

quarterly report

FOR THE PERIOD ENDING
31 DECEMBER 2017



COMPANY ENQUIRIES
Pauline Collinson
COMPANY SECRETARY

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CORPORATE

Cash and Cash Equivalents

As at 31 December 2017, the Company had cash of \$7,250,052.

Sale of Western Tanami Project

On 3 October 2017, the Company announced it had entered into a binding Sale and Purchase Agreement (“SPA”) with Northern Star (Tanami Gold) Pty Ltd (“NSTG”), a wholly owned subsidiary of Northern Star Resources Limited, in relation to the proposed divestment of the Company’s 100% interest in the Western Tanami Project for A\$4.0 million in cash.

On 28 November 2017, the Company announced completion of this transaction, following shareholder approval at the Annual General Meeting held on that date.

Details of the ASX releases can be found at www.asx.com.au (Code: TAM).

Joint Venture with Northern Star Resources Limited

As previously announced, the Company and Northern Star Resources Limited (“NST”) have formed an unincorporated joint venture (“JV”) to advance the Company’s Central Tanami Project (“CTP”).

In accordance with the JV, management of the exploration activities at the Company’s CTP have been handed over to NST who will sole fund all JV expenditure including all CTP exploration and evaluation costs, assessment and development costs, mining of the JV tenements and refurbishing the CTP process plant and associated infrastructure, during the Sole Funding Period.

The Sole Funding Period will expire on the date on which the process plant at the CTP 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). On the expiry of the Sole Funding Period, NST will have earned a further 35% undivided interest in the CTP (taking NST’s total JV Interest to 60%).

Northern Star Resources Limited Shares

As at 31 December 2017, the Company has 750,000 NST shares remaining.

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EXPLORATION

Central Tanami Project (75% Tanami)

During the quarter ended 31 December 2017, following activities were undertaken by NST:

- Regolith mapping of the CTP mine corridor;
- Aircore drill design for the CTP South area;
- Geological mapping and sampling continued over Black Hills and the CTP South area, covering Jim's, Camelbore and Gailfrey prospects. Weakly anomalous results up to 20 ppb Au returned;
- Field reconnaissance, geological mapping and rock chip sampling in the Suplejack/Crusade area. Anomalous results up to 248 ppb Au returned;
- Additional magnetic and gravity data inversions in the CTP South and Central Mine Corridor areas;
- Crusade and Carbine internal resource estimations completed; and
- Anomalous rock chip sampling results (up to 158ppb Au) returned from a >300m long zone of hydrothermal breccia identified southeast of Jim's. Additional mapping and sampling carried out.

Aircore drilling programmes for both the Black Hills area and the Jim's, Camelbore and Gailfrey prospects in the CTP south area, have been designed and will be commenced following the wet season.

Western Tanami Project (100% Tanami prior to disposal)

No exploration activities were undertaken at the Western Tanami Project in the December 2017 quarter.

Mineral Resources

Table 1: Tanami Gold NL Mineral Resources as at 30 April 2014

Project	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade g/t Au	Ounces	Tonnes	Grade g/t Au	Ounces	Tonnes	Grade g/t Au	Ounces	Tonnes	Grade g/t Au	Ounces
CTP ⁸	6,730	3	648	9,491	3	954	9,279	3	1,022	25,500	3	2,625
CTP Stockpile ⁸	1,700	0.9	48	-	-	-	-	-	-	1,700	0.9	48
Total	8,430	2.6	696	9,491	3	954	9,279	3	1,022	27,200	2.9	2,673

Notes to accompany Table 1

1. Resource estimations completed using MineMap, Vulcan, Surpac, Datamine and Micromine software packages comprising a combination of ellipsoidal inverse distance and ordinary kriging grade interpolation methods.
2. Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
3. Resources reported above relevant cut-offs based on economic extractions, varying between 0.7g/t Au and 5.0g/t Au block model grade.
4. Stockpile figures from previously reported Otter Gold Mines NL 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific.
5. Tonnes and ounces rounded to the nearest thousand and grade rounded to 0.1g/t Au. Rounding may affect tallies.
6. The information in this report pertaining to Mineral Resources was compiled by Mr Bill Makar (MAusIMM), former Consultant Geologist – Tanami Gold NL, Mr Michael Thomson (MAusIMM), former Principal Geologist for Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), former Resource Geologist for Tanami Gold NL, Mr Mark Drabble (MAusIMM) – Principal Consultant Geologist, Optiro Pty Ltd and Mr Peter Ball (MAusIMM), Director of Datageo Geological Consultants. Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard, Mr Drabble and Mr Ball have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Persons as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard, Mr Drabble and Mr Ball consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.
7. The dates referred to in this table titles (30th April 2014) represent the date of the most recent update of a Resource within this table.
8. On 4th of August 2015, an unincorporated joint venture was formed between the Company and Northern Star Resources Limited who purchased an initial 25% interest in the Company's Central Tanami Project ("CTP"). At the time of this report, the Company retains a 75% interest in the CTP Resources stated in this table.

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Table 3: Schedule of Mineral Tenements - Northern Territory

NORTHERN TERRITORY				
CENTRAL TANAMI (TGNL 75%)	Name	Granted From	Expiry Date	Blocks
EL8797	Gamma	09/09/99	25/08/16	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	204
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	8.09 hectares
MLS120	No. 1 South	15/05/64	31/12/30	8.09 hectares
MLS121	No. 2 South	15/05/64	31/12/30	8.09 hectares
MLS122	No. 3 South	15/05/64	31/12/30	8.09 hectares
MLS123	No. 4 South	15/05/64	31/12/30	8.09 hectares
MLS124	No. 1 North	15/05/64	31/12/30	8.09 hectares
MLS125	No. 2 North	15/05/64	31/12/30	8.09 hectares
MLS126	No. 3 North	15/05/64	31/12/30	8.09 hectares
MLS127	No. 4 North	15/05/64	31/12/30	8.09 hectares
MLS128	No. 5 North	15/05/64	31/12/30	7.09 hectares
MLS129	No. 6 North	15/05/64	31/12/30	8.09 hectares
MLS130	East Block	15/05/64	31/12/30	8.09 hectares
MLS131	No. 5 South	15/05/64	31/12/30	8.09 hectares
MLS132	No. 6 South	15/05/64	31/12/30	8.09 hectares
MLS133	South-East Block	15/05/64	31/12/30	8.09 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
MLS180	Molech	18/11/98	31/12/22	804 hectares

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Tanami Gold NL

ABN

51 000 617 176

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(89)	(302)
(b) development	-	-
(c) care and maintenance ¹	(201)	(483)
(d) staff costs ²	-	-
(e) administration and corporate costs	(480)	(696)
1.3 Dividends received	-	45
1.4 Interest received	37	60
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(733)	(1,376)

¹On 28 November 2017, the Company completed the sale of the Western Tanami Project to Northern Star (Tanami Gold) Pty Ltd. From that date, the Company incurred no further care and maintenance costs.

²Roles within the Company are performed by either Consultants or Contractors, these costs are captured in 1.2(e)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	15	53
	(b) tenements (see item 10)	-	-
	(c) investments	4,000	4,000
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	4,015	4,053

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,968	4,573
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(733)	(1,376)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	4,015	4,053
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	7,250	7,250

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	4,250	468
5.2 Call deposits ³	3,000	3,500
5.3 Bank overdrafts	-	-
5.4 Other (Temporary Excess Funding)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,250	3,968

³The Company has its surplus funds invested in a rolling term deposit.

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	71
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments for Director Fees.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	25
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Mining exploration entity and oil and gas exploration entity quarterly report

9. Estimated cash outflows for next quarter		\$A'000
9.1	Exploration and evaluation	-
9.2	Development	-
9.3	Care and maintenance	-
9.4	Staff costs	-
9.5	Administration and corporate costs	177
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	177

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Signed By: Daniel Broughton
 Chief Financial Officer
 30 January 2018

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.