



**T A N A M I
G O L D N L**

ABN 51 000 617 176

**CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2019**

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DIRECTORS' REPORT

For the half-year ended 31 December 2019

The Directors' present their report together with the consolidated interim financial report of the consolidated entity, being the Company and its controlled entities, for the half-year ended 31 December 2019 ("half-year") and the auditor's independent review report thereon.

1. Directors

The Directors of the Company at any time during or since the end of the half-year are:

Name		Period of Directorship
Mr A.G. Dew	Non-Executive Chairman	Appointed 2 December 2011
Mr G.J. McMahon	Independent Non-Executive Director	Appointed 23 April 2013
Mr C.C. Procter	Independent Non-Executive Director	Appointed 9 December 2011
Mr B. Montgomery	Independent Non-Executive Director	Appointed 6 February 2013
Mr B.R. Smith	Non-Executive Director	Appointed 27 November 2018

2. Results

The consolidated entity had a loss after tax for the half-year of \$0.161 million (HY 2018: profit \$17.060 million).

As at 31 December 2019, the Company held cash and cash equivalents of \$28.188 million (30 June 2019: \$28.347 million) and in addition held 500,000 Northern Star Resources Limited ("NST") shares at \$11.31 per share (equating to \$5.655 million at 31 December 2019). Details of any NST shares sold after year end are provided in Subsequent Events note.

3. Nature of Operations and Principal Activities

The Company is a no liability company and is domiciled and incorporated in Australia. The principal activity of the Consolidated Entity for the half year period was gold exploration. The Company's exploration centre is situated in the Tanami Desert in the Northern Territory.

4. Corporate and Financial Overview

Joint Venture with Northern Star Resources Limited

As previously announced, the Company and 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 CTP have been handed over to NST which 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.

The Heads of Agreement ("HOA") included two put options. The first put option allowed the Company to sell a further 15% of the CTP to NST for \$20 million in cash or NST shares, at the Company's election, at any time up to the earlier of three years after acquisition completion (31 July 2018) or commercial production being achieved. NST advised that commercial production would not be achieved by 31 July 2018, and it was not clear if or when commercial production would be achieved. Subsequently, on 31 July 2018, the Company completed the exercise of the first put option and elected to have the consideration payable in cash. Settlement date for this transaction was 15 September 2018. NST now hold 40% and the Company holds 60% of the CTP.

The Company has a second put option which grants it the right but not the obligation to sell a further 25% of the CTP for \$32 million in cash or NST shares (at the Company's election) up to six months after commercial production is achieved.

NST Shares

At 31 December 2019, the Company had 500,000 shares in NST remaining. Refer to Subsequent Events note for details of NST shares sold after period end.

5. Exploration Activities Overview

Central Tanami Project (60% Tanami)

NST have advised that the half-year was dominated by drill testing of exploration and resource targets. A total of 16,546m of regional AC drilling was completed over three prospect areas, with 9,544m of RC drilling completed over four exploration resource areas.

DIRECTORS' REPORT

For the half-year ended 31 December 2019

Samples were despatched from site on an irregular basis due to limited freight options. Drilling ceased late in the year, with minimal interpretation and review of results completed before years end. This work will continue during the monsoonal period. Further assay results are pending.

Air core drilling:

- *Cave Hill*

A total of seventy (70) AC holes for 4,767m were completed at the Cave Hill project area during the half-year. This program focussed on reconnaissance drilling of structural targets, in an area of interpreted Tanami Group stratigraphy. The program anticipated to intercept extensive late-Antrim Plateau Basalt cover, delineating its eastern margin over the tenement, however drilling identified extensive Dead Bullock Formation concealed by up to 70m of transported alluvial cover.

- *Dropzone*

A total of forty one (41) AC holes for 2,004m were drilled at Dropzone during the quarter. The program focussed on identifying the orientation of mineralised structures with structures oriented both north-south and east-west targeted in this phase of AC drilling.

Assay results showed a best intersection of 4m @ 141 ppb Au in DZAC082 in addition to 24m @ 41 ppb Au intersected in DZAC077. Both holes are centred around a similar location in the south of the prospect area. Interpretation is underway to determine the relationship between these results and assess the potential for economic gold mineralisation in this area.

- *Groundrush West*

A reconnaissance program of 138 AC holes for 5,542m was drilled at Groundrush West during the quarter. Drilling targeted two main areas as a second phase to previous AC drilling conducted in early 2019. Both targeted areas focussed on interpreted east-west oriented structures, testing mineralisation potential both within and adjacent to these features.

Significant assay results included a best result of 4 metres @ 83 ppb Au in GWAC0150 and 8 metres @ 65 ppb Au in GWAC0190. Each of these results represent anomalous intercepts in the southern and northern focus areas respectively. Further investigation is required to assess the anomalism identified in this phase of drilling.

- *Ripcord – Groundrush Link*

A reconnaissance AC program totalling 87 holes for 4,233m was drilled in the Ripcord-Groundrush corridor areas during the quarter targeting multiple features including the northern and southern extension of the Ripcord Dolerite, the southern extension of the Groundrush Dolerite and the southern extension of the Western Dolerite in the Ripcord prospect area. This AC drilling program successfully returned a number of geochemical anomalous gold results highlighting several zones of further interest for review. Detailed geological interpretation is underway throughout these areas to assess future drilling targets to define further mineralisation potential.

Reverse circulation drilling:

- *Solaris*

At Solaris, previous AC drilling defined a zone of probable supergene gold mineralisation within a northwest-southeast trend with a steep SW dip. Four RC drill holes for 764m were drilled by Mt Magnet Drilling (MMD) in October. The RC drilling program was designed to test the potential for primary, fresh rock mineralisation beneath the supergene zone at a depth between 80m and 140m.

All four RC holes at Solaris intersected significant gold mineralisation, however the grade and continuity of mineralisation appears limited at this early stage. The best significant intersection of 8m @ 1.031g/t Au from 92m in SORC0004 is interpreted to be primary mineralisation, hosted within interbedded siltstone-sandstone (see Table 1).

DIRECTORS' REPORT
For the half-year ended 31 December 2019

HOLE ID	EAST (MGA)	NORTH (MGA)	RL (AHD)	DIP (Deg)	AZI (MGA)	HOLE DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	GRADE g/t Au
SORC001	559799	7771929	413	-60	60	208	190	191	1	2.51
SORC002	559757	7772015	410	-65	60	230	138	139	1	0.79
							196	197	1	1.01
SORC003	559815	7772056	409	-67	58	130	16	20	4	0.64
							92	96	4	0.50
SORC004	559740	7772101	411	-65	63	196	92	100	8	1.03
							108	112	4	0.74
							156	160	4	0.60

Table 1 - Solaris significant RC drilling results (nominal 0.5 g/t Au cut-off and up to 2 metres internal waste)

RC drilling confirmed a sub-vertical interpretation, dipping steeply to the south west. Mineralisation appears to be hosted by a series of stacked quartz vein arrays associated with larger subvertical structures oblique to bedding, which dips moderately to the south west. Geochemical analysis shows a strong felsic signature coincident with mineralisation with the deep and intense weathering profile possibly obscuring a granite intrusion in geological logging, potentially responsible for the local remobilisation and concentration of gold.

- *Ripcord*

At Ripcord, gold mineralisation is interpreted to be hosted within the Ripcord Dolerite, which is interpreted as either the southern extension, or coeval intrusion, of the Groundrush Dolerite. Gold mineralisation is hosted within stacked quartz vein arrays, similar to that of the Groundrush deposit.

The existing Ripcord resource has a significant component of supergene mineralisation, with most of the primary mineralisation intersections being too widely spaced for inclusion in the current resource model.

A RC drilling program was undertaken at Ripcord to test both the mineralisation potential at depth and possible extensions along strike. A total of 12 RC drill holes for 4,723m were completed during November and December.

Geological logging revealed zones of quartz veining with associated sulphides, notably pyrite and trace arsenopyrite, within both the Ripcord Dolerite and adjacent hanging wall sediments. Partial assay results received up to the end of the quarter, show most significant intersections focussed in the northern extension of the deposit contrary to the current model of mineralisation plunging to the south.

Significant intersections received to date include 5m at 18.53g/t Au from 143m in RIRC0013 and 4m at 2.54g/t Au from 150m in RIRC0005. The intersection in RIRC0013 represents an extension of approximately 220m along strike to the northwest from the current resource envelope (see Table 2).

HOLE ID	EAST (MGA)	NORTH (MGA)	RL (AHD)	DIP (Deg)	AZI (MGA)	HOLE DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	GRADE g/t Au
RIRC0002	605769	7816760	413	-60	80	282	154	155	1	1.58
							172	173	1	0.65
							233	234	1	0.68
RIRC0003	605750	7816891	420	-60	85	294	151	152	1	2.74
RIRC0005	605704	7816983	419	-60	58	298	123	124	1	0.55
							135	137	2	1.64
							150	154	4	2.54
RIRC0007	605751	7816615	419	-60	82	378	294	296	2	0.83
RIRC0008	605663	7816964	418	-60	60	323	205	206	1	0.53
RIRC0009	605894	7816487	418	-60	82	270	196	197	1	0.57
RIRC0010	605834	7816477	416	-60	83	306	197	198	1	1.43
RIRC0013	605660	7817086	410	-58	65	250	89	92	3	1.52
							122	123	1	1.30
							126	127	1	0.78
							143	148	5	18.53
							155	156	1	2.45
RIRC0014	605619	7817054	410	-60	63	290	175	179	4	0.93
							205	206	1	1.48

Table 2 – Ripcord RC drilling significant intersections (nominal 0.5 g/t Au cut-off and up to 2 metres internal waste)

The intersections in both RIRC0013 and RIRC0005 are of interest as both are hosted within greywacke sediments in the hanging wall to the Ripcord Dolerite. Whilst high grade gold mineralisation has been noted in hanging wall sediments at Groundrush previously, this is the first indication of similar mineralisation at Ripcord. It's likely a flexure in the Ripcord dolerite has generated greater compressional force in the sediments in this area, resulting in ramping against the dolerite

DIRECTORS' REPORT
For the half-year ended 31 December 2019

hanging wall contact creating zones of dilation along bedding horizons. Once all assays are received, a detailed geological review and interpretation will be undertaken.

- *Suplejack*

The Suplejack area is located approximately 120 kilometres north of the Central Tanami mill site and is host to the Crusade deposit.

The Crusade deposit is hosted along the north-south oriented contact between basalt and dacite sequences within the area of the Suplejack Fault corridor. Gold mineralisation is hosted specifically within stacked quartz vein arrays, like that of the Groundrush deposit, however some disseminated sulphide mineralisation has been observed within the eastern basalt unit. The Crusade deposit has a current resource of 1,414,709 tonnes at 2.6 g/t Au for 119,114oz with no additional work completed since Tanami's resource estimation in 2011.

Recent surface geological mapping and geochemical sampling confirmed the existing extent of the Crusade mineralisation and an RC drill program to test the down-dip and along strike mineralisation potential of the deposit was completed during the quarter.

A total of 16 RC holes for 3,239m was completed at the Crusade deposit in October and November targeted extensions of the current resource envelope and validation of historic drilling by twinning a hole containing significant mineralisation.

Partial assay results received to date indicate several holes have intersected significant gold mineralisation with a best intersection of 47m @at 3.66g/t Au from 82m in SJRC0005. This is one of the validation holes twinning previous drilling to confirm mineralisation which significantly exceeded the previous intersection on this section (see Table 3).

HOLE ID	EAST (MGA)	NORTH (MGA)	RL (AHD)	DIP (Deg)	AZI (MGA)	HOLE DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	GRADE g/t Au
SJRC0001	612772.2	7883179.1	408	-60	116	250	108	112	4	0.66
							243	244	1	5.39
SJRC0002	612922.8	7883146.2	425	-60	107	256	24	28	4	3.03
							32	36	4	1.72
							44	52	8	0.75
SJRC0003	613041.6	7883115.2	416	-60	107	208	201	202	1	0.76
SJRC0004	612857	7883365	414	-60	111	250	174	175	1	1.30
							183	190	7	1.82
							194	216	22	1.07
							220	221	1	0.52
SJRC0005	612985.9	7883336.6	413	-60	112	150	38	42	4	0.75
							46	58	12	0.61
							62	70	8	0.65
							82	129	47	3.66
SJRC0006	612998.61	7883370.94	416	-62	112	155	17	18	1	1.14
							24	26	2	1.65
							36	37	1	0.67
							40	41	1	2.67
							62	82	20	1.92
							86	104	18	2.76
SJRC0007	613104.3	7883294.2	415	-60	116	200	32	36	4	0.77
							115	116	1	0.90
							174	178	4	0.76
							171	172	1	1.20
SJRC0008	612895.2	7883557.2	415	-60	116	262	175	177	2	0.60
							175	177	2	0.60
RIRC0009	605894	7816487	418	-60	82	270	196	197	1	0.57
RIRC0010	605834	7816477	416	-60	83	306	197	198	1	1.43
RIRC0009	605894	7816487	418	-60	82	270	196	197	1	0.57
RIRC0010	605834	7816477	416	-60	83	306	197	198	1	1.43
RIRC0009	605894	7816487	418	-60	82	270	196	197	1	0.57
RIRC0010	605834	7816477	416	-60	83	306	197	198	1	1.43
SJRC0010	613144	7883485	420	-60	116	180	105	106	1	0.56
							136	140	4	0.71
SJRC0011	612997	7883651	415	-60	110	298	114	118	4	1.45
							198	199	1	0.84
							207	208	1	1.54

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							221	222	1	1.08
SJRC0013	613214	7883672	416	-60	117	200	136	137	1	0.70
							151	152	1	5.40
							159	160	1	1.01

Table 3 - Crusade deposit significant RC drilling intersections (nominal 0.5 g/t Au cut-off and up to 2 metres internal waste)

Down-dip extensions to the existing Crusade resource are indicated by intersections in holes RIRC0001 (1m at 5.39g/t Au from 243m) and RIRC0004 (22m at 1.07g/t Au from 194m) while intersections in RIRC0011 (1.45g/t Au from 114m and) and RIRC0013 (4m at 1m at 5.4g/t Au from 151m) represent an approximate 200m northern extension to the current resource envelope.

The Crusade mineralisation is found both within quartz-sulphide (pyrite-arsenopyrite- galena) veins and as disseminated sulphides in micro-fractures within the basalt.

Single metre re-splits of composite mineralised samples have been submitted for re-assay and a full review of the Crusade mineralisation will be undertaken once all results have been received. Several petrology samples have also been collected and metallurgical samples will be collected for recovery testing in the first quarter of 2020.

Due to the difficulty in accessing the Suplejack area, an additional four RC drill holes (820m) were completed at the Kokoda prospect, approximately 4km north of Crusade, to test the mineralisation potential at depth. Kokoda is a small exploration prospect that has only been tested by historic RAB drilling.

Assay results indicate scattered thin intersections from the four Kokoda drill holes. These included SJRC0020 - 2m at 2.82g/t Au from 65m, SJRC0020 - 2m at 2.07g/t Au from 112m, SJRC0019 - 1m at 3.57g/t Au from 141m and SJRC0018 - 4m at 1.05g/t from 104m (see Table 4).

HOLE ID	EAST (MGA)	NORTH (MGA)	RL (AHD)	DIP (Deg)	AZI (MGA)	HOLE DEPTH (m)	FROM (m)	TO (m)	WIDTH (m)	GRADE g/t Au
SJRC0017	614107	7887047	410	-60	92	250	138	139	1	0.85
							149	150	1	2.86
							156	157	1	0.84
							186	187	1	0.92
SJRC0018	614140	7887047	420	-61	100	160	92	94	2	1.32
							98	100	2	1.50
							104	108	4	1.05
							146	147	1	0.52
SJRC0019	614167	7887278	422	-60	110	250	124	125	1	1.22
							141	142	1	3.57
							158	159	1	0.75
							171	172	1	1.82
SJRC0020	614220	7887264	428	-60	113	160	53	54	1	0.72
							61	62	1	0.79
							65	67	2	2.82
							82	83	1	0.55
							95	96	1	2.52
							112	114	2	2.07

Table 4 - Kokoda prospect significant RC drilling intersections (nominal 0.5 g/t Au cut-off and up to 2 metres internal waste)

A full review of the Kokoda drill results will be completed in 2020.

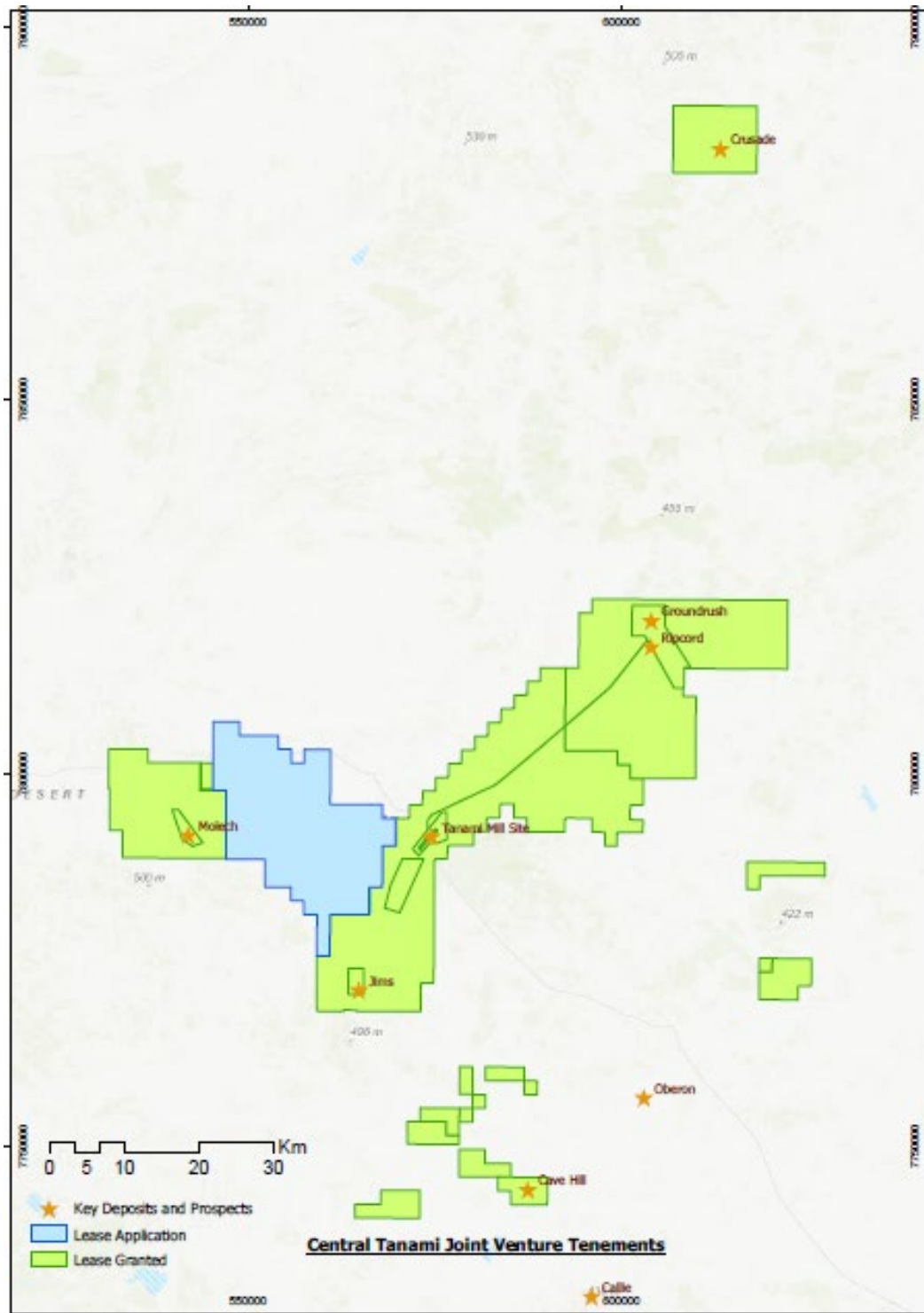
Earthworks and rehabilitation

A total of 347 AC drill holes were rehabilitated during the period at Channel Four, Dropzone, Groundrush West, Jims Return, Solaris and Terminus. Rehabilitation was suspended in mid-December due to monsoonal weather with work planned to resume in early 2020.

Earthworks undertaken during the quarter included track and drill site preparation at Ripcord, Groundrush West, Dropzone and Suplejack.

DIRECTORS' REPORT
For the half-year ended 31 December 2019

Figure 1 – Central Tanami Joint Venture Tenements



DIRECTORS' REPORT
For the half-year ended 31 December 2019

6. Business Strategies and Prospects

As the Company holds a 60% interest in the CTP JV, the Board monitors and provides assistance to the JV Manager NST whilst it is earning its further interest (refer to CTP Exploration above).

7. Subsequent Events

During February 2020, the Company sold 250,000 NST shares at an average price of \$13.97 per share to receive \$3.473 million net of transaction costs. The Company has 250,000 shares in NST remaining.

8. Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

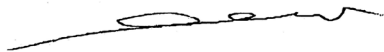
The Directors have received confirmation from the auditor of Tanami Gold NL that they are independent of the Company.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is included on the following page and forms part of the Directors' report for the half-year ended 31 December 2019.

9. Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1000 (unless otherwise stated) under the option available to the Company under ASIC Instrument 2016/191. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Directors:



Arthur G Dew
Non-Executive Chairman
Perth, Western Australia
11 March 2020



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Tanami Gold NL

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2019 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that reads 'G L + H H'.

Graham Hogg
Partner
Perth
11 March 2020

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the half-year ended 31 December 2019

	31 Dec 19	31 Dec 18
	\$'000	\$'000
Continuing operations		
Other income	38	25
Profit on sale of assets	-	17,139
Corporate and other expenses	(432)	(541)
Inventory write off	-	(128)
Results from operating activities	<u>(394)</u>	<u>16,495</u>
Financial income	284	268
(Loss)/profit before income tax	<u>(110)</u>	<u>16,763</u>
Deferred income tax benefit/(expense)	(51)	297
(Loss)/profit from operations	<u>(161)</u>	<u>17,060</u>
(Loss)/profit for the year	<u>(161)</u>	<u>17,060</u>
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Net (loss)/gain on financial assets classified as available for sale (net of tax)	<u>(119)</u>	<u>693</u>
Other comprehensive (loss)/gain for the year (net of income tax)	<u>(119)</u>	<u>693</u>
Total comprehensive (loss)/profit for the year attributable to owners of the Company	<u>(280)</u>	<u>17,753</u>
Earnings per share from continuing operations		
Basic and diluted (loss)/profit per share (cents per share)	(0.0137)	1.452
Earnings per share from total operations		
Basic and diluted (loss)/profit per share (cents per share)	(0.0137)	1.452

The condensed consolidated interim statement of profit or loss and other comprehensive income is to be read in conjunction with the condensed notes to the consolidated interim financial report.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
For the half-year ended 31 December 2019

	Note	31 Dec 19 \$'000	30 Jun 19 \$'000
Assets			
Current assets			
Cash and cash equivalents		28,188	28,347
Other receivables		130	99
Financial assets at fair value through OCI	7	5,655	5,825
Total current assets		33,973	34,271
Non-current assets			
Other receivables		2,513	2,513
Right of use assets		68	-
Property, plant and equipment		439	442
Acquired exploration and evaluation		12,431	12,431
Total non-current assets		15,451	15,386
Total assets		49,424	49,657
Liabilities			
Current liabilities			
Trade and other payables		67	88
Interest bearing liabilities		15	-
Total current liabilities		82	88
Non-current liabilities			
Provisions		1,663	1,663
Interest bearing liabilities		53	-
Total non-current liabilities		1,716	1,663
Total liabilities		1,798	1,751
Net assets		47,626	47,906
Equity			
Issued capital	8	317,637	317,637
Accumulated losses		(273,235)	(273,074)
Reserves		3,224	3,343
Total equity attributable to equity holders of the Company		47,626	47,906

The condensed consolidated interim statement of financial position is to be read in conjunction with the condensed notes to the consolidated interim financial report.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2019

	Issued Capital	Accumulated Losses	Financial Assets Fair Value Reserve	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018	317,637	(290,256)	1,807	29,188
Profit for the period	-	17,060	-	17,060
Net change in fair value of financial assets through OCI	-	-	693	693
Total comprehensive profit for the period	-	17,060	693	17,753
Balance at 31 December 2018	317,637	(273,196)	2,500	46,941
Balance at 1 July 2019	317,637	(273,074)	3,343	47,906
Loss for the period	-	(161)	-	(161)
Net change in fair value of financial assets through OCI	-	-	(119)	(119)
Total comprehensive loss for the period	-	(161)	(119)	(280)
Balance at 31 December 2019	317,637	(273,235)	3,224	47,626

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the condensed notes to the consolidated interim financial report.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2019

	Note	31 Dec 19 \$'000	31 Dec 18 \$'000
Cash flows from operating activities			
Cash payments in the course of operations		(484)	(487)
Interest received		287	173
Net cash used by operating activities		<u>(197)</u>	<u>(314)</u>
Cash flows from investing activities			
Proceeds from sale of property plant and equipment		-	20,000
Dividends received		38	25
Net cash from investing activities		<u>38</u>	<u>20,025</u>
Cash flows from financial activities			
Net cash (used)/from financing activities		<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents held		(159)	19,711
Cash and cash equivalents at the beginning of the period		28,347	8,543
Cash and cash equivalents at the end of the period		<u>28,188</u>	<u>28,254</u>

The condensed consolidated interim statement of cash flows is to be read in conjunction with the condensed notes to the consolidated interim financial report.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2019

1. Reporting Entity

Tanami Gold NL (the “Company”) is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half-year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the “Consolidated Entity”) and the Consolidated Entity’s interests in associates and jointly controlled entities. The Company is a for profit entity and is primarily involved in gold exploration.

The consolidated annual financial statements of the Consolidated Entity as at and for the year ended 30 June 2019 are available upon request from the Company’s registered office at Unit 202, Level 2, 39 Mends Street, South Perth WA 6151 or at www.tanami.com.au.

2. Statement of Compliance

These condensed consolidated interim financial statements are a general-purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Consolidated Entity as at and for the year ended 30 June 2019.

These condensed consolidated interim financial statements were approved by the Board of Directors on 11 March 2020.

3. Significant Accounting Policies

The accounting policies applied by the Consolidated Entity in these condensed consolidated interim financial statements are the same as those applied by the Consolidated Entity in its consolidated financial statements as at and for the year ended 30 June 2019.

4. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Consolidated Entity’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2019.

5. Standards and Interpretations applicable to 31 December 2019

In the period ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2019.

As a result of this review, the Group has initially applied the following standards. There has been no material impact to profit or loss or net assets as a result of the adoption of these standards in the current or comparative years.

a) IFRIC 23 Uncertainty over Income Tax Treatments (effective from 1 July 2019)

This Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following:

- whether an entity considers uncertain tax treatments separately;
- the assumptions an entity makes about the examination of tax treatments by taxation authorities;
- how an entity determines taxable profit, tax bases, unused tax losses, unused tax credits and tax rates; and
- how an entity considers changes in facts and circumstances.

Interpretation 23 is a clarification treatment of uncertain tax positions.

b) Annual Improvements 2015-2017 (effective 1 July 2019)

The amendments clarify certain requirements in: AASB 3 Business Combinations and AASB 11 Joint Arrangements – previously held interest in a joint operation; AASB 112 Income Taxes – income tax consequences of payments on financial instruments classified as equity; AASB 123 Borrowing Costs – borrowing costs eligible for capitalisation.

c) Amendments to AASB 119 - Employee benefits on plan amendment, curtailment or settlement (effective 1 July 2019)

These amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and recognise in profit or loss as part of past

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2019

service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

d) AASB 16 Leases ("IFRS 16") (effective from 1 July 2019)

IFRS 16 supersedes IAS 17 Leases ("IAS 17"), IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees, with limited exception, to account for leases under a single on-balance sheet model.

Prior to the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised, and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term.

The Company adopted IFRS 16 with the date of initial application of 1 July 2019. At 31 December 2019, the Company has a lease contract for property with a lease term of 60 months.

The Company assesses each contract at inception to determine whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) *Group as a lessee*

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(ii) *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets:

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(iii) *Short-term leases and leases of low value assets*

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(vi) *Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half-year ended 31 December 2019

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and therefore, no material change is necessary to Group accounting policies.

6. Dividends

There were no dividends paid or provided for during the half-year and up to the date of this report.

7. Financial Assets

At 31 December 2019, the Company has a remaining investment of 500,000 listed equity shares in Northern Star Resources Limited. Subsequent to initial recognition, these shares are measured at fair value being the published price quotation in an active market. Changes therein are recognised in Other Comprehensive Income (unless it represents impairment) and presented as an unrealised gain/(loss) reserve in equity. The fair value movement in the asset during the half-year period was a loss of \$0.119 million (30 June 2018: gain of \$0.415 million) (less the recognition of a Deferred Tax Liability) which has been recognised as the net change in the fair value of Financial Assets in Other Comprehensive Income. As a result of the Company's carry forward tax losses, a corresponding \$0.510 million Deferred Tax Liability (30 June 2018: \$0.117 million Deferred Tax Liability) has been recognised with the associated tax expense/benefit reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

8. Issued Capital

At 31 December 2019, the Company had 1,175,097,046 (2018: 1,175,097,046) fully paid ordinary shares on issue for a total value of \$317.637 million (2018: \$317.637 million).

9. Segment Information

The Group has one reportable operating segment which is gold exploration in Australia.

The Group's operating segment has been determined with reference to the information and reports the Chief Operating Decision Makers use to make strategic decisions regarding Company resources.

Due to the size and nature of the Group, the Directors are considered to be the Chief Operating Decision Makers. Financial information is reported to the Directors as a single segment and all significant operating decisions are based upon analysis of the Group as one segment. The financial results of this segment are equivalent to the financial statements of the Group as a whole.

10. Subsequent Events

During February 2020, the Company sold 250,000 NST shares at an average price of \$13.97 per share to receive \$3.473 million net of transaction costs. The Company has 250,000 shares in NST remaining.

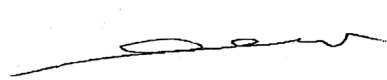
DIRECTORS' DECLARATION
For the half-year ended 31 December 2019

In accordance with a resolution of the Directors of Tanami Gold NL, I state that:

1. In the opinion of the Directors:

- a) the financial statements and notes of Tanami Gold NL for the half year ended 31 December 2019 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of its financial position as at 31 December 2019 and performance;
 - (ii) complying with Accounting Standards AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Arthur G Dew
Non-Executive Chairman
Perth, Western Australia
11 March 2020



Independent Auditor's Review Report

To the shareholders of Tanami Gold NL

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Tanami Gold NL.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Tanami Gold NL is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2019.
- Condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date.
- Notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information.
- The Directors' Declaration.

The **Group** comprises Tanami Gold NL (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*.
- Such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Tanami Gold NL, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Graham Hogg

Partner

Perth

11 March 2020