adjusted for the use of proceeds in section 6.1.

2. The pro forma balance sheet shows a cash and cash equivalents balance of \$13,448,221. Non-current other receivables represent \$3,083,751 in cash backed bank guarantees and \$155,834 in limited recourse loans.
3. Trade and other payables includes creditors and sundry accruals.

#### 6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

##### Shares

	Number
Shares currently on issue	587,548,523
Shares offered pursuant to the Offer	587,548,523
<b>Total Shares on issue after completion of the Offer</b>	<b>1,175,097,046</b>

##### Options

	Number
Options currently on issue (all unlisted):	
Exercisable at \$1.34 on or before 21/12/2016	300,000
Exercisable at \$0.90 on or before 28/3/2017	1,825,000
Exercisable at \$1.00 on or before 28/3/2017	262,500
Options offered pursuant to the Offer	Nil
<b>Total Options on issue after completion of the Offer</b>	<b>2,387,500</b>

The capital structure on a fully diluted basis as at the date of this Prospectus would be 589,936,023 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 1,177,484,546 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

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## **7. RIGHTS AND LIABILITIES ATTACHING TO SHARES**

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **7.1 General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

### **7.2 Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

### **7.3 Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

#### **7.4 Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

#### **7.5 Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

#### **7.6 Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

#### **7.7 Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

#### **7.8 Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

## **7.9 Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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## **8. RISK FACTORS**

### **8.1 Introduction**

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend Shareholders to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **8.2 Company specific**

#### **(a) Potential for significant dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 587,548,523 currently on issue to 1,175,097,046. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.029 is not a reliable indicator as to the potential trading price of Shares after completion of the Offer.

#### **(b) Change in Control**

Shareholders should be aware that the Offer, and in particular the underwriting arrangements relating to the Offer may result in APRL increasing its relevant interest in the voting shares of the Company. Please refer to section 3.10 for further details in relation to the potential change in control effects on the Company.

#### **(c) Coyote Gold Project**

The Company has commenced an extensive drilling program at its Kavanagh deposit, which is part of the Coyote Gold Project.

In the event that the drilling program is successful, the Company will require additional capital (through debt and/or equity finance) to progress development of the Coyote Gold Project. In the event that the drilling program is unsuccessful, the Company will reassess whether or not to continue exploration at the Coyote Gold Project and that

reassessment would include a decision as to whether the Coyote Gold Project will be kept on care and maintenance.

(d) **Central Tanami Project**

The Company has carried out an extensive drilling program during 2012, particularly at its Groundrush deposit. The Board was not satisfied with the DFS which was undertaken and has deferred a decision as to whether to continue further exploration until the Company is in a more sound financial position. Further drilling will be required to establish a satisfactory Mineral Resource prior to developing the Central Tanami Project further. A summary of the Company's existing Mineral Resources is set out in the annexure to this Prospectus.

The Company will require additional capital (through debt and/or equity finance) to progress exploration and development.

(e) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer, particularly with respect to its Central Tanami Project. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(f) **Executive Management**

The Company's management currently consists of a committee of two (2) of its four (4) non-executive Directors and a core of professional management. The Board's strategy is to await the results of the drilling program at Kavanagh prior to the appointment of a new Chief Executive and other technically qualified management staff. However, while the Company has commenced interviewing potential candidates, there can be no assurance that the Company will be able to secure personnel with the relevant experience to give effect to the Company's future objectives.

### **8.3 Industry specific**

(a) **Exploration, Development, Mining, Processing and Operating Risks**

By its nature, the business of mineral exploration, mine development and mine production at its Coyote Gold Project and Central Tanami Project, expose the Company to significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) successful exploration and definition and/or acquisition of recoverable and economic deposits;
- (ii) successful conclusions to feasibility studies;
- (iii) access to adequate capital for project development;

- (iv) design and construction of efficient mining and processing facilities;
- (v) securing and maintaining title to tenements;
- (vi) obtaining consents and approvals necessary for the conduct of exploration and mining; and
- (vii) competent operation.

The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failure, labour disputes, unusual or unexpected geological conditions, damage, flooding, and extended interruptions due to inclement hazardous weather conditions, fire, explosions and earthquakes.

Significant reductions in the market prices for the Company's saleable commodities may also have a material adverse impact on the Company's position.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance with ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to maintain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

Most of these issues are only partially subject to the Company's control.

(b) **Operating Risks**

In addition to the risks set out in section 8.3(a) above, the current operations at the Coyote Gold Project and the development of the Central Tanami Project, including exploration, appraisal and potential production activities, may be affected by a range of factors, including:

- (i) adverse geological conditions;
- (ii) limitations on activities due to seasonal weather patterns and cyclone activity;
- (iii) unanticipated operations and technical difficulties encountered in drilling and production activities;
- (iv) mechanical failure of operating plant and equipment;
- (v) industrial and environmental accidents, industrial disputes and other force majeure events;
- (vi) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- (vii) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment;



- (viii) inability to obtain consents or approvals;
- (ix) fire, water inrush and ground stability at or within the underground mine; and
- (x) suspension of operations due to non-compliance with the requirements of regulatory authorities.

(c) **Commodity Prices and Decrease in Price of Gold Risks**

When in production, the Company principally derives its revenue from the sale of gold. Consequently, the earnings of the Company are closely related to the price of gold. Recommencement of the Company's mining operations is dependent (among other things) upon the price of gold being adequate to make it economically viable. Price declines in the market price of gold could cause commercial production from the Company's operations to be rendered uneconomical.

Commodity prices fluctuate and are influenced by numerous factors outside the control of the Company including industrial and retail supply and demand, exchange rates, inflation rate fluctuation, changes in global economies, confidence in the gold monetary system, forward sales of precious metals by producers and speculators as well as other global and regional political, social or economic events. The supply and demand of precious metals consists of a combination of established and new mine production and existing stocks held by governments, by central banks and by other financial institutions including gold held by metal-backed Exchange Traded Funds (**ETFs**), the market behaviour of producers and of speculators and the availability of scrap supply and the purchasing patterns of consumers.

Future production from the Company's mining operations is dependent upon the price of gold being adequate to make it economical. Price declines in the market price of gold could cause commercial production from the Company's operations to be rendered uneconomical.

(d) **Resource Estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(e) **Environmental Risks**

The operations and activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company

attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(f) **Native Title and Title Risks**

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The Directors closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(g) **Joint Venture Parties, Agents and Contractors**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(h) **Occupational Health and Safety Risk**

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Mining activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems.

(i) **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

## **8.4 General risks**

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the

Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(d) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

## **8.5 Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## **9. ADDITIONAL INFORMATION**

### **9.1 Litigation**

Other than is set out below, as at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

- (a) On or about 17 January 2013, a claim was brought against the Company in the District Court of Western Australia in the amount of \$424,144.31 plus interest and ongoing expenses of \$40,000 per month (exclusive of GST) from 27 June 2012 in relation to the hire and use by the Company of certain mining equipment for the Coyote Gold Project. The Company has filed a defence and counterclaim for damages of approximately \$1,100,000 plus interest and costs.

The parties attended a mediation conference on 25 September 2013. Attempts to settle failed at the mediation conference. Accordingly, programming orders were made and it is anticipated this matter will proceed either to trial or further mediation in February 2014. The Company continues to consider settlement proposals.

- (b) On 5 September, 2013 the company was issued with a letter of demand from the solicitors for Budget Rent-a-Car alleging loss and damage to a vehicle hired by the Company for \$19,358.23 (exclusive of GST). The Company is currently assessing liability and whether or not an insurance claim can be made.

### **9.2 Continuous disclosure obligations**

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the

purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

<b>Date</b>	<b>Description of Announcement</b>
15/11/2013	Renounceable Pro Rata Entitlements Issue
13/11/2013	Trading Halt
08/11/2013	Appendix 3Z - Lee Seng Hui
08/11/2013	Director Resignation
31/10/2013	Quarterly Activities and Cashflow Report
31/10/2013	Annual Report to shareholders
24/10/2013	Notice of Annual General Meeting/Proxy Form
07/10/2013	Company Update
24/09/2013	Full Year Statutory Accounts

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at [www.tanami.com.au](http://www.tanami.com.au).

## 9.2 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.067	9,11,12 &16 September 2013
Lowest	\$0.029	15 November 2013
Last	\$0.029	15 November 2013

## 9.3 Arrangement with Nominee for Foreign Holders

Please refer to the summary provided in sections 3.15 and 5.16.

## 9.4 Corporate Opportunities

The Company will assess corporate and/or joint venture opportunities if or when they arise.

## 9.5 Underwriting Agreement

By an agreement between APRL and the Company dated 14 November 2013 (**Underwriting Agreement**), APRL has agreed to take up its full Entitlement under the Offer and fully underwrite and manage the balance Offer, being approximately \$8,894,596.

The Company has agreed to pay APRL the following fees for its services:

- (a) 6% of the total underwritten amount; and
- (b) \$75,000 (excluding GST) by way of a management fee.

The Company will also reimburse APRL for all reasonable costs and expenses incidental to the Offer.

The obligation of APRL to underwrite the Offer is subject to certain events of termination. APRL may terminate its obligations under the Underwriting Agreement if:

- (a) (**Indices fall**): any of the S&P/ASX 200 Index or the S&P/ASX 300 Metals and Mining Index as published by ASX is at any time after the date of the Underwriting Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (b) (**Gold Price fall**): Spot Gold price as quoted on COMEX Gold is at any time after the date of the Underwriting Agreement 10% or more below

its price as at the close of business on the Business Day prior to the date of the Underwriting Agreement;

- (c) **(Breach of Material Contracts):** any of the material contracts or contracts described in the Prospectus (other than the Underwriting Agreement) is breached, not complied with according to its terms, terminated or substantially modified;
- (d) **(Prospectus):** the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company;
- (e) **(No Official Quotation):** Official Quotation has not been granted by the date the Company is required to give APRL notice of the Shortfall or, having been granted, is subsequently withdrawn, withheld or qualified;
- (f) **(Supplementary prospectus):**
  - (i) APRL, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in paragraph (q) below, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as APRL may reasonably require;
  - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of APRL;
- (g) **(Non compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:
  - (i) the effect of the Offer on the Company; and
  - (ii) the rights and liabilities attaching to the Shares;
- (h) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (i) **(Restriction on allotment):** the Company is prevented from allotting the Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority;
- (j) **(Withdrawal of consent to Prospectus):** any person (other than APRL) who has previously consented to the inclusion of its, his or her name in



the Prospectus or to be named in the Prospectus, withdraws that consent;

- (k) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the date by which the Company is required to notify APRL of the Shortfall has arrived, and that application has not been dismissed or withdrawn;
- (l) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act;
- (m) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (n) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (o) **(Authorisation)**: any Authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to APRL;
- (p) **(Indictable offence)**: a director or senior manager of the Company or any of its subsidiaries is charged with an indictable offence; or
- (q) **(Termination Events)**: any one or a combination of the following events occurs which result is a materially adverse in the reasonable opinion of APRL:
  - (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
  - (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
  - (iii) **(Contravention of constitution or Act)**: a contravention by the Company or any of its subsidiaries of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
  - (iv) **(Adverse change)**: an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after

the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company or any of its subsidiaries including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in APRL's reasonable opinion, unlikely to be met in the projected time;

- (v) (**Error in Due Diligence Results**): it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them;
- (vi) (**Significant change**): a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
- (vii) (**Public Statements**): without the prior approval of APRL a public statement is made by the Company in relation to the Offer, the issue of Shares or the Prospectus except as required by law or the ASX Listing Rules;
- (viii) (**Misleading information**): any information supplied at any time by the Company or any person on its behalf to APRL in respect of any aspect of the Offer or the Issue or the affairs of the Company or a subsidiary of the Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (ix) (**Official Quotation qualified**): the Official Quotation is qualified or conditional other than being conditional upon the issue of Shares under the Prospectus;
- (x) (**Change in Act or policy**): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (xi) (**Prescribed Occurrence**): a prescribed occurrence under the Underwriting Agreement occurs, other than as disclosed in the Prospectus;
- (xii) (**Suspension of debt payments**): the Company suspends payment of its debts generally;
- (xiii) (**Event of Insolvency**): an event of insolvency occurs in respect of the Company or any of its subsidiaries;
- (xiv) (**Judgment against the Company or a Subsidiary**): a judgment in an amount exceeding \$100,000 is obtained against the Company or any of its subsidiaries and is not set aside or satisfied within 7 days;
- (xv) (**Litigation**): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against the Company or any of its

subsidiaries, other than any claims foreshadowed in the Prospectus;

- (xvi) (**Board and Senior Management composition**): there is a change in the composition of the Board or a change in the senior management of the Company before completion of the Offer without the prior written consent of APRL which consent is not be unreasonably withheld;
- (xvii) (**Change in shareholdings**): there is a material change in the major or controlling shareholdings of the Company or any of its subsidiaries or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xviii) (**Timetable**): there is a delay in any specified date in the Offer timetable which is greater than 3 Business Days;
- (xix) (**Force Majeure**): a force majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xx) (**Certain resolutions passed**): the Company or any of its subsidiaries passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of APRL;
- (xxi) (**Capital Structure**): the Company or any of its subsidiaries alters its capital structure in any manner not contemplated by the Prospectus;
- (xxii) (**Investigation**): any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or any of its subsidiaries; or
- (xxiii) (**Market Conditions**): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to APRL that are considered standard for an agreement of this type.

## 9.6 Loan Facility with Sun Hung Kai

Please refer to the summary provided in section 3.11.

## 9.7 Letter of Support from AP Finance

Please refer to the summary provided in section 3.12.

## 9.8 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors inclusive of superannuation.

Director	2013	2012	2011
Gerard McMahon	\$102,422	Nil	Nil
Arthur Dew	\$35,506	\$47,378	Nil
Carlisle Procter	\$48,707	\$34,971	Nil
Brett Montgomery	\$113,347	Nil	Nil

The total (proposed) annual remuneration paid to executive and non-executive directors has been calculated using the actual salary amounts expected to be paid from 1 July 2013 to 30 June 2014.

### **9.9 Interests of experts and advisers**

APRL will be paid those fees by the Company as described in section 3.8. During the 24 months preceding lodgement of this Prospectus with the ASIC, APRL has been paid fees of \$1,500,000 by the Company.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$35,000 (excluding GST and disbursements) for these services.

### **9.10 Consents**

APRL has given its written consent to being named as underwriter to the Offer in this Prospectus, in the form and context in which it is named. APRL has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

### **9.11 Electronic prospectus**

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 9212 5999 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.tanami.com.au](http://www.tanami.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### **9.12 Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

### **9.13 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship**

The Company will not be issuing option certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

#### **9.14 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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**10. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

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**Mr Gerard McMahon**  
**Chairman**  
**For and on behalf of**  
**TANAMI GOLD NL**

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## 11. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Allied Group** has the meaning given to that term in section 3.4.

**AP Finance** has the meaning given to that term in section 3.12.

**Applicant** means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

**Application** means an application to subscribe for Shares under this Prospectus.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**Application Monies** means money submitted by Applicants in respect of Applications.

**APRL** means Allied Properties Resources Limited.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHES.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means Tanami Gold NL (ACN 000 617 176).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.



**Financial Support Letter** has the meaning given to that term in section 3.12.

**Ineligible Shareholder** means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

**JORC Code** means the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

**Loan Facility** has the meaning given to that term in section 3.11.

**Lodgement Date** means the date this Prospectus is lodged with ASIC.

**Mineral Resources** means has the meaning given in the JORC Code.

**Nominee** has the meaning given to that term in section 3.15.

**Offer** means the renounceable entitlement issue the subject of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Share Registry** means Security Transfer Registrars Pty Limited.

**Shortfall** means the Shares not applied for under the Offer (if any).

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in section 5.13 of this Prospectus.

**Shortfall Shares** means those Shares issued pursuant to the Shortfall.

**Sun Hung Kai** has the meaning given to that term in section 3.11.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## ANNEXURE – MINERAL RESOURCES TABLE

Project	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes (000)	Grade g/t Au	Ounces (000)	Tonnes (000)	Grade g/t Au	Ounces (000)	Tonnes (000)	Grade g/t Au	Ounces (000)	Tonnes (000)	Grade g/t Au	Ounces (000)
<b>WTP</b>	482	2.8	44	1,071	5.7	197	1,500	6.4	310	3,053	5.6	551
<b>CTP<sup>5</sup></b>	8,430	2.6	696	9,491	3.1	954	9,279	3.4	1,022	27,200	3.1	2,673
<b>Total</b>	8,912	2.6	740	10,562	3.4	1,151	10,779	3.8	1,332	30,253	3.3	3,224

### Notes:

1. WTP is Western Tanami Prospect and CTP is Central Tanami Project.
2. Resource estimations completed using MineMap, Vulcan, Surpac, Datamine and Micromine software packages comprising a combination of ellipsoidal inverse distance and ordinary kriging grade interpolation methods.
3. Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
4. Resources reported above relevant cut-offs based on economic extractions, varying between 0.7g/t Au and 1.0g/t Au block model grade.
5. This includes stockpile figures from previously reported Offer Gold Mines NL 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific.
6. Tonnes and ounces rounded to the nearest thousand and grade rounded to 0.1g/t Au. Rounding may affect tallies.

7. The information in this report pertaining to Mineral Resources for the Tanami Project was compiled by , Mr Michael Thomson (MAusIMM), Principal Geologist for Tanami Gold NL, Mr Bill Makar (MAusIMM), Consultant Geologist Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), former Resource Geologist for Tanami Gold NL, Mr Mark Drabble (MAusIMM) – Principal Consultant Geologist, Optiro Pty Ltd and Mr Peter Ball (MAusIMM), Director of Datageo Geological Consultants. Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard, Mr Drabble 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 Thomson, Mr Makar, Mr Nicholls, Mrs Hillyard, Mr Drabble 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.