

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

TANAMI GOLD NL

ABN

51 000 617 176

Quarter ended ("current quarter")

30 June 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.01 Receipts from product sales and related debtors	-	-
1.02 Payments for (a) exploration and evaluation	(947)	(6,136)
(b) development	(7,791)	(11,176)
(c) production	(983)	(1,307)
(d) administration	(241)	(1,759)
1.03 Dividends received	-	-
1.04 Interest and other items of a similar nature received	172	340
1.05 Interest and other costs of finance paid	-	-
1.06 Income taxes paid	-	-
1.07 Other (provide details if material)	-	(44)
Net Operating Cash Flows	(9,790)	(20,082)
Cash flows related to investing activities		
1.08 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	(1,125)
(c) other fixed assets	(15)	(549)
1.09 Proceeds from sale of:		
(a) prospects	-	400
(b) equity investments	1,188	8,717
(c) other fixed assets	575	575
1.10 Loans to other entities	-	-
Loans repaid from other entities	-	-
1.11 Other (provide details if material)	-	-
Net investing cash flows	1,748	8,018
1.12 Total operating and investing cash flows (carried forward)	(8,042)	(12,064)

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1.12	Total operating and investing cash flows (brought forward)	(8,042)	(12,064)
Cash flows related to financing activities			
1.13	Proceeds from issues of shares, options, etc.	9,990	19,980
1.14	Proceeds from sale of forfeited shares	-	-
1.15	Proceeds from borrowings	-	-
1.16	Repayment of borrowings	-	-
1.17	Dividends paid	-	-
1.18	Other – placement costs	(500)	(1,001)
Net financing cash flows		9,490	18,979
Net increase (decrease) in cash held		1,448	6,915
1.19	Cash at beginning of quarter/year to date	6,449	982
1.20	Exchange rate adjustments to item 1.23	-	-
1.21	Cash at end of quarter	7,897	7,897

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.22	Aggregate amount of payments to the parties included in item 1.02	(128)
1.23	Aggregate amount of loans to the parties included in item 1.10	-
1.24	Explanation necessary for an understanding of the transactions	
Directors' base remuneration		(118)
Additional consultancy fees		(10)

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	N/A	N/A

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,700
4.2 Development	9,800
Total	11,500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	7,897	6,449
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	7,897	6,449

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		Reduction in area by Compulsory Partial Surrender		
	EL10142	19 Blocks (61km ²)	100%	NIL
	EL10222	58 Blocks (186km ²)	100%	NIL
	EL 10223	62 Blocks (198km ²)	100%	NIL
	EL 9887	34 Blocks (109km ²)	Earning 60%	NIL
	EL 10405	81 Blocks (259km ²)	Earning 60%	NIL
		Surrender		
	EL10158	117 Blocks(374km ²)	100%	NIL
	EL23990	39 Blocks (125km ²)	100%	NIL
	EL9802	212Blocks (678km ²)	100%	NIL
	Withdrawn			
	E(A)80/2238	1 Block (3 km ²)	100%	NIL
6.2 Interests in mining tenements acquired or increased	NIL			

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference ⁺ securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	⁺ Ordinary securities	<i>(Note 1)</i>			
	TAM	487,888,902	487,888,902		
	TAMCA ***	85,074,451	85,074,451	20 cents	1 cent
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	⁺ Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	Unlisted	1,500,000	-	20 cents	27/11/08
	Unlisted	33,750,000	-	22.5 cents	20/10/09
		1,250,000	-	22.5 cents	22/11/09
		2,950,000	-	18 cents	22/11/09
7.8	Issued during quarter				
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	-	-		
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Note 1: The company announced on 18 July 2006 that it had arranged the placement of 60,000,000 ordinary shares at an issue price of A\$0.25 per share to raise A\$15 million. The placement shares allotted on 28 July 2006 increase the number of ordinary shares to 547,888,902.

Compliance statement

+ See chapter 19 for defined terms.

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: **31 July 2006**
Company Secretary

Print name: **John Traicos**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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