

TANAMI GOLD NL



TANAMI GOLD NL
ACN 000 617 176

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on Monday, 13 April 2015 at 10:00am (WST)

This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9212 5999.

TANAMI GOLD NL

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NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Tanami Gold NL (**Company**) will be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on Monday, 13 April 2015 at 10:00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Saturday, 11 April 2015 at 10:00am (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum will, unless the context requires otherwise, have the meaning given to them in Schedule 1.

AGENDA

1. Resolution 1 – Approval of Farm-Out and Joint Venture Arrangements with Metals X Limited

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, for the purposes of Listing Rule 11.2 and for all other purposes, Shareholders approve the farm-out and joint venture arrangements with Metals X Limited (**Metals X**) with respect to the Central Tanami Project including, amongst other things:*

- (a) the disposal by Tanami (NT) Pty Ltd (a wholly-owned subsidiary of the Company) (**Tanami NT**) to Metals X of a 25% undivided interest in the Central Tanami Project;*
- (b) the subsequent disposal by Tanami NT to Metals X of a further 50% undivided interest in the Central Tanami Project; and*
- (c) Tanami NT having the right to dispose of its remaining 25% undivided interest in the Central Tanami Project to Metals X,*

on the terms and conditions detailed in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who:

- (a) might obtain a benefit, except a benefit solely in the capacity as a Shareholder if the Resolution is passed; and*

- (b) an associate of that person.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Approval of Farm-Out and Joint Venture Arrangements with Northern Star Resources Limited

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to and conditional on Resolution 1 not being passed, for the purposes of Listing Rule 11.2 and for all other purposes, Shareholders approve the farm-out and joint venture arrangements with Nightlink Holdings Pty Limited (a wholly-owned subsidiary of Northern Star Resources Limited) (NST) with respect to the Central Tanami Project including, amongst other things:

- (a) *the disposal by Tanami NT to NST of a 25% undivided interest in the Central Tanami Project;*
- (b) *the subsequent disposal by Tanami NT to NST of a further 35% undivided interest in the Central Tanami Project; and*
- (c) *Tanami NT having the right to dispose of:*
 - (i) *a 15% undivided interest in the Central Tanami Project; and*
 - (ii) *a 25% undivided interest in the Central Tanami Project,**to NST,*

on the terms and conditions detailed in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who:

- (a) might obtain a benefit, except a benefit solely in the capacity as a Shareholder if the Resolution is passed; and
- (b) an associate of that person.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD

**Pauline Collinson
Company Secretary
Dated: 9 March 2015**

TANAMI GOLD NL

ACN 000 617 176

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on Monday, 13 April 2015 at 10:00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Overview
Section 4:	Resolution 1 – Approval of Farm-Out and Joint Venture Arrangements with Metals X Limited
Section 5:	Resolution 2 – Approval of Farm-Out and Joint Venture Arrangements with Northern Star Resources Limited
Section 6:	Additional Information
Schedule 1:	Definitions
Schedule 2:	Tenements
Schedule 3:	Pro-forma Statement of Financial Position of the Company – Farm-Out and Joint Venture Arrangements with Metals X Limited
Schedule 4:	Pro-forma Statement of Financial Position of the Company – Farm-Out and Joint Venture Arrangements with Northern Star Resources Limited

A Proxy Form is located at the end of this Explanatory Memorandum.

2. Action to be taken by Shareholders

The business of the Meeting affects your shareholding and your vote is important.

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is enclosed with the Notice and this Explanatory Memorandum. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they

are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions detailed in the Proxy Form. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

To vote by proxy, please complete and sign the enclosed Proxy Form and return it by:

- (a) post to PO BOX 535, Applecross WA 6953; or
- (b) facsimile to the Company's share registry on +61 8 9315 2233,

so that it is received not later than 10:00am (WST) on Saturday, 11 April 2015. Proxy Forms received later than this time will be invalid.

Please note that:

- (a) a proxy need not be a Shareholder;
- (b) a Shareholder may appoint a body corporate or an individual as its proxy;
- (c) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body corporate may exercise as the Shareholder's proxy; and
- (d) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that body corporate's representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

3. Overview

3.1 Background

By way of background:

- (a) The Company acquired the Central Tanami Project in 2010 and carried out significant exploration and assessment activities on the project until 2013 and limited exploration activities thereafter.
- (b) The Central Tanami Project is located in the Tanami desert in the Northern Territory, approximately 550 kilometres northwest of Alice Springs. The Central Tanami Project covers mining tenure of approximately 2,268 square kilometres which has been actively mined in 43 separate open pits from the 1980s until 2004 when it was placed in care and maintenance by Newmont.
- (c) The Company's exploration activities have confirmed the prospectivity of the Central Tanami Project for hosting major gold deposits. To date, four high priority areas within the Central Tanami Project have been identified, particularly at Groundrush but also at Jims, Cave Hills and Beaver Creek.
- (d) The Board decided to postpone any immediate development of the Central Tanami Project and has proceeded to develop and consider implementation of an

appropriate additional drilling program with a view to increasing the mineral resource base and/or await more favourable economic conditions, before giving further consideration to development to the Central Tanami Project.

The Board has undertaken a strategic review with a view to reducing its current debt exposure and determining the future of the Central Tanami Project. The Board has considered various options available to it and has determined that entering into farm-out and/or joint venture arrangements with a third party in respect to the Central Tanami Project is in the best interests of the Company for the following reasons:

- (a) current debt exposure: the consideration to be raised by the Company from the entering into a farm-out and/or joint venture arrangement with a third party in respect to the Central Tanami Project will enable the Company to reduce or extinguish its current debt exposure;
- (b) current economic climate: in the current economic climate, there is no guarantee that the Company will be successful in raising the capital that it requires to undertake mining activities in respect of the Central Tanami Project and/or proceed to the commercialisation of the Central Tanami Project; and
- (c) dilutionary impact of future equity capital raisings: if the Company undertakes an equity capital raising for the purposes of raising funds to undertake mining activities in respect of the Central Tanami Project, it is highly likely that this will subject existing Shareholders to significant dilution.

Having regard to the above, in late 2012 the Board established a virtual data room for the purpose of potential purchasers or joint venture participants undertaking due diligence activities in respect of the Central Tanami Project. Following which:

- (a) the Company, Tanami NT and Metals X entered into a conditional joint venture heads of agreement with respect to Metals X's acquisition of the Central Tanami Project (**MLX Agreement**), as announced on 9 February 2015 (refer to Section 4 for further details);
- (b) on 14 February 2015, the Company received an unsolicited alternative proposal from Northern Star with respect to the Central Tanami Project (**NST Proposal**); and
- (c) the Company, Tanami NT, Northern Star and NST entered into a conditional joint venture heads of agreement with respect to the NST Proposal (**NST Agreement**), as announced on 26 February 2015 (refer to Section 5 for further details).

3.2 Reasons for Resolutions 1 and 2 and Voting

The Board has carefully considered the transactions contemplated by the MLX Agreement and the NST Agreement, the Company's obligations under each of the MLX Agreement and the NST Agreement and the Board's fiduciary and statutory duties and, having taken legal advice, has approved the proposal to put both Resolutions 1 and 2 to Shareholders so that Shareholders have the opportunity to consider both proposed transactions and determine which transaction to approve.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 11.2 to allow the Company to complete the transactions contemplated by the MLX Agreement, pursuant to which the Company will dispose of all or part of the Central Tanami Project to Metals X.

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 11.2 to allow the Company to complete the transactions contemplated by the NST Agreement, pursuant to

which the Company will dispose of all or part of the Central Tanami Project to Northern Star. Resolution 2 is subject to and conditional on Resolution 1 not being passed. If Resolution 1 is passed, Resolution 2 will have no effect.

Shareholders should carefully read this Explanatory Memorandum in its entirety, and if required, should obtain independent advice. Shareholders should also note that in considering how to vote:

- (a) if Shareholders support the farm-out and joint venture arrangements under the MLX Agreement (refer to Section 4), Shareholders should vote **YES** for Resolution 1 and **NO** for Resolution 2;
- (b) if Shareholders support the farm-out and joint venture arrangements under the NST Agreement (refer to Section 5), Shareholders should vote **NO** for Resolution 1 and **YES** for Resolution 2;
- (c) if Shareholders do not support either of the farm-out and joint venture arrangements under the MLX Agreement or the NST Agreement, Shareholders should vote **NO** for both Resolutions; and
- (d) Shareholders may abstain on voting on either Resolution.

3.3 Indicative timetable

The following is an indicative timetable for, amongst other things, completion of the proposed disposal of the MLX Initial Interest or NST Initial Interest, whichever is applicable.

Event	Indicative Date
Despatch of Notice	11 March 2015
Last day for lodgement of Proxy Form	11 April 2015 at 10:00am (WST)
Snapshot date for eligibility to vote at Meeting	11 April 2015 at 10:00am (WST)
Meeting	13 April 2015
Completion of the disposal of the MLX Initial Interest or NST Initial Interest, whichever is applicable	Early July 2015

*The above timetable is indicative only and subject to change. The Directors reserve the right to amend the timetable without notice and will keep Shareholders updated (via ASX announcements) on the timing of the completion of the proposed disposal of MLX Initial Interest or the NST Initial Interest (as applicable) as it progresses.

4. Resolution 1 – Approval of Farm-Out and Joint Venture Arrangements with Metals X Limited

4.1 General

As detailed in Section 3.1, the Company has entered into the MLX Agreement, pursuant to which the Company will, subject to the satisfaction of a number of conditions, dispose of all or part of the Central Tanami Project to Metals X.

4.2 Summary of the MLX Agreement

The material terms and conditions of the MLX Agreement are as follows:

(a) Conditions

The disposal and acquisition of the Central Tanami Project pursuant to the MLX Agreement is subject to the satisfaction or waiver of a number of conditions, including:

- (i) the grant of all approvals, consents, registrations under the Mining Legislation required for Metals X to validly and lawfully acquire the interests in the Tenements or Third Party Agreements;
- (ii) Metals X obtaining all regulatory approvals or waivers required by Metals X in order to give effect to the MLX Agreement, including any shareholders' approvals required under the Listing Rules or the Corporations Act; and
- (iii) the Company and Tanami NT obtaining all regulatory approvals or waivers required by the Company or Tanami NT (as applicable) in order to give effect to the MLX Agreement, including any shareholders' approvals required under the Listing Rules or the Corporations Act.

(b) Acquisition of initial interest

- (i) Metals X will acquire and Tanami NT as legal and beneficial owner will sell and assign to Metals X, an undivided initial interest of 25% in the Central Tanami Project free from all encumbrances (**MLX Initial Interest**).
- (ii) Consideration payable for the MLX Initial Interest is:
 - (A) \$11,000,000; and
 - (B) 4,000,000 MLX Shares, valued on the basis of VWAP during the 30 days on which ASX is open for trading prior to the completion date.

(c) Joint Venture

Upon completion of the acquisition of the MLX Initial Interest, Metals X and Tanami NT will form an unincorporated joint venture to conduct exploration, development, mining, treatment and associated activities in relation to the Central Tanami Project. Metals X will be the manager of all joint venture activities.

(d) Sole funding period

- (i) During the period commencing on completion of the acquisition of the MLX Initial Interest and expiring on the date on which Commercial Production first occurs (**MLX Sole Funding Period**), Metals X will solely fund all joint venture expenditure and keep the Tenements in good standing.
- (ii) Metals X must use its best endeavours to procure that Commercial Production occurs within three years of completion of the acquisition of the MLX Initial Interest however Metals X will be excused from meeting this time target:

(A) to the extent that Metals X is unable to achieve that time target due to delays, events or factors beyond Metals X's reasonable control including without limitation delays in obtaining:

(1) any environment, mining, development or other government or regulatory approvals, permits, licences or consents or the like; or

(2) any access rights or clearances or permits, site clearances, approvals or consents or the like under Third Party Agreements or under the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) or the *Native Title Act 1993* (Cth);

which are necessary for MLX to achieve Commercial Production in accordance with MLX's preferred method of achieving Commercial Production and conducting ongoing commercial mining operations consistent with the objective of conducting an efficient, safe and ongoing profitable mining operation for the benefit of the Joint Venture; or

(B) if a material adverse change occurs affecting the economic parameters for the Central Tanami Project such that Metals X bona fide forms the view that achieving Commercial Production is not commercially justified at that time.

(iii) During the MLX Sole Funding Period, Metals X will, in a workmanlike manner, conduct such exploration on the Tenements as Metals X considers appropriate consistent with good exploration practice and will proceed to refurbish the plant at the Central Tanami Project in accordance with good mining and engineering practice.

(iv) At completion of the MLX Sole Funding Period, Metals X will have earned a further 50% undivided interest in the Central Tanami Project (taking its total interest to 75%) and Tanami NT will execute all documents and provide all instruments of title and other documents and instruments necessary to vest such further interest in Metals X free from encumbrances.

(e) Put Option

(i) Metals X grants to Tanami NT a put option entitling Tanami NT to sell to Metals X Tanami NT's remaining 25% undivided interest in the Central Tanami Project at any time during the period commencing on completion of the acquisition of the MLX Initial Interest and expiring on the date that is six calendar months after the date on which Commercial Production is first achieved (**MLX Put Option**).

(ii) For the avoidance of doubt the MLX Put Option will continue to be exercisable by Tanami NT in accordance with its terms notwithstanding that Commercial Production does not occur within three years of completion of the acquisition of the MLX Initial Interest.

(iii) If Tanami NT exercises the MLX Put Option, the consideration payable will be for a value of \$32,000,000 which, at Tanami NT's election, may be paid in cash or by the issue of MLX Shares subject to the following:

- (A) the MLX Shares will be valued on the basis of the VWAP during the 30 days on which ASX is opening for trading prior to the date Tanami NT exercises the MLX Put Option; and
- (B) to the extent that Metals X does not have capacity under the Listing Rules to issue any of the MLX Shares then Metals X may pay cash in lieu of those MLX Shares.

4.3 Listing Rule 11.2

Listing Rule 11.2 provides that an entity that is proposing to make a significant change either directly or indirectly, disposing its main undertaking, must get the approval from its shareholders and comply with any requirements of ASX in relation to the notice of meeting.

In accordance with Listing Rule 11.2, the Company provides full disclosure and details of and the impact on the Company by the transactions contemplated by the MLX Agreement and seeks Shareholder approval of the joint venture arrangements with Metals X on the terms and conditions of the MLX Agreement.

4.4 Financial Effect of the Arrangements under MLX Agreement on the Company

Refer to Schedule 3 for the pro-forma statement of financial position of the Company following the disposal of:

- (a) a 75% interest in; and
- (b) the entirety of,

the Central Tanami Project to Metals X.

The arrangements contemplated by the MLX Agreement will have no impact on the capital structure of the Company.

4.5 Advantages of the Arrangements under the MLX Agreement

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's determination on how to vote on Resolution 1:

- (a) the arrangements contemplated by the MLX Agreement will provide the Company with up to \$43,000,000 in cash consideration and access to additional cash (by potential sale of MLX Shares) which will:
 - (i) enable the Company to reduce or extinguish its current debt exposure (including the repayment of the loan funds provided by Sun Hung Kai International Bank – refer to Schedule 3);
 - (ii) provide funding for the undertaking of other exploration activities (as and when determined by the Board);
 - (iii) enable the Company to potentially consider asset acquisition opportunities which the Board considers are consistent with the Company's existing activities and have the potential to generate return to Shareholders; and
 - (iv) supplement the Company's working capital; and

- (b) the Company will maintain a free-carried interest in the Central Tanami Project while Metals X will be responsible for funding all expenditure requirements to take the Central Tanami Project to Commercial Production; and
- (c) if Commercial Production is achieved (and Metals X obtains a 75% interest in the Central Tanami Project), the Company will retain an interest in the Central Tanami Project (therefore retain exposure to the benefits of the Central Tanami Project) and will be protected to any downside of the Central Tanami Project by the Company's ability to exercise the MLX Put Option (refer to Section 4.2).

4.6 Disadvantages of the Arrangements under the MLX Agreement

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's determination on how to vote on Resolution 1:

- (a) the Company's exposure to the upside of the Central Tanami Project will be reduced or potentially extinguished in its entirety;
- (b) the arrangements contemplated by the MLX Agreement for the purposes of the Listing Rule 11.2 contemplate the disposal of the Company's main undertaking, which may not be consistent with the investment objectives of all Shareholders; and
- (c) there is a risk the Company may not be successful in identifying and completing other suitable asset acquisitions.

4.7 Other Material Information

There is no other information material to the making of a decision by a Shareholder whether or not to approve Resolution 1 (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders) other than as disclosed in this Explanatory Memorandum.

5. Resolution 2 – Approval of Farm-Out and Joint Venture Arrangements with Northern Star Resources Limited

5.1 General

As detailed in Section 3.1, the Company has entered into the NST Agreement, pursuant to which the Company will, subject to the satisfaction of a number of conditions, dispose of all or part of the Central Tanami Project to Northern Star.

Resolution 2 is subject to and conditional on Resolution 1 not being passed. If Resolution 1 is passed, Resolution 2 will have no effect.

5.2 Summary of the NST Agreement

The material terms and conditions of the NST Agreement are as follows:

- (a) Conditions

The disposal and acquisition of the Central Tanami Project pursuant to the NST Agreement is subject to the satisfaction or waiver of a number of conditions, including:

- (i) Allied (being a Shareholder who has a relevant interest in approximately 32.13% of the Company's issued share capital) providing a statement stating that Allied:
 - (A) intends to vote in favour of the transactions contemplated by the NST Agreement at the Meeting, subject to there being no Superior Proposal (Allied) received by the Company or Tanami NT during the period from the Announcement Date up until the time of the Meeting; and
 - (B) provided that there is a superior proposal at the relevant time, intends to vote against the transactions contemplated by the MLX Agreement at the Meeting;
- (ii) the Directors providing a statement stating that :
 - (A) in their opinion, the transactions contemplated by the NST Agreement are superior to the transactions contemplated by the MLX Agreement and resolutions seeking approval of the transactions contemplated by the NST Agreement will be put to Shareholders at the Meeting;
 - (B) they intend to vote in favour of the transactions contemplated by the NST Agreement at the Meeting in relation to their respective shareholdings, subject to there being no Superior Proposal received by the Company or Tanami NT during the period from the Announcement Date up until the time of the Meeting; and
 - (C) provided that there is a superior proposal at the relevant time, they intend to vote against transactions contemplated by the MLX Agreement at the Meeting in relation to their respective shareholdings;
- (iii) the MLX Agreement terminating;
- (iv) the grant of all approvals, consents, registrations under the Mining Legislation required for NST to validly and lawfully acquire the interests in the Tenements or Third Party Agreements;
- (v) the Company and Tanami NT obtaining all regulatory approvals or waivers required by the Company or Tanami NT (as applicable) in order to give effect to the NST Agreement, including any shareholders' approvals required under the Listing Rules or the Corporations Act; and
- (vi) the Company or Tanami NT not receiving a Superior Proposal during the period from the Announcement Date up until the time of the Meeting.

The conditions detailed in paragraphs (a)(i) and (a)(ii) have been satisfied. Refer to the Company's announcement on 26 February 2015.

- (b) Acquisition of initial interest
 - (i) Northern Star (via NST, its wholly owned subsidiary) will acquire and Tanami NT as legal and beneficial owner will sell and assign to NST, an undivided initial interest of 25% in the Central Tanami Project free from all encumbrances (**NST Initial Interest**).

- (ii) Consideration for the NST Initial Interest is:
 - (A) \$11,000,000; and
 - (B) NST Shares with a value of \$9,000,000, which equates to 4,290,228 NST Shares valued on the basis of VWAP during the five trading days prior to the Announcement Date.

(c) Joint Venture

Upon completion of the acquisition of the NST Initial Interest, NST and Tanami NT will form an unincorporated joint venture to conduct exploration, development, mining, treatment and associated activities in relation to the Central Tanami Project. NST will be the manager of all joint venture activities.

(d) Sole funding period

(i) During the period commencing on completion of the acquisition of the NST Initial Interest and expiring on the date on which Commercial Production first occurs (**NST Sole Funding Period**), NST will solely fund all joint venture expenditure and must spend such amount on as is necessary to keep the Tenements in good standing.

(ii) NST must use its best endeavours to procure that Commercial Production occurs within three years of completion of the acquisition of the NST Initial Interest however NST will be excused from meeting this time target:

(A) to the extent that NST is unable to achieve that time target due to delays, events or factors beyond NST's reasonable control including without limitation delays in obtaining:

(1) any environment, mining, development or other government or regulatory approvals, permits, licences or consents or the like; or

(2) any access rights or clearances or permits, site clearances, approvals or consents or the like under Third Party Agreements or under the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth) or the *Native Title Act 1993* (Cth);

which are necessary for NST to achieve Commercial Production in accordance with NST's preferred method of achieving Commercial Production and conducting ongoing commercial mining operations consistent with the objective of conducting an efficient, safe and ongoing profitable mining operation for the benefit of the joint venture; or

(B) if a material adverse change occurs affecting the economic parameters for the Central Tanami Project such that NST bona fide forms the view that achieving Commercial Production is not commercially justified at that time.

(iii) During the NST Sole Funding Period, NST will, in a workmanlike manner, conduct such exploration on the Tenements as NST considers appropriate consistent with good exploration practice and will proceed to

refurbish the plant at the Central Tanami Project in accordance with good mining and engineering practice.

- (iv) At completion of the NST Sole Funding Period, NST will have earned a further 35% undivided interest in the Central Tanami Project (taking its total interest to 60%) and Tanami NT will execute all documents and provide all instruments of title and other documents and instruments necessary to vest such further interest in NST free from encumbrances.

(e) Put Options

(i) First Put Option

(A) Northern Star and NST grants to Tanami NT a put option entitling Tanami NT to sell to NST a 15% undivided interest in the Central Tanami Project at any time during the period commencing on completion of the acquisition of the NST Initial Interest and expiring on the earlier of the date 30 calendar days after the date on which Commercial Production is achieved or three years after completion (**First NST Put Option**).

(B) If the First NST Put Option is not exercised during the period detailed in paragraph (A) above and if Commercial Production is achieved more than three years after completion, the period commencing on the date on which Commercial Production is achieved and expiring on the date 30 calendar days after the date on which Commercial Production is achieved

(C) If Tanami NT exercises the First NST Put Option, the consideration payable will be for a value of \$20,000,000 which, at Tanami NT's election, may be paid in cash or by the issue of Shares subject to the following:

- (1) the NST Shares will be valued on the basis of VWAP during the five days prior to the date of the exercise of the First NST Put Option; and
- (2) to the extent that Northern Star does not have capacity under the Listing Rules to issue any of the NST Shares then Northern Star may pay cash in lieu of those NST Shares.

(ii) Second Put Option

(A) Northern Star and NST grants to Tanami NT a put option entitling Tanami NT to sell to NST a 25% undivided interest in the Central Tanami Project at any time period commencing on completion of the acquisition of the NST Initial Interest and expiring on the date six calendar months after the date on which Commercial Production is first achieved (**Second NST Put Option**).

(B) If Tanami NT exercises the Second NST Put Option, the consideration payable will be for a value of \$32,000,000 which, at Tanami NT's election, may be paid in cash or by the issue of NST Shares subject to the following:

- (1) the NST Shares will be valued on the basis of VWAP during the five days prior to the date of the exercise of the Second NST Put Option; and
- (2) to the extent that Northern Star does not have capacity under the Listing Rules to issue any of the NST Shares then Northern Star may pay cash in lieu of those NST Shares.

5.3 Listing Rule 11.2

Listing Rule 11.2 provides that an entity that is proposing to make a significant change either directly or indirectly, disposing its main undertaking, must get the approval from its shareholders and comply with any requirements of ASX in relation to the notice of meeting.

In accordance with Listing Rule 11.2, the Company provides full disclosure and details of and the impact on the Company by the transactions contemplated by the NST Agreement and seeks Shareholder approval of the joint venture arrangements with Northern Star on the terms and conditions of the NST Agreement.

5.4 Financial Effect of the Arrangements under the NST Agreement on the Company

Refer to Schedule 4 for the pro-forma statement of financial position of the Company following the disposal of:

- (a) a 60% interest in; and
- (b) the entirety of,

the Central Tanami Project to Northern Star.

The arrangements contemplated by the NST Agreement will have no impact on the capital structure of the Company.

5.5 Advantages of the Arrangements under the NST Agreement

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's determination on how to vote on Resolution 2:

- (a) the arrangements contemplated by the NST Agreement will provide the Company with up to \$63,000,000 in cash consideration and access to additional cash (by potential sale of NST Shares) which will:
 - (i) enable the Company to reduce or extinguish its current debt exposure (including the repayment of the loan funds provided by Sun Hung Kai International Bank – refer to Schedule 4);
 - (ii) provide funding for the undertaking other exploration activities (as and when required by the Board);
 - (iii) enable the Company to potentially consider asset acquisition opportunities which the Board considers are consistent with the Company's existing activities and have the potential to generate return to Shareholders; and
 - (iv) supplement the Company's working capital; and

- (b) the Company will maintain a free-carried interest in the Central Tanami Project while NST will be responsible for funding all expenditure requirements to take the Central Tanami Project to Commercial Production; and
- (c) if Commercial Production is achieved (and NST obtains a 60% interest in the Central Tanami Project), the Company will retain an interest in the Central Tanami Project (therefore retain exposure to the benefits of the Central Tanami Project) and will be protected to any downside of the Central Tanami Project by the Company's ability to exercise the First NST Put Option and/or the Second NST Put Option (refer to Section 5.2).

5.6 Disadvantages of the Arrangements under the NST Agreement

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's determination on how to vote on Resolution 2:

- (a) the Company's exposure to the upside of the Central Tanami Project will be reduced or potentially extinguished in its entirety;
- (b) the arrangements contemplated by the NST Agreement for the purposes of the Listing Rule 11.2 contemplate the disposal of the Company's main undertaking, which may not be consistent with the investment objectives of all Shareholders;
- (c) there is a risk the Company may not be successful in identifying and completing other suitable asset acquisitions; and
- (d) Metals X has announced that it believes the MLX Agreement remains legally enforceable and will take all necessary action in any appropriate jurisdiction to enforce its rights and entitlements in the interests of its shareholders (refer to Metals X announcement dated 27 February 2015). In the event that Metals X does take action against the Company and is successful, Shareholders should be aware that damages may be awarded against the Company and the Company will incur legal costs. The Board cannot provide further guidance at this time as there has not been any further correspondence between the Company and Metals X.

5.7 Other Material Information

There is no other information material to the making of a decision by a Shareholder whether or not to approve Resolution 2 (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders) other than as disclosed in this Explanatory Memorandum.

6. Additional Information

6.1 Implications if the Arrangements under the MLX Agreement or the NST Agreement do not proceed

In the event that Resolution 1 and Resolution 2 are not passed and the Company does not dispose of its interest in the Central Tanami Project to either Metals X or Northern Star, it will, amongst other things:

- (a) continue to maintain its interest in the Central Tanami Project and continue to investigate opportunities to dispose of all or part of the Central Tanami Project or enter into joint ventures with third parties in respect of the Central Tanami Project;

- (b) continue with its current exploration activities and commitments;
- (c) investigate, and as required undertake due diligence on, new opportunities to complement its existing business; and
- (d) raise equity capital to enable the Company to reduce or potentially extinguish its current debt exposure.

6.2 Intentions following Disposal of the MLX Initial Interest or NST Initial Interest

After completion of the disposal of the MLX Initial Interest or NST Initial Interest, the Company will, amongst other things:

- (a) use the cash consideration (including any cash derived from the sale of MLX Shares or NST Shares, as applicable) to:
 - (i) reduce or potentially extinguish its current debt exposure;
 - (ii) consider the exploration and maintenance of the Western Tenements and the Coyote Gold Project Plant should ABM Resources NL not exercise its option to purchase pursuant to the ABM Licence and Lease Agreement (refer to the Company's ASX Announcement dated 7 July 2015);
 - (iii) enable the Company to potentially consider asset acquisition opportunities which the Board considers are consistent with the Company's existing activities and have the potential to generate return to Shareholders; and
 - (iv) supplement the Company's working capital; and
- (b) monitor the Central Tanami Project to determine whether to exercise the relevant put options (refer to Sections 4.2(e) and 5.2(e)).

6.3 Forward Looking Statements

The forward looking statements in this Explanatory Memorandum are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Explanatory Memorandum. Forward looking statements include those containing words such as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

Schedule 1 – Definitions and Interpretation

1. Definitions

In the Notice and this Explanatory Memorandum, unless the context otherwise requires:

ABM Licence and Lease Agreement means the licence and lease agreement dated 4 July 2014 between Tanami Exploration NL (a wholly owned subsidiary of the Company) and ABM Resources NL.

Allied means Allied Properties Resources Limited.

Announcement Date means 26 February 2015.

Assets means all the fixed assets, current assets and other assets and property owned by Tanami NT.

ASX means ASX Limited ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors from time to time.

Central Tanami Project means the minerals project by that name owned by Tanami NT including without limitation:

- (a) all Tenements;
- (b) all rights under Third Party Agreements;
- (c) all exploration and mining data and associated studies and geological information relating to Tenements;
- (d) all Assets; and
- (e) all other assets, rights and entitlements forming part of the 'Central Tanami Project,

being the Company's main undertaking for the purposes of ASX Listing Rule 11.2.

Chairperson means the person appointed to chair the Meeting.

Commercial Production means when the plant at the Central Tanami Project has been refurbished to operating condition and has operated for a continuous 30 day period or has produced 5,000 ounces of gold ore (whichever occurs first).

Company means Tanami Gold NL ACN 000 617 176.

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

Coyote Gold Project Plant means the Coyote gold processing plant situated in the Western Tanami district in far north Western Australia owned by Tanami Exploration NL.

Director means any director of the Company and **Directors** means all of them.

Explanatory Memorandum means this explanatory memorandum.

Listing Rules means the official listing rules of the ASX.

Meeting means the general meeting of the Company to be held at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on Monday, 13 April 2015, at 10:00am (WST).

Metals X means Metals X Limited ACN 110 150 055 of Level 3, 18–32 Parliament Place, West Perth in the State of Western Australia.

Mining Legislation means the Minerals Titles Act of the NT and any other legislation in the NT affecting or governing any Tenement.

MLX Agreement has the meaning given to that term in Section 3.1.

MLX Initial Interest has the meaning given in Section 4.2(b).

MLX Put Option has the meaning given to that term in Section 4.2.

MLX Shares means fully paid ordinary shares in the capital of Metals X.

MLX Sole Funding Period has the meaning given to that term in Section 4.2.

Northern Star means Northern Star Resources Limited ACN 092 832 892.

Notice means the notice convening the Meeting which accompanies this Explanatory Memorandum.

NST means Nightlink Holdings Pty Limited ACN 603 860 831.

NST Agreement has the meaning given to that term in Section 3.1.

NST First Put Option has the meaning given to that term in Section 5.2.

NST Initial Interest has the meaning given in Section 5.2(b).

NST Proposal has the meaning given to that term in Section 3.1.

NST Second Put Option has the meaning given to that term in Section 5.2.

NST Shares means fully paid ordinary shares in the capital of Northern Star.

NST Sole Funding Period has the meaning given to that term in Section 5.2.

Proxy Form means the proxy form attached to the Notice.

Resolution means any resolution detailed in the Notice as the context requires.

Schedule means a schedule to the Notice.

Section means a section of this Explanatory Memorandum.

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

Shareholder means a registered holder of a Share.

Sun Hung Kai International Bank means Sun Hung Kai International Bank [Brunei] Limited.

Superior Proposal means a bona fide competing proposal which the Board, acting in good faith and to satisfy what it considers to be its fiduciary or statutory duties (after having taken advice from legal and financial advisers to the extent that the Board

considers necessary), determines is more favourable to the Shareholders than the transactions contemplated by the MLX Agreement, taking into account all of the terms and conditions of the competing proposal.

Superior Proposal (Allied) means a bona fide competing proposal which the board of directors of Allied, acting reasonably in good faith and to satisfy what it reasonably considers to be its fiduciary or statutory duties (after having taken advice from legal and financial advisers to the extent that the board of directors of Allied consider necessary), determines is more favourable to Allied in its capacity as a Shareholder than the transactions contemplated by the NST Agreement, taking into account all of the terms and conditions of the competing proposal.

Tanami NT means Tanami (NT) Pty Ltd ACN 141 658 933.

Tenements means all mineral authorities, mineral exploration licenses, mineral leases, mineral rights interests, mineral titles and all other exploration, prospecting, mining, processing, extraction or other similar rights or entitlements held by Tanami NT, whether issued under the Mining Legislation or otherwise and any rights or entitlements issued in substitution for such rights and entitlements including without limitation those listed in Schedule 2.

Third Party Agreements means all existing agreements between Tanami NT and third parties relating to the Central Tanami Project (excluding any agreements between Tanami NT and a related body corporate of Tanami NT).

VWAP means the volume weighted average price at which NST Shares or MLX Shares (as applicable) are traded on the ASX during a specified period.

Western Tenements means the tenements which are the subject of the underground mining operation and exploration project known as the Coyote Gold Project located in the Central Desert Region of the Northern Territory and the Kimberley Region in Western Australia and owned by Tanami Exploration NL.

WST means Western Standard Time, being the time in Perth, Western Australia.

2. Interpretation

In the Notice and this Explanatory Memorandum, headings and words in bold are for convenience only and do not affect the interpretation of the Notice and this Explanatory Memorandum and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in the Notice or this Explanatory Memorandum have a corresponding meaning;
- (d) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (e) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (f) a reference to a body (including, without limitation, an institute, association or authority), whether statutory or not:

- (i) which ceases to exist; or
- (ii) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions;

- (g) **“include”** and **“including”** are not words of limitation; and
- (h) **“\$”** is a reference to Australian currency.

Schedule 2 – Tenements

SCHEDULE OF MINERAL TENEMENTS

NORTHERN TERRITORY		Granted From	Expiry Date	Blocks
CENTRAL TANAMI (TGNL 100%)				
EL8797 *	Gamma	09/09/99	25/08/14	2
EL9763	Red Hills	24/07/00	23/07/15	7
EL9843	Chapmans Hill	27/03/06	31/12/15	21
EL10355	Red Hills North	04/06/01	03/06/15	4
EL10411	Tanami Downs North	04/06/01	03/06/15	7
EL22061	Farrands Hill South	27/03/06	31/12/15	13
EL22229	Question Mark Bore East	08/06/01	07/06/15	8
EL22378	Question Mark Bore Far East	08/06/01	07/06/15	6
EL23342	Coomarie	25/05/06	31/12/15	8
EL26925	Goanna 2	25/01/11	24/01/15	60
EL26926	Black Hills 2	25/01/11	24/01/15	276
EL28282	Suplejack	20/04/11	19/04/17	35
EL28474	Rushmore	12/03/13	11/03/19	148
EL(A)28283	Goat Creek 2	Application		72
EL(A)28613	Gamma East	Application		123
ML22934	Groundrush	14/09/01	13/09/26	3950 hectares
MLS119	Reward	15/05/64	31/12/30	8 hectares
MLS120	No. 1 South	15/05/64	31/12/30	8 hectares
MLS121	No. 2 South	15/05/64	31/12/30	8 hectares
MLS122	No. 3 South	15/05/64	31/12/30	8 hectares
MLS123	No. 4 South	15/05/64	31/12/30	8 hectares
MLS124	No. 1 North	15/05/64	31/12/30	8 hectares
MLS125	No. 2 North	15/05/64	31/12/30	8 hectares
MLS126	No. 3 North	15/05/64	31/12/30	8 hectares
MLS127	No. 4 North	15/05/64	31/12/30	8 hectares
MLS128	No. 5 North	15/05/64	31/12/30	7 hectares
MLS129	No. 6 North	15/05/64	31/12/30	8 hectares
MLS130	East Block	15/05/64	31/12/30	8 hectares
MLS131	No. 5 South	15/05/64	31/12/30	8 hectares
MLS132	No. 6 South	15/05/64	31/12/30	8 hectares
MLS133	South-East Block	15/05/64	31/12/30	8 hectares
MLS153	Tanami Extended	05/10/90	04/10/15	1000 hectares
MLS167	Matilda	13/10/95	31/12/20	1877 hectares
MLS168	Enterprise	13/10/95	31/12/20	712 hectares
MLS(A)172	Crusade	Application		3946 hectares
MLS180 ²	Molech	18/11/98	31/12/22	804 hectares
NORTHERN TERRITORY TOTAL				2,268 km²
TOTAL HELD				2,879 km²

* Application for Extension of term lodged.

² Subject to royalty agreement with BHP Billiton Nickel West Pty Ltd

Schedule 3 – Pro-forma Statement of Financial Position of the Company – Farm-Out and Joint Venture Arrangements with Metals X Limited

	Un-audited 31 December 2014	Subsequent event adjustments	Pro-forma adjustments		Pro-forma Statement of Financial Position	
			25% MLX Initial Interest & 50% earn-in	Exercise 25% MLX Put Option	25% MLX Initial Interest & 50% earn-in	Exercise 25% MLX Put Option
Assets						
Cash and cash equivalents	1,841,826	(551,996)	-	32,000,000	1,289,830	33,289,830
Trade and other receivables	945,055	(582,104)	-	-	362,950	362,950
Inventories	1,602,168	(57,200)	(125,702)	(41,901)	1,419,266	1,377,365
Total current assets	4,389,049	(1,191,301)	(125,702)	31,958,099	3,072,046	35,030,145
Trade and other receivables	2,513,371	-	-	-	2,513,371	2,513,371
Available for sale asset	-	-	4,800,000	-	4,800,000	4,800,000
Property, plant and equipment	5,773,994	(157,333)	(1,554,446)	(518,149)	4,062,215	4,062,215
Exploration and evaluation – Central Tanami Project	20,719,235	-	(15,539,426)	(5,179,809)	5,179,809	-
Total non-current assets	29,006,600	(157,333)	(12,293,872)	(5,697,957)	16,555,394	10,857,437
Total assets	33,395,648	(1,348,634)	(12,419,574)	26,260,142	19,627,440	45,887,583
Liabilities						
Interest bearing liabilities	108,594	(35,959)	-	-	72,635	72,635
Trade and other payables	981,508	(534,600)	-	-	446,908	446,908
Provisions	92,857	(3,338)	-	-	89,519	89,519
Total current liabilities	1,182,960	(573,898)	-	-	609,062	609,062
Interest bearing liabilities	11,056,219	(56,219)	(11,000,000)	-	-	-
Provisions	10,122,991	1,140	-	-	10,124,131	10,124,131
Total non-current liabilities	21,179,211	(55,080)	(11,000,000)	-	10,124,131	10,124,131
Total liabilities	22,362,170	(628,977)	(11,000,000)	-	10,733,193	10,733,193
Net assets	11,033,478	(719,657)	(1,419,574)	26,260,142	8,894,248	35,154,390
Equity						
Share capital	317,637,349	-	-	-	317,637,349	317,637,349
Reserves	272,326	-	-	-	272,326	272,326
Accumulated losses	(306,876,196)	(719,657)	(1,419,574)	26,260,142	(309,015,427)	(282,755,285)
Total equity	11,033,478	(719,657)	(1,419,574)	26,260,142	8,894,248	35,154,390

*Note: The above is in AUD.

Assumptions adopted in compiling the Pro-forma Statement of Financial Position

The above Pro-forma Statement of Financial Position has been prepared by adjusting the un-audited financial position as at 31 December 2014 for the Company adjustments as detailed below.

1. Subsequent events

The above Pro-forma Statement of Financial Position reflects the following events that have occurred subsequent to the half-year ended 31 December 2014:

- (a) January 2015 monthly creditor payments, depreciation of property plant & equipment, inventory adjustments and the payment of facility fees associated with the Company's \$15 million unsecured loan facility (**Loan Facility**) with Sun Hung Kai International Bank, an associate of Allied.
- (b) The book value of the Central Tanami Project at 31 January 2015 is \$22,959,432 and includes the following:
 - (i) carry forward purchase price \$20,719,235
 - (ii) Central Tanami Project property plant & equipment written down value \$2,072,595; and
 - (iii) Central Tanami Project inventory \$167,603.

2. Pro-forma adjustments

The above Pro-forma Statement of Financial Position reflects the subsequent events detailed in Section 1 above and the following transactions and events relating to the MLX Agreement:

- (a) MLX will acquire a 25% initial interest in the Central Tanami Project for an \$11 million cash payment and 4 million MLX fully paid ordinary shares (valued at approximately \$4.8 million or \$1.20 per share). MLX can earn a further 50% interest (total interest 75%) by solely funding all expenditure and costs required to bring the Central Tanami Project into Commercial Production.
- (b) The Company intends to repay the balance of its outstanding Loan Facility with Sun Hung Kai International Bank. The Loan Facility interest and facility fees are 12%.
- (c) The Company exercises its MLX Put Option to sell its remaining 25% interest in the Central Tanami Project for \$32 million (or equivalent shares). MLX has acquired 100% of the Central Tanami Project.

Schedule 4 – Pro-forma Statement of Financial Position of the Company – Farm-Out and Joint Venture Arrangements with Northern Star Resources Limited

	Un-audited 31 December 2014	Subsequent event adjustments	Pro-forma adjustments			Pro-forma Statement of Financial Position		
			25% NST Initial Interest & 35% earn-in	Exercise 15% First NST Put Option	Exercise 25% Second NST Put Option	25% NST Initial Interest & 35% earn-in	Exercise 15% First NST Put Option	Exercise 25% Second NST Put Option
Assets								
Cash and cash equivalents	1,841,826	(551,996)	-	20,000,000	32,000,000	1,289,830	21,289,830	53,289,830
Trade and other receivables	945,055	(582,104)	-	-	-	362,950	362,950	362,950
Inventories	1,602,168	(57,200)	(100,562)	(25,140)	(41,901)	1,444,406	1,419,266	1,377,365
Total current assets	4,389,049	(1,191,301)	(100,562)	19,974,860	31,958,099	3,097,186	23,072,046	55,030,145
Trade and other receivables	2,513,371	-	-	-	-	2,513,371	2,513,371	2,513,371
Available for sale asset	-	-	9,000,000	-	-	9,000,000	9,000,000	9,000,000
Property, plant and equipment	5,773,994	(157,333)	(1,243,557)	(310,889)	(518,149)	4,373,104	4,062,215	3,544,066
Exploration and evaluation – Central Tanami Project	20,719,235	-	(12,431,541)	(3,107,885)	(5,179,809)	8,287,694	5,179,809	-
Total non-current assets	29,006,600	(157,333)	(4,675,098)	(3,418,774)	(5,697,957)	24,174,169	20,755,394	15,057,437
Total assets	33,395,648	(1,348,634)	(4,775,659)	16,556,085	26,260,142	27,271,355	43,827,440	70,087,583
Liabilities								
Interest bearing liabilities	108,594	(35,959)	-	-	-	72,635	72,635	72,635
Trade and other payables	981,508	(534,600)	-	-	-	446,908	446,908	446,908
Provisions	92,857	(3,338)	-	-	-	89,519	89,519	89,519
Total current liabilities	1,182,960	(573,898)	-	-	-	609,062	609,062	609,062
Interest bearing liabilities	11,056,219	(56,219)	(11,000,000)	-	-	-	-	-
Provisions	10,122,991	1,140	-	-	-	10,124,131	10,124,131	10,124,131
Total non-current liabilities	21,179,211	(55,080)	(11,000,000)	-	-	10,124,131	10,124,131	10,124,131
Total liabilities	22,362,170	(628,977)	(11,000,000)	-	-	10,733,193	10,733,193	10,733,193
Net assets	11,033,478	(719,657)	6,224,341	16,556,085	26,260,142	16,538,162	33,094,248	59,354,390
Equity								
Share capital	317,637,349	-	-	-	-	317,637,349	317,637,349	317,637,349
Reserves	272,326	-	-	-	-	272,326	272,326	272,326
Accumulated losses	(306,876,196)	(719,657)	6,224,341	16,556,085	26,260,142	(301,371,512)	(284,815,427)	(258,555,285)
Total equity	11,033,478	(719,657)	6,224,341	16,556,085	26,260,142	16,538,162	33,094,248	59,354,390

*Note: The above is in AUD.

Assumptions adopted in compiling the Pro-forma Statement of Financial Position

The above Pro-forma Statement of Financial Position has been prepared by adjusting the un-audited financial position as at 31 December 2014 for the Company adjustments as detailed below.

1. Subsequent events

The above Pro-forma Statement of Financial Position reflects the following events that have occurred subsequent to the half-year ended 31 December 2014:

- (a) January 2015 monthly creditor payments, depreciation of property plant & equipment, inventory adjustments and the payment of facility fees associated with the Company's \$15 million unsecured loan facility (**Loan Facility**) with Sun Hung Kai International Bank, an associate of Allied.
- (b) The book value of the Central Tanami Project at 31 January 2015 is \$22,959,432 and includes the following:
 - (i) carry forward purchase price \$20,719,235
 - (ii) Central Tanami Project property plant & equipment written down value \$2,072,595; and
 - (iii) Central Tanami Project inventory \$167,603.

2. Pro-forma adjustments

The above Pro-forma Statement of Financial Position reflects the subsequent events set out in Section 1 above and the following transactions and events relating to the NST Agreement:

- (a) NST will acquire a 25% initial interest in the Central Tanami Project for \$20 million comprising an \$11 million cash payment and 4,290,228 NST fully paid ordinary shares (valued at \$9 million). NST will then earn a further 35% interest (total interest 60%) by sole funding all expenditure and costs required to bring the Central Tanami Project into Commercial Production.
- (b) The Company intends to repay the balance of its outstanding Loan Facility with Sun Hung Kai International Bank. The Loan Facility interest and facility fees are 12%.
- (c) The Company exercises its First NST Put Option to sell a 15% undivided interest in the Central Tanami Project for \$20 million (or equivalent shares). The Company recognises NST further interest in the Central Tanami Project taking NST's total interest to 75%.
- (d) The Company exercises its Second NST Put Option to sell a 25% undivided interest in the Central Tanami Project for \$32 million (or equivalent shares). NST has acquired 100% of the Central Tanami Project.

«LEFT_REFERENCE_NUMBER»



TANAMI GOLD NL

ACN: 000 617 176

REGISTERED OFFICE:
UNIT B1
TEMPO BUILDING
431 ROBERTS ROAD
SUBIACO WA 6008
SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPLECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPLECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«HOLDER_NAME»
«ADDRESS_LINE_1»
«ADDRESS_LINE_2»
«ADDRESS_LINE_3»
«ADDRESS_LINE_4»
«ADDRESS_LINE_5»

Code:

TAM

Holder Number:

«HOLDER_NUM»

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE	Lodge your proxy vote securely at www.securitytransfer.com.au 1. Log into the Investor Centre using your holding details. 2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.	<table border="1"><tr><td>«ONLINE»</td></tr></table>	«ONLINE»
«ONLINE»			

SECTION A: Appointment of Proxy

I/We, the above named, being a Shareholder and entitled to attend and vote hereby appoint:

The Chairperson **OR**

--

or failing the person named, or if no person is named, the Chairperson, as my/our Proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions at the Meeting to be held at 10:00am WST on Monday 13 April 2015 at The Park Business Centre, 45 Ventnor Avenue, Perth WA 6005 and at any adjournment of that Meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. **IMPORTANT: If the Chairperson is appointed as your proxy (whether or not by default) and you do not specify your directions as to voting, the Chairperson presently proposes to abstain in respect of your vote.**

RESOLUTION	For	Against	Abstain
1. Approval of Farm-Out and Joint Venture Arrangements with Metals X Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of Farm-Out and Joint Venture Arrangements with Northern Star Resources Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your voting directions to be implemented.

Individual or Security Holder	Security Holder 2	Security Holder 3			
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Sole Director & Sole Company	Director	Director/Company Secretary			

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10:00am WST on Saturday 11 April 2015.

+ TAMPX2130415 1 2 TAM TAMPX2130415 +

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My/Our contact details in case of enquiries are:

Name:

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Number:

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the Meeting, the Chairperson will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions. **IMPORTANT: If the Chairperson is appointed as your proxy (whether or not by default) and you do not specify your directions as to voting, the Chairperson presently proposes to abstain in respect of your vote.**

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) on each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the *Corporations Act 2001* (Cth)) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the Meeting or at the registration desk on the day of the Meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the Meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Registrars Pty Ltd

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Telephone +61 8 9315 2333

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Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

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