TANAMI GOLD NL

ABN 51 000 617 176

2013 ANNUAL REPORT

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CHAIRMAN'S STATEMENT

I am pleased to present to shareholders the annual report of Tanami Gold NL for the year ended 30 June 2013. Shareholders have been informed about the status of the Company's mining operations by a number of detailed Announcements over the past 7 months and I do not propose to revisit those Announcements. Suffice to say that the Board decided to place the Coyote Mine on care and maintenance in late April, 2013 due to the sudden fall in the price of gold and in the knowledge that the Muttley deposit was forecast to be exhausted by end June 2013.

I was appointed a director of the Company on 23 April, 2013 and Chairman on 6 July, 2013.

Since placing the Coyote Mine on care and maintenance the Company has been in a restructuring phase. Many redundancies have had to be made and, in order to preserve cash, the Company has been guided by a Committee of non-executive directors supported by a core professional staff. Every cost area has been closely examined and reductions made where possible. The monthly cost of care and maintenance has, as a result, been substantially reduced. Exhaustive cash flow forecasting has also been carried out and many discussions have been held with potential investors to raise funds for future development. The Company has been exploring various fund raising strategies and will continue to do so.

There has been a particular focus on future strategy and the immediate upshot of this work has been the decision to proceed with a new drilling program at the Company's Kavanagh deposit with the objective of determining if an economic case can be made for mining Kavanagh in the current circumstances. The cost of the drilling program is being financed from the final drawdown of the Sun Hung Kai International Bank [Brunei] Limited loan.

The results of that drilling, in conjunction with the gold price, will dictate whether or not it is economic to recommence mining at Kavanagh. This decision will not be made lightly and there has to be proof of a considerable resource, a firm mine plan and adequate funding before it is made.

As regards to the medium to long term, the Company's Groundrush deposit at Central Tanami remains the focal point and, after assessing the merits of mining at Kavanagh, renewed effort will be made to raise funds necessary to exploit Groundrush. The Board has resolved to issue frequent announcements updating the Company's operating status.

I would like to thank my fellow Directors, our Management team and personnel as well as our Shareholders for their continuing support during the year.

G McMahon

Gerard McMahon

Chairman

Coyote Gold Project

During the year ended 30 June 2013, Coyote processed 118,422t @ 6.54g/t Au from underground and 73,319t @ 2.43g/t Au from open pit sources for a total of 191,741 tonnes of ore at an average grade of 5.03g/t Au delivering 30,216 recovered ounces of gold.

Mining was predominately carried out within the Westzone, Bommie and Muttley lodes. The majority of ore was exhausted within the Bommie and Westzone lode whilst only the development phase was carried out within the Muttley lode.

Through the first half of 2013 access to these ore sources was reliant on equipment availability. Breakdowns of critical elements of the mining fleet resulted in development delays and production shortfalls. In conjunction with the major fall in the price of gold, the operations at Coyote were unable to meet the Company's costs profile and underground operations ceased on 24 April 2013.

A review of the Coyote Geology model was initiated in 2012 resulting in several changes to the understanding of gold mineralisation. Historically, the Coyote Fault, which occurs in the main central mine corridor, had been considered a controlling feature of mineralisation. Following review, interpretation suggests the Coyote Fault is a late feature which has offset mineralisation and does not control it. This change in the interpretation elevated the prospectively of several untested targets located deeper within the Coyote Anticline previously considered less prospective due to the distance from the Coyote Fault. Accordingly, exploration drilling was carried out in the Coyote Anticline leading to the discovery of the 100,000 ounce Kavanagh lode.

Underground Mining

The underground mine produced a total of 118,422 (processed) tonnes at 6.54g/t Au for 24,574 ounces for the year ended 30 June 2013. Underground mining was terminated in April when the mine was placed on care and maintenance.

Dewatering of the Coyote underground has continued since April 2013 and will be kept under review. Partial flooding of the underground mine has occurred in some areas considered no longer viable.

Processing

The Coyote plant processed a total of 191,741 tonnes of total ore processed at an average recovered grade of 5.03g/t Au with an overall gold recovery of 97.20%. Ore was processed from a combination of underground sources and from the Bald Hill stockpile.

Kavanagh Orebody

A Maiden Resource estimate for Kavanagh was announced in March 2013 delineating 122,000 tonnes at a grade of 25.2g/t Au for 100,000 ounces. Mineralisation has been defined within two main lodes to date, the K1 and K2 lodes, which are folded over an east-west striking regional anticline. These lodes have been defined over a strike of 300 metres and height of 100 metres to date and remain open. A third lode (K3) has also been identified approximately 15-20 metres stratigraphically below the K2 lode, returning intercepts including 1.3m @ 53.6g/t Au from 451.3 metres in CYDD0215.

The following significant results have been included in the Kavanagh Resource estimate:

- CYDD362 - 2.4m @ 216.9g/t Au
- CYUG373 - 1.8m @ 124.0g/t Au
- CYUG646 - 0.3m @ 178.0g/t Au
- CYUG645 - 2.5m @ 45.5g/t Au including 0.5m @184.5g/t Au
- CYUG359 - 0.8m @ 154.9 g/t Au
- CYDD211B - 6.1m @ 87.4g/t Au including 2.5m @ 175.1g/t Au
- CYDD211B - 0.3m @ 367.6g/t Au
- CYDD208 - 2.0m @ 81.7g/t Au
- CYDD206 - 2.2m @ 22.7g/t Au

Table 1: Kavanagh Resource Statement

Classification	Tonnes	Grade (g/t Au)	Ounces
Inferred	122,000	25.2	100,000

Notes to accompany Table 1

1. Tonnes and ounces of gold are rounded to significant figures and grade is rounded to the nearest 0.1g/t Au, rounding may affect tallies.
2. Resources reported above 2.5g/t Au block model grade.
3. A top-cut of 150 gram per metre was applied during the modelling process.
4. Grade was estimated using the Inverse Distance Squared (ID2) technique.

The mineralisation at Kavanagh is characterised as a combination of narrow single high grade vein and wider vein arrays that range from 0.1 metres to 2.5 metres wide (mineralised zones averaging 0.9 metres wide). Over 75% of the Resources are contained within the southern limb of the anticline. As limited holes have been drilled into the northern limb to date, it is not an indication that the northern limb is less prospective. The lack of drilling on the northern limb is due to its shallow northerly dip and as such it is not easily targeted from current underground positions.

Further exploration of the Kavanagh deposit is underway with an exploration program expected to take some 4 months and will cost approximately $3.5 million. The proposed drilling will target extensions to the known Resource, explore at depth for repetitions of the mineralised system and seek to upgrade a portion of the existing Resource from Inferred to Indicated status.

Table 2: Significant Intersections from Coyote Gold Mine

Hole ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Depth From	Depth To	Interval Width	Grade g/t Au	Gram Metres
CYUG322	482060	7799661	138	0	199	70.5	46.3	47	0.7	23.1	16
CYUG323	482060	7799661	138	-19	199	85.7	65	66	1	34.7	35
CYUG334	482113	7799719	99	0	334	12.2	7.7	8	0.3	37	11
CYUG507	482066	7799649	165	-8	92	96.1	45.5	48.7	3.2	12.3	39
CYUG513	482039	7799637	165	-8	218	118.7	51.2	51.5	0.3	90.2	27
CYUG597	482055	7799644	164	-45	140	90.5	30.5	31.2	0.7	32.8	23
CYDD203	482344	7800014	412	-53	180	523	458.5	462.2	3.7	4.6	17
							Inc 461.9	462.2	0.3	36.2	11
CYDD206	482601	7799667	392	-50.5	360	475	297.4	298.1	0.7	21.2	15
							377.9	380.1	2.2	22.7	49
							403	407.2	4.2	9.8	41
							Inc 405.7	407.2	1.5	23.7	36
							411	413	2	5.6	11
							426	426.3	0.3	10.9	3
							438.9	439.9	1	4	4
							467.3	467.6	0.3	1.8	1
CYUG317A	482060	7799661	138	-19.5	155	77	36.75	37.1	0.35	38.7	14
CYUG322	482057	7799661	138	0	199	71	46.3	47	0.7	23.1	16
CYUG323	482057	7799661	137	-19	199	86	65	66	1	34.7	35
CYUG350	482127	7799758	99	-51	3.5	253	186	187	1	6.9	7
CYUG351	482127	7799758	99	-35	4	218	39.9	40.2	0.3	25	8
CYUG355	482127	7799758	99	-30.5	345	220	149.7	150.3	0.6	15.6	9
CYUG356	482127	7799758	99	-39	13	231	166.1	167.4	1.3	38.4	50
CYUG358	482353	7799747	163.616	-23.5	38	306	208.1	214.3	6.2	4	25
							Inc 211.9	214.3	2.4	7.7	18.5
							245.1	246.4	1.3	7.7	10
							251.2	251.5	0.3	42.1	13
CYUG364	482353	7799743	167	25	106	89	28.7	29	0.3	7.2	2
							55	57	2	12.3	25
							71.2	74	2.8	11	31
CYUG513	482039	7799637	165	-8	218	119	51.2	51.5	0.3	90.2	27
CYUG622	482146	7799748	115	-31	18	246	64.1	64.4	0.3	48.5	15
CYUG624	482146	7799748	115	-45	15	240	176	176.7	0.7	22.3	16
							219.7	220	0.3	34.5	10
CYUG625A	482146	7799748	115	-53	4	295	2.9	3.2	0.3	39.9	12
CYUG632	482013	7799663	139	11	14	126	7.7	8	0.3	16.7	4
CYUG634	482127	7799758	99	-1	358	64	45.8	46	0.3	7.9	2
CYUG635	482127	7799758	99	0	27	77	53.6	54	0.3	23.5	7
CYDD0207	482467	7799501	392	-52	343	526	385.3	386	0.7	52.4	37
							396	396.5	0.5	39	20
							468.9	470.2	1.3	2.3	3
							479	480	1	10	10
CYDD0208	482467	7799501	392	-58	360	568	516	518	2	81.7	164
CYDD0211B	482469	7800017	392	-51	176	538	403.3	409.4	6.1	87.4	533
							incl 403.3	405.8	2.5	175.1	438
							incl 406.8	409.4	2.6	36.6	95
							415.3	418.3	3	3.9	12
							423.5	423.8	0.3	367.6	117
							443.5	444	0.5	16.5	8
CYDD0211C	482603	7800180	413	-50	164	513.7	415	418	3	15.4	46
							429	430	1	4.4	4.4
							434	435	1	4.2	4.2
CYDD0212	482693	7800192	401	-56	186.5	522.4	432	433.2	1.2	2.5	3
CYDD0213	482693	7800192	401	-53	177	510.7	424	425	1	6.8	6.8
CYDD0214	482593	7800180	413	-54	183	501.8	412.7	413.1	0.4	35.6	14
							418.4	418.8	0.4	8.7	3
							424	424.4	0.4	17.1	7

Hole ID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Hole Depth	Depth From	Depth To	Interval Width	Grade g/t Au	Gram Metres
							433.5	434.1	0.6	22.1	14.1
							448.4	448.8	0.4	43.1	16
CYDD0215	482482	7800179	412	-56.4	168.2	519.8	451.4	452.7	1.3	53.6	70
CYUG0359	482363	7799751	164	-22.5	43.5	299.6	204.6	205	0.4	7.5	3
							217.6	218.6	1	33.1	33
							249.3	252.8	3.5	6.4	22
							277.5	278.3	0.8	154.9	124
CYUG0361	482363	7799751	164	-26	25	217	138	140	2	2.5	5
							170.5	172	1.5	2	3
							174.4	174.7	0.3	75	23
							186.9	191.1	4.2	8	34
CYUG0362	482392	7799738	263	-52	6.5	320.6	247	249.4	2.4	216.9	521
							280	281	1	8.7	8.7
							309.7	311.6	1.9	8.2	15.5
CYUG0373	482432	7799718	166	-30	16	238.6	184	185	1	7.9	7.9
							197.9	199.7	1.8	124	223
							208	208.5	0.5	26.5	13
CYUG0641	482127	7799758	99	-46	35	235.7	52	53	1	9.4	9.4
							231	234	3	1.1	3.4
CYUG0644	482492	7799743	212	-34.5	27.5	299.8	185	187	2	3.2	6.4
							196.6	197.6	1	4.3	4.3
							218.7	219	0.3	64.4	19
							230.4	231.4	1	75.8	75.8
							246.7	249.9	3.3	20.9	68
CYUG0645	482492	7799743	212	-40	25.5	300.2	129	130	1	4.8	4.8
							233.3	233.6	0.3	151.4	45
							236	238	2	7.8	15.7
							244	248.2	4.2	27.6	114.7
							incl 244	244.5	0.5	184.5	92
CYUG0646	482492	7799743	212	-45	25.5	323.9	221	222	1	9	9
							233	236.4	3.4	1.8	6.1
							271	271.4	0.4	178.1	71.3
							275	275.5	0.5	33.6	17
							293	295	2	2.9	5.8
CYUG1016	482392	7799738	263	-57	7.5	378.3	107	108	1	14.5	14.5
CYUG1016	482392	7799738	263	-57	7.5	378.3	248.2	248.7	0.5	27.6	14
							263.5	263.9	0.4	47.2	19
							266.6	268.3	1.7	7.9	13
							276	277	1	6.8	6.8
CYUG1017	482392	7799738	263	-35.8	44.7	389.5	158.2	159.2	1	137.9	138
							248.2	249.2	1	13.4	13
							337.7	338	0.3	11.1	3.3
							346.1	346.4	0.3	11	3.3
CYUG1019	482392	7799738	263	-55	357.7	282.4	258.6	259.2	0.6	8.7	5.2
CYUG1020	482392	7799738	263	-50	22.5	287.6	146.4	147.4	1	13.2	13.2
							245.9	247	1.1	2.8	3.1
							254.6	255.1	0.5	34.4	17.2
							258	260.5	2.5	3.4	8.5
							264	267.5	3.5	1.2	4.2
CYUG1021	482392	7799738	263	-58	347.7	252.3	79.1	80.1	1	27	27
							221.8	224.5	2.7	1.8	4.7

Notes to accompany Table 2

1. Collar Northing, Easting and Azimuth are all in MGA Grid coordinates. Collar RL is relative to AHD. Collar coordinates may vary upon final survey.
2. Analyses by 50g fire assay with AAS finish of half diamond core samples.
3. No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
4. Significant intersections are greater than 1.0g/t with maximum 2 metres internal dilution.
5. Intervals are all down hole length.
6. All results have been previously reported.

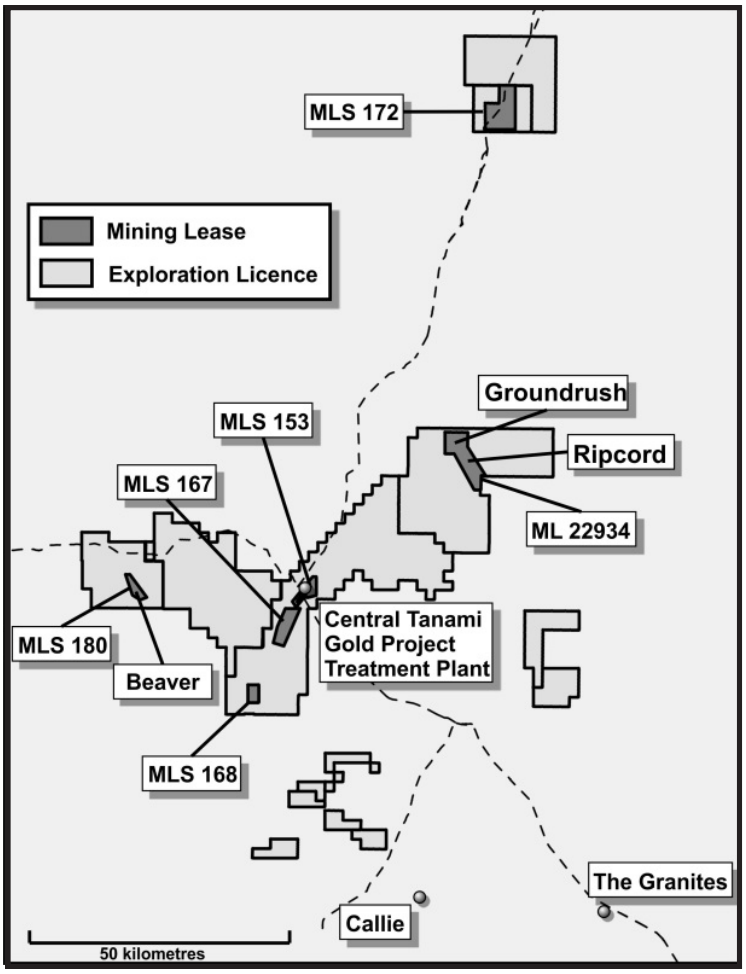
Competent Person Statement

The information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Michael Thomson, a full time employee and Principal Geologist of Tanami Gold NL. Mr Thomson is a member of the Australasian Institute of Mining and Metallurgy and 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 Thomson consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Central Tanami Project

During the year ended 30 June 2013, the Company's main focus was on the Groundrush Deposit, at the Central Tanami Project (CTP), where delineation drilling resulted in an upgraded Mineral Resource estimate to 6.7 million tonnes at 4.8g/t for 1,040,000 ounces.

Of significance, the Groundrush Mineral Resource underwent a substantial upgrade in the Measured and Indicated Mineral Resource categories to 460,000 ounces of gold. Additionally, the Company conducted drilling at the Ripcord and Beaver Deposits resulting in significant Resource upgrades across these deposits during the year. In total, 42 diamond holes (16,000 metres) and 127 RC holes (17,100 metres) were drilled during the year at the CTP.



Central Tanami Project Locality Map

In April 2013, upon having substantially completed the CTP Definitive Feasibility Study (DFS), a decision was made to defer the development of the CTP.

The DFS considered various combinations of open pit and underground developments which concluded that the combined impact of the lower gold price and higher stripping ratios for the open cut scenarios meant the investment case for a combined development could not presently be demonstrated with the current Resource. However an optimisation of the DFS, based on an all underground mine, would indicate potential for future development subject to a number of criteria, particularly in achieving an increase in the Mineral Resource base.

The Company believes further exploration of the CTP leases is warranted, particularly at the Groundrush deposit, which the Board considers a flagship asset. The decision to proceed with exploration has been deferred until the Company is in a sounder financial position.

Groundrush Deposit

The Groundrush deposit is on Mining Lease ML22934 which is located approximately 40 kilometres northeast of the CTP treatment plant. Between 2001 and 2004 Newmont Mining Ltd mined 611,000 ounces through open pit methods at an average grade of 4.30g/t Au. Tanami Gold acquired the Deposit in March in 2010 and in April 2011 began exploration drilling that has resulted in over 1,000,000 ounces of gold being defined.

The Groundrush deposit geology sequence consists of three steeply west dipping dolerite sills which intrude the turbiditic sediments of the Killi Killi Formation. All three dolerite sills strike approximately NNE (020°) and dip steeply to the west (70 – 80°) sub parallel to the sediment sequence. Gold mineralisation discovered to date is primarily hosted within the largest of these three sills, the Groundrush dolerite.

A total of 36 diamond holes (15,000 metres) and 24 RC holes (4,100 metre) were drilled during the year. The Company ceased drilling in late 2012 with mineralisation remaining open at depth and to the south.

Table 3: Groundrush Resource Statement

Classification	Tonnes	Grade (g/t Au)	Ounces
Measured	475,000	4.5	69,000
Indicated	2,470,000	4.9	391,000
Inferred	3,775,000	4.8	580,000
Total	**6,720,000**	**4.8**	**1,040,000**

Notes to accompany Table 3

1. Tonnes and ounces of gold are rounded to significant figures and grade is rounded to the nearest 0.1g/t Au. Rounding may affect tallies.
2. Resources reported above 1.0g/t Au block model grade.

The following significant results demonstrate the strength of the mineralisation that is present at the Groundrush deposit:

- GRDD89 - 6m @ 51.5g/t Au
- GRDD103 - 5.1m @ 21.5g/t Au
- GRDD32 - 16m @ 10.4g/t Au
- GRDD116 - 30.1m @ 9.0g/t Au including 5.6m @21.9g/t Au
- GRDD74 - 17m @ 109.5g/t Au
- GRDD63 - 38.4m @ 45.9g/t Au

Ripcord Deposit

The Ripcord Deposit is located 2.5 kilometres south east along strike of the Groundrush Deposit within ML22934. Drilling initially began in December 2011 and was suspended due to the onset of the wet season. Drilling recommenced in June 2012 and then again in October 2012 with a maiden Resource of 848,000 tonnes @ 2.30g/t Au for 64,000 ounces. A total of 57 RC holes (5700m) and 6 diamond holes (1000 metres) were drilled during the year.

Table 4: Ripcord Resource Statement

Classification	Tonnes	Grade (g/t Au)	Ounces
Indicated	610,000	2.2	43,000
Inferred	240,000	2.7	21,000
Total	848,000	2.3	**64,000**

Notes to accompany Table 4

1. Tonnes and ounces of gold are rounded to significant figures and grade is rounded to the nearest 0.1g/t Au. Rounding may affect tallies.
2. Resources reported above 1.0g/t Au block model grade.

The following significant results were returned from drilling at Ripcord:

- RPRC76 - 2m @ 46.1g/t Au
- RPRC52 - 2m @ 32.1g/t Au
- RPRC77 - 22m @ 2.6g/t Au
- RPRC77 - 7m @ 4.2g/t Au
- RPRC94 - 5m @4.0g/t Au

The current Ripcord Deposit has multiple similarities to the Groundrush Deposit including the same host rock (dolerite), alteration assemblages, geometry and magnetic signature. To date drilling has only tested approximately 100m vertically and the company's geologists regard Ripcord at depth as a highly prospective target for exploratory drilling.

Beaver Deposit

The Beaver Deposit is situated on Mining Lease MLS180, 36 kilometres west of the Central Tanami plant. It was mined from June 1999 to February 2001 by Otter Gold Mines Limited, producing 57,000 ounces.

As part of the company's ongoing review of historic Resources in the Central Tanami a detailed project review was carried out on the Beaver Deposit. Multiple areas were identified where the Resource had significant potential to be expanded. This led to several phases of RC drilling at Beaver with a total of 39 holes for 6,100 metres.

The key outcomes from this drilling were confirmation of the new mineralisation model (stacked loads within a broader shear), extension of mineralisation and the discovery of new near surface mineralisation (in one of the last holes drilled (BVRC0033) with 6m @ 7.02g/t Au from 11 metres). The following significant results have been returned:

- 6m @ 7.0g/t Au from 11 metres
- 12m @ 3.0g/t Au from 169m
- 3m @ 8.5g/t Au from 99m
- 6m @ 4.5g/t Au from 102m
- 3m @ 6.7g/t Au from 89m

Table 5: Significant Intersections from the Central Tanami Project

Prospect	HoleID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Max Depth	Metre From	Metre To	Interval Width	Grade	Gram Metre
Beaver	BVRC0022	542,834	7,791,600	417	-60	315	234	182.0	186.0	4.0	3.0	12
Beaver	BVRC0023	542,815	7,791,690	415	-55	282	144	101.0	105.0	4.0	5.3	21
Beaver	BVRC0024	542,819	7,791,711	415	-56	277	144	100.0	105.0	5.0	6.5	32
Beaver	BVRC0025	542,815	7,791,663	416	-60	315	204	134.0	139.0	5.0	4.5	23
Beaver	BVRC0032	542,514	7,791,732	390	-55	160	150	89.0	92.0	3.0	6.7	20
Beaver	BVRC0033	542,686	7,791,510	417	-55	315	234	11.0	27.0	16.0	7.0	112
Beaver	BVRC0033	542,686	7,791,510	417	-55	315	234	96.0	97.0	1.0	11.6	12
Beaver	BVRC0033	542,686	7,791,510	417	-55	315	234	169.0	181.0	12.0	3.0	36
Beaver	BVRC0034	542,676	7,791,550	417	-55	315	156	111.0	123.0	12.0	3.0	35
Beaver	BVRC0037	542,774	7,791,608	416	-53	315	132	99.0	105.0	6.0	8.5	51
Beaver	BVRC0038	542,789	7,791,594	416	-56	313	162	135.0	138.0	3.0	7.7	23
Beaver	BVRC0041	542,830	7,791,642	416	-60	315	204	170.0	173.0	3.0	3.4	10
Beaver	BVRC0044	542,801	7,791,809	415	-54	270	120	90.0	96.0	6.0	1.8	10
Beaver	BVRC0046	542,797	7,791,828	415	-53	270	102	82.0	88.0	6.0	4.5	27
Beaver	BVRC0047	542,816	7,791,828	415	-54	270	162	110.0	113.0	3.0	4.9	15
Groundrush	GRDD0107	603,843	7,820,259	423	-59	44	344.5	305.0	309.0	4.0	4.5	18
Groundrush	GRDD0107	603,843	7,820,259	423	-59	44	344.5	314.0	325.0	11.0	2.4	27
Groundrush	GRDD0122W2	604,125	7,819,379	419	-75	49	670.7	160.0	161.0	1.0	12.6	13
Groundrush	GRDD0122W2	604,125	7,819,379	419	-75	49	670.7	490.7	493.5	2.8	5.3	15
Groundrush	GRDD0124	603,902	7,820,045	422	-48	45	400	293.2	298.0	4.8	2.9	14
Groundrush	GRDD0124	603,902	7,820,045	422	-48	45	400	305.4	312.0	6.6	3.1	20
Groundrush	GRDD0124	603,902	7,820,045	422	-48	45	400	317.0	318.6	1.6	7.9	12
Groundrush	GRDD0128	604,133	7,819,386	419	-64	53	539.1	373.0	376.0	3.0	3.7	11
Groundrush	GRDD0130	603,842	7,820,226	422	-54	47	373.1	210.4	212.1	1.7	32.0	54
Groundrush	GRDD0130	603,842	7,820,226	422	-54	47	373.1	325.6	333.0	7.4	2.8	21
Groundrush	GRDD0131G	603,860	7,820,144	422	-58	46	402.9	317.0	318.7	1.7	10.7	18
Groundrush	GRDD0131G	603,860	7,820,144	422	-58	46	402.9	378.7	386.5	7.8	5.4	42
Groundrush	GRDD0132	603,972	7,819,952	421	-50	47	341.8	273.9	278.1	4.2	4.1	17

Prospect	HoleID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Max Depth	Metre From	Metre To	Interval Width	Grade	Gram Metre
Groundrush	GRDD0132	603,972	7,819,952	421	-50	47	341.8	293.0	304.0	11.0	1.3	14
Groundrush	GRDD0133G	603,925	7,820,004	422	-59	46	443.7	349.4	354.2	4.8	5.8	28
Groundrush	GRDD0134G	603,847	7,820,364	423	-51	46	288.7	202.0	204.0	2.0	5.4	11
Groundrush	GRDD0134G	603,847	7,820,364	423	-51	46	288.7	280.7	281.9	1.2	69.3	84
Groundrush	GRDD0135G	603,967	7,819,949	421	-59	49	373	327.0	336.1	9.1	3.6	33
Groundrush	GRDD0138G	603,890	7,820,133	422	-50	48	368	256.0	258.0	2.0	5.6	11
Groundrush	GRDD0138G	603,890	7,820,133	422	-50	48	368	272.0	292.0	20.0	2.3	46
Groundrush	GRDD0139G	604,128	7,820,398	422	-50	230	297.2	196.1	201.8	5.7	12.1	69
Groundrush	GRDD0141	603,982	7,819,926	422	-63	47	420.6	342.6	348.8	6.2	4.6	29
Groundrush	GRDD0141	603,982	7,819,926	422	-63	47	420.6	356.8	357.2	0.4	40.3	17
Groundrush	GRDD0142	603,842	7,820,096	423	-58	44	440.9	390.2	396.1	5.9	2.0	12
Groundrush	GRDD0142	603,842	7,820,096	423	-58	44	440.9	404.0	415.0	11.0	3.1	34
Groundrush	GRDD0143	603,942	7,819,985	422	-53	48	364.9	241.6	244.0	2.5	5.7	14
Groundrush	GRDD0143	603,942	7,819,985	422	-53	48	364.9	287.3	290.3	3.0	5.8	17
Groundrush	GRDD0145	603,941	7,819,985	422	-57	47	392.9	295.3	295.9	0.5	27.6	14
Groundrush	GRDD0145	603,941	7,819,985	422	-57	47	392.9	325.2	326.0	0.8	53.5	43
Groundrush	GRDD0146	604,004	7,819,906	421	-50	47	340	264.0	267.0	3.0	4.2	13
Groundrush	GRDD0147	603,891	7,820,055	422	-50	43	405.5	297.0	313.1	16.1	1.9	30
Groundrush	GRDD0147	603,891	7,820,055	422	-50	43	405.5	319.0	323.0	4.0	2.7	11
Groundrush	GRDD0148	603,847	7,820,297	423	-61	47	339.9	293.6	302.8	9.2	4.2	39
Groundrush	GRDD0148	603,847	7,820,297	423	-61	47	339.9	317.0	323.0	6.0	2.7	16
Groundrush	GRDD0150	603,947	7,819,961	421	-59	46	413.9	343.0	358.0	15.0	3.2	48
Groundrush	GRDD0154	603,896	7,820,041	422	-62	45	453.8	355.0	356.8	1.8	7.1	13
Groundrush	GRDD0154	603,896	7,820,041	422	-62	45	453.8	374.6	390.8	16.1	2.3	36
Groundrush	GRDD0155	603,924	7,820,002	422	-65	46	464.3	365.0	370.7	5.7	6.8	38
Groundrush	GRDD0156	603,966	7,819,945	421	-69	47	447.9	377.0	378.0	1.0	14.5	14
Groundrush	GRRB0019	603,688	7,820,979	475	-60	50	61	21.0	24.0	3.0	500.0	1,500
Groundrush	GRRB0021	603,595	7,820,966	475	-60	50	55	42.0	45.0	3.0	500.0	1,500
Groundrush	GRRC0038	604,366	7,819,451	419	-60	50	108	74.0	75.0	1.0	38.8	39
Groundrush	GRRC0040	604,305	7,819,405	419	-60	50	209	143.0	144.0	1.0	30.1	30
Groundrush	GRRC0040	604,305	7,819,405	419	-60	50	209	173.0	174.0	1.0	11.1	11

Prospect	HoleID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Max Depth	Metre From	Metre To	Interval Width	Grade	Gram Metre
Groundrush	GRRC0042	604,324	7,819,444	419	-60	50	162	55.0	62.0	7.0	3.5	24
Groundrush	GRRC0042	604,324	7,819,444	419	-60	50	162	121.0	127.0	6.0	1.9	11
Groundrush	GRRC0044	604,324	7,819,391	419	-60	50	186	78.0	80.0	2.0	7.0	14
Groundrush	GRRC0048	604,285	7,819,392	419	-60	52	276	151.0	153.0	2.0	17.4	35
Groundrush	GRRC0049	604,266	7,819,326	419	-61	59	276	146.0	147.0	1.0	23.6	24
Groundrush	GRRC0049	604,266	7,819,326	419	-61	59	276	180.0	181.0	1.0	17.6	18
Groundrush	GRRC0049	604,266	7,819,326	419	-61	59	276	244.0	245.0	1.0	20.9	21
Groundrush	GRRC0049	604,266	7,819,326	419	-61	59	276	248.0	253.0	5.0	16.2	81
Groundrush	GRRC0050	604,177	7,819,364	419	-60	52	144	79.0	85.0	6.0	3.0	18
Groundrush	GRRC0061B	604,062	7,819,659	420	-90	215	78	12.0	13.0	1.0	11.0	11
Ripcord	RPDD0001G	605,987	7,816,736	415	-50	230	202.1	50.0	62.0	12.0	2.3	28
Ripcord	RPDD0001G	605,987	7,816,736	415	-50	230	202.1	69.0	80.0	11.0	3.9	42
Ripcord	RPDD0001G	605,987	7,816,736	415	-50	230	202.1	160.0	162.8	2.8	13.2	37
Ripcord	RPDD0002G	605,958	7,816,910	414	-49.6	227	202.4	41.0	45.0	4.0	2.8	11
Ripcord	RPDD0002G	605,958	7,816,910	414	-49.6	227	202.4	61.0	74.0	13.0	2.2	29
Ripcord	RPDD0004G	605,839	7,816,772	415	-50	49	150.4	103.3	107.0	3.7	2.8	10
Ripcord	RPDD0006	605,913	7,816,638	415	-60	50	144.2	49.0	57.0	8.0	1.4	11
Ripcord	RPDD0006	605,913	7,816,638	415	-60	50	144.2	60.0	65.0	5.0	2.1	10
Ripcord	RPRC0063	605,849	7,816,682	415	-60	50	162	102.0	103.0	1.0	30.0	30
Ripcord	RPRC0069	605,885	7,816,779	414	-60	50	114	72.0	80.0	8.0	3.0	24
Ripcord	RPRC0070	605,866	7,816,763	414	-60	50	132	37.0	39.0	2.0	6.4	13
Ripcord	RPRC0075	605,925	7,816,878	414	-60	50	60	17.0	30.0	13.0	1.8	23
Ripcord	RPRC0075	605,925	7,816,878	414	-60	50	60	33.0	44.0	11.0	1.2	14
Ripcord	RPRC0076	605,906	7,816,862	414	-60	50	66	18.0	20.0	2.0	46.1	92
Ripcord	RPRC0076	605,906	7,816,862	414	-60	50	66	25.0	43.0	18.0	1.4	24
Ripcord	RPRC0077	605,887	7,816,846	414	-60	50	96	29.0	40.0	11.0	3.0	33
Ripcord	RPRC0077	605,887	7,816,846	414	-60	50	96	51.0	73.0	22.0	2.6	58
Ripcord	RPRC0080	605,830	7,816,797	415	-60	50	78	71.0	75.0	4.0	3.1	12
Ripcord	RPRC0083	605,874	7,816,900	414	-60	50	72	41.0	54.0	13.0	2.0	26
Ripcord	RPRC0089	605,873	7,816,670	414	-55	50	114	101.0	104.0	3.0	5.6	17
Ripcord	RPRC0091	605,938	7,816,691	414	-60	50	48	32.0	41.0	9.0	1.9	17

Prospect	HoleID	Collar Easting	Collar Northing	Collar RL	Collar Dip	Collar Azimuth	Max Depth	Metre From	Metre To	Interval Width	Grade	Gram Metre
Ripcord	RPRC0092	605,919	7,816,676	414	-60	50	72	45.0	48.0	3.0	4.2	13
Ripcord	RPRC0092	605,919	7,816,676	414	-60	50	72	54.0	62.0	8.0	2.2	17
Ripcord	RPRC0093	605,900	7,816,660	414	-60	50	90	55.0	59.0	4.0	2.9	12
Ripcord	RPRC0093	605,900	7,816,660	414	-60	50	90	63.0	70.0	7.0	4.2	30
Ripcord	RPRC0093	605,900	7,816,660	414	-60	50	90	73.0	81.0	8.0	1.5	12
Ripcord	RPRC0094	605,880	7,816,644	414	-60	50	120	110.0	115.0	5.0	4.0	20
Ripcord	RPRC0096	605,956	7,816,681	414	-60	50	60	49.0	52.0	3.0	3.6	11
Ripcord	RPRC0098	605,902	7,816,635	414	-60	50	108	62.0	66.0	4.0	3.6	14
Ripcord	RPRC0099	605,870	7,816,606	414	-60	50	168	133.0	136.0	3.0	12.0	36
Ripcord	RPRC0102	605,918	7,816,616	414	-60	50	96	32.0	40.0	8.0	8.7	70
Ripcord	RPRC0106	605,912	7,816,580	414	-60	50	102	55.0	59.0	4.0	4.2	17
Ripcord	RPRC0108	605,820	7,816,886	414	-60	50	150	96.0	105.0	9.0	2.6	23

Notes to accompany Table 5

1. Collar Northing, Easting and Azimuth are all in MGA Grid coordinates. Collar RL is relative to AHD. Collar coordinates may vary upon final survey.
2. Analyses by 50g fire assay with AAS finish of half diamond core samples.
3. No cutting of grades has been applied. Assays are rounded to nearest 0.1g/t.
4. Significant intersections are greater than 1.0g/t with maximum 2 metres internal dilution.
5. Only results over 10 gram metres are displayed in the table.
6. Intervals are all down hole length.
7. All results have been previously reported.

Competent Person Statement

The information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Michael Thomson, a full time employee and Principal Geologist of Tanami Gold NL. Mr Thomson is a member of the Australasian Institute of Mining and Metallurgy and 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 Thomson consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

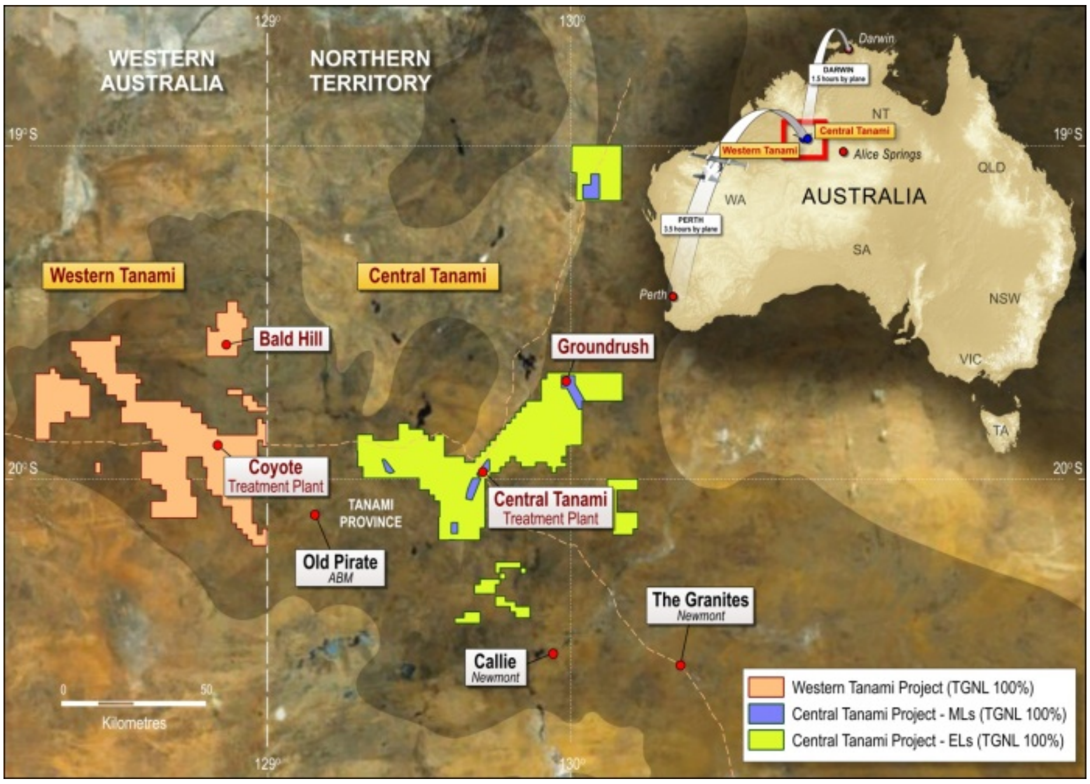
Regional Geology

With the establishment of a dedicated regional exploration team in early 2012 and the subsequent results of a detailed targeting session, the Company's exploration group actively explored 36 separate targets during the year using a combination of reverse circulation percussion (RC), rotary air blast (RAB), aircore (AC) drilling, soil sampling and field reconnaissance mapping significantly advancing the prospectivity of the Company's tenements.

A total of 10 RC, 153 AC and 421 RAB holes were drilled on 12 targets for a total of 25,245 metres, while a total of 2,560 surface samples were taken over 25 targets during the year.

Orientation biogeochemical surveys were undertaken, over known significant gold mineralisation located under transported cover, at both Western and Central Tanami Projects. Results indicate this method's potential to increase the effectiveness of surface sampling and reduce drilling costs through better targeting. The positive results seen to date are of significant importance as approximately 90% of the Company's tenement holdings have transported cover resulting in reduced effectiveness of soil sampling. Accordingly, further biogeochemical orientation sampling programs are planned for the next quarter to validate the depth of cover that this technique will penetrate.

Due to the Coyote Operations being placed on Care and Maintenance in April 2013, a review of the scheduled exploration spend for the remainder of 2013 was conducted with the aim of keeping the ongoing spend to a minimum while ensuring all tenements are kept in good standing. As a result, the Company's regional drill programs have been rescheduled to commence the 2nd quarter of 2014 while scheduled field mapping and reconnaissance sampling programs were brought forward.



Locality Plan

Western Tanami Project

In the Western Tanami Project, RC, AC and RAB programs were completed at Mojave, Coyote South Anticline, Fremlin, Apollo 1, Camel and Nero. An orientation program was also completed within the Coyote Basin. The objective was to investigate the geochemical signatures present at different levels within the regolith profile and to identify the best medium to target for future programs. All drill programs returned anomalous gold results, with significant results from the Mojave, Apollo 1 and Fremlin programs.

The Mojave (RC) program returned significant gold results, greater than 1.0g/t in six of ten holes, however there were no economic gold intersections. RAB drilling is planned for 2014 on the strike extensions targeting similar geology.

The Apollo 1 (RAB) drill program further enhanced the prospectivity of this area on the western extension of the Hutch's Find Prospect, 22 kilometres southwest of Coyote. The significant anomalous zone is open to the west where previously only shallow drilling has been undertaken.

AC drilling at the Fremlin Prospect (15 kilometres south of Coyote) and infilling previous drilling, confirmed the tenor of previous mineralisation intersected. Significant mineralisation is still open along strike to the north.

Surface geochemical and geological reconnaissance programs were conducted over the Western Tanami tenements during the year with significant programs over historically sparcely explored areas on E80/1481, E80/1483, E80/1679, E80/1905, E80/2133, E80/3238, E80/3665, E80/3389 and E80/4306. Significant geochemical anomalies were generated on E80/1483 and E80/1905.

On E80/1483, a program of 400m by 100m soil and lag sampling was completed, covering an area centered approximately 4km northwest of the Coyote Mine site with only sparse historic post-hole drilling and rock chip sampling. West-northwest trending tight folding and a regional fault are interpreted from magnetic images. Significantly, anomalous gold results are correlatable along magnetic features. Infill sampling to further define the anomalous trends is planned for the next quarter.

At North Bald Hill a soil sampling program is underway with sampling completed predominately on E80/1905. The target of the program is poorly tested parts of the prospective Bald Hill Member unit which hosts the Kookaburra and Sandpiper gold deposits. Historic sampling is being closed up to 400m by 100m with some 200m by 100m near better historical geochemical anomalism. A significantly anomalous zone of 600m strike within a 1.8km anomalous zone was generated. The North Bald Hill program, including infilling the anomalous zone, will continue in the next quarter.

Central Tanami Project

The drilling programs completed at the Central Tanami Project were Tanami North Trend, Tobruk and Gamma. A further 5,761 metres were drilled for sterilisation purposes (part of the DFS requirements) at the proposed waste dump, airstrip and tailings storage at CTP.

Drilling on Tobruk Prospect (4 kilometres north of the Central Tanami Project) infilling historic drilling confirmed significant mineralisation over a strike of 500 metres and remains open to the south.

Surface exploration programs were completed on EL26926, the Farrand’s Hills Project tenements and the Cave Hill Project tenements. Geochemical anomalies were generated at Farrand’s Hills and Cave Hill.

At Farrand’s Hills, soil sampling returned a gold and pathfinder anomalous zone of 6 kilometres strike length coincident with the margin of local aeromagnetic highs. Follow up work is planned for 2014.

At Cave Hill, several gold and pathfinder anomalous zones occur. Two of these occur in virgin ground with no previous exploration within several kilometres and regional geophysical signature similar to Newmont’s Callie deposit 30km to the southeast.

Table 6: Tanami Gold Mineral Resources as of 31 April 2013

Project	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
COYOTE	482,000	2.8	44,000	1,071,000	5.7	197,000	1,500,000	6.4	310,000	3,053,000	5.6	551,000
CTP	6,730,000	3.0	648,000	9,491,000	3.0	954,000	9,279,000	3.0	1,022,000	25,500,000	3.0	2,625,000
Sub Total	7,212,000	3.0	692,000	10,562,000	3.4	1,151,000	10,779,000	3.8	1,332,000	28,553,000	3.5	3,176,000
CT Stockpile	1,700,000	0.9	48,000							1,700,000	0.9	48,000
Total	**8,912,000**	**2.6**	**740,000**	**10,562,000**	**3.4**	**1,151,000**	**10,779,000**	**3.8**	**1,332,000**	**30,253,000**	**3.3**	**3,224,000**

Notes to accompany Table 6

1. Coyote is Coyote Gold Project and CTP is Central Tanami Project
2. Resource estimations completed using MineMap, Vulcan and Micromine software packages comprising a combination of ellipsoidal inverse distance and ordinary kriging grade interpolation methods.
3. Grade estimation was constrained to material within >0.7g/t mineralisation outlines.
4. Variable gold assay top cuts were applied based on geostatistical parameters and historical production reconciliation.
5. Resources reported above variable block model grades based on expected economic extraction for these resources. (between 0.7-1.0g/t Au).
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), Consultant Geologist – Tanami Gold NL, Mr Michael Thomson (MAusIMM), Principal Geologist for Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), former Resource Geologist for Tanami Gold NL and Mr Peter Ball (MAusIMM), Director of Datageo Geological Consultants. Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard 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 Thomson, Mr Makar, Mr Nicholls, Mrs Hillyard 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.
9. The Coyote Resource has not been depleted by 7,675 ounces mined between January 2013 and June 2013.

Table 7: Central Tanami Project Mineral Resources by Tenement as of 31 January 2013

Mineral Lease	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
MLS153	1,051,000	2.2	73,000	3,046,000	2.2	217,000	849,000	2.7	74,000	4,946,000	2.3	365,000
MLS167	2,709,000	3.4	293,000	2,613,000	2.9	244,000	2,050,000	2.9	191,000	7,372,000	3.1	728,000
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	133,000
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	1.8	10,000	142,000	2.7	12,000	1,415,000	2.6	119,000
ML22934	475,000	4.5	69,000	2,470,000	4.9	391,000	4,785,000	4.3	669,000	7,820,000	4.5	1,129,000
Sub Total	6,730,000	3.0	648,000	9,491,000	3.1	954,000	9,279,000	3.4	1,022,000	25,500,000	3.2	2,625,000
Stockpiles	1,700,000	0.9	48,000							1,700,000	0.9	48,000
Total	**8,430,000**	**2.6**	**696,000**	**9,491,000**	**3.1**	**954,000**	**9,279,000**	**3.4**	**1,022,000**	**27,200,000**	**3.1**	**2,673,000**

Notes to accompany Table 7

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 >0.7g/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 1.0g/t block model grade.
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), Consultant Geologist – Tanami Gold NL, Mr Michael Thomson (MAusIMM), Principal Geologist for Tanami Gold NL, Mr Steven Nicholls (MAIG), former Senior Geologist for Tanami Gold NL, Mrs Claire Hillyard (MAusIMM), Resource Geologist for Tanami Gold NL and Mr Peter Ball (MAusIMM), Director of Datageo Geological Consultants. Mr Makar, Mr Thomson, Mr Nicholls, Mrs Hillyard 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, Mrs Hillyard 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.
9. ML22934 Resource consists of 2 resources, Groundrush Deposit (1001Koz) and Ripcord Deposit (89Koz).

Table 8: Coyote Gold Project Mineral Resources by Tenement as of 31 April 2013

Deposit	Resource Category											
	Measured			Indicated			Inferred			Total		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Coyote	25,000	23.6	19,000	330,000	10.9	116,000	436,000	13.6	190,000	791,000	12.8	325,000
Sandpiper	27,000	3.3	3,000	455,000	4.1	59,000	635,000	4.4	90,000	1,117,000	4.2	152,000
Kookaburra	55,000	2.6	5,000	286,000	2.4	22,000	353,000	2.1	24,000	694,000	2.3	51,000
Pebbles							76,000	2.5	6,000	76,000	2.5	6,000
Stockpiles	375,000	1.4	17,000							375,000	1.4	17,000
Total	**482,000**	**2.84**	**44,000**	**1,071,000**	**5.72**	**197,000**	**1,500,000**	**6.43**	**310,000**	**3,053,000**	**5.61**	**551,000**

Notes to accompany Table 8

1. The Coyote Gold 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, a range of 100-250g/t for Coyote and 150gram metres for Kavanagh.
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 2.0g/t Au lower cut-off for Coyote, a 3.0g/t Au cut off for Kavanagh and 1.0g/t for the remaining Resources.
5. Tonnes and ounces of gold are rounded to significant figures and grade is rounded to the nearest 0.1g/t. Rounding may affect tallies. Stockpile ounces rounded to the nearest hundred.
6. Resource estimation for the Muttley and Kavanagh lodes was completed by Michael Thomson, full time employee and Principal Geologist of Tanami Gold, the resource estimation of the remaining Coyote and Sandpiper deposits was completed by Mr Steven Nicholls, former Senior Geologist of Tanami Gold NL. The Kookaburra Resource estimation was conducted by Mr Peter Ball, Director of Datageo Geological Consultants. The Pebbles Resource estimate was completed in 2007 by Mr Malcolm Titley of CSA Australia Pty Ltd.
7. Mr Thomson, 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.
8. This Resource has not been depleted by 7,675 ounces mined between January 2013 and June 2013.

Competent Person's Statement

The information in this report that relates to Geological Data and Exploration Results is based on information compiled by Mr Michael Thomson, a full time employee and Principal Geologist of Tanami Gold NL. Mr Thomson is a member of the Australasian Institute of Mining and Metallurgy. Mr Thomson 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 Thomson consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The Directors present their report together with the consolidated financial report of the Consolidated Entity, being the Company and its subsidiaries for the year ended 30 June 2013 and the auditor's report thereon.

1. Directors

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

Non-Executive Chairman – Gerard J McMahon (appointed 23 April 2013 as a Non-Executive Director and Chairman as of 6 June 2013)

Mr Gerard McMahon is admitted as a Barrister in Hong Kong and New South Wales and has been living and working in Hong Kong for over 35 years. He is a Non-Executive Chairman of ASX listed Oriental Technologies Investment Limited (appointed 1999), Non-Executive Director of Hong Kong listed Guangnan (Holdings) Limited (appointed 2000), and Non-Executive Director of Indonesian Investment Fund Limited (appointed 2001) a company listed on the Irish Stock Exchange. Mr McMahon is also a consultant to Asian Capital (Corporate Finance) Limited, a Hong Kong based corporate finance and advisory firm which he co-founded. Over the past 30 years, Mr McMahon has been a Director of other listed Companies in the Asia Pacific region which are involved in the banking, manufacturing, retailing, information technology, medical, telecoms & mining industries. Mr McMahon's past experience includes extensive involvement in Hong Kong's Securities and Futures Commission as Chief Counsel, Member and Executive Director and is specialised in Hong Kong company law, securities and banking law and takeovers and mergers regulations.

Special responsibilities - Member of the Audit Committee and the Remuneration and Nomination Committee.

Non-Executive Director – Arthur G Dew, B.A., L.L.B. (appointed 2 December 2011)

Mr Arthur Dew is a non-practising Barrister with a broad range of corporate and business experience and has served as a Director, and in some instances Chairman of the Board of Directors, of a number of publicly listed companies in Australia, Hong Kong and elsewhere. He is Chairman and Non-Executive Director of Allied Group Limited; a Hong Kong listed company which is indirectly Tanami Gold NL's largest shareholder. Mr Dew is also Chairman and Non-Executive Director of the Hong Kong listed companies, Allied Properties (H.K.) Limited and Allied Overseas Limited and is a Non-Executive Director of SHK Hong Kong Industries Limited. Mr Dew was appointed a Non-Executive Director of ASX listed Eurogold Limited on 23 October 2012.

Special responsibilities – Mr Dew was a Member of the Audit Committee and the Remuneration and Nomination Committee until 6 June 2013.

Non-Executive Director – Lee Seng Hui, LL.B. (appointed 5 March 2008)

Mr Lee Seng Hui is currently the Chief Executive of Allied Group Limited (AGL), a Hong Kong listed company, having been appointed in January 1998. Mr Lee graduated with Honours from the Law School of the University of Sydney and worked with Baker & McKenzie and N M Rothschild & Sons (Hong Kong) Limited. Following his appointment as a Non-Executive Director of AGL in July 1992, Mr Lee became an Executive Director of AGL in December 1993. On 2 October 2009, Mr Lee was appointed as a Non-Executive Director of APAC Resources Limited which is a Hong Kong listed company. On 18 June 2010, Mr Lee was appointed as the Chief Executive and Executive Director of Allied Properties (H.K.) Limited (APL); a Hong Kong listed company which is indirectly Tanami Gold NL's largest shareholder and a non wholly-owned subsidiary of AGL. He is also a Non-Executive Director and Chairman of Tian An China Investments Company Limited which is a Hong Kong listed company and an associate of AGL and APL. Mr Lee was appointed to the Board of Mount Gibson Iron Limited as a Non-Executive Director on 29 January 2010.

Non-Executive Director – Carlisle C Procter, B.Ec, M.Ec, FFin, (appointed 9 December 2011)

Mr Carlisle Procter graduated from the University of Sydney with a Bachelor's Degree and a Master's Degree in Economics. He is a fellow of the Financial Services Institute of Australasia (FFin.). Based in Australia, Mr Procter worked in the Reserve Bank of Australia for over 30 years, holding various senior management positions. Since leaving the Reserve Bank, he has worked as a consultant to the International Monetary Fund and the Asian Development Bank and has also undertaken private consulting work in the Philippines, Indonesia and Papua New Guinea in the areas of bank supervision, anti-money laundering and corporate governance respectively. Mr Procter is currently a Non-Executive Director of Bank South Pacific Limited, a company listed on the Port Moresby Stock Exchange, and an independent Non-Executive Director of Sun Hung Kai & Co Limited and Allied Overseas Limited. Mr Procter was appointed a Non-Executive Director of ASX listed Eurogold Limited on 29 November 2012.

Special responsibilities – Chairman of the Audit Committee and Member Remuneration and Nomination Committee.

Non-Executive Director – Brett Montgomery (appointed 6 February 2013)

Mr Brett Montgomery has extensive experience in the management of publicly listed mining companies having previously been the Managing Director of Kalimantan Gold NL, a Director of Grants Patch Mining Limited and Chairman and Joint Managing Director of Eurogold Limited. Mr Montgomery was appointed a Non-Executive Director of Magnum Gas and Power Limited on 9 October 2008.

Special responsibilities - Member of the Audit Committee and Chairman of the Remuneration and Nomination Committee.

Deputy Chairman/Executive Director – Denis P Waddell, ACA, FAICD (appointed 21 July 1995; resigned 15 November 2012)

Non-Executive Director – Alan A Senior, AsscshpMechEng, FIEAUST, FAusIMM (appointed 31 July 2007; resigned 15 November 2012)

Non-Executive Director – Martin Pyle, BSc Hons, MBA (appointed 12 April 2013; resigned 20 April 2013)

2. Company Secretary

Pauline Collinson was appointed Company Secretary on 18 July 2013 and has over 25 years' experience in the mining industry.

Jon Latto B.Com CA MBA GradDipAppCorpGov ACIS (appointed 1 September 2010; resigned 18 July 2013).

3. Directors' Meetings

Director	Board Meetings		Audit Committee Meetings		Remuneration and Nomination Committee Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Mr G McMahon	2	2	-	-	-	-
Mr A Dew	9	8	2	2	1	1
Mr SH Lee	9	5	-	-	-	-
Mr C Procter	9	9	2	1	1	1
Mr B Montgomery	4	4	1	1	-	-
Mr D Waddell	3	3	1	1	-	-
Mr A Senior	3	3	1	1	-	-
Mr M Pyle	1	1	-	-	-	-
Mr M Wong*	1	-	-	-	-	-

* Alternate for Mr Dew

4. Nature of Operations and Principal Activities

The Company is a no liability company and is domiciled and incorporated in Australia. The principal activity of the Consolidated Entity during the course of the financial year was gold mining operations and mineral exploration.

5. Operating and Financial Review

Operating Overview

During the year ended 30 June 2013, Tanami Gold NL was an ASX listed gold producing and exploration company. The Company's mining and exploration centres are situated in the Tanami Desert straddling the Western Australian and Northern Territory border. The Company's Coyote Gold Project ('Coyote') is located in Western Australia and consists of a 350,000 tonnes per annum carbon-in-leach treatment plant and an underground mine. The Company's Central Tanami Project ('CTP') is located adjacent to the Tanami Track and approximately 90 kilometres east of Coyote.

In April 2013, following a substantial fall in the gold price the Company:

- Placed Coyote on care and maintenance;
- Decided to broaden the scope of the internal studies on its Kavanagh deposit;
- Deferred a development decision on CTP;
- Switched focus to a renewed exploration effort; and
- Undertook a major review of the Company's strategic direction and cost base.

Coyote Gold Project

During the year ended 30 June 2013, Coyote processed 118,422t @ 6.54g/t Au from the underground and 73,319t @ 2.43g/t Au from open pit sources for a total of 191,741 tonnes of ore at an average grade of 5.03g/t Au delivering 30,216 recovered ounces of gold. Access to the ore was reliant on equipment availability and utilisation and breakdowns of critical elements of the mining fleet resulted in development delays leading to production shortfalls. These issues, in conjunction with the likelihood of the Muttley lode being exhausted by the end of June 2013 and a major fall in the gold price, meant Coyote was unable to meet the Company's costs as structured at that time. As a result, the underground operations ceased on 24 April 2013 and the mine was shifted into care and maintenance status.

Dewatering of the Coyote underground has continued since April and will be kept under review. Partial flooding of the underground mine has occurred in some areas judged to be no longer viable.

Any recommencement of operations at Coyote will be dependent on the results of an exploration drill program, discussed below in the Business Strategies and Prospects section of this report. The exploration program will follow on from the initial drilling program which identified an inferred Maiden Mineral Resource for the Kavanagh deposit of 122,000t @ 25.2g/t Au for 100,000 ounces of gold.

Central Tanami Project

The Definitive Feasibility Study ('DFS') for CTP was substantially completed in April 2013 and considered various combinations of open pit and underground developments. The DFS concluded that the combined impact of the lower gold price and higher stripping ratios for the open cut scenarios meant the investment case for a combined development could not be demonstrated with the current Resource. Recent optimisation of the DFS, based on an all underground mine, indicates potential for future development subject to a number of criteria, particularly achieving an increase in the Mineral Resource base.

The Company considers further exploration of the CTP leases is warranted, particularly at the Groundrush deposit, which the Board considers a flagship asset. The decision to proceed with exploration however has been deferred until the Company is in a sounder financial position.

The Groundrush deposit currently has a Mineral Resource estimate of 6.72Mt @ 4.8g/t Au for 1,040,000 ounces of gold.

Regional Exploration

During the year the Company's regional exploration programs delivered positive results with a significant amount of grassroots exploration and field mapping conducted. In April 2013, a review of the exploration budget for the remainder of 2013 was conducted with the aim of reducing the ongoing exploration spend to a minimum whilst ensuring the tenements are kept in good standing. As such, several of the Company's regional drill programs were postponed until the 2014 drilling season.

Consolidated Financial Overview

The Consolidated Entity has generated a total comprehensive loss for the year ended 30 June 2013 of $66,308,282 (2012: Loss $4,326,014). The result was significantly impacted by $21.4 million of asset impairments, $18.1 million of exploration write offs and $4.1 million of redundancy costs associated with placing Coyote on care and maintenance. Full details of the asset impairments, exploration write offs and redundancy costs can be found in notes 4, 5 and 14 of the notes to the financial statements.

During the financial year ended 30 June 2013 the Company has also:

- Sold down its investment in ABM Resources NL;
- Completed a fully underwritten pro-rata renounceable Entitlements Issue raising A$65.3 million (before costs);
- Repaid in full its debt facilities with AP Finance Limited of approximately A$57.7 million; and
- Secured additional funding by way of a A$15.0 million loan with Sun Hung Kai International Bank (Brunei) Limited ('SHKIBBL').

Further detail is provided in the Corporate section below.

Business Strategies and Prospects

The Company continues to maintain an ongoing focus towards reducing its care and maintenance fixed costs and overheads.

The Company will further explore the Kavanagh deposit. A successful programme together with further cost reductions and an improvement in the gold price, could present an economic case for recommencing production. The drilling program is expected to take some 4 months and will cost approximately $3.5 million. The proposed drilling will target extensions to the known Resource, explore at depth for repetitions of the mineralised system and seek to upgrade a portion of the existing Resource from Inferred to Indicated status.

The Board is working with various parties to secure funding to ensure the Company remains financially viable while the drilling program and subsequent evaluation proceeds. As part of this process, the Company has sought to delay the repayment date of the A$15.0 million loan facility with SHKIBBL to 31 March 2015. The Company is in continuing discussions with various third parties regarding possible corporate proposals and funding options.

The Board's primary concern is to restore and grow shareholder value.

Corporate

Board Restructure and Management Changes

On 15 November 2012, the Company's former Deputy Chairman/Executive Director Mr Denis Waddell and former Non-Executive Director Mr Alan Senior resigned.

On 26 November 2012, the Company announced the appointment of Mr Peter Cordin as acting Chief Executive Officer of the Company. Mr Cordin left the Company on 21 May 2013 after the completion of the DFS for the development of the CTP.

On 6 February 2013 and 23 April 2013 repectively, the Company announced that its Board had been further strengthened by the appointments of Independent Non-Executive Directors Mr Brett Montgomery and Mr Gerard McMahon. Both Independent Non-Executive Directors have extensive experience in the management of publically listed companies.

On 6 June 2013, Mr Gerard McMahon was elected Chairman of the Company, replacing Mr Arthur Dew. Consequently, the Chairman of the Company is now an Independent Non-Executive Director, reflecting the Company's continued commitment to the Australian Securities Exchange Corporate Governance Principals and Recommendations. Mr Dew remains on the Board of the Company as a Non-Executive Director.

Sale of investment in ABM Resources NL

In October 2012, the Company sold 70,103,203 of its shares in ABM Resources NL ('ABM') at an average price of 5.4 cents per share receiving approximately $3.8 million.

In February 2013, the Company sold 11,607,699 of its remaining shares in ABM at a price of 4.6 cents per share receiving approximately $0.53 million.

At 30 June 2013, the Company retained 78,392,301 shares in ABM valued at 2.4 cents per share (for a value of approximately $1.9 million). Subsequent sales of ABM shares post reporting date are discussed below in the Events Subsequent to Reporting Date section of this report.

Fully underwritten pro-rata renounceable Entitlements Issue

On 4 February 2013, the Company announced it had reached an agreement with Patersons Securities Limited to underwrite a renounceable pro-rata Entitlement Issue ('Issue' or 'Offer') to raise $65.3 million before costs.

The Issue was made to eligible shareholders at an issue price of 20 cents per share on the basis of 5 new shares for every 4 shares held. The Issue was strongly supported by shareholders with 91% of the shares on offer (including shortfall applications) taken up by existing shareholders.

The Company used the funds raised under the Offer as follows:

- Repayment of outstanding debt to AP Finance Limited including accrued interest and charges (approximately A$57.7 million);
- Completion of the DFS at CTP;
- Expenses of the Offer; and
- Additional working capital.

Repayment of outstanding debt to AP Finance Limited

Following the Entitlement Issue, the Company repaid its loan facilities with AP Finance Limited. In total the Company repaid HK$464.3 million (approximately A$57.7 million) to extinguish its debt (including accrued interest and charges) to AP Finance Limited.

Of this amount, A$35.0 million was paid in March 2013, A$6.5 million was paid in April 2013 and the balance of A$16.2 million offset against the entitlement of Allied Properties Resources Limited (and shortfall allocation) under the Entitlement Issue.

Loan Facility with Sun Hung Kai International Bank (Brunei) Limited (SHKIBBL)

On 5 April 2013, the Company announced that it had entered into an A$15.0 million unsecured loan facility with SHKIBBL.

At 30 June 2013, the Company had drawn down A$9.0 million under its loan facility with SHKIBBL leaving A$6.0 million in unused funds remaining.

These drawdowns were used to the assist with funding the Company's:

- Ongoing care and maintenance costs at Coyote;
- Redundancy payments associated with placing Coyote on care and maintenance; and
- Provision of additional working capital.

Community Relations

The Company recognises the importance of developing relationships based on trust and mutual advantage and in respecting the needs and concerns of the communities located within the regions in which it operates.

The Company has agreements in place with the Traditional Owners and is committed to building strong relationships by:

- Being open and transparent in its communications;
- Improving cross-cultural awareness through training and education;
- Developing community relations management procedures that include business alliances;
- Being sensitive to the values and heritage issues of the local communities; and
- Being a good neighbour.

6. Environmental Regulation

The Consolidated Entity's operations are subject to environmental regulations under Commonwealth and State legislation. The Directors believe that the Consolidated Entity has adequate systems in place for the management of the requirements under those regulations, and are not aware of any breach of such requirements as they apply to the Consolidated Entity.

7. Significant Changes in the State of Affairs

Significant changes to the Company's State of Affairs have been set out in the Operating and Financial Review above.

8. Dividends

The Directors have not recommended the declaration of a dividend. No dividends were paid or declared during the year.

9. Events Subsequent to Reporting Date

During the period from 1 July 2013 to 2 September 2013, the Company progressively drew down the remaining A$6.0 million available under its unsecured A$15.0 million loan facility with SHKIBBL (the use of these funds is set out in section 5 above).

On 9 August 2013, the Company lodged a Mining Rehabilitation Fund ('MRF') application with the WA Department of Mines and Petroleum for the return of its $2.3 million Coyote rehabilitation bond. The Company has opted to partake in the MRF early where the fund contribution rate is proposed to be 1 percent of the Coyote rehabilitation liability estimate.

On 26 August 2013, the Company sold its remaining 78,392,301 shares in ABM at an average price of 3.4 cents per share receiving approximately $2.6 million.

On 18 September 2013, the Company reached an agreement with AP Finance Limited for a new unsecured loan facility of approximately A$12.0 million.

On 24 September 2013, the Company signed a Supplementary Loan Agreement with SHKIBBL to extend the repayment of its existing A$15.0 million loan facility from 30 June 2014 to 31 March 2015.

10. Likely Developments

The Company is looking to strengthen its asset base through continued significant expenditure on intensive Resource and Reserve definition exploration to develop and optimise the Coyote Gold Project. The success of this exploration, together with further cost reductions and some improvement in the gold price, may mean the Company can show an economic case for going back into production (subject to Board approval).

11. Directors' Interests

The relevant interest of each director in shares and options of the Company, as notified by the directors to the Australian Securities Exchange in accordance with section S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Directors	Relevant Interest of Directors in Securities of Tanami Gold NL	
	Fully Paid Shares	Unquoted Options
Mr G McMahon	-	-
Mr A Dew	-	-
Mr SH Lee*	142,818,734	-
Mr C Procter	-	-
Mr B Montgomery	-	-

* These shares are held by Allied Properties Resources Limited, a company in which Mr SH Lee (together with others as trustees of the Lee and Lee Trust) has an interest of 65.02% (2012: 64.90%). Accordingly, Mr SH Lee is taken to have a relevant interest in the 142,818,734 (2012: 61,378,788) shares held by Allied Properties Resources Limited.

12. Share Options

Options granted to Directors and Executives of the Company

During or since the end of the financial year, the Company granted options for no consideration over unissued ordinary shares in the Company to the following directors and to the following most highly remunerated officers of the Company as part of their remuneration:

	Number of options granted	Exercise Price	Expiry Date
Directors			
Mr G McMahon	-	-	-
Mr A Dew	-	-	-
Mr SH Lee	-	-	-
Mr C Procter	-	-	-
Mr B Montgomery	-	-	-
Former Directors			
Mr D Waddell	-	-	-
Mr A Senior	-	-	-
Former Executives			
Mr A Czerw	-	-	-
Mr J Latto*	91,668	$0.20	-

* The options were granted during the financial year to Mr Latto as a result of the Company putting in place limited recourse loans with eligible employees to allow them to take up their entitlements under the Entitlements Issue. The limited recourse loans, considered in substance options, have been disclosed in accordance with S300(1) of the Corporations Act 2001. No options have been granted to key management personnel of the Company since the end of the financial year.

Unissued shares under option

At the date of this report the unissued ordinary shares in the Company under option are:

Number	Type	Exercise Price	Expiry Date
*300,000	Unquoted	$1.34	21 December 2016
**1,975,000	Unquoted	$0.90	28 March 2017
**262,500	Unquoted	$1.00	28 March 2017
2,537,500			

* The 300,000 options granted to Mr Alan Senior, a former Director of the Company will expire on 21 December 2016 and not before.

** The options expire on the earlier of their expiry date or six months from the date on which the option holder's employment with the Company is terminated, subject to the Board of Directors waiving this condition. These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During the year, the following options were forfeited due to performance criteria not being achieved or cessation of employment.

Exercise Price	Number of Options	Grant Date	Expiry Date
$6.00	58,334	23 November 2007	22 November 2012
$4.50	58,334	23 November 2007	22 November 2012
$0.90	325,000	29 March 2012	28 March 2017
$1.00	2,037,500	29 March 2012	28 March 2017
$1.10	500,000	29 March 2012	28 March 2017

Shares issued

Since the end of the financial year, there were no shares issued.

Shares issued on exercise of options

During the financial year no shares were issued by the Company as a result of the exercise of options.

13. Remuneration Report – audited

Remuneration is referred to as compensation throughout this report.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Consolidated Entity. Key management personnel comprise the directors of the Company and executives of the Company and the Consolidated Entity.

Compensation levels for key management personnel of the Company and relevant key management personnel of the Consolidated Entity are competitively set to attract and retain appropriately qualified and experienced directors and executives.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and to achieve the broader outcome of creation of value for shareholders. Compensation packages include a mix of fixed compensation and equity-based compensation as well as employer contributions to superannuation funds.

Shares and options may only be issued to directors subject to approval by shareholders in a general meeting.

The Board has no established retirement or redundancy schemes.

13.1.1 Fixed Compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation funds.

Compensation levels are reviewed annually through a process that considers individual performance and the overall performance of the Consolidated Entity.

13.1.2 Performance-linked Compensation (short-term incentive bonus)

The Company has not paid any performance linked short-term incentives to key management personnel during the financial year ended 30 June 2013.

13.1.3 Equity-based Compensation (long-term incentive bonus)

The Company has in place an Option and Performance Rights Plan. Options may only be issued to directors subject to approval by shareholders in a general meeting.

The Remuneration and Nomination Committee uses equity-based long-term incentives (LTIs) where appropriate to promote continuity of employment and to provide additional incentive to increase shareholder wealth. LTIs are provided as options over ordinary shares of the Company and are provided to key management personnel and employees based on their level of seniority and position within the Company and are exercisable on various dates.

LTIs shall be in such form and content and with such terms and conditions as the Board determines, including exercise price, vesting conditions, disposal conditions and terms of expiry.

If the option holder ceases to be a director and/or employee of the Company during the vesting period for any reason, the options will expire six months after cessation (subject to the exercise of discretion by the Board) and cease to carry any rights or benefits unless otherwise approved by the Remuneration and Nomination Committee.

13.1.4 Equity-based Compensation (long-term incentive bonus)

There are no voting or dividend rights attached to the options. Voting rights will be attached to the ordinary issued shares when the options have been exercised.

On 20 September 2012 the Company introduced a policy that prohibits those that are granted share-based payments as part of their remuneration from entering into other arrangements that limit their exposure to losses that would result from share price decreases. Entering into such arrangements has been prohibited by law since 1 July 2011.

13.1.5 Consequences of Performance on Shareholder Wealth

The Company continues to focus on enhancing shareholder value through the development of a significant production profile and an ongoing commitment to exploration aimed at increasing the Company's Resource inventory at its Coyote Gold Project and at its Central Tanami Project. The Company has reduced its workforce and remuneration in the process of restructuring the remuneration program. The aim of the remuneration plan restructure is to minimise the ongoing costs incurred by the Company whilst it continues to explore the Kavanagh deposit. To assist shareholders in assessing the Consolidated Entity's performance and benefits for shareholder wealth, the Company reports the following data for the current financial year and the previous four financial years:

	2013	2012	2011	2010	2009
(Loss)/profit attributable to owners of the Company	($66,308,282)	($4,304,922)	$972,405	$353,667	($21,029,451)
Dividends paid	-	-	-	-	-
Share price as at 30 June	$0.054	$0.730	$0.895	$0.041	$0.028

13.1.6 Service Contracts

Compensation and other terms of employment for directors and key management personnel are formalised in contracts of employment. The major provisions of the agreements relating to compensation are set out below.

Mrs Pauline Collinson – Company Secretary
Mrs Collinson is employed on a contract basis as Company Secretary. The arrangement can be terminated by either party without notice and without a termination payment. Mrs Collinson has been Company Secretary since 18 July 2013.

Mr Denis Waddell – Deputy Chairman/Executive Director
Mr Waddell was employed on a contract basis as Executive Director. The arrangement could be terminated by either party without notice and without a termination payment. Mr Waddell resigned on 15 November 2012.

Mr Andrew Czerw – General Manager
Mr Czerw had a contract of employment with the Company dated 10 October 2011 as Geology Manager. The contract specified the duties and obligations to be fulfilled by the Geology Manager. The contract could be terminated by either party by the provision of three months' notice which, based on current remuneration rates, amounted to a termination payment of $90,000 (2012: $90,000). The position of General Manager was made redundant by the Company on 18 July 2013.

Mr Jon Latto – Company Secretary/Chief Financial Officer
Mr Latto had a contract of employment with the Company dated 14 September 2007. The contract specified the duties and obligations to be fulfilled by the Chief Financial Officer. The contract could be terminated by either party by the provision of three months' notice which, based on current remuneration rates, amounted to a termination payment of $73,750 (2012: $73,750). The position of Chief Financial Officer was made redundant by the Company on 18 July 2013.

No remuneration consultants were engaged by the Company during the year.

13.2 Non-executive directors
Non-executive directors do not receive performance related compensation. Directors' fees cover all main board activities and membership of any committee. The Board has not established retirement or redundancy schemes in relation to non-executive directors.

13. Remuneration Report – audited (continued)

13.3 Directors' and executive officers' remuneration

Details of the nature and amounts of each major element of the remuneration of each director of the Company and each of the named officers of the Company and the Consolidated Entity receiving the highest remuneration are:

In dollars		Short Term					Post Employment	Share Based Payments			
		Salary & Fees	Accrued Remuneration	Payment of Accrued Annual Leave & Long Service Leave	STI Cash Bonuses	Non Monetary Benefits	Super-annuation Benefits	Calculated Value of Options (Non Cash)	Total Remuneration	Proportion of Remuneration Performance Related %	Value of Options as a Proportion of Total Remuneration
Directors		$	$	$	$	$	$	$	$	%	%
G McMahon (i)	2013	12,000	-	-	-	-	1,080	-	13,080	-	-
(Non-Executive Chairman)	2012	-	-	-	-	-	-	-	-	-	-
A Dew	2013	73,333	-	-	-	-	6,600	-	79,933	-	-
(Non-Executive Director)	2012	43,466	-	-	-	-	3,912	-	47,378	-	-
SH Lee	2013	55,000	-	-	-	-	4,950	-	59,950	-	-
(Non-Executive Director)	2012	32,083	-	-	-	-	2,888	-	34,971	-	-
C Procter	2013	55,000	-	-	-	-	4,950	-	59,950	-	-
(Non-Executive Director)	2012	-	32,083	-	-	-	2,888	-	34,971	-	-
B Montgomery (ii)	2013	21,154	-	-	-	-	-	-	21,154	-	-
(Non-Executive Director)	2012	-	-	-	-	-	-	-	-	-	-
Former Directors											
D Waddell (iii)	2013	216,500	-	-	-	6,788	-	-	223,288	-	-
(Deputy Chairman/Executive Director)	2012	372,250	98,000	-	-	8,741	-	-	478,991	-	-
A Senior (iv)	2013	22,917	-	-	-	-	2,063	-	24,980	-	-
(Non-Executive Director)	2012	55,000	-	-	-	-	4,950	130,151	190,101	-	68.46%
Total all specified Directors	**2013**	**455,904**	**-**	**-**	**-**	**6,788**	**19,643**	**-**	**482,335**	**-**	**-**
	2012	**502,799**	**130,083**	**-**	**-**	**8,741**	**14,637**	**130,151**	**786,412**	**-**	**-**
Executives											
A Czerw	2013	360,000	-	-	-	3,863	32,400	143,917	540,180	-	26.64%
(General Manager)	2012	192,500	-	-	-	4,979	17,325	118,083	332,887	-	35.47%
J Latto	2013	295,000	-	-	-	3,863	26,550	86,731	412,144	-	21.04%
(Company Secretary/Chief Financial Officer)	2012	285,000	-	-	-	6,638	25,650	48,688	365,976	-	13.30%
Former Executives											
P Cordin (v)	2013	257,996	-	-	-	1,353	-	-	259,349	-	-
(Acting Chief Executive Officer)	2012	-	-	-	-	-	-	-	-	-	-
Total all named Executives	**2013**	**912,996**	**-**	**-**	**-**	**9,079**	**58,950**	**230,648**	**1,211,673**	**-**	**-**
	2012	**477,500**	**-**	**-**	**-**	**11,617**	**42,975**	**166,771**	**698,863**	**-**	**-**
Total all specified Directors	**2013**	**1,368,900**	**-**	**-**	**-**	**15,867**	**78,593**	**230,648**	**1,694,008**	**-**	-
and Executives	**2012**	**980,299**	**130,083**	**-**	**-**	**20,358**	**57,613**	**296,922**	**1,485,275**	**-**	-

(i) Appointed April 2013.
(ii) Appointed February 2013.
(iii) Appointed July 1995, resigned November 2012.
(iv) Appointed July 2007, resigned November 2012.
(v) Appointed November 2012, resigned May 2013.

13. Remuneration Report – audited (continued)

13.4 Equity instruments - audited

13.4.1 Options over equity instruments granted as compensation - audited

Details on options over ordinary shares in the Company that were granted as compensation to key management personnel during the reporting period and details of options that vested during the reporting period are as follows:

	Balance 1 July 2012	Granted during 2013	Options Exercised	Options Forfeited	Options Expired	Balance 30 June 2013	Vested 30 June 2013	Vested and Exercisable 30 June 2013	Vested and Un-Exercisable 30 June 2013
Directors									
Mr G McMahon	-	-	-	-	-	-	-	-	-
Mr A Dew	-	-	-	-	-	-	-	-	-
Mr SH Lee	-	-	-	-	-	-	-	-	-
Mr C Procter	-	-	-	-	-	-	-	-	-
Mr B Montgomery	-	-	-	-	-	-	-	-	-
Former Directors									
Mr D Waddell	-	-	-	-	-	-	-	-	-
Mr A Senior	416,668	-	-	-	(116,668)	300,000	300,000	300,000	-
Former Company Executives									
Mr A Czerw	1,500,000	-	-	(1,000,000)	-	500,000	500,000	500,000	-
Mr J Latto	500,000	-	-	(250,000)	-	250,000	250,000	250,000	-

(The options in this table relate to key management personnel only)

13.4.2 Modifications of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to key management personnel) have been altered or modified by the issuing entity during the reporting period or the prior period.

13.4.3 Exercise of options granted as compensation

During the financial year, no shares were issued on the exercise of options previously granted as compensation to key management personnel.

13.4.4 Analysis of options and rights over equity instruments granted as compensation - audited

Details of the options granted and vesting profiles of the options granted as remuneration to key management personnel of the Company are detailed below:

	Options Granted			Vesting Profile				
	Number	Date	Fair value	Exercise price $	Expiry date	% Vested in year	% Forfeited in year	Financial year in which grant vests
Directors								
Mr G McMahon	-	-	-	-	-	-	-	-
Mr A Dew	-	-	-	-	-	-	-	-
Mr SH Lee	-	-	-	-	-	-	-	-
Mr C Procter	-	-	-	-	-	-	-	-
Mr B Montgomery	-	-	-	-	-	-	-	-
Former Directors								
Mr D Waddell	-	-	-	-	-	-	-	-
Mr A Senior	300,000	22 Dec 2011	$0.434	$1.34	21 Dec 2016	100%	-	2012
Former Company Executives								
Mr A Czerw	500,000	29 Mar 2012	$0.524	$0.90	18 Jan 2014	100%	-	2013
Mr A Czerw	500,000	29 Mar 2012	-	-	-	-	100%	-
Mr A Czerw	500,000	29 Mar 2012	-	-	-	-	100%	-
Mr J Latto	250,000	29 Mar 2012	$0.524	$0.90	18 Jan 2014	100%	-	2013
Mr J Latto	250,000	29 Mar 2012	-	-	-	-	100%	-

13. Remuneration Report – audited (continued)

13.4.5 Analysis of movements in options and rights

There were no options granted during the financial year ended 30 June 2013 to key management personnel. There were no options exercised and 1,366,668 options were forfeited due to performance criteria not being achieved or cessation of employment.

14. Non-Audit Services

During the year KPMG, the Consolidated Entity's auditor, performed certain other services in addition to their statutory duties.

The Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

a. Non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor.

b. Ensuring non-audit services do not involve the auditors reviewing or auditing their own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid or payable to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are set out below.

	Consolidated	
	2013	**2012**
	$	**$**
Audit services		
Auditors of the Company:		
Audit and review of financial reports	204,703	148,644
Other services (tax and accounting advice)	13,995	6,200

15. Indemnification and Insurance of Officers

Indemnification
The Company has agreed to indemnify both the current directors of the Company and former directors against liability incurred to a third party (not being the Company or any related company) that may arise from their positions as directors or officers of the Company and its controlled entities, unless the liability arises out of conduct involving a lack of good faith.

The Company has also agreed to cover the costs and expenses incurred in successfully defending civil or criminal proceedings, or in connection with a successful application for relief under the Corporations Act 2001. The Company also provides indemnity against costs and expenses in connection with an application where a court grants relief to a director or officer under the Corporations Act 2001.

Insurance Premiums
Since the end of the 2012 financial year, the Company has paid insurance premiums in respect of directors' and officers' liability insurance, for the directors of the controlled entity. In accordance with subsection 300(9) of the Corporations Act 2001, further details have not been disclosed due to confidentiality provisions of the insurance contracts.

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

The lead auditor's independence declaration is set out on page 35 and forms part of the directors' report for the financial year ended 30 June 2013.

17. Rounding off

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Perth, Western Australia this 24th day of September 2013.

Signed in accordance with a resolution of the Directors.

G McMahon

Gerard McMahon
Non-Executive Chairman
Perth, Western Australia
24 September 2013

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

To: the directors of Tanami Gold NL

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2013 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Grant Robinson

Grant Robinson

Partner

Perth

24 September 2013

Tanami Gold NL Corporate Governance Statement

The Board of Directors ('Board') of Tanami Gold NL ('Tanami' or the 'Company') is responsible for the corporate governance of the Company. The Board guides and monitors the business activities and affairs of the Company on behalf of its shareholders by whom they are elected and to whom they are accountable. To ensure that the Board is well equipped to discharge its responsibilities, the Company has adopted systems of control and accountability as the basis for the administration of corporate governance.

The Board is committed to administering its policies and procedures transparently, with integrity and following best practice principles. The Company's Corporate Governance Statement has been structured to promote compliance with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ('Principles').

The Company's corporate governance Policies and Charters are available in the Corporate Governance section of the Company's website at www.tanami.com.au.

This Corporate Governance Statement summarises the Company's compliance with the ASX Corporate Governance Council's Principles as at the date of this report.

Principle 1: Lay Solid Foundations for Management and Oversight

The Company complies with this Principle.

Recommendation 1.1: Establish the functions reserved to the Board

The Company has adopted a Statement of Matters Reserved to the Board, a copy of which is available in the Corporate Governance section of the Company's website at www.tanami.com.au. In carrying out its responsibilities the Board:

- Recognises that its primary responsibility is to develop and oversee the business activities, corporate strategy and management of the Company for the benefit of its shareholders;
- Acknowledges its responsibilities to the Company's employees, the environment and the communities in which the Company operates and where appropriate, other stakeholders; and
- Strives to create shareholder value and ensure that shareholders' funds are prudently safeguarded.

To assist the Board in discharging its duties properly, it has established the following committees to assist in the proper discharge of its duties:

- Remuneration and Nomination Committee whose responsibilities include the identification of candidates considered suitable to act as Directors;
- Audit Committee whose responsibilities include reviewing and ensuring the quality and integrity of financial reporting;
- Systems of internal control which management and the Board have established in order to safeguard the Company's financial assets and facilitate compliance with relevant statutory and regulatory requirements;
- Processes for financial and business risk identification, quantification and mitigation;
- Effectiveness and independence of the external audit process; and
- Quality and relevance of financial information provided to management and the Board on which decisions will be based.

The Board takes an active and involved approach to the operation of the Company. Day to day operations are delegated by the Board to senior executives and personnel within the Company. The responsibility for the administration of the Company is delegated by the Board to the Company Secretary. The Board is responsible for appointing personnel at the most senior levels and ensuring all senior management personnel together with the Company Secretary and Financial Controller are appropriately qualified and experienced to discharge their responsibilities.

Recommendation 1.2: Evaluation of the Performance of Senior Executives

A formal performance review is undertaken with each of the Company's senior executives on an annual basis to review their performance over the preceding 12 month period and to set an action plan with specific outcomes and targets for the following 12 months.

This process took place during the year ended 30 June 2013.

Principle 2: Structure the Board to Add Value

The Company complies with this recommendation.

Recommendation 2.1, 2.2 and 2.3: Composition of the Board

The Company's Board comprises the following Directors:

Director	Position	Classification
Mr G McMahon	Non-Executive Chairman	Independent
Mr A Dew	Non-Executive Director	Not Independent
Mr SH Lee	Non-Executive Director	Not Independent
Mr C Procter	Non-Executive Director	Independent
Mr B Montgomery	Non-Executive Director	Independent

Mr Procter is an Independent Non-Executive Director of Sun Hung Kai & Co Limited and Allied Overseas Limited both of which are subsidiaries of Allied Group Limited of which another subsidiary (Allied Properties Resources Limited) is the major shareholder of the Company.

Mr Procter has confirmed to the Board that he is able to act independently and on the basis of that assurance and the fact that his aforesaid directorships are only as an Independent Non-Executive Director of other Allied Group Limited subsidiaries, the Board considered Mr Procter to be independent at the time of his appointment and the announcement of same and continues to consider him independent.

The Company's Board composition complies with Recommendation 2.1 or 2.2 of Principle 2 as the majority of the Company's Board are independent and the Chairman of the Board is independent. The Board considers that the Company's Directors are appropriately qualified and have the skills and experience necessary to properly execute their duties. The skills and experience of each of the Company's Directors has been documented on page 23 of this report.

In determining whether or not a Director is independent, the Company makes reference to the independence indicators contained within Box 2.1 of Principle 2. The membership of the Board and its composition is subject to periodic review.

In accordance with the Company's Constitution, the tenure of a Director (other than the Managing Director/CEO (or equivalent) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment.

Subject to the requirements of the Corporations Act 2001, and the ASX Listing Rules, the Board does not subscribe to the principle of a set retirement age, and there is no maximum period of service as a Director.

The Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other Boards.

A procedure exists to allow Directors, in the furtherance of their duties, to seek independent professional advice at the Company's expense. Independent professional advice may be sought by a Director generally; however the Managing Director/CEO (or equivalent) must be notified before advice is sought. The advice must only be sought in relation to the discharge of the Director's responsibilities to the Company. The Company will reimburse reasonable expenses where the above principles have been followed.

Recommendation 2.4: Nomination Committee

The Board has established a Nomination Committee (referred to as the Remuneration and Nomination Committee) which is responsible for, amongst other things, identifying individuals with the requisite skill set, experience and professional expertise from which the Company could benefit.

At the date of this report, the members of the Remuneration and Nomination Committee are Mr B Montgomery (Chairman), Mr GJ McMahon and Mr CC Procter. The composition of the Remuneration and Nomination Committee complies with Recommendation 2.4 of Principle 2 as it is comprised of a majority of independent Directors.

The Board considers that the current composition of the Remuneration and Nomination Committee is appropriate given the size of the entity and the skills and experience of the committee members. Details of the relevant qualifications and experience of Mr B Montgomery, Mr GJ McMahon and Mr CC Procter are set out in page 23 of this report.

The Remuneration and Nomination Committee has a formal charter, a copy of which can be found in the Corporate Governance section of the Company's website at www.tanami.com.au.

Recommendation 2.5: Evaluation of the Performance of the Board

The Chairman meets with each Director to assess and review their performance on an annual basis. In the event a Director's performance is unsatisfactory he or she will be asked to retire.

Principle 3: Promote Ethical and Responsible Decision Making

The Company complies with this recommendation except for the Diversity recommendations as indicated below.

Recommendation 3.1: Code of Conduct

The Board actively promotes ethical and responsible decision making and has established a:

- Code Of Conduct for the Company;
- Directors and Executives Code of Conduct;
- Policy for Reporting and Investigating Unethical Practices; and
- Whistle-blowers' Policy.

The Board maintains high standards of ethical and responsible decision making, recognising the legitimate interests of the Company's shareholders, employees, the environment and the communities in which the Company operates and the responsibilities it has to regulatory authorities.

Recommendation 3.2, 3.3, and 3.4: Diversity

The Company is fully supportive of workplace diversity. Whilst it was working towards the introduction of a formal diversity policy, given the current size of the Company it is not logistically appropriate. As it does not yet have a formal diversity policy in place, the Company does not comply with Recommendation 3.2 of Principle 3. Despite this, the Company always actively seeks the best candidate for its available positions regardless of gender, race, age, or cultural heritage.

The Company employs the following number of women in the following categories within its workforce:

Category	Number	Percentage
Women employees in the Company	7	16%
Women in senior executive positions in the Company	1	33%
Women on the Board of the Company	-	0%

Principle 4: Safeguard Integrity in Financial Reporting

The Company complies with this recommendation except as indicated below.

Recommendation 4.1, 4.2 and 4.3: Audit Committee

The Board has established an Audit Committee comprising Mr CC Procter (Chairman), Mr GJ McMahon and Mr B Montgomery. The structure of the Company's Audit Committee means that it complies with Recommendation 4.2 of Principle 4 which recommends that the Audit Committee comprise only Non-Executive Directors, the majority of whom should be independent.

The Board considers that the current composition of the Audit Committee is appropriate given the size of the entity and the skills and experience of the committee members. Details of the relevant qualifications and experience of each of the members of the Audit Committee are set out in page 19 of this report.

The Audit Committee has a formal charter that is available in the Corporate Governance section of the Company's website at www.tanami.com.au.

The Audit Committee is responsible for making a recommendation regarding the appointment of the external auditor to the Board (for subsequent approval by shareholders).The performance of the external auditor is assessed annually. Rotation of the external audit engagement partner is undertaken in line with the requirements of the Corporations Act 2001 and is managed by the external auditor.

Principle 5: Make Timely and Balanced Disclosure

The Company complies with this recommendation.

The Board has nominated its Company Secretary to be the person responsible for:

- Ensuring the Company's compliance with the ASX Listing Rules; and
- Overseeing and coordinating disclosure of information to the ASX, as well as communicating with the ASX.

In accordance with the ASX Listing Rules, the Company Secretary will ensure that the Company notifies the ASX immediately with regards to:

- All information concerning the Company that could reasonably be expected to have a material effect on the price or value of the Company's securities; and

- All information that would, or would be likely to, influence people who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Recommendation 5.1 Disclosure

The Board has a Disclosure Policy and the purpose of this policy is to ensure that the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules.

The Company is committed to ensuring that all announcements are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner.

The Board has introduced a Securities Trading Policy that deals with the sale and purchase of securities in the Company by its Key Management Personnel. Key Management Personnel for the purposes of this policy have been defined as Directors and those employees that report directly to the Company's Managing Director/CEO (or equivalent).

The Company's Securities Trading Policy is primarily designed to prevent any contravention of the insider trading provisions of the Corporations Act by the Company's Key Management Personnel.

The Company's Key Management Personnel are required to seek authorisation from the Chairman (in the case of Directors), or another Non-Executive Director (in the case of the Chairman) or the Managing Director/CEO (or equivalent) or Company Secretary (in the case of employees) prior to undertaking any transaction in the Company's securities.

As required by the ASX Listing Rules, the Company will notify the ASX of all transactions in securities of the Company conducted by a Director of the Company. Each Director of the Company has signed an agreement to provide information to the Company regarding any change in their shareholding in the Company as soon as possible after the date of change and in any event, no later than three business days after the date of the change.

The Company's Disclosure Policy and the Company's Securities Trading Policy can be found in the Corporate Governance section of the Company's website at www.tanami.com.au.

Principle 6: Respect the Rights of Shareholders

The Company complies with this recommendation.

The Company is committed (subject to commercial and confidentiality constraints) to maintaining direct, open and timely communications with all shareholders and prospective shareholders.

At a minimum, shareholders and prospective shareholders have access via the Company's website to the following information:

- ASX Announcements;
- Annual Financial Report;
- Annual Report;
- Notice of Meeting for the Annual General Meeting (AGM) and all accompanying papers;
- Report of the Chairman as disclosed at the AGM (ordinarily the same day as the AGM);
- Interim/half yearly Report; and
- Quarterly Reports.

The Company has a Shareholder Communication Policy a copy of which is available in the Corporate Governance section of the Company's website at www.tanami.com.au.

Principle 7: Recognise and Manage Risk

The Company complies with this recommendation.

The Board's Audit Committee assists the Board by reviewing the:

- Quality and Integrity of financial reporting;
- Systems of internal control which management and the Board have established in order to safeguard the Company's financial assets and facilitate compliance with relevant statutory and regulatory requirements;

- Processes for financial and business risk identification, quantification and mitigation;

- Effectiveness and independence of external audit process; and

- Quality and relevance of financial information provided to management and the Board on which decisions will be based.

Principle 8: Remunerate Fairly and Responsibly

The Company complies with this recommendation except as documented below.

Recommendation 8.1: Remuneration and Nomination Committee

The Board established a Remuneration and Nomination Committee on 1 July 2005. The Remuneration and Nomination Committee was established to determine appropriate levels of remuneration for Executive and Non-Executive Directors, to review the various skills and experience on the Board, identify specific individuals for nomination as directors and overseeing Board and executive succession planning.

The Remuneration and Nomination Committee Charter is available in the governance section of the Company's website at www.tanami.com.au.

Recommendation 8.2: Composition of the Remuneration and Nomination Committee

The Company's Remuneration and Nomination Committee comprises Mr B Montgomery (Chairman), Mr GJ McMahon and Mr CC Procter. This composition does comply with Principle 8.2 as the majority of the Company's Remuneration and Nomination Committee are independent. The members of the Remuneration and Nomination Committee are appropriately qualified and have the skills and experience necessary to properly execute their duties. The skills and experience of Mr B Montgomery, Mr GJ McMahon and Mr CC Procter are documented on page 23 of this report.

Recommendation 8.3: Distinction between Non-Executive Directors' Remuneration and Remuneration of Executive Directors and Senior Executives

Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Non-Executive Directors' interests with shareholder interests, Non-Executive Directors are encouraged to hold shares in the Company that have been purchased on-market (subject to the provisions of the Tanami Gold NL Securities Trading Policy).

Generally, Non-Executive Directors should not:

- Receive options or cash bonuses from the Company. However, the Board has the discretion to determine (where shareholder approval is obtained) that Non-Executive Directors be granted incentive shares and/or options; and

- Be provided with retirement benefits other than superannuation.

Compensation levels for senior executives of the Company are competitively set to attract and retain appropriately qualified and experienced executives.

Compensation levels are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and to achieve the broader outcome of creation of value for shareholders. Compensation packages include a mix of fixed compensation and equity-based compensation as well as employer contributions to superannuation funds.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated	
		2013	**2012**
	Note	**$'000**	**$'000**
Revenue from operating activities	3	51,469	65,343
Mine costs (including depreciation, amortisation and impairment)	4	(83,733)	(74,503)
Profit on sale of assets		1,320	-
Other income	3	366	14,497
Exploration and evaluation expenses	14	(18,124)	(69)
Corporate and other expenses		(10,467)	(6,885)
Results from operating activities		(59,169)	(1,617)
Financial income	6	533	3,623
Financial expenses	6	(7,672)	(8,463)
Net finance expense		(7,139)	(4,840)
Share of loss of equity accounted investees (net of income tax)		-	(331)
Gain on dilution of shareholding in equity accounted investees (net of income tax)		-	2,484
Loss before income tax		(66,308)	(4,304)
Income tax expense	7	-	-
Loss from operations		(66,308)	(4,304)
Loss for the year		(66,308)	(4,304)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of equity accounted investees		-	(22)
Other comprehensive loss for the year (net of income tax)		-	(22)
Total comprehensive loss for the year attributable to owners of the Company		(66,308)	(4,326)
Earnings per share			
Basic loss per share	26	(0.179)	(0.016)
Diluted loss per share	26	(0.179)	(0.016)

The consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated	
		2013	2012
Assets	**Note**	**$'000**	**$'000**
Current assets			
Cash and cash equivalents	9	1,623	2,815
Other receivables	10	609	1,814
Available for sale financial assets	11	1,881	6,084
Inventories	12	2,484	8,713
Total current assets		6,597	19,426
Non-current assets			
Other receivables	10	5,519	5,396
Property, plant and equipment	13	8,579	30,275
Exploration and evaluation	14	74,043	72,318
Total non-current assets		88,141	107,989
Total assets		94,738	127,415
Liabilities			
Current liabilities			
Interest-bearing liabilities	15	9,625	599
Trade and other payables	16	2,879	12,987
Provisions	17	936	1,408
Total current liabilities		13,440	14,994
Non-current liabilities			
Interest-bearing liabilities	15	319	28,421
Provisions	17	5,312	5,192
Total non-current liabilities		5,631	33,613
Total liabilities		19,071	48,607
Net assets		**75,667**	**78,808**
Equity			
Issued capital	18	306,661	244,189
Accumulated losses	19	(232,848)	(166,540)
Reserves		1,854	1,159
Total equity attributable to equity holders of the Company		**75,667**	**78,808**

The consolidated statement of financial position is to be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital	Accumulated Losses	Share Based Payment Reserve	Total
	$'000	$'000	$'000	$'000
Consolidated				
Balance at 1 July 2011	244,794	(162,214)	477	83,057
Total comprehensive loss for the year				-
Loss for the year		(4,304)		(4,304)
Other comprehensive loss		(22)		(22)
Total comprehensive loss for the year	-	(4,326)	-	(4,326)
Transactions with owners, recorded direct to equity				
Contributions by and distributions to owners				
Share based payments transactions		-	682	682
Limited recourse loans	(605)			(605)
Total contributions by and distributions to owners	(605)	-	682	77
Balance at 30 June 2012	244,189	(166,540)	1,159	78,808
Consolidated				
Balance at 1 July 2012	244,189	(166,540)	1,159	78,808
Total comprehensive income for the year				-
Loss for the year	-	(66,308)	-	(66,308)
Total comprehensive loss for the year	-	(66,308)	-	(66,308)
Transactions with owners, recorded direct to equity				
Contributions by and distributions to owners				
Share based payments transactions	-	-	695	695
Limited recourse loans	466	-	-	466
Total contributions by and distributions to owners	466	-	695	1,161
Shares issued during the year, net of issue costs	62,006	-	-	62,006
Total transaction with owners	62,472	-	695	63,167
Balance at 30 June 2013	306,661	(232,848)	1,854	75,667

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated	
		2013	2012
		$'000	$'000
Cash flows from operating activities			
Cash receipts from customers		51,835	66,610
Cash payments in the course of operations		(56,315)	(58,004)
Cash payments for withholding tax		(195)	(168)
Interest received		196	334
Interest paid		(1,883)	(1,672)
Net cash (used)/provided by operating activities	27(b)	(6,362)	7,100
Cash flows from investing activities			
Payments for property, plant and equipment		(3,829)	(4,898)
Proceeds from sale of financial assets		4,425	32,395
Proceeds from security deposit refunds		(130)	-
Payments for exploration security deposits		177	(28)
Payments for the purchases of equity investments		-	(4,500)
Payments for exploration and evaluation		(20,227)	(20,832)
Payments for development expenditure		(18,790)	(16,880)
Net cash used in investing activities		(38,374)	(14,743)
Cash flows from financing activities			
Net proceeds from issue of shares and options		46,661	-
Net proceeds from borrowings		39,460	26,688
Net proceeds from repayment of limited recourse loans		310	-
Repayment of borrowings		(42,189)	(22,662)
Repayment of finance lease liabilities		(698)	(317)
Net cash provided from financing activities		43,544	3,709
Net decrease in cash and cash equivalents held		(1,192)	(3,934)
Cash and cash equivalents at beginning of the financial year		2,815	6,749
Cash and cash equivalents at the end of the financial year	27(a)	1,623	2,815

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes to the financial statements.

1. Significant Accounting Policies

(a) Reporting Entity

Tanami Gold NL ("the Company") is a company domiciled in Australia. The address of the Company's registered office is Level 2, 56 Ord Street, West Perth, Western Australia 6005. The consolidated financial statements of the Company as at and for the year ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity") and the Consolidated Entity's interest in associates. The Consolidated Entity is a for profit entity and is primarily involved in gold mining operations and mineral exploration.

(b) Basis of Preparation

Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 24 September 2013.

Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:
- Available for sale financial assets are measured at fair value.

Going Concern Basis of Preparation

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Consolidated Entity has generated a total comprehensive loss for the year ended 30 June 2013 of $66,308,282 (2012: Loss $4,326,014). At 30 June 2013, it had a net working capital deficit of $6,842,481 (2012: Surplus $4,432,046).

At 30 June 2013, the Company had drawn down a total of A$9.0 million under its existing A$15.0 million loan facility with Sun Hung Kai International Bank (Brunei) Limited ('SHKIBBL'); an entity associated with Mr Lee Seng Hui who is a Director of the Company. The A$15.0 million loan facility with SHKIBBL is classified as a current liability at 30 June 2013. On 24 September 2013, the Company signed a Supplementary Loan Agreement with SHKIBBL extending the loan facility repayment date out to 31 March 2015 (all terms and conditions are consistent with the original agreement).

The Company has obtained a letter of support from AP Finance Limited (of which the ultimate holding company is Allied Group Limited an entity associated with Mr Lee Seng Hui). The letter of support confirms AP Finance Limited's commitment and ongoing support to the Company via the provision of a legally binding unsecured loan facility of approximately A$12.0 million. The Company's cashflow forecast shows the Company will be able to fund its Kavanagh drilling and ongoing care and maintenance program to at least 12 months from the signing date of this report given the expected proceeds of debt funding from AP Finance Limited.

The terms attached to the provision of the AP Finance Limited unsecured loan facility are:

- An interest of 6% payable quarterly in arrears;
- A non-refundable facility fee for each month applicable to each advance at the rate of 3% per annum of that advance and a further refundable facility fee for each month applicable to each advance at the rate of 3% per annum of that advance, both payable monthly in advance (the latter fee is refundable in respect of any prepaid or repaid principal indebtedness for any days remaining in the month in which the principal indebtedness is repaid in part or whole); and
- Repayment date of the unsecured loan facility will be 31 March 2015.

The Company may also be required to source additional cash from debt or equity markets or from the sale of other assets. The Company has demonstrated historically that it can raise funds through both debt and equity avenues and can repay its debts as and when they fall due.

Given the above and based upon the ongoing support from the Company's largest shareholder, the Directors consider that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable and the Directors are confident that the going concern basis of preparation remains appropriate.

1. Significant Accounting Policies (continued)

(b) Basis of Preparation (continued)

Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

Use of estimates and judgements

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

Judgements made by management in the application of the Australian Accounting Standards that have significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed below.

Accounting estimates and judgements

Management discussed with the Audit Committee the development, selection and disclosure of the Consolidated Entity's critical accounting policies and estimates and the application of these policies, estimates and judgements. The estimates and judgements that may have a significant impact on the carrying amount of assets and liabilities are discussed below:

(i) Mine rehabilitation and site restoration provision

The Consolidated Entity assesses its mine rehabilitation and site restoration provision at each balance date in accordance with accounting policy note 1(j). Significant judgement is required in determining the provision for mine rehabilitation and site restoration as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate and restore the mine sites and related assets. Factors that will affect this liability include future development, changes in technology, price increases and changes in interest rates. When these factors change or become known in the future, such differences will impact the site restoration provision and asset in the period in which they change or become known.

(ii) Units of production method of amortisation

The Consolidated Entity amortises mine properties in production on a units of production basis over economically recoverable reserves and resources. These calculations require the use of estimates and assumptions. Significant judgement is required in assessing the available reserves and resources under this method. Factors that must be considered in determining reserves and resources are the complexity of metallurgy, product prices, foreign exchange rates, cost structures and future developments. When these factors change or become known in the future, such differences will impact amortisation expense and the carrying value of mine property assets.

(iii) Determination of ore reserves and mineral resource

The Consolidated Entity estimates its ore reserves and mineral resources based on information compiled by competent persons in accordance with the Australian Code for Reporting of Mineral Resources and Ore Reserves December 2004 (the JORC code). Reserves and where applicable resources determined in this way are used in the calculation of amortisation and impairment charges, the assessment of mine lives and for forecasting the timing of the payment of restoration costs.

When a change in estimated recoverable gold ounces contained in proved and probable ore reserves, and where applicable, resources, is made, amortisation and depreciation is accounted for prospectively.

(iv) Impairment

In accordance with accounting policy note 1(i), the Consolidated Entity, in determining whether the recoverable amount of its cash generating unit is the higher of fair value less costs to sell or value-in-use against which asset impairment is to be considered, undertakes future cash flow calculations which are based on a number of critical estimates and assumptions including, for its mine properties, forward estimates of:

- mine life, including quantities of mineral reserves and resources for which there is a high degree of confidence of economic extraction with given technology;
- production levels and demand;
- metal price;
- inflation;
- cash costs of production; and
- discount rates applicable to the cash generating unit.

1. Significant Accounting Policies (continued)

(b) Basis of Preparation (continued)

(v) Impairment of exploration and evaluation of assets, investment in subsidiary and loans to subsidiary

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in its subsidiaries and loans to its subsidiaries is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying mineral exploration properties. The Consolidated Entity undertakes at least on an annual basis, a comprehensive review of indicators of impairment of these assets. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts where there are impairment indicators.

The key areas of estimation and judgement that are considered in this review include:

- recent drilling results and reserves and resource estimates;
- environmental issues that may impact that underlying tenements;
- the estimated market value of assets at the review date;
- independent valuation of underlying assets that may be available;
- fundamental economic factors such as the gold price, exchange rates and current and anticipated operating costs in the industry; and
- the Consolidated Entity's market capitalisation compared to its net assets.

Information used in the review process is tested against externally available information as appropriate.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except as explained in note 1(c).

(c) Changes in Accounting Policies

There were no changes to accounting policies in the current financial year.

(d) Removal of Parent Entity Financial Statements

The Consolidated Entity has applied amendments to the Corporations Act (2001) that remove the requirement for the Consolidated Entity to lodge parent entity financial statements. Parent entity financial statements have been replaced by the specific parent entity disclosure in note 30.

(e) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a Company so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Consolidated Entity.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Consolidated Entity's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Gains and losses are recognised when the contributed assets are consumed or sold by the equity accounted investees or, if not consumed or sold by the equity accounted investee, when the Consolidated Entity's interest in such entities is disposed of.

(iii) Jointly controlled operations and assets

The interest of the Consolidated Entity in unincorporated joint ventures and jointly controlled assets are brought to account by recognising in its financial statements the assets it controls, the liabilities that it incurs, the expenses it incurs and its share of income that it earns from the sale of goods or services by the joint venture.

(iv) Loss of control

Upon the loss of control, the Consolidated Entity derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of the equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Consolidated Entity retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

1. Significant Accounting Policies (continued)

(f) Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

All such assets, except freehold land, are depreciated over their estimated useful lives on a straight line, reducing balance or production output basis, as considered appropriate, commencing from the time the asset is held ready for use.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Consolidated Entity and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated depreciation rates for the current and comparative periods are as follows:

Major depreciation periods are:	**2013**	**2012**
Buildings	2.5%	2.5%
Plant and equipment	15–33%	15–33%
Motor vehicles	13-33%	13-25%
Furniture and fittings	7.5-40%	7.5-40%
Mine development costs	Units of production	Units of production
Rehabilitation asset	Over life of mine	Over life of mine

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

(i) Useful lives
Mine development costs are depreciated or amortised over the lower of their estimated useful lives and the estimated remaining life of the mine. The estimated remaining life of the mine is based upon geological resources. Assets not linked to the mining operation are depreciated over their estimated useful lives.

(ii) Amortisation
Amortisation is charged to the income statement, except to the extent that it is included in the carrying amount of another asset as an allocation of production overheads.

Mine development costs are amortised on a units of production basis over economically recoverable resources. The rehabilitation asset is amortised on a straight line basis over the life of the mine.

Amortisation is not charged on costs carried forward in respect of interest in the development phase until commercial production commences.

Mining properties in production (including exploration, evaluation and development expenditure) are accumulated and brought to account at cost less accumulated amortisation in respect of each identifiable area of interest. Amortisation of capitalised costs is provided on the production output basis, proportional to the depletion of the mineral resource of each area of interest expected to be ultimately economically recoverable.

(g) Exploration and Evaluation

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, exploration costs are accumulated in respect of each separate area of interest.

Costs incurred before the Consolidated Entity has obtained the legal rights to explore an area are recognised in profit or loss as incurred.

Exploration costs are carried forward at cost where the rights of tenure are current and either:

(i) Such costs are expected to be recouped through successful development and exploration of the area of interest, or alternatively by its sale; or

(ii) Exploration activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed annually for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable value. Where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units. Expenses arising from the excess of the carrying values of exploration and evaluation assets over the recoverable amounts of the assets are recognised in profit or loss.

1. Significant Accounting Policies (continued)

(g) Exploration and Evaluation (continued)

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mine development costs within property, plant and equipment.

(h) Acquisition of Assets

Assets acquired are recognised at cost. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the Company if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the original performance of the asset will flow to the Company in future years. Costs that do not meet the criteria for capitalisation are expensed as incurred.

(i) Impairment

The carrying amounts of the Consolidated Entity's assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Provision

A provision is recognised if, as a result of a past event, the Consolidated Entity has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A provision is made for the estimated cost of rehabilitation relating to areas disturbed during the mine's operation up to reporting date but not yet rehabilitated. Provision has been made in full for all disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flows. The estimated cost of rehabilitation includes the current cost of recontouring, topsoiling and revegetation, employing legislative requirements. Changes in estimates are dealt with on a prospective basis as they arise.

Uncertainty exists as to the amount of rehabilitation obligations which will be incurred due to the impact of changes in environmental legislation. The amount of the provision relating to rehabilitation of mine infrastructure and dismantling obligations is recognised at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time. The provision is recognised as a non-current liability with a corresponding asset included in property, plant and equipment.

At each reporting date the rehabilitation liability is re-measured in line with changes in discount rates and timing or amount of costs to be incurred. Changes in the liability relating to rehabilitation of mine infrastructure and dismantling obligations are added to or deducted from the related asset, other than the unwinding of the discount which is recognised as finance costs in profit or loss as it occurs.

If the change in liability results in a decrease in the liability that exceeds the carrying amount of the asset, the asset is written-down to nil and the excess is recognised immediately in the income statement. If the change in the liability results in an addition to the cost of the asset, the recoverability of the new carrying amount is considered. Where there is an indication that the new carrying amount is not fully recoverable, an impairment test is performed with the write-down recognised in profit or loss in the period in which it occurs.

1. Significant Accounting Policies (continued)

(k) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense and spread over the lease term.

(ii) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, finance establishment costs, discount unwind on the restoration and rehabilitation provision, interest receivable on funds invested, foreign exchange gains and losses, gains and losses on sale of financial assets, and gains and losses on hedging instruments that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the income statement using the effective interest method.

(l) Inventories

Raw materials and stores, work in progress (stockpiles and gold in circuit) and finished goods (bullion) are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Costs are assigned to individual items of inventory on the basis of weighted average costs. Cost includes direct material, overburden removal, mining, processing, labour related transportation cost to the point of sale, mine rehabilitation costs incurred in the extraction process and other fixed and variable costs directly related to mining activities.

(m) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Consolidated Entity has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to ASX quoted market bid prices at the close of business on the balance sheet date.

For investments where there is not a quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

(n) Other Receivables

Other receivables are initially recorded at the amount of proceeds due and are subsequently measured at amortised cost.

(o) Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1. Significant Accounting Policies (continued)

(p) Available for Sale Financial Assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available for sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note i) are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss.

Available for sale financial assets comprise equity securities.

(q) Interest-Bearing Liabilities

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discounts or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

(r) Employee Benefits

Short-term benefits
Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

No provision is made for non-vesting sick leave as the anticipated pattern of future sick leave taken indicates that accumulated non-vesting leave will never be paid.

Other long-term benefits
The Consolidated Entity's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs. Provision for long service leave together with the associated employment on-costs are measured at their nominal amounts based on remuneration rates expected to be paid when the liability is settled. The non-current portions of long service leave and its associated employment on-costs are measured at the present value of estimated future cash flows.

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Contributions to defined contribution superannuation plans are expensed as incurred.

(s) Share Based Payment Transactions

The Company's Option and Performance Rights Plan and Employee Share Plan allows specified employees to acquire shares of the Company subject to any attached conditions being met. The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised is adjusted to reflect the number of share options that are expected to vest, except for those that fail to vest due to market conditions not being met.

(t) Leases

Finance leases, which transfer to the Consolidated Entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

1. Significant Accounting Policies (continued)

(t) Leases

Determining whether an arrangement contains a lease
At inception of an arrangement, the Consolidated Entity determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of the specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Consolidated Entity the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the Consolidated Entity separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Consolidated Entity concludes for a finance lease that it is impracticable to separate the payment reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Consolidated Entity's incremental borrowing rate.

(u) Revenue

Goods sold
Revenue from the sale of gold is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be measured reliably which is generally on receipt of funds from gold sales, and there is no continuing management involvement with the goods.

(v) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

In determining the amount of current and deferred tax, the Consolidated Entity takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Consolidated Entity believes its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Consolidated Entity to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Tax Consolidation
The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2002 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Tanami Gold NL.

(w) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

1. Significant Accounting Policies (continued)

(x) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

(y) Trade and Other Payables

Trade and other payables are stated at their amortised cost.

(z) Earnings Per Share

The Consolidated Entity presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for shares held by the Company's sponsored employee share plan trust, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(aa) Segment Reporting

An operating segment is a component of the Consolidated Entity that engages in business activities from which it may earn revenues and incur expenses. The Consolidated Entity operates in Western Australia and the Northern Territory, in the gold mining and exploration industries. All operating segments' operating results are regularly reviewed by the Consolidated Entity's Managing Director/CEO (or equivalent) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director/CEO (or equivalent) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total costs incurred during the period to acquire property, plant and equipment.

(ab) Financial Instruments

Derivative financial instruments
Derivatives are recognised initially at fair value and attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are accounted for as described below.

Non-trading derivatives
When a derivative financial instrument is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

(ac) Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

(ad) New Accounting Standards and Interpretations

The following amended Australian Accounting Standards and Interpretations relevant to the operations of the Consolidated Entity and effective 1 July 2012 have been adopted from 1 July 2012.

- AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (AASB 112), effective 1 July 2012;
- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049], effective 1 July 2012.

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

1. Significant Accounting Policies (continued)

(ae) Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2013. These are outlined in the table below. The impact of these standards has not been determined on the financial statements.

Reference	Title	Summary	Application date of Standard	Application date for Group
AASB 2012-9	Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039	AASB 2012-9 amends AASB 1048 Interpretation of Standards to evidence the withdrawal of Australian Interpretation 1039 Substantive Enactment of Major Tax Bills in Australia.	1 January 2013	1 July 2013
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and UIG-112 Consolidation - Special Purpose Entities. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to this and other standards via AASB 2011-7 and AASB 2012-10.	1 January 2013	1 July 2013

1. Significant Accounting Policies (continued)

Reference	Title	Summary	Application date of Standard	Application date for Group
AASB 11	Joint Arrangements	AASB 11 replaces AASB 131 Interests in Joint Ventures and UIG-113 Jointly-controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 128.	1 January 2013	1 July 2013
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	1 July 2013
AASB 2012-2	Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities	AASB 2012-2 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of setoff associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.	1 January 2013	1 July 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	1 July 2013

1. Significant Accounting Policies (continued)

Reference	Title	Summary	Application date of Standard	Application date for Group
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans are recognized in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies.	1 July 2013	1 July 2014
Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset, if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the "stripping activity asset".	1 January 2013	1 July 2013
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The standard addresses a range of improvements, including the following: • Repeat application of AASB 1 is permitted (AASB 1); and • Clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 Presentation of Financial Statements).	1 January 2013	1 July 2013
AASB 2012-3	Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: • Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	1 July 2015

1. Significant Accounting Policies (continued)

AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with requirements of AASB 139. The main changes are described below: (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: a) The change attributable to changes in credit risk are presented in other comprehensive income. b) The remaining change is presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit and loss, the effect of the changes in credit risk are also presented in the profit and loss. Further amendments were made by AASB 2012-6 which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.	1 January 2015	1 July 2015

1. Significant Accounting Policies (continued)

AASB 1053	Application of Tiers of Australian Accounting Standards	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards. (b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements. Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this standard). (b) The Australian Government and State, Territory and Local governments. The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability. (b) All not-for-profit private sector entities. (c) Public sector entities other than the Australian Government and State, Territory and Local governments. Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1, 2012-7 and 2012-11. Further amendments were made by AASB 2012-6 which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.	1 July 2013	1 July 2014

2. Determination of fair values

a) The fair value of investments in quoted equity securities is determined by reference to their quoted closing bid price at the reporting date.

3. REVENUE & OTHER INCOME

	Consolidated	
	2013	2012
	$'000	$'000
From operating activities		
Gold sales	51,469	65,343
	51,469	65,343
Other income	366	14,497
	51,835	79,840

4. MINE COSTS

	Consolidated	
	2013	2012
	$'000	$'000
Mine costs (i)	83,733	74,503
which includes:		
Mining	28,380	35,601
Processing	10,012	12,022
Site administration	5,340	5,161
Depreciation - plant and equipment	4,397	3,521
Amortisation - mine development	14,198	18,198
Impairment (ii)	21,406	-
	83,733	74,503

(i) Mine costs relate to the development and production of the Coyote Gold Project, the mining of the Bald Hill Open Pits, ore processing and site administration. Mine costs includes depreciation, amortisation and impairment.

(ii) Management of the Group has identified one CGU, the Coyote Gold Project. Having considered the impact of the following impairment indicators the Company determined the CGU to be impaired:

- The value of the Company's net assets by comparison to the Company's market capitalisation at 30 June 2013;
- The significant fall in the gold price during the 2013 financial year; and
- The placing of the CGU under care and maintenance in April 2013.

The Company carried out impairment testing by comparing the CGU recoverable amount (fair value less costs to sell) represented by current market prices against the carrying value of the CGU net assets. As a result, the Company quantified an impairment loss of $21.4 million which has been reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

	Consolidated	
	2013	2012
	$'000	$'000
CGU Impairment includes:		
Inventory	1,233	
Buildings	3,295	-
Plant & equipment	4,669	-
Motor vehicles	214	-
Furniture & fittings	124	-
Mine development costs	10,434	-
Rehabilitation asset	1,437	-
Total CGU impairment loss	21,406	-

5. PERSONNEL EXPENSES

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Wages and salaries	25,095	25,518
Redundancy costs	4,107	-
Superannuation costs	1,873	1,643
(Decrease)/Increase in liability for annual leave	(769)	199
Share based payments	695	682
Total personal expenses	31,002	28,042
Less: expenditure capitalised to exploration and evaluation assets	(3,266)	(2,942)
	27,736	25,100

6. FINANCE INCOME AND EXPENSE

	Consolidated	
	2013	**2012**
	$'000	**$'000**
Finance income:		
Interest income	212	316
Gain in fair value of financial assets at fair value through profit or loss	-	3,307
Foreign exchange gain	321	-
Finance income	533	3,623
Finance expense:		
Loss on sale of financial assets	-	(280)
Interest - borrowings	(1,897)	(1,672)
Borrowing costs	(4,602)	(3,618)
Net change in fair value of available for sale financial assets	(1,097)	(2,241)
Unwind of discount on site restoration provision	(76)	(128)
Foreign exchange loss	-	(524)
Finance expense	(7,672)	(8,463)
Net finance expense	(7,139)	(4,840)

7. TAXATION

	Consolidated 2013 $'000	Consolidated 2012 $'000
Major components of income tax expense are as follows:		
Income statement		
Current income tax expense/(benefit)		
Current income tax charge	-	-
Prior year adjustment	(28)	(27)
Deferred income tax expense		
Relating to origination and reversal of temporary differences	(19,682)	(1,058)
Deferred tax assets not recognised in the current period	19,710	1,085
Income tax benefit/(expense) reported in income statement	-	-
The components of recognised deferred tax balance are as follows:		
CONSOLIDATED		
Deferred tax liabilities		
Exploration	1,742	6,336
Consumables	577	1,168
Accrued income	22	153
Investments	-	353
Unrealised foreign exchange gains	-	-
Deferred tax asset offset against deferred tax liability	(2,341)	(8,010)
Gross deferred income tax liabilities	-	-
Deferred tax assets		
Provisions	1,874	1,980
Accruals	40	48
Property, plant and equipment	427	5,982
Deferred tax asset offset against deferred tax liability	(2,341)	(8,010)
Gross deferred income tax assets	-	-
Reconciliation to income tax benefit on account loss		
Loss before income tax	(66,308)	(4,304)
Prima facie tax payable at the statutory income tax rate	(19,892)	(1,291)
Non-deductible expenses		
Prior period adjustment	(28)	-
Share based payments	209	205
Other	1	1
Deferred tax assets not recognised	19,710	1,085
Tax losses recouped not previously booked	-	-
Income tax (benefit)/expense	-	-
Deferred tax asset (30%) not recognised arising on:		
Tax losses	51,879	42,839
Temporary differences	19,202	7,562
	71,081	50,401

8. AUDITOR'S REMUNERATION

	Consolidated 2013 $	Consolidated 2012 $
Audit services		
Amounts paid, or due and payable, to the auditor KPMG for:		
Audit and review of the financial statements	204,703	148,644
	204,703	148,644
Other services		
Employee share option advice	-	3,300
Employee share scheme advice	-	2,900
Employee redundancy review	10,045	-
Employee tax advice	3,950	-
Total other services	13,995	6,200

9. CASH AND CASH EQUIVALENTS

	Consolidated 2013 $'000	Consolidated 2012 $'000
Cash at bank and on hand	1,623	2,815
	1,623	2,815

The Consolidated Entity's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 29.

10. OTHER RECEIVABLES

	Consolidated 2013 $'000	Consolidated 2012 $'000
Current		
GST receivable	68	719
Prepayments	422	328
Other debtors	104	762
Interest receivable	15	5
	609	1,814
Non-current		
Other debtors (a)	5,363	5,396
Limited recourse loans (b)	156	-
	5,519	5,396

(a) Non-current other debtors represent term deposits placed in support of environmental performance bonds lodged with the Minister for State Development (WA) $2,350,000 (2012: $2,336,000), Newmont Australia Limited $1,105,000 (2012: $1,105,000) and the Department of Resources (NT) $1,777,426 (2012: $1,777,426). In addition, $130,593 (2012: $177,295) has been held as a rental bond for the corporate office and excess funds of $383 (2012: $574) are held in term deposit with the National Australia Bank Limited for future bond requirements.

(b) In March 2013, the Company put in place limited recourse loans to the value of $155,834. These loans were used to assist employees, who held 779,712 20 cent options and associated rights, with the conversion of their options into shares for the purpose of participating in the Company's 5:4 fully underwritten pro-rata renounceable entitlements issue announced on 4 February 2013.

Subject to Board discretion:

- The shares resulting from these loans cannot be sold or transferred until the loans are repaid in accordance with the terms and conditions of the underlying loan agreements; and
- Should any of the employees to which the loans relate cease to be an employee of the Company then the loans are immediately repayable in accordance with the terms and conditions of the underlying loan agreements.

These loans did not result in any cash outflow for the Company and have a 24 month term.

11. AVAILABLE FOR SALE FINANCIAL ASSETS

	Consolidated	
	2013	2012
	$'000	$'000
Available for sale financial assets:		
Quoted equity shares	1,881	6,084

The Company has a remaining investment of 78,392,301 listed equity shares in ABM Resources NL. Subsequent to initial recognition, these shares are measured at fair value being the published price quotation in an active market. Changes therein are recognised in other comprehensive income and presented in the unrealised gain/(loss) reserve in equity. The fair value movement in the asset during the period was a loss of $1,097,492 (2012: $2,241,445) which has been recognised as the net change in fair value of available for sale financial assets in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

12. INVENTORIES

	Consolidated	
	2013	2012
	$'000	$'000
Current		
Stockpile	79	2,095
Raw material and stores	3,154	3,867
Impairment of Inventory	(1,233)	-
Gold in circuit	-	1,861
Bullion	483	890
	2,484	8,713

In line with accounting policy note 1(l), inventories are stated at lower of cost or net realisable value. An impairment of loss of $1,232,534 has been recognised against stores inventory at 30 June 2013 (see note 4).

13. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2013	2012
	$'000	$'000
Buildings at cost	7,958	7,958
Less: accumulated depreciation	(601)	(481)
Less: accumulated impairment	(6,429)	(3,134)
	928	4,343
Plant and equipment at cost	56,167	53,405
Less: accumulated depreciation	(19,581)	(15,226)
Less: accumulated impairment	(29,248)	(24,579)
	7,338	13,600
Motor vehicles at cost	2,069	1,786
Less: accumulated depreciation	(1,657)	(1,428)
Less: accumulated impairment	(214)	-
	198	358
Furniture and fittings at cost	1,435	1,478
Less: accumulated depreciation	(1,269)	(1,109)
Less: accumulated impairment	(124)	-
	42	369
Mine development costs	72,127	56,913
Less: accumulated depreciation	(61,693)	(47,665)
Less: accumulated impairment	(10,434)	-
	-	9,248
Rehabilitation asset	1,670	1,002
Less: accumulated depreciation	(233)	(63)
Less: accumulated impairment	(1,437)	-
	-	939
Capital works in progress	73	1,418
Total property, plant and equipment	8,579	30,275

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation

Reconciliation of carrying amounts for each class of property, plant and equipment are set out below:

	Consolidated 2013 $'000	Consolidated 2012 $'000
Buildings		
Carrying amount at beginning of financial year	4,343	4,467
Depreciation	(115)	(119)
Depreciation capitalised in exploration and evaluation asset	(5)	(5)
Impairment loss	(3,295)	-
Carrying amount at end of financial year	928	4,343
Plant and equipment		
Carrying amount at beginning of financial year	13,600	11,215
Additions	3,154	6,074
Disposals	(393)	(385)
Accumulated depreciation on disposals	268	385
Depreciation	(3,968)	(3,082)
Depreciation capitalised in exploration and evaluation asset	(654)	(607)
Impairment	(4,669)	-
Carrying amount at end of financial year	7,338	13,600
Motor vehicles		
Carrying amount at beginning of financial year	358	485
Transfers/additions	283	68
Disposals	-	(76)
Accumulated depreciation on disposals	-	73
Depreciation	(185)	(178)
Depreciation capitalised in exploration and evaluation asset	(44)	(14)
Impairment	(214)	-
Carrying amount at end of financial year	198	358
Furniture and fittings		
Carrying amount at beginning of financial year	369	544
Additions	42	-
Disposals	(85)	(3)
Accumulated depreciation on disposals	-	1
Depreciation	(128)	(141)
Depreciation capitalised in exploration and evaluation asset	(32)	(32)
Impairment	(124)	-
Carrying amount at end of financial year	42	369

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Consolidated	
	2013	2012
	$'000	$'000
Mine development costs		
Carrying amount at beginning of financial year	9,248	13,229
Additions: capitalised underground mine development costs	14,966	14,154
Additions: capitalised Bald Hill stripping costs	248	-
Amortisation	(14,028)	(18,135)
Impairment	(10,434)	-
Carrying amount at end of financial year	-	9,248
Rehabilitation asset		
Carrying amount at beginning of financial year	939	298
Additions	668	704
Amortisation	(170)	(63)
Impairment	(1,437)	-
Carrying amount at end of financial year	-	939
Capital works in progress		
Carrying amount at beginning of financial year	1,418	2,284
Additions	3,306	5,276
Transfers to other asset classes	(4,651)	(6,142)
Carrying amount at end of financial year	73	1,418
Total property plant and equipment		
Carrying amount at beginning of financial year	30,275	32,522
Additions	18,017	20,134
Disposals	(478)	(464)
Accumulated depreciation on disposals	268	459
Depreciation	(4,397)	(3,520)
Depreciation capitalised in exploration and evaluation asset	(735)	(658)
Amortisation	(14,198)	(18,198)
Impairment	(20,173)	-
Carrying amount at end of financial year	8,579	30,275

14. EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation costs carried forward in respect of areas of interest	74,043	72,318

(a) Reconciliation

Carrying amount at beginning of the year	72,318	49,483
Expenditure during the year	19,849	22,904
Expenditure written off (i)	(18,124)	(69)
	74,043	72,318

(i) The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation, or alternatively, sale of the respective areas. In accordance with its accounting policies, the Company undertook a detailed review of its capitalised exploration expenditure for the year ended 30 June 2013 and determined that certain components of this expenditure should be written off. No Resources have been delineated to date within these areas and or the Company has higher priority targets for the application of its exploration budget. During the year the Company wrote off expenditure totalling $18,124,354 (2012: $69,104).

15. INTEREST BEARING LIABILITIES

	Consolidated 2013 $'000	Consolidated 2012 $'000
Current		
Finance lease liabilities (i)	548	599
Loan (ii)	9,077	-
	9,625	599
Non-Current		
Finance lease liabilities (i)	319	869
Loan (ii)	-	27,552
	319	28,421

(i) Finance liabilities of the group are as follows:

	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
In thousands of dollars	2013	2013	2013	2012	2012	2012
Less than one year	592	44	548	697	98	599
Between two and five years	330	11	319	924	55	869
	922	55	867	1,621	153	1,468

The finance lease liabilities are denominated in Australian dollars with interest rates from 4.89% per annum to 7.95% per annum and will mature from 2013 to 2015.

(ii) Loan (unsecured)

	Effective Interest Rate	Maturity	30 June 2013	30 June 2012
			Carrying Amount $'000	Carrying Amount $'000
A$ 9.0 million	(a)	30 June 2014	9,077	27,552
			9,077	**27,552**

At 30 June 2013, the Company had drawn down A$9.0 million of its A$15.0 million unsecured loan facility with Sun Hung Kai International Bank (Brunei) Limited which has an interest rate of 6% per annum, a refundable facility fee of 3% per annum (where facility fees payable in advance are refunded on a prorated basis if loan repayments are made) and a non-refundable facility fee of 3% per annum. The unsecured A$15.0 million loan is due for repayment on 30 June 2014, subsequently extended to 31 March 2015.

16. TRADE AND OTHER PAYABLES

	Consolidated 2013 $'000	Consolidated 2012 $'000
Current		
Trade creditors	370	5,512
Other creditors and accruals	2,509	7,475
	2,879	12,987

The Consolidated Entity's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 29.

17. PROVISIONS

	Consolidated 2013 $'000	Consolidated 2012 $'000
Current		
Employee entitlements	648	1,408
Onerous lease contract	288	-
	936	1,408
Non-current		
Employee entitlements	82	678
Site and mine restoration	5,230	4,514
	5,312	5,192

17. PROVISIONS (CONTINUED)

	Consolidated 2013 $'000	Consolidated 2012 $'000
Reconciliation of site and mine restoration		
Opening Balance at 1 July	4,514	4,032
Provision made during year	668	705
Provision utilised during the year	(28)	(351)
Unwind of discount	76	128
Balance at 30 June	5,230	4,514

Annual Leave

Current employee entitlements comprise annual leave that is expected to be settled within 12 months of the reporting date and represents present obligations resulting from employees' services provided to reporting date. Current employee entitlements are calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Site and mine restoration

In accordance with the Consolidated Entity's environmental policy and applicable legal requirements, a provision for site restoration and mine rehabilitation is recognised when the land is disturbed. The basis of accounting is set out in note 1(j) of the significant policies.

Long service leave

Long service leave that is due and payable is disclosed as a current employee provision.

18. ISSUED CAPITAL

	Consolidated 2013 $'000	Consolidated 2012 $'000
Share capital		
587,548,524 (2012: 261,132,677) ordinary shares, fully paid	306,661	244,189
	306,661	244,189
Movements in issued capital		
Balance at 1 July	244,189	244,794
Shares issued		
Reinstatement of limited recourse loans (i)	310	(605)
New limited recourse loans (ii)	156	-
326,415,847 shares (2012: 135,000)	65,127	-
Transaction costs arising from issue of shares	(3,121)	-
Balance at 30 June	306,661	244,189

(i) At 30 June 2012, the Company derecognised $605,000 of shares previously issued to employees by way of limited recourse loans. During the year the Company received partial repayment of the loans and wrote back $310,000.

(ii) The new limited recourse loan details are set out in note 10(b).

19. ACCUMULATED LOSSES

	Consolidated 2013 $'000	Consolidated 2012 $'000
Accumulated losses at July	(166,540)	(162,214)
Net loss for the year	(66,308)	(4,326)
Accumulated losses at June	(232,848)	(166,540)

20. CONTINGENT LIABILITIES

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 plus ongoing expenses of $40,000 per month (ex GST) from 27 June, 2012 in relation to the hire and use by the Company of certain mining equipment for the Coyote Gold Project.

The Company has filled a Defence and Counterclaim for damages of approximately $1.1 million plus interest and costs.

The matter is scheduled for a Mediation Conference 25 September, 2013. If the matter does not settle at the Mediation then the Company will consider an application for change of venue to the Supreme Court on jurisdictional grounds.

21. COMMITMENTS

a) Exploration Expenditure

The Consolidated Entity has certain obligations to perform minimum exploration work on mineral leases held. These obligations may vary over time, depending on the Consolidated Entity's exploration program and priorities. These obligations are also subject to variations by negotiation, joint venturing or relinquishing some of the relevant tenements. As at balance date, total exploration expenditure commitments of the Consolidated Entity which have not been provided for in the financial statements are outlined below. The Consolidated Entity's tenement commitment can be reduced by obtaining expenditure exemptions and/or relinquishment of tenements.

Exploration Expenditure Commitments

	Consolidated	
	2013 $'000	**2012 $'000**
Within one year	2,558	2,468

b) Operating lease

The Consolidated Entity leases the corporate office under an operating lease. The Company signed a new operating lease which runs for 1.5 years commencing on 22 January 2013 and expiring on 31 July 2014. Lease payments are adjusted annually to reflect market rentals. During the year ended 30 June 2013 $475,431 (2012: $348,664) was recognised as an expense in the income statement in respect to the operating lease.

Operating Lease Commitments

	Consolidated	
	2013 $'000	**2012 $'000**
Within one year	532	192
Between two and five years	48	-
	580	192

22. SHARE BASED PAYMENTS

Options

During the prior year the following options were issued:

Exercise Price ($)	Number of Options	Grant Date	Expiry Date
$0.90	87,500	29 March 2012	28 March 2017
$1.00	87,500	29 March 2012	28 March 2017

During the year 116,668 options lapsed unexercised.

During the year the following options were forfeited:

Exercise Price ($)	Number of Options	Grant Date	Expiry Date
$0.90	325,000	29 March 2012	28 March 2017
$1.00	2,037,500	29 March 2012	28 March 2017
$1.10	500,000	29 March 2012	28 March 2017

During the year, no options were exercised.

At 30 June 2013 there were 2,537,500 unissued ordinary shares in respect of which unquoted options were outstanding as follows:

Grant Date	Expiry Date	Type	Exercise Price	2013 Number	2012 Number
23 November 2007	22 November 2012	Unquoted	$6.00	-	58,334
23 November 2007	22 November 2012	Unquoted	$4.50	-	58,334
22 December 2011	21 December 2016	Unquoted	$1.34	300,000	300,000
29 March 2012	28 March 2017	Unquoted Tranche 1	$0.90	1,975,000	2,212,500
29 March 2012	28 March 2017	Unquoted Tranche 2	$1.00	262,500	2,212,500
29 March 2012	28 March 2017	Unquoted Tranche 3	$1.10	-	500,000
(The options in this table relate to all Company employees)				2,537,500	5,341,668

On 22 December 2011 300,000 options were granted on 22 December 2011 to Mr Alan Senior, a former Director of the Company. The options were valued using the Black Scholes option valuation model and the option term is 5 years from the date of grant. The options will expire on 21 December 2016 and not before.

22. SHARE BASED PAYMENTS (CONTINUED)

The significant assumptions used in the valuation at that time were:

- Volatility: 90%;
- Risk free rate: 4.25% per annum;
- Underlying security spot price: $0.705;
- Exercise price: $1.34; and
- Valuation per option: $0.434.

The options granted on 29 March 2012 were valued using the Black Scholes option valuation methodology and the option term is 5 years from the date of grant. The significant assumptions used in the valuations at that time were:

- Volatility: 85%;
- Risk free rate: 2.66% per annum;
- Underlying security spot price: $0.795;
- Exercise price: $0.90, $1.00 for Tranche 1 and Tranche 2 respectively; and
- Valuation per option: $0.524 and $0.510.

	2013 $'000	2012 $'000
Amounts expensed for options issued	658,792	$451,592

Summary of option movements for the financial year:
Number of options at 30 June 2013

Grant Date	Exercise Date on or after	Expiry Date	Exercise Price	Number of options at beginning of year	Options Granted	Options Expired/ Forfeited	Options Exercised	On Issue	Vested
23 Nov 2007	23 Nov 2008	22 Nov 2012	$4.50	58,334	-	58,334	-	-	-
23 Nov 2007	23 Nov 2009	22 Nov 2012	$6.00	58,334	-	58,334	-	-	-
22 Dec 2011	22 Dec 2011	21 Dec 2016	$1.34	300,000	-	-	-	300,000	300,000
29 Mar 2012	29 Mar 2013	28 Mar 2017	$0.90	2,212,500	87,500	325,000	-	1,975,000	1,975,000
29 Mar 2012	29 Mar 2014	28 Mar 2017	$1.00	2,212,500	87,500	2,037,500	-	262,500	-
29 Mar 2012	29 Mar 2015	28 Mar 2017	$1.10	500,000	-	500,000	-	-	-

(The options in this table relate to all Company employees)

23. KEY MANAGEMENT PERSONNEL DISCLOSURES

a) Details of Key Management Personnel

(i) Specified Directors

Gerard McMahon (Non-Executive Chairman)	(appointed April 2013)
Arthur Dew (Non-Executive Director)	(appointed December 2011)
Seng Hui Lee (Non-Executive Director)	(appointed March 2008)
Carlisle Procter (Non-Executive Director)	(appointed December 2011)
Brett Montgomery (Non-Executive Director)	(appointed February 2013)
Denis Waddell (Deputy Chairman/Executive Director)	(appointed July 1995, resigned November 2012)
Alan Senior (Non-Executive Director)	(appointed July 2007, resigned November 2012)

(ii) Specified Executives

Andrew Czerw (General Manager)	(appointed January 2012)
Jon Latto (Company Secretary/Chief Financial Officer)	(appointed November 2007)

b) Remuneration of Key Management Personnel

The key management personnel compensation included in 'personnel expenses' (see note 5) is as follows:	Consolidated 2013 $	2012 $
In AUD		
Short-term employee benefits	1,384,767	1,998,571
Post-employment benefits	78,593	90,504
Share-based payments	230,648	296,922
Total	1,694,008	2,385,997

(i) Individual directors and executives compensation disclosures

Information regarding individual director's and executive's compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 and 2M.6.04 is provided in the Remuneration Report section of the Directors' Report.

23. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

From 1 July 2012 to 15 November 2012, Mr Waddell provided consulting services on corporate and operational matters to Tanami Gold NL. These services were provided on arms-length, commercial terms as and when required by the Consolidated Entity. From July 2012 to November 2012, Mr Waddell provided full time executive support to the Company. The combined cost of these services from 1 July 2012 to 15 November 2012 was $282,000 (2012: $404,000).

Shareholdings of Directors and Key Management Personnel

2013

Ordinary Fully Paid Shares	Balance 1 July 2012	Granted as Remuneration	On Market Purchases/ (Sales)	Net change other	Balance 30 June 2013
Directors					
Mr G McMahon	-	-	-	-	-
Mr A Dew	-	-	-	-	-
Mr SH Lee*	61,378,788	-	81,439,946	-	142,818,734
Mr C Procter	-	-	-	-	-
Mr B Montgomery	-	-	-	-	-
Former Directors				-	
Mr D Waddell**	5,772,134	-	-	**(5,772,134)	-
Mr A Senior**	66,705	-	-	**(66,705)	-
Other Key Management Personnel				-	
Mr A Czerw	-	-	-	-	-
Mr J Latto	73,334	-	-	91,668	165,002
Total	67,290,961	-	81,439,946	(5,747,171)	142,983,736

* These shares are held by Allied Properties Resources Limited, a company in which Mr SH Lee (together with others as trustees of the Lee and Lee Trust) has an interest of 65.02% (2012: 64.90%). Accordingly, Mr SH Lee is taken to have a relevant interest in the 142,818,734 (2012: 61,378,788) shares held by Allied Properties Resources Limited.

** Net change due to resignation 15 November 2012.

Options of Directors and Key Management Personnel

2013

Options	Balance 1 July 2012	Granted as Remuneration	Options Forfeited	Balance 30 June 2013	Vested 30 June 2013
Directors					
Mr G McMahon	-	-	-	-	-
Mr A Dew	-	-	-	-	-
Mr SH Lee	-	-	-	-	-
Mr C Procter	-	-	-	-	-
Mr B Montgomery	-	-	-	-	-
Former Directors					
Mr D Waddell	-	-	-	-	-
Mr A Senior	416,668	-	(116,668)	300,000	300,000
Other Key Management Personnel					-
Mr A Czerw	1,500,000	-	(1,000,000)	500,000	500,000
Mr J Latto	500,000	-	(250,000)	250,000	250,000
Total	2,416,668	-	(1,366,668)	1,050,000	1,050,000

23. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

Shareholdings of Directors and Key Management Personnel

2012

Ordinary Fully Paid Shares	Balance 1 July 2011	Granted as Remuneration	On Market Purchases/ (Sales)	Net change other	Balance 30 June 2012
Directors					
Mr A Dew	-	-	-	-	-
Mr D Waddell	5,672,134	-	100,000	-	5,772,134
Mr A Senior	66,705	-	-	-	66,705
Mr SH Lee	70,697,899	-	(9,319,111)	-	61,378,788
Mr C Procter	-	-	-	-	-
Other Key Management Personnel					
Mr A Czerw	-	-	-	-	-
Mr J Latto	73,334	-	-	-	73,334
Mr R Walker	734,732		(130,646)	(604,086)	-
Total	77,244,804	-	(9,349,757)	(604,086)	67,290,961

Options of Directors and Key Management Personnel

2012

Options	Balance 1 July 2011	Granted as Remuneration	Options Forfeited	Balance 30 June 2012	Vested 30 June 2012
Directors					
Mr A Dew	-	-	-	-	-
Mr D Waddell	-	-	-	-	-
Mr A Senior	116,668	300,000	-	416,668	416,668
Mr SH Lee	-	-	-	-	-
Mr C Procter	-	-	-	-	-
Other Key Management Personnel					-
Mr A Czerw	-	1,500,000	-	1,500,000	-
Mr J Latto	10,000	500,000	(10,000)	500,000	-
Total	126,668	2,300,000	(10,000)	2,416,668	416,668

All equity transactions with directors other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

c) Other transactions with the Company or its controlled entities

Specified directors hold positions in other entities that resulted in them having control or significant influence over the financial or operating policies of those entities. These entities transacted with the Company or its subsidiaries during the financial year. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

24. NON-KEY MANAGEMENT PERSONNEL RELATED PARTIES DISCLOSURES

Wholly-Owned Group

Tanami Exploration NL and Tanami (NT) Pty Ltd are both wholly owned subsidiaries of Tanami Gold NL.

Loan from Related Parties

During the year ended 30 June 2013, the Company has continued to use its unsecured loan facility with Sun Hung Kai International Bank (Brunei) Limited ('SHKIBBL') to assist with funding its:

- Care and maintenance costs at Coyote;
- Redundancy payments associated with placing Coyote on care and maintenance; and
- Additional working capital.

During the year the Company repaid its unsecured loan facilities with AP Finance Limited. In total the Company repaid HK$464.3 million (approximately A$57.7 million) to extinguish its debt (including accrued interest and charges) to AP Finance Limited.

24. NON-KEY MANAGEMENT PERSONNEL RELATED PARTIES DISCLOSURES (CONTINUED)

The ultimate holding company of AP Finance Limited is Lee and Lee Trust, an entity associated with Mr Lee Seng Hui who is a Director of the Company.

The Company has an unsecured loan facility with SHKIBBL for A$15.0 million. As at 30 June 2013, the Company had drawn down A$9.0 million, leaving it with A$6.0 million in undrawn funds. The Company's unsecured loan facility with SHKIBBL has a repayment date of 31 March 2015. During the year ended 30 June 2013, the Company has paid A$37,479 interest and A$110,466 by way of facility fees to SHKIBBL.

The ultimate holding company of SHKIBBL is Lee and Lee Trust, an entity associated with Mr Lee Seng Hui.

25. SEGMENT INFORMATION

The Consolidated Entity operates predominantly in the gold exploration and gold mining industry.

Information about reportable segments

In thousands AUD	Gold Production		Exploration		Total	
	2013	2012	2013	2012	2013	2012
	$'000	$'000	$'000	$'000	$'000	$'000
Revenues	51,469	65,343	-	-	51,469	65,343
Interest Income	133	143	54	125	187	268
Interest Expense	(175)	(203)	-	-	(175)	(203)
Depreciation and amortisation	(18,526)	(21,719)	(697)	(659)	(19,223)	(22,378)
Impairment	(21,405)	-	-	-	(21,405)	-
Reportable segment loss before income tax	(31,502)	(8,518)	(18,768)	(566)	(50,271)	(9,084)
Reportable segment assets	10,613	38,754	80,233	79,582	90,845	118,336
Reportable segment liabilities	7,932	16,264	11,131	4,753	19,063	21,017
Capital Expenditure	(3,266)	(5,271)	(40)	(5)	(3,306)	(5,276)

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items	Consolidated	
	2013	2012
	$'000	$'000
Revenue and other income		
Total revenue and other income for reportable segments	51,469	65,343
Consolidated revenue and other income	51,469	65,343
Profit or loss		
Total loss or profit for reportable segments	(50,271)	(9,084)
Profit on sale of assets	1,320	-
Other loss or profit	(411)	12,353
Unallocated amounts: other corporate expenses	(16,946)	(9,726)
Share of loss of equity accounted investees	-	(331)
Gain on dilution of shareholding in equity accounted investees	-	2,484
Consolidated loss before income tax	(66,308)	(4,304)
Assets		
Total assets for reportable segments	90,845	118,336
Other unallocated amounts	3,893	9,079
Consolidated total assets	94,738	127,415
Liabilities		
Total liabilities for reportable segments	19,063	21,017
Other unallocated amounts	8	27,590
Consolidated total liabilities	19,071	48,607

Major customer

During the year ended 30 June 2013, the Company sold gold on-market through third parties and is not able to identify the end customer.

26. EARNINGS PER SHARE

	Number of shares	
	2013	2012
Weighted average number of ordinary shares used as the denominator in the calculation of basic earnings per share	371,550,115	261,045,759

Basic earnings/(loss) per share

The calculation of basic earnings per share at 30 June 2013 was based on the loss attributable to ordinary shareholders of $66,308,282 (2012: Loss $4,304,922) and a weighted average number of ordinary shares outstanding of 371,550,115 (2012: 261,045,759), calculated as follows.

Weighted average number of ordinary shares	2013	2012
Issued ordinary shares at 1 July	261,045,759	260,997,677
Effect of shares issued in February 2012	-	48,082
Effect of rights taken up under February 2013 entitlements issue	110,504,497	-
Weighted average number of ordinary shares at 30 June	371,550,115	261,045,759

Diluted earnings/(loss) per share

Diluted loss per share for 2013 equals basic loss per share as the options on issue are considered anti-dilutive.

27. NOTES TO STATEMENT OF CASHFLOWS

a) Reconciliation of cash and cash equivalents

For the purpose of the Consolidated Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	Consolidated	
	2013	2012
	$'000	$'000
Cash assets	1,623	2,815

b) Reconciliation of net cash flow from operating activities to net loss

	2013 $'000	2012 $'000
Net loss	(66,308)	(4,304)
Add/(less) non-cash items		
Exploration expenditure written off	18,124	69
Impairment loss	21,406	-
Depreciation	5,132	3,521
Amortisation	14,198	18,198
Foreign exchange gain/(loss)	(321)	524
Unwinding of interest rate on provision for rehabilitation	76	128
Share based payments	695	682
Gain on dilution of shareholding in ABM Resources NL	-	(2,484)
Add/(less) items classified as investing/financing activities		
Gain on disposal of fixed assets	-	(177)
Gain on derivative asset	-	(3,307)
Loss on sale of financial assets	-	280
Share of loss of equity accounted investee (net of income tax)	-	331
Net change in fair value of available for sale financial assets	1,097	2,241
Gain on sale of investment	-	(13,223)
Net cash (used)/provided by operating activities before changes in assets and liabilities	(5,901)	2,479
Changes in assets and liabilities during the financial year:		
Decrease in receivables	1,284	1,103
Decrease in inventories	4,998	2,464
Increase in prepayments	(2,080)	(295)
(Decrease)/increase in provisions	(717)	619
(Decrease)/increase in payables	(3,946)	730
Net cash (used)/provided by operating activities	(6,362)	7,100

28. EVENTS SUBSEQUENT TO BALANCE DATE

During the period from 1 July 2013 to 2 September 2013, the Company progressively drew down its remaining A$6.0 million under its unsecured A$15.0 million loan facility with SHKIBBL.

On 9 August 2013, the Company lodged a Mining Rehabilitation Fund ('MRF') application with the WA Department of Mines and Petroleum for the return of its $2.3 million Coyote rehabilitation bond. The Company has opted to partake in the MRF early where the fund contribution rate is proposed to be 1 percent of the Coyote rehabilitation liability estimate.

On 26 August 2013, the Company sold its remaining 78,392,301 shares in ABM at an average price of 3.4 cents per share receiving approximately $2.6 million.

On 18 September 2013, the Company reached an agreement with AP Finance Limited for a new unsecured loan facility of approximately A$12.0 million.

On 24 September 2013, the Company signed a Supplementary Loan Agreement with SHKIBBL to extend the repayment of its existing A$15.0 million loan facility from 30 June 2014 to 31 March 2015.

29. FINANCIAL RISK MANAGEMENT

Overview

This note presents information about the Consolidated Entity's exposure to credit, liquidity and market risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

1. Credit Risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Consolidated Entity is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Presently, the Consolidated Entity undertakes mining, exploration and evaluation activities exclusively in Australia. At the balance sheet date there were no significant concentrations of credit risk.

Cash and cash equivalents
The Consolidated Entity limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating.

Other receivables
The Consolidated Entity's revenue is derived (apart from immaterial recharges) from gold sales. Management does not expect any counterparty to a gold sale to fail to meet its obligations.

Exposure to credit risk
The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Consolidated Entity's maximum exposure to credit risk at the reporting date is:

	Note	2013 $'000	2012 $'000
Cash and cash equivalents	9	1,623	2,815
Other receivables	10	6,128	7,210
Available for sale financial assets	11	1,881	6,084

The Consolidated Entity is exposed to minimal credit risk in relation to the cash and cash equivalents or other receivables in the preceding table because:

- The Consolidated Entity invests in or deposits cash with counterparties that have an acceptable credit risk rating, and as a result, Management consider that there is minimal credit risk attached to the Consolidated Entity's cash and cash equivalents balances;
- The Consolidated Entity's other receivables predominantly relate to amounts payable from Government institutions which management consider is risk free. Of the $6,127,796 in other receivables, $5,232,426 relates to environmental performance bonds lodged with the Northern Territory Department Resources – Mineral and Energy, the Western Australian Minister of State Development and Newmont Australia Limited, $67,938 relates to GST receivables and $58,920 relates to fuel rebates; and

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

1. Credit Risk (continued)

- Of the remaining $768,512 of the Consolidated Entity's other receivables, $155,834 relates to the limited recourse loan with employees, $22,881 relates to recharges to contractors engaged at the Coyote Gold Project and the Central Tanami Gold Project, $332,695 relates to insurance prepayments, $130,593 relates to a rental bond for the corporate office and the balance of $126,509 relates to miscellaneous receivables. These recharges, prepayments and rental bonds are on commercial terms, and as a result, Management consider that there is minimal risk associated with these amounts.

2. Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as and when they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The Consolidated Entity manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Consolidated 30 June 2013

	Carrying Amount $'000	Contractual Cash Flows $'000	6 Months Or Less $'000	6-12 Months $'000	1-2 Years $'000	2-5 Years $'000	More Than 5 Years $'000
Finance lease liabilities	867	(922)	(372)	(220)	(110)	(220)	-
Loans (b)	9,077	(10,110)	(539)	(9,572)	-	-	-
Trade and other payables	2,879	(2,879)	(2,879)	-	-	-	-
	12,822	(13,911)	(3,790)	(9,792)	(110)	(220)	-

a. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

b. The loans shown in the preceding table relate to the Company's drawdowns under its A$15.0 million unsecured loan facility with Sun Hung Kai International Bank (Brunei) Limited. The loan had a repayment date of 30 June 2014, subsequent to year end at the request of the Company the repayment date has been extended by Sun Hung Kai International Bank (Brunei) Limited to 31 March 2015.

Consolidated 30 June 2012

	Carrying Amount $'000	Contractual Cash Flows $'000	6 Months Or Less $'000	6-12 Months $'000	1-2 Years $'000	2-5 Years $'000	More Than 5 Years $'000
Finance lease liabilities	1,468	(1,619)	(377)	(320)	(592)	(330)	-
Loans	27,552	(39,067)	(3,014)	(2,879)	(33,174)	-	-
Trade and other payables	12,987	(12,987)	(12,987)	-	-	-	-
	42,007	(53,673)	(16,378)	(3,199)	(33,766)	(330)	-

3. Market Risk

Market risk is the risk that changes in market prices, such as interest rates, commodity prices and equity prices will affect the Consolidated Entity's income or the value of its holdings of financial instruments. Financial instruments affected by market risk include loans and borrowings, deposits, available for sale financial assets and derivative financial instruments.

Currency Risk

The Consolidated Entity has no foreign denominated debt (2012: A$27,551,703).

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest Rate Risk

The Consolidated Entity is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rate on interest-bearing financial instruments. The Consolidated Entity does not use derivatives to mitigate these exposures.

	Consolidated	Carrying Amount
	2013	**2012**
Fixed rate instruments	**$'000**	**$'000**
Finance lease liability	867	1,468
Loans	9,077	27,552
	9,944	**29,020**
Variable rate instruments		
Cash and cash equivalents	1,623	2,815
Other receivables*	5,323	5,396
	6,946	**8,211**

* Other receivables which are variable rate instruments are the term deposits placed in support of environmental performance bonds lodged with the Minister of State Development (WA) $2,350,000 (2012: $2,336,000), Newmont Australia Limited $1,105,000 (2012: $1,105,000), and the Department of Resources $1,777,426 (2012: $1,777,426). In addition, $130,593 (2012: $177,175) has been held as a rental bond for the corporate office. The term deposits mature on a monthly basis and their value is dependent on a variable interest rate.

Fair value sensitivity analysis for fixed instruments

The Consolidated Entity does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2012.

30 June 2013	**Profit or loss**		**Equity**	
	100bp increase	**100bp decrease**	**100bp increase**	**100bp decrease**
	$'000	**$'000**	**$'000**	**$'000**
Interest income on cash balance	16	(16)	16	(16)
Interest income on other receivables (term deposits)	54	(54)	54	(54)
Cash flow sensitivity (net)	70	(70)	70	(70)

30 June 2012	**Profit or loss**		**Equity**	
	100bp increase	**100bp decrease**	**100bp increase**	**100bp decrease**
	$'000	**$'000**	**$'000**	**$'000**
Interest income on cash balance	28	(28)	28	(28)
Interest income on other receivables (term deposits)	54	(54)	54	(54)
Cash flow sensitivity (net)	82	(82)	82	(82)

4. Fair Value

Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Consolidated	**30 June 2013**		**30 June 2012**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
	$'000	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	1,623	1,623	2,815	2,815
Available for sale financial assets	1,881	1,881	6,084	6,084
Other receivables	6,128	6,128	7,210	7,210
Trade and other payables	2,879	2,879	12,847	12,847
Finance lease liabilities	867	867	1,468	1,468
Loans	9,077	9,077	27,552	27,552

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

5. Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

30 June 2013	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Available for sale financial assets	1,881	-	-	1,881

30 June 2012	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Available for sale financial assets	6,084	-	-	6,084

6. Commodity Price Risk

For a significant portion of the year the Consolidated Entity was a gold producer and had exposure to the gold price. The Consolidated Entity operated so as to remain exposed to fluctuations in the gold price as is the current industry practice. The Consolidated Entity does not have any gold hedging contracts.

The Consolidated Entity manages its exposure to commodity price risk by:

- Actively monitoring gold prices on a daily basis;
- Actively engaging with industry experts to assess and review forecast gold price movements, which are taken into consideration when decisions are made to sell gold produced; and
- Entering into swap arrangements utilising advice from industry experts which provides the Consolidated Entity with opportunities to leverage into favourable gold price movements prior to completion of the refining process.

Sensitivity analysis – gold price

Judgement of reasonably possible movements	2013 $'000	2012 $'000
Gold Price +50.00 AUD per ounce		
- Net profit/loss for the year higher/(lower)	-	2,061
- Total equity higher/(lower)	-	(2,061)
Gold Price -50.00 AUD per ounce		
- Net profit/loss for the year higher/(lower)	-	(2,061)
- Total equity higher/(lower)	-	2,061

7. Capital Management

The Consolidated Entity's objectives when managing capital are to safeguard the Consolidated Entity's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Consolidated Entity may return capital to shareholders, issue new shares or sell assets to reduce debt. The Consolidated Entity's focus has been to raise sufficient funds through debt and or equity to fund development, exploration and evaluation activities.

There were no changes in the Consolidated Entity's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Consolidated Entity's debt-to-adjusted capital ratio at the end of the reporting period was as follows:

Consolidated	**2013**	**2012**
	$'000	**$'000**
Total liabilities	18,783	48,607
Less: Cash and cash equivalents	(1,623)	(2,815)
	17,160	45,792
Total equity	78,010	78,808
Adjusted capital	78,010	78,808
Debt-to-adjusted capital ratio at 30 June	0.22	0.58

30. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2013 the parent company of the Consolidated Entity was Tanami Gold NL.

	2013	**2012**
	$'000	**$'000**
Result of the parent entity		
Loss for the year	(64,141)	(6,493)
Total comprehensive loss for the year	(64,141)	(6,493)
Financial position of the parent entity at year end		
Current assets	1,711	292
Total assets	84,752	104,231
Current liabilities	(9,084)	(38)
Total liabilities	(9,084)	(27,590)
Total equity of the parent entity comprising of:		
Issued capital	306,661	244,189
Accumulated losses	(232,848)	(168,707)
Share based payment reserve	1,854	1,159
Total equity	75,667	76,641

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2013

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

1. In the opinion of the directors:

    a) the consolidated financial statements and notes and the Remuneration report set out in note 13 in the Directors' report are in accordance with the Corporations Act 2001, including:

        i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and

        ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

    b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(b)

    c) subject to note 1b, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2013.

On behalf of the board

Gerard McMahon
Non-Executive Chairman
Perth, Western Australia
24 September 2013

Independent auditor's report to the members of Tanami Gold NL

Report on the financial report

We have audited the accompanying financial report of Tanami Gold NL (the group), which comprises the consolidated statement of financial position as at 30 June 2013, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1to 30 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1(b), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(b).

Report on the remuneration report

We have audited the Remuneration Report included in section 13 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Tanami Gold NL for the year ended 30 June 2013, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Grant Robinson

Grant Robinson

Partner

Perth

24 September 2013

DISTRIBUTION OF EQUITY SECURITIES AS AT 24 SEPTEMBER 2013:

Number of Securities Held			Number of Holders
1	-	1000	1,826
1,001	-	5,000	1,444
5,001	-	10,000	534
10,001	-	100,000	1,398
100,001	and	over	398
Total number of holders			5,600

Holders of less than a marketable parcel as at 24 September 2013:

Ordinary Shares 3,695 (7,328,646 shares)

Holders of an uneconomical parcel as at 24 September 2013:

Ordinary Shares 4,728 (28,173,628 shares)

Substantial Shareholders as at 24 September 2013:

-Allied Properties Resources Limited (APRL) – 142,877,684 Ordinary Shares

-Sun Hung Kai Investment Services Limited Future Rise Investments Limited – 71,769,368

OPTIONS

Options on issue as at 24 September 2013

Expiry Date	Type	Exercise Price	Number	Number of Holders
22 December 2016	Unquoted	$1.34	300,000	1
28 March 2017	Unquoted	$0.90	1,975,000	37
28 March 2017	Unquoted	$1.00	262,500	8
			2,537,500	46

VOTING RIGHTS

On a show of hand, every holder of ordinary shares present or by proxy shall have one vote. Upon a poll, each share shall have one vote.

ON MARKET BUY BACK

There is no current on-market buy back.

TOP 20 SHAREHOLDERS - ORDINARY FULLY PAID SHARES			
	Holder	Units Held	% of Units Issued
1	Allied Properties Resources Limited	142,877,684	24.32%
2	Sun Hung Kai Investment Services Limited (Client Future Rise)	71,769,368	12.22%
3	Tarney Holdings Pty Ltd (DP & FL Waddell Family Account)	20,894,768	3.56%
4	Jemaya Pty Ltd (JH Featerby S/F Account)	16,000,000	2.72%
5	Mr Hendricus Petrus Indrisie	12,899,750	2.20%
6	Perth Select Seafoods Pty Ltd	10,290,250	1.75%
7	CR Investments Pty Ltd	8,820,000	1.50%
8	Yandal Investments Pty Ltd	8,250,001	1.40%
9	Sun Hung Kai Investment Services Limited (Clients A/C)	7,327,256	1.25%
10	BNP Paribas Nominees Pty Ltd	6,326,875	1.08%
11	Acumen Engineering Pty Ltd (S/F A/C)	5,775,001	0.98%
12	Apache Investments Limited (Number 2 A/C)	5,418,751	0.92%
13	National Nominees Limited	5,098,803	0.87%
14	Citicorp Nominees Pty Ltd	4,756,651	0.81%
15	Jemaya Pty Ltd (Featerby Family Account)	4,300,000	0.73%
16	LCY Super Pty Ltd (LCY S/F A/C)	3,825,000	0.65%
17	DPS Capital Pty Ltd	3,547,500	0.60%
18	CEN Pty Ltd	3,500,000	0.60%
19	HSBC Custody Nominees Australia Limited	3,449,717	0.59%
20	JP Morgan Nominees Australia Limited	3,309,969	0.56%
		348,437,344	**59.31%**

SCHEDULE OF MINERAL TENEMENTS

WESTERN AUSTRALIA		Granted From	Expiry Date	Blocks
WA (TGNL 100%)				
E80/1481	Balwina	05/10/93	04/10/13	24
E80/1483	Bold Hill	16/04/92	15/04/14	15
E80/1677	Slatey Creek	15/03/94	14/03/14	32
E80/1679	Southside	15/03/94	14/03/14	18
E80/1737	Camel Hump	22/03/94	21/03/14	28
E80/1905 [1]	Bald Hill Central	06/09/94	05/09/13*	38
E80/2036 [1]	Bald Hill North	17/02/95	16/02/14	8
E80/2133	Killi Killi Hills	11/08/04	10/08/13*	12
E80/3238	Afghan	29/12/04	28/12/13	4
E80/3378	Tent Hill East	20/02/06	19/02/14	3
E80/3388	Olive	15/05/06	14/05/15	35
E80/3389	Popeye	15/05/06	14/05/15	35
E80/3665	Border	19/10/07	18/10/17	28
E80/3845	Lewis West	08/04/08	07/04/18	3
E80/3846	Camel	08/04/08	07/04/18	2
E80/3847	Hutch's Find	08/04/08	07/04/18	4
E80/4006	Hermes	20/11/08	19/11/13	90
E80/4305	Triton	16/06/10	15/06/15	34
E80/4306	Apollo	17/09/10	16/09/15	111
E80/4307	Argos	17/09/10	16/09/15	88
M80/559	Coyote 1	27/09/05	26/09/26	997 hectares
M80/560	Coyote 2	27/09/05	26/09/26	998 hectares
M80/561	Coyote 3	27/09/05	26/09/26	988 hectares
M80/562 [1]	Bald Hill 1	02/12/05	01/12/26	991 hectares
M80/563 [1]	Bald Hill 2	02/12/05	01/12/26	978 hectares
M80/564 [1]	Bald Hill 3	02/12/05	01/12/26	990 hectares
WESTERN AUSTRALIA TOTAL				**2,043** **km²**

* Application for Extension of term lodged.
[1] Subject to royalty/claw back agreement with Barrick Gold of Australia Ltd.

SCHEDULE OF MINERAL TENEMENTS

NORTHERN TERRITORY		Granted From	Expiry Date	Blocks
CENTRAL TANAMI (TGNL 100%)				
EL8797	Gamma	09/09/99	25/08/14	2
EL9763	Red Hills	24/07/00	23/07/13*	7
EL9843	Chapmans Hill	27/03/06	31/12/15	22
EL10355	Red Hills North	04/06/01	03/06/13*	4
EL10411	Tanami Downs North	04/06/01	03/06/13*	7
EL22061	Farrands Hill South	27/03/06	31/12/15	17
EL22229	Question Mark Bore East	08/06/01	07/06/13*	8
EL22378	Question Mark Bore Far East	08/06/01	07/06/13*	6
EL23342	Coomarie	25/05/06	31/12/15	9
EL26925	Goanna 2	25/01/11	24/01/15	60
EL26926	Black Hills 2	25/01/11	24/01/15	276
EL28282	Suplejack	20/04/11	19/04/17	35
EL28474	Rushmore	12/03/13	11/03/19	148
EL(A)28283	Goat Creek 2	Application		72
EL(A)28613	Gamma East	Application		123
ML22934	Groundrush	14/09/01	13/09/26	3950 hectares
MLS119	Reward	15/05/64	31/12/30	8 hectares
MLS120	No. 1 South	15/05/64	31/12/30	8 hectares
MLS121	No. 2 South	15/05/64	31/12/30	8 hectares
MLS122	No. 3 South	15/05/64	31/12/30	8 hectares
MLS123	No. 4 South	15/05/64	31/12/30	8 hectares
MLS124	No. 1 North	15/05/64	31/12/30	8 hectares
MLS125	No. 2 North	15/05/64	31/12/30	8 hectares
MLS126	No. 3 North	15/05/64	31/12/30	8 hectares
MLS127	No. 4 North	15/05/64	31/12/30	8 hectares
MLS128	No. 5 North	15/05/64	31/12/30	7 hectares
MLS129	No. 6 North	15/05/64	31/12/30	8 hectares
MLS130	East Block	15/05/64	31/12/30	8 hectares
MLS131	No. 5 South	15/05/64	31/12/30	8 hectares
MLS132	No. 6 South	15/05/64	31/12/30	8 hectares
MLS133	South-East Block	15/05/64	31/12/30	8 hectares
MLS153	Tanami Extended	05/10/90	04/10/15	1000 hectares
MLS167	Matilda	13/10/95	31/12/20	1877 hectares
MLS168	Enterprise	13/10/95	31/12/20	712 hectares
MLS(A)172	Crusade	Application		3946 hectares
MLS180[2]	Molech	18/11/98	31/12/22	804 hectares
NORTHERN TERRITORY TOTAL				**2,291 km²**
TOTAL HELD				**4,334 km²**

* Application for Extension of term lodged.
[2] Subject to royalty agreement with BHP Billiton Nickel West Pty Ltd