

17 May 2007

The Manager
Company Announcement Office
ASX Limited
Exchange Centre, Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

**COYOTE GOLD PROJECT
MORE VISIBLE GOLD INTERSECTED IN MUTTLEY LODGE**

The Directors are pleased to announce that the fifth diamond core drill hole at Muttley (see Figure 1) has intersected the lode in the predicted position with visible gold encountered.

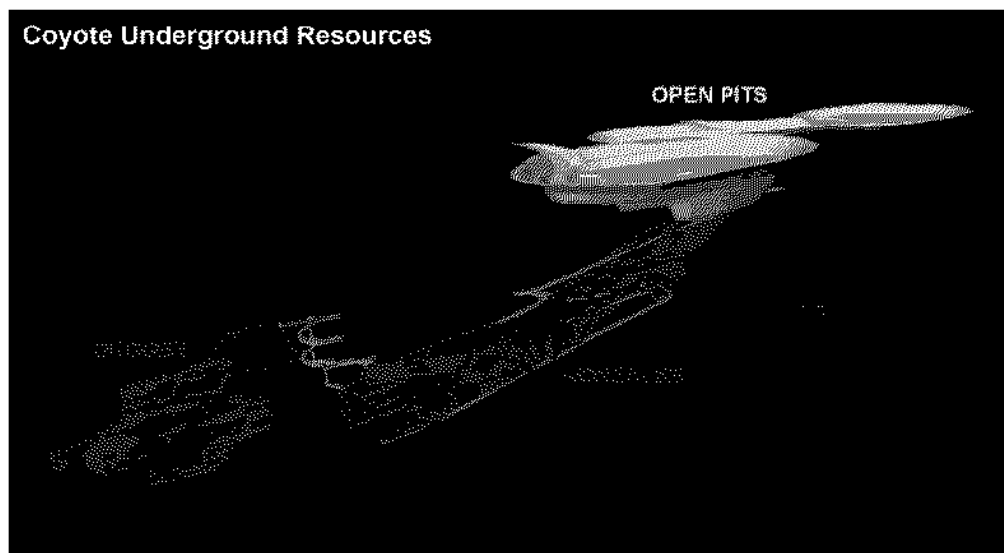


Figure 1

3D underground resource models and open pit and underground mine design, Coyote gold deposit

The visible gold intersected in the fifth drill hole, CYDD 158 (see Figure 2), is very pleasing as all five infill holes drilled to date at Muttley have intersected the lode as predicted, with all five holes encountering visible gold.

The position and grade of the mineralised intercepts in the five drill holes completed to date vindicates the Company's confidence in its understanding of the geometry and continuity of the high grade mineralisation within the planned Coyote Underground Mine.

Infill drilling into Muttley is continuing. Further drill targets include potential extensions to the east and at depth beyond the current limits of drilling (see Figure 2).

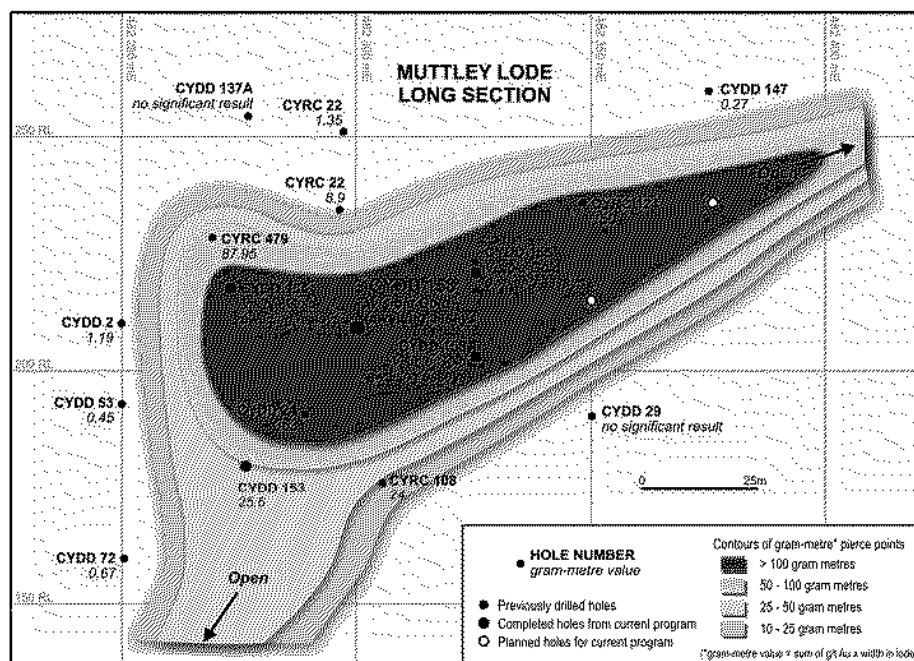


Figure 2 – Muttley Lode Long Section

Following the Muttley drilling program, several deep diamond core holes are planned to target down-plunge extensions to the Buggsy Lode (see Figure 1) and also to step-out further to the west where the stratigraphic / structural position which hosts the Gonzales and Buggsy lodes is under-drilled at depth.

Deep drill targets will also be tested at the Road Runner Prospect located 8 kilometres south of Coyote, which contains drill intercepts of up to 3 metres at 55.9g/t Au from 123 metres in two steeply plunging under-drilled lodes.

In addition to the current diamond drill hole program, the Company is planning further drill programs to test deeper targets at Coyote and to undertake follow-up drill programs on numerous regional targets generated during the 2006 field season.

Yours faithfully
Tanami Gold NL

Denis Waddell
Executive Chairman

Note:

The information in this report that relates to Exploration Results is based on information compiled by Mr Tim Smith, MAIG, a full time employee and Exploration Manager of Tanami Gold NL. Mr Smith is a member of the Australian Institute of Geoscientists 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 Tim Smith consents to the inclusion in the report of the matters based on his information in the form and content in which it appears.