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#### **EXPLORATION UPDATE**

Tanami Gold NL (ASX: TAM – 'Tanami' or 'the Company') is pleased to provide the following update on the progress of its Kavanagh Drilling Program currently underway at the Coyote Deposit in Western Australia.

The Underground Diamond drilling program at the Coyote Mine has now been completed with a total of 23 holes and 8,000 metres drilled. Approximately 85% of these holes have been logged and sampled with these results currently being incorporated into the geological and mineralisation models. The remaining core is currently being processed onsite with final results expect to be received from the external laboratories in February.

The Surface Diamond drilling program has progressed well with 4 holes drilled to date for a total of 2,300 metres drilled; the drill rig is expected to continue drilling until late February at which time drilling will cease. Results from the first 2 surface holes have been received (CYDD0214D1 and CYDD0214D3) with both holes intersecting significant mineralisation (listed below). A further 2 holes have been completed and are in the process of being logged and sampled for analysis.

The following significant results from both Underground and Surface drilling have been received;

- CYUG1037 with 0.6m @ 12.6 g/t Au from 225.5m
- CYUG1041 with **0.4m** @ **14.8g/t** Au from 265.9m
- CYUG1043 with 0.6m @ 56.0 g/t Au from 277.8m
- CYUG1043 with 2.6m @ 9.7 g/t Au from 281.8m
- CYDD0214-D1with 0.3m @ 110.7g/t Au from 401.2m
- CYDD0214-D1with 3.0m @ 35g/t Au from 417.6m including
  - o 0.4m @ 193g/t Au from 417.6m and
  - o 0.3m @ 27.7g/t Au from 419m
  - o 0.3m @ 114g/t from 420.3m
- CYDD0214-D3 with **0.3m** @ **28.6** g/t Au from 407.6m
  - CYDD0214-D3 with 1.2m @ 14.6 g/t Au from 437.8m
- CYDD0214-D3 with **0.3m** @ **79.5g/t** Au from 459.9m

The planned drilling targeting the Southern limb mineralisation is now completed with the focus now on exploring the Northern limb as well as testing conceptual targets at depth.

Preliminary analysis of the results received indicates that mineralisation on the Southern limb has been closed off down plunge to the west but remains open to the east, while a review of the recent drilling on the Northern limb indicates mineralisation remains open down plunge to the east with results in CYDD0214-D1 and CYDD0214-D3 both upgrading and extending the Resource in this area. Drilling is continuing on the North limb.

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#### **Kavanagh Resource**

The Kavanagh Resource is hosted within quartz-carbonate veining that occurs within both Sandstone and Siltstone rocks that are located within a much larger sequence of turbidites. These sediments have been folded resulting in a steep southern limb and a shallower Northern limb. Historically gold mineralisation at Coyote has predominately been located on the steeper southern limb approximately 150-200m south of the current Kavanagh Resource.

A maiden **Inferred Resource** of 122,000 tonnes @ 25g/t Au for a total of 100,000 ounces of gold was announced for Kavanagh on the 9<sup>th</sup> of April 2013. The majority of mineralisation located to date is on the southern (steeper) limb, which is more easily drilled from the current underground mine. Extensions on this limb have been targeted in the current underground drilling program, whilst the surface diamond rig focuses on testing the Northern limb and exploring at depth.



Figure 2: Coyote Planned Drilling

Figure 1: Kavanagh Drill Location Map (looking north)

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#### **Table 1: Kavanagh Significant Intercepts**

Hole ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Max Depth	Metres From	Metres To	Interval Width	Grade	Gram Metre
CYUG1024	74811	50138	3164	-54.5	355	276	210	211	1	9.9	9.9
							218.8	219.1	0.3	3.7	1.1
CYUG1025	74869	50105	3166	-40	2	260	241	241.6	0.6	4.3	2.6
							245.5	246	0.5	5.3	2.7
CYUG1026	74869	50105	3166	-46.5	0	291	238.1	238.4	0.3	9.5	2.8
CYUG1027	74811	50138				300	N	o significar	it results re	ceived	
CYUG1028	74869	50105	3166	-53.5	0	351.4	N	o significar	it results re	ceived	
CYUG1029	74811	50138	3164	-54.5	5	491	207.1	207.5	0.4	2.7	1.1
							194.7	195	0.3	22.9	6.9
0/11/21020	74960	50105	2100	25.5	C	252	199.7	200	0.3	18.9	5.7
CYUG1030	74869	50105	3166	-35.5	6	252	236.1	236.4	0.3	24.3	7.3
							250.2	251.2	1	18.1	18.1
CYUG1031	74811	50138	3164	-43.5	11	240	197.4	197.7	0.3	10	3
CYUG1032	74869	50105	3166	-25	358	227	183.9	184.3	0.4	25.5	10.2
CYUG1033	74811	50138	3164	-54.5	14	270	N	o significan	it results re	ceived	
							281.05	281.7	0.6	3.5	2.3
CYUG1034	74869	50105	3166	-46	8	327.2	290	291.1	1.1	3.1	3.4
CYUG1035	74811	50138	3164	-48.5	14	250	206.6	208.6	2	36	71.9
CYUG1036	74880	50105	3166	-35.5	17.5	336.2	N	o significan	t results re	ceived	
							225.45	226.1	0.6	12.6	8.0
CYUG1037	74869	50105	164	-30	19	258	207	207.8	0.8	7.6	6.1
							206	206.3	0.3	117.7	35.3
CYUG1038	74880	50105	3166	-22	24	280	221.2	221.5	0.3	57.8	17.3
							243	244	1	14.7	14.7
CYUG1039	74869	50105	3166	-42	8	321	250.9	251.3	0.4	5.7	2.3
CYUG1040	74880	50105	3166	-47	18	400	294.8	295.1	0.3	5.1	1.5
CYUG1041	74869	50105	3166	-40	15.5	290.1	265.9	266.3	0.4	14.8	5.9
CYUG1042	74869	50105	3166					Resul	ts Pending		
							274.7	275.1	0.4	12.6	4.9
CYUG1043	74880	50105	3166	-39	22	299	277.9	278.4	0.6	56.0	30.8
							281.8	284.4	2.6	9.7	25.1
CYUG1044	74880	50105	3166	-33	23.5	357.4		Resul	ts Pending		
CYUG1045	74869	50105	3166	-44	15	450.2	[	Drilled but	not sample	d yet	
CYUG1046	74880	50105	3166	-48	23	710	(	Drilled but	not sample	d yet	
							396.4	396.7	0.3	16.5	5.0
							401.2	401.5	0.3	60.7	18.2
							417.6	420.6	3	35	105
CYDD0214D1	75040	50567	3413	-54.9	186.5	479.8	incl. 417.6	418	0.4	193	77.1
							incl. 419	419.3	0.3	27.7	8.3
							incl. 420.3	420.6	0.3	114	34.3
							407.6	407.9	0.3	28.6	8.6
CYDD0214D3	75040	50567	3413	-55	183	523	437.8	439	1.2	14.6	17.5
			1				459.9	460.2	0.3	79.5	23.9

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#### Notes to accompany Table 1

- 1. Collar Northing, Easting and Azimuth are all in Local Grid coordinates. Collar RL is relative to AHD. Collar coordinates may vary upon final survey.
- 2. Standard analyses is by 50g fire assay with AAS finish or screen fired 1kg assay with AAS finish where visible gold is logged
- 3. Samples are of half diamond NQ2 core samples.
- 4. No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
- 5. Intervals are all down hole length.
- 6. Cut-off of for reporting as significant results is greater than 1gram metre
- 7. Shaded intervals have been previously reported.

Gerard McMahon Chairman

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

The information in this report that relates to Mineral Resource is based on information compiled by Mr Michael Thomson, a full time employee and Principal Geologist of Tanami Gold NL. Mr Thomson is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Thomson consents to the inclusion in this report of the matters based on this information, in the form and context in which they appear. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Geological Data and Exploration Results is based on, and fairly represents information and supporting documentation compiled by Mr Michael Thomson, a full time employee and Principal Geologist of Tanami Gold NL. Mr Thomson is a Member of The Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Thomson consents to the inclusion in this report of the matters based on his information, in the form and context in which they appear.

Table 2: Sampling Technique and Data						
Criteria	JORC Code explanation	Commentary				
	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.	<ul> <li>Tanami Gold utilised diamond drilling. Holes were generally angled to grid north (from underground) and grid south (from surface),</li> <li>Core was sampled a 1 metre intervals or to geological contacts. A minimal sample length of 0.3m was applied.</li> <li>All core from within approximately 50m of the Kavanagh mineralisation is sampled, beyond this point core is selected for sampling by the onsite geologists based on geological observations.</li> </ul>				
Sampling techniques	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	To ensure representivity, half core samples were taken from the same side of the core for each hole ( western half of core retained).				
	• Aspects of the determination of mineralisation that are Material to the Public Report.	To reduce issues related to sampling coarse gold, where visible gold has been identified during geological inspections,2 feldspar				
	• In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg	flushes are inserted after these sample into the same sample stream at the laboratory to limit the chance of contamination of subsequent samples.				
		Where visible gold is identified, the sample has an additional 1 kilogram Screen Fire Assay to reduce the effect coarse gold has on smaller sample sizes.				
	submarine nodules) may warrant disclosure of detailed information.	All samples that report greater than 5g/t Au within the target area are selected for additional 1 kilogram screen fire assays.				
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by	<ul> <li>#Diamond drilling carried out was with NQ2</li> <li>sized equipment with standard tube. Minor</li> <li>intervals at the top of the hole were drilled</li> <li>with HQ3 sized core until competent rock was</li> <li>intercepted</li> <li># Core was orientated with a reflex</li> </ul>				
Drill sample recovery	<ul> <li>what method, etc).</li> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> </ul>	<ul> <li># core was orientated with a reflex orientation tool (bottom of core)</li> <li>#Core recovery is logged for every metre as a percentage. Recoveries for this program have been in excess of 90%.</li> </ul>				

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Criteria	JORC Code explanation	Commentary		
	• Measures taken to maximise sample recovery and ensure representative nature of the samples.	# During drilling in broken ground, where core loss is possible, drillers have adjusted the drill technique to ensure maximum recovery is obtained. As greater than 90% of the sample on average has been recovered these samples are representativ of the material being sampled.		
	• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	#At Coyote (Kavanagh) no relationship exists between sample recovery and grade		
	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	All diamond core was logged for recovery, RQD, geology and structure. Core logging has been done to an appropriate level to support Mineral Resource Estimation		
Logging	• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Core was photographed by tray with both wet and dry taken. Logging is quantitative in nature.		
	• The total length and percentage of the relevant intersections logged.	All diamond core was logged.		
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and	Core is cut in half with an Almonte core saw onsite to either metre intervals or geological contacts.		
	whether quarter, half or all core taken.	To ensure representivity, standard protocol is to sample the same side of the core for each hole, retaining the western side of the core.		
	• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not applicable as only core samples taken.		
	• For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation used is industry standard for gold mineralisation with adequate sample sizes taken to correctly represent gold mineralisation based on the style of mineralisation and thickness of mineralisation.		

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Criteria	JORC Code explanation	Commentary
	Quality control procedures adopted for	All samples are submitted to an accredited commercial laboratory with standard reference material to ensure accuracy of results. An average of 1:20 field blanks and in 25 standard reference material are inserted. The laboratory also runs its own internal
	all sub-sampling stages to maximise representivity of samples.	checks that are reported to the company for verification. Detailed procedures are in place for all sampling processes onsite while the commercial laboratory also has multiple procedures to ensure representivity of samples is maintained.
	• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	No field duplicates have been carried out t date due to this process consuming the complete core and not leaving any core for future geological observations. This proces scheduled for after geological observations are complete.
	• Whether sample sizes are appropriate to the grain size of the material being sampled.	Due to the variable nature of coarse gold, a results in the Kavanagh drilling program th return greater than 5 gram-metres are selected for additional 1kg screen fire assa
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	The techniques used for gold analysis is a 50 gram fire assay or 1000 gram screen f assay with Atomic Absorption finish. Bot analytical techniques provide total gold content and are accepted techniques with the gold industry.
	• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No additional tools were used for analys
	• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	TGNL submit an average of 1 standard an blank every 25 samples with the addition further blank material when coarse gold logged. All results received to date have fallen within adequate ranges of the expected values. No duplicates or laboratory checks have been performed.
Verification of sampling and	• The verification of significant intersections by either independent or alternative company personnel.	Significant intersections have not been verified by an external partly to date.
assaying	• The use of twinned holes.	No diamond twinning has been done to date.

Criteria	JORC Code explanation	Commentary
	• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	The majority of data is recorded digitally and archived. All physical copies remain archived onsite, the majority are scanned and digitally stored. All relevant procedures exist for data entry data verification and data storage.
	• Discuss any adjustment to assay data.	Where present, screen fire assays are the preferred value for any particular sample, and are considered more accurate than th 50gm fire assay. On average screen fire assay received have returned marginally higher grades than the 50gm fire assay.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	All collar points have been surveyed in the local mine grid. A combination of singleshot, multishot and high accuracy north seeking gyro surveys have been carried out downhole for all holes drilled Mine workings support this approach with good accuracy achieved with historical drilling at Coyote. None of the holes listed in this report have been used in a Mineral Resource estimation.
	• Specification of the grid system used.	The grid used is the Local Coyote Mine Gri which has a direct transformation to GDA 94 - MGA Zone 52.
	• Quality and adequacy of topographic control.	The surface topography has been surveyed to a high level of accuracy.
	• Data spacing for reporting of Exploration Results.	The data spacing varies within the Kavana Mineralisation from 100m on the
Data spacing and distribution	• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	extremities to approximately 50m in the better defined regions. This drill spacing is deemed adequate for an Inferred Resourc as good geological continuity is present wi acceptable grade continuity.
	• Whether sample compositing has been applied.	Samples have not been composited at this stage of interpretation.

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/	Criteria	JORC Code explanation	Commentary
	Orientation of data in relation to geological	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Where possible drilling is designed to intercept mineralisation at high angles (as close to perpendicular to mineralisation as possible). No orientation based sample bias has been identified in the data.
	structure	• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Due to the narrow nature of the Kavanagh mineralisation all intervals have a true width calculated prior to resource estimation to ensure that no bias is carried through.
	Sample security	• The measures taken to ensure sample security.	Samples are securely stored during the transportation stages to the laboratories in calico bags that are placed within larger waterproof plastic bags that are cable-tied prior to transport
	Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	No audit has been carried out on this drilling program, previous drilling associated with the Kavanagh Resource have been externally reviewed with no significant issues identified.



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#### Table 3: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	Kavanagh is located within M80/559 which is registered to Tanami Exploration, a wholly owned subsidiary of Tanami Gold NL. The Kavanagh resource is subject to the Coyote Mine Agreement dated 20 April 2005 with the Tjurabalan People. The Coyote Mining Lease is subject to royalty provisions pursuant to the Sale and Purchase Agreement dated 16 January 2004 between AngloGold Australia Ltd, Tanami Exploration NL and Tanami Gold NL.
	• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenement is in good standing and no known impediments exist.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	The Coyote deposit was discovered by Anglo Gold Ashanti Pty Ltd in 1998 through follow-up of Au and As geochemical anomalies that were discovered by them as a result of wide-spaced (500m spaced lines) shallow RAB drilling in an area of transported overburden . Tanami Gold NL acquired the property as part of their extensive Western Tanami Tenements in 2003. Tanami Gold has carried out a combination of open pit mining and underground mining at Coyote between 2005 and 2013.
Geology	• Deposit type, geological setting and style of mineralisation.	Kavanagh, which is part of the Coyote Deposit, is a vein hosted coarse gold deposit hosted within turbiditic sediments of the Killi Killi Formation that forms part of the early Proterzoic Tanami Orogen.
	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	Refer to table 1
Drill hole Information	$\circ$ easting and northing of the drill hole collar	Refer to table 1
	<ul> <li>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> </ul>	Refer to table 1
	$\circ$ dip and azimuth of the hole	Refer to table 1

Criteria	JORC Code explanation	Commentary
	○ down hole length and interception depth	Refer to table 1
	◦ hole length.	Refer to table 1
	• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Refer to table 1
	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.	The high grades in the exploration results have not been cut. Where irregular sampl lengths have been taken, these lengths hav been clearly stated.
Data aggregation methods	• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Due to narrow nature of Kavanagh mineralisation, intercepts rarely contain more than 1 sample. In cases where this does occur no internal dilution is included and a minimum grade of 5g/t is required for additional samples before they are added to an intercept. For example, a 1 metre at 30g/t Au resul with a consecutive 1 metre at 2g/t result will not be aggregated and reported as 1n @ 30g/t Au while a 1 metre at 30g/t Au results with a consecutive 1 metre a 6g/t Au result would be aggregated to 2m @ 18g/t Au.
	• The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values have been use
Relationship between mineralisation widths	• These relationships are particularly important in the reporting of Exploration Results.	All results stated in this announcement ar downhole.
	• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	True width not known at this point in time High grade orebodies such as Kavanagh at sensitive to intercept thickness, as such
and intercept lengths	• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	true width is calculated for all intercepts and used in the resource estimation stage with a (grade x true thickness) calculation is made and estimated.

Criteria	JORC Code explanation	Commentary
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to Figure 1
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All results related to Kavanagh have bee reported.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	All relevant exploration information has been reported.
	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	As detailed in this announcement, these results are the first from a larger drilling program underway at Coyote. Further drillholes have been drilled with results
Further work	• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	pending and not reported, while other d holes are planned and will be drilled in t coming months. Further detail of the results of this drilling will be released as comes to hand.