

TNG SET FOR STRONG START TO NEW YEAR

Resource upgrade for Mount Peake Vanadium-Titanium-Iron Project and new round of exploration drilling to follow up copper results at Mt Hardy Project expected to be completed in March quarter.

MOUNT PEAKE - VANADIUM-TITANIUM-IRON PROJECT (NT)

- Updated JORC resource expected to be completed in Q1 2013 following successful resource and metallurgical testwork drilling program – assays awaited.
- Initial analysis indicates potential for an increase in the overall resource, as well as an upgrade of a significant portion to the Measured category.
- MOU signed with rail operator Genesee & Wyoming and Heads of Agreement under negotiation with Darwin Port Authority for Mount Peake transport logistics.
- Mining Agreement progressing with Traditional Owners.
- Discussions with Feasibility Study engineering contractors and funding providers progressing.

TIVAN® HYDROMETALLURGICAL PROCESS

- Pilot plant development and engineering design progressing with METS Pty Ltd. Final testwork programme set to commence in Q1 2013.
- Patent for TIVAN® now registered in Australia, Canada, China, Europe, Russia, USA, Malaysia, Singapore and Vietnam.
- Discussions progressing with interested parties in relation to financing testwork and feasibility study.

Figure 1: Tenement Location Map – Northern Territory and WA Projects



OTHER PROJECTS (NT & WA)

- Successful initial drilling programme completed at Mount Hardy Copper Project, with grades of up to 2.35% Cu returned in the first drill hole – confirming the presence of copper sulphide mineralisation at depth. Assays from remaining holes under assessment.
- High-grade assays returned from re-sampling of historical drill core from the Mount Hardy Prospect, including:
 - » 10.7m @ 4.1% Cu from 6.9m, including 1m @ 27% Cu
 - » 7.0m @ 1.64% Cu from 37.5m, including 3m @ 5.7% Cu
 - » 2.6m @ 1.69% Cu from 23.5m
- New tenement acquired in Mount Hardy Copper Field, securing an additional 413km² immediately adjacent to the Company's recent exploration activity.

CORPORATE

- Experienced mining executive Tony Hadley appointed as Project Director to oversee the feasibility and development of the Mount Peake Project.
- New research reports issued by Hardman & Co, Breakaway Research and Old Park Lane Capital – available to download from www.tngltd.com.au.





SUMMARY

THE COMPANY ACHIEVED SIGNIFICANT PROGRESS DURING THE DECEMBER 2012 QUARTER WITH BOTH OF ITS KEY RESOURCE ASSETS IN THE NORTHERN TERRITORY – ADVANCING DEVELOPMENT OF ITS FLAGSHIP 100%-OWNED MOUNT PEAKE IRON-VANADIUM-TITANIUM PROJECT AS WELL AS COMPLETING MAJOR EXPLORATION PROGRAMMES AT BOTH THE MOUNT PEAKE PROJECT AND AT THE EMERGING MOUNT HARDY COPPER PROJECT.

The initial results from both of these exploration programmes have continued to be positive, highlighting the prospectivity of the Company's exploration portfolio.

At Mount Peake, the Company's focus was on completing a detailed drilling programme aimed at extending and upgrading the existing resource, as well as providing drill core for metallurgical testwork. A revised JORC mineral resource estimate is expected during the March Quarter with visual analysis of the drill core indicating the potential for an increase in the overall resource tonnage while at the same time upgrading a significant portion of the resource to Measured status.

Discussions with potential Feasibility Study engineering contractors and funding providers for development of Mount Peake progressed during the December Quarter, and negotiations advanced in relation to key transport infrastructure. During the Quarter the Company signed a Memorandum of Understanding with rail operator, Genesee & Wyoming, and commenced negotiations with Darwin Port Authority for an infrastructure Heads of Agreement.

During the Quarter, the Company appointed experienced mining executive, Mr Tony Hadley, as Project Director to lead the future development of the Mount Peake Project.

The Mount Hardy Copper Project is continuing to emerge as an exciting new resource asset for the Company with completion of an initial field exploration and drilling programme to follow up high-grade rock chip results detailed in the September 2012 Quarterly Report.

Assay results from the first hole of this programme confirmed the presence of copper sulphide mineralisation beneath copper oxide outcrops including an intercept in one target of 12m @ 0.65% Cu, 0.39% Pb, 0.87% Zn.

Copper sulphides were recorded in all seven holes of this initial programme and a full assessment of assay results from the remaining drill holes is in progress and will be combined with down-hole EM (DHEM) surveys to confirm the location of potential additional areas of mineralisation.

The Company was also able to expand its footprint in the Mount Hardy region during the Quarter with the acquisition of a new tenement located adjacent to the current exploration activities.

The new tenement abuts TNG's existing EL's in the Mount Hardy region and secures an additional 413km² area around the Mount Doreen granite. In addition, the tenement contains other prospective areas that have been under-explored.

On the corporate front, the Company's ongoing exploration success has seen further positive broker reports issued by Old Park Lane Capital plc, Breakaway Research and Hardman & Co. You can view these reports on the Company's website, www.tngltd.com.au.

PROJECTS

VANADIUM–TITANIUM-IRON

Mount Peake Project: TNG 100%

TNG's Mount Peake Project is located in the Northern Territory close to existing key power and transport infrastructure. The project is rapidly becoming one of the largest Vanadium-Titanium-Iron projects in Australia. The area under licence covers a highly prospective, but poorly explored area of the Western Arunta geological province and remains a significant exploration area for the Company.

The Company is in the process of moving to a Definitive Feasibility Study on the Mount Peake Project, with activities focused on site selection for the proposed processing plant, and selection of engineering and development companies.

Drilling

A major drilling programme was completed at Mount Peake during the Quarter, comprising 14 drill holes for 1,891m of PQ size diamond drill core obtained for metallurgical testwork and 58 Reverse Circulation (RC) drill holes for 7,166m obtained for resource upgrade and extension work.

It is anticipated that a new JORC mineral resource estimate will be available by end Q1, 2013 with the Company expecting that the resource will be upgraded into the JORC Measured category, further de-risking the project as it advances into feasibility.

Visual indications from logging and magnetic susceptibility readings also indicate the potential to achieve an increase in the overall resource.

All diamond drill core has been transported to METS in Perth for plant development and design metallurgical testwork, and all RC samples have been dispatched to ALS Laboratory Group, Perth for assay.

Plant Development & Design

Prior to commencing the next hydrometallurgical pilot plant, optimisation bench-scale testing will be undertaken on key process parameters in each of the unit processes. This will include grinding, magnetic separation, leaching, solvent extraction and acid regeneration.

The pilot testwork is planned to run continuously for 15 days and will provide critical information to allow for the accurate scale-up for an industrial plant for the Mount Peake operation. This will be a key part of the feasibility study.

Patent

The TIVAN® patent has now been registered in the following countries:

REGISTERED PATENTS	
Country	Registered No
Australia	208737
Canada	208738
China	208739
Europe	208740
Russia	208741
USA	208742
Malaysia	208902
Singapore	208903
Vietnam	208904

Logistics

During the Quarter, the Company signed a Memorandum of Understanding (MoU) with Genesee & Wyoming Australia Pty Ltd ("G&W"), the rail operator and rolling stock provider for the Northern Territory railway. The agreement is designed to allow G&W to progress a full study on the logistics required to transport TNG's products to the Darwin Port. This study will form part of the overall Feasibility Study for the Mount Peake Project.

In addition, a Heads of Agreement (HoA) is currently being negotiated with the Darwin Port Authority to enable the container storage space and shipping facilities required for the project to be secured. This will also form part of the Feasibility Study.

Feasibility Study Contractors

TNG has been assessing proposals from a variety of major development and engineering companies in Asia and Europe to undertake the Feasibility Study and project development for Mount Peake. In particular, the Company is discussing proposals from firms with Chinese connections which can assist with future Engineering, Procurement, and Construction Management (EPCM) and potential funding options.

Funding

The Company has received significant interest in relation to funding the development of the Mount Peake Project, and discussions on a range of funding opportunities for the Project are being assessed.

Mining Agreement

As part of the Company's negotiations for a Mining Licence, discussions with the Central Land Council were progressed during the Quarter, and an agreement is expected to be finalised in 2013.

COPPER

Mount Hardy Project: TNG 100%

Mount Hardy – ELA 29219, EL 27892

The Mount Hardy Copper Project is located within the Mount Hardy Copper Field, located approximately 300km north-west of Alice Springs. The project area is situated on the Mount Doreen (SF52-12) and Mount Theo (SF52-08) 1:250,000-scale sheets. Access to the Mount Hardy tenement is via the Tanami Highway.

During the Quarter, TNG completed a maiden reconnaissance drilling programme at Mount Hardy targeting strong Electro-Magnetic (EM) targets identified from a helicopter-borne VTEM survey completed earlier this year (see Figure 3), which was followed up by a ground EM survey completed in August with 3D modelling.

The initial drilling program, which comprised a total of seven RC drill holes for 1,712 metres, recorded copper sulphides in all holes, confirming the continuation of surface mineralisation to depth.

The first Reverse Circulation drill hole, 12MHRC001, was drilled into EM1 (see Figure 3), which is located at the base of a hill where outcropping copper mineralisation occurs. The drill hole was angled to intersect the EM plate at 110m.

Laboratory assay results received for drill hole 12MHRC001 (refer to Table 1), returned an overall sulphide intersection of 12m @ 0.65% Cu, 0.39% Pb, 0.87% Zn (combined metal content of 1.91%) from 117m, including:

- 1m @ 1.08% Cu, 0.12% Pb, 0.22% Zn from 120m down-hole;
- 2m @ 1.75% Cu, 0.33% Pb, 0.67% Zn from 125m down-hole;
- 3m @ 1.16% Cu, 0.59% Pb, 1.67% Zn from 191m down-hole, including
 - » 1m @ 2.35% Cu, 1.16% Pb and 3.08% Zn (combined metal content of 6.59%)

(Sample analysis is from a mixed-acid digestion with analysis by ICP. A full table of results is shown in ASX Announcement November 21st 2012, Appendix 1).

Later assessment and interpretation of the drill hole trace shows that hole may not have intersected the main portion of the conductor plate at EM1, and down-hole EM (DHEM) is currently being undertaken to confirm the location of the main body of mineralisation.

Significantly, assay results from 12MHRC001 confirm that copper mineralisation extends from surface where outcropping copper mineralisation returned surface rock chip samples of up to 12.65% Cu (see ASX Release – 10 October 2012) to a depth of 120m, with sulphides intersected where predicted by the EM model. One additional drill hole, 12MHRC007, was also drilled into this EM target. Results are currently being assessed in conjunction with the geophysics.

Specimen core samples were taken for petrographic descriptions and confirmation of mineralisation style. Results from this are awaited.

Laboratory assay results from the remaining drill holes are currently being assessed.

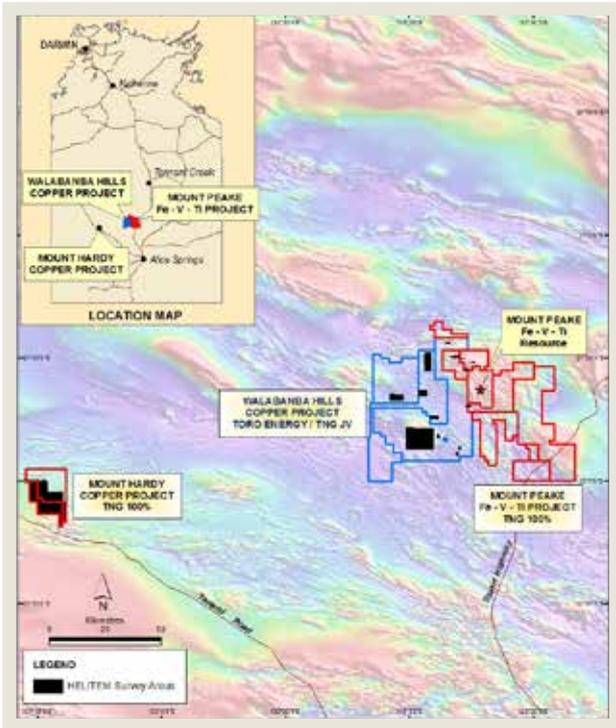


Figure 2: Location of the Mount Hardy and Walabamba Hills Copper Projects HELITEM Survey Areas

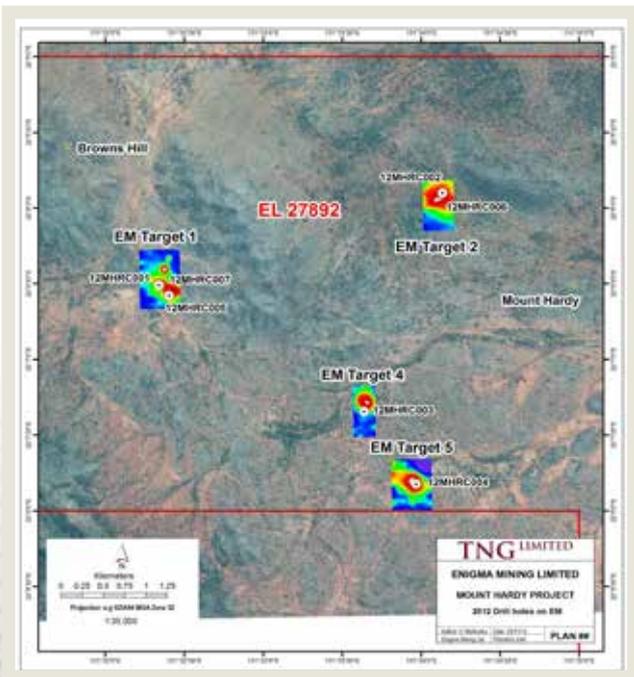


Figure 3: Outline of prospect and target areas over Mount Hardy Project Area showing target areas over HELITEM® data image

Table 1: Mount Hardy RC Drill Hole Coordinates

HOLE_ID	EASTING_GDA94	NORTHING_GDA94	DEPTH	DIP	AZIMUTH_MAG
2MHRC001	761948	7552979	220	-60	120
12MHRC002	765050	7554048	280	-60	180
12MHRC003	764151	7551401	250	-60	000
12MHRC004	764700	7550509	250	-60	000
12MHRC005	762048	7552851	140	-60	98
12MHRC006	765050	7554053	280	-73	180
12MHRC007	761939	7552981	292	-90	360

MOUNT HARDY PROSPECT

In 1968, seven diamond drill holes were drilled into the Mount Hardy Prospect by the Bureau of Mineral Resources (BMR) over a restricted strike length of just 150m (see Figure 4).

During the Quarter, TNG located the BMR drill core at the Department of Resources core storage facility in Alice Springs, where it had been well preserved.

This core was logged, cut and sampled for laboratory assay, with best intersections summarised below:

HOLE NUMBER	FROM	TO	THICKNESS (M)	CU %
68MHDDH002	23.5	26.1	2.6	1.69
68MHDDH003	37.5	44.5	7.0	1.64
Including	38.7	42.06	3.3	5.7
68MHDDH004	6.9	17.5	10.7	4.1
Including	15.8	17.06	1.2	10.6
	9.44	10.9	1.5	27.2
68MHDDH005	5.2	10.1	4.9	0.98
68MHDDH006	16.0	19.2	3.2	1.95
68MHDDH007	89.6	107.0	17.4	0.53

These results have been added to the original BMR assays (for full details of the original BMR assays, please refer to ASX Announcement – 10 December 2012, Appendix 1).

The results provide further evidence that the Mount Hardy Project contains widespread copper mineralisation, confirming the potential of the Project as a major asset for TNG.

Significant intervals of oxide mineralisation extend down to primary copper sulphide mineralisation to a depth of 122m. In places, this mineralisation remains open at depth. Primary copper sulphides were noted in the logging by TNG geologists, including native copper, chalcocite and chalcopyrite (see Figure 5). Extensive intersections of malachite and chalcopyrite were also noted, as shown in Figures 6 and 7.

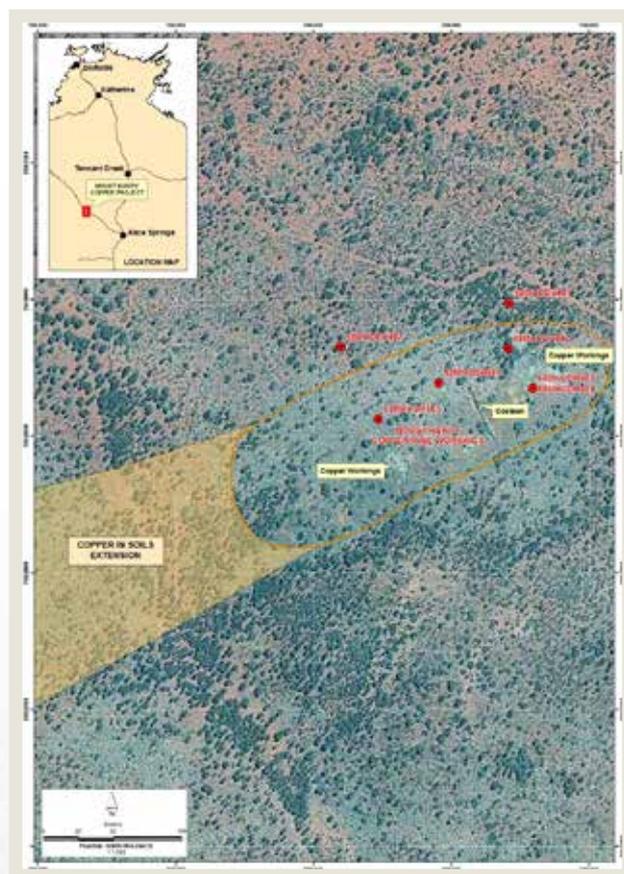


Figure 4: Location of Mount Hardy Mine prospect, Mount Hardy Project



Figure 5: Native copper and malachite, DDH 7



Figure 6: Chalcopyrite in vein quartz, DDH 7



Figure 7: Malachite on oxidised vein quartz, DDH 4.

Results and details of the mineralisation are summarised in ASX Announcement – December 10th 2012.

Previous results from surface rock and soil sampling of this prospect were reported to the ASX on September 26th 2012, October 2nd 2012 and October 10th 2012. 24 samples were collected from a costean where continuous channel chip samples were taken (mostly over two metre intervals) to provide 51 metres of continuous sampling across strike over two main vein lines.

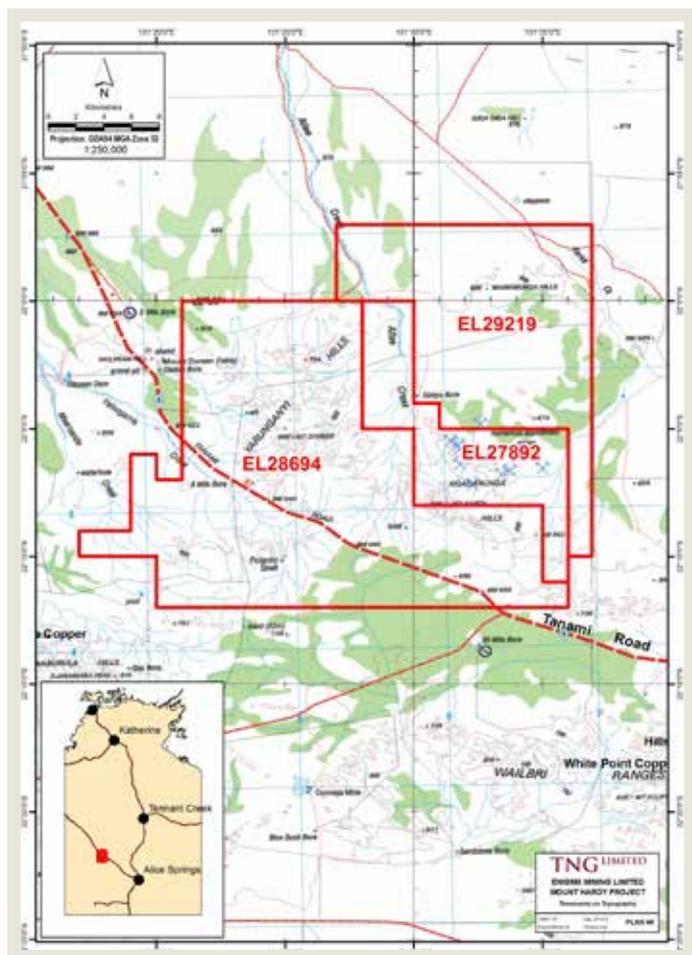
Results from the rock sampling gave a single zone of 6 metres @ 3.39% Cu from 39-45 metres. Two zones were outlined returning 8.0 metres @ 0.51% Cu from 21-29 metres, and 12.0 metres @ 2.00% Cu from 39-51 metres (open to the south). Results from soil sampling confirmed the copper anomalism extended to the west for approximately 500m and this remains untested at depth (refer ASX September 26th 2012).

The results of the BMR core samples have confirmed the extension of the surface mineralisation at depth over a minimum strike length of 150m. The soil and rock geochemical sample results show the surface anomaly for copper extends for at least 500m and was not tested by the BMR drilling, providing a significant future target at this prospect.

Visual inspection of the core has shown the copper oxide and fresh copper sulphide mineralisation extends over 100m to bottom-of-hole, and therefore appears to remain open at depth. Surface samples returned copper results of 6.84% Cu (see ASX Release – October 10th 2012).



Figure 8: Mount Hardy tenement location



ACQUISITION OF NEW EL IN MOUNT HARDY AREA

During the Quarter TNG entered into a contract to further expand its strategic land-holding in the Mount Hardy Copper Field by acquiring an additional tenement, EL 28694, immediately adjacent to the exploration activity outlined above.

The new tenement abuts the Company's existing EL's in the Mount Hardy region (see Figure 8) and secures an additional 413km² area around the Mount Doreen granite.

In addition, the tenement contains other prospective areas that TNG understands have been poorly explored.

TNG has agreed to acquire the tenement from privately owned company Tierra Rica Pty Ltd, for consideration of \$95,000 subject to due diligence and all regulatory approvals.

Once the acquisition is completed TNG will boost its total portfolio of prospective copper ground under licence in the Northern Territory to over 10,000km², representing one of the largest portfolios of prospective copper ground under licence in the region.

FUTURE EXPLORATION AT MOUNT HARDY

The discovery of significant copper mineralisation at depth in the initial drilling program has opened up the Mount Hardy Project for additional exploration during the next quarter.

The amount of copper oxide on surface and the evidence from initial drilling that this extends to depth, combined with the number of close spaced targets, gives the Company confidence in the potential to locate a copper deposit at Mount Hardy.

Planned follow-up exploration activities at Mount Hardy include:

- Down-hole EM (DHEM) on all of the holes completed to date to locate large bodies of buried sulphide mineralisation and help guide follow-up drilling;
- Follow-up diamond drilling at EM Target 1 and, subject to results of DHEM surveys, EM Targets 2-5, as well as at the Mount Hardy Prospect and Browns Prospect areas. The timing of this drilling remains subject to obtaining regulatory clearances from the Northern Territory Mines Department; and
- Further geophysical survey techniques including gravity and Induced Polarisation (IP).



WALABANBA HILLS JV: COPPER: TNG EARNING 51% WITH POTENTIAL TO INCREASE TO 80% (ALL MINERALS EXCEPT URANIUM)

The Walabanba Joint Venture area lies immediately west of TNG's flagship Mount Peake Strategic Metals Project in the Northern Territory, and is considered highly prospective for copper and nickel mineralisation based on previous exploration results.

In July 2012 TNG conducted a HELITEM® survey over portions of the Walabanba Hills Project area to identify targets for copper mineralisation. HELITEM® technology has already proved successful in identifying EM anomalies in the Mount Hardy Project area (see above).

Results from the Walabanba Hills survey are currently being assessed.

MCARTHUR RIVER PROJECT: COPPER: TNG 100%

No exploration work was conducted on these projects during the Quarter. These will continue to be a focus during the March 2013 Quarter and remain highly prospective.

McArthur – EL 27711

The McArthur River tenement, which is located approximately 50km south of McArthur township along the Tablelands Highway, covers part of the prospective McArthur Basin geology, 65km south-west of the McArthur Zinc mine. The licence has two major copper targets – Kilgour Crossing and Donkey Yard, both of which have been explored intermittently over the past 50 years and have recorded rock chip grades up to 2% Copper.

Mineralisation at McArthur River is hosted by the Mallapunyah Formation, in two dolomitic and variably bituminous intervals informally termed the 'upper' and 'lower' copper beds, which are 1m to 150mm thick, respectively. Chalcocite and chalcopyrite are present in the 'lower copper bed' along its strike length of 500m. Copper mineralisation in the lower copper bed 5km north of the Kilgour Crossing prospect comprised approximately equal quantities of chalcocite and bornite.

Yah Yah – EL 28509

The Yah Yah tenement, located approximately 50km south-west of the McArthur township, contains the historical Yah Yah copper mine, which produced some 40 tonnes of hand-picked, high-grade copper (20-30% Cu) ore prior to 1912. A grab sample collected from a Yah Yah waste dump by CRA Exploration assayed 30.4% Cu. In addition, BHP completed a soil survey which returned best results of up to 562ppm Cu from a 300m wide zone over the old structure.

Black Springs – EL 28503

The Black Springs tenement is located 4km south of McArthur EL 27711 covering southern extensions of the prospective McArthur stratigraphy.

SANDOVER PROJECT: COPPER: TNG 100%

ELA 29252, ELA 29253 and ELA 29254

The Sandover Copper Project tenements are located approximately 100km north-east of Alice Springs just north of the Plenty Highway. The project area is situated on the Alcoota (SF53-10) 1:250,000 scale map sheet.

All of the Exploration Licences for the Sandover Project have been granted and an exploration programme is currently in preparation.

JOINT VENTURE PROJECTS

ZINC-LEAD-SILVER, IRON-ORE

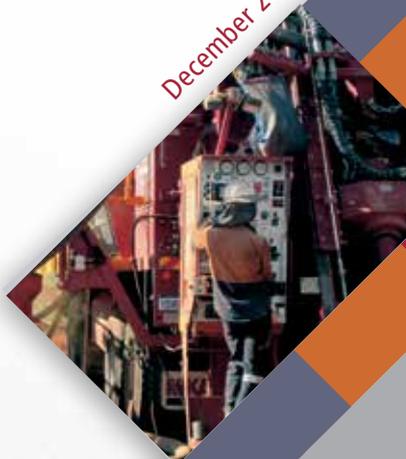
Manbarrum Project Joint Venture: TNG 100%

(Kimberley Mining Ltd (KBL) and Sorby Hills Joint Venture (SHJV) earning 51% with scope to earn up to 80%)

During the Quarter, KBL Mining Limited advised that work on the Manbarrum project under the SHJV has focused on the Sandy Creek Deposit evaluation. KBL see excellent potential for a shallow high grade Pb-Zn-Ag resource within the larger lower grade deposit.

KBL have progressed with their development plans for Sorby Hills which will have direct implications for future development of Manbarrum.

December 2012 Quarterly Report



JOINT VENTURE PROJECTS

COPPER-GOLD

**Western Desert Resources Ltd (WDR) Joint Venture: TNG 100%,
(WDR earning 51% with scope to earn up to 80%)**

The Rover Project covers three granted exploration licences in the lucrative Tennant Creek goldfields, two of which (EL24471 and EL25581) are in joint venture with TNG Ltd and one (EL28128) is 100% held by WDR. No further information received from WDR on further work.

MCTAVISH PROJECT JOINT VENTURE: TNG 2% ROYALTY, BARMINCO 70%

No work undertaken during the Quarter.

KINTORE EAST JOINT VENTURE: TNG 20%, LA MANCHA 80%

TNG retains a 2% gold royalty in these prospective tenements. No work was reported by La Mancha.

NICKEL MINING PROJECTS:

Nickel Cawse Extended Joint Venture: TNG 20%, Norilsk 80%

The Cawse laterite nickel operation has been placed on indefinite care and maintenance by Norilsk Nickel Australia.

BAUXITE

Melville Island Licence

During the Quarter, TNG formally signed the farm-in and joint venture agreement on its 100% owned Melville Island licence ELA 28617 in the Northern Territory with Rio Tinto Exploration Pty Ltd (RTX).

TNG will receive an initial cash payment of \$50,000, and RTX will progress negotiations and grant of the licence application for bauxite exploration. Following the grant of the licence RTX must spend \$5M within 4 years to earn 80% equity in the project with TNG retaining 20% equity at which point TNG may elect to contribute, sell or convert its equity to a 2% Net Smelter Royalty (NSR).

The Melville Island Exploration licence application has been a strategic licence for TNG being located in a prospective area for bauxite and other minerals. The licence area covers approximately 1400km.

The transaction is consistent with TNG's focus on the continued evaluation and development of its flagship Mount Peake Project. It has been structured so that TNG will retain either a 20% interest or 2% NSR giving it continued exposure to the potential exploration upside of the project.

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Paul Burton (B.Sc, M.Sc) who is a Member of The Australasian Institute of Mining and Metallurgy and a Director of TNG Limited. Mr 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'. Mr Burton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

CORPORATE

APPOINTMENT OF PROJECT DIRECTOR

During the Quarter TNG appointed experienced mining executive Tony Hadley to the newly created role of Project Director, to oversee the feasibility and development of the Mount Peake Project.

Mr Hadley commenced with TNG on 19 November following a 10-year stint in a range of senior positions with Lynas Corporation, where he successfully designed and commissioned the world's first rare earth phosphate flotation concentrator at Mt Weld.

While at Lynas, he was Registered Manager and Production Manager at the Mt Weld Operation following construction and delivery of the Project.

Before that, he was Manager of Process Flowsheet Development, responsible for managing the Upstream and Downstream piloting, as well as delivering the Definitive Feasibility Studies for the Rare Earth Flotation Concentrator for locations in Australia, China and Malaysia.

A metallurgist with over 20 years' experience in operations, technical development and project design and management, engineering and commissioning, Mr Hadley was previously Metallurgical Superintendent at the Macraes Gold Project in New Zealand, Mill Manager at the Jianchaling Nickel-Gold Mine in China and Plant Metallurgist at Great Central Mines' Bronzewing Gold Mine.

He holds a Bachelor of Science from Murdoch University with a double major in Extractive Metallurgy and Chemistry.

Mr Hadley will play a key role in leading the Project Development Team for the Mount Peake Project.

DAVIS SAMUEL

TNG is a party to proceedings instituted by the Commonwealth of Australia in the Supreme Court of the Australian Capital Territory. The Company has made inquiries of the Court through its lawyers and has no further news on when a judgement is likely.

CASH AND INVESTMENTS

At Quarter end, the Company had cash and investments of \$7.3 million.

TNG LIMITED

Paul E Burton | Managing Director

16 January 2013