

ASX ANNOUNCEMENT

26th March 2013

ASX CODE: TNG

REGISTERED OFFICE

TNG Limited
Level 1, 282 Rokeby Road
Subiaco, Western Australia 6008

T +61 8 9327 0900

F +61 8 9327 0901

W www.tngltd.com.au

E corporate@tngltd.com.au

ABN 12 000 817 023

DIRECTORS

Jianrong Xu Chairman
Paul Burton MD
Neil Biddle
Stuart Crow
Rex Turkington
Wang Zhigang

COMPANY SECRETARY

Simon Robertson

PROJECTS

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

CONTACT DETAILS

Paul Burton | +61 8 9327 0900
Nicholas Read | +61 419 929 046
Simon Robertson | +61 8 9327 0900

ADDITIONAL INFORMATION ON THE MOUNT PEAKE RESOURCE

Highlights:

- Updated 160 Mt Resource completed for the Mount Peake Project in the Northern Territory
- 86% defined in the Indicated and Measured categories
- Further information supplied to comply with JORC (2012) requirements
- The upgraded resource status significantly de-risks the project
- Definitive Feasibility Study progressing

Australian resources company TNG Limited (ASX: **TNG**) is pleased to provide additional information relating to the Measured, Indicated and Inferred Resource for its 100%-owned Mount Peake V-Ti-Fe Project in the Northern Territory (Figure 1) reported by ASX Announcement on March 18th 2013.

The updated Measured, Indicated and Inferred Resource at a 0.1% V₂O₅ cut-off, calculated by Snowden Mining Industry Consultants (Snowden), 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 mineral resource has been completed in accordance with the guidelines of the JORC code (2012 Edition).

Table 1 outlines all information considered material to the understanding of the above resource calculation for the reporting of the Mineral Resource of the Mount Peake V-Ti-Fe deposit. It includes description of:

- drilling techniques used
- details of sampling and sub-sampling techniques
- sample analysis methods
- geological interpretation
- resource estimation methodology
- resource classification explanation, and
- cut-off grades used

The information in Table 1 is summarised here:

The orebody is hosted by a magnetite gabbro intrusive unit which intrudes Neoproterozoic Georgina Basin sediments. This gabbro is bound to the west by a fault and granite, and is open to the east, north and south. The main resource area is a thick (>100 metres true thickness) and broad trough-shaped north/south orientated elongate zone – essentially all of the magnetite-bearing intrusive phase. The gabbro is nearly flat lying and has undergone minimal alteration and structural deformation since emplacement. Primary igneous mineralogy and texture is well preserved, while only a small proportion of the resource has undergone alteration due to weathering (generally to less than 35 metres below surface, <13% of the overall resource tonnage).

The resource does not crop out and has been defined by drilling, it is however outlined clearly in aeromagnetic imagery, and this was used to target initial drilling. A total of 102 reverse circulation (RC) and 24 diamond drill holes, for a total of 16858 metres drilled, have been used to define the resource. Drilling density is a nominal 50 x 100 metre spacing, with portions of the centre of the deposit at 25 x 50 metre spacing, sufficient to demonstrate continuity of geological units and grade. Holes are either vertical or oriented at 60 degrees to the essentially flat-lying body. While holes extend to over 400 metres depth, the orebody and over 90% of drilling metres are to depths of less than 200 metres. Sample quality was excellent with most RC holes drilled dry and diamond core recoveries averaging 99%. Sampling was almost exclusively at one metre intervals and industry standard field quality control procedures were used. While the first ten diamond holes were ½ core cut the remainder (holes 12MPDDH011 to 024) were also used for metallurgical sampling and all core was coarse crushed in one metre intervals prior to splitting off a portion for analysis. Sample preparation involved coarse crushing and pulverisation to >90% <75 micron. Analysis was by the XRF technique performed at ALS in Perth, duplicates indicate good precision, and standard samples indicate reasonable accuracy. The geological and sample database has been maintained by TNG and was validated by Snowden in February 2013 which included review of the TNG sampling protocols and sighting core photography and so no site visit was deemed necessary at this stage.

The Vanadium and Titanium are hosted by coarse-grained cumulate-textured magnetite mineral grains; which comprise up to 40% of the host gabbro. Iron is also hosted by the magnetite, with lesser amounts in silicate minerals (pyroxene and olivine) – which would not be recoverable. The cut-off grade for the resource of 0.1% V_2O_5 has been determined by a combination of statistical analysis (log probability plots and grade-tonnage curve) as well as corresponding to the visual (from geological logging) drop in magnetite abundance from above 10% to below five volume percent in the rock. The economic cut-off was considered in the Prefeasibility Study conducted in 2012 and is the subject of the ongoing Definitive Feasibility Study.

The resource block model was generated using the Datamine software package and grades were estimated for V_2O_5 , TiO_2 , Fe, SiO_2 , and Al_2O_3 as percentage values using ordinary kriging. Parent cell blocks were 25mE by 50mN by 5mRL, with sub-celling to 5m by 5m by 1.25m, with size and orientation based on the range of grade continuity seen in the variograms. As there were no extreme outlier values for the elements analysed no top cut was applied. Mineralised zone boundaries were treated as hard boundaries for estimation. Bulk densities used in the resource calculation were based on core density measurements and were 2.51 t/m³ for oxide, 3.32 t/m³ for transitional material, and 3.40 t/m³ for fresh material.

The drilling was sufficient to demonstrate continuity of both geological units and grade to a high level of confidence. The resource has been classified as a Measured, Indicated and Inferred Resource based on the data integrity, spatial continuity as demonstrated by variography, and estimation quality. Measured Resource was classified by: a drill spacing of 50m by 100m or closer, blocks estimated by at least 6 samples and estimated in the first pass (60% of variance). Blocks deemed as Indicated Resource were classified by: a drill spacing of 100m by 100m or closer, at least 6 samples, and grade

estimated in the second pass (double the initial distance). The remainder of the blocks within the >0.1% V₂O₅ wireframe were classified as Inferred Resource.

The deposit covers an area of approximately 2 km north-south by approximately 300-500 m east-west. The thickness of the resource ranges up to 140 metres, with all resource being at less than 200 metres below surface. As such mining is assumed to be by open cut methods. No other mining and metallurgical assumptions have been applied in this resource calculation. The deposit was the subject of a Prefeasibility Study (PFS) in mid 2012 which considered mining, metallurgical and economic factors, and is now progressing with processing and metallurgical tests which will form part of the Definitive Feasibility Study to be delivered in late 2013. Similarly environmental factors were considered in the PFS and work has commenced on environmental studies as part of the DFS and so there have been no assumptions made here.

This resource has converted the majority of the previously defined tonnage to Indicated and Measured Resource status. This status is sufficient to be able to be used as a basis for establishing a Probable and/or Proven Reserve (respectively) after economic and mining considerations are taken into account.

This work will be completed as part of the Definitive Feasibility Study (DFS) and is on track for delivery by year end. Current metallurgical testwork will contribute to the DFS and economic assessment.

This resource upgrade provides greater confidence in the resource which significantly de-risks the project.

Enquiries:

Paul E Burton
Managing Director + 61 (0) 8 9327 0900

Nicholas Read
Read Corporate + 61 (0) 8 9388 1474

COMPETENT PERSON STATEMENT

The information in this release is based on, and fairly represents, information and supporting documentation prepared by the competent persons, Ms Lynn Olssen and Mr Kim Grey.

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.

This is for information purposes only. Neither this nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of TNG Ltd shares in any jurisdiction.

This does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

To the fullest extent permitted by law, TNG Ltd, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from this arising out of negligence or otherwise is accepted.

This may include forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of TNG Ltd. Actual values, results or events may be materially different to those expressed or implied.

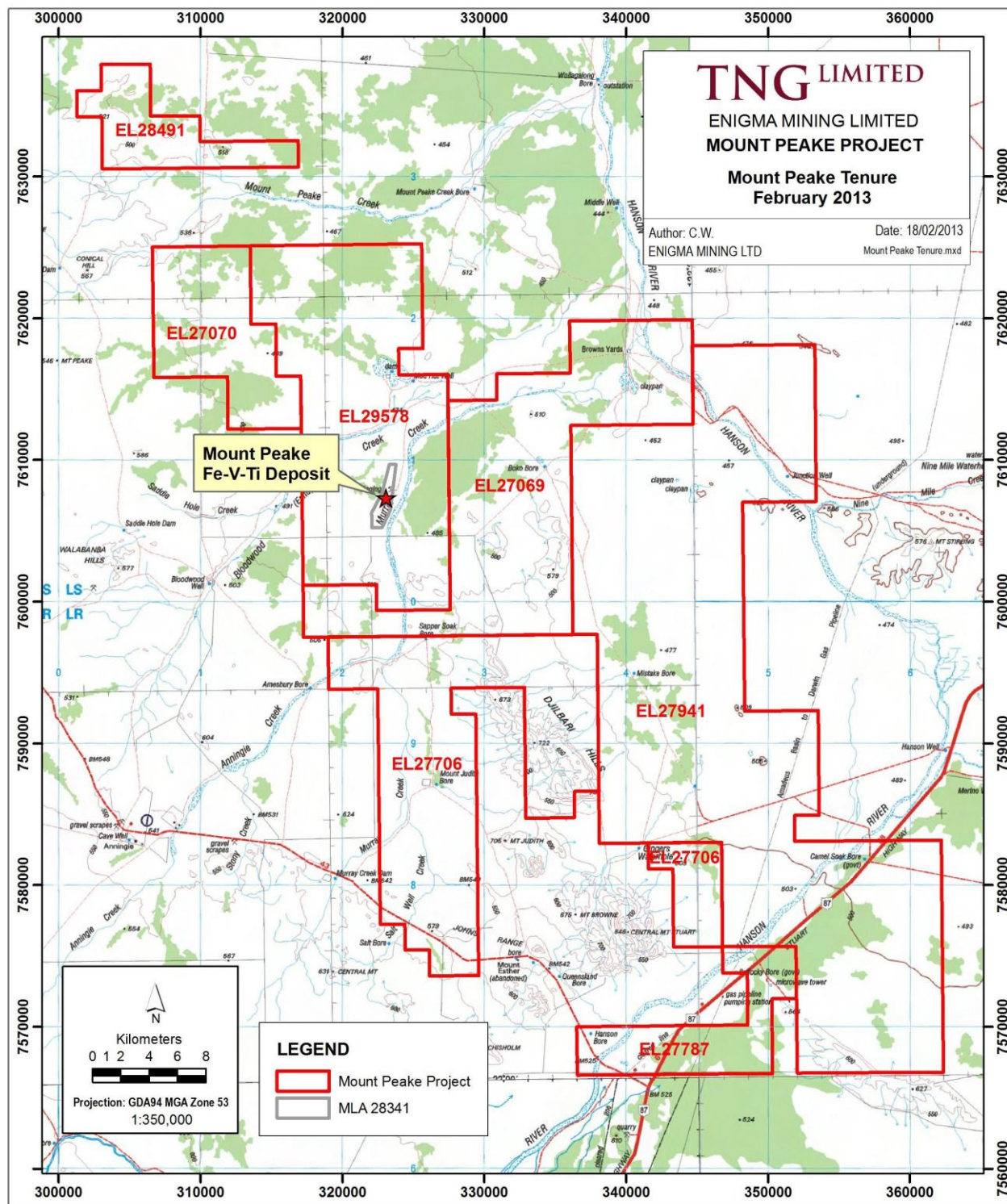


Figure One. Location of the Mount Peake Project, Northern Territory

Table 1 JORC assessment and reporting criteria for estimation and reporting

Section 1 Sampling Techniques and Data	
Criteria	Comment
Sampling techniques	<p>A total of 102 reverse circulation (RC) and 25 diamond (DD) drillholes were drilled for 13,037 m and 3,819.6 m respectively. Holes were drilled on a nominal 50 m by 100 m grid spacing.</p> <p>RC drillholes were sampled at 1 m intervals and each sample interval was passed through a cyclone and rotary splitter resulting in a 2 to 5 kg sample which was submitted for analysis. Rock chips were obtained by sieving a large scoop of sample from each bag. Washed chips were placed into an appropriately labelled chip tray. Magnetic susceptibility was measured using a model KT-10 portable magnetic susceptibility metre. Individual measurements were taken at 1 m intervals. Samples requiring analysis were selected by the logging geologist based on magnetic susceptibility readings and the geology.</p> <p>Diamond core was PQ size and sampled at 1 m intervals. Core was cut in half and to provide 1 to 4 Kg samples which were crushed and split out to provide a sub sample for analysis.</p>
Drilling techniques	<p>RC drill holes range in depth from 35 m to 222 m and DD drill holes range in depth from 65 m to 405.8 m.</p> <p>No downhole surveys have been completed on vertical holes.</p> <p>Downhole surveys were taken in angled RC and DD drillholes every 50 m using a reflex magnetic survey instrument.</p>
Drill sample recovery	<p>Diamond core recoveries were logged and average 99%. There are no core loss or sample recovery issues.</p>
Logging	<p>Geological logging was carried out on RC samples and colour, grain size, lithology, alteration and magnetic susceptibility was recorded.</p> <p>Geological and structural logging was carried out on diamond core and lithology, alteration and magnetic susceptibility was recorded.</p> <p>Diamond core was photographed (wet and dry).</p>
Sub-sampling techniques and sample preparation	<p>Core was cut in half</p> <p>RC samples were collected at the rig after being passed through a cyclone and rotary splitter.</p> <p>RC samples were delivered to ALS preparation facility in Alice Springs for crushing and pulverising. Pulps were then sent to ALS Perth for analysis.</p> <p>Field duplicates were collected every 20 m. Samples from diamond drillholes were assayed by XRF at ALS Metallurgy in Balcatta, Perth and samples from reverse circulation holes were assayed by XRF at ALS Minerals in Malaga, Perth. 32 samples assayed at ALS Metallurgy were also assayed at ALS Minerals. 10 standards were submitted for analysis for the diamond core. No standards were submitted for the RC program.</p> <p>Sample sizes are considered appropriate.</p>
Quality of assay data and laboratory tests	<p>RC and DD samples were assayed using the method ME-XRF21n.</p> <p>Magnetic susceptibility was measured using a model KT-10 portable magnetic susceptibility metre. Individual measurements were taken every metre. A portable Niton was then used to further identify the ore zone.</p> <p>Analysis of the field duplicates suggest that good precision is being achieved. Analysis of standards indicated that analytical accuracy of the results is reasonable.</p>
Verification of sampling and assaying	<p>Snowden has visually inspected the diamond core.</p> <p>The core and RC chips were logged onto paper A3 logging sheets then information transferred to Excel spreadsheets.</p>
Location of data	<p>Collar coordinates are GPS accuracy ($\pm 3m$). RL coordinates have been</p>

Section 1 Sampling Techniques and Data	
Criteria	Comment
points	determined by projecting holes vertically onto the topography DTM. Downhole surveys were taken in angled RC and DD drillholes every 50 m using a reflex magnetic survey instrument. Given that the Mount Peake orebody contains fairly significant amounts of iron the azimuth readings cannot be considered to be accurate. A correction of +4° has been applied to the azimuth readings. This is based on information taken from the Australian Government Geoscience Australia website.
Data spacing and distribution	Nominal drillhole spacing is 50 m by 100 m The drillhole spacing is sufficient to demonstrate geological and grade continuity appropriate for the Mineral Resource and classifications applied. Samples have been composited to 1 m downhole, with the composite lengths adjusted to include all intervals and avoid the loss of residual samples
Orientation of data in relation to geological structure	Drillholes have been drilled predominantly perpendicular to the mineralised domains.
Sample security	RC samples were collected from the drill site and delivered to the ALS preparation facility in Alice Springs. Diamond core was initially stored on site then dispatched to the Perth METS laboratory.
Audits or reviews	Snowden has validated the database and reviewed the sampling protocols and core photography for the drilling. Snowden considers that the sampling techniques are appropriate for this style of mineralisation.

Section 3 Estimation and Reporting of Mineral Resources	
Criteria	Comment
Database integrity	Snowden carried out the following basic validation checks on the data supplied by TNG prior to resource estimation: <ul style="list-style-type: none"> • Drillholes with overlapping sample intervals. • Sample intervals with no assay data. • Duplicate records. • Assay grade ranges. • Collar coordinate ranges. • Valid hole orientation data. There are no significant issues with the data.
Site visits	The geological and sample database has been maintained by TNG and was validated by Snowden in February 2013 which included review of the TNG sampling protocols and sighting core photography and so no site visit was deemed necessary at this stage.
Geological interpretation	The interpretations for structural and lithological surfaces have been compiled by Snowden using the drillhole database supplied by TNG. The interpretations for the mineralisation envelope and domains based on V ₂ O ₅ grade cut-offs of 0.1% for low grade and 0.3% for high grade were also updated by Snowden. The topography used was provided by TNG in 2010 and has not changed. Confidence in the geological interpretation of the mineral deposit is considered to be good. The upper mineralised zone shows mixed populations for Fe, Al ₂ O ₃ and SiO ₂ . This is not evident for V ₂ O ₅ or TiO ₂ and is assumed to be due to the small amount of data within this domain

Section 3 Estimation and Reporting of Mineral Resources	
Criteria	Comment
Dimensions	The deposit covers an area of approximately 2 km north-south by approximately 300 m to 500 m east-west. The thickness ranges up to about 140 m.
Estimation and modelling techniques	<p>Drillhole data was coded using the wireframe interpretations representing oxidation surfaces and mineralised domains. Samples were composited to 1 m downhole, with the composite lengths adjusted to include all intervals and avoid the loss of residual samples.</p> <p>Statistical analysis of the domains indicates that there are no extreme outliers and therefore no top cut was applied.</p> <p>Normal scores variograms were modelled for each of the mineralised domains and were back-transformed prior to estimation.</p> <p>Datamine software was used to estimate grades for V_2O_5, TiO_2, Fe, SiO_2 and Al_2O_3 using ordinary block kriging into 25 mE by 50 mN by 5 mRL parent cell with sub-celling to 5 m by 5 m by 1.25 m. A block discretisation of 5 by 5 by 5 was used in the easting, northing and elevation directions respectively.</p> <p>Mineralised zone boundaries were treated as hard boundaries for estimation.</p> <p>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. Blocks were estimated using a minimum of 6 and a maximum of 30 samples as determined by a kriging neighbourhood analysis (KNA) that was carried out for the October 2011 estimate. 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 un-informed blocks. The maximum number of samples allowed from a single drillhole was restricted to 6.</p> <p>The estimates were validated using:</p> <ul style="list-style-type: none"> • A visual comparison of the block grade estimates to the input drillhole composite data shows a good correlation • Generation of moving window average plots of the block grade estimates, declustered (nearest neighbour method) composites and naïve composite grades, along with the number of composite samples available. These grade trend plots show a good correlation between the local patterns in the block grade estimates compared with the drillhole composite grades in the well informed parts of the deposit. • A global comparison of the estimated block grades to the average composite (naïve) grades for all elements within the mineralised domains shows that both sets of results are within 6%. <p>The Mount Peake Resource was previously estimated by Snowden in October 2011. A comparison between the October 2011 estimate and the March 2013 estimate shows that the Indicated resource has been upgraded to Measured and part of the Inferred Resource has been upgraded to Indicated. There has been no change in the total tonnage.</p>
Moisture	Not applicable to this estimate – only dry mass considered.
Cut-off parameters	Mineral Resource reported at a 0.1% V_2O_5 grade cut-off. This threshold was determined by a combination of statistical analysis (log probability plots and grade-tonnage curve) as well as corresponding to the visual (from geological logging) drop in magnetite abundance from above 10% to below five volume percent in the rock. The economic cut-off was considered in the Prefeasibility Study conducted in 2012 and is the subject of the ongoing Definitive Feasibility Study.
Mining factors and assumptions	The resource is less than 200 metres below surface and mining is therefore assumed to be by open cut methods. No other mining assumptions have

Section 3 Estimation and Reporting of Mineral Resources	
Criteria	Comment
	<p>been applied in this resource calculation.</p> <p>The deposit was the subject of a Prefeasibility Study (PFS) in mid 2012 which considered mining, metallurgical and economic factors, and is now progressing with processing and metallurgical tests which will form part of the Definitive Feasibility Study (DFS) to be delivered in late 2013.</p>
Metallurgical factors and assumptions	<p>It is assumed that material above a cut-off of 0.1% V_2O_5 is potentially recoverable. This threshold was determined from a combination of statistical analysis and geological logging.</p> <p>Metallurgical factors were considered in the PFS and processing and metallurgical test work is currently underway which will form part of the DFS to be delivered in late 2013.</p>
Environmental factors or assumptions	<p>Environmental factors were considered in the PFS and work has commenced on environmental studies as part of the DFS and so there have been no assumptions made here.</p>
Bulk density	<p>Bulk density is set to 2.51 t/m³ for oxide material, 3.32 t/m³ for transitional material and 3.40 t/m³ for fresh material based on measurements from diamond core.</p>
Classification	<p>The estimate has been classified as a Measured, Indicated and Inferred Mineral Resource based on the integrity of the data, the spatial continuity of the mineralisation as demonstrated by variography, and the quality of the estimation.</p> <p>The following criteria were used to classify Measured Resources:</p> <ul style="list-style-type: none"> • Drill spacing 50 m by 100 m or closer and • grades estimated in the first search pass (60 % of the variogram range) and • blocks estimated using a minimum of 6 samples. <p>The following criteria were used to classify Indicated Resources:</p> <ul style="list-style-type: none"> • Drill spacing 100 m by 100 m or closer and • grades estimated in the first or second search pass and • blocks estimated using a minimum of 6 samples. <p>In order to maintain continuity, some blocks falling outside the constraints listed above were included.</p> <p>The remainder has been classified as an Inferred Resource.</p> <p>The Mineral Resource estimate appropriately reflects the views of the Competent Person with respect to the deposit.</p>
Audits and reviews	<p>Snowden has completed an internal peer review of the estimate which has concluded that the procedures used to estimate and classify the Mineral Resource are appropriate.</p>
Relative confidence and accuracy	<p>The relative accuracy and confidence in the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as set out in the JORC code (2012 Edition).</p>