



# Tennant Creek

## GOLD LIMITED

ABN: 12 000 817 023

LEVEL 3, 30 RICHARDSON STREET  
WEST PERTH WA 6005

PO BOX 1176  
WEST PERTH WA 6872

TELEPHONE: +61 8 9327 0900  
FACSIMILE: +61 8 9327 0901

EMAIL: [corporate@tennantcreekgold.com.au](mailto:corporate@tennantcreekgold.com.au)  
WEB: [www.tennantcreekgold.com.au](http://www.tennantcreekgold.com.au)

20 April 2005

Dear Shareholder

I am writing to update you on a number of important new developments with Tennant Creek Gold and to enclose a Notice of General Meeting, Explanatory Memorandum and Proxy Form.

The purpose of the Shareholders' meeting is to seek approval for a number of transactions including a share placement, a placement facility, the proposed divestment of some non-core assets and the issue of options.

The Company has over the last 3-4 months identified two key projects within its Northern Territory portfolio which your Directors believe have the potential to be developed into world class, large-scale projects.

We have been able to secure the support of a major UK-based institutional investor through a proposed A\$1.35 million placement to support our planned exploration activities at these projects, namely the Sandy Creek lead-zinc project and the Tennant Creek copper-gold-bismuth project.

In addition, the Company has moved to rationalise some of the assets it currently holds in the Northern Territory.

The completion of these transactions will cement Tennant Creek Gold's focus as a diversified exploration company targeting potential world-class mineral discoveries in the Northern Territory.

The transactions outlined in the enclosed documentation are summarised below, namely:

- Sale of the Molyhil, Hatches Creek and Thring Creek specialty metal projects
- The sale of its iron ore assets
- A placement to RAB Special Situations LP

### **Sale of the Molyhil, Hatches Creek and Thring Creek Projects**

The Company has announced plans to spin-off its molybdenum and tungsten projects in the Northern Territory, including the advanced Molyhil project (currently at feasibility study stage), through the proposed listing of a new dedicated specialty metals company on the Alternative Investment Market (AIM) of the London Stock Exchange.

Thor will shortly issue documents to enable it to proceed with an AIM listing and undertake a capital raising of up to £2.0 million (A\$4.7 million) on the AIM market.

As part of the transaction, Tennant Creek will receive £250,000 plus 45 million shares in Thor Mining in consideration for the transfer of the projects, giving it a 23% stake in Thor following its proposed listing on AIM.

Your Directors believe that the proposed transfer of the Molyhil Project and its portfolio of other specialty metals projects in Australia to a focused AIM-listed company will maximise its exposure to relevant capital markets with an understanding of the specialty metals sector.

## **Sale of iron ore assets**

The Company has entered into an option agreement with AIM-listed Regency Mines PLC for the proposed sale of four non-core iron ore exploration projects in the Northern Territory to its subsidiary, Red Rock Resources, which is proposing to list on AIM. The exercise price for the option is a payment of A\$200,000 in cash and the issue of shares equivalent to 20% of Red Rock's pre-listing capital to the Company.

The iron ore projects are regarded as non-core assets of the Company and the agreement represents an opportunity to realise value for them at a time of strong market interest in iron ore exploration.

## **Placement to RAB Special Situations LP**

The Company has undertaken a \$1.35M placement to a London-based investment management company, RAB Special Situations LP ("RAB"). The funds raised will be used to aggressively commence a significant exploration and evaluation program at the Sandy Creek and Tennant Creek Projects.

The placement, representing 16.3% of Tennant Creek's issued capital, will result in the introduction of a substantial strategic investor to the Company to support its ongoing activities in the Northern Territory.

Your Directors believe that the investment by RAB, a leading UK-based institutional investor, represents a significant vote of confidence in the Company's asset base in the Northern Territory and our proposed exploration & development activities at Sandy Creek and Tennant Creek.

As this placement exceeds the 15% allowed under ASX Listing Rules, shareholder approval is sought as set out in Resolution 1 in the enclosed documentation.

## **Additional placement capacity**

The Directors are also seeking Shareholder approval for a placement facility of up to 30M shares. The Company will require significant working capital to undertake its proposed exploration and development activities in addition to the funds raised from the RAB placement. Shareholder approval is sought via Resolution 2.

In addition, the Company is seeking Shareholder approval for the issue of options to Directors and executives. The Board considers the options issue to provide an important incentive to Directors and executives and accordingly seeks approval as set out in Resolutions 4 to 8.

The Board urges you to participate in the meeting either by attending personally or by lodging a proxy.

For information on the Company's projects please contact the Managing Director, Mr Neil Biddle. If you have any questions about the General Meeting please contact the Company Secretary, Mr Chris Bath.

I look forward to keeping you informed on the company's progress over the next few months.

Yours sincerely

**TENNANT CREEK GOLD LIMITED**



**JOHN W BARR**  
Chairman