



**T A N A M I
G O L D N L**

ABN 51 000 617 176

**CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2013**

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DIRECTORS' REPORT

For the half-year ended 31 December 2013

The Directors present their report together with the consolidated interim financial report of the consolidated entity, being the Company and its controlled entities, for the half-year ended 31 December 2013 and the auditor's independent review report thereon.

1. Directors

The Directors of the Company at any time during or since the end of the half-year are:

Name		Period of Directorship
Mr G.J. McMahon	Non-Executive Chairman	Appointed 23 April 2013 as a Non-Executive Director and Non-Executive Chairman as of 6 June 2013
Mr A.G. Dew	Non-Executive Director	Appointed 2 December 2011
Mr C.C. Procter	Non-Executive Director	Appointed 9 December 2011
Mr B. Montgomery	Non-Executive Director	Appointed 6 February 2013
Mr S.H. Lee	Non-Executive Director	Appointed 5 March 2008, Resigned 8 November 2013

2. Results

The Consolidated Entity has generated a total comprehensive loss for the period ended 31 December 2013 of \$5,004,208 (2012: Loss of \$17,399,067).

3. Principal Activity

The principal activity of the consolidated entity during the course of the half-year was gold exploration.

4. Corporate and Financial Overview

On 8 November 2013, Mr S.H. Lee resigned as Non-Executive Director of the Company.

Mining Rehabilitation Fund

On 9 August 2013, the Company lodged a Mining Rehabilitation Fund ("MRF") application with the WA Department of Mines and Petroleum for the return of its \$2.3 million Coyote rehabilitation bond. The Company opted to partake in the MRF early where the contribution rate is proposed to be 1 percent of the Coyote rehabilitation liability estimate. The Coyote rehabilitation bond of \$2.3 million was returned to the Company in October 2013.

Sale of Remaining Investment in ABM Resources NL

On 26 August 2013, the Company sold its remaining 78,392,301 shares in ABM Resources NL at an average price of 3.4 cents per share receiving approximately \$2.67 million.

New Loan Facility with AP Finance Limited

On 18 September 2013, the Company reached an agreement with AP Finance Limited for the provision of a new unsecured loan facility of approximately A\$12.0 million. No drawings have been made against this facility.

A\$15 Million Loan Facility with Sun Hung Kai International Bank [Brunei] Limited

On 24 September 2013, the Company signed a Supplementary Loan Agreement with Sun Hung Kai International Bank [Brunei] Limited ("SHKIBBL") to extend the repayment date of its A\$15.0 million unsecured loan facility from 30 June 2014 to 31 March 2015.

At 31 December 2013, the Company had progressively drawn down the remaining A\$6.0 million available under its loan facility with SHKIBBL.

DIRECTORS' REPORT (Cont'd)
For the half-year ended 31 December 2013

These drawdowns were used to assist with funding the Company's:

- Ongoing care and maintenance costs at Coyote;
- Redundancy payments associated with placing Coyote on care and maintenance; and
- Provision of additional working capital.

Fully underwritten pro-rata renounceable Entitlements Issue

On 15 November 2013, the Company announced it had reached an agreement with Allied Properties Resources Limited ("APRL") to underwrite a renounceable pro-rata Entitlements Issue ("Issue") to raise \$11.75 million before costs.

The Issue was made to eligible shareholders at an issue price of \$0.02 cents per share on the basis of 1 new share for every 1 share held.

Proceeds of the Issue were used to:

- Fund the Kavanagh Drilling Program;
- Fund the Coyote care and maintenance program and associated costs;
- Pay financing charges under its existing Loan Facility obligations;
- Pay expenses of the Entitlements Issue; and
- Provide additional working capital.

On 31 December 2013, the Company had issued 338,073,205 new shares receiving approximately \$6.76 million before costs. Refer to the subsequent events section for details of the remaining new shares issued after 31 December 2013.

5. Review of Activities**Overview**

Tanami Gold NL's exploration centres are situated in the Tanami Desert straddling the Western Australian and Northern Territory border. The Company's Coyote Gold Project ("Coyote") is located in Western Australia and consists of a 350,000 tonnes per annum carbon-in-leach treatment plant and an underground mine. The Company's Central Tanami Project ("CTP") is located adjacent to the Tanami Track and approximately 90 kilometres east of Coyote.

In April 2013, the Company placed Coyote on care and maintenance.

Coyote Exploration

On 7 October 2013, the Company announced its decision to proceed with a \$3.5 million drilling program at the Coyote mine targeting the Kavanagh Lodes. The drilling program commenced in early October using a combination of surface and underground diamond drill rigs.

At 31 December 2013, a total of 23 holes for 8,044 metres of underground NQ diamond drilling and 4 holes for 2,127m of surface HQNQ diamond drilling were carried out with all drilling being undertaken at the Coyote mine. The underground drilling program was completed in late December 2013 and the surface diamond drilling program was completed in late February 2014.

The majority of these holes have now been geologically inspected and sampled, 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. A review of the recent drilling on the Northern limb indicates mineralisation

DIRECTORS' REPORT (Cont'd)
For the half-year ended 31 December 2013

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 continued on the Northern limb as well as exploration at depth until 7 March 2014.

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 during 2013. The majority of mineralisation located to date is on the southern (steeper) limb, which is more easily drilled from the current underground mine.

Regional Exploration

Regional exploration expenditure was kept to a minimum during the period with a focus on maintaining tenement standing. Accordingly, only surface exploration in the Western Tanami Project was conducted during the period ended 31 December 2013.

Business Strategies and Prospects

The Board continues to maintain an ongoing focus towards reducing its care and maintenance fixed costs and overheads and has secured funding to ensure the Company remains financially viable while the drilling program and subsequent evaluation proceeds.

The Board's primary concern is to restore and grow shareholder value.

6. Subsequent Events

- (i) On 2 January 2014, the Company issued the remaining 249,475,338 new shares to underwriters and sub-underwriters as part of the Company's fully underwritten pro-rata renounceable Entitlements Issue receiving approximately \$4.99 million before costs. The use of these proceeds is detailed in section 4 above.
- (ii) On 14 January 2014, the Company made a voluntary prepayment of A\$10.0 million towards its A\$15.0 million unsecured loan facility with SHKIBBL. Pursuant to the Company's loan agreement any amount that has been prepaid may be redrawn in accordance with the terms of the loan agreement.

DIRECTORS' REPORT (Cont'd)
For the half-year ended 31 December 2013

7. Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The directors have received confirmation from the auditor of Tanami Gold NL that they are independent of the Company.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is included on the following page and forms part of the directors' report for the half year ended 31 December 2013.

8. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Directors:



Gerard McMahon
Non-Executive Chairman
Perth, Western Australia
14 March 2013



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

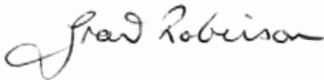
To: the directors of Tanami Gold NL

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2013 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



KPMG



Grant Robinson
Partner

Perth

14 March 2014

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half-year ended 31 December 2013

	Note	31 Dec 2013 \$'000	31 Dec 2012 \$'000
Revenue from operating activities		498	34,015
Mine costs (including depreciation and amortisation)	7	(4,224)	(35,999)
Profit on sale of assets		782	1,140
Other income		15	266
Exploration and evaluation expenses	8	(2)	(10,479)
Corporate and other expenses		(1,243)	(3,265)
Results from operating activities		<u>(4,174)</u>	<u>(14,322)</u>
Financial income		106	106
Financial expenses		(936)	(3,770)
Foreign exchange gain		-	397
Net financing expense		<u>(830)</u>	<u>(3,267)</u>
Loss before tax		<u>(5,004)</u>	<u>(17,589)</u>
Income tax expense		-	-
Loss from operations		<u>(5,004)</u>	<u>(17,589)</u>
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Other comprehensive income - net change in fair value of available for sale financial assets		-	189
Other comprehensive loss for the period (net of income tax)		<u>-</u>	<u>189</u>
Total comprehensive loss for the period attributable to owners of the Company		<u>(5,004)</u>	<u>(17,400)</u>
Earning per share			
Basic loss per share		(0.005)	(0.067)
Diluted loss per share		<u>(0.005)</u>	<u>(0.067)</u>

The condensed consolidated interim statement of comprehensive income is to be read in conjunction with the condensed notes to the consolidated interim financial report.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
For the half-year ended 31 December 2013

Assets	Note	31 Dec 2013 \$'000	30 Jun 2013 \$'000
Current Assets			
Cash and cash equivalents		8,753	1,623
Restricted cash and cash equivalents		4,890	-
Trade and other receivables		581	609
Available for sale financial assets	11	-	1,881
Inventories	9	2,085	2,484
Total Current Assets		<u>16,309</u>	<u>6,597</u>
Non-Current Assets			
Other receivables		2,828	5,519
Property, plant and equipment	10	8,178	8,579
Exploration and evaluation	8	78,056	74,043
Total Non-Current Assets		<u>89,062</u>	<u>88,141</u>
Total Assets		<u>105,371</u>	<u>94,738</u>
Liabilities			
Current Liabilities			
Advance received for share issue		4,890	-
Interest bearing liabilities	12	413	9,625
Trade and other payables		2,033	2,879
Provisions		363	936
Total Current Liabilities		<u>7,699</u>	<u>13,440</u>
Non-Current Liabilities			
Interest bearing liabilities	12	15,207	319
Provisions		5,445	5,312
Total Non-Current Liabilities		<u>20,652</u>	<u>5,631</u>
Total Liabilities		<u>28,351</u>	<u>19,071</u>
Net Assets		77,020	75,667
Equity			
Issued capital	13	312,995	306,661
Accumulated losses		(237,852)	(232,848)
Reserves		1,877	1,854
Total Equity Attributable to Equity Holders of the Company		<u>77,020</u>	<u>75,667</u>

The condensed consolidated interim statement of financial position is to be read in conjunction with the condensed notes to the consolidated interim financial report.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2013

	Issued Capital \$'000	Accumulated Losses \$'000	Share Based Payment Reserve \$'000	Available For Sale Fair Value Reserve \$'000	Total Equity \$'000
Balance at 1 July 2012	244,189	(166,540)	1,159	-	78,808
Total comprehensive income for the period					
Loss for the period	-	(17,589)	-		(17,589)
Other comprehensive loss	-	-	-	189	189
Total comprehensive loss for the period	-	(17,589)	-	189	(17,400)
Transactions with owners, recorded direct to equity					
Amount expended for options issued	-	-	747		747
Total contributions by the distributions to owners	-	-	747	-	747
Total transaction with owners	-	-	747	-	747
Balance at 31 December 2012	244,189	(184,129)	1,906	189	62,155
Balance at 1 July 2013	306,661	(232,848)	1,854	-	75,667
Total comprehensive income for the period					-
Loss for the period	-	(5,004)	-	-	(5,004)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	(5,004)	-	-	(5,004)
Transactions with owners, recorded direct to equity					
Contributions by and distributions to owners	-	-	-	-	-
Amount expended for options issued	-	-	23	-	23
Total contributions by the distributions to owners	-	-	23	-	23
Shares issued during the half-year, net of costs	6,334	-	-		6,334
Total transaction with owners	6,334	-	23	-	6,357
Balance at 31 December 2013	312,995	(237,852)	1,877	-	77,020

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the condensed notes to the consolidated interim financial report.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2013

	Consolidated	
	For the half year ended 31 Dec 2013	For the half year ended 31 Dec 2012
	\$'000	\$'000
Cash flows from operating activities		
Cash receipts from customers	521	34,281
Cash payments in the course of operations	(6,246)	(28,337)
Cash payments for withholding tax	(31)	(101)
Interest received	93	101
Interest paid	(429)	(965)
<i>Net cash (used)/provided by operating activities</i>	<u>(6,092)</u>	<u>4,979</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(30)	(1,984)
Proceeds from sale of financial assets	2,665	3,804
Payments of security deposit refunds	(71)	-
Proceeds from exploration security deposit refunds	2,605	(14)
Payments for exploration and evaluation	(3,048)	(13,109)
Payments for development expenditure	(1,288)	(11,370)
<i>Net cash provided/(used) from investing activities</i>	<u>833</u>	<u>(22,673)</u>
Cash flows from financing activities		
Net proceeds from issue of shares and options	6,761	-
Proceeds from borrowings	6,000	15,836
Repayment of finance lease liabilities	(372)	(377)
<i>Net cash provided from financing activities</i>	<u>12,389</u>	<u>15,459</u>
Net increase/(decrease) in cash and cash equivalents held	7,130	(2,237)
Cash and cash equivalents at beginning of the financial year	1,623	2,815
Cash and cash equivalents at the end of the financial year	<u>8,753</u>	<u>578</u>

The condensed consolidated interim statement of cash flows is to be read in conjunction with the condensed notes to the consolidated interim financial report.

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2013

1. Reporting Entity

Tanami Gold NL (the "Company") is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity") and the Consolidated Entity's interests in associates and jointly controlled entities. The Consolidated Entity primarily is involved in gold exploration.

The consolidated annual financial statements of the Consolidated Entity as at and for the year ended 30 June 2013 are available upon request from the Company's registered office at Level 2, 56 Ord Street, West Perth, WA 6005 or at www.tanami.com.au.

2. Statement of Compliance

These condensed consolidated interim financial statements are a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Consolidated Entity as at and for the year ended 30 June 2013.

These condensed consolidated interim financial statements were approved by the Board of Directors on 14 March 2014.

3. Going Concern Basis of Preparation

The going concern basis of preparation has been adopted which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Consolidated Entity has generated a total comprehensive loss for the period ended 31 December 2013 of \$5,004,208 (2013: Loss of \$17,399,067). At 31 December 2013, it had a net working capital surplus of \$8,610,261 (30 June 2013: Deficit of \$6,842,481).

At 31 December 2013, the Company had fully drawn down its existing unsecured A\$15.0 million loan facility with SHKIBBL. The A\$15.0 million loan facility with SHKIBBL is classified as a non-current liability having a repayment date of 31 March 2015.

The Company has a letter of support from AP Finance Limited (of which the ultimate holding company is Allied Group Limited) which confirms AP Finance Limited's commitment and ongoing support to the Company via the provision of a legally binding unsecured loan facility of approximately A\$12.0 million. This facility is available to the Company until 31 December 2014 and would have a repayment date of 31 March 2015.

On 2 January 2014, the Company successfully completed its \$11.75 million fully renounceable pro-rata Entitlements Issue. The Company's cashflow forecast shows the Company will be able to fund its ongoing care and maintenance program to at least 12 months from the signing date of this report.

On 14 January 2014, the Company made a voluntary prepayment of \$10.0 million on its A\$15.0 million loan facility with SHKIBBL. The loan facility has a redraw facility which the Company intends to utilise over the course of the coming 12 months.

The Company may also be required to source additional cash from debt or equity markets or from the sale of other assets. The Company has demonstrated historically that it can raise funds through both debt and equity avenues and can repay its debts as and when they fall due.

Given the above the Directors consider that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable and the Directors are confident that the going concern basis of preparation remains appropriate.

4. Significant Accounting Policies

The accounting policies applied by the Consolidated Entity in these condensed consolidated interim financial statements are the same as those applied by the Consolidated Entity in its consolidated financial statements as at and for the year ended 30 June 2013.

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the half-year ended 31 December 2013

5. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Consolidated Entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2013.

6. Dividends

There were no dividends paid or provided for during the half year and up to the date of this report.

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the half-year ended 31 December 2013

7. Mine Costs	31 Dec 2013 \$'000	31 Dec 2012 \$'000
Included in mine costs for the period are the following:	<u>4,224</u>	<u>35,999</u>
Mine costs		
Mining	2,491	16,420
Processing	201	5,899
Site administration	908	3,575
Depreciation and amortisation	624	10,105
	<u>4,224</u>	<u>35,999</u>

8. Exploration and Evaluation	31 Dec 2013 \$'000	30 Jun 2013 \$'000
Exploration and evaluation costs carried forward in respect of areas of interest	<u>78,056</u>	<u>74,043</u>

Reconciliation of movement during the period		
Carrying amount at beginning of period	74,043	72,318
Expenditure during period	4,015	19,849
Expenditure written off	(2)	(18,124)
	<u>78,056</u>	<u>74,043</u>

The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas.

9. Inventories	31 Dec 2013 \$'000	30 Jun 2013 \$'000
Inventories		
Stockpiles	79	79
Raw materials and stores	3,239	3,154
Impairment of inventory	(1,233)	(1,233)
Bullion	-	483
	<u>2,085</u>	<u>2,484</u>

In accordance with its accounting policy, the Company has stated inventories at the lower of cost or net realisable value.

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the half-year ended 31 December 2013

	31 Dec 2013 \$'000	30 Jun 2013 \$'000
10. Property, Plant and Equipment		
Property, Plant & Equipment		
Property, plant & equipment (at cost net of depreciation and amortisation)	<u>8,178</u>	<u>8,579</u>
Reconciliation		
Carrying amount at beginning of financial year	8,579	30,275
Additions (i)	576	18,017
Disposals	(1)	(478)
Accumulated depreciation on disposals	-	268
Depreciation	(624)	(4,397)
Depreciation capitalised in exploration and evaluation asset	(352)	(735)
Amortisation	-	(14,198)
Impairment	-	(20,173)
Carrying amount at end of financial year	<u>8,178</u>	<u>8,579</u>
(i) Additions for the half-year ended 31 December 2013 consist of:		
Plant and equipment	55	3,154
Motor vehicles	-	283
Furniture and fittings	-	42
Mine development	-	15,214
Rehabilitation asset	68	668
Movement in capital works in progress	<u>453</u>	<u>(1,344)</u>
	576	18,017
11. Available for sale financial assets		
Available for sale financial assets:		
Quoted equity shares	<u>-</u>	<u>1,881</u>

On 26 August 2013, the Company sold its remaining 78,392,301 shares in ABM Resources NL at an average price of 3.4 cents per share receiving approximately \$2.67 million.

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the half-year ended 31 December 2013

12. Interest Bearing Liabilities	Effective Interest Rate	Maturity	31 Dec 2013 \$'000	30 Jun 2013 \$'000
(a) Current				
Finance lease liabilities			413	548
Loan (i)			-	9,077
			413	9,625
(b) Non Current				
Finance lease liabilities			109	319
Loan (i)	6%	31-Mar-15	15,098	-
Balance as at 31 December 2013			15,207	319

- (i) On 24 September 2013, the Company signed a Supplementary Loan Agreement with Sun Hung Kai International Bank [Brunei] Limited ("SHKIBBL") to extend the repayment date of its A\$15.0 million unsecured loan facility from 30 June 2014 to 31 March 2015. At 31 December 2013, the Company had fully drawn down its A\$15.0 million unsecured loan facility with SHKIBBL which has an interest rate of 6% per annum, a refundable facility fee of 3% per annum (where facility fees payable in advance are refunded on a prorated basis if loan repayments are made) and a non-refundable facility fee of 3% per annum.

13. Issued Capital	31 Dec 2013 \$'000	30 Jun 2013 \$'000
Share Capital		
925,621,729 (2013: 587,548,524) ordinary shares, fully paid (i)	313,151	306,661
Limited recourse loans (ii)	(156)	-
	312,995	306,661

- (i) On 31 December 2013, the Company issued 338,415,846 new shares to those shareholders who took up their entitlements as part of the Company's 1:1 Renounceable Entitlement Issue. Refer to note 15 for details of shares issued after 31 December 2013.
- (ii) The shares issued have limited recourse and accordingly the loans have been derecognised in the financial statements at 31 December 2013.

During the half-year ended 31 December 2013 550,000 options expired.

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the half-year ended 31 December 2013
14. Segment Information

The consolidated entity operates in the gold exploration and gold mining industry in the Tanami region of central Australia.

Information about reportable segments

<i>In thousands AUD</i>	Gold Production (on care and maintenance)		Exploration		Total	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues	498	34,015	-	-	498	34,015
Interest income	56	69	14	34	70	103
Interest expense	-	(58)	-	-	-	(58)
Depreciation and amortisation	(624)	(10,483)	(352)	(358)	(976)	(10,841)
Reportable segment loss before income tax	(3,669)	(1,778)	11	(10,445)	(3,658)	(12,223)
Reportable segment assets	7,783	39,971	83,685	81,718	91,468	121,689
Reportable segment liabilities	6,137	16,331	1,797	5,121	7,934	21,452
Capital expenditure	-	(13,167)	(576)	(116)	(576)	(13,283)
			Consolidated			
			31 Dec 2013		31 Dec 2012	
			\$'000		\$'000	

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items
Revenue and other income

Total revenue and other income for reportable segments	498	34,015
Consolidated revenue and other income	<u>498</u>	<u>34,015</u>

Profit or loss

Total loss for reportable segments	(3,658)	(12,223)
Profit on sale of assets	782	1,140
Other income	15	228
Unallocated amounts: other corporate expenses	<u>(2,143)</u>	<u>(6,734)</u>
Consolidated loss before income tax	<u>(5,004)</u>	<u>(17,589)</u>

Assets

Total assets for reportable segments	91,468	121,689
Other unallocated amounts	<u>13,903</u>	<u>4,995</u>
Consolidated total assets	<u>105,371</u>	<u>126,684</u>

Liabilities

Total liabilities for reportable segments	7,934	21,452
Other unallocated amounts	<u>20,417</u>	<u>43,077</u>
Consolidated total liabilities	<u>28,351</u>	<u>64,529</u>

Major Customer

The Consolidated Entity sells gold on-market through third parties and is not able to identify the end customer.

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the half-year ended 31 December 2013

15. Subsequent Events

- (i) On 2 January 2014, the Company issued the remaining 249,475,338 new shares to underwriters and sub-underwriters as part of the Company's fully underwritten pro-rata renounceable Entitlements Issue receiving approximately \$4.99 million before costs.

Proceeds of the Issue were used to:

- Fund the Kavanagh Drilling Program;
 - Pay financing charges under its existing Loan Facility obligations;
 - Pay expenses of the Entitlements Issue; and
 - Provide additional working capital.
- (ii) On 14 January 2014, the Company made a voluntary prepayment of A\$10.0 million towards its A\$15.0 million unsecured loan facility with SHKIBBL. Pursuant to the Company's loan agreement any amount that has been prepaid may be redrawn in accordance with the terms of the loan agreement.

DIRECTORS' DECLARATION
For the half-year ended 31 December 2013

In accordance with a resolution of the Directors of Tanami Gold NL, I state that:

1. In the opinion of the Directors:

- a) The financial statements and notes of Tanami Gold NL for the half-year ended 31 December 2013 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of its financial position as at 31 December 2013 and performance;
 - (ii) complying with Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
- b) As set out in Note 3, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Gerard McMahon
Non-Executive Chairman
Perth, Western Australia
14 March 2013



Independent auditor's review report to the members of Tanami Gold NL

Report on the financial report

We have reviewed the accompanying interim financial report of Tanami Gold NL, which comprises the condensed consolidated interim statement of financial position as at 31 December 2013, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the interim period ended on that date, notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Tanami Gold NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

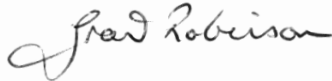


Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Tanami Gold NL is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


KPMG



Grant Robison
Partner

Perth

14 March 2014