

ASX ANNOUNCEMENT

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ASX CODE: TNG

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PROJECTS

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

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TNG STRENGTHENS CASH POSITION WITH \$5M CAPITAL RAISING

Fully subscribed placement to institutional and sophisticated investors to fund Mount Peake Feasibility Study

TNG Limited (ASX: TNG) is pleased to advise that it has received firm commitments from institutional and sophisticated investors to raise \$5 million (before costs) through a placement to progress completion of the Feasibility Study of its flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory. This enables the trading halt that the company entered into on 22 October 2014 to be lifted.

The placement has been arranged and managed by Hong Kong-based REORIENT Financial Markets Ltd. and Melbourne-based CALIBRE Investments, for the offshore offering and the Australian offering respectively.

Commitments comprises 50,000,000 fully paid ordinary shares, to be issued at a price of \$0.10 each. As part of the placement, investors will also be issued with 1 free-attaching listed option exercisable at \$0.08 on or before 31 July 2015 (ASX: TNGO) for every 4 shares subscribed for in the placement, which will result in the issue of a total of 12,500,000 options.

TNG's Managing Director, Mr Paul Burton, said the Company was delighted with the strong level of investor support received in the placement, which had resulted in the introduction of a number of new institutional and sophisticated investors to the Company.

The proceeds of the capital raising, together with TNG's existing cash reserves of approximately \$3 million (with a further \$1.2 million expected in November from R&D refund claims), puts the Company in a solid position to execute its growth strategy as an emerging strategic metals company.

The funds will be used to progress the completion of the Definitive Feasibility Study (DFS) on the flagship Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory. This will include the final stage of pilot plant test work for the TIVAN® metallurgical process.

The Company will also aim to finalise binding agreements with all of its key strategic partners over the coming months, including ferro-vanadium giant WOOJIN, POSCO E&C, Global Pacific Partners and Hyundai Steel Co. Ltd.

These strategic partnerships provide a clear framework for financing, development and long-term off-take for the Mount Peake Project.

“Given the exciting outlook for the vanadium market fundamentals, we couldn’t be developing this project at a better time,” Mr Burton said.

“We already have a strong portfolio of potential alliance partners in place, and this placement provides additional funding to further progress the Mount Peake DFS and forge ahead with our development plans,” Mr Burton added.

“As outlined recently, all of our resources moving forward will be focused on the Mount Peake Project, with no further significant expenditure planned on our base metal assets which are proposed to be spun-off into a new company, Todd River Resources, next year,” he continued.

“With this structure in place, TNG’s aim is to become a substantial Australian strategic metals house with a world-class asset in Mount Peake, while retaining a significant shareholding in Todd River Resources, which will become one of the largest base metal companies operating in the Northern Territory.”

The shares and options will be issued pursuant to a prospectus which is expected to be lodged with ASIC and released to ASX early next week. The prospectus will cover offers of up to 55,000,000 shares and 13,750,000 options, so as to accommodate any additional commitments received up to a total raising of \$5 million (before costs).

The placement of shares and options is made pursuant to TNG’s ASX Listing Rule 7.1 capacity to issue up to 15% of its existing share capital in any 12 month period. The placement is not subject to shareholder approval (and will not fall within the terms of the Future Placement Facility referred to in the Notice of AGM for TNG’s upcoming annual general meeting to be held on 27 November 2014). TNG may seek to have the placement ratified by shareholders at some point in the future, so as to reinstate its ASX Listing Rule 7.1 capacity.

Paul E Burton

Managing Director

24 October 2014

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Forward-Looking Statements

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