

26 Oct 2011

## TANAMI GOLD NL

### Groundrush Resource Upgraded 160% to 535Koz Au

Tanami Gold NL ("Tanami", "Company", "TAM") has updated the resource estimate for its Groundrush deposit, part of the 100%-owned Central Tanami Project, NT. The Groundrush resource estimate has increased over 160% to 535Koz (up from 203Koz) at an improved grade of 4.6g/t Au (up from 4.1g/t Au). The updated resource estimate is a pleasing result, culminating from 6 months of infill and extensional drilling. The resource is considered an interim estimate, as the deposit remains open at depth with potential for mineralised repetitions.

Approximately 38% of the resource is in the Measured and Indicated JORC categories, which will be used to calculate an ore reserve as part of the Central Tanami feasibility study (FS), due for release in the coming weeks. The resource was calculated at a bottom cut-off grade of 1.0g/t (up from 0.7g/t Au previous lower cut) by Tanami's resource estimation team. Tanami's global mineral resource estimate for Western and Central Tanami is now 25.9mt @ 3.1g/t Au for 2.6Moz (up from 2.3Moz); an increase of ~14%. The updated resource estimate places TAM on an EV/Resource metric of \$107/oz below the ASX gold producer peers average of \$156/oz.

### Groundrush Underpins Production at Central Tanami

The resource growth at Groundrush continues to de-risk the operations and lays the foundation for the proposed re-start of mining at Central Tanami. Tanami plans to commence production at Central Tanami in mid/late-2012 and providing potential production growth towards 200kozpa. The recommencement of mining at Central Tanami will, however, require the refurbishment of the Central Tanami mill, which we expect to cost ~A\$20m.

The Groundrush deposit currently adds ~48koz to the ore reserve but we expect that with the updated resource release this will grow substantially; we estimate +110koz reserve position for Groundrush as part of the FS (M&I resource conversion of ~60% for 120Koz, mine diluted grade of ~4.1g/t Au). The historic open pit produced over 600Koz Au from 2001 to 2004 at a recovered grade of 4.3g/t and is located ~35km north of the Central Tanami mill (accessed by a sealed haul road). The historical mine production equates to 5,000oz/vm, highlighting significant gold endowment. Groundrush mineralisation is free-milling, with test work indicating total recoveries of ~95% and with up 60% recoverable by gravity separation.

### Improved Valuation to \$1.95; Price Target \$2.05; Accumulate

The resource growth in such a short space of time is a great result from TAM, especially as the grade has improved. The growth in the Groundrush resource with increased resource confidence has improved our Central Tanami NPV<sub>12</sub> valuation. The Central Tanami resource is now over 2Moz of which ~66% is in the Measured and Indicated categories which bodes well for further conversions to ore reserves before the re-start of operations. We have used a 60% conversion in our Central Tanami model for the remaining resource outside of the reserves.

Our sum of parts Valuation for TAM has increased to \$1.95 up from \$1.89 and our Price Target (12-month) is now \$2.05. We retain our **Accumulate** recommendation on Tanami Gold NL.

<b>Share Price</b>	\$1.01
<b>Valuation</b>	\$1.95
<b>12Mth Price Target</b>	\$2.05

#### Brief Business Description:

Gold developer/producer

#### Hartleys Brief Investment Conclusion

Acquisition of the Central Tanami Project set to re-invent company with 200koz pa targeted.

#### Chairman & MD

Denis Waddell (Non-Exec Chairman)

Graeme Sloan (MD/CEO)

#### Top Shareholders - 30/10/2009

Allied Properties Resources Limited	23.5%
Sun Hung Kai Investment Services	12.6%

#### Company Address

Level 4 50 Colin Street  
West Perth WA 6005

<b>Issued Capital</b>	260.9m
- fully diluted	261.1m

<b>Market Cap</b>	\$263.6m
- fully diluted	\$263.8m

<b>Cash (30 Jun '11)</b>	\$6.7m
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<b>Debt (30 Jun '11)</b>	\$23.1m
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<b>Debt (Undrawn)-est</b>	\$4.9m
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<b>EV</b>	\$279.9m
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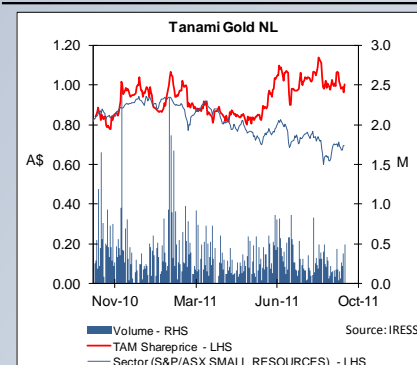
<b>EV/Resource Oz</b>	\$107/oz
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<b>EV/Reserve Oz</b>	\$696/oz
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	FY11a	FY12e	FY13e
Prod (koz Au)	41	57	156
Op Cash Flw	11.7	51.9	175.6
NPAT	1.0	31.8	131.2
CF/Share (cps)	7.9	20.0	58.2
EPS (cps)	0.4	12.2	50.2
P/E	271	8	2

<b>Resources (Moz Au)</b>	2.62
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<b>Reserves (Moz Au)</b>	0.40
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Hartleys has provided corporate advice within the past 12 months to Tanami Gold NL. Hartleys directors have a beneficial interest >1% in TAM shares. See back page for full disclosure.

## SUMMARY MODEL

Tanami Gold NL		Share Price				October 2011	
TAM		\$1.010				Accumulate	
<b>Key Market Information</b>							
Share Price		\$1.010					
Market Capitalisation		\$264m					
52 Week High-Low		\$1.12-\$1.035					
Issued Capital		260.9m					
Issued Capital (fully diluted inc. ITM options)		261.1m					
Options		0.2m@A\$3.91					
Hedging		None					
Yearly Turnover/Volume		\$106.4m/746.6m shares					
Liquidity Measure (Yearly Turnover/Issued Capital)		286%					
Valuation		\$1.95					
12Mth Price Target		\$2.05					
<b>Financial Performance</b>							
	Unit	FY2010A	FY2011A	FY2012F	FY2013F		
Net Revenue	A\$m	57.1	59.5	108.3	290.5		
Total Costs	A\$m	(45.0)	(41.1)	(50.9)	(112.0)		
EBITDA	A\$m	12.1	18.4	57.4	178.5		
Depreciation/Amort	A\$m	(14.9)	(19.6)	(20.5)	(20.9)		
EBIT	A\$m	(2.8)	(1.1)	37.0	157.6		
Net Interest	A\$m	(5.6)	2.1	(5.2)	(1.0)		
Pre-Tax Profit	A\$m	(8.4)	0.97	31.8	156.5		
Tax Expense	A\$m	-	-	-	(25.4)		
NPAT	A\$m	(8.4)	0.97	31.8	131.2		
Abnormal Items	A\$m	8.8	0.1	-	-		
Reported Profit	A\$m	0.35	1.07	31.76	131.17		
<b>Financial Position</b>							
	Unit	FY2010A	FY2011A	FY2012F	FY2013F		
Cash	A\$m	6.7	6.7	42.8	140.5		
Other Current Assets	A\$m	7.5	14.0	14.8	20.0		
Total Current Assets	A\$m	14.2	20.8	57.6	160.5		
PP&E + Development	A\$m	23.4	32.5	71.3	78.3		
Exploration	A\$m	29.2	49.5	54.3	61.3		
Investments/other	A\$m	22.2	23.8	23.8	23.8		
Total Non-Curr. Assets	A\$m	74.8	105.8	149.4	163.5		
Total Assets	A\$m	89.0	126.6	206.9	324.0		
Short Term Borrowings	A\$m	(55.0)	(22.9)	(27.1)	-		
Other	A\$m	(8.5)	(15.9)	(11.1)	(13.4)		
Total Curr. Liabilities	A\$m	(63.5)	(38.8)	(38.2)	(13.4)		
Long Term Borrowings	A\$m	(0.3)	(0.1)	(0.1)	(0.1)		
Other	A\$m	(4.7)	(4.7)	(4.7)	(14.7)		
Total Non-Curr. Liabil.	A\$m	(4.9)	(4.8)	(4.8)	(14.8)		
Total Liabilities	A\$m	(68.4)	(43.5)	(43.0)	(28.2)		
Net Assets	A\$m	20.6	83.1	164.0	295.7		
<b>Cashflow</b>							
	Unit	FY2010A	FY2011A	FY2012F	FY2013F		
Operating Cashflow	A\$m	12.5	11.7	51.9	175.6		
Income Tax Paid	A\$m	-	-	-	(15.4)		
Interest & Other	A\$m	(0.6)	(2.4)	(5.2)	(1.0)		
Operating Activities	A\$m	11.8	9.4	46.7	159.2		
PP&E + Development	A\$m	(21.4)	(22.9)	(48.0)	(19.0)		
Exploration	A\$m	(4.0)	(19.9)	(16.0)	(16.0)		
Investments	A\$m	(25.3)	2.9	-	-		
Investment Activities	A\$m	(50.7)	(39.9)	(64.0)	(35.0)		
Repayment of Borrowings	A\$m	(0.1)	(53.3)	(11.0)	(27.1)		
Proceeds of Borrowings	A\$m	44.5	23.3	14.2	-		
Equity	A\$m	-	60.7	50.1	0.6		
Dividends Paid	A\$m	-	-	-	-		
Financing Activities	A\$m	44.4	30.8	53.3	(26.5)		
Net Cashflow	A\$m	5.6	0.3	36.0	97.8		
<b>Ratio Analysis</b>							
	Unit	FY2010A	FY2011A	FY2012F	FY2013F		
Cashflow Per Share	A¢	5.5	7.9	20.0	58.2		
Cashflow Multiple	X	18.3	12.8	5.0	1.7		
Earnings Per Share	A¢	(7.1)	0.4	12.2	50.2		
Price to Earnings Ratio	X	(14.1)	271.0	8.3	2.0		
Dividends Per Share	A¢	-	-	-	-		
Dividend Yield	%	-	-	-	-		
Net Debt / Equity	%	2.4	0.2	na	na		
Interest Cover	X	7.1	151.1	-	-		
Return on Equity	%	na	1%	28%	53%		
<b>Directors</b>							
Denis Waddell (Non-Exec Chairman)				Level 4 50 Colin Street			
Graeme Sloan (MD/CEO)				West Perth WA 6005			
Alan Senior (Non-Exec Director)				Tel: + 61 8 9212 5999			
Lee Seng Hui (Non-Exec Director)				Fax: + 61 8 9212 5900			
				Web: w w w .tanami.com.au			
<b>Company Information</b>							
<b>Top Shareholders - Nov 2010</b>							
		m shares				%	
Allied Properties Resources Limited		61.4				23.5%	
Sun Hung Kai Investment Services		32.9				12.6%	
Eurogold Ltd		9.7				3.7%	
Jemaya Pty Ltd (Featherby Family Account)		4.5				1.7%	
Krone Jorg (Tynedale Farm Account)		4.5				1.7%	
<b>Reserves &amp; Resources</b>							
	Gold	Mt	g/t Au	Koz	Attrib.		
<b>Reserves</b>							
Western Tanami		0.78	5.3	133	133		
Central Tanami		2.04	3.4	221	221		
	Sub Total	2.82	3.9	354	354		
Central Tanami Stockpile		1.70	0.9	48	48		
Total	Mar-11	4.52	2.8	402	402		
<b>Resources</b>							
Western Tanami		3.01	5.4	538	538		
Central Tanami		21.28	3.0	2,031	2,031		
	Sub Total	24.29	3.3	2,569	2,569		
Central Tanami Stockpile		1.70	0.9	48	48		
Total	Sep-11	25.99	3.0	2,617	2,617		
<b>Production Summary</b>							
	Unit	FY2010A	FY2011A	FY2012F	FY2013F		
*Attributable							
Payable Gold Metal	000oz	48	41	57	156		
Cash Cost	\$/oz	697	910	768	643		
<b>Price Assumptions</b>							
	Unit	FY2010A	FY2011A	FY2012F	FY2013F		
Gold	US\$/oz	1092	1398	1910	1813		
Exchange Rate	A\$/US\$	0.88	1.00	1.02	0.98		
\$A Gold	A\$/oz	1237	1398	1865	1856		
<b>Hedging</b>							
	Unit	FY2010A	FY2011A	FY2012F	FY2013F		
Total Forward Sales - Gold	000oz	-	-	-	-		
Forward Gold Price	\$/oz	-	-	-	-		
<b>Sensitivity Analysis</b>							
	Valuation (\$/s)	NPAT	EPS (¢)	CFPS (¢)			
Base Case	1.95	31.8	12.2	20.0			
Exchange Rate +10%	1.64	22.2	8.5	16.3			
Exchange Rate -10%	2.32	43.5	16.7	24.5			
Gold Price +10%	2.29	42.3	16.2	24.0			
Gold Price -10%	1.61	21.2	8.1	16.0			
Operating Costs +10%	1.79	27.4	10.5	18.3			
Operating Costs -10%	2.11	36.2	13.9	21.7			
<i>*N.B. NPAT, EPS, CFPS forecasts are for FY2012</i>							
<b>Share Price Valuation at Spot</b>							
		Est. \$/share					
Gold US\$1720/oz, AUDUSD: 1.0374		630.0		2.41			
<b>Share Price Valuation (NAV)</b>							
		Est. \$m		*Est. \$/share			
Western Tanami (NPV @ 8%)		139.7		0.54			
Central Tanami (NPV @ 12%) - risk weighted		311.5		1.19			
Exploration							
- 508m ABM sh (ABU.asx) @ 6.1+ Opt Val cps		45.5		0.17			
- Other Exploration (WTP & CTP)		40.0		0.15			
Cash		6.7		0.03			
Forwards		0.0		0.00			
Corporate Overheads (NPV @ 3%)		(20.9)		(0.08)			
Total Debt-est.		(23.1)		(0.09)			
Tax Losses		9.4		0.04			
Options & Other Equity		0.7		0.00			
Total		509.7		1.95			
Analyst: Mike Millikan							
Phone: +61 8 9268 2805							
Sources: IRESS, Company Information, Hartleys Research							
Last Updated: 26/10/2011							

### Groundrush Resource Estimate Update

Groundrush is located ~40km north of the Central Tanami mill, accessible via an all-weather sealed haul road

The new Groundrush resource estimate is currently being used for the updated ore reserve to be incorporated within the Central Tanami feasibility study (FS); which is expected in the coming weeks.

Historic production of 600Koz at average grade 4.3g/t Au

The second production centre at Central Tanami could be in production by mid/late 2012, adding +130Kozpa to the production profile. The Central Tanami mill has been scoped for restart and is estimated to costs ~A\$20m to refurbish and take ~ 7 months to complete. We assume and have modelled total capex of A\$60m (plant refurbishment, camp upgrade, re-start of mining (pre-strips, declines, etc)).

Groundrush resource 3.596mt @ 4.63g/t Au for 535Koz Au

Fig. 1: Groundrush Deposit- Mineral Resource 30 Sept 2011

Classification	Tonnes	Grade (g/t Au)	Oz
Measured	500,000	4.1	66,000
Indicated	995,000	4.3	136,000
Inferred	2,101,000	4.9	333,000
<b>Total</b>	<b>3,596,000</b>	<b>4.6</b>	<b>535,000</b>

Source: Tanami Gold NL

Fig. 2: Tanami Global Reserve - 31 March 2011

Project	Reserve - Total		
	Tonnes	Grade	Oz
Western Tanami	776,700	5.3	132,900
Central Tanami	2,044,000	3.4	221,300
<i>Sub Total</i>	<i>2,820,700</i>	<i>3.9</i>	<i>354,200</i>
Central Tanami Stocks	1,700,000	0.9	48,000
<b>Total</b>	<b>4,520,700</b>	<b>2.8</b>	<b>402,200</b>

Source: Tanami Gold NL

An updated ore reserve is expected in the coming weeks

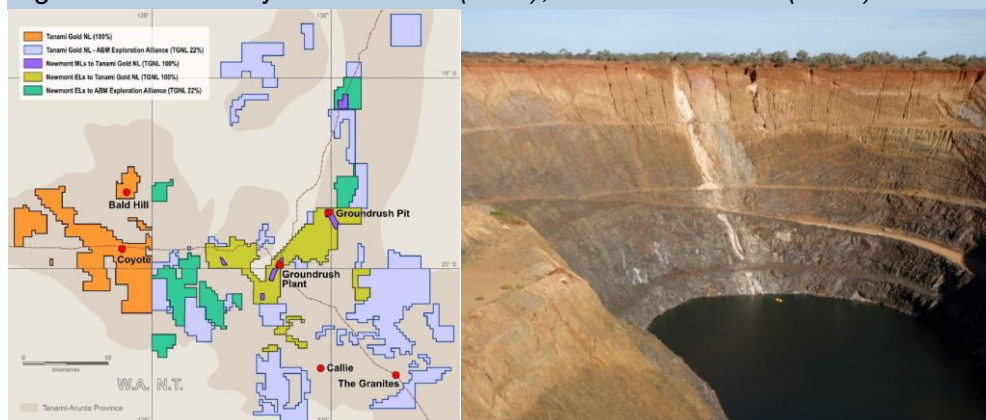
Fig. 3: Tanami Global Resource – 30 Sept 2011

Project	Measured & Indicated			Resource Category			Total		
	Mt	Grade (g/t)	Moz	Mt	Grade (g/t)	Moz	Mt	Grade (g/t)	Moz
Western Tanami	1.71	6.7	0.369	1.39	4.3	0.194	3.01	5.4	0.538
Central Tanami	14.77	2.8	1.313	6.51	3.3	0.686	21.28	3.0	2.031
<i>Sub Total</i>	<i>16.48</i>	<i>3.2</i>	<i>1.682</i>	<i>7.89</i>	<i>3.5</i>	<i>0.880</i>	<i>24.29</i>	<i>3.3</i>	<i>2.569</i>
CT Stocks	1.70	0.9	0.048	-	-	-	1.70	0.9	0.048
<b>Total</b>	<b>18.18</b>	<b>2.8</b>	<b>1.656</b>	<b>7.89</b>	<b>3.5</b>	<b>0.880</b>	<b>25.99</b>	<b>3.0</b>	<b>2.617</b>

Source: Tanami Gold NL

Western and Central Tanami project areas covering over 34,000km<sup>2</sup>

Fig. 4: Tanami Project Location (LHS); Groundrush Pit (RHS)



Source: Tanami Gold NL; Hartleys Research

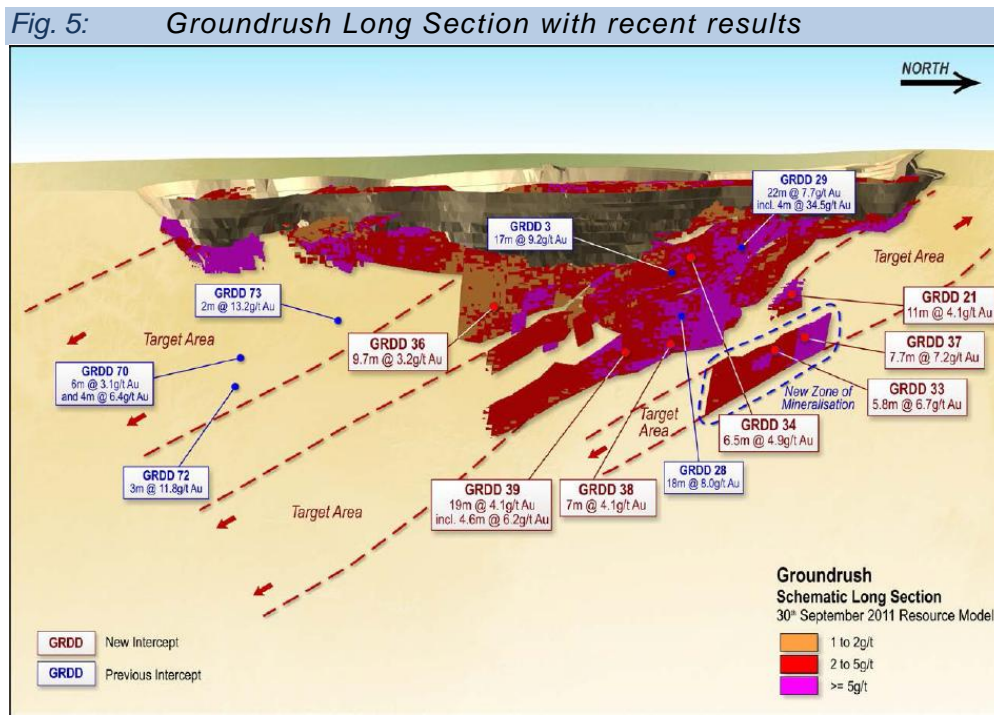
Groundrush is hosted in a dolerite unit, with the deposit containing multiple, south plunging zones of mineralisation; the deposit remains open at depth

A recent review of the geological database has identified three additional large dolerite units located East, West and South of the Groundrush deposit

The Company plans to drill test these greenfields targets in the New Year

Updated sum of parts valuation for TAM of \$1.95/share, and 12-month price target of \$2.05/share

Improved valuation through resource upgrade



Source: Tanami Gold NL

### Valuation

We have an updated sum of parts valuation for Tanami of \$1.95/share, which is dominated by our Western Tanami DCF<sub>8</sub> valuation of 54cps (~A\$140m) and Central Tanami DCF<sub>12</sub> valuation of 119cps (~A\$312m).

The Central Tanami resource is now over 2Moz of which ~66% is in the Measured and Indicated categories which bodes well for further conversions to ore reserves before the re-start of operations. We have used a 60% conversion in our Central Tanami model for the remaining resource outside of the reserves. We see this valuation increasing over time via further resource and reserve additions which should lead to an increase in mine life.

Key risks for Tanami include managing the debt position (for capital and development requirements), expanding and converting its resource base to reserves from multiple deposits and funding the growth aspirations of the Company through the establishment of a second production centre (Central Tanami). Other risks include development risk and orebody risk.

**Fig. 6: Hartleys Sum of Parts Valuation**

Share Price Valuation (NAV)	Est. \$m	*Est. \$/share
Western Tanami (NPV @ 8%)	139.7	0.54
Central Tanami (NPV @ 12%) - risk weighted	311.8	1.19
Exploration		
- 508m ABM sh (ABU.asx) @ 6.1+ Opt Val cps	45.5	0.17
- Other Exploration (WTP & CTP)	40.0	0.15
Cash	6.7	0.03
Forwards	0.0	0.00
Corporate Overheads (NPV @ 3%)	(20.9)	(0.08)
Total Debt-est.	(23.1)	(0.09)
Tax Losses	9.4	0.04
Options & Other Equity	0.7	0.00
<b>Total</b>	<b>510.0</b>	<b>1.95</b>



# HARTLEYS RESEARCH COVERAGE LIST

Hartleys Research Coverage						Hartleys Research Coverage					
Name	Ticker	Last Price*	M. CAP (\$m)	Status	Hartleys Research Recommendation	Name	Ticker	Last Price*	M. CAP (\$m)	Status	Hartleys Research Recommendation
<b>Resources</b>						<b>Oil &amp; Gas</b>					
<b>Gold / Precious Metals</b>						<b>Conventional Oil &amp; Gas</b>					
1. Silver Lake Resources Limited	SLR	2.81	519	Producer	Buy	1. Woodside Petroleum Ltd	WPL	33.97	26,946	Major	Buy
2. Intrepid Mines Limited	IAU	0.960	501	Explorer	Speculative Buy	2. Nexus Energy Ltd	NXS	0.18	168	Developer / Explorer	No Rating
3. Beadell Resources Limited	BDR	0.680	447	Developer	Accumulate	3. Tap Oil Ltd	TAP	0.67	160	Producer / Explorer	Buy
4. Gold One International Limited	GDO	0.540	436	Producer	No Rating	4. Cooper Energy Ltd	COE	0.41	118	Producer / Explorer	Buy
5. Integra Mining Limited	IGR	0.485	408	Producer	Buy	5. Carnarvon Petroleum Ltd	CVN	0.13	89	Producer / Explorer	Accumulate
6. Catalpa Resources Limited	CAH	1.620	288	Producer	Buy	6. Otto Energy Ltd	OEL	0.07	83	Explorer / Producer	Buy
7. Focus Minerals Ltd	FML	0.063	272	Producer	Buy	7. Pancontinental Oil and Gas NL	PCL	0.11	73	Explorer	Speculative Buy
8. Tanami Gold NL	TAM	0.980	256	Producer	Accumulate	8. WHL Energy Ltd	WHN	0.05	63	Explorer	Speculative Buy
9. FMI Gold Corporation Limited	PVM	1.000	200	Developer	Speculative Buy	9. Amadeus Energy Ltd	AMU	0.21	62	Producer / Explorer	Neutral
10. Northern Star Resources Ltd	NST	0.550	192	Producer	Buy	10. Hawkey Oil and Gas Ltd	HOG	0.29	55	Producer / Explorer	Buy
11. Papillon Resources Limited	PIR	0.570	118	Explorer	Speculative Buy	11. FAR Ltd	FAR	0.03	41	Explorer	Speculative Buy
12. YTC Resources Limited	YTC	0.460	114	Developer	Buy	12. Sun Resources NL	SUR	0.03	10	Explorer / Producer	Neutral
13. Cerro Resources NL	CJO	0.135	101	Developer / Explorer	Accumulate	<b>Non Conventional Oil &amp; Gas</b>					
14. Augur Resources Ltd	AUK	0.260	46	Explorer	Speculative Buy	13. Aurora Oil and Gas Ltd	AUT	2.82	1,138	Producer / Developer	Reduce
15. Cortona Resources Limited	CRC	0.110	24	Developer	Accumulate	14. Samson Oil & Gas Ltd	SSN	0.12	209	Developer / Producer	Buy
16. Emmerson Resources Limited	ERM	0.105	24	Explorer	Speculative Buy	15. Oilex Ltd	OEX	0.27	67	Explorer / Producer	Speculative Buy
17. Canyon Resources Limited	CAY	0.510	23	Explorer	Speculative Buy	16. Transerv Energy Ltd	TSV	0.02	58	Developer	Speculative Buy
18. Southern Gold Limited	SAU	0.049	12	Explorer	Speculative Buy	17. European Gas Ltd	EPG	0.22	43	Producer / Explorer	Speculative Buy
19. Geopacific Resources NL	GPR	0.220	8	Explorer	Speculative Buy	18. Austin Exploration Ltd	AKK	0.03	16	Producer / Appraisal	Speculative Buy
<b>Diversified Base / Precious Metals</b>						Sub-Total 29,398					
20. Independence Group NL	IGO	4.840	980	Gold & Base Prod./Dev.	Buy	<b>Industrials</b>					
21. Aviva Corporation Limited	AVA	0.145	24	Gold & Base Explorer	Speculative Buy	<b>Resource Services - Capital Intensive</b>					
22. Ausquest Limited	AQD	0.077	18	Diversified explor	Speculative Buy	1. Ausdrill Limited	ASL	2.84	856	Contract Drilling	Buy
<b>Iron Ore</b>						2. Fleetwood Corporation	FWD	11.73	679	Accommodation	Neutral
23. Atlas Iron Limited	AGO	3.000	2,660	Producer	Buy	3. Mermaid Marine Ltd	MRM	3.11	670	Oil & Gas Services	Accumulate
24. Centaurus Metals Ltd	CTM	0.680	91	Explorer	Speculative Buy	4. NRW Holdings Ltd	NWH	2.32	647	Contract mining	Buy
<b>Uranium</b>						5. Macmahon Holdings Limited	MAH	0.63	459	Contract mining	Accumulate
25. Peninsula Energy Ltd	PEN	0.048	102	Developer	Accumulate	6. Index Ltd	IMD	2.04	417	Drilling Supplies	Buy
26. Impact Minerals Limited	IPT	0.065	8	Explorer	Speculative Buy	7. MACA Ltd	MLD	1.85	278	Contract mining	Buy
<b>Other metals</b>						8. Matrix Composites &	MCE	3.29	254	Oil & Gas Services	Accumulate
27. Kasbah Resources Limited	KAS	0.190	69	Tin Developer	Buy	9. Pacific Energy Ltd	PEA	0.37	127	Remote Power	Buy
28. Shaw River Resources Limited	SRR	0.140	35	Manganese: Developer	Speculative Buy	10. Swick Mining Services Ltd	SWK	0.32	76	Contract Drilling	Buy
29. Hazelwood Resources Ltd	HAZ	0.125	33	Tungsten Developer	Speculative Buy	<b>Resource Services - Labour Intensive</b>					
Sub-Total 8,010						11. Monadelphous Group Limited	MND	19.31	1,691	Construction	0
						12. Decmil Group Limited	DCG	2.17	270	Construction	Buy
						13. Lycopodium Limited	LYL	5.82	225	Engineer. & Constr.	Accumulate
						14. RCR Tomlinson Ltd	RCR	1.40	185	Engineer. & Constr.	Buy
						15. LogiCams Limited	LCM	0.79	53	Engineer. & Constr.	Speculative Buy
						<b>Other Industrial Companies</b>					
						16. Austal Limited	ASB	2.21	416	Civil and Military	Buy
						17. iNet Limited	IN	2.56	390	Telecommunications	Buy
						18. Amcom Telecommunications	AMM	0.81	195	Telecommunications	Accumulate
						19. Cash Converters Internat.	CCV	0.45	178	Unsecured Finance	Buy
						20. RedHill Education Ltd	RDH	0.13	3	'For profit' education	Neutral
						Sub-Total 8,066					
						67. GRAND TOTAL 45,473					

Source: IRESS, Hartleys Research. \* 25 Oct 2011

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## Hartleys Recommendation Categories

Buy	Share price appreciation anticipated.
Accumulate	Share price appreciation anticipated but the risk/reward is not as attractive as a "Buy". Alternatively, for the share price to rise it may be contingent on the outcome of an uncertain or distant event. Analyst will often indicate a price level at which it may become a "Buy".
Neutral	Take no action. Upside & downside risk/reward is evenly balanced.
Reduce / Take profits	It is anticipated to be unlikely that there will be gains over the investment time horizon but there is a possibility of some price weakness over that period.
Sell	Significant price depreciation anticipated.
No Rating	No recommendation.
Speculative Buy	Share price could be volatile. While it is anticipated that, on a risk/reward basis, an investment is attractive, there is at least one identifiable risk that has a meaningful possibility of occurring, which, if it did occur, could lead to significant share price reduction. Consequently, the investment is considered high risk.

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