



**A\$2.35M IN CAPITAL RAISINGS COMPLETED
FOLLOWING RAB PLACEMENT, SUCCESSFUL SEED
CAPITAL RAISING FOR THOR MINING PLC**

31 May 2005

HIGHLIGHTS

- **A\$1.35M share placement to UK-based institution, RAB Special Situations LP, completed with RAB becoming TNG's largest shareholder (16.3% stake).**
- **£425,000 (A\$1M) seed capital raising successfully completed by TNG's new specialty metals offshoot, Thor Mining PLC, with RAB subscribing for £300,000 worth of that issue.**
- **£250,000 (A\$0.600M) cash and 45 million shares will be paid shortly by Thor Mining to TNG in consideration for the transfer of TNG's portfolio of specialty metals projects.**

Tennant Creek Gold Limited (ASX: TNG) ("TNG") today announced the successful completion of capital raisings totalling A\$2.35M following finalisation of a A\$1.35M institutional placement for TNG and a A\$1M seed capital raising for its newly-established specialty metals off-shoot, Thor Mining PLC, ahead of the latter's proposed listing on the Alternative Investment Market (AIM) of the London Stock Exchange.

TNG said its recently announced A\$1.35M placement (13.5 million shares at 10 cents plus one free attaching option) to London-based investment management company, RAB Special Situations LP ("RAB"), managed by RAB Capital Plc, had now been completed with the funds received from RAB and issue of the new shares.

RAB Capital is now TNG's largest shareholder, with a stake of 16.3% on a fully diluted basis. The injection of funds by RAB represents a significant vote of confidence in TNG's proposed growth strategy by a major international institutional investor, including its forthcoming exploration and development strategy at the Manbarrum (Sandy Creek) Base Metal Project and Tennant Creek Copper-Gold-Bismuth Project in the Northern Territory of Australia.

Thor Mining PLC – Successful A\$1M Seed Capital Raising and Investment by RAB

TNG also announces the successful completion of a £425,000 (A\$1M) seed capital raising for Thor Mining PLC ("Thor"), which is acquiring TNG's Molyhil molybdenum-tungsten project and other specialty metals assets in the Northern Territory ahead of a planned £1.2 million (A\$2.9 million) IPO and AIM listing.

RAB has subscribed for £300,000 worth of seed capital shares (some of which is being paid on a deferred basis) as part of this raising, with the balance of the issue placed with a specialist metal trading house and other selected institutions and individuals. Thor is



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currently completing its IPO, with the planned AIM listing expected to be completed early in the new financial year.

Under the agreement between TNG and Thor, Thor will in due course and subject to completion of the IPO make a cash payment of £250,000 (A\$600,000) to TNG in consideration for the transfer of its portfolio of specialty metals projects. In addition, TNG will receive 45 million shares in Thor. TNG's Chairman, Mr John W Barr, has joined Thor's Board as Executive Chairman.

The spin-off of TNG's specialty metals assets is part of an asset rationalisation program designed to transfer these projects to a focused AIM-listed vehicle with an appropriate risk profile and to maximise their exposure to relevant capital markets with an understanding of the specialty metals sector. The IPO funds will enable Thor to pursue a trial mining program at the Molyhil deposit before completing a feasibility study.

TNG Cash Position and Outlook

Following the completion of the RAB placement and receipt of funds from Thor, TNG will have in excess of A\$2M in cash. In addition, the Company expects to receive an additional cash payment of A\$200,000 from the proposed sale of a portfolio of four non-core iron ore exploration projects to a proposed new AIM-listed company, Red Rock Resources PLC. Red Rock is also currently completing a seed capital raising in London and proposed AIM listing which have to be completed for the Company to receive the additional cash payment of A\$200,000.

At completion of the transactions, TNG – in addition to its Northern Territory mineral portfolio and cash resources – will have a significant portfolio of investments in ASX and AIM-listed resource companies including Thor, Batavia Mining, and Red Rock Resources Plc.

The Company is currently finalising plans for major drilling programs at both its core projects, the Manbarrum and Tennant Creek Projects. The Manbarrum Base Metal Project is located at Sandy Creek, 70km north-east of Kununurra in the Northern Territory and was previously explored by a number of major mining companies including Aquataine and BHP-Billiton. It is regarded as being highly prospective for the discovery of multiple Mississippi Valley-Style large-tonnage, high-grade zinc-lead-silver deposits.

In 2004, Tennant Creek Gold initiated discussions with the Northern Territory Government requesting approval for exploration over the Sandy Creek deposit. On 15 December 2004, the approval to override the Reserve from Occupation Act was granted. The title is known as Authorisation under Section 178 (A24518), in which Tennant Creek Gold has the approval for an application for exploration activities to take place once native title claims have been addressed. The native title claims are currently being addressed, with negotiations at an advanced stage and an agreement expected to be announced within the next 1-2 months.

At Tennant Creek, work will focus on drilling a number of first-order magnetic anomalies with similar magnetic trend and magnitude to the world-class deposits of the Tennant Creek Inlier (eg, Warrego, White Devil and Nobles Nob).

Yours faithfully

TENNANT CREEK GOLD LIMITED

NEIL BIDDLE
Managing Director



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So far as it relates to ore and mineralisation this report is based on information compiled by Mr Neil G Biddle who is a Director of Tennant Creek Gold Limited and a corporate member of the Australasian Institute of Mining and Metallurgy and who has had more than five years experience in the field of activity being reported on. This report accurately reflects the information compiled by this member.