

Tanami Gold NL (ASX:TAM)

Research Note - 5 December 2025

COMPANY OVERVIEW

Tanami Gold NL (ASX:TAM) is an Australian mineral exploration company headquartered in Perth. The company is primarily focused on the exploration and development of gold assets in the Northern Territory. Its flagship asset, the Central Tanami Project Joint Venture (CTPJV), contains an estimated 2.84 million ounces of gold under JORC-compliant resource classification.

PROJECTS

Overview

TAM's flagship asset, the CTPJV, is located in the Northern Territory and is prospective for gold. It comprises 5 areas: the Groundrush Area, the Tanami Southwest Area, the Tanami Mine Corridor Area, the Tanami East Area, and the Molech Area. The CTPJV is the only project in which TAM holds an interest.

Central Tanami Project Joint Venture

Project Overview. The CTPJV is a JV in which TAM owns 50%, with the other 50% owned by Mount Gibson Iron Limited (ASX:MGX). It is located in the Tanami region of the Northern Territory, 650 km northwest of Alice Springs, and approximately 100 km away from Newmont's Granites-Callie Gold mine, which produces 408 Koz of gold annually. The tenement covers a total area of 2,100 km².

JORC. TAM's CTPJV contains a resource of 30.3 Mt at 2.8 g/t Au for 2,836,000 oz Au. JORC by resource category is broken down in the table below.

Cut-off Grade: 1.35g/t	Tonnes (Mt)	Grade (g/t)	Contained Au (oz)	Adjusted Ounces
Inferred	14.0	3.1	1,400,000	560,000
Indicated	15.0	2.8	1,400,000	980,000
Measured	1.3	0.8	36,000	36,000
Total	30.3	2.8	2,836,000	1,576,000

OWNERSHIP AND MANAGEMENT CONCERNS

Concentrated Ownership by APAC Resources

Tanami Gold's share register is dominated by APAC Resources, a Hong Kong-based natural resources investment and commodity trading firm. APAC holds 43.39% of Tanami Gold's shares, while the next largest shareholder owns only about 3.8%. This means APAC can exert significant control over Tanami - effectively, the company's strategic direction lies in the hands of a single majority stakeholder.

Additionally, APAC's dominant ownership position significantly reduces the free float of Tanami Gold shares, meaning only a relatively small portion of the register is actively tradable. With limited liquidity, price discovery can be constrained, and demand-driven upside may not fully translate into share price appreciation.

Overlapping Directorships and Dragon Mining Connections

Tanami Gold's board of directors is heavily populated by individuals with interlocking roles in APAC and its affiliated companies, especially Dragon Mining Limited (HKEx: 1712). Dragon Mining is a Hong Kong-listed gold producer in which APAC Resources owns roughly 30% (and in 2025 APAC even moved to fully acquire Dragon). 4 of the 5 board members of TAM are also either affiliated with or on the board of Dragon. Such a concentration of related-party directors calls into question the board's independence and its ability to objectively oversee management on behalf of all shareholders. Decisions involving APAC or Dragon - for example, service agreements, joint venture negotiations, or potential M&A – could be influenced by directors who sit on both sides of the table.

Lack of Insider Ownership

TAM's management and directors collectively hold only about 1.31% of the company's shares (15,448,484 shares in total). In fact, four of the six board members (including the alternate director) own no shares in the company. The only meaningful insider holding is Mr Montgomery's ~15 million share stake (around 1.28%), with a nominal holding by Mr Smith (~448,000 shares, 0.04%). Chairman Arthur Dew, Mr Procter, and Mr Edwards do not hold any shares, nor does the CFO. Such minimal "skin in the game" suggests that management's personal financial incentive to see the stock price appreciate is limited. Combined with the fact that most of these individuals are appointees or representatives of the majority shareholder, the board's motivation may lean more toward serving APAC's strategic goals than maximising value for the broad base of shareholders.

INVESTMENT RECOMMENDATION

Given APAC's concentrated ownership, the extensive interconnectedness with Dragon Mining, and the governance risks arising from these related-party structures, we believe the alignment between management and minority shareholders is weak. These factors may limit the company's ability to deliver meaningful long-term value to external investors. Accordingly, we recommend **no action** at this time.

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