



Tennant Creek Gold LIMITED

ABN 12 000 817 023

SALE OF NON-CORE NORTHERN TERRITORY TENEMENTS FOR A\$2 MILLION

27 February 2007

- **Agreement signed for the sale of non-core Northern Territory tenements**
- **Sale price is agreed at \$2,000,000**
- **The sale is conditional upon the Purchaser gaining admission to the Australian Stock Exchange**

Tennant Creek Gold Limited (ASX: TNG) ("TNG") today announced that it has reached agreement with minerals company Western Desert Resources Pty Ltd ("WDR") for the sale of a portfolio of non-core mineral assets in the Northern Territory for A\$2 million in shares.

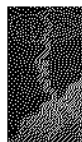
The tenements subject to the sale include the Spring Hill Gold Project, Blueys Silver-Lead prospect, Winnekie Gold prospect and a number of mineral claims and mining licences in the Tennant Creek area.

The proposed divestment of these assets is consistent with TNG's focus on its 100%-owned Manbarrum Zinc-Lead-Silver Project in the Northern Territory. The agreement with WDR represents an opportunity to realise a fair value for these projects at a time of strong market interest.

TNG will continue to focus its resources on forthcoming major exploration and development programs at the Manbarrum Project, where it recently announced a JORC compliant resource of 10.5 million tonnes at 3.3% Zn eq. A preliminary budget of \$7 million has been allocated to the 2007 Manbarrum exploration program.

Completion of the sale agreement is conditional on the acceptance of WDR to the official list of the Australian Stock Exchange ("ASX") before 31 October 2007.

The consideration for the acquisition, payable on completion, is 10 million fully paid WDR shares at the time of the company's Initial Public Offering (IPO). The 10 million shares received will represent no less than 16% of the issued share capital in WDR immediately after IPO. A non-refundable cash deposit has been agreed at \$60,000.



Tennant Creek Gold LIMITED

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Tennant Creek Gold LIMITED

Yours faithfully

TENNANT CREEK GOLD LIMITED

A handwritten signature in black ink, appearing to read "Neil Biddle".

Neil Biddle
Managing Director