



31 July 2015

Tanami Gold NL ASX Announcement

Farm-in and Joint Venture Heads of Agreement (“Heads of Agreement”) between Tanami Gold NL (“Company”), Tanami (NT) Pty Ltd (“Tanami”), Northern Star Resources Limited (“Northern Star”) and Northern Star (Tanami) Pty Ltd (previously Nightlink Holdings Pty Limited) (“NST”)

The Board refers to previous Announcements and to the general meeting of shareholders on 13th April, 2015, at which the Tanami shareholders approved the Heads of Agreement.

The Board wishes to announce that the conditions precedent to the Heads of Agreement have now been satisfied and Completion has therefore occurred.

In accordance with the terms of the Heads of Agreement:

1. an unincorporated joint venture ("JV") has now come into existence;
2. NST has paid Tanami the amount of \$11 million in cash and has issued 4,290,228 Northern Star shares to Tanami;
3. NST is the Manager of all JV activities and, during the Sole Funding Period (the period up to the date Commercial Production of the mine recommences) is to make all decisions as to the JV Activities (in accordance with good mining and engineering practice) and sole fund all JV Expenditure; and
4. JV Expenditure includes all costs incurred in connection with JV Activities including management, exploration, evaluation, assessment, development and mining the tenements which are the subject of the JV and, in addition, refurbishing the Central Tanami Project ("**Project**") process plant and associated infrastructure.

The Company has been informed by NST that prior to refurbishment of the existing processing plant and re-commencement of mining, it intends to drill out the Groundrush deposit with the intention of substantially increasing the existing resource of one million ounces. ⁽¹⁾

The Board considers the JV to be a significant milestone in the recommencement of the Company's mining operations given it allows its main asset, the Groundrush resource, to be developed to its optimal potential without cost to the Company, and with the Company having the option to maintain up to a 40% interest in the Project or dispose of all of its remaining interest.

Gerard McMahon
Chairman

- (1) The Company's ASX release of 7 January 2013 reported a Mineral Resource estimate of 6.72Mt @ 4.8g/t Au for 1,040,000 ounces of gold (see Table 1 and Notes accompanying Table 1) had been completed for the Groundrush Deposit at the Central Tanami Project. As part of the Company's quality assurance process for the DFS, this estimate was carried out by Optiro, independent consultants and an industry leader in Resource estimation.

**Table 1 – Groundrush Deposit – Mineral Resource as at 31 December 2012**

Classification	Tonnes	Grade	Ounces
		(g/t Au)	
Measured	475,000	4.5	69,000
Indicated	2,470,000	4.9	391,000
Inferred	3,775,000	4.8	580,000
Total	6,720,000	4.8	1,040,000

Notes to accompany Table 1

1. Tonnes and ounces of gold are rounded to significant figures and grade is rounded to the nearest 0.1g/t Au. Rounding may affect tallies.
2. Resources reported above 1.0g/t Au block model grade.

The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.