

ASX ANNOUNCEMENT

8TH FEBRUARY 2013

ASX CODE: TNG

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PROJECTS

Mount Peake: Fe-V-Ti
Manbarrum: Zn-Pb-Ag
East Rover: Cu-Au
McArthur: Cu
Mount Hardy: Cu-Au
Sandover: Cu-Au

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MOUNT PEAKE RC DRILL RESULTS CONFIRM POTENTIAL FOR RESOURCE UPGRADE

Key Points

- Results of RC drilling at Mount Peake received with 93% returning significant mineralisation
- Resource additions likely from extension drilling
- Revised JORC Resource targeted for March 2013
- Diamond drill results expected within 2-3 weeks
- Largest intercept and highest grade received from Mount Peake to date of 147m @ 0.48% V₂O₅, 8.8% TiO₂, 31.9% Fe.

Australian resources company TNG Limited (ASX: TNG) is pleased to advise that recent resource drilling at its flagship **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory has continued to reinforce the Project's development potential, returning strong, consistent mineralised intercepts both within and around the existing resource area .

TNG completed a program of Reverse Circulation (RC) drilling during the December 2012 Quarter, comprising 59 holes for 7,189 metres, designed to infill and step out around the edges of the existing resource (Figure 1 and appendix 1).

The drilling was designed to upgrade the current Inferred and Indicated resource for the Mount Peake Project (160Mt @ 0.3% V₂O₅, 5% TiO₂ and 23% Fe – see Table 1) to Indicated and Measured status, and contribute to a revised JORC estimation which will commence later this Quarter when all results are available.

Table 1: Current Mount Peake JORC estimate

Category	Tonnes	V ₂ O ₅ %	TiO ₂ %	Fe%	Al ₂ O ₃ %	SiO ₂ %
Indicated	110,000,000	0.29	5.3	23	8.1	34
Inferred	48,000,000	0.24	4.5	21	8.8	35
Total	160,000,000	0.27	5	22	8.3	34

Samples from the RC drilling were analysed by ALS Laboratories in Perth using X-ray fluorescence (XRF). Laboratory analysis shows that all but four of the 59 RC holes drilled (93%) intersected significant grades and widths of V-Ti-Fe mineralisation (in excess of 5m @ 0.1% V₂O₅ cut-off). Table 3 lists mineralised intersections with greater than 50 metre intervals at a cut-off grade of 0.1% V₂O₅.

The best intercept was in hole 12MPRC096, where high grade mineralisation was encountered from the base of the thin transported cover sand unit at surface to the end of the hole, providing a total intersection of **147 metres @ 0.48% V₂O₅, 8.80% TiO₂ and 31.9% Fe.**

Good continuity of grade and thickness was also demonstrated within the resource area by fences of close spaced holes drilled through the centre of the resource. Holes 12MPRC065 through to 12MPRC068, and holes 12MPRC076

through to 12MPRC080 represent two lines of 25 metre spaced drill holes. These holes returned significant mineralised intervals of up to 141 metres width, with consistent grades of up to 0.37% V₂O₅, 6.88% TiO₂ and 28.0% Fe (see appendix 2).

Table 2 below lists significant mineralised intervals for extension holes drilled around the edges of the resource, and Figure 1 shows the areas where mineralisation remains open, including along the upper eastern margin of the resource, a significant area to the east of the central high grade core of the resource, and five holes along the upper western resource edge.

Table 2: Significant drilling intercepts around the edges of the resource at Mount Peake
(Analytical Method: XRF, In excess of 50 metres in thickness and above a Cut-Off >0.1% V₂O₅)

HOLE_ID	FROM	TO	INTERVAL	V ₂ O ₅ (%)	TiO ₂ (%)	Fe (%)
12MPRC061	11.0	100.0	89.0	0.14	3.16	15.7
12MPRC083	44.0	146.0	102.0	0.30	5.66	23.8
12MPRC085	54.0	108.0	54.0	0.25	5.04	20.6
12MPRC086	10.0	140.0	130.0	0.19	3.90	20.3
12MPRC092	32.0	115.0	83.0	0.27	5.28	22.8
12MPRC096	3.0	150.0	147.0	0.48	8.80	31.9
12MPRC097	56.0	119.0	63.0	0.35	6.92	24.9
12MPRC099	14.0	150.0	136.0	0.36	6.87	26.4
12MPRC101	21.0	100.0	79.0	0.37	6.70	28.2

In addition to the RC program outlined above, TNG also completed a diamond drilling program during the December 2012 Quarter designed to provide metallurgical samples for pilot plant testwork.

This program comprised a total of 14 holes for 1,712 metres, with drilling samples processed by ALS Metallurgy in Perth. Results have now been received for approximately one-third of this program, and it is expected that all results will be available before the end of February. Results from this program will be reported separately.

Mineralised diamond drill core is being composited to form the material used in process plant testwork now underway as part of the Mount Peake Definitive Feasibility Study and samples are also being used to obtain engineering and specific gravity (SG) information over the deposit. Locations of these holes are shown on Figure 1, and all holes fall within the existing resource outline to provide a representative sampling over the whole deposit.

Once all assays from the diamond drilling have been received, an updated JORC estimate for the Mount Peake resource will be carried out by Snowden Mining Consultants, expected to be completed during March. It is expected that the revised resource model will upgrade a significant portion of the resource from Indicated to Measured status, strengthening and de-risking the project as it proceeds into Feasibility Study.

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Competent Person Statement

The information in this report that relates to Exploration Results and Exploration Targets are based on information compiled by Exploration Manager Mr Kim Grey B.Sc. and M. Econ. Geol. Mr Grey is also a member of the Australian Institute of Geoscientists and a full time employee of TNG Limited. Mr Grey 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 Grey consents to the inclusion in the report of the matters based on his information in the form and context in which it appear.

The information in this report that relates to Mineral Resources is based on information compiled by Lynn Olssen who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of Snowden Mining Industry Consultants Pty Ltd. Lynn Olssen 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'. Lynn Olssen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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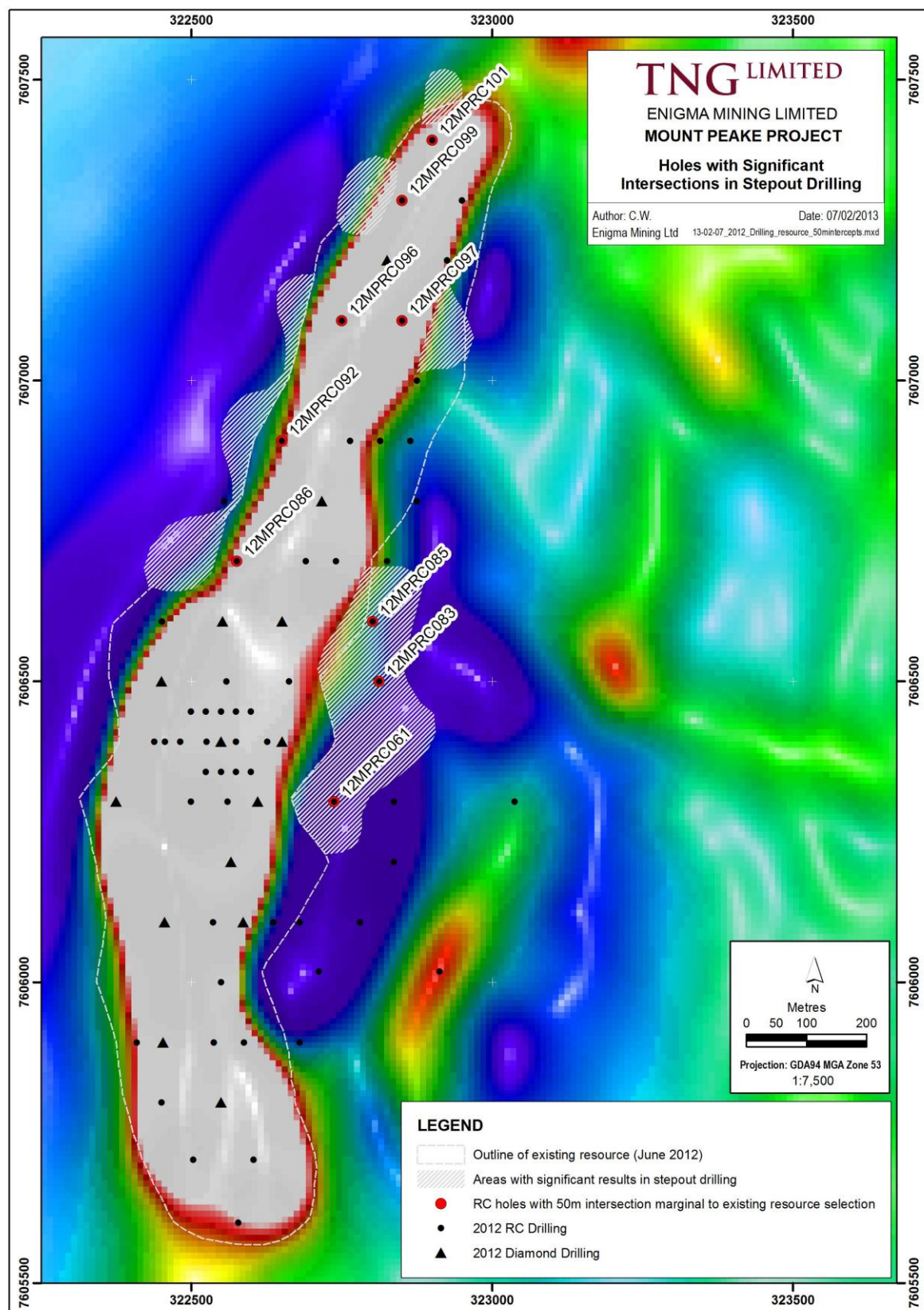


Figure 1: Locations of diamond and RC drill holes completed during the December Quarter 2012. Step out holes and areas with significant mineralisation (see Table 4) are also shown.

Appendix 1: Location of Reverse Circulation holes drilled at Mount Peake, December Quarter 2012.

HOLE_ID	EASTING (GDA94)	NORTHING (GDA94)	RL (m AHD)	DEPTH (m)	DIP	AZIMUTH (TRUE)
12MPRC044	322578	7605600	481	35	-90	0
12MPRC045	322503	7605705	482	45	-90	0
12MPRC046	322603	7605705	486	45	-90	0
12MPRC047	322449	7605800	487	65	-90	0
12MPRC048	322408	7605900	487	75	-90	0
12MPRC049	322536	7605900	487	70	-90	0
12MPRC050	322586	7605900	485	75	-90	0
12MPRC051	322680	7605900	487	80	-90	0
12MPRC052	322549	7606000	487	70	-90	0
12MPRC053	322712	7606018	487	70	-90	0
12MPRC054	322912	7606018	488	70	-90	0
12MPRC055	322536	7606100	487	50	-90	0
12MPRC056	322636	7606100	484	100	-90	0
12MPRC057	322680	7606100	484	100	-90	0
12MPRC058	322780	7606100	484	100	-90	0
12MPRC059	322837	7606200	484	60	-90	0
12MPRC060	322560	7606300	484	109	-90	0
12MPRC061	322737	7606300	485	155	-90	0
12MPRC062	322837	7606300	482	155	-90	0
12MPRC063	323037	7606300	482	155	-90	0
12MPRC064	322498	7606350	482	155	-90	0
12MPRC065	322523	7606350	483	155	-90	0
12MPRC066	322548	7606350	485	155	-90	0
12MPRC067	322574	7606350	480	155	-90	0
12MPRC068	322599	7606350	480	155	-90	0
12MPRC069	322438	7606400	480	161	-60	90
12MPRC070	322456	7606400	480	174	-60	90
12MPRC071	322481	7606400	480	174	-60	90
12MPRC072	322525	7606400	480	174	-60	90
12MPRC073	322574	7606400	479	174	-60	90
12MPRC074	322627	7606400	480	174	-60	90
12MPRC075	322840	7606400	480	90	-90	0
12MPRC076	322498	7606450	481	150	-90	0
12MPRC077	322523	7606450	481	150	-90	0
12MPRC078	322549	7606450	481	150	-90	0
12MPRC079	322574	7606450	482	134	-90	0
12MPRC080	322599	7606450	481	150	-90	0
12MPRC081	322557	7606500	484	50	-90	0
12MPRC082	322662	7606500	485	160	-90	0
12MPRC083	322812	7606500	485	168	-90	0
12MPRC084	322450	7606600	485	150	-60	90
12MPRC085	322801	7606600	484	150	-60	90
12MPRC086	322575	7606700	482	140	-60	90
12MPRC087	322690	7606700	483	60	-90	0
12MPRC088	322740	7606700	483	120	-90	0
12MPRC089	322825	7606700	483	120	-90	0
12MPRC090	322553	7606800	483	162	-60	90
12MPRC091	322875	7606800	483	150	-60	90
12MPRC092	322650	7606900	483	140	-60	90
12MPRC093	322764	7606900	483	60	-90	0
12MPRC094	322864	7606900	483	120	-90	0
12MPRC095	322875	7607000	483	125	-60	90
12MPRC096	322750	7607100	483	150	-60	90
12MPRC097	322850	7607100	485	160	-60	90
12MPRC098	322925	7607200	486	165	-60	90
12MPRC099	322850	7607300	486	160	-60	90
12MPRC100	322950	7607300	486	145	-60	90
12MPRC101	322900	7607400	486	100	-90	0
12MPRC102	322814	7606900	483	120	-90	0

Appendix 2: Significant drilling intercepts, in excess of 50 metres in thickness and above 0.1% V₂O₅ cut off, from the Reverse Circulation drilling at Mount Peake

HOLE_ID	>0.1% V ₂ O ₅ Cut Off			V ₂ O ₅ (%)	TiO ₂ (%)	Fe (%)
	FROM	TO	INTERVAL			
12MPRC049	11.0	68.0	57.0	0.25	4.69	20.0
12MPRC050	12.0	64.0	52.0	0.30	5.48	21.4
12MPRC052	11.0	70.0	59.0	0.25	4.74	19.8
12MPRC060	14.0	109.0	95.0	0.37	6.90	26.6
12MPRC061	11.0	100.0	89.0	0.14	3.16	15.7
12MPRC064	10.0	153.0	143.0	0.32	6.04	26.1
12MPRC065	13.0	154.0	141.0	0.32	5.99	26.2
12MPRC066	18.0	152.0	134.0	0.32	6.08	26.2
12MPRC067	19.0	140.0	121.0	0.34	6.39	26.5
12MPRC068	36.0	133.0	97.0	0.37	6.88	28.0
12MPRC069	8.0	161.0	153.0	0.36	6.76	28.2
12MPRC070	10.0	174.0	164.0	0.34	6.28	27.1
12MPRC071	18.0	167.0	149.0	0.34	6.25	27.1
12MPRC072	20.0	172.0	152.0	0.33	6.14	26.9
12MPRC073	37.0	163.0	126.0	0.40	6.78	27.8
12MPRC074	44.0	150.0	106.0	0.37	6.89	26.7
12MPRC076	66.0	147.0	81.0	0.23	4.18	24.1
12MPRC077	18.0	150.0	132.0	0.29	5.35	24.8
12MPRC078	19.0	150.0	131.0	0.29	5.44	25.5
12MPRC079	21.0	134.0	113.0	0.31	5.88	26.1
12MPRC080	34.0	150.0	116.0	0.33	5.89	26.9
12MPRC082	37.0	150.0	113.0	0.33	5.97	27.0
12MPRC083	44.0	146.0	102.0	0.30	5.66	23.8
12MPRC084	33.0	150.0	117.0	0.28	5.04	24.8
12MPRC085	54.0	108.0	54.0	0.25	5.04	20.6
12MPRC086	10.0	140.0	130.0	0.19	3.90	20.3
12MPRC088	49.0	120.0	71.0	0.20	3.94	19.8
12MPRC092	32.0	115.0	83.0	0.27	5.28	22.8
12MPRC096	3.0	150.0	147.0	0.48	8.80	31.9
12MPRC097	56.0	119.0	63.0	0.35	6.92	24.9
12MPRC099	14.0	150.0	136.0	0.36	6.87	26.4
12MPRC101	21.0	100.0	79.0	0.37	6.70	28.2