



23 September 2016

1. As previously announced, in April 2015 Tanami Gold NL (**the Company**) and Tanami (NT) Pty Ltd commenced legal proceedings in the Supreme Court of Western Australia against Metals X Limited (the **Proceedings**). The Proceedings were in respect of the Heads of Agreement the Company had entered into with Metals X Limited (**MLX**) dated 6 February 2015, pursuant to which MLX was to acquire interests in the Central Tanami Project.
2. In the proceedings, the Company sought declarations to the effect that the Heads of Agreement was conditional on the approval of the Company's shareholders, the condition had not been satisfied, and the Heads of Agreement had terminated. MLX commenced a counterclaim in the same Proceedings, alleging that the Company had breached the Heads of Agreement and / or engaged in misleading or deceptive conduct in breach of the Australian Consumer Law, and seeking damages and interest in respect of its alleged loss.
3. The Company is pleased to announce that it has now reached agreement with MLX that ends the legal proceedings between the parties. The terms of the settlement are that:
  - (a) each party provides and receives a full discharge and release from any and all claims in respect of, or arising out of or in connection with the subject matter of the Proceedings,
  - (b) each party will no longer pursue its claims against the other;
  - (c) the Proceedings will be dismissed on a no admission of liability basis;
  - (d) each party will bear its own legal costs; and
  - (e) the Company will (jointly and severally with Tanami (NT) Pty Ltd) make payment to MLX of \$3,000,000.
4. In reaching this settlement with MLX, the Company has taken into account its legal advice together with the significant costs and inherent uncertainty of litigation, and the substantial time commitments and distraction that the litigation presents for the board and management.

**Gerard McMahon**  
Chairman