

TNG PROGRESSES MOUNT PEAKE DFS; DRILLING CONFIRMS MOUNT HARDY POTENTIAL

TNG achieves excellent progress towards the delivery of a Definitive Feasibility Study for its flagship Mount Peake Vanadium-Titanium-Iron Project and remains on track to deliver this in early 2014.

MOUNT PEAKE VANADIUM-TITANIUM-IRON PROJECT (NT)

- Notice of Intent (NOI) submitted to the Northern Territory Government, marking a key step in the approvals process leading towards project development. Final EIS expected to be completed by Q2 2014.
- Metallurgical optimisation work reduces forecast OPEX by A\$20/tonne or up to A\$50 million per annum.
- Combination of reduced forecast OPEX and lower Australian Dollar exchange rate enhances current view of overall project economics.
- Management of Mount Peake DFS transferred in-house under TNG's Project Director, Tony Hadley, after the Company's DFS contractor, Arccon Mining Services, appointed a voluntary administrator.
- Two-stage development option for Mount Peake under review after an internal technical study shows that it could generate substantial early cash flows of \$40-80 million per annum from a low CAPEX start-up development producing a magnetite concentrate.

TIVAN® HYDROMETALLURGICAL PROCESS

- Metallurgical testwork with a leading European-based international engineering and metallurgical technology group nearing completion.
- CSIRO definitive pilot plant trial postponed until all results received from this work.

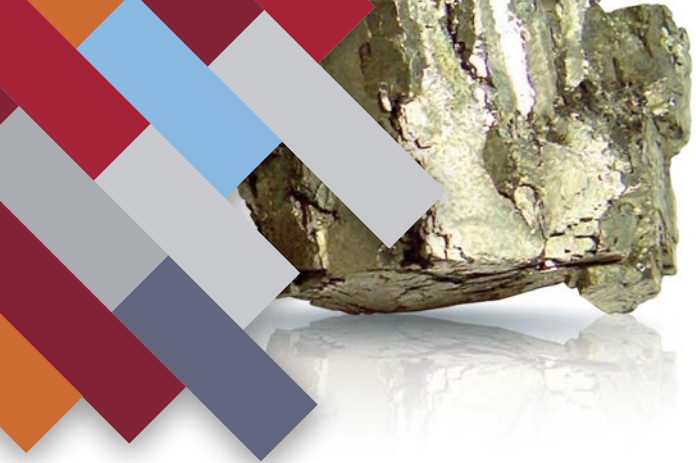
MT HARDY COPPER-GOLD PROJECT (NT)

- Encouraging results returned from a 15-hole diamond drilling programme, including several high-grade copper, base metal and gold intersections. Best results include:
 - » 13.0m @ 1.17% Cu and 1.82% Zn from 74m down-hole, including 1.0m @ 3.86% Cu, 11.75% Zn, 2.09% Pb
 - » 1.0m @ 9.44g/t Au from 112m down-hole
 - » 3.1m @ 1.86% Cu from 61.9m down-hole, including 1.0m @ 4.5% Cu
- Drilling intersects broad zones of poly-metallic mineralisation in the final holes, indicating the potential for a large poly-metallic system at depth.
- Project emerging as a potentially large-scale project which, in light of the current economic environment, TNG intends to progress with the assistance of a JV partner.

CORPORATE

- \$1.5 million share placement completed to sophisticated investors.
 - Share Purchase Plan (SPP) in progress to strengthen the Company's cash position.
 - SPP closes on August 2 2013. Total cash received to date is approximately \$1 million.
 - Key board changes announced with the appointment of experienced mining executive Mr Michael Evans as a Non-Executive Director to strengthen Board capability.
 - Davis Samuel case judgement expected to be handed down on 1 August 2013.
 - Research and Development refund increased to approximately \$3.1 million.
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SUMMARY

THE JUNE 2013 QUARTER WAS A PERIOD OF CONSOLIDATION FOR TNG, WITH THE COMPANY'S CORE FOCUS REMAINING ON THE DELIVERY OF THE DEFINITIVE FEASIBILITY STUDY (DFS) FOR ITS FLAGSHIP 100%-OWNED MOUNT PEAKE VANADIUM-TITANIUM-IRON PROJECT. KEY OUTCOMES FOR THE QUARTER INCLUDED THE DELIVERY AND SUBMISSION OF THE NOTICE OF INTENT FOR MOUNT PEAKE, METALLURGICAL OPTIMISATION AND THE COMPLETION OF AN INTERNAL REVIEW INVESTIGATING THE POTENTIAL FOR A STAGED DEVELOPMENT PROCESS.

Significant progress has also been made at the Company's emerging 100%-owned Mount Hardy Copper Project, where results from recent diamond drilling and geophysics have confirmed potential for the discovery of economic zones of mineralisation within a large polymetallic-style system.

At Mount Peake, significant progress was achieved with the DFS during the Quarter, with the Company electing to bring the management of the Mount Peake DFS in-house, after the Feasibility Study contractor, Arcon Mining Services, appointed a Voluntary Administrator. TNG has strong in-house capability to continue to progress the development of the Mount Peake Project cost effectively under its Project Director, Tony Hadley, and is still targeting completion of the DFS during Q1 of 2014.

Construction of the Project is targeted for 2014, with production and exports proposed to commence in 2015. By bringing the DFS management work in-house, the Company will achieve significant cost savings; however, the Company will continue to have the final DFS work peer reviewed and signed off by a major recognised international engineering firm.

During the Quarter, the first key phase of metallurgical testwork for the DFS was completed, resulting in the identification of several improvements to the Project over the 2012 Pre-Feasibility Study (PFS). Metallurgical optimisation work relating to the crushing and magnetic separation stages has led to an estimated reduction in forecast OPEX of A\$20/tonne – equating to up to A\$50 million per annum. This, together with the recent fall in the Australian Dollar below parity with the US Dollar, represents a further positive outcome for the Mount Peake Project's economics, and further optimisation of capital and operating costs will remain a key focus for the Company in the coming months.

In addition, during the Quarter the Company's consultants GHD submitted the Notice of Intent (NOI) for the Mount Peake Project to the Northern Territory Government on behalf of TNG, representing a key step in the approvals process for the Project's development. The NOI provides formal notification to the Government and other interested parties of TNG's intention to develop the Mount Peake Project.

An internal technical review of the Mount Peake PFS completed during the Quarter has also led to a significant enhancement of the Project's economics following the consideration of a staged development approach. This is based on the establishment of a low-CAPEX "start-up" development option where a magnetite concentrate is produced on-site at Mount Peake and shipped to a steel mill in China.

This review showed that the Company could generate significant gross revenues from a Stage 1 development together with a lower capital expenditure estimate of \$230 million for the on-site beneficiation stages of crushing and magnetic separation to produce the concentrate.

By moving ahead with a staged development, TNG has the potential to realise an early cash flow of at least \$40 million per annum and construction could potentially start by late 2014, while finalising the development and location for the TIVAN® plant, before it is commissioned.

At the emerging Mount Hardy Copper Project, TNG received final results from the diamond drilling programme completed at initial targets, and also completed further assessment and interpretations of the major down-hole electromagnetic (DHEM), gravity and Induced Polarisation (IP) surveys completed earlier in the year. These results have confirmed the outstanding prospectivity of this Project for the discovery of economic mineralisation, with a recent review of exploration results highlighting 13 key targets for further follow-up work, including eight priority targets for future drilling.

On the corporate front TNG undertook a capital raising during the Quarter comprising a share placement to sophisticated investors. This raised \$1.5 million before costs.

Following this result, the Company subsequently announced a Share Purchase Plan to existing shareholders. Funds from these capital raisings will primarily be used to progress the Company's activities at the Mount Peake Projects.

In addition, the Company was pleased to announce the appointment of experienced mining executive Michael Evans to the Board as a Non-Executive Director.

Mr Evans is a highly experienced mining and resource industry executive based in Perth who has extensive executive and board level experience with publicly listed companies in the natural resource sector significantly strengthens the TNG board.

With continued strong progress at the Company's Mount Peake and Mount Hardy Projects, and with a suite of additional high quality exploration assets, TNG considers that it remains well placed to create value for its shareholders, despite the increasingly challenging environment in global equity and commodity markets.

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, which is rapidly emerging as one of the largest new vanadium-titanium-iron projects in Australia, has been progressively de-risked to a JORC Measured category and is currently in the Definitive Feasibility Study stage. The area under licence covers a highly prospective, but poorly explored part of the Western Arunta geological province which offers significant exploration upside for TNG within an extensive 100%-owned ground-holding.

POSITIVE RESULTS FROM FIRST PHASE OF DEFINITIVE FEASIBILITY STUDY


Significant progress was achieved with the Definitive Feasibility Study (DFS) during the Quarter, with the first key phase of metallurgical testwork completed resulting in the identification of several improvements to the Project over the 2012 Pre-Feasibility Study (PFS).

An extensive comminution and material characterisation programme was completed on a bulk sample from Mount Peake which is representative of the first 18 years of mining. This will allow design and scale-up of a conventional industrial crushing and grinding circuit. The parameters derived from this testwork programme are in keeping with expectations compared to other magnetite deposits.

This work has also provided a positive result for the conventional crushing and magnetic separation stages, delivering a net estimated benefit (when compared to pre-feasibility study estimates) of A\$20/tonne by increasing the rejection of deleterious acid-consuming gangue (waste) minerals. This has resulted in potential forecast operating costs being \$50 million per year lower than under the PFS findings.

The next work programme will involve detailed understanding of any metallurgical variability spatially and at depth with respect to magnetic and leaching characteristics, followed by magnetic separation of a bulk sample for the definitive pilot plant trial at CSIRO, which is expected to take place during next Quarter subject to completion of other key work phases.





The pilot plant planning at CSIRO is well advanced, with equipment fabrication underway and long-lead items and first-fill chemicals ordered.

Recently-completed acid regeneration experiments have been very encouraging on synthetic liquors, indicating less energy for regeneration compared to previous assumptions. A final assessment will be conducted on waste liquors derived from the CSIRO pilot plant.

Following the completion of this first key phase of metallurgical testwork for the DFS, progress on final metallurgical testwork was slowed to minimise capital expenditure in light of the current economic conditions. However at the end of the Quarter, the testwork programme being conducted with a leading European-based international engineering and metallurgical technology group (*see ASX Release – 29th January 2013*) was nearing completion. The CSIRO definitive pilot plant trial has been postponed until all results from this work are received.

FEASIBILITY STUDY MANAGER

Last Quarter, TNG appointed Perth-based engineering firm Arccon Mining Services (Arccon) to manage completion of the DFS for the Mount Peake Project. Unfortunately, TNG received notice during the June Quarter that Allmine Group Limited ("Allmine"), the parent company of Arccon (WA) Pty Ltd trading as Arccon Mining Services, had appointed a voluntary administrator.

TNG understands that receivers and managers were subsequently appointed to Allmine and Arccon and that Arccon was placed into creditors' voluntary liquidation.

TNG has subsequently decided to bring the management of the DFS in-house, which will result in significant cost savings.

TNG has strong in-house capability to continue to progress the development of the Mount Peake Project cost effectively under its Project Director, Tony Hadley. The Company is still targeting completion of the DFS in Q1 of 2014, and is aiming to commence construction of the Project in 2014, with production and exports proposed to commence in 2015.

INTERNAL REVIEW OF MOUNT PEAKE DEVELOPMENT

Following the transfer of management of the Mount Peake DFS in-house (see above), TNG commenced studies to assess the potential for a staged development of the Mount Peake project, based on a low-CAPEX "start-up" development scenario where a magnetite concentrate is produced on-site at Mount Peake and shipped to a steel mill in China.

These reviews were completed subsequent to the end of the Quarter, and showed that the Company could generate significant gross revenues from a Stage 1 development together with a lower capital expenditure estimate of \$230 million for the on-site beneficiation of crushing and magnetic separation to produce the concentrate.

Comparisons were made based on 5Mtpa and 10Mtpa mining rate, using current and forecast ferro-vanadium (FeV) prices (assumptions and pricings used are detailed in ASX Releases – 15 July and 26 July 2013). Independent commodity analysts forecast FeV demand and pricing to double by 2015.

At 5Mtpa, current prices estimated annual revenues are \$40 million, using a conservative exchange rate of 1 USD:1 AU, however with forecast 2015 FeV prices this increases to \$84 million. Using 10Mtpa, estimated annual revenues using current and forecast prices are in the order of \$100-200 million respectively.

Construction of the mining, crushing and magnetic separation facility at Mount Peake is part of the overall development of the project. TNG is currently reviewing the most suitable location for the downstream TIVAN® processing plant.

By moving ahead with a staged development, TNG has the potential to realise an early cash flow of at least \$40 million per annum and construction could potentially start by late 2014, while finalising the development and location for the TIVAN® plant, before it is constructed and commissioned. The steel mill receiving the magnetite concentrate would produce a pig iron and ferrovanadium product.

Stage 2 would involve the magnetite concentrate going straight to TNG's TIVAN® process once commissioned, for the higher value, high-purity iron, vanadium and titanium oxide production.

Independent studies have shown that these strategic metal products will be in high demand in the emerging high technology and power storage sectors and are likely to command higher prices. The PFS showed that this would produce annual pre-tax revenues as high as \$295 million over a 20-year mine life (*see ASX Release – 9 July 2012*).

TNG has had positive preliminary discussions with the Port of Darwin, the rail operator Genesee & Wyoming and with a Chinese steel manufacturer regarding this potential approach. Further details will be announced if formal pricing and off-take agreements are reached.

NOTICE OF INTENT (NOI)

During the Quarter, the Company's consultants GHD submitted the Notice of Intent (NOI) for the Mount Peake Project to the Northern Territory Government on behalf of TNG. The NOI provides formal notification to the Government and other interested parties of TNG's intention to develop the Mount Peake Project.

The NOI provides an overview of the proposed activities, the environmental and social aspects and the proposed management strategies to be adopted by TNG in developing and operating the Mount Peake Project.

ENVIRONMENTAL PROGRESS

GHD has now completed the baseline flora and fauna surveys both for the the proposed site of the Mount Peake operations and the transport corridor to the rail siding.

Surface and ground water assessments have also been completed including ongoing monitoring programmes.

Groundwater Science has been appointed to conduct an aquifer search for the life-of-mine (LOM) of the operation and the initial desktop study has highlighted a number of high probability targets for both quality and quantity in close proximity to the mine site.



MINING, GEOLOGY, HYDROLOGY, GEOTECHNICAL AND TAILINGS STORAGE

The mining, geology, hydrology, geotechnical and tailings storage scopes have been put out to tender, reviewed internally and are ready to be awarded.

OFF-TAKE AND FINANCING

The Company is in preliminary discussions with third parties regarding potential off-take arrangements and financing for the Definitive Feasibility Study and, potentially, a proportion of project development expenditure.

The recent fall in the Australian Dollar (AUD) below parity against the US Dollar, and revised forecasts for the AUD, provide significant improvements to the already robust project economics, bearing in mind that the 2012 PFS was completed using an exchange rate of 1 AUD: 1 USD.

COPPER

MOUNT HARDY PROJECT: TNG 100%

Mount Hardy – EL 29219, EL 27892, EL 28694

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.

TNG has been the first exploration company to apply modern geophysical and drilling techniques to this highly prospective and historically known copper prospect. The area has broad strong surface mineralisation and six key prospects have been explored to date, confirming that the surface mineralisation extends to depth, with a further 11 geophysical targets remaining to be followed up.

During the Quarter, TNG received all remaining assay results for the diamond drilling programme completed over the main target areas at the Mount Hardy and Browns prospect areas, as well as drilling targeting major geophysical anomalies within the Mount Hardy Project area. Geophysical targets included significant Electro-Magnetic (EM) conductors, interpreted from down-hole electromagnetic (DHEM) geophysical surveys, and IP conductivity zones outlined in surveys completed earlier this year. Results were reported during the quarter (see ASX Releases- 18 April, 29 April, 13 May, and 20 May 2013).

Mount Hardy Prospect

The Mount Hardy prospect is defined as a 1km x 500m hill with broad oxide copper mineralisation exposed at surface. Three sections were drilled to target depth extensions to the strong surface copper mineralisation outlined last year (see ASX Releases – 27 September 2012 and 10 October 2012).

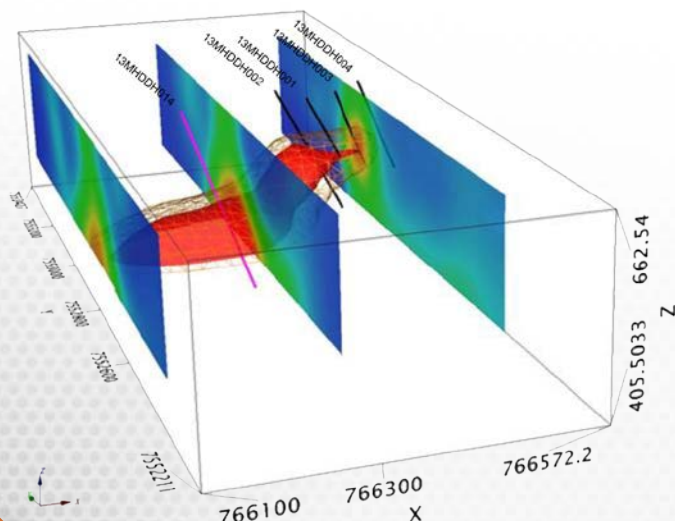


Figure 1: Mount Hardy prospect - long section view of drilling and IP chargeability zones

A total of four holes (13MHDDH001 to 13MHDDH004) were drilled on these three sections. All holes were drilled towards the SSE (azimuth 150 degrees) and 45-60 degrees dip.

In hole 13MHDDH001, an intersection of 11.0m at 0.87% Cu from 70.0 metres included values up to 4.21% Cu, from 70.7 to 71.7 metres depth. The mineralisation extends from surface to 96.5 metres depth (with the end of hole at 100 metres). Several zones with mineralisation were noted, associated with structures and quartz veining. Best values included:

11.0m at 0.87% Cu from 70m down-hole, including:

- 1.0m at 4.21% Cu from 71.4m down-hole; and
- 1.0m @ 1.63% Cu from 73.8m; and
- 0.8m @ 1.05% Cu from 76.5m.

Hole 13MHDDH002 was drilled to intersect mineralisation some 80 metres down dip from hole 13MHDDH001 and recorded an encouraging intersection from 114.7 of 10.3 metres at 1.35% Cu. Significant results include:

10.3m at 1.35% Cu from 114.7m down-hole, including:

- 0.9m @ 6.06% Cu from 118.5m;
- 0.8m @ 2.93% Cu from 117.7m;
- 0.6m @ 1.97% Cu from 119.4m; and
- 1.0m @ 1.96% Cu from 114.7m.

Weathering is generally to around 30-45m below surface. Intersections in hole 13MHDDH001 above 45m down-hole depth comprise malachite-dominated copper mineralisation, while all other intervals reported here have copper in chalcopyrite, together with pyrite.

Hole 13MHDDH003 returned a number of intersections of potentially economic mineralisation, providing further strong evidence of the substantial potential of the Mount Hardy Project to host a large mineralised extending at depth from surface. Copper grade is associated with quartz veining, stringer stockworks and broader (>1m) veins,

found within zones of shearing and zones of structural control. There is clear association of the mineralisation and geophysical anomalies.

All intersections in hole 13MHDDH003 below 45m down-hole are in fresh rock with copper species being predominantly native copper, chalcopyrite, and minor bornite and chalcocite between 45m and 58m. Mineralisation occurs from near surface to 97m depth, with the strongest mineralisation occurring between 45m and 74m coincident with a 29m thick zone of alteration and veining.

Best analytical values to date are:

1.60m @ 1.60% Cu from 45.40m, including:
0.60m @ 2.92% Cu from 45.40m

3.10m @ 1.86% Cu from 61.90m, including:
1.00m @ 4.50% Cu from 62.50m

Hole 3MHDDH003 was drilled to test below the surface costeaning completed in the 1960s. Recent re-sampling of these historic costeans by TNG returned results of 12m grading 2% Cu (in semi-continuous channel sampling). This section line lies 80m to the east of holes 13MHDDH001 and 13MHDDH002.

Results included a multi-element suite and fire assay gold analyses. Gold results in hole 13MHDDH003 include anomalous values in both higher copper zones, with the significance of this association still to be determined. The copper zones were also sporadically anomalous for silver (to 19ppm Ag) and zinc (to 980ppm Zn).

Best gold values were:

0.60m @ 2.92% Cu and 1.15g/t Au from 45.40m; and
1.00m @ 4.50% Cu and 0.40g/t Au from 62.50m down-hole

Hole 13MHDDH004 was sited to test directly below the main open cut (mined in a small way by prospectors in the 1940s). Copper mineralisation was identified over a six metre interval from 108m down-hole depth:

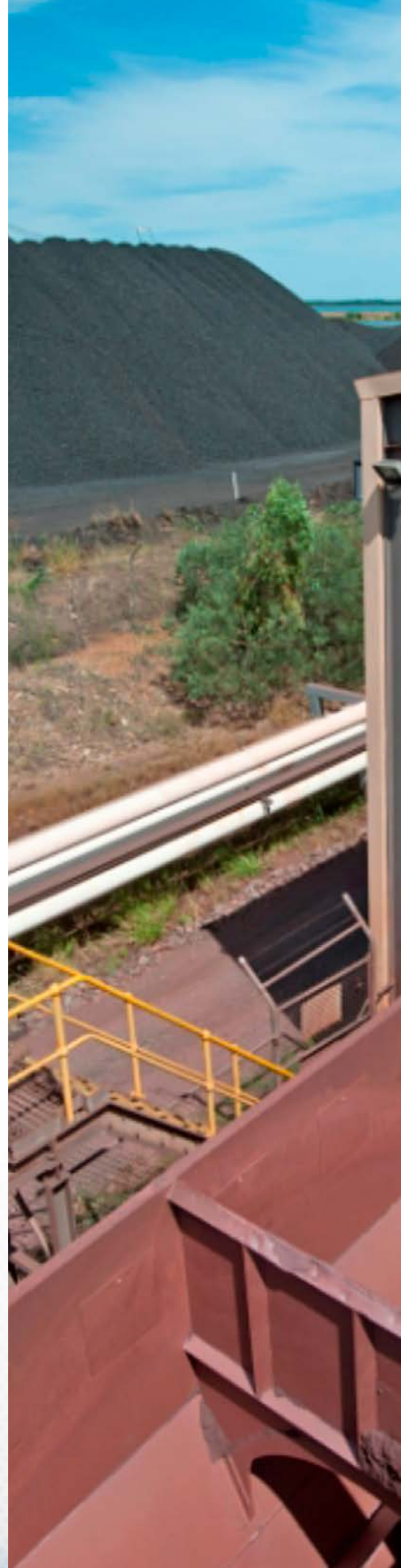
- 6.0m @ 0.54% Cu from 108.0m down-hole

Significantly, there are two intervals with high gold grades within this overall strong copper zone:

- 0.5m @ 0.48 g/t Au from 109.7m down-hole, and
- 1.0m @ 9.44 g/t Au from 112.0m down-hole

The presence of gold grades in excess of 9g/t Au, together with fresh hypogene copper mineralisation, is considered to be very encouraging.

These results support the interpretation (from the IP survey data) that the best mineralisation plunges at a shallow angle to the west, within the steeply NNW dipping mineralised sheet.



Browns Prospect

The Browns prospect is defined by a 500m x 500m hill with extensive oxide copper mineralisation on surface. Holes 13MHDDH005 to 13MHDDH009 were drilled at the original Browns Prospect, which was outlined by mapping and sampling conducted by TNG in late 2012.

Holes were drilled on two sections, targeting depth extensions to the surface mineralisation below a large outcropping quartz vein with significant malachite (copper oxide), and an area of old workings. Sampling in this area in late 2012 returned rock chip ICP results of up to 38.9% Cu (*see ASX Release – 27 September 2012*).

Each hole was drilled to intersect the veins at depths of between 20m and 70m below surface to assess both the supergene and hypogene mineralisation potential.

Assay results indicate significant copper grades over reasonable widths, with the best intersections summarised below:

5.0m @ 0.58% Cu from 60.0m down-hole in 13MHDDH005, including 1.0m @ 1.01% Cu from 62.0m down-hole; and

- 0.5m @ 1.39% Cu from 63.0m down-hole; and
- 5.4m @ 0.62% Cu from 14.5m down-hole in 13MHDDH008

These results are encouraging and further work is planned for later in the year.

A diamond hole designed to test an IP anomaly outlined south of the Browns Prospect (13MHDDH015) returned the most significant results to date. This hole intersected a broad zone of copper, zinc and lead mineralisation with outstanding zinc grades and strong copper and lead values. Best values were:

- 13.0m @ 1.17% Cu, 1.82% Zn and 0.46% Pb from 74m down-hole, including
- 1.0m @ 3.86% Cu, 11.75% Zn, 2.09% Pb from 77m down-hole

Copper mineralisation is predominantly hosted within chalcopyrite, although some minor chalcocite and bornite is also present at this depth. Lead and zinc are found in galena and sphalerite respectively (plate 1).

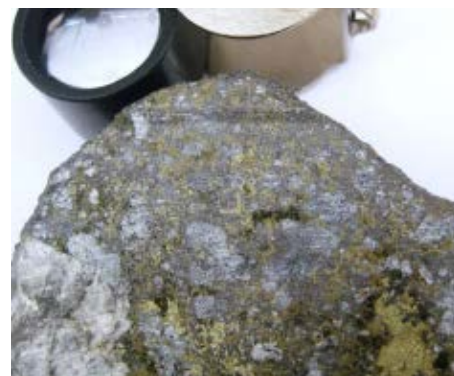


Plate 1: Browns Prospect: Section of core from hole 13MHDDH015 at 78.1 metres, showing copper in chalcopyrite, lead in galena, and zinc in sphalerite. Hand lens for scale is 18mm wide.

These base metal grades are hosted within a quartz breccia and, in places, approached massive sulphide composition. This mineralisation is within the prospective Lander Beds Proterozoic rocks, as with other mineralisation seen over the Mount Hardy Project. The IP target was outlined from the interpretation of a survey completed in March 2013, measuring approximately 500m x 200m.

There is significant potential for more mineralisation within this feature and further drilling is required to define this.

This success highlights the value of undertaking IP surveys to identify new sulphide base metal targets in the Arunta region, and is likely to prompt further geophysical work on this and TNG's other copper projects.

EM Target 1

Holes 13MHDDH010 and 13MHDDH011 were drilled to test significant conductors outlined at EM Target 1 (*see ASX Release – 22 January 2013*). Subsequent DHEM surveying outlined a strong 1000 Siemen off-hole conductor below and to the north-east of hole 12MHRC001; this plate was the target of diamond drill-hole 13MHDDH010.



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The drilling successfully pierced the conductor where a broad zone of high grade Cu-Zn-Pb-Ag mineralisation was intersected returning 21.0m @ 0.46% Cu, 3.5% Zn, 1.91% Pb and 36 g/t Ag, from 211m down-hole.

In addition, individual samples within this zone returned maximum values of 1.88%Cu, 12.05% Zn, 7.25% Pb, and 130 g/t Ag. The mineralisation remains open in all directions and further DHEM will be carried out to confirm the mineralised trend and locate further targets for drilling.

Diamond drill-hole 13MHDDH011 targeted a strong off-hole EM conductor defined from DHEM. A small zone of multi-element mineralisation was intersected with maximum results of 0.1% Cu, 3.5% Zn and 1.2% Pb. Additional DHEM will be carried out to identify the mineralised trend and locate further targets for drilling.

EM Target 2

Diamond drill hole 13MHDDH012 was designed to test the off-hole EM conductor outlined from hole 12MHRC002 at EM Target 2. The conductor was successfully pierced and intersected significant base metal sulphides over a 25m interval, including maximum values of 5.9% Cu, 10.5 % Zn, 3.4% Pb and 55 g/t Ag.

The intersections in the three holes define a plane dipping steeply to the north-west, parallel to and just above the modelled plate. This mineralisation has now been outlined over a 50 x 50m zone and is open in all directions. This exciting anomaly requires further DHEM and drilling.

EM Target 4

Hole 13MHDDH013 at EM Target 4 tested the off-hole plate modelled and interpreted from hole 12MHRC003 (which was designed to test the ground

EM modelled plate), and intersected the plate in the lower central area. Results included 1.0m @ 2.0% Cu, and DHEM will determine further drilling.

Mount Hardy IP Anomaly

An IP geophysical survey was conducted over the Mount Hardy and Browns prospects in March. Each area displays strong surface copper anomalism, but did not generate a HELITEM anomaly. The IP survey outlined a strong chargeability anomaly at each area, with the Browns anomaly having a coincident conductivity high – both being high priority drill targets.

The Mount Hardy IP anomaly is clearly associated with the surface mineralisation that has now been tested with drilling. The Browns IP anomaly is some 300 metres to the south of the 2012 mapped surface base metal anomalism.

Weathering over the project area ranges from 10 to 60m in depth. At surface no sulphides are seen and copper species include chrysocolla, brochantite, and azurite, but are dominated by malachite. Copper ore mineralogy is dominated by chalcopyrite below 80m down-hole. Supergene sulphide species chalcocite, bornite and rare native copper are seen between 20 and 100m below surface.

Hole 13MHDDH014 was designed to intersect the down plunge portion of the IP anomaly at Mount Hardy. Significant mineralisation has already been outlined in the up-dip position of the IP anomaly in holes 13MHDDH001 through 013MHDDH004 (see ASX releases 18th April, 29th April 2013). Minor mineralisation was intersected in this drill hole (Table 2), with 6.0m @ 0.7% Cu, including 1.0m @ 2.0% Cu. The IP anomaly remains open and will be further assessed by down-hole geophysical methods.

A full assessment of all drilling will be completed after the next phase of DHEM surveys have been completed.

Mount Hardy Project: The Next Steps

The strong results returned from the Mount Hardy and Browns prospects, as well as from EM Targets 1, 2 and 4 during the Quarter indicate that the project area is:

1. Extensively mineralised at surface and at depth within a restricted 2km x 2km area;
2. Poly-metallic mineralisation phases have been intersected at depth in zones of structural and geophysical control; and
3. Re-interpretation of HELITEM work in July 2012 of the total 17 anomalies outlined by the HELITEM survey identified **eight of the remaining HELITEM targets as priority areas for further work.**

Further surface geophysics and DHEM is required to accurately define additional targets and mineralised zones prior to drill testing.

This project is emerging as a large-scale, polymetallic-style project requiring significant further geophysics and drilling.

Given its scale and potential, the Company plans to progress this project with assistance of a joint venture partner to allow it to focus on the development of its flagship Mount Peake Project.



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 Project in the Northern Territory, and is considered highly prospective for copper and nickel mineralisation based on previous exploration results.

Initial exploration activities were completed at Walabanba during the Quarter. A copper anomaly in laterite, coincident with an anomalous electro-magnetic conductor, has been outlined over an area of 1,000m x 200m in pXRF sampling. In order to confirm this zone, a total of 11 rock samples were collected and submitted for multi-element and gold assay in mid-June.

In addition, all of the HELITEM anomalies outlined from the survey in mid-2012 have now been ground checked and a programme of ground EM is being planned.

Laboratory results from rock samples, to confirm the pXRF data, are expected during the next Quarter.

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 September 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. The three tenements (EL's 29252, 29253, and 29254) were granted in late 2012 and cover 1,742km² (553 blocks) in the highly prospective Aileron and Irindina Provinces, some 120-180km to the north-east of Alice Springs.

During the Quarter, TNG commenced new copper-gold exploration programmes in the Sandover area, including geological mapping, rock and geochemical sampling programmes.

Most of the tenement area is underlain by high-grade metamorphic rocks of the Aileron Province, namely Proterozoic schists and gneisses. This sequence hosts both gold and base metal deposits, a world-class rare earth deposit at Nolans Bore, and TNG's Mount Peake deposit to the northwest. The south-eastern portion of the tenement group falls within the Harts Range Metamorphic belt (Irindina

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Province). Mineralisation in the vicinity of the Sandover Project tenure includes:

- Home of Bullion Cu-Pb-Zn-Au-Ag prospect (Kidman Resources);
- Johnnies Reward Cu-Au deposit (Transol);
- Molyhil W-Mo deposit (Thor Mining);
- Nolans REE deposit (Arafura Resources);
- Mud Tank Vermiculite deposit;
- Jervois Cu-Au-Pb-Zn-Ag prospect (Kentor Resources); and
- The recently outlined Illogwa IOCG belt (Mithril Resources).

The tenements have had only minor previous exploration work completed in the past with soil rock and stream sampling conducted at various times: CRA in the 1980's, Helix Resources in the late 1990's and Tanami Gold in the early 2000's; however, mica mines were worked up until the 1950's and a copper occurrence is known with recorded values up to 0.6% Cu and 0.2% Pb (source: NTGS openfile Database). The regolith is complex and will require a focused geochemical exploration programme. Initial work concentrated on the known mineralisation and occurrences, together with regolith mapping and sampling. Initial ground reconnaissance was conducted over one tenement, with moderate copper anomalism noted in a structurally complex area. A total of 165 rock samples were collected in June and submitted for multi-element and gold assay.

The Company intends to progress this with a JV partner to follow this with targeted geophysical surveys, similar to those conducted with much success at TNG's Mt Hardy Project.

JOINT VENTURE PROJECTS

ZINC-LEAD-SILVER, IRON-ORE

Manbarrum Project Joint Venture: TNG 100%

During the Quarter TNG was advised by its joint venture partner KBL Mining Limited that KBL has decided to withdraw from the farm-in Joint Venture Agreement covering the Manbarrum Project due to KBL's limited professional and financial resources.

As a result, TNG will retain 100 per cent ownership of this extensive Project. However, the final \$2 million bullet payment due by December 2013 to enable KBL to complete its 51% earn-in will not be received. TNG had previously received an initial cash payment of \$0.5 million after the agreement was signed in 2011.

TNG believes that the Manbarrum Zinc Project remains a significant strategic base metal asset in a highly prospective region. The Project currently comprises two deposits totalling 45Mt of combined zinc-lead-silver mineralisation plus numerous untested exploration prospects.

- Sandy Creek Deposit: 24.4 Mt @ 1.81% Zn, 0.45% Pb, and 4.6g/t Ag
- Djibitgun Deposit: 19.9 Mt @ 0.52% Zn, 0.18% Pb and 16.4 g/t Ag, (See ASX Releases 15th March 2010 and 31st March 2008)

The Company will continue to assess other opportunities to realise value from this non-core asset within TNG's extensive minerals portfolio in northern and central Australia.

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 was received from WDR on further work at this project during the Quarter.

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

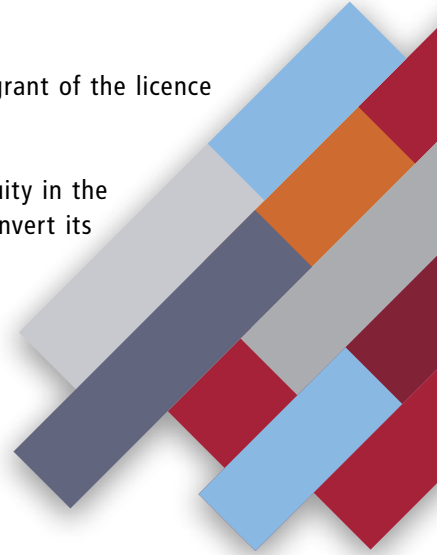
In October 2012 TNG formally signed the farm-in and joint venture agreement on its 100% owned Melville Island licence ELA 28617 in the Northern Territory with Rio Tinto Exploration Pty Ltd (RTX).

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 \$5 million 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 1400km².

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.





CORPORATE

CAPITAL RAISING

Share Placement

TNG announced on 6 May that it had received firm commitments for a placement of 14,285,714 shares to sophisticated investors at a price of \$0.07 each, raising \$1 million before costs.

The Company was also in discussion with its major shareholder Ao-Zhong (ECE), who indicated that it wished to participate in the capital raising subject to certain conditions. Agreement on the conditions was not completed at the time and discussions ceased but may continue in the future.

Following this, the Company received applications in respect to an additional 6,499,197 shares, bringing the total amount raised to \$1.454 million. The placement was completed within the Company's existing 15% placement capacity.

Proceeds of the placement will be directed to ongoing activities, in particular the Definitive Feasibility Study on the Mount Peake Project and working capital purposes.

Share Purchase Plan

To further strengthen the Company's cash position, on 2 July TNG announced that it was offering eligible shareholders the opportunity to participate in a Share Purchase Plan (Plan) to acquire up to \$15,000 worth of fully paid ordinary shares in TNG (Shares) at an issue price of \$0.045 per share, and including a free attached option on a 1 for 2 basis.

The SPP will provide shareholders with the opportunity to increase their holdings at an attractive price without paying brokerage or transaction costs, as the Company moves ahead with the next phase of exploration and development of its key resource assets in the Northern Territory.

The issue price under the Plan represented a 16.68% discount to the average closing price of Shares on the ASX over the five trading days prior to the date of the SPP announcement (which was \$0.054). Eligible shareholders who subscribe for Shares under the Plan are also being offered one free attaching option (Option) for every two Shares subscribed for. The Options will have an exercise price of \$0.08 and expiry date of 31 July 2015. TNG will apply for the Options to be listed on ASX.

The SPP offer was originally intended to be open between Friday, 5 July 2013 and Thursday, 25 July 2013. However, TNG has extended the closing date to 2 August 2013 due to non-receipt of documentation by some eligible shareholders.

TNG applied to ASX and received a waiver of Listing Rule 10.11 to allow Directors who are eligible shareholders (and entities controlled by them) to participate in the SPP and in the related Option offer without the approval of TNG shareholders. All eligible Directors intend participating in the SPP.

The SPP is capped at \$3.5 million and is not underwritten. Any shares not subscribed for by eligible shareholders under the SPP will comprise the shortfall and may be offered to institutional or sophisticated investors as a separate placement at the discretion of the Directors, up to the limit available to TNG under its placement capacity in accordance with Listing Rule 7.1.

Total cash received to date under the SPP is \$1,074,000.



BOARD CHANGES

During the Quarter TNG appointed experienced resource company executive and director Mr Michael Evans as a non-executive Director.

Mr Evans was appointed to fill a vacancy on the TNG Board. Mr Evans is a highly experienced mining and resource industry executive based in Perth who has extensive executive and board level experience with publicly listed companies in the natural resource sector. He was until recently the founding Executive Chairman of oil explorer and producer FAR Limited (formerly First Australian Resources), a position he held from 1995. Under Mr Evans' stewardship, FAR established and built up an extensive international oil and gas portfolio spanning Africa, North America and Australia – with industry partners including Amoco, Shell, BHP, BP, Exxon, CNOOC and Woodside.

Prior to that, Mr Evans was Director of a private Asian Investment company based in Hong Kong pursuing resource opportunities in China.

Between 1983 and 1991, he was Joint Managing Director of Forsayth Group, which he, and his co-Managing Director, built from a junior explorer to become a significant gold producer with interests in five producing mines and two projects mines in Australia and overseas.

Mr Evans, a Chartered Accountant, commenced his career with Peat Marwick Mitchell & Co then Price Waterhouse & Co before taking up a lecturing post at Curtin University in the School of Business Law.

R&D REFUND

TNG has finalised and lodged its Research & Development refund claim which has increased from the previously reported \$1.9 million to \$3.1 million for the 2013 financial year under the Federal Government's R&D tax incentive scheme. The increase is due to additional eligible expenditure and allocations.

It is currently anticipated that the Company should receive payment of the amount claimed by approximately early October, although the process may take longer than anticipated.

Under the R&D tax incentive scheme, companies with a turnover of less than \$20 million which undertake research & development activities are entitled to a cash refund of 45 cents per dollar spent on eligible research and development in Australia.

This incentive provides direct assistance for companies like TNG to continue their research and development activities with a view to potentially building further value for shareholders.

TNG's research relates to the commercial extraction of vanadium, titanium and iron units from vanadiferous titanomagnetite using the patented TIVAN™ hydrometallurgical process owned by the Company and Mineral Engineering Technical Services Pty Ltd (METS).

The R&D claim, together with the proceeds of the current Share Purchase Plan (SPP), will further strengthen the Company's cash resources, enabling it to continue to progress the development of TIVAN process for its flagship Mount Peake Vanadium-Iron-Titanium Project in the Northern Territory.

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 received notice that the judgement in the case will be handed down on 1 August 2013. The Directors remain optimistic on the outcome for TNG based on advice from its lawyers.

CASH AND INVESTMENTS

At Quarter end, the Company had cash and investments of \$2.8 million.

Paul E Burton

Managing Director.

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.

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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

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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 appears.

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.