TANAMI GOLD NL

16 February 2011

TANAMI GOLD NL RESOURCES HIT +2Moz FOLLOWING 40% JUMP IN CENTRAL TANAMI RESOURCE

RAPID RESOURCE GROWTH PAVES THE WAY FOR RESUMPTION OF MINING OPERATIONS AT CENTRAL TANAMI

Key Points:

- **Measured, Indicated and Inferred Mineral Resource increases to 21.3Mt @ 3.0g/t Au for 2.03Moz of contained gold.**
- **40% increase in Mineral Resource at Central Tanami Project to a total Measured, Indicated and Inferred Resource of 18.2Mt @ 2.5g/t for 1.5Moz of contained gold – 75% of which (1.1Moz) is classified as Measured or Indicated.**
- **Four-fold increase in the Company's gold Resource inventory since June 2009 from 0.5Moz to 2.03Moz at an average cost of A$23 per Resource ounce.**
- **Rapid resource growth reflects a combination of continued exploration success and the re-estimation of Resources at the Central Tanami Project.**
- **Significant potential for further Resource growth from ongoing drilling programs and inclusion of the Groundrush deposit.**
- **New Resource milestone provides a strong foundation for the proposed re-start of mining operations at the Central Tanami Project.**

Australian gold producer Tanami Gold NL (ASX: **TAM**) is pleased to report a further substantial increase in its gold Resources, with total Measured, Indicated and Inferred Mineral Resources increasing to **21.3 million tonnes grading 3.0g/t for 2.03 million ounces of gold** (*see Table 1*).

The latest Resource increase follows a **40% increase** in the Mineral Resource at the Company's 100%-owned **Central Tanami Project** ("CTP") in the Northern Territory, providing additional impetus to the Company's plans to restart production at the CTP.

The CTP is expected to form a second substantial production hub alongside the Company's existing 50,000oz per annum Western Tanami Operations, which are currently undergoing a significant expansion.

The updated CTP Resource estimate was completed for mineralisation contained within four of the six CTP Mineral Leases and has resulted in a total Measured, Indicated and Inferred Resource of **18.2 million tonnes grading 2.5g/t for 1.5 million ounces of gold** (*see Table 2*). Within the total CTP Resource, **1.01 million ounces or 75% is classified as Measured or Indicated**. The distribution of Resources by tenement is shown in Figure 2.

The new CTP Resource is a 40% increase over the previous Resource estimate completed in April 2010 which totalled **11.7 million tonnes grading 2.8g/t for 1.1 million ounces of gold** (*see Table 4*).

The Resource increase follows seven months of intensive Reverse Circulation and Diamond Drilling at nine prospects within the CTP tenements and a re-estimation of gold Resources at Central Tanami.

As a result of the latest upgrade, the Company's gold Resource has **increased by over 300% since June 2009 from 0.5Moz to 2.03Moz** (*see Figure 1*), **at a cost of less than $23 per Resource ounce** reflecting a combination of exploration and drilling success and the acquisition of the CTP project.

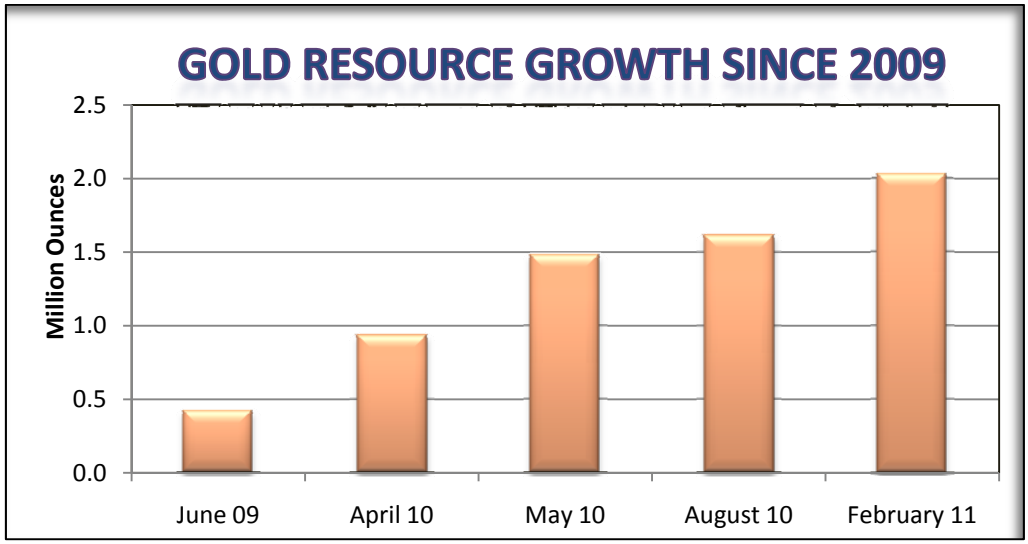

Figure 1: Tanami Gold NL Gold Resource Growth Chart

Tanami Gold's Managing Director, Mr Graeme Sloan, said that with the release of the updated Central and Western Tanami Mineral Resource, the Company would now focus on completing the Feasibility Study on the re-commencement of gold production from the CTP – which includes a 1.2Mtpa treatment facility, extensive infrastructure and over 2,000km^2 of highly prospective tenements.

"Reaching the two million ounce target is a significant milestone for the Company and provides a strong platform for the planned commissioning of our second production centre at the CTP," Mr Sloan said.

"What is particularly pleasing, is that the significant Resource increase was achieved in a relatively short period of time, which highlights the strong potential to further increase the CTP Resource inventory – especially given the major drill programs planned for 2011 which include many advanced targets, and that mineralisation beneath the largest producing open pit in the CTP production area, the Groundrush open pit, has yet to be included in the Company's Resource estimations.

"The Groundrush open pit was last mined in 2005 and had a historic production rate of over 5,000 ounces per vertical metre – an extremely productive pit in anyone's language. Given this, and the fact that we have a number of wide, high-grade drill intersections immediately beneath the base of the pit, our aim is to put some holes into this area as quickly as possible over the coming drill campaigns, which should add substantially to our resource base," Mr Sloan said.

"In addition, the recent granting of two Exploration Licences has opened up approximately 100 kilometres of strike within the highly prospective sequences of the favourable Mt Charles Formation, which will be progressively drill tested. Plans are in place to commence drilling on several advanced prospects once government and Traditional Owner approvals have been received which are expected in the near term."

Graeme Sloan
Managing Director/CEO

Table 1: Tanami Gold NL Mineral Resources as at 31 December 2010

Project	Resource Category									Total		
	Measured			Indicated			Inferred					
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
CTP	7,416,000	2.5	552,000	6,424,000	2.7	551,000	4,319,000	2.7	373,000	18,159,000	2.5	1,476,000
WTP	260,000	9.5	79,700	1,479,000	5.9	281,000	1,380,000	4.4	194,000	3,119,000	5.5	554,700
Total	**7,676,000**	**2.6**	**631,700**	**7,903,000**	**3.3**	**832,000**	**5,699,000**	**3.1**	**567,000**	**21,278,000**	**3.0**	**2,030,700**

Table 2: Central Tanami Project Mineral Resources by tenement as at 31 December 2010

Mineral Lease	Resource Category									Total		
	Measured			Indicated			Inferred					
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
MLS153	1,051,000	2.2	73,000	2,207,000	1.9	137,000	1,072,000	3.1	107,000	4,331,000	2.3	317,000
MLS167	2,470,000	3.0	234,000	2,854,000	3.4	311,000	1,742,000	3.2	178,000	7,066,000	3.2	724,000
MLS168	854,000	2.2	60,000	314,000	1.6	16,000	1,094,000	1.6	58,000	2,262,000	1.8	134,000
MLS180	545,000	3.3	57,000	872,000	2.7	76,000	269,000	2.0	18,000	1,685,000	2.8	151,000
MLSA172	1,096,000	2.7	96,000	176,000	1.9	10,000	142,000	2.7	12,000	1,415,000	2.6	119,000
Stockpiles	1,400,000	0.7	31,000							1,400,000	0.7	31,000
Total	**7,416,000**	**2.5**	**552,000**	**6,424,000**	**2.7**	**551,000**	**4,319,000**	**2.7**	**373,000**	**18,159,000**	**2.5**	**1,476,000**

Notes to accompany Table 2.

1. Resource estimations completed using MineMap, Vulcan and Micromine software packages comprising a combination of ellipsoidal inverse distance and ordinary kriging grade interpolation methods.
2. Grade estimation was constrained to material within >0.5g/t mineralisation outlines.
3. Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
4. Resources reported above 0.7g/t block model grade.
5. Resources reported above 2.5g/t block grade for mineralisation at the Carbine deposit, within MLS167, occurring below the southern plunge extent of a design pit shell optimised at A$1350 per ounce gold price.
6. Stockpile figures from previously reported Otter Gold Mines NL 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific.
7. Tonnes and ounces rounded to the nearest thousand and grade rounded to 0.1g/t. Rounding may affect tallies.
8. The information in this report pertaining to Mineral Resources for the Central Tanami Project was compiled by Mr Bill Makar (MAusIMM), former Chief Mine Geologist for Otter Gold Mines Limited Tanami Mine Joint Venture, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL and Mr Peter Ball (MAusIMM), Director of Datageo Geological Consultants. Mr Makar, Mr Nicholls and Mr Ball have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Persons as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Makar, Mr Nicholls and Mr Ball consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

Table 3: Western Tanami Project Mineral Resources as at 30 June 2010

Deposit	Resource Category									Total		
	Measured			Indicated			Inferred					
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Coyote	78,000	25.6	64,000	473,000	11.5	174,000	329,000	7.0	74,000	880,000	11.0	312,000
Sandpiper	27,000	3.3	3,000	466,000	4.0	61,000	633,000	4.4	90,000	1,126,000	4.2	153,000
Kookaburra	55,000	2.8	5,000	539,000	2.6	46,000	342,000	2.2	24,000	936,000	2.5	75,000
Pebbles	-	-	-	-	-	-	76,000	2.5	6,000	76,000	2.5	6,000
Stockpiles	100,000	2.4	7,700	-	-	-	-	-	-	100,000	2.4	7,700
Total	**260,000**	**9.5**	**79,700**	**1,479,000**	**5.9**	**281,000**	**1,380,000**	**4.4**	**194,000**	**3,119,000**	**5.5**	**554,700**

Notes to accompany Table 3.

1. The Western Tanami Project Resource estimations were completed using Micromine, Surpac and Datamine software, comprising inverse distance grade interpolation within block models constrained by 3D wireframed geological boundaries. The wireframes defining the mineralisation were based on structural, assay and lithological information.
2. Various top cuts have been applied to the drill hole samples based on lode domain analysis, with the exception of Kookaburra where the effect of top cutting was deemed immaterial. Where top cuts were applied they ranged from 35g/t for Sandpiper to 120g/t for Coyote.
3. The search constraints applied to the grade estimation were controlled by the orientation of the lodes and the known dip and plunge of the mineralisation within the lodes based on geological knowledge and mining experience.
4. The Mineral Resource Estimate is reported at a 1g/t Au lower cut-off.
5. Tonnes are rounded to the nearest thousand and grade to 0.1g/t. Rounding may affect tallies.
6. Deposit ounces rounded to nearest thousand. Stockpile ounces rounded to nearest hundred.
7. The Resource estimations used bulk density measurements conducted on a deposit scale and broken down by regolith profile. As such the density measurements applied were based on test work applicable to the deposit of interest. These ranged from 2.00 t/m^3 (base of transported) to 2.72t/m^3 (Fresh rock).
8. The Measured Resource at Coyote has been based on the high level of confidence of the location and grade of mineralisation between the current underground development drives. The development drives have typically six metres separation. The Sandpiper and Kookaburra Measured Resource has been based on a 10 metre distance below the current pit floor, which is supported by a combination of mining at the base of the pits, and five metre deep grade control drilling below the floor of the pit.
9. Resource estimation of Coyote and Sandpiper deposits was completed by Mr Steven Nicholls, former Senior Geologist of Tanami Gold NL.
10. The Kookaburra Resource estimation was conducted by Mr Peter Ball, Director of Datageo Geological Consultants.
11. The Pebbles Resource estimate was completed in 2007 by Mr Malcolm Titley of CSA Australia Pty Ltd.
12. Mr Nicholls (MAIG), Mr Ball (MAusIMM) and Mr Titley (MAusIMM, MAIG) qualify as Competent Persons as defined by the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.
13. The Western Tanami Resource figure stated has not been depleted for combined Coyote and Kookaburra mine production of 20,000 ounces during the period 1 July 2010 to 31 December 2010.

Table 4: Central Tanami Project Mineral Resources as at 30 April 2010

Mineral Lease	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
MLS153	578,000	2.3	43,000	744,000	2.2	53,000	441,000	3.9	56,000	1,763,000	2.7	151,000
MLS167	2,369,000	3.2	248,000	2,004,000	4.0	256,000	640,000	3.7	75,000	5,013,000	3.6	579,000
MLS168	707,000	2.3	52,000	63,000	2.1	4,000	509,000	1.9	30,000	1,279,000	2.1	87,000
MLS180	438,000	3.6	51,000	544,000	3.0	53,000	59,000	3.0	6,000	1,041,000	3.3	109,000
MLSA172	1,026,000	2.7	89,000	112,000	1.9	7,000	44,000	5.0	7,000	1,181,000	2.7	103,000
Stockpiles	1,400,000	0.7	31,000							1,400,000	0.7	31,000
Total	6,518,000	2.5	514,000	3,467,000	3.3	373,000	1,692,000	3.2	174,000	11,677,000	2.8	1,061,000

Notes to accompany Table 3

1. Resource estimation completed using MineMap software comprising an ellipsoidal inverse distance grade interpolation method.
2. Grade estimation was constrained to material within >0.5g/t mineralisation outlines.
3. Gold assay top cut of 30g/t used for MLS167 and 20g/t used for the remainder, based on geostatistical parameters and historical production reconciliation.
4. Resources reported above 0.7g/t block model grade constrained within pit shells optimised at A$1350 per ounce gold price.
5. Resources reported above 2.5g/t block grade for mineralisation at the Carbine deposit, within MLS167, occurring below the southern plunge extent of the optimal pit shells.
6. Stockpile figures from previously reported Otter Gold Mines NL 2001 Mineral Resource estimate less recorded treatment by Newmont Asia Pacific.
7. Tonnes and ounces rounded to the nearest thousand and grade rounded to 0.1g/t. Rounding may affect tallies.
8. The information in this report pertaining to Mineral Resources for the Central Tanami Project was compiled by Mr Bill Makar (MAusIMM), former Chief Mine Geologist for Otter Gold Mines Limited Tanami Mine Joint Venture. Mr Makar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Makar has provided written consent to Tanami Gold NL for the inclusion in the report of the matters based on his information in the form and context in which they appear.

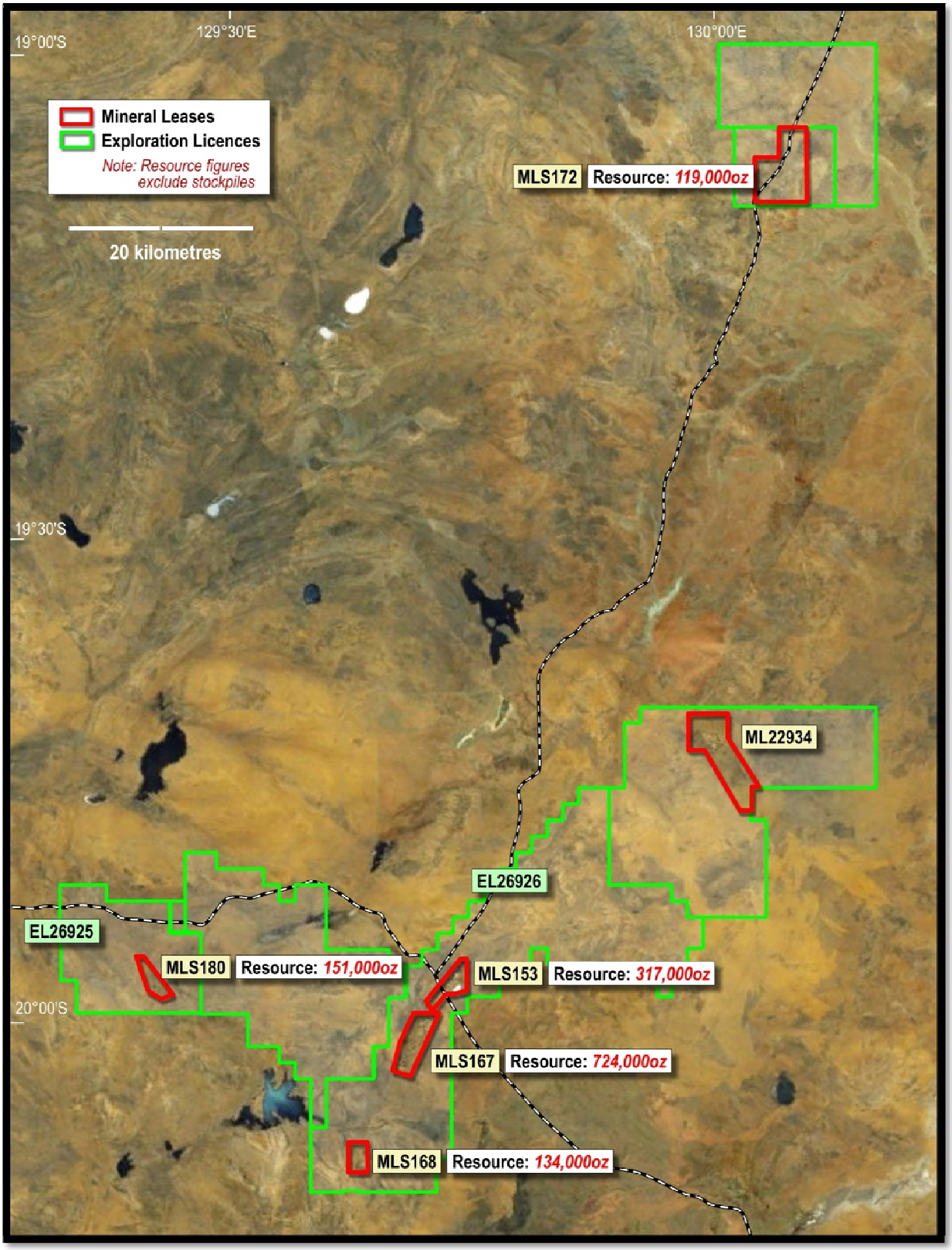

Figure 2: Central Tanami Project Gold Resource distribution by tenement