



17 August 2010

## TANAMI GOLD COMPLETES HEAVILY OVERSUBSCRIBED ENTITLEMENTS ISSUE TO RAISE \$63.7M

---

Australian gold producer Tanami Gold NL (ASX: TAM – “Tanami” or “the Company”) is pleased to announce the completion of its **\$63.7 million** pro-rata renounceable entitlements issue, with an outstanding **92% take-up** (3,890,383,063 shares), resulting in a shortfall of 355,685,008 shares. All shareholders who made application for shortfall shares will participate in the shortfall.

After taking into account applications for shortfall shares, the entitlements issue was **heavily oversubscribed** with total applications received for 4,919,919,662 shares compared to available shares of 4,246,068,071.

Allotment of the new shares is expected to be completed by 19 August 2010.

The proceeds from the issue will be used to strengthen the Company’s balance sheet by retiring debt and will provide additional working capital to accelerate exploration at the recently acquired Central Tanami Gold Project.

Following completion of the entitlements issue, Tanami will also undertake a 1-for-30 capital consolidation, which will leave the Company with approximately 260 million shares on issue. This will result in the Company’s capital structure being more attractive to major international institutional and other investors and is aimed at positioning the Company for long-term growth.

A general meeting of shareholders will be held on 20 August 2010 to seek approval for the share consolidation.

At the completion of the entitlements issue and share consolidation, the Company will have **no debt, no hedging, issued capital of approximately 260 million shares and will be well positioned to emerge as Australia’s next mid tier gold producer.**

Commenting on the announcement, Tanami’s Managing Director, Mr Graeme Sloan, said:

*“This is an outstanding result which vindicates our decision to raise capital through an entitlements issue which has provided all shareholders with the opportunity to participate in the raising.*

*“The completion of this raising puts Tanami in a very strong position as it strengthens the Company’s balance sheet and will enable us to press full steam ahead with our growth strategy which includes major exploration programs across both our sites and finalising the Feasibility Study on the re-commencement of gold production at the Central Tanami Gold Project.”*

**Graeme Sloan**  
Tanami Gold NL

**Background – Recent Company Milestones**

Over the past 12 months, Tanami has achieved a number of significant key performance targets culminating in its best ever annual gold production since mining began at its Western Tanami Operations. Regional and near-mine exploration re-commenced at the Western Tanami Operations resulting in a number of new discoveries and ore extensions at both the Coyote underground and Bald Hill open pit operations.

In December 2009, the Company entered into a strategic exploration alliance with ABM Resources NL (“ABM”) which resulted in Tanami transferring its Northern Territory exploration tenements into ABM for a 21.57% equity position in ABM, 300 million ABM options, a \$1.0 million cash payment, an ABM Board position and an undertaking by ABM to spend \$10 million on the tenements over the next two years.

More recently, Tanami was the successful bidder for the Central Tanami Gold Project which was acquired from Newmont Asia Pacific. This acquisition forms a key component of the Company’s growth strategy and planned consolidation of the Tanami-Arunta Province, providing Tanami with an early entry into a second major gold production centre (*see ASX announcement dated 31 March 2010*).

With two operational centres approximately 90 kilometres apart, a combined treatment capacity of around 2.0 million tonnes per annum when both treatment plants are in full production and an extensive tenement package containing numerous advanced exploration targets, Tanami is well placed to achieve its objective of becoming a substantial mid-tier gold producer over the next two years.

The Company’s exploration upside is further enhanced through its strategic shareholding in ABM, which provides it with direct and indirect access to over 35,000 square kilometres of the highly prospective Tanami-Arunta Province, which hosts Newmont’s world class Callie Gold Mine.