



9 February 2015

CENTRAL TANAMI PROJECT

The Board of Tanami Gold NL wishes to advise that, after carefully considering various options, it has entered into a binding Joint Venture Heads of Agreement with Metals X Limited regarding Tanami's Central Tanami Project ("CTP") in the Northern Territory.

The Joint Venture Heads of Agreement ("the Agreement") provides that Metals X will, subject to a number of conditions precedent, forthwith acquire a 25% direct interest in the CTP for \$11m in cash and 4m MLX shares. The Agreement provides that Metals X will fund all exploration and expenditure, including plant refurbishment, required to progress the CTP through to commercial production, at which point Metals X will have earned a further 50% of CTP. Metals X will be the Manager of the Joint Venture at cost.

The Agreement also provides Tanami with a Put Option to sell, at any time after entering into the Joint Venture until 6 months after commencement of commercial production, its remaining JV interest, for an amount of \$32 million in cash or Metals X shares at Tanami's option.

The Agreement is subject to Shareholders' approval.

Tanami Chairman, Gerard McMahon, said

"The Board believes that the Agreement with Metals X provides the best opportunity for the Company. Tanami will have the benefit of receiving sufficient cash to pay out existing debts and will be relieved of all obligations for funding exploration and development to commercial production but will retain 25% of the Project thus retaining exposure to the upside. Additionally, Tanami is protected on the downside by the Put Option outlined above.

Metals X is a well funded and well managed group with expert and experienced mining professionals who have proven themselves in project management and project revivals in what has been at times a difficult period for resource companies. We believe their management skills, combined with Metals X's significant funding, should lead to successful commercialisation of the CTP for the benefit of all shareholders".

Gerard McMahon
Chairman