TANAMI
GOLD NL

7 February 2005

The Manager
Company Announcements Office
Australian Stock Exchange Limited
PO Box H224 Australia Square
SYDNEY NSW 2000

Dear Sir

HIGH GRADE RESOURCE INCREASE AT COYOTE

- **Coyote underground contains +1,400 ounces per vertical metre over 180 metres.**
- **Coyote Gold Project resource increased by 83,700 ounces to 655,699 ounces.**
- **Drilling for high grade extensions underway.**

The Board of Tanami Gold NL is pleased to announce that the Company has completed the upgraded resource estimation for the Coyote Gold Project. The JORC compliant estimation comprises a global resource for the purpose of optimising open pits at Coyote, Kookaburra and Sandpiper, and an underground resource at Coyote for the purpose of developing an underground mining reserve.

Global Resource Inventory for the Coyote Gold Project at a 1g/t gold cutoff

DEPOSIT BY CATEGORY	INDICATED			INFERRED			TOTAL		
	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
COYOTE	2,320,064	5.48	409,061	342,840	3.61	39,747	2,662,904	5.24	448,809
KOOKABURRA	1,146,312	2.17	79,975	295,865	1.44	13,698	1,442,177	2.02	93,673
SANDPIPER	982,682	3.03	95,856	223,326	2.42	17,361	1,206,008	2.92	113,218
TOTAL	4,449,057	4.09	584,892	862,031	2.55	70,807	5,311,088	3.84	655,699

Including: Coyote Underground Resource from 330mRL to 150mRL

INDICATED			INFERRED			TOTAL		
Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
527,436	15.15	256,870	34,373	6.37	7,045	561,809	14.61	263,915

(The underground resource is a subset of the Coyote Global Resource)

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The upgraded Global Resource Estimate represents an increase of 83,700 ounces from the previously published Global Resource Estimate which can be attributed to incremental extensions to lodes and an increased confidence in the geological interpretation of the Coyote, Kookaburra and Sandpiper deposits which has been gained from infill drilling programs completed during the 2004 field season.

The numerous extremely high grade intersections (+50 g/t Au) returned at Coyote have necessitated very careful modelling of the resource given that projecting such high grades between sections can cause a distortion of the resource grades if incorrectly interpreted. Based on the experience of the resource geologists and mining engineers involved in the resource estimation, a number of modelling/drilling verification iterations were required to ensure that the resource models used are an accurate representation of the mineral deposits. After four such iterations completed during the September and December 2004 quarters incorporating a considerable number of infill drill holes and structural and geological interpretations, the Company is now confident that the upgraded resource provides a sound basis to finalise the mine design and optimisation studies of the Bankable Feasibility Study.

While this validation process has taken more time than the Company desired, it has been necessary and has been very important in providing the high level of confidence in the resources which will underpin the development of the Coyote Gold Project.

Coyote Underground Potential:

Importantly, the new resource model has confirmed the grade and continuity of the Gonzales shoot within the Coyote underground resource, demonstrating that the distribution of high grades is better than originally envisaged, resulting in an undiluted Gonzales lode resource grade of +22 g/t (using a 5 g/t cutoff). The underground resource above extends from RL330 to RL150 (65 to 245 metres below surface) with the continuity of both the Gonzales and Buggsy shoots indicating that an efficient underground mine design will be achievable (see Figure 1).

The Gonzales lode underpins several other smaller lodes which combine to form a robust underground resource. The quality of these underground lodes is clearly apparent with a combined average of +1,400 ounces of gold per vertical metre over a vertical distance of 180 metres. The high grade and close proximity of these lodes will ensure low operating costs coupled with strong cash flows.

Topcuts:

Resource grade topcuts, if not correctly determined, can materially impact on resource models, particularly in high grade deposits. As such, the topcut grades applied to the various lodes have required considerable analysis. Independent consultants have demonstrated that a top cut of 190 g/t in the Gonzales lode is appropriate. A number of modelling iterations have been conducted demonstrating that the resource grade, and hence contained ounces of the Gonzales lode, is relatively consistent above a model topcut of 140 g/t, giving confidence that the 190 g/t topcut applied is reasonable and is not an issue of sensitivity for the resource.

Mine Planning:

Open pit and underground mine planning has commenced on the upgraded resource model. The optimum transition point between open pit and underground mining is currently being determined based on various mine designs taking into consideration the upgraded resource, strip ratios and geotechnical factors. The upgraded resource model and a much improved understanding of structural controls has also demonstrated the significant potential to extend the underground resources by further drilling (see Figure 1) and the considerable value of any extension given the grade of the Coyote underground resource.

Exploration Drilling:

A diamond core drill program has recently commenced to test for depth extensions to the Coyote high grade lodes which remain open at depth.

Importantly, exploration programs planned for 2005 will move from the 2004 focus of drilling out the Coyote, Kookaburra and Sandpiper resources to targeting new discoveries through the drill testing of many targets along and across strike from the known resources including depth extensions to existing resources.

In addition to the exploration programs planned for the WA Tanami tenements, an intensive exploration program of the Company's large NT holdings is due to recommence in February 2005 including exploration of the entire Reynolds Range mineralised corridor following a recent farm-in agreement being entered into with Select Resources Pty Ltd.

Yours faithfully
Tanami Gold NL

Gary Comb
Managing Director

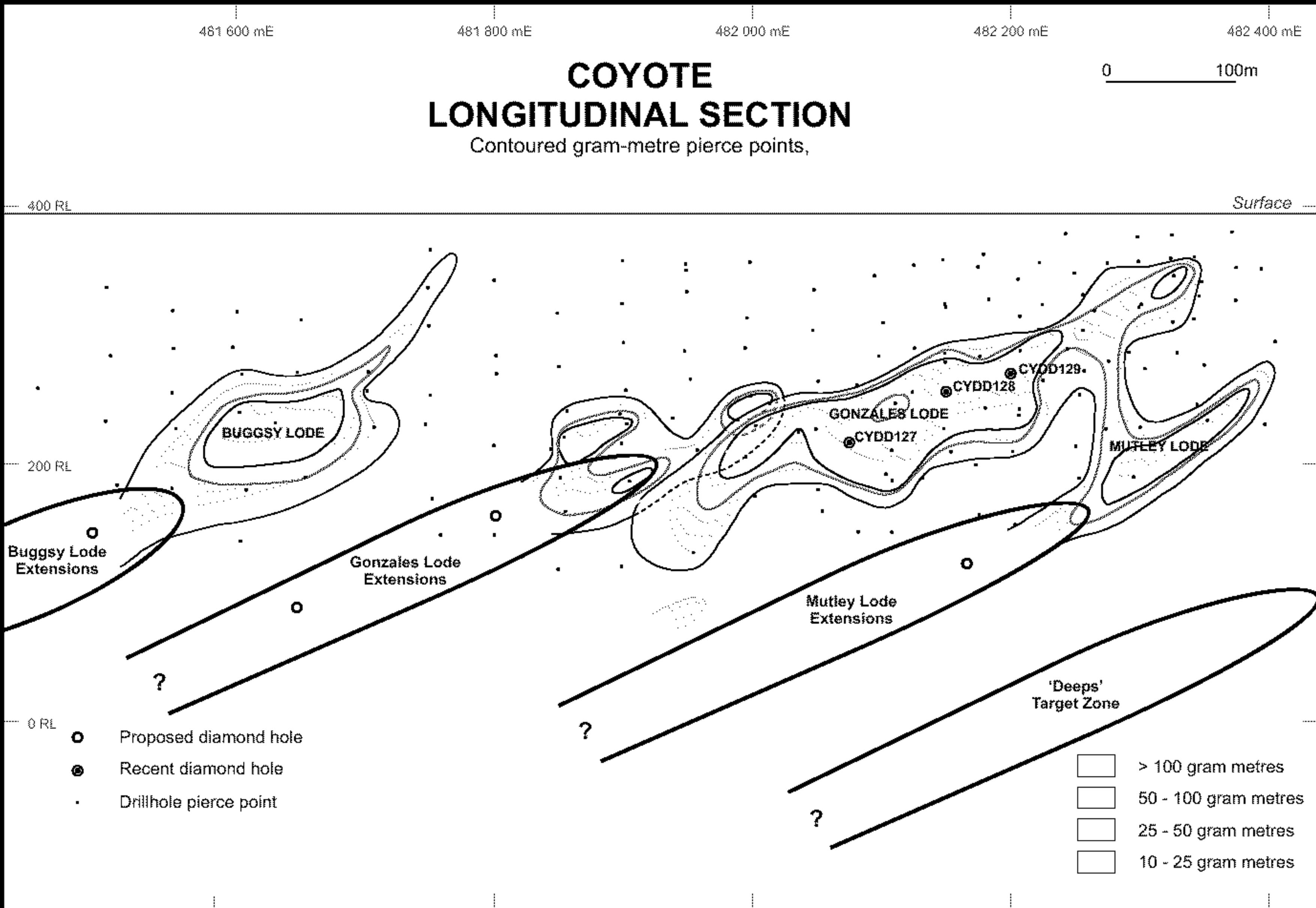
Attachment: *Figure 1*

TAM_ASX_Coyote Resource Upgrade_7Feb05

Notes:

Resource estimation was conducted by Lynn Widenbar of Widenbar and Associates who is a Competent Person as defined by the JORC Code and who has given permission to the publication of this information in the form in which it appears. The resource estimation was conducted in Micromine and Datamine, comprising ordinary kriging grade interpolation within a block model constrained by 3D wireframes which were constructed from interpreted ≥0.5g/t (global resource) and ≥2g/t (underground resource) mineralised envelopes. Topcuts were applied to distinct geological domains ranging from 20g/t to 190g/t Au.

This information, so far as it pertains to exploration and mining, is based on and accurately reflects information compiled by members of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, each of whom has had at least five years relevant experience in relation to the style of mineralisation being reported on to qualify as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves.



COYOTE LONGITUDINAL SECTION

TANAMI GOLD NL

FIGURE 1

MEDIA RELEASE	MONDAY, 7 FEBRUARY 2005

TANAMI UPGRADES COYOTE RESOURCE AS BANKABLE STUDY NEARS COMPLETION

HIGH-GRADE UNDERGROUND RESOURCE CONTAINING + 1,400oz per vertical metre

Tanami Gold NL (**ASX: TAM**) has confirmed a high-grade underground resource containing over **1,400 ounces per vertical metre** at its Coyote Gold Project in the Western Tanami region as part of an upgraded **655,699 ounce** global resource inventory announced today ahead of the imminent completion of the Bankable Feasibility Study (BFS) on the multi-deposit project.

The Perth-based gold company said today (**Monday**) the upgraded resource would be incorporated as part of the base case BFS, which is due for completion this quarter – enabling its planned development timing for Coyote to remain unchanged, targeting commencement of construction in May/June 2005 following the northern wet season. First gold production is targeted for late 2005.

The upgraded resource inventory includes, for the first time, an underground resource for Coyote itself of 263,915 ounces grading 14.61 g/t extending from 65 to 245 metres below surface, predominantly contained within the high-grade Gonzales lode together with several other smaller nearby lodes.

These lodes have a combined average of over **1,400 ounces** of gold per vertical metre over a vertical distance of 180 metres, highlighting the robustness of the underground resource. The high grade and close proximity of these lodes will ensure low operating costs coupled with strong cash flows for the Coyote operation.

The BFS currently approaching completion was based on previous project scoping of a minimum initial production of 60,000oz per annum from Coyote utilising a treatment facility located near the Coyote deposit itself and sourcing ore from an initial open cut and subsequent underground operation. Ore will also be sourced from open cut mines at Kookaburra and Sandpiper, some 30km to the north.

The new global resource inventory for the Coyote Project announced today is **5.3 million tonnes** at **3.84 g/t** for **655,699 ounces**, representing an increase of 83,700 ounces over the previously announced resource. The new resource comprises an upgrade resource for Coyote (2.6 million tonnes at 5.24 g/t for 448,809 ounces), as well as Kookaburra (1.4 million tonnes at 2.02 g/t for 93,673 ounces) and Sandpiper (1.2 million tonnes at 2.92 g/t for 113,218 ounces).

The new underground resource model is 561,809 tonnes at 14.6 g/t for 263,915 ounces, which has confirmed the grade and continuity of the rich Gonzales shoot, demonstrating that the distribution of high grades is better than originally contemplated. The undiluted Gonzales lode resource grade exceeds 22 g/t (using a 5 g/t cut-off), underlining the robustness of the underground deposit.

Tanami's Managing Director, Mr Gary Comb, said the increase in the global resource was predominantly due to incremental extension to the Coyote underground lodes following successful in-fill drilling programs last year and increased confidence in the geological interpretation of all the deposits.

"The numerous extremely high-grade intersections – many over 50 g/t – at Coyote have necessitated very careful modelling of the resource given that projecting such high grades between sections can cause a distortion of the resource grades if incorrectly interpreted," Mr Comb said. "As a result, we invested significant additional time and effort in carrying out several modeling/drilling verification iterations incorporating the results of the in-fill drilling to ensure that the resource models used are accurate representations of the mineral deposits."

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"We are now confident that the upgraded resource provides a sound basis to finalise the mine design and optimisation studies of the Bankable Feasibility Study," Mr Comb said. "While this validation process has taken more time than we would have wanted, it has been necessary and has been very important in providing the high level of confidence in the resources which will underpin the development of the Coyote Gold Project."

He added that the quality of the underground lodes and their high grade and close proximity indicated that an efficient underground mine design would be achievable.

"Open pit and underground mine planning has already commenced on the upgraded resource model to determine the optimum transition point between open pit and underground mining," he added. "In addition, we have recently commenced a diamond core drilling program to test for depth extensions to the Coyote high grade lodes – all of which remain open at depth."

"The upgraded resource model and a much improved understanding of the structural controls on the mineralisation has demonstrated the significant potential to extend the underground resources by further drilling," he added. "Given the exceptional grade of the underground resource, any such extension would add considerable value to the project."

Tanami is well advanced with other components of development planning for the Coyote Project, having secured the purchase of the mothballed Brocks Creek plant in the Pine Creek area last year (which will be relocated to Coyote as the basis for the on-site treatment facility) and with a Native Title agreement with the Tjurabalan people currently being finalised.

- ENDS -

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Background Information

Tanami Gold NL (ASX: **TAM**) is a successful Australian gold exploration and development group. Since listing on the ASX in 1994, Tanami has acquired a major ground position in the Tanami-Arunta Province, gaining access to large areas through negotiating agreements with the traditional Aboriginal owners, and completing successful regional early stage exploration programs in its own right and through joint venture partners.

Tanami currently holds granted tenements and tenement applications in the region covering 61,500 square kilometres.

On 24 November 2003 the Company announced that it was the successful bidder for AngloGold's Coyote Project in the Western Tanami. The high quality Coyote gold deposit together the Company's existing Kookaburra and Sandpiper deposits took the Company's total resources in the Western Tanami to 572,000 ounces of gold. As a result of in-fill and resource delineation drilling programs carried out in 2004, this global resource was increased to 655,699 ounces in February 2005.

The combined Coyote and Larranganni resources provide a strong base for Tanami to commence gold production, with a Bankable Feasibility Study due for completion in the March 2005 Quarter leading to anticipated project development by mid-2005 and first gold production by the end of the year.

Tanami also has a strategic 18.5% stake in base metals group Jabiru Metals Limited (ASX: **JML**), which is developing the high-grade Jaguar Project (Mining Reserve of 1.651 million tonnes at 8.01% copper equivalent), 60km north of Leonora in Western Australia. A Bankable Feasibility Study for Jaguar was completed in January 2005, with an intensive exploration program currently underway targeting numerous advanced EM conductors to increase the project's resource inventory.

For further information, refer to www.tanami.com.au