



Resources at Sandy Creek Zinc-Lead-Silver Project increase

15 March 2010

HIGHLIGHTS

- **Total Indicated and Inferred resource increases from 15.9Mt to 24.4Mt at 2.37% zinc at a 1% zinc cut-off– a rise of 54 per cent.**
- **Upgraded figures include higher-grade Indicated resource of 12.6Mt at 3% zinc plus lead, at a 1.5% zinc cut-off.**
- **Indicated primary zinc grade increased from 1.7% to 2.37% - a 20% increase, at a 1 % zinc cut-off.**
- **Scoping study planned.**
- **Positive outlook for the project with a potential resource Exploration Target of 80 to 100Mt¹ at a grade range of 1.8 to 2.2 % zinc**

Australian resource company TNG Limited (ASX:TNG) is pleased to advise the completion of a new resource estimate for the Sandy Creek deposit within its 100%-owned **Manbarrum Lead-Zinc-Silver Project** in the Northern Territory, (Figure 1).

The updated mineral resource estimate has resulted in a **an increase of 54 per cent to 24.4 million tonnes at 2.37% Zinc, at a cut-off grade of 1% Zinc. At a 1.5 % zinc cut-off** the **Indicated** resource stands at **12.6 million tonnes at 2.95 % zinc plus lead**. This is the first time the resource has been reported at the higher cut-off grade.

The new resource estimate has been estimated by Snowden Mining Industry Consultants and integrates TNG's increased understanding of the Sandy Creek geology and controls on the mineralisation. This increased understanding of the deposit geology will assist in optimizing the on-going exploration strategy for the Manbarrum Project, an emerging Mississippi Valley Type (MVT) base metal district.

¹ *The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resources.*

SANDY CREEK DEPOSIT

Snowden has taken the revised geological interpretation provided by TNG which incorporates new geological data from drilling carried out in 2009, and modelled a stratabound deposit within which the resource is contained. This has primarily been defined on lithological and fault controls on the distribution of the zinc dominated mineralisation.

The updated Sandy Creek Zinc resource estimate is shown in Tables 1 and 2 below, reported at a cut-off grade of 1% and 1.5 % Zn. The 1.5% cut-off was applied to assess a potential operation at current Zinc prices.

A high grade lead component has also been recognised and reported separately to the zinc resource (table 3).

Snowden used ordinary block kriging to estimate Zn, Pb and Ag into the block model and applied a density of 3 to the primary mineralisation and 2.55 to the oxide mineralisation which was provided by TNG.

Table 1: Sandy Creek Global Zinc Mineral Resource, as at March 2010 at a 1.0 % Zn cut-off.

Material	Classification		Tonnes	ZN	PB	AG
Oxide	Indicated		574,965	1.45	0.43	5.14
	Inferred		877,082	1.26	0.28	3.24
	Total		1,452,047	1.34	0.34	3.99
Primary	Indicated		12,516,934	2.06	0.48	4.51
	Inferred		9,830,448	1.53	0.21	4.12
	Total		22,347,383	1.83	0.36	4.34
Total			23,799,429	1.80	0.36	4.32

Table 2: Sandy Creek Zinc Mineral Resource, as at March 2010 at a 1.5 % Zn cut-off.

Material	Classification		Tonnes	ZN	PB	AG
Oxide	Indicated		182,003	1.79	0.54	6.21
	Inferred		123,413	1.90	0.49	4.13
	Total		305,416	1.83	0.52	5.37
Primary	Indicated		8,370,134	2.53	0.68	5.40
	Inferred		3,967,208	2.07	0.42	5.87
	Total		12,337,342	2.38	0.45	5.17
Total			12,642,758	2.37	0.59	5.55

A grade tonnage curve for the deposit mineralisation is shown in figure 2.

Figure 2: Grade / Tonnage graph for the Sandy Creek deposit.

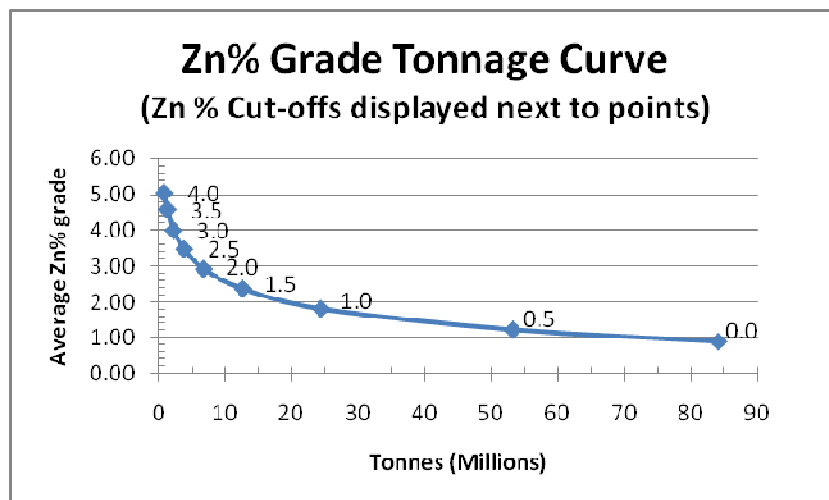


Table 3: Sandy Creek Lead Mineral Resource, as at March 2010 at a 2.5 % Pb cut-off.

Material	Classification	Density	Tonnes	ZN	PB	AG
Oxide	Indicated	2.55	6,000	0.26	5.16	27.25
	Inferred	2.47	206,000	0.43	4.41	22.39
	Total	2.47	212,000	0.43	4.43	22.54
Primary	Indicated	3.00	406,000	2.28	3.45	13.03
	Inferred	3.00	196,000	1.82	4.99	18.53
	Total	3.00	602,000	2.13	3.95	14.82
Total		2.86	815,000	1.68	4.08	16.83

Some errors due to rounding will occur.

PREVIOUS RESOURCE ESTIMATE

The previous resource estimate on the Sandy Creek Deposit was carried out in April 2008 and reported at a cut -off grade of 1% Zinc. This estimate was based on an incomplete data set due to drilling and sampling issues which TNG has resolved with independent consultants during 2009. Both TNG and its consultants consider that the new geological interpretation and resource model reflects more accurately the type and style of the mineralisation at Sandy Creek. Comparisons of the grade and tonnage with the previous resource have been made at a 1% zinc cut-off.

OUTLOOK

The new resource model has highlighted the importance of structural controls to the mineralisation and this has contributed to a greater understanding of this type of deposit in the Manbarrum project area. This knowledge will be used to identify other target areas where mineralisation may have accumulated. TNG has recognised that there is a regional

mineral zonation of the Manbarrum Project and this will help focus the further exploration of the Project.

TNG points out that because of the style of mineralisation and the presence of very fine grained zinc (sphalerite) some loss of zinc during the drilling process was recorded and has very likely contributed to potentially lower grades than may actually be present¹. Large bulk sampling would help alleviate this issue.

Numerous additional priority exploration targets have been identified within the field, with the potential to deliver similar-scale deposits to those defined at Sandy Creek and Djibitgun such as Landandi and Browns prospects provide a potential Exploration Target¹ of 80 to 100Mt at a range of 1.8 to 2.2 % zinc for total combined resources in the region (Figure 1).

The company is encouraged by the new estimate and now plans to commence a scoping study for Sandy Creek and conduct further exploration drilling at the Browns prospect to define the extent of the mineralisation discovered in 2009 with a view to defining a resource at Browns by the end of 2010.

Yours faithfully
TNG LIMITED



Paul E Burton

Director & CEO

¹ *The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resources.*

Competent Person's Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Paul Burton who is a Member of The Australasian Institute of Mining and Metallurgy and a Director of TNG Limited. Paul Burton has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Paul Burton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Michael Andrew who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of Snowden Mining Industry Consultants Pty Ltd. Michael Andrew has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Michael Andrew consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This report contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, objectives, performance, outlook, growth, cash flow, earnings per share and shareholder value, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses, property acquisitions, mine development, mine operations, drilling activity, sampling and other data, grade and recovery levels, future production, capital costs, expenditures for environmental matters, life of mine, completion dates, and currency exchange rates. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast' and similar expressions.

ASX : Manbarrum Project Resource Upgrade

Persons reading this report are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Information Form.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

Enquiries:

Paul E Burton
Director & CEO

+ 61 (0) 8 9327 0900

Nicholas Read
Read Corporate

+ 61 (0) 419 929 046

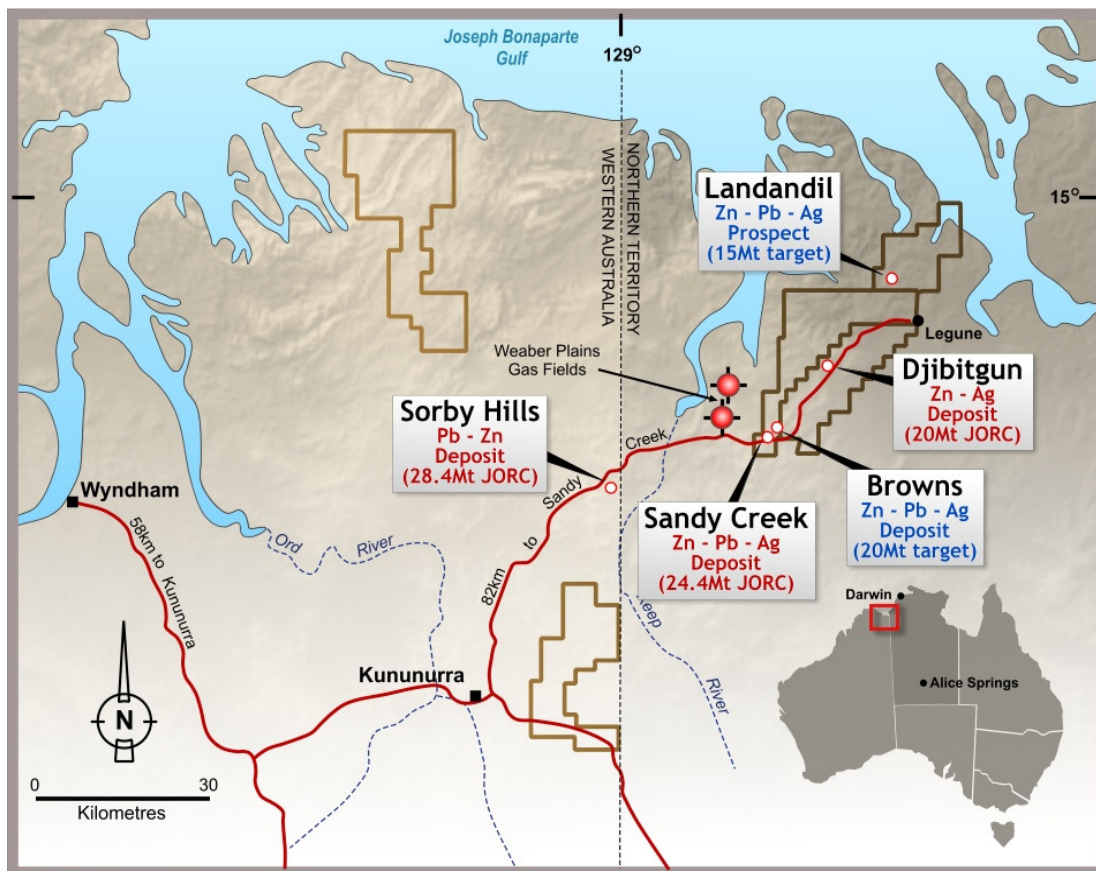


Figure 1: Location Map

(NB: Sorby Hills Deposit is not owned by TNG Ltd. and is displayed for illustration purposes only as the deposit forms part of total MVT deposits in the region).