15 March 2006

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

Dear Sir

- **TRANCHE 1 OF A$20 MILLION PLACEMENT COMPLETED**
- **PROJECT DEVELOPMENT ON SCHEDULE**

Further to the announcement made on 2 March 2006, the Company is pleased to confirm the successful completion of Tranche 1 of the A$20 million placement. Tranche 1, being 50% of the placement is made up of 54 million shares which have been issued to international and domestic institutional investors and to sophisticated investors at an issue price of A$0.185 per share raising A$9.98 million.

Firm commitments have been received by the Company from investors for Tranche 2 of the placement comprising a further 54 million shares at an issue price of A$0.185 per share. The issue of Tranche 2 shares is subject to the approval of Tanami Gold shareholders at a general meeting to be held on 7 April 2006.

The strong support received from the Company's shareholders and new investors has resulted in the Company being fully funded, with no debt and no hedging commitments.

The Company is now well positioned in a favourable gold price environment to:

- develop the Coyote Gold Mine to production status during the June 2006 Quarter;
- enhance and increase production at the Coyote Gold Mine through the conversion of existing gold resources and prospects into near mine reserves; and
- pursue intensive and sustained exploration programs aimed at increasing the Company's existing resource inventory and production profile through down plunge and along strike extensions to known mineralisation and through new discoveries within the Company's major ground holdings located within the prospective Tanami-Arunta Province of Central Australia.

All approvals to commence mining have been received and arrangements are in place for open pit mining to commence in April 2006 with first gold production targeted for the middle of the year. During Stage 1, the Coyote Gold Mine is expected to produce more than 60,000 ounces of gold per annum over an initial five year mine life.

Concurrently with Stage 1, the Company plans to immediately work towards establishing Stage 2 reserves through further conversion of existing resources to reserves and by identifying additional resources from open pit and underground drill targets with the aim of achieving an increased resource/reserve base and annual production profile.

Yours faithfully
Tanami Gold NL

Denis Waddell
Executive Chairman