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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 PROJECT ECONOMICS BOOSTED BY EXCHANGE RATE AND METAL FORECASTS

Technical review finds that 10% fall in Australian Dollar delivers 20% increase in NPV to \$3.2 billion: Metal Forecasts remain strong

Australian resources company TNG Limited (ASX: **TNG**) is pleased to report that an independent technical review of its flagship **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory has identified significant improvements to the Project's financial parameters and forecast returns as a result of the recent fall in the Australian Dollar exchange rate.

The technical review – which was conducted by Snowden Mining Industry Consultants Pty Ltd as part of the ongoing Definitive Feasibility Study (DFS) on the Mount Peake Project – has highlighted the strength and robustness of the Project.

It identified that the recent relatively minor falls in the USD:AUD exchange rate contribute to a significant enhancement of the overall economic model key findings compared to the base model used in the Pre-Feasibility Study of 1 USD: 1 AUD, as shown in Table 1 below:

Table 1 - Snowden economic model against exchange rate

Comparison of effect of exchange rate on Mount Peake Project			
A\$/US\$ Exchange Rate	1.00	0.90	0.85
IRR	37.3	42.9	46.1
NPV 8% A\$M	2,576	3,228	3,612
Cash- flow A\$M	6,672	8,145	9,012

As a result of this finding, the original financial model for the Mount Peake Pre-Feasibility Study has been verified and updated to the current exchange rate of 90c by Snowden Mining Industry Consultants Pty Ltd leading to:

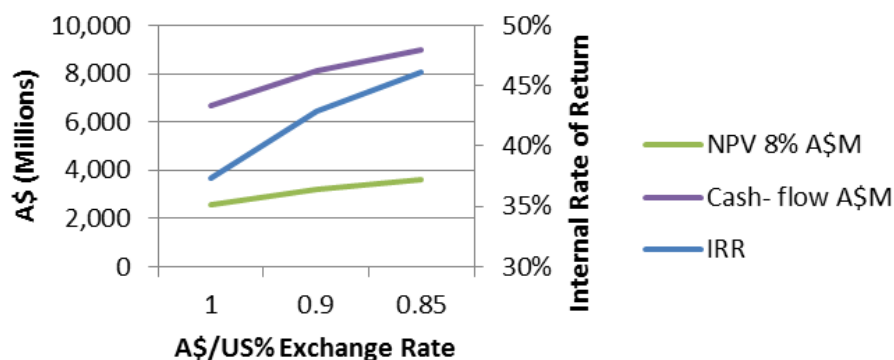
- an increase in Net Present Value (NPV_{8%}) from A\$2.646 billion to **\$3.228 billion**; and
- an increase in pre-tax IRR from 38.7% to **42.9%**

This indicates that a 10% decrease in the AUD: USD exchange rate leads to a 20% increase in the Mount Peake Project economics. Exchange rate forecasts are noted to be AUD 90-85c by 2017.

Full details of the Mount Peake Pre-Feasibility Study are available in the Company's ASX Announcements 9 July 2012, and 6 February 2013. Mining is based on the PFS financial analysis with mining of 91Mt of ore, which includes 22% of Inferred Resource material (there is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised).

TNG's Managing Director, Mr Paul Burton, said the results of the review showed that Mount Peake remains one of the most robust new strategic metals projects in Australia, with potential to underpin a substantial, long-life resource project for the Northern Territory.

Figure 1 - Mount Peake Project vs exchange rate



In addition, the outlook for the key products which will be produced at Mount Peake – high purity vanadium pentoxide (V_2O_5), high purity Iron oxide (Fe_2O_3) and titanium remains extremely strong compared to the base case prices used in the PFS, which should provide further enhancements to the economic viability (see Figures 2 and 3 below).

Figure 2 - Metal Bulletin: V2O5 Monthly Average Price, 2012-2013 Historical, 2013-2017 Projection

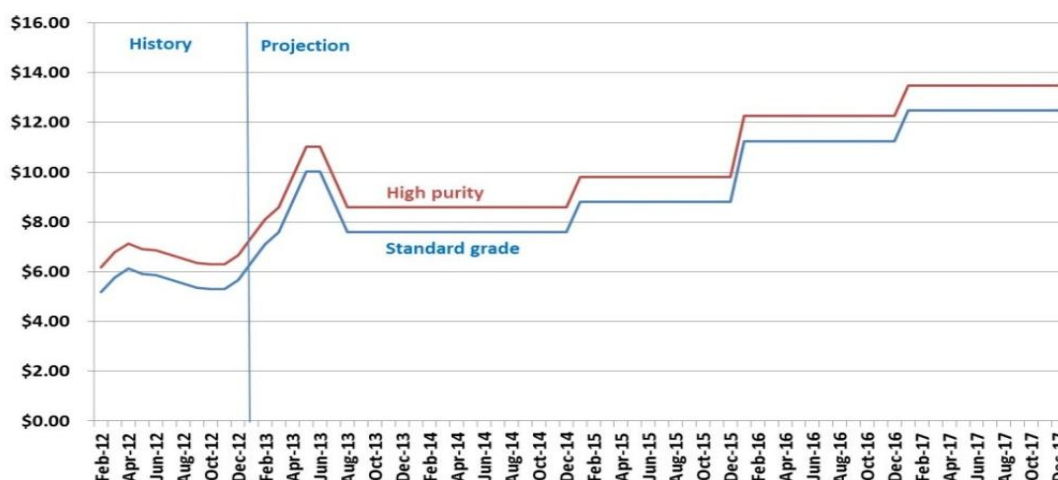
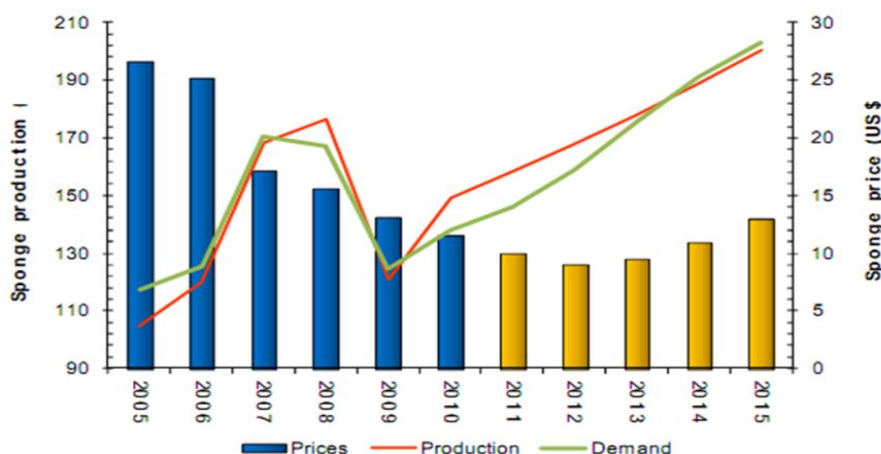


Figure 3 Roskill : Outlook to 2015 on Titanium Sponge Production and Annual Average Prices



TNG has recently announced key cost saving measures and realisation of asset value through the recently announced potential sale of its Manbarrum Project for \$5 million (subject to completion of Conditions Precedent), with the aim of strengthening its cash resources in order to progress the Mount Peake DFS.

Further updates on operating and capital costs are expected shortly.

TNG LIMITED

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Competent Person Statements

In relation to the 2012 PFS Study Resource and Mining Analysis:

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 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 her information in the form and context in which it appears.

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

In relation to this announcement:

The information in this report that relates to Financial Analysis is based on information compiled by Jeremy Peters who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of TNG Limited. Jeremy Peters 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'. Jeremy Peters 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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About TNG:

TNG Ltd is a junior exploration company with a focus on exploration and development of projects in the Northern Territory of Australia.

The company is currently developing its 100% owned world class Mount Peake Vanadium –Titanium – Iron project in the which is currently in the Definitive Feasibility Stage, with anticipated production in 2015. In addition it is also actively exploring its copper projects including its 100% owned Mt Hardy project which is emerging as a potential major Copper/Gold and polymetallic project.

The company has joint ventures on its other projects with Rio Tinto, Norilsk, and Western Desert Resources and strategic investment from Ao-Zhong Ltd., a 100% owned subsidiary of China's ECE Ltd.

For more information please see the company's website at www.tngltd.com.au