



3 October 2017

## PROPOSED SALE OF THE WESTERN TANAMI PROJECT

The Board of Tanami Gold NL (ASX:TAM) (**Tanami Gold**) is pleased to announce that, after carefully considering various options, it has entered into a binding sale and purchase agreement with Northern Star (Tanami Gold) Pty Limited (**Northern Star**), a wholly owned subsidiary of Northern Star Resources Limited (ASX:NST) in relation to the divestment of Tanami Gold's interest in the Western Tanami Project for A\$4 million in cash (**Proposed Transaction**).

The Western Tanami Project comprises of various tenements, a 350,000 tonne per annum carbon-in-leach treatment plant and associated accommodation village and infrastructure. The Western Tanami Project was placed on care and maintenance in 2013, following disappointing drilling results on the Kavanagh lode at the Coyote gold mine. The Board has determined in the circumstances that the transfer of all of the Company's interest in the assets and its exposure to the liabilities (including those relating to closure and rehabilitation) of the Western Tanami Project to Northern Star is appropriate on the agreed terms. The Proposed Transaction is designed to provide Tanami Gold with a clean exit from the Western Tanami Project.

The Proposed Transaction will involve the sale of the Western Tanami Project via the sale and purchase of 100% of the fully paid ordinary shares in Tanami Gold Exploration NL (**TENL**), a 100% owned subsidiary of Tanami Gold and the legal and beneficial owner of the Western Tanami Project.

Northern Star may, by providing notice to Tanami Gold within 10 business days, elect to purchase all of the assets of the Western Tanami Project rather than the shares in TENL. Such an election will not affect the binding nature of the Proposed Transaction.

Consistent with the option to purchase the Western Tanami Project granted to ABM Resources NL in 2014, which lapsed in 2016, the Proposed Transaction is conditional on Tanami Gold obtaining shareholder approval for the disposal of the Western Tanami Project. That said, there is no formal requirement to obtain shareholder approval under the ASX Listing Rules or the Corporations Act and this condition may be waived by Tanami Gold, in its absolute discretion.

The Proposed Transaction is also conditional on the Department of Mines, Industry Regulation and Safety granting an extension of the term of certain tenements forming part of the Western Tanami Project.

The Western Tanami Project is being sold with representations, warranties, indemnities and other assurances which are usual and appropriate for transactions of this nature in these circumstances.

Following completion of the Proposed Transaction, the Board will continue to focus on the joint development of the Central Tanami Project with Northern Star Resources Limited.

Further information regarding the Proposed Transaction, including a notice of meeting in respect of the proposed shareholder approval will be provided to Tanami Gold shareholders in due course.

**Gerard McMahon**

**Chairman**