

ASX ANNOUNCEMENT

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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 RESOURCE UPDATE DELIVERS +100Mt INTO JORC MEASURED CATEGORY

*Significant enhancement of resource classification further de-risks
development potential*

Highlights:

- Updated JORC Resource completed for Mount Peake Project based on 2012 drilling
- 74% of total Resource now classified as JORC Measured Resource status, with 86% now Measured or Indicated status
- Increase in overall Resource grade
- Project now well placed to generate a maiden Ore Reserve statement
- Definitive Feasibility Study progressing, with metallurgical studies underway and financial analysis to be delivered by year end

Australian resources company TNG Limited (ASX: **TNG**) is pleased to advise that Snowden Mining Industry Consultants Pty Ltd (Snowden) has completed an updated resource estimate reporting in accordance with the JORC Code (2012) for its 100%-owned Mount Peake V-Ti-Fe Project in the Northern Territory (Figure 1).

The updated Measured, Indicated and Inferred Resource reported at a 0.1% V₂O₅ cut-off comprises:

Category	Tonnes (Mt)	V ₂ O ₅ %	TiO ₂ %	Fe%	Al ₂ O ₃ %	SiO ₂ %
Measured	120	0.29	5.5	24	8.2	33
Indicated	20	0.28	5.3	22	9.1	34
Inferred	22	0.22	4.4	19	10.0	38
TOTAL	160	0.28	5.3	23	8.6	34

The revised resource estimate is based on new drilling completed in late 2012, which was intended to convert predominantly Indicated and Inferred Resource material to Measured Resource status. The previous resource calculation (see ASX Announcement 12 October 2011) comprised 110Mt of Indicated Resource and 48Mt of Inferred Resource.

This programme has been a resounding success, with all of the Indicated material included in the 2011 Resource estimate now upgraded to Measured status.

In addition to upgrading the JORC resource estimate, the 2012 drilling was also focused on collecting material for metallurgical testwork. This testwork is also well underway, with both the resource update and metallurgical work contributing to the current Mount Peake Definitive Feasibility Study (DFS) works, and strengthening the Project's economics.

Details of the resource calculation by Snowden can be found in Appendix One below. Key inputs include:

- 16856.6 metres of diamond and Reverse Circulation (RC) drilling were used (more than double the metres used for the previous calculation);
- Cut-off grade applied – 0.1% V₂O₅;
- Densities applied - from 2.51 (weathered material) to 3.40 (fresh ore); and
- Ordinary kriging was used.

A more detailed table of resource figures, with densities used and tonnages of weathered material follows:

Cutoff	Category	Oxidation State	Tonnes (Mt)	Density	V ₂ O ₅ %	TiO ₂ %	Fe%	Al ₂ O ₃ %	SiO ₂ %
0.1	Measured	Oxide	1.9	2.51	0.28	5.82	20.76	8.4	35.77
		Transitional	13.1	3.32	0.32	6.29	22.61	7.77	32.14
		Fresh	103.3	3.4	0.29	5.38	23.8	8.23	32.85
		Sub-total	118.3		0.29	5.48	23.64	8.18	32.81
0.1	Indicated	Oxide	0.2	2.51	0.37	7.73	25.56	7.9	33.84
		Transitional	2.1	3.32	0.3	5.75	20.61	9.08	35.24
		Fresh	17.5	3.4	0.28	5.25	22.19	9.1	33.82
		Sub-total	19.8		0.28	5.33	22.05	9.09	33.97
0.1	Inferred	Oxide	0.1	2.51	0.18	3.93	15.46	10.41	42.49
		Transitional	3.1	3.32	0.16	3.77	14.85	11.05	43.43
		Fresh	19.1	3.4	0.23	4.51	19.75	10.27	36.86
		Sub-total	22.2		0.22	4.41	19.06	10.38	37.79
		Total	160.4		0.28	5.31	22.81	8.6	33.64

Snowden has made the calculation in compliance with the new JORC 2012 guidelines, and a comprehensive report covering the resource calculation will be forthcoming shortly and available through the TNG web site.

TNG's Managing Director, Mr Paul Burton, said the revised JORC Resource estimate dramatically increased the confidence level in the Mount Peake orebody ahead of the Definitive Feasibility Study.

"This is a major boost for the Mount Peake Project development, moving 74 per cent of the total resource into the Measured category and 86 per cent into Measured and Indicated. Based on this result, we can continue to move forward with the Definitive Feasibility Study with strong confidence in our Mount Peake resource model and our projected economics.

"In addition, the metallurgical testwork currently underway will provide a further key input for the Mount Peake DFS, which will commence later this year. Each of these developments helps to de-risk the Project as we move it towards production."

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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 2012 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 she is undertaking to qualify as a Competent Person as defined in the 2012 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.

Forward-Looking Statements

This announcement has been prepared by TNG Ltd. This announcement is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained.

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Note: Rounding in accordance with the JORC Code may cause discrepancies in the tables.

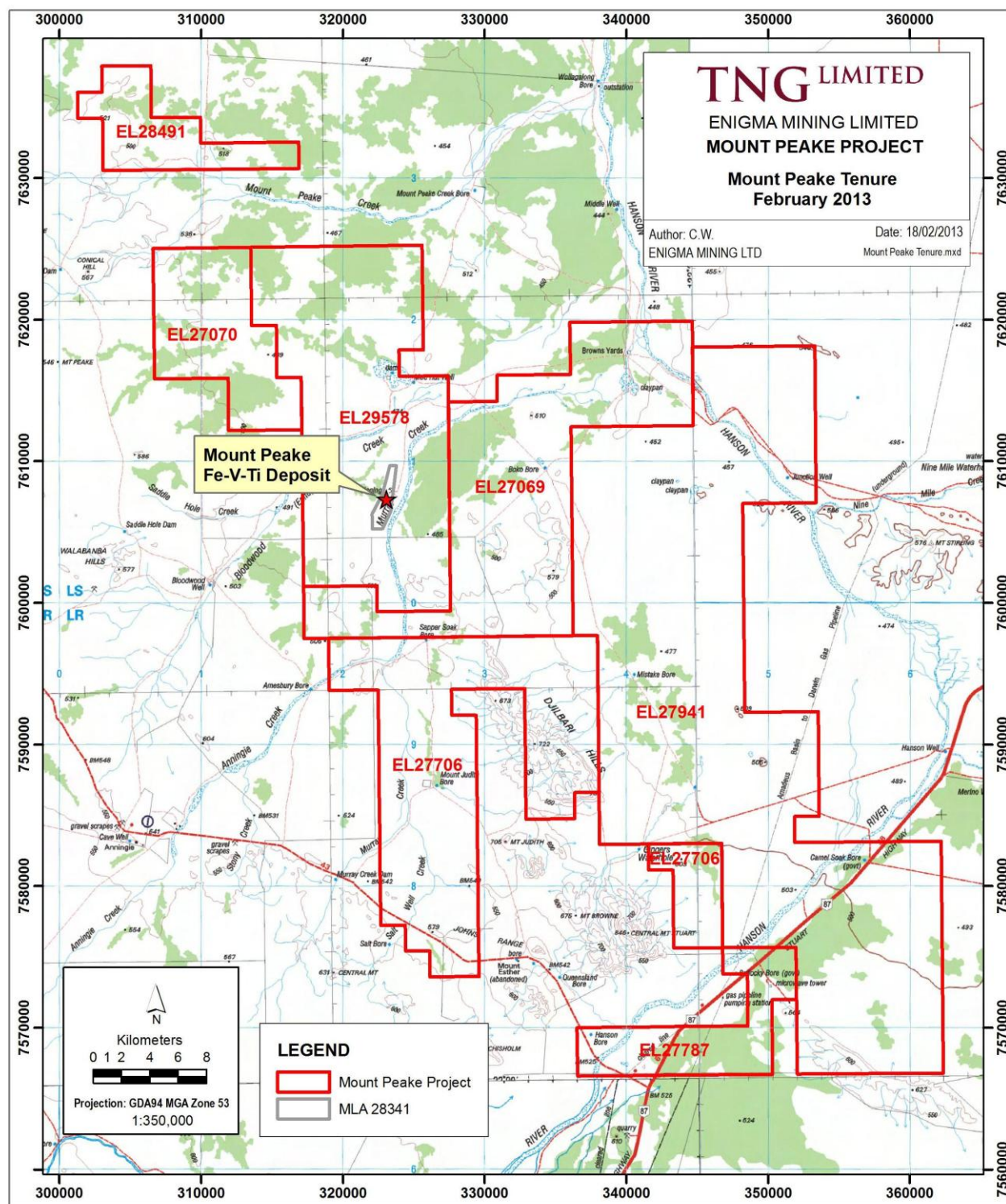


Figure One. Location of the Mount Peake Project, Northern Territory

Appendix One

Mineral Resource Estimation notes:

The 2013 Mineral Resource for the Mount Peake Vanadium-Titanium-Iron deposit was completed by Snowden Mining Industry Consultants on behalf of TNG Limited using the data supplied by TNG. The Mineral Resource has been classified as Measured, Indicated and Inferred Resources and reported in accordance with the JORC Code (2012). Resource classification was applied based on geological confidence, data quality and the spatial continuity of the mineralisation as demonstrated by variography. Measured parts of the resource are predominantly covered by 50 m by 100 m spaced reverse circulation and diamond drilling and Indicated parts of the resource are predominantly covered by 100 m by 100 m spaced reverse circulation and diamond drilling. In order to maintain continuity, some blocks falling outside these constraints were included.

The resource has been reviewed internally.

The 2013 Mineral Resource includes 59 additional reverse circulation drillholes and 14 additional diamond drillholes for 9,083.7 m compared to the previous 2011 Mineral Resource. The total dataset used for the 2013 estimate comprises 16,856.6 m of reverse circulation and diamond drilling.

The Mount Peake project is located on EL23074, approximately 235 km north-northwest of Alice Springs in the Northern Territory. Logging of deep diamond holes indicates that the Mount Peake ore body is hosted by a differentiated basic sill with minor ultrabasic layers. The predominant rock type is olivine gabbro. The majority of the titanium and vanadium are hosted by Ti-V magnetite and in ilmenite. Most of the iron is hosted by Ti-magnetite but substantial amounts are present in clinopyroxene and olivine.

The geological database was imported to Datamine software and validated. Estimation was carried out within domains based on mineralised envelopes defined at a 0.1 % V_2O_5 cut-off. The domain cut-off was defined based on a change in the statistical grade population.

The tonnages have been estimated using densities ranging from 2.51 to 3.40g/cm³. These densities are derived from in-situ core density measurements determined from the 25 diamond drillholes.

The Mount Peake block model extents, along with the parent and minimum sub-cell sizes, are listed in **Table 1**.

Table 1 Block model prototype settings	
Model setting	Value
Easting origin	321880 mE
Northing origin	7605260 mN
Elevation origin	250 mRL
Maximum easting	323680 mE
Maximum northing	7608060 mN
Maximum elevation	520 mRL
Parent cell size – easting	25 m
Parent cell size – northing	50 m
Parent cell size – elevation	5 m
Minimum cell size – easting	5 m
Minimum cell size – northing	5 m
Minimum cell size – elevation	1.25 m

The resource was estimated using ordinary kriging with hard boundaries between mineralised domains. Statistical analysis of the domains indicates that there are no extreme outliers and therefore no top cut was applied.

The orientation of the search ellipses was derived from the variogram orientations. The initial search pass used ranges equivalent to the ranges of continuity seen in the variograms at around 60% of the variance, as shown in **Table 2**.

▪ **Table 2** Search parameters for ordinary kriged estimation

ZONE	Search distance (m)	Orientation (Datamine ZXZ angles)
1 (upper domain)	100	-70
	20	90
	50	0
2 (central domain)	100	-70
	15	90
	50	0
3 (lower domain)	150	-70
	20	90
	50	0

Blocks were estimated using a minimum of 6 and a maximum of 30 samples. If the initial search failed to find the minimum number of samples required, then a second search was conducted using double the search radii. A third search using quadruple the initial search radii with the minimum number of samples reduced to 2 was used to populate all remaining uninformed blocks. The maximum number of samples allowed from a single drillhole was restricted to 6.

For the ordinary kriging, a block discretisation of 5 by 5 by 5 was used in the easting, northing and elevation directions respectively.

More detail will be available in the technical report of the TNG website once complete.