

**TANAMI GOLD NL**  
**ACN 000 617 176**

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## **ENTITLEMENT ISSUE PROSPECTUS**

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For a renounceable entitlement issue of five (5) Shares for every four (4) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.20 per Share to raise \$65,283,169 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

**This Offer is fully underwritten by Patersons Securities. Refer to Sections 3.7 and 9.6 of this Prospectus for details regarding the terms of the Underwriting Agreement.**

### **IMPORTANT NOTICE**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as highly speculative.

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## 1. CORPORATE DIRECTORY

### Directors

Arthur Dew \*  
*Non-Executive Chairman*

Lee Seng Hui  
*Non-Executive Director*

Carlisle Procter  
*Non-Executive Director*

Brett Montgomery  
*Non-Executive Director*

\*Mark Wong  
*Alternative Director to Arthur Dew*

### Company Secretary

Jon Latto

### Share Registry\*

Security Transfer Registrars Pty Limited  
770 Canning Highway  
Applecross WA 6153

Telephone: +61 8 9315 2333  
Facsimile: +61 8 9315 2233

### Auditor\*

KPMG  
235 St George's Terrace  
Perth WA 6000

### Registered Office

Level 2, 56 Ord Street  
West Perth WA 6005

Telephone: + 61 8 9212 5999  
Facsimile: +61 8 9212 5900

Email: [tanamigold@tanami.com.au](mailto:tanamigold@tanami.com.au)  
Website: [www.tanami.com.au](http://www.tanami.com.au)

### Underwriter

Patersons Securities Limited  
Level 23, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

### Nominee for Foreign Holders

Patersons Securities Limited  
Level 23, Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

### Lawyers

Steinepreis Paganin  
Lawyers and Consultants  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

\*These entities are included for information purposes only. Neither has been involved in the preparation of this Prospectus nor have they consented to being named in this Prospectus.

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## 2. TIMETABLE

Lodgement of Prospectus with the ASIC	8 February 2013
Notice sent to Optionholders	11 February 2013
Notice sent to Shareholders	11 February 2013
Ex date	13 February 2013
Rights start trading	13 February 2013
Record Date for determining Entitlements	19 February 2013
Prospectus despatched to Shareholders & Company announces despatch has been completed	25 February 2013
Rights stop trading	4 March 2013
Shares quoted on a deferred settlement basis	5 March 2013
Closing Date*	12 March 2013
ASX notified of under subscriptions	15 March 2013
Despatch of holding statements	20 March 2013
Quotation of Shares issued under the Offer*	21 March 2013

\*The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

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### **3. IMPORTANT NOTES AND KEY CONSIDERATIONS**

This Prospectus is dated 8 February 2013 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

#### **3.1 Competent Person's Statement**

The information in this Prospectus that relates to Exploration Results, Mineral Resources is based on information compiled by Michael Thomson, a full time employee and Principal Geologist of the Company. Mr Thomson is a member of The Australasian Institute of Mining and Metallurgy. Mr Thomson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code. Mr Thomson consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears. Mr Thomson has not withdrawn his consent prior to the lodgement of this Prospectus with the ASIC.

#### **3.2 Risk factors**

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 8 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

A summary of some of the key risks include:

Risk	Description	Reference in Prospectus
<b>Potential for dilution</b>	Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date; the number of Shares in the Company will increase from 261,132,677 currently on issue to 587,548,524. This means that each current Share will represent a significantly lower proportion of the ownership of the Company.	8.2(a)
<b>Change in Control</b>	Shareholders should be aware that the Offer, and in particular the sub-underwriting arrangements relating to the Offer may result in APRL increasing its relevant interest in the voting shares of the Company. Please refer to Section 3.9 for further details in relation to the potential change in control effects on the Company.	8.2(b)
<b>Coyote Project</b> <b>Gold</b>	<p>The Company has operated the Coyote Gold Mine in Western Australia since 2006. Current underground mining operations are conducted as owner/operator with the ore processed through a conventional carbon in leach treatment plant.</p> <p>The mine is a high cost producer with limited mine life. Current mine development is on the Muttley Lodes and continuation of the operation is dependent on the successful mining of those lodes. A detailed review of the Coyote Gold Mine will be undertaken in April 2013.</p> <p>The continued success of diamond drilling at the Kavanagh Target Area is critical to extending the operations of the Coyote Gold Project. There is no guarantee that the drilling at Kavanagh will be successful.</p>	8.2(c)
<b>Central Project</b> <b>Tanami</b>	<p>Further to the completion of a pre-feasibility study on the Central Tanami Project in late 2011, the Company committed to undertaking an extensive drilling campaign, especially at the Groundrush Deposit, to upgrade both the quantum and quality of the resources available for inclusion in the DFS.</p> <p>The Central Tanami Project DFS is currently in the final stages of the design phase and is scheduled for completion in April 2013. Progress to date has proven positive with</p>	8.2(d)

	<p>the project potentially being expanded to include some previously identified targets.</p> <p>The diamond drilling program conducted over the past twelve months was successful in upgrading the resource (refer ASX announcement 7 January 2013) which has resulted in the mine design team identifying alternate methods to efficiently extract the ore. This will delay the project time line in respect to the mine design and scheduling.</p> <p>The infrastructure and processing design development is expected to conclude on time and within the timeline for the Central Tanami Project. The completion of the study will not guarantee the Central Tanami Project to be viable or bankable.</p> <p>The progress of the Central Tanami Project DFS has been regularly reported upon but risks remain which may extend the DFS timetable or require further expenditure than that presently anticipated.</p>	
<b>Exploration, Development, Mining, Processing and Operating Risks</b>	<p>By its nature, the business of mineral exploration, mine development, mine production, and ore processing undertaken by the Company at its Coyote Gold Project and Central Tanami Project, contains significant risks.</p> <p>Ultimate and continuous success of these activities is dependent on many factors such as: successful exploration and definition and/or acquisition of recoverable and economic deposits; successful conclusions to feasibility studies; access to adequate capital for project development; design and construction of efficient mining and processing facilities and competent operation.</p>	8.3(a)
<b>Additional Requirements for Capital</b>	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company will require further financing in addition to amounts raised under the Offer particularly if and when the Central Tanami Project is developed. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional</p>	8.4(c)

	<p>financing as needed, it may be required to reduce the scope of its operations and scale back its exploration and development programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>	
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### 3.3 Directors Interests in Securities

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options	Entitlement	\$
Arthur Dew <sup>2</sup>	Nil	Nil	Nil	Nil
Lee Seng Hui <sup>1</sup>	61,378,788	416,668	76,723,485	15,344,697
Carlisle Procter	Nil	Nil	Nil	Nil
Brett Montgomery	Nil	Nil	Nil	Nil

#### Notes

<sup>1</sup> These Shares are held by Allied Properties Resources Limited (**APRL**). Lee and Lee Trust hold 65.01% of Allied Group Limited (**Allied Group**), which in turn holds 74.97% of Allied Properties (H.K.) Limited, of which APRL is a wholly owned subsidiary. Mr Lee Seng Hui, a Director of the Company, is one of three trustees of the Lee and Lee Trust.

<sup>2</sup> Please note, Arthur Dew, a Director of the Company, is a non-executive Director and Chairman of the Allied Group and Allied Properties (H.K) Limited.

### 3.4 Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Allied Properties Resources Limited <sup>1</sup>	61,378,788	23.50%
Sun Hung Kai Investment Services Limited as nominee for <Future Rise Investments Limited>	30,131,848	11.54%

#### Notes

<sup>1</sup> These Shares are held by Allied Properties Resources Limited (**APRL**). Lee and Lee Trust hold 65.01% of Allied Group, which in turn holds 74.97% of Allied Properties (H.K.) Limited, of which APRL is a wholly owned subsidiary. Mr Lee Seng Hui, a Director of the Company, is one of three trustees of the Lee and Lee Trust.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

### **3.5 Rationale for the Offer**

The Company undertook significant exploration drilling in 2012 and significant expenditure was incurred as a result.

During the same period a DFS was undertaken on the Central Tanami Project. Work has progressed on the DFS and is scheduled completion in April 2013.

Gold production from the Coyote Gold Project has rarely been sufficient to support the operation.

A bridging loan was provided by the Allied Group to enable both the drilling and feasibility work to proceed on the understanding that the Company would undertake a significant equity raising. A number of capital raising alternatives were evaluated and steps were taken to raise funds by mandating stockbrokers and undertaking international road shows in 2011 and 2012, which proved unsuccessful.

Subsequent to these failed capital raising efforts, the Company undertook and assessed alternative debt financing options and advanced discussions on a possible convertible note issue without success.

With the debt at an unacceptable level in January 2013, the Board resolved to proceed with an entitlements issue which will provide the Company with funding certainty within a definite timeframe on the terms as documented within this Prospectus.

### **3.6 Future Intentions of APRL**

APRL has indicated that the intentions disclosed in this section are based on the facts and information regarding the Company and the general business environment which are known to it as at the date of this Prospectus. Any future decisions will, of course, be reached by APRL based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, APRL's intentions could change.

APRL has informed the Company that on the facts and circumstances presently known to it, it is supportive of the Company's current direction. APRL has indicated that it is presently willing to consider any proposals the Company's Board and management may put forward as to how APRL could support and assist the Company to achieve its objectives.

APRL has advised the Company that since it is presently supportive of the Company's current direction, APRL does not currently intend to seek any changes to the direction and objectives of the Company, and that other than as disclosed in this Prospectus, APRL:

- (a) does not currently intend to make any significant changes to the existing businesses of the Company;
- (b) does not currently intend to inject further capital into the Company other than participating in the Offer and sub-underwriting the Offer;
- (c) does not currently intend to become involved in decisions regarding the future employment of the Company's present employees and contemplates that they will continue in the ordinary course of business;

- (d) does not currently intend for any property to be transferred between the Company and APRL or any person associated with APRL;
- (e) does not currently intend to redeploy the fixed assets of the Company; and
- (f) does not currently intend to change the Company's existing financial or dividend policies.

APRL will make decisions on its course of action in light of material facts and circumstances at the relevant times and after it receives appropriate legal and financial advice on such matters, where required, including in relation to any requirement for Shareholder approvals.

The statements reflect current intentions only as at the date hereof which may change as new information becomes available or circumstances change or with the passage of time.

### 3.7 Underwriting by Patersons Securities

The Offer is underwritten by Patersons Securities (**Underwriter**) up to the full amount under the Offer, being \$65,283,169.

The Company has agreed to pay the Underwriter the following fees for its services:

- (a) 6% of the total underwritten amount, less APRL's full entitlement and Sub-Underwriting Commitment (refer Section 3.8); and
- (b) \$125,000 by way of a management fee.

The Company will also reimburse the Underwriter for all reasonable costs and expenses incidental to the Offer.

Refer to Section 9.6 for a summary of the material terms of the Underwriting Agreement.

### 3.8 Sub-Underwriting by APRL and other sub-underwriting arrangements

APRL has entered into a sub-underwriting agreement with the Underwriter (**Sub-Underwriting Agreement**) whereby APRL has agreed to the following:

- (a) subscribe for its full entitlement under the Offer, being 76,723,485 Shares (\$15,344,697); and
- (b) sub-underwrite up to a maximum of 125,000,000 Shares under the Offer, being to the total value of \$25,000,000 (**General Sub-Underwriting Commitment**).

APRL will receive a sub-underwriting fee of 6% of the on the amount APRL is required to subscribe under its General Sub-Underwriting Commitment from the Underwriter.

APRL, together with its associates, currently has a relevant interest in 61,378,788 Shares, equating to a voting power in the Company of 23.50%. Please refer to Section 3.9 of this Prospectus for further details in relation to the current voting power of APRL, and the potential effects of the Sub-Underwriting Agreement on the voting power of APRL.

The ultimate holding company of APRL is the Allied Group Limited (**Allied Group**). Lee and Lee Trust hold 65.01% of the Allied Group, which in turn holds 74.97% of Allied Properties (H.K.) Limited, of which APRL is a wholly owned subsidiary. Mr Lee Seng Hui, a Director of the Company, is one of three trustees of the Lee and Lee Trust.

APRL reserves the right to allocate its General Sub-Underwriting Commitment to third parties. APRL has entered into an agreement with an unrelated third party to allocate up to 15,000,000 Shares (to the value of \$3,000,000) out of its General Sub-Underwriting Commitment.

### **3.9 Effect on control of the Company and potential dilution to Shareholders**

#### **(a) Patersons Securities**

The Underwriter (Patersons Securities) has represented to the Company that neither it nor any of its associates or subscribers (other than APRL) will hold that number of Shortfall Shares which will result in any person acquiring a relevant interest in voting shares of the Company of 20% or more.

The Underwriter is neither a shareholder nor related party of the Company. The Underwriter intends to fully allocate all Shortfall Shares underwritten under the Offer and as a result will not hold any Shares in the Company upon successful completion of the Offer.

#### **(b) APRL**

APRL together with its associates, currently has a relevant interest in 61,378,788 Shares, representing 23.50% of the voting power in the Company. Pursuant to the terms of the Sub-Underwriting Agreement, APRL has agreed to sub-underwrite up to \$25,000,000 under the Offer (being up to 125,000,000 Shares) and subscribe for its full entitlement under the Offer (76,723,485 Shares).

The potential effect that the issue of Shares under the Offer will have on the control of the Company is as follows:

- (i) if all Shareholders take up all of the Entitlement under the Offer, the percentage interest in the Shares of the Company held by APRL (and any other Shareholders) would not change and there would not be any effect on the control of the Company; and
- (ii) if some or all of the Shareholders do not take up their Entitlement under the Offer, and there is a Shortfall, then the Issue may have an effect on the control of the Company as detailed timetable below.

To comply with the requirement to fully disclose APRL's potential voting power in the Company, the table below sets out various scenarios to indicate the effect on the Company's shareholding depending on the Shortfall (if any).

The potential increase in the voting power of APRL is set out in the table below and assumes APRL will take up its full Entitlement as a Shareholder under the Offer and takes up all of its General Sub-Underwriting Commitment under the Offer, less the third party commitment (of up to

15,000,000 Shares), being a total of 110,000,000 Shares. The calculation in the table also assume that no Options are exercised prior to the Record Date.

Event/Date	Number of Shares held by APRL and its associates	Voting Power of Underwriter
Date of Prospectus	61,378,788	23.50%
After APRL takes up its Entitlement	138,102,273	23.50%
After issue of Shares assuming maximum Shortfall (being 100%)	248,102,273	42.23%
After issue of Shares assuming 75% Shortfall (less APRL's Entitlement)	220,602,273	37.55%
After issue of Shares assuming 50% Shortfall (less APRL's Entitlement)	193,102,273	32.87%
After issue of Shares assuming 25% Shortfall (less APRL's Entitlement)	165,602,273	28.19%
After issue of Shares assuming 0% Shortfall (less APRL's Entitlement)	138,102,273	23.50%

Details of APRL's intentions as a result of its proposed post-Offer shareholding are set out in Section 3.6.

(c) **General**

In addition, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 44.44% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	3.83%	12,500,000	10,000,000	1.70%
Shareholder 2	5,000,000	1.91%	6,250,000	5,000,000	0.85%
Shareholder 3	1,500,000	0.57%	1,875,000	1,500,000	0.26%
Shareholder 4	400,000	0.15%	500,000	400,000	0.07%
Shareholder 5	50,000	0.02%	62,500	50,000	0.01%
Total	261,307,677	100%	326,415,847	587,548,523	100.00%

Notes:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

### 3.10 Increase in Loan Facility with AP Finance

As announced to the ASX on 31 January 2013, the Company's existing unsecured loan facility with AP Finance Limited (**AP Finance**) was recently

increased at the request of the Company by a further HK\$50,000,000 (approximately A\$6,100,000) (**Loan Facility**). This additional amount has been fully drawn down by the Company. As at 7 February 2013, the total amount owing to AP Finance equates to HK\$410,700,000 (approximately A\$51.35 million based on a conversion rate of A\$1 = HK\$7.99756) (**Indebtedness**).

The Indebtedness is due and payable to AP Finance on 30 June 2014 (unless extended by mutual agreement).

The ultimate holding company of AP Finance is the Allied Group. The Lee and Lee Trust hold 65.01% of the Allied Group of which Mr Lee Seng Hui, a Director of the Company, is one of three trustees.

### 3.11 Settlement and Offset Deed

By a deed dated 1 February 2013 (**Settlement and Offset Deed**), the Company, APRL and AP Finance have agreed that the total Indebtedness outstanding between the Company and AP Finance to date shall be applied in full towards the total funds payable by APRL for subscription of its full entitlement under the Offer (being to the value of \$15,344,697) together with its commitment to sub-underwrite up to 125,000,000 Shares pursuant to the Sub-Underwriting Agreement (being to the value of up to \$25,000,000), that is up to a total of \$40,344,697 (**Total Subscription Amount**).

Any remaining balance outstanding after the Indebtedness has been applied towards the Total Subscription Amount shall be repaid by the Company to AP Finance in cash on successful completion of the Offer (or on a date otherwise agreed by the parties) (**Final Repayment Date**). The balance shall include any adjustment for outstanding interest accrued or facility fees due and owing as at the Final Repayment Date.

### 3.12 Recent Appointments

As announced on 26 November 2012, Mr Peter Cordin was appointed by the Board as Acting Chief Executive Officer whilst the Company continues its search for a permanent candidate for the position.

As announced on 6 February 2013, Mr Brett Montgomery was appointed by the Board as a Non-Executive Director.

### 3.13 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$3,234,390 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,171
ASX fees	46,722
Underwriting fees*	3,121,497
Legal fees	50,000
Printing and distribution	4,000
Miscellaneous	10,000
<b>Total</b>	<b><u>3,234,390</u></b>

\* Assumes maximum Shortfall

### 3.14 Appointment of Nominee for Foreign Holders

Patersons Securities has been appointed as the Company's nominee for foreign shareholders in accordance with section 615 of the Corporations Act and for the purposes of ASX Listing Rule 7.7 for those foreign shareholders who have been deemed ineligible to participate under the Offer (**Nominee**). Please refer to Section 5.16 for further details in relation to restrictions placed on the Company in making offers to overseas shareholders.

Pursuant to the arrangement with the Nominee, the Company will transfer to the Nominee the rights that would otherwise be issued to the foreign holders who either accept the offer or are otherwise entitled to acquire such rights under the Offer and the Nominee will then sell those rights and distribute to each of those foreign holders their proportion of the proceeds of the sale net of expenses.

The Company will pay the Nominee a brokerage fee of 1% (subject to a minimum charge of \$80) on the execution of the sale of any rights.

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#### 4. CHAIRMAN'S LETTER

Dear Shareholder

I advised shareholders at the Company's Annual General Meeting held on 20 November 2012 that the Company's financial position required it to raise equity capital in the near term. The Board has actively explored a number of potential methods of capital raising and sources of capital over the past year and a half. However, these initiatives have not been successful.

The Board has therefore decided that in all the circumstances a renounceable rights issue was the remaining method available to it to raise the necessary capital. In this regard, the Company has been fortunate in obtaining the support of Patersons Securities and its largest shareholder.

Accordingly, as announced on 4 February 2013, the Directors have decided to offer all Shareholders the opportunity to participate in a fully underwritten five (5) for four (4) renounceable entitlements issue (**Offer**) of Shares in Tanami.

All Shareholders registered as at 5.00pm WST on 19 February 2013 will be entitled to participate in an offer of Shares on the basis of five (5) Shares for every four (4) Shares then held at an issue price of 20 cents per Share in order to raise \$65,283,169. The Offer is fully underwritten by Patersons Securities. The Company's major shareholder, APRL has committed to take up their entitlement (\$15,344,697) and has agreed to sub-underwrite up to \$25,000,000 worth of Shares under the Offer.

The Closing Date for acceptances is 5.00pm WST on 12 March 2013.

Shareholders who do not wish to take up all or part of their entitlement are permitted to trade their rights on the ASX between 13 February 2013 and 4 March 2013.

Application for official quotation of the Shares by ASX will be made within seven days after the date of this Prospectus. The Board recommends all Shareholders take up their entitlements.

The Board also invites all shareholders to apply for Shortfall Shares.

The proceeds from the Offer will be used as follows:

- (a) retire the Company's existing debt with AP Finance Limited;
- (b) fund the completion of the Definitive Feasibility Study for the development of the Central Tanami Project;
- (c) fund the costs of the Offer; and
- (d) provide additional working capital.

Investors should be aware that subscribing for Shares involves a number of specific risks including risks associated with mining, operations, development of new operations, exploration activities, and potential requirements for additional funding. Details of these specific risks are set out in Section 8 of this Prospectus.

The Directors take this opportunity to thank all Shareholders for their continued support as we continue to develop the Company.

Yours sincerely

**Arthur Dew**  
**Non-Executive Chairman**  
**TANAMI GOLD NL**

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## 5. DETAILS OF THE OFFER

### 5.1 The Offer

The Offer is being made as a renounceable entitlement issue of five (5) Shares for every four (4) Shares held by Shareholders registered at the Record Date at an issue price of \$0.20 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted, a maximum of 326,415,847 Shares will be issued pursuant to this Offer to raise \$65,283,169.

As at the date of this Prospectus the Company has 5,400,000 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 6.4 of this Prospectus for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 7 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in section 6.1 of this Prospectus.

### 5.2 What Eligible Shareholders may do

The number of Shares to which Eligible Shareholders are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up all of their Entitlement (refer to section 5.3);
- (b) take up all of their Entitlement and apply for additional Shares under the Shortfall Offer (refer to Sections 5.3 and 5.13);
- (c) sell all of their Entitlement on ASX (refer to section 5.4);
- (d) take up a proportion of their Entitlement and sell the balance on ASX (refer to section 5.5);
- (e) take up a proportion of their Entitlement and allow the balance to lapse (refer to section 5.6);
- (f) sell all or a proportion of their Entitlement other than on ASX (refer to section 5.7); or
- (g) allow all or part of their Entitlement lapse (refer to section 5.8).

### 5.3 Taking up all of your Entitlement

Should you wish to accept all of your Entitlement, then applications for Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment, in accordance with the instructions referred to on your personalised Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the Application Monies indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "**Tanami Gold NL — Capital Raising Account**" and lodged and received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's Share Registry (by post) at:

**Tanami Gold NL**  
**c/- Security Transfer Registrars Pty Limited**  
**PO Box 535**  
**Applecross WA 6953**  
**Australia**

If you wish to pay via BPAY® you must follow the instructions in your personalised Entitlement and Acceptance Form. Make sure that you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. You do not need to return a completed Entitlement and Acceptance Form but are taken to have made the declarations in the Entitlement and Acceptance Form and the representations outlined below in section 5.9. If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your Shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any application in respect of your remaining Shareholdings will not be valid).

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by 3.00pm (WST) on the Closing Date.

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

#### **5.4 Selling all your Entitlement on ASX**

The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Shares under the Offer may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on 13 February 2013 and will cease on 4 March 2013.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

#### **5.5 Taking up a proportion of your Entitlement and selling the balance on ASX**

If you wish to take up only part of your Entitlement, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you

wish to take up and follow the steps in section 5.3, or make a payment by BPAY in accordance with Section 5.12.

Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.

#### **5.6 Taking up a proportion of your Entitlement and allowing the balance to lapse**

If you wish to take up only part of your Entitlement and allow the balance to lapse, complete the accompanying personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and follow the steps in section 5.3. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

#### **5.7 Selling all or a proportion of your Entitlement other than on ASX**

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "**Tanami Gold NL - Capital Raising Account**" and crossed "Not Negotiable" to the Share Registry (by post at any time after the issue of this Prospectus and on or before the Closing Date) at the following address:

**Tanami Gold NL**  
**c/- Security Transfer Registrars Pty Limited**  
**PO Box 535**  
**Applecross WA 6953**  
**Australia**

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be received by Share Registry in accordance with section 5.3.

#### **5.8 Allow all or part of your Entitlement to lapse**

Shareholders should be aware that their Entitlement may have value. Your Entitlement is renounceable, which enables Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX.

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.

## 5.9 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

## 5.10 Minimum subscription

The minimum subscription under the Offer is \$65,283,169, being the full subscription. No shares will be allotted or issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

## 5.11 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “**Tanami Gold NL – Capital Raising Account**” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company’s share registry no later than 3.00pm WST on the Closing Date (by post) at:

Tanami Gold NL  
c/- Security Transfer Registrars Pty Limited  
PO Box 535  
Applecross WA 6953  
Australia

## 5.12 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

**It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 3.00pm (WST) on the Closing Date. You should be**

**aware that your financial institution may implement cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.** Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be applied toward an application for Shortfall Shares and where such Shortfall Shares are not allotted, shall be refunded. No interest will be paid on any application monies received or refunded.

### **5.13 Shortfall Offer**

The offer of the Shortfall is a separate offer pursuant to this Prospectus. Shares not taken up by Eligible Shareholders will form part of the Shortfall Offer. The issue price of any Shares offered pursuant to the Shortfall Offer will be \$0.20 each, which is the issue price at which the Offer has been made to Eligible Shareholders.

#### **Eligible Shareholders**

Eligible Shareholders may, in addition to their Entitlement, apply under the Shortfall Offer, regardless of the size of their present holding.

Eligible Shareholders who wish to apply for Shortfall Shares above their Entitlement can complete the appropriate boxes on the Entitlement and Acceptance Form accompanying this Prospectus and return it together with a cheque for the value of those Shortfall Shares (at \$0.20 per Shortfall Share) to the Share Registry or make a BPAY® in excess of the total value of your Entitlement.

#### **Other Investors**

Other investors identified by the Underwriter can apply for Shortfall Shares by completing the Shortfall Application Form attached to this Prospectus and returning it together with a cheque for the value of those Shortfall Shares (at \$0.20 per Shortfall Share) to the Share Registry.

Allocation of the Shortfall Shares is at the discretion of the Underwriter and is subject to the terms of the Underwriting Agreement and Sub-Underwriting agreements. There is no guarantee that Eligible Shareholders will receive the Shortfall Shares applied for.

Shortfall Shares will only be issued if the Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions. The Directors and the Underwriter reserve the right to reject any application for Shortfall Shares or to allot a lesser number of Shortfall Shares than applied for or not proceed with the issuing of the Shortfall Shares or part thereof. If the number of Shares issued is less than the number applied for in an Entitlement and Acceptance Form or Shortfall Application Form, surplus Application Monies will be refunded in full as soon as practicable after the closing date of the Shortfall Offer. Interest will not be paid on Application Monies refunded.

The Directors reserve the right to place the Shortfall at their discretion within 3 months after the close of the Offer subject to the Listing Rules and any restrictions under any applicable law. The Company reserves the right to allot to an Applicant a lesser number of Shortfall Shares than the number for which the Applicant applies, or to reject an Application, or to not proceed with the Shortfall Offer or issue of any Shortfall Shares.

## **5.14 ASX listing**

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

## **5.15 Allotment**

Shares issued pursuant to the Offer will be allotted in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be allotted on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no allotment is made surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

## **5.16 Overseas shareholders**

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2002.

However, pursuant to ASX Listing Rule 7.7, the Company has appointed a nominee, Patersons Securities, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole

discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

Neither the Company nor the nominee will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price. If, in the reasonable opinion of the nominee, there is no viable market for the Entitlements of the Ineligible Shareholders, or a surplus over the expenses of the sale cannot be obtained for the Entitlements that would have been offered to the Ineligible Shareholders, then those Entitlements will be allowed to lapse. The Shares not taken up will form part of the Shares to be taken up by the Underwriter pursuant to the Underwriting Agreement.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

## **5.17 Enquiries**

Any questions concerning the Offer should be directed to Mr Jon Latto, Company Secretary, on + 61 8 9212 5999.

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## 6. PURPOSE AND EFFECT OF THE OFFER

### 6.1 Purpose of the Offer

The purpose of the Offer is to raise \$65,283,169.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Repayment of outstanding debt to AP Finance Limited	51,353,162	78.7%
2.	Repayment of accrued interest and charges to AP Finance Limited to 31 March 2013	1,413,720	2.2%
3.	Completion of DFS at Central Tanami Project	2,154,048	3.3
4.	Expenses of the Offer <sup>1</sup>	3,244,390	5.0%
5.	Working capital	7,117,848	10.8%
	<b>Total</b>	<b>\$65,283,169</b>	<b>100%</b>

#### Notes:

1. Refer to section 3.13 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

### 6.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$62,048,779 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 261,132,677 as at the date of this Prospectus to 587,548,523 Shares.

### 6.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 December 2012 and the unaudited pro-forma balance sheet as at 31 December 2012 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are

accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 31 December 2012	PROFORMA
<b>CURRENT ASSETS</b>		
Cash and cash equivalents <sup>1, 2, 3, 7</sup>	580,676	8,241,849
Other receivables	2,519,112	2,519,699
Available for sale financial assets <sup>4</sup>	3,420,000	3,144,342
Inventories	7,452,259	7,409,872
<b>TOTAL CURRENT ASSETS</b>	<b>13,972,047</b>	<b>21,315,762</b>
<b>NON-CURRENT ASSETS</b>		
Other receivables <sup>5</sup>	5,410,183	5,410,183
Property, plant & equipment	30,713,741	33,008,294
Exploration and evaluation	87,178,073	87,116,424
<b>TOTAL NON-CURRENT ASSETS</b>	<b>123,301,997</b>	<b>125,534,901</b>
<b>TOTAL ASSETS</b>	<b>137,274,044</b>	<b>146,850,663</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables <sup>6</sup>	13,989,882	5,904,679
Provisions	1,671,428	1,700,201
<b>TOTAL CURRENT LIABILITIES</b>	<b>15,661,310</b>	<b>7,604,880</b>
<b>NON CURRENT LIABILITIES</b>		
Interest-bearing liabilities <sup>7</sup>	44,192,999	2,733
Provisions	5,365,204	5,486,960
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>49,558,203</b>	<b>5,489,693</b>
<b>X TOTAL LIABILITIES</b>	<b>65,219,513</b>	<b>13,094,573</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>72,054,531</b>	<b>133,756,090</b>
<b>EQUITY</b>		
Share capital	244,189,680	306,228,459
Options Reserve	1,872,089	2,176,169
Retained loss	(174,007,238)	(174,648,538)
<b>TOTAL EQUITY</b>	<b>72,054,531</b>	<b>133,756,090</b>

**Notes:**

1. Cash and cash equivalents includes proceeds (less costs) from the entitlements issue adjusted for the use of proceeds in section 6.1.
2. Cash and cash equivalents includes cash, gold on hand and gold in transit.

3. The pro forma balance sheet shows a cash and cash equivalents balance of \$8,241,849. It is intended that \$51.35 million will be used to retire the Company's loan facility with AP Finance Limited. In addition a further \$1.41 million will be used to pay accrued interest and charges owing to AP Finance Limited at 31 March 2013.
4. Available for sale financial assets represents the value of the Company's 90 million shares in ABM Resources NL at 4.1 cents as at 31 December 2012. On 7 February 2013, the Company sold 12 million shares in ABM Resources NL at 4.57 cents less brokerage.
5. Non current trade and other receivables represents \$5,410,183 in cash backed bank guarantees.
6. Trade and other payables includes creditors and sundry accruals.
7. Cash and cash equivalents have been adjusted to reflect remaining costs associated with the Definitive Feasibility Study for the development of the Central Tanami Project.

#### 6.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

##### Shares

	Number
Shares currently on issue	261,132,677
Shares offered pursuant to the Offer	326,415,847
<b>Total Shares on issue after completion of the Offer</b>	<b>587,548,523</b>

##### Options

	Number
Options currently on issue (all unlisted):	5,400,000
300,000 exercisable at \$1.34 on or before 22/12/2016	
2,300,000 exercisable at \$0.90 on or before 28/3/2017	
2,300,000 exercisable at \$1.00 on or before 28/3/2017	
500,000 exercisable at \$1.10 on or before 28/3/2017	
Options offered pursuant to the Offer	Nil
<b>Total Options on issue after completion of the Offer</b>	<b>5,400,000</b>

The capital structure on a fully diluted basis as at the date of this Prospectus would be 266,532,677 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 592,948,523 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

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## **7. RIGHTS AND LIABILITIES ATTACHING TO SHARES**

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

### **7.1 General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

### **7.2 Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

### **7.3 Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

#### **7.4 Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

#### **7.5 Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

#### **7.6 Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

#### **7.7 Future increase in capital**

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

#### **7.8 Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

## **7.9 Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

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## **8. RISK FACTORS**

### **8.1 Introduction**

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend Shareholders to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### **8.2 Company specific**

#### **(a) Potential for significant dilution**

Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date the number of Shares in the Company will increase from 261,132,677 currently on issue to 587,548,524. This means that each Share will represent a significantly lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the prospectus being lodged of \$0.375 is not a reliable indicator as to the potential trading price of Shares after completion of the Offer.

#### **(b) Change in Control**

Shareholders should be aware that the Offer, and in particular the sub-underwriting arrangements relating to the Offer may result in APRL increasing its relevant interest in the voting shares of the Company. Please refer to Section 3.9 for further details in relation to the potential change in control effects on the Company.

#### **(c) Coyote Gold Project**

The Company has operated the Coyote Gold Mine in Western Australia since 2006. Current underground mining operations are conducted as owner/operator with the ore processed through a conventional carbon in leach treatment plant.

The mine is a high cost producer with limited mine life. Current mine development is on the Muttley Lodes and continuation of the operation is dependent on the successful mining of those lodes. A detailed review of the Coyote Gold Mine will be undertaken in April 2013.

The continued success of diamond drilling at the Kavanagh Target Area is critical to extending the operations of the Coyote Gold Project. There is no guarantee that the drilling at Kavanagh will be successful.

(d) **Central Tanami Project**

Further to the completion of a pre-feasibility study on the Central Tanami Project in late 2011, the Company committed to undertaking an extensive drilling campaign, especially at the Groundrush Deposit, to upgrade both the quantum and quality of the resources available for inclusion in the DFS.

The Central Tanami Project DFS is currently in the final stages of the design phase and is scheduled for completion in April 2013. Progress to date has proven positive with the project potentially being expanded to include some previously identified targets.

The diamond drilling program conducted over the past twelve months was successful in upgrading the resource (refer ASX announcement 7 January 2013) which has resulted in the mine design team identifying alternate methods to efficiently extract the ore. This will delay the project time line in respect to the mine design and scheduling.

The infrastructure and processing design development is expected to conclude on time and within the timeline for the Central Tanami Project. The completion of the study will not guarantee the Central Tanami Project to be viable or bankable.

The progress of the Central Tanami Project DFS has been regularly reported upon but risks remain which may extend the DFS timetable or require further expenditure than that presently anticipated.

### 8.3 Industry specific

(a) **Exploration, Development, Mining, Processing and Operating Risks**

By its nature, the business of mineral exploration, mine development, mine production, and ore processing undertaken by the Company at its Coyote Gold Project and Central Tanami Gold Project, contains risks. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) successful exploration and definition and/or acquisition of recoverable and economic deposits;
- (ii) successful conclusions to feasibility studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining and processing facilities;
- (v) securing and maintaining title to tenements;
- (vi) obtaining consents and approvals necessary for the conduct of exploration and mining; and
- (vii) competent operation.

The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failure, labour disputes, unusual or unexpected geological conditions, damage, flooding, and extended interruptions due to inclement hazardous weather conditions, fire, explosions and earthquakes.

Significant reductions in the market prices for the Company's saleable commodities may also have a material adverse impact on the Company's position.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance with ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to maintain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

Most of these issues are only partially subject to the Company's control.

(b) **Operating Risks**

The current operations at the Coyote Gold Project and the development of the Central Tanami Project, including exploration, appraisal and production activities, may be affected by a range of factors, including:

- (i) adverse geological conditions;
- (ii) limitations on activities due to seasonal weather patterns and cyclone activity;
- (iii) unanticipated operations and technical difficulties encountered in drilling and production activities;
- (iv) mechanical failure of operating plant and equipment;
- (v) industrial and environmental accidents, industrial disputes and other force majeure events;
- (vi) unavailability of aircraft or drilling equipment to undertake airborne electromagnetic and other geological and geophysical investigations;
- (vii) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment;
- (viii) inability to obtain consents or approvals;
- (ix) fire, water inrush and ground stability at or within the underground mine; and
- (x) suspension of operations due to non-compliance with the requirements of regulatory authorities.

(c) **Commodity Prices and Decrease in Price of Gold Risks**

The Company principally derives its revenue from the sale of gold. Consequently, the earnings of the Company are closely related to the price of gold. Commodity prices fluctuate and are influenced by numerous factors outside the control of the Company including industrial and retail supply and demand, exchange rates, inflation rate fluctuation, changes in global economies, confidence in the gold monetary system, forward sales of precious metals by producers and speculators as well as other global and regional political, social or economic events. The supply and demand of precious metals consists of a combination of established and new mine production and existing stocks held by governments, by central banks and by other financial institutions including gold held by metal-backed Exchange Traded Funds (ETFs), the market behaviour of producers and of speculators and the availability of scrap supply and the purchasing patterns of consumers.

Future production from the Company's mining operations is dependent upon the price of gold being adequate to make it economical. Price declines in the market price of gold could cause commercial production from the Company's operations to be rendered uneconomical.

(d) **Resource Estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(e) **Environmental Risks**

The operations and activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(f) **Native Title and Title Risks**

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The Directors closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(g) **Joint Venture Parties, Agents and Contractors**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(h) **Occupational Health and Safety Risk**

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Mining activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems.

(i) **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

## 8.4 General risks

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;

- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Additional requirements for capital**

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer, particularly with respect to its Central Tanami Operations. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(f) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

## 8.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## 9. ADDITIONAL INFORMATION

### 9.1 Litigation

Other than is set out below, as at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

On or about 17 January 2013, a claim was brought against the Company in the District Court of Western Australia in the amount of \$424,144.31 plus interest and costs in relation to the hire and use by the Company of certain mining equipment for the Central Tanami Project. The Company is considering its options at present and intends to vigorously defend such claim.

### 9.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
- (i) the annual financial report most recently lodged by the Company with the ASIC;
  - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
  - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

<b>Date</b>	<b>Description of Announcement</b>
06/02/2013	Appointment of Non-Executive Director
04/02/2013	Capital Raising
04/02/2013	Reinstatement
31/01/2013	Increase in Loan Facility
31/01/2013	Appendix 5B
31/01/2013	Quarterly Report for period ending 31 Dec 2012
30/01/2013	Suspension from Official Quotation
25/01/2013	Trading Halt
17/01/2013	Bonanza Grade Intersections - Coyote Gold Mine
07/01/2013	Significant growth in Groundrush Resource
03/12/2012	Continued exploration success at Coyote
26/11/2012	Change in substantial holding
26/11/2012	Appointment of Acting CEO
23/11/2012	Expiry of Unlisted Options
21/11/2012	Appendix 3Z - Alan Senior
21/11/2012	Appendix 3Z - Denis Waddell
20/11/2012	Outcome of Tanami Gold Annual General Meeting
20/11/2012	Presentation - Annual General Meeting
20/11/2012	Change in substantial holding
19/11/2012	Exploration success at Coyote Gold Mine

Date	Description of Announcement
16/11/2012	Corporate Developments
14/11/2012	Groundrush continues to deliver high grade results
31/10/2012	Appendix 5B
31/10/2012	30 September 2012 Quarterly Report
23/10/2012	Tanami Gold NL 2012 Annual Report
23/10/2012	Notice of Annual General Meeting, Proxy
23/10/2012	Drilling continues to impress at Ripcord Deposit
28/09/2012	2012 Annual Financial Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at [www.tanami.com.au](http://www.tanami.com.au).

### 9.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.76	20 November 2012
Lowest	\$0.255	4 February 2013
Last	\$0.375	7 February 2013

### 9.4 Arrangement with Nominee for Foreign Holders

Please refer to the summary provided in Section 3.14.

### 9.5 Corporate Opportunities

The Company will assess corporate and/or joint venture opportunities if or when they arise.

### 9.6 Underwriting Agreement

By an agreement between Patersons Securities (Underwriter) and the Company dated 1 February 2013 (**Underwriting Agreement**), the Underwriter has agreed to fully underwrite and manage the Offer, being \$65,283,169.

The Company has agreed to pay the Underwriter the following fees for its services:

- (a) 6% of the total underwritten amount, less APRL's full entitlement and Sub-Underwriting Commitment (as defined in Section 3.8); and
- (b) \$125,000 by way of a management fee.

The Company will also reimburse the Underwriter for all reasonable costs and expenses incidental to the Offer.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **(Indices fall)**: any of the S&P/ASX 200 Index or the S&P/ASX 300 Metals and Mining Index as published by ASX is at any time after the date of the Underwriting Agreement 12.5% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (b) **(Gold Price fall)**: Spot Gold price as quoted on COMEX Gold is at any time after the date of the Underwriting Agreement 12.5% or more below its price as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (c) **(Breach of Material Contracts)**: any of the material contracts or contracts described in the Prospectus (other than the Underwriting Agreement) is breached, not complied with according to its terms, terminated or substantially modified;
- (d) **(Loan Agreement)**: the Loan Facility is breached by any party or it is revoked, rescinded, avoided, amended, varied, superseded or replaced in any way or if the lender(s) seeks to enforce any security granted;
- (e) **(Prospectus)**: the Company does not lodge the Prospectus on the Lodgement Date or the Prospectus or the Offer is withdrawn by the Company;
- (f) **(No Official Quotation)**: Official Quotation has not been granted by the date the Company is required to give the Underwriter notice of the Shortfall or, having been granted, is subsequently withdrawn, withheld or qualified;
- (g) **(Supplementary prospectus)**:
  - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in paragraph (r)(iv) below, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require;
  - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter;
- (h) **(Non compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:

- (i) the effect of the Offer on the Company; and
  - (ii) the rights and liabilities attaching to the Shares;
- (i) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
  - (j) **(Restriction on allotment)**: the Company is prevented from allotting the Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority;
  - (k) **(Withdrawal of consent to Prospectus)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
  - (l) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the date by which the Company is required to notify the Underwriter of the Shortfall has arrived, and that application has not been dismissed or withdrawn;
  - (m) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 of the Corporations Act;
  - (n) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
  - (o) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
  - (p) **(Authorisation)**: any Authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
  - (q) **(Indictable offence)**: a director or senior manager of the Company or any of its subsidiaries is charged with an indictable offence; or

- (r) **(Termination Events)**: any one or a combination of the following events occurs which results is a materially adverse in the reasonable opinion of the Underwriter:
- (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
  - (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
  - (iii) **(Contravention of constitution or Act)**: a contravention by the Company or any of its subsidiaries of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
  - (iv) **(Adverse change)**: an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of the Company or any of its subsidiaries including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
  - (v) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them;
  - (vi) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
  - (vii) **(Public Statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the issue of Shares or the Prospectus except as required by law or the ASX Listing Rules;
  - (viii) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of the Company or a subsidiary of the Company is or becomes misleading or deceptive or likely to mislead or deceive;
  - (ix) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than being conditional upon the issue of Shares under the Prospectus;
  - (x) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a

proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;

- (xi) **(Prescribed Occurrence)**: a prescribed occurrence under the Underwriting Agreement occurs, other than as disclosed in the Prospectus;
- (xii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xiii) **(Event of Insolvency)**: an event of insolvency occurs in respect of the Company or any of its subsidiaries;
- (xiv) **(Judgment against the Company or a Subsidiary)**: a judgment in an amount exceeding \$100,000 is obtained against the Company or any of its subsidiaries and is not set aside or satisfied within 7 days;
- (xv) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against the Company or any of its subsidiaries, other than any claims foreshadowed in the Prospectus;
- (xvi) **(Board and Senior Management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before completion of the Offer without the prior written consent of the Underwriter which consent is not be unreasonably withheld;
- (xvii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of the Company or any of its subsidiaries or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xviii) **(Timetable)**: there is a delay in any specified date in the Offer timetable which is greater than 3 Business Days;
- (xix) **(Force Majeure)**: a force majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xx) **(Certain resolutions passed)**: the Company or any of its subsidiaries passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxi) **(Capital Structure)**: the Company or any of its subsidiaries alters its capital structure in any manner not contemplated by the Prospectus;
- (xxii) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or any of its subsidiaries; or

- (xxiii) **(Market Conditions):** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

#### **9.7 APRL Sub-Underwriting Agreement**

Please refer to the summary provided in Section 3.8.

#### **9.8 Increased Loan Facility with AP Finance**

Please refer to the summary provided in Section 3.10.

#### **9.9 Settlement and Offset Deed**

Please refer to the summary provided in Section 3.11.

#### **9.10 Interests of Directors**

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offer.

#### **Remuneration**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive

Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2013	2012	2011
Arthur Dew	\$81,750	47,378	Nil
Lee Seng Hui	\$59,950	34,971	10,000
Carlisle Procter	\$59,950	34,971	Nil
Brett Montgomery <sup>1</sup>	Nil	Nil	Nil

**Notes:**

1. Brett Montgomery was appointed as a Director of the Company on 6 February 2013.

**9.11 Interests of experts and advisers**

Patersons Securities will be paid those fees by the Company as described in Section 9.6. During the 24 months preceding lodgement of this Prospectus with the ASIC, Patersons Securities has not been paid fees by the Company.

APRL will not receive any fees from the Company in sub-underwriting the Offer. Fees received under the Sub-Underwriting Agreement will be received directly from Patersons Securities as the Underwriter. Please refer to Section 3.8 for further details.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$50,000 (excluding GST and disbursements) for these services.

Patersons Securities has been appointed as the Company's nominee under ASX Listing Rule 7.7. Patersons Securities will be paid those fees as set out in Section 3.14.

**9.12 Consents**

Patersons Securities has given its written consent to being named as Underwriter to the Offer and Nominee to the Company in this Prospectus, in the form and context in which it is named. Patersons Securities has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC;

APRL has given its written consent to being named as sub-underwriter to the Offer in this Prospectus, in the form and context in which it is named. APRL has not withdrawn its consent prior to the lodgement of this Prospectus with the

ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

### **9.13 Electronic prospectus**

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 9212 5999 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at [www.tanami.com.au](http://www.tanami.com.au).

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### **9.14 Financial forecasts**

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

### **9.15 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship**

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

### **9.16 Privacy Act**

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

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**10. DIRECTORS' AUTHORISATION**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

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**Mr Arthur Dew**  
**Non-Executive Chairman**  
**For and on behalf of**  
**TANAMI GOLD NL**

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## 11. GLOSSARY

**\$** means the lawful currency of the Commonwealth of Australia.

**Applicant** means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

**Application** means an application to subscribe for Shares under this Prospectus.

**Application Form** means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

**Application Monies** means money submitted by Applicants in respect of Applications.

**APRL** means Allied Properties Resources Limited.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**ASX Settlement Operating Rules** means the settlement rules of the securities clearing house which operates CHESS.

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Closing Date** means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

**Company** means Tanami Gold NL (ACN 000 617 176).

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

**Entitlement** means the entitlement of a Shareholder who is eligible to participate in the Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form either attached to or accompanying this Prospectus.

**Ineligible Shareholder** means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

**Lodgement Date** means the date this Prospectus is lodged with ASIC.

**Offer** means the renounceable entitlement issue the subject of this Prospectus.

**Official Quotation** means official quotation on ASX.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Patersons Securities** means Patersons Securities Limited (AFSL 239 052).

**Prospectus** means this prospectus.

**Record Date** means the date specified in the timetable set out at the commencement of this Prospectus.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Share Registry** means Security Transfer Registrars Pty Limited.

**Shortfall** means the Shares not applied for under the Offer (if any).

**Shortfall Offer** means the offer of the Shortfall on the terms and conditions set out in section 5.13 of this Prospectus.

**Shortfall Shares** means those Shares issued pursuant to the Shortfall.

**Underwriter** means Patersons Securities Limited.

**WST** means Western Standard Time as observed in Perth, Western Australia.