

# TNG LIMITED

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**TNG LIMITED**

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## **NOTICE OF ANNUAL GENERAL MEETING**

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**The Annual General Meeting will be held at  
the Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western  
Australia  
at 2:00pm (WST) on Thursday 27 November 2014.**

**Shareholders are urged to attend the meeting or vote by lodging the  
proxy form attached to this Notice.**

*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9327 0900.***

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# TNG LIMITED

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of TNG Limited (the "**Company**") will be held at the Subiaco Arts Centre, 180, Hamersley Road, Subiaco, Western Australia on Thursday, 27 November 2014 at 2:00pm (WST) (the "**Meeting**").

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 25 November 2014 at 4:00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

### ORDINARY BUSINESS

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#### Part A – Financial and Other Reports

##### Financial and Other Reports

To receive and consider the financial report for the year ended 30 June 2014 and the related Directors' Report, Directors' Declaration and Auditors' Report.

##### Resolution 1 – Adopt Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report of the Company for the financial year ended 30 June 2014 be adopted."

*Under the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.*

##### Voting exclusion

*To the extent required by section 250R of the Corporations Act, a vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Company's key management personnel details of whose remuneration are included in the Remuneration Report or a closely related party of such a member. However, a person (the "voter") may cast a vote as a proxy where the vote is not cast on behalf of such a member or a closely related party of such a member and the voter is either:*

- (a) appointed as a proxy by writing that specifies how the proxy is to vote on Resolution 1; or*
- (b) the chair of the meeting and the appointment of the chair as proxy does not specify how the proxy is to vote on Resolution 1 and expressly authorises the chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the key management personnel.*

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## **Part B – Re-election of Directors**

### **Resolution 2 – Re-election of Mr Stuart Crow**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Stuart Crow, who retires in accordance with Article 6.3(c) of the Constitution and, being eligible, offers himself for election, be re-elected as a Director.”

## **SPECIAL BUSINESS**

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## **Part C – Issue of Shares and making of Loans to Directors under the TNG Incentive Plans**

### **Resolution 3 – Approval of issue of Shares and Loan to Mr Michael Evans**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 10.14, and section 208(1) of the Corporations Act, and for all other purposes, approval is given for:

- (a) the issue and allotment to Mr Michael Evans of 2,000,000 Shares under the TNG Non-Executive Director and Consultant Share Plan, as described in the Explanatory Memorandum; and
- (b) the provision of a Loan to Mr Michael Evans to assist him to acquire 2,000,000 Shares under the TNG Non-Executive Director and Consultant Share Plan, as described in the Explanatory Memorandum.”

#### ***Voting Exclusions***

*The Company will disregard any votes cast on this Resolution 3 by any Director of the Company who is eligible to participate in the TNG Non-Executive Director and Consultant Share Plan and any associate of such a Director. However, the Company will not disregard a vote if:*

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

*A vote on this Resolution 3 must not be cast (in any capacity) by or on behalf of Mr Michael Evans or his associates except where it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of Mr Michael Evans or his associates.*

### **Resolution 4 – Approval of issue of Shares and Loan to Mr Rex Turkington**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 10.14, and section 208(1) of the Corporations Act, and for all other purposes, approval is given for:

- (a) the issue and allotment to Mr Rex Turkington of 2,000,000 Shares under the TNG Non-Executive Director and Consultant Share Plan, as described in the Explanatory Memorandum; and
- (b) the provision of a Loan to Mr Rex Turkington to assist him to acquire 2,000,000 Shares under the TNG Non-Executive Director and Consultant Share Plan, as described in the Explanatory Memorandum.”

### **Voting Exclusion**

*The Company will disregard any votes cast on this Resolution 4 by any Director of the Company who is eligible to participate in the TNG Non-Executive Director and Consultant Share Plan and any associate of such a Director. However, the Company will not disregard a vote if:*

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

*A vote on this Resolution 4 must not be cast (in any capacity) by or on behalf of Mr Rex Turkington or his associates except where it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of Mr Rex Turkington or his associates.*

## **Resolution 5 – Approval of issue of Shares and Loan to Mr Stuart Crow**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 10.14, and section 208(1) of the Corporations Act, and for all other purposes, approval is given for:

- (a) the issue and allotment to Mr Stuart Crow of 2,000,000 Shares under the TNG Non-Executive Director and Consultant Share Plan, as described in the Explanatory Memorandum; and
- (b) the provision of a Loan to Mr Stuart Crow to assist him to acquire 2,000,000 Shares under the TNG Non-Executive Director and Consultant Share Plan, as described in the Explanatory Memorandum.”

### **Voting Exclusion**

*The Company will disregard any votes cast on this Resolution 5 by any Director of the Company who is eligible to participate in the TNG Non-Executive Director and Consultant Share Plan and any associate of such a Director. However, the Company will not disregard a vote if:*

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

*A vote on this Resolution 5 must not be cast (in any capacity) by or on behalf of Mr Stuart Crow or his associates except where it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of Mr Stuart Crow or his associates.*

## **Resolution 6 – Approval of issue of Shares and Loan to Mr Zhigang Wang**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 10.14, and section 208(1) of the Corporations Act, and for all other purposes, approval is given for:

- (a) the issue and allotment to Mr Zhigang Wang of 2,000,000 Shares under the TNG Non-Executive Director and Consultant Share Plan, as described in the Explanatory Memorandum; and
- (b) the provision of a Loan to Mr Zhigang Wang to assist him to acquire 2,000,000 Shares under the TNG Non-Executive Director and Consultant Share Plan, as described in the Explanatory Memorandum.”

### **Voting Exclusion**

*The Company will disregard any votes cast on this Resolution 6 by any Director of the Company who is eligible to participate in the TNG Non-Executive Director and Consultant Share Plan and any associate of such a Director. However, the Company will not disregard a vote if:*

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*

- (b) *it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

*A vote on this Resolution 6 must not be cast (in any capacity) by or on behalf of Mr Zhigang Wang or his associates except where it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of Mr Zhigang Wang or his associates.*

## **Resolution 7 – Approval of issue of Shares and Loan to Mr Paul Burton**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 10.14, section 208(1) of the Corporations Act and for all other purposes, approval is given for:

- (a) the issue and allotment to Mr Paul Burton of 4,000,000 Shares under the TNG Employee Share Plan, as described in the Explanatory Memorandum; and
- (b) the provision of a Loan to Mr Paul Burton to assist him to acquire 4,000,000 Shares under the TNG Employee Share Plan, as described in the Explanatory Memorandum.”

### **Voting Exclusion**

*The Company will disregard any votes cast on this Resolution 7 by any Director of the Company who is eligible to participate in the TNG Employee Share Plan and any associate of such a Director. However, the Company will not disregard a vote if:*

- (a) *it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

*A vote on this Resolution 7 must not be cast (in any capacity) by or on behalf of Mr Paul Burton or his associates except where it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of Mr Paul Burton or his associates..*

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## **Part D – Approval of Conditional Waiver of 2012 Loan Agreement**

### **Resolution 8 – Approval of Conditional Waiver of 2012 Loan Agreement and financial assistance thereunder**

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, for the purposes of sections 208(1), 208(2) and 260B of the Corporations Act and for all other purposes:

- (a) the Conditional Waiver of 2012 Loan Agreement, as described in the Explanatory Memorandum, and the making of that contract by the Company be approved; and
- (b) the provision of financial assistance to Mr Paul Burton pursuant to the terms of the Conditional Waiver of 2012 Loan Agreement, as described in the Explanatory Memorandum, be approved.”

### **Voting Exclusion**

*A vote on this Resolution 8 must not be cast (in any capacity) by or on behalf of Mr Paul Burton or his associates.*

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## Part E – Ratification of prior issues

### Resolution 9 – Ratification of issue of Free Attaching Options under February 2014 Placement

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4, and for all other purposes, the issue by the Company of 6,719,167 Free Attaching Options on 27 February 2014, as described in the Explanatory Memorandum accompanying this Notice of General Meeting, is approved and ratified.”

#### **Voting Exclusion**

*The Company will disregard any votes cast on this Resolution 9 by any person who participated in the February 2014 Placement and any of their associates. However, the Company will not disregard a vote if:*

- (a) *it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

### Resolution 10 – Ratification of issue of Shares and Free Attaching Options under March 2014 Placement

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4, and for all other purposes, the issue by the Company of 2,966,665 Shares and 1,483,324 Free Attaching Options on 5 March 2014, as described in the Explanatory Memorandum accompanying this Notice of General Meeting, is approved and ratified.”

#### **Voting Exclusion**

*The Company will disregard any votes cast on this Resolution 10 by any person who participated in the March 2014 Placement and any of their associates. However, the Company will not disregard a vote if:*

- (a) *it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or*
- (b) *it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

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## Part F – Approval of 10% Placement Facility

### Resolution 11 – Approval of 10% Placement Facility under Listing Rule 7.1A

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of (or entry into agreements to issue) Equity Securities representing up to 10% of the issued capital of the Company (calculated in accordance with the formula prescribed in Listing Rule 7.1A.2) on the terms and conditions set out in the Explanatory Memorandum.”

#### **Voting Exclusion**

*The Company will disregard any votes cast on this Resolution 11 by a person who may participate in the 10% Placement Facility (as defined in the Explanatory Memorandum) and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if this Resolution 11 is passed, and by any associates of such persons.*

*However, the Company will not disregard a vote if:*

- (a) *it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

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## Part G – Approval of 60,000,000 Future Placement Facility

### Resolution 12 – Approval of 60,000,000 Future Placement Facility

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, in accordance with Listing Rule 7.1 (or where applicable Listing Rule 7.4) and for all other purposes, the Shareholders approve and authorise the issue, or ratify the issue (as applicable) of up to 60,000,000 Equity Securities, made up of Shares and Free Attaching Options on the terms set out in Schedule 4 ("**Future Placement Equity Securities**") to institutional, professional, sophisticated and other investors on the terms and conditions described in the Explanatory Memorandum."

#### **Voting Exclusion**

*The Company will disregard any votes cast on this Resolution 12 by a person who may participate in the Future Placement Facility (as defined in the Explanatory Memorandum) and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if this Resolution 12 is passed, and by any associates of such persons.*

*However, the Company will not disregard a vote if:*

- (a) *it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) *it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

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## OTHER BUSINESS

To consider any other business which may properly be brought before the Meeting in accordance with the Company's Constitution and the Corporations Act.

### BY ORDER OF THE BOARD



**Paul Burton**  
Managing Director

Dated: 17 October 2014

## **EXPLANATORY MEMORANDUM**

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### **Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at the Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western Australia on Thursday, 27 November 2014 at 2:00pm (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

This Explanatory Memorandum includes information to assist Shareholders in deciding how to vote on each of the Resolutions contained in the Notice.

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### **Part A – Financial and Other Reports**

#### **Resolution 1 – Adopt Remuneration Report**

The Corporations Act requires listed companies to put a Remuneration Report relating to director and executive remuneration for each financial year to a resolution of members at their annual general meeting. The Remuneration Report is included in the Directors' Report of the Company's Annual Report.

Under section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on the Resolution are voted against adoption of the Remuneration Report at the meeting and then again at the 2015 Annual General Meeting, the Company will be required to put to Shareholders a resolution at the 2015 Annual General Meeting proposing the calling of a further general meeting to consider the election of directors of the Company ("**Spill Resolution**").

If more than 50% of Shareholders vote in favour of a Spill Resolution, the Company would be required to convene a further general meeting ("**Spill Meeting**") within 90 days of the 2015 Annual General Meeting. All of the Directors who were in office when the 2015 Directors' Report was approved by the Directors, other than the Managing Director, would cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved would be the Directors of the Company.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

Key management personnel details of whose remuneration are included in the Remuneration Report and their closely related parties are prohibited from voting on Resolution 1, except in the circumstances described in the voting exclusion statement set out in the Notice.

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### **Part B – Re-election of Directors**

#### **Resolution 2 – Re-election of Mr Stuart Crow**

Resolution 2 seeks the re-election of Mr Stuart Crow as a Non-Executive Director of the Company. Mr Crow was first appointed as a Non-Executive Director of the Company by the Directors on 24 February 2011 under Article 6.2(b) and, subsequently, by Shareholders on 21 November 2012 at an Annual General Meeting of the Company. Mr Crow is required to retire in accordance with Article 6.3(c) of the Company's Constitution.



Mr Crow has more than 28 years' experience in all aspects of corporate finance, stockbroking and investor relations in Australia and international markets, and has owned and operated his own businesses in these areas for the last sixteen years.

Mr Crow is currently a non-executive director of unlisted company Iron Ridge Resources Limited.

Being eligible, Mr Crow offers himself for re-election as a Non-Executive Director.

The Board (other than Mr Crow, who abstained) unanimously recommends that Shareholders vote in favour of this Resolution.

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## **Part C – Issue of Shares to Directors under the TNG Incentive Plans**

### **General**

The Company has in place the following incentive plans (among others):

- (i) TNG Non-Executive Director and Consultant Share Plan; and
- (ii) TNG Employee Share Plan.

These incentive plans were approved by Shareholders at the Annual General Meeting held on 21 November 2012. Schedule 2 contains a summary of the TNG Non-Executive Director and Consultant Share Plan, and Schedule 3 contains a summary of the TNG Employee Share Plan. Further details in relation to these incentive plans are set out in the 2012 notice of Annual General Meeting which was released to ASX on 19 October 2012.

### **Overview of Listing Rules and approvals sought**

#### **(a) *Issue of securities to related parties - Listing Rules 10.11 and 10.14***

Listing Rule 10.11 requires a listed entity to obtain shareholder approval for the issue of securities to related parties, which includes a director of the Company.

Listing Rule 10.12, exception 4 provides that approval under Listing Rule 10.11 is not required where securities are to be issued to a person under an employee incentive scheme that has been approved under Listing Rule 10.14. Listing Rule 10.14 requires a listed entity to obtain shareholder approval for the issue of securities under an 'employee incentive scheme' to certain parties, including a director, or an associate of a director, of the company.

Accordingly, the Company is seeking Shareholder approval under Listing Rule 10.14 before issuing Shares to Mr Paul Burton under the TNG Employee Share Plan, and before issuing any Shares to any of the Non-Executive Directors under the terms of the TNG Non-Executive Director and Consultant Share Plan. Resolutions 3 to 7 seek Shareholder approval for this purpose.

All of the information that is required to be provided to Shareholders under Listing Rule 10.15 in order to obtain Shareholder approval under Listing Rule 10.14 for Resolutions 3 to 7 is set out below.

#### **(b) *Financial Benefit - Part 2E.1 of the Corporations Act***

The provision of a Loan to Eligible Employees and Eligible Entities (as applicable) to fund the acquisition of Shares issued under the terms of the TNG Employee Share Plan and the TNG Non-Executive Director and Consultant Share Plan will constitute the giving of a financial benefit for the purposes of Part 2E.1 of the Corporations Act.

Section 208(1) of the Corporations Act states that for a public company to give a financial benefit to a related party of the public company (which includes its directors):

- (i) the public company must (i) obtain the approval of the public company's shareholders; and (ii) give the benefit within 15 months after the approval; or

- (ii) the giving of the benefit must fall within an exception set out in sections 210 to 216.

The arm's length and reasonable remuneration exceptions to the requirement for Shareholder approval contained in sections 210 and 211 of the Corporations Act may well apply, however, the Directors consider that it is prudent to seek Shareholder approval for the purposes of section 208 of the Corporations Act in any event.

All of the information that is material to the decision on how to vote on Resolutions 3 to 7 for the purposes of section 208(1) of the Corporations Act is set out below in respect of the relevant Resolutions.

**(c) *Financial Assistance - Part 2J.3 of the Corporations Act***

The provision of a Loan to Eligible Employees and Eligible Entities to fund the acquisition of Shares issued under the terms of the TNG Employee Share Plan and the TNG Non-Executive Director and Consultant Share Plan will constitute 'financial assistance' for the purposes of Part 2J.3 of the Corporations Act.

Section 260A of the Corporations Act states that a company may financially assist a person to acquire shares in the company only if:

- (i) giving the assistance does not materially prejudice the interests of the company or its shareholders or the company's ability to pay its creditors;
- (ii) the assistance is approved by the shareholders under section 260B; or
- (iii) the assistance is exempt under section 260C.

Section 260C(4) provides that financial assistance is exempt from section 260A if it is given under an 'employee share scheme' that has been approved by a resolution passed at a general meeting of the company. The Company obtained Shareholder approval of the TNG Employee Share Plan under section 260C(4) as an exemption from section 260A of the Corporations Act on 21 November 2012.

As the TNG Non-Executive Director and Consultant Share Plan provides for the offer of Shares to consultants, contractors and Non-Executive Directors of the Company it does not fall within the definition of an 'employee share scheme' for the purposes of the Corporations Act and the exemption in section 260C(4) of the Corporations Act does not apply. Accordingly, the Company sought and obtained Shareholder approval under section 260B(1) of the Corporations Act on 21 November 2012 in order to provide Loans (as a form of financial assistance) to Eligible Entities to acquire Shares under the terms of the TNG Non-Executive Director and Consultant Share Plan.

As approvals have already been obtained for the TNG Employee Share Plan and the TNG Non-Executive Director and Consultant Share Plan, no further approvals are required in order for the Company to give financial assistance in connection with provision of Loans under those plans.

**Resolutions 3 to 6 – Approval of issue of Shares and Loans to Non-Executive Directors**

Resolutions 3 to 6 seek Shareholder approval under Listing Rule 10.14 and section 208(1) of the Corporations Act for the proposed issue of 2,000,000 Shares to each of Mr Michael Evans, Mr Rex Turkington, Mr Stuart Crow and Mr Zhigang Wang (the "**Relevant Directors**") under the TNG Non-Executive Director and Consultant Share Plan, and for the proposed Loans to the Relevant Directors to assist them to acquire such Shares under the TNG Non-Executive Director and Consultant Share Plan.

The Relevant Directors, as Non-Executive Directors of the Company, are entitled to participate in the TNG Non-Executive Director and Consultant Share Plan. The Board considers that the issue of Shares to the Relevant Directors under the TNG Non-Executive Director and Consultant Share Plan and the provision of the Loans to the Relevant Directors to assist them to acquire Shares under the TNG Non-Executive Director and Consultant Share Plan is in the Company's interests as it further aligns the interests of the Relevant Directors as Non-Executive Directors with the interests of the Company's Shareholders.

**(a) Information required by Listing Rule 10.15**

Listing Rule 10.15 sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under Listing Rule 10.14. The following information is provided in accordance with Listing Rule 10.15:

- (i) Subject to Resolutions 3 to 6 being passed, the persons to acquire Shares under the TNG Non-Executive Director and Consultant Share Plan are Mr Michael Evans, Mr Rex Turkington, Mr Stuart Crow and Mr Zhigang Wang, all Non-Executive Directors of the Company.
- (ii) Subject to Resolutions 3 to 6 being passed, the Relevant Directors will acquire 2,000,000 Shares each under the TNG Non-Executive Director and Consultant Share Plan.
- (iii) The issue price payable by the Relevant Directors for the 2,000,000 Shares will be equal to the volume weighted average actual price at which Shares are traded on the ASX over the 5 trading days up to and including the date on which the offer is accepted by the Relevant Directors .
- (iv) Since the last approval, the following Shares have been issued to Non-Executive Directors under the TNG Non-Executive Director and Consultant Share Plan:

Name	Number of Shares received <sup>(1)</sup>	Price for each Share <sup>(1)</sup>
Stuart Crow	2,000,000	\$0.049
Rex Turkington	2,000,000	\$0.049
Michael Evans	2,000,000	\$0.049

<sup>(1)</sup>The above issues were approved at the 2013 AGM and further details can be found in the notice of AGM released to ASX on 22 October 2013.

- (v) The following Directors, being all the Non-Executive Directors of the Company, are entitled to participate in the TNG Non-Executive Director and Consultant Share Plan:
  - Mr Michael Evans;
  - Mr Stuart Crow;
  - Mr Rex Turkington;
  - Mr Zhigang Wang; and
  - Mr Jianrong Xu.
- (vi) A voting exclusion statement in respect of Resolutions 3 to 6 is set out in the Notice.
- (vii) Subject to Resolutions 3 to 6 being passed, at the time of the issue of the 2,000,000 Shares to each of the Relevant Directors under the TNG Non-Executive Director and Consultant Share Plan, the Relevant Directors will each be entitled to an interest free Loan to fund the acquisition of the Shares equal to the total amount due and payable in respect of the 2,000,000 Shares. Assuming the issue price for the Shares is equal to the market price of the Shares on 17 October 2014 of \$0.135, the value of the Loan to each of the Relevant Directors would be \$270,000. The Loans each have a term of 5 years. Further details of the terms of the Loans to be provided to the Relevant Directors are set out in paragraph 4 of Schedule 2 (*Loan*) of this Explanatory Memorandum.
- (viii) It is proposed that the Relevant Directors will each be issued the 2,000,000 Shares as soon as practicable after (and in any event within 12 months after) the date of the Meeting.

**(b) Information required for the purposes of Chapter 2E of the Corporations Act**

Section 219 of the Corporations Act sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under section 208(1). The following information is provided in accordance with section 219 of the Corporations Act and the corresponding ASIC policy:

- (i) Subject to Resolutions 3 to 6 being passed, the financial benefit would be given to each of the Relevant Directors, all Non-Executive Directors of the Company.
- (ii) There are two financial benefits being provided to the Relevant Directors. The nature of the financial benefits are as follows:
  - (a) issuing each of the Relevant Directors 2,000,000 Shares at an issue price equal to the volume weighted average actual price at which Shares are traded on the ASX over the 5 trading days up to and including the date the offer is accepted by the Relevant Directors under the TNG Non-Executive Director and Consultant Share Plan (see Schedule 2 of this Explanatory Memorandum for the terms and conditions of this plan). Assuming the issue price of the Shares is equal to the market price as at 17 October 2014 of \$0.135, the total value of the Shares is \$270,000; and
  - (b) providing the Relevant Directors with non-recourse, interest free Loans equal to the total amount due and payable in respect of the 2,000,000 Shares to fund the acquisition of the Shares. Assuming the issue price for the Shares is equal to the market price of the Shares on 17 October 2014 of \$0.135, the value the Loan provided to each of the relevant Directors would be \$270,000. The Loans each have a term of 5 years. Further details of the terms of the Loans to be provided to the Relevant Directors are set out in paragraph 4 of Schedule 2 (*Loan*) of this Explanatory Memorandum.
- (iii) Assuming the issue price of the Shares is equal to the market price as at 17 October 2014 of \$0.135, the total value of the Shares to be issued to each of the Relevant Directors is \$270,000 and the corresponding total value of the Loan is \$270,000. The value of the financial benefits being provided are:
  - (a) as at a particular point in time, the amount by which the value of the 2,000,000 Shares issued to each of the Relevant Directors exceeds the value of the Loans provided to them; and
  - (b) the lost opportunity cost to the Company of providing the Loans to the relevant Directors on an interest free basis. The value of this loss is based on the lost opportunity cost to the Company, which if the Company held the value of the Loans in cash, would be the value that the Company would earn from holding the value of the Loans in a term deposit bank account for the term of the Loans. On this basis, the value of the lost opportunity cost is the value of the Loan multiplied by an interest rate of 4.15 % (which is the interest rate available from the Company's bank on cash term deposits equal to the value of the Loans as at the date of this Notice) multiplied by the term of the Loans. Therefore, the lost opportunity cost of providing the Loans to the Relevant Directors is  $\$270,000 \times 4.15 \% \times 5 = \$56,025$  for each Loan.
- (iv) The number of Shares to be issued was determined having regard to the Relevant Directors' performance, current market conditions and other remuneration each of the Relevant Directors is due to receive under their respective terms of engagement and the issue price was determined in accordance with the terms and conditions of the TNG Non-Executive Director and Consultant Share Plan as set out in Schedule 2 of this Explanatory Memorandum.
- (v) The Shares issued to each of the relevant Directors remain at risk and cannot be sold, transferred, assigned, charged or otherwise encumbered by the relevant Directors until the Relevant Directors (respectively) have remained an Eligible Entity (as defined in the TNG Non-Executive Director and Consultant Share Plan) for 12 months after the date the Shares are issued to them (unless this requirement is waived by the Board).

- (vi) Independent accounting firm BDO Corporate Finance Pty Ltd has valued the Shares as a put option using a binomial option pricing model as this method captures the value of the Shares after taking into account their outstanding debt obligations. It also used the Black Scholes option pricing model to validate the valuation prices calculated by the binomial option pricing model. The put option valuation was based on the following assumptions:

Underlying Security Value	\$0.16
Exercise Price	\$0.16
Valuation Date	1 October 2014
Expiration Date	1 October 2019
Life of the Options	5 Years
Volatility	95%
Risk free rate	3.005%
Number of options to be issued to each Relevant Director	2,000,000
Valuation per put option	\$0.117
Valuation per Tranche of Shares	\$234,000

- (vii) Relevant Directors currently receive Directors' fees of \$50,000 per annum. In addition, Relevant Directors receive (from time to time) grants of Shares (pursuant to the TNG Non-Executive Director and Consultant Share Plan) and, in some cases, grants of Options (pursuant to the TNG Non-Executive Director and Consultant Option Plan). Details of the current year's grant of Shares are set out in this Notice. Details of previous years' grants of Shares and/or Options are set out in the 2012 and 2013 Notices of Annual General Meeting released to ASX on 19 October 2012 and 22 October 2013 respectively. In addition, details can be found in the Remuneration Report set out in the Company's 2014 Annual Report available from the Company's website. In accordance with Accounting Standards, for the purposes of the Remuneration Report the value of equity based grants (such as grants of Shares and/or Options) is treated as remuneration and amortised as an expense over a period of one year from the date of grant. A table setting out 2014 remuneration packages and proposed 2015 remuneration packages (prepared in accordance with the Accounting Standards) is set out below:

Consolidated		Short Term		Post-Employment	Long Term	Total
Directors		Salary & Fees	Other	Super-annuation	Share-based Payments/Options <sup>(1)</sup>	
		\$	\$	\$	\$	\$
Michael Evans	2015	50,000	-	-	137,774	187,774
	2014	50,000	-	-	59,726	109,726
Geoffrey Crow	2015	50,000	-	-	120,859	170,859
	2014	50,000	-	-	111,162	161,162
Rex Turkington	2015	50,000	-	-	120,859	170,859
	2014	50,000	-	-	111,162	161,162
Zhigang Wang	2015	50,000	-	-	114,415	164,415
	2014	50,000	-	-	73,414	123,414

<sup>(1)</sup> See BDO Corporate Finance Pty Ltd valuation above. The share based payment component of remuneration represents the amortised valuation of Shares and Options granted to Directors. The expense is amortised over the 12 month period following issues of Shares or Options.

- (viii) The Relevant Directors held or had interests in the following securities in the Company as at the date of this Notice:

	Shares	Options
Michael Evans	2,507,937	2,111,111
Rex Turkington	5,721,333	166,666
Stuart Crow	4,870,538	166,666
Zhigang Wang	56,708,643	3,600,000

- (ix) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.340	14 July 2014
Lowest	\$0.037	4 February 2014
Last	\$0.135	17 October 2014

- (x) If the 2,000,000 Shares are issued to each of the Relevant Directors, this will increase the number of Shares on issue from 554,576,423 to 562,576,423 (assuming that no other Shares are issued after the date of this Notice (other than those set out in Resolutions 3 to 7 and no Options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.43 %.
- (xi) The Board considers that the issue of Shares to each of the Relevant Directors under the TNG Non-Executive Director and Consultant Share Plan is in the Company's interests as it further aligns the interests of the Relevant Directors as Non-Executive Directors with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, the issue of the Shares provides cost effective consideration to the Relevant Directors in their roles as Non-Executive Directors.
- (xii) The Board acknowledges the issue of Shares is not consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations since the issues of Shares are being made to Non-Executive Directors. However, the Board considers the issues of Shares to the Relevant Directors reasonable in the circumstances (and consistent with market practice for some junior resources companies) in order to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves.
- (xiii) The Directors do not make any recommendation to Shareholders in respect of Resolutions 3 to 6 since these Resolutions concern Directors remuneration and, as such, there may be a conflict of interest.
- (xiv) The Relevant Directors each have a material personal interest in the outcome of Resolutions 3 to 6 respectively since they will each receive 2,000,000 Shares under the TNG Non-Executive Director and Consultant Share Plan if these Resolutions are approved by Shareholders. In accordance with the voting exclusion statements set out in the Notice with respect to Resolutions 3 to 6, the Relevant Directors and their associates will be excluded from voting on these Resolutions at the Meeting.
- (xv) The Board and the Company are not aware of any other information (other than the information set out or referred to in this Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass Resolutions 3 to 6.

## Resolution 7 – Approval of issue of Shares and Loan to Mr Paul Burton

Resolution 7 seeks Shareholder approval under Listing Rule 10.14 and section 208(1) of the Corporations Act for the proposed issue of 4,000,000 Shares to Mr Paul Burton under the TNG Employee Share Plan, and for the proposed Loan to Mr Burton to assist him to acquire such Shares under the TNG Employee Share Plan.

As announced to ASX on 17 October 2014, Mr Burton has entered into a new employment services agreement in respect of his position as Managing Director (**Employment Services Agreement**). Under the Employment Services Agreement, Mr Burton is entitled to be issued with 4,000,000 Shares pursuant to the TNG Employee Share Plan. The Board considers that the issue of Shares to Mr Burton under the TNG Employee Share Plan and the provision of the Loan to Mr Burton to assist him to acquire Shares under the TNG Employee Share Plan is in the Company's interests as it further aligns the interests of Mr Burton as the Managing Director with the interests of the Company's Shareholders.

The Shares issued to Mr Burton cannot be sold, transferred, assigned, charged or otherwise encumbered until the restriction conditions (or performance hurdles) set out in paragraph (b)(5) below are satisfied (unless waived by the Board).

**(a) Information required by Listing Rule 10.15**

Listing Rule 10.15 sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under Listing Rule 10.14. The following information is provided in accordance with Listing Rule 10.15:

- (i) Subject to Resolution 7 being passed, the person to acquire Shares under the TNG Employee Share Plan is Mr Burton, the Managing Director of the Company.
- (ii) Subject to Resolution 7 being passed, Mr Burton will acquire 4,000,000 Shares under the TNG Employee Share Plan.
- (iii) The issue price payable by Mr Burton for the 4,000,000 Shares will be equal to the volume weighted average actual price at which Shares were traded on the ASX over the 5 trading days up to and including the date the offer is accepted by Mr Burton.
- (iv) Since the last approval, the following Shares have been issued under the TNG Employee Share Plan:

Name	Number of Shares received <sup>(1)</sup>	Price for each Share <sup>(1)</sup>
Paul Burton	2,000,000	\$0.049

<sup>(1)</sup>The above issues were approved at the 2013 AGM and further details can be found in the notice of AGM released to ASX on 22 October 2013.

- (v) Mr Burton, as the Managing Director of the Company and the only executive Director, is the only Director entitled to participate in the TNG Employee Share Plan.
- (vi) A voting exclusion statement in respect of Resolution 7 is set out in the Notice.
- (vii) Subject to Resolution 7 being passed, at the time of the issue of the 4,000,000 Shares to Mr Burton under the TNG Employee Share Plan, Mr Burton will be entitled to an interest free Loan for the total amount due and payable in respect of the 4,000,000 Shares, with a term of 5 years to fund the acquisition of the Shares. Further details of the terms of the Loan to be provided to Mr Burton are set out in paragraph 4 of Schedule 3 (*Loan*) of this Explanatory Memorandum.
- (viii) It is proposed that Mr Burton will be issued the 4,000,000 Shares as soon as practicable after (and in any event within 12 months after) the date of the Meeting.

**(b) Information required for the purposes of Chapter 2E of the Corporations Act**

Section 219 of the Corporations Act sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under section 208(1) of the Corporations Act. The following information is provided in accordance with section 219 of the Corporations Act and the corresponding ASIC policy:

- (i) Subject to Resolution 7 being passed, the financial benefit would be given to Mr Burton, the Managing Director of the Company.
- (ii) There are two financial benefits being provided to Mr Burton. The nature of the financial benefits are as follows:
  - (a) issuing Mr Burton 4,000,000 Shares at an issue price equal to the volume weighted average actual price at which Shares are traded on the ASX over the 5 trading days up to and including the date on which Mr Burton entered into the Employment Services Agreement, being \$0.143 as at 17 October 2014. The total value of the 4,000,000 Shares is \$572,000; and

- (b) providing Mr Burton with a non-recourse, interest free Loan for the total amount due and payable in respect of the 4,000,000 Shares, for a term of 5 years to assist him to acquire the 4,000,000 Shares. The value of the Loan will be determined by the issue price of the 4,000,000 Shares. The issue price is equal to the volume weighted average actual price at which Shares are traded on the ASX over the 5 trading days up to and including the date on which Mr Burton entered into the Employment Services Agreement, being \$0.143 as at 17 October 2014. The total value of the Shares and the corresponding total value of the Loan is \$572,000. Further details of the terms of the Loan are set out in paragraph 4 of Schedule 3 (*Loan*).
- (iii) The total value of the Shares is \$572,000 and the corresponding total value of the Loan is \$572,000. The value of the financial benefits being provided are:
- (a) as at a particular point in time, the amount by which the value of the 4,000,000 Shares issued to Mr Burton exceeds the value of the Loan; and
- (b) the lost opportunity cost to the Company of providing the Loan to Mr Burton on an interest free basis. The value of this loss is based on the lost opportunity cost to the Company, which if the Company held the value of the Loan in cash, would be the value that the Company would earn from holding the value of the Loan in a term deposit bank account for the term of the Loan. On this basis, the value of the lost opportunity cost is the value of the Loan multiplied by an interest rate of 4.15 % (which is the interest rate available from the Company's bank on cash term deposits equal to the value of the Loan as at the date of this Notice) multiplied by the term of the Loan. Therefore, the lost opportunity cost of providing the Loan to Mr Burton is  $\$572,000 \times 4.15 \% \times 5 = \$118,690$
- (iv) The number of Shares to be issued was determined having regard to Mr Burton's performance, current market conditions and other remuneration he is due to receive under the Employment Services Agreement and the issue price was determined in accordance with the terms and conditions of the TNG Employee Share Plan as set out in Schedule 3 of this Explanatory Memorandum.
- (v) The Shares issued to Mr Burton remain at risk and cannot be sold, transferred, assigned, charged or otherwise encumbered by Mr Burton until Mr Burton has remained an Eligible Employee (as defined in the TNG Employee Share Plan) for 12 months after the date the Shares are issued to him (unless this requirement is waived by the Board).
- (vi) Independent accounting firm BDO Corporate Finance Pty Ltd has valued the Shares as a put option using a binomial option pricing model as this method captures the value of the Shares after taking into account their outstanding debt obligations. It also used the Black Scholes option pricing model to validate the valuation prices calculated by the binomial option pricing model. The put option valuation was based on the following assumptions:

Underlying Security Value	\$0.16
Exercise Price	\$0.16
Valuation Date	1 October 2014
Expiration Date	1 October 2019
Life of the Options	5 Years
Volatility	95%
Risk free rate	3.005%
Number of options	4,000,000
Valuation per put option	\$0.117
Valuation per Tranche of Shares	\$468,000

- (vii) In 2014 Mr Burton received total salary and superannuation benefits of \$421,771. In addition, Mr Burton has received (from time to time) grants of Shares (pursuant to the TNG Employee Share Plan). Details of the current year's grant of Shares are set out in this Notice. Details of previous years' grants of Shares are set out in the 2012 and 2013 Notices of Annual General Meeting released to ASX on 19 October 2012 and 22 October 2013 respectively. In addition, details can be found in the Remuneration Report set out in the Company's 2014 Annual Report available from the Company's website. In accordance with Accounting Standards, for the purposes of the



Remuneration Report the value of equity based grants (such as grants of Shares and/or Options) is treated as remuneration and amortised as an expense over a period of one year from the date of grant. A table setting out Mr Burton's 2014 remuneration package and proposed 2015 remuneration package (prepared in accordance with the Accounting Standards) is set out below:

	Short Term		Post-Employment	Long Term	
	Salary & Fees	Other	Super-annuation	Share-based Payments/Options <sup>(2)</sup>	Total
	\$	\$	\$	\$	\$
2015	409,500	108,000 <sup>(1)</sup>	36,855	218,359	772,714
2014	386,060	-	35,711	288,367	710,138

<sup>(1)</sup> This figure is the bonus arrangement provided for in Mr Burton's Employment Services Agreement.

<sup>(2)</sup> See BDO Corporate Finance Pty Ltd valuation above. The share based payment component of remuneration represents the amortised valuation of Shares and (where applicable) Options granted to Directors. The expense is amortised over the 12 month period following issues of Shares or Options.

Further details in relation to Mr Burton's current remuneration are set out in the ASX announcement dated 17 October 2014 in relation to Mr Burton's Employment Services Agreement.

- (viii) Mr Burton held or had an interest in the following securities in the Company as at the date of this Notice:

Type of security	Number
Shares	9,083,333
Options	166,666

- (ix) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.340	14 July 2014
Lowest	\$0.037	4 February 2014
Last	\$0.135	17 October 2014

- (x) If the 4,000,000 Shares are issued to Mr Burton, this will increase the number of Shares on issue from 554,576,423 to 558,576,423 (assuming that no other Shares are issued after the date of this Notice (other than those set out in Resolutions 3 to 7) and no Options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.72 %.
- (xi) The Board considers that the issue of Shares to Mr Burton under the TNG Employee Share Plan is in the Company's interests as it further aligns the interests of Mr Burton as an Executive Director with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, the issue of the Shares provides cost effective consideration to Mr Burton in his role as Managing Director of the Company.
- (xii) The Directors do not make any recommendation to Shareholders in respect of Resolution 7 since this Resolution concerns a Director's remuneration and, as such, there may be a conflict of interest.
- (xiii) Mr Burton has a material personal interest in the outcome of Resolution 7 since he will receive 4,000,000 Shares under the TNG Employee Share Plan if this Resolution is approved by Shareholders. In accordance with the voting exclusion statements set out in the Notice with respect to Resolution 7, Mr Burton will be excluded from voting on this Resolution at the Meeting.
- (xiv) The Board and the Company are not aware of any other information (other than the information set out or referred to in this Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolution.

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## **Part D – Approval of Conditional Waiver of 2012 Loan Agreement**

### **Resolution 8 – Approval of Conditional Waiver of 2012 Loan Agreement and financial assistance thereunder**

At the AGM held on 21 November 2012, Shareholders approved the issue of 6,000,000 Shares to Mr Paul Burton and the provision of a loan of \$508,200 to assist with the acquisition of the Shares under the TNG Employee Share Plan (the “**2012 Loan**”).

As referred to above, Mr Burton has entered into the Employment Services Agreement, announced to ASX on 17 October 2014. The Employment Services Agreement requires the Company and Mr Burton to enter into the Conditional Waiver of 2012 Loan Agreement. The Conditional Waiver of 2012 Loan Agreement is conditional on receipt of Shareholder approval, as envisaged by this Resolution 8.

Pursuant to the terms of the Conditional 2012 Waiver of Loan Agreement, if there is a change in control of the Company during the term of the Employment Services Agreement, the Company absolutely and irrevocably releases Mr Burton from his obligations to repay the 2012 Loan and forgives the debt comprising the 2012 Loan. This waiver of the 2012 Loan is triggered by a change of control and is not linked in any way to Mr Burton’s continued employment or any termination thereof. Accordingly, the benefit is not given in connection with retirement from an office or position.

Under the terms of the Conditional Waiver of 2012 Loan Agreement, a “change in control” will occur when a person or entity who controls the Company at the date of the agreement ceases to control the Company and/or a person or entity that did not control the Company at the date of the agreement obtains control of the Company. Control has the meaning given to it by the Corporations Act.

Resolution 8 seeks Shareholder approval for the Conditional Waiver of 2012 Loan Agreement under certain sections of the Corporations Act.

#### **Financial assistance – Part 2J.3 of the Corporations Act**

Under the terms of the Conditional Waiver of 2012 Loan Agreement, in the event of a change of control of the Company, the waiver of the 2012 Loan by the Company will constitute ‘financial assistance’ in connection with the acquisition of shares for the purposes of Part 2J.3 of the Corporations Act.

Section 260A of the Corporations Act states that a company may financially assist a person to acquire shares in the Company only if:

- (i) giving the financial assistance does not materially prejudice the interests of the company or its shareholders or the company’s ability to pay its creditors;
- (ii) the assistance is approved by shareholders under section 260B; or
- (iii) the assistance is exempt under section 260C.

Given that the Conditional Waiver of 2012 Loan Agreement does not fall within an exception under section 260C, the Board is seeking Shareholder approval under section 260B(1) of the Corporations Act in Resolution 8.

All of the information that is material to the decision on how to vote on Resolution 8 for the purposes of section 260B of the Corporations Act is set out below and elsewhere in this Explanatory Memorandum or has previously been disclosed to Shareholders (by way of ASX announcements).

The amount of the financial assistance that may be provided to Mr Burton is \$508,200, being the amount of the 2012 Loan that may be waived by the Company. The Board considers that the waiver of the 2012 Loan would be appropriate in the circumstances of a change of control as it would provide further reward for Mr Burton in recognition of the significant contribution he has made to the growth and continued success of the Company.

## Financial benefit – Part 2E.1 of the Corporations Act

Under the terms of the Conditional Waiver of 2012 Loan Agreement, in the event of a change of control of the Company, the waiver of the 2012 Loan by the Company will constitute the giving of a financial benefit to a related party for the purposes of Part 2E.1 of the Corporations Act.

Section 208(1) of the Corporations Act states that for a public company to give a financial benefit to a related party of the public company (which includes its directors):

- (i) the public company must (a) obtain the approval of the public company's shareholders; and (b) give the benefit within 15 months after the approval; or
- (ii) the giving of the benefit must fall within an exception set out in sections 210 to 216.

Section 208(2) of the Corporations Act provides that if:

- (i) the giving of the benefit is required by a contract; and
- (ii) the making of the contract was approved in accordance with 208(1) as a financial benefit given to a related party; and
- (iii) the contract was made within 15 months after that approval or before that approval if the contract was conditional upon that approval being obtained,

then member approval for the giving of the benefit is taken to have been given and the benefit need not be given within 15 months.

As the time for the giving of the financial benefit under the Conditional Waiver of 2012 Loan Agreement is not yet known, Resolution 8 seeks Shareholder approval of the Conditional Waiver of 2012 Loan Agreement and the making of that contract by the Company, under sections 208(1) and 208(2) of the Corporations Act.

Section 219 of the Corporations Act sets out information that must be provided to Shareholders in order to obtain Shareholder approval under section 208. The following information is provided in accordance with section 219 and the corresponding ASIC policy:

- (i) Subject to Resolution 8 being passed, the financial benefit would be given to Mr Burton, the Managing Director of the Company.
- (ii) The nature of the financial benefit being provided to Mr Burton is the waiver of the 2012 Loan, being an interest free loan of \$508,200 provided to Mr Burton in 2012 to assist Mr Burton to acquire 6,000,000 Shares issued under the TNG Employee Share Plan.
- (iii) The value of the 2012 Loan will not be recovered by the Company if the 2012 Loan is waived in the event of a change of control of the Company.
- (iv) As at the date of this Notice, the following Shares have been issued to Mr Burton, and Loans provided to assist with the acquisition of the Shares, under the TNG Employee Share Plan:

Year	Number of Shares	Amount of Loan in 2012
2012	6,000,000	\$508,200
2013	2,000,000	\$98,000

- (v) Subject to Resolution 7 being passed, Mr Burton will be issued a further 4,000,000 Shares and will be entitled to an interest free Loan for the total amount payable in respect of the 4,000,000 Shares, with a term of 5 years to fund the acquisition of the 4,000,000 Shares. The total value of the Shares and the corresponding total value of the Loan is \$572,000.

- (vi) The Conditional Waiver of 2012 Loan Agreement provides for a waiver of only the 2012 Loan (being a total of \$508,200) which was provided to Mr Burton to assist with the acquisition of the 6,000,000 Shares issued to Mr Burton in 2012 under the TNG Employee Share Plan, and not the subsequent Loans referred to above.
- (vii) Mr Burton has a material personal interest in the outcome of Resolution 8. In accordance with the voting exclusion statement set out in the Notice with respect to Resolution 8, Mr Burton and his associates will be excluded from voting on this Resolution at the Meeting.
- (viii) The Directors have decided not to make any recommendations to Shareholders in respect of Resolution 8 since the Resolution concerns a financial benefit to a Director.
- (ix) Further details in relation to Mr Burton's remuneration and employment arrangements are set out in the ASX announcement dated 17 October 2014 in relation to Mr Burton's Employment Services Agreement.
- (x) The Board and the Company are not aware of any other information (other than the information set out or referred to in the Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the interests of the Company to pass the Resolution.

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## **Part E – Ratification of prior issues**

### **Resolution 9 – Ratification of issue of Free Attaching Options under the February 2014 Placement**

Shareholders approved the February 2014 Placement Facility of 50,000,000 Shares at the 2013 AGM, allowing the Directors to issue Shares during the 3 month period after the 2013 AGM (or a longer period if allowed by ASX), without using up the Company's 15% placement capacity under Listing Rule 7.1. Further details on the February 2014 Placement Facility can be found in the notice of AGM released to ASX on 22 October 2013.

Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceed 15% of the number of issued ordinary securities at the beginning of the 12 month period, except with the prior approval of shareholders in a general meeting. Listing Rule 7.4 provides an exception to Listing Rule 7.1 such that where a company in general meeting subsequently approves a previous issue of securities made without approval under Listing Rule 7.1, those securities are deemed to have been issued with shareholder approval for the purposes of Listing Rule 7.1 (provided the issue did not breach Listing Rule 7.1).

On 27 February 2014 the Company issued 13,438,333 Shares under the February 2014 Placement Facility and 6,719,167 Free Attaching Options under Listing Rule 7.1.

While the issue of Shares fell within the approved February 2014 Placement Facility, the issue of Free Attaching Options has restricted the Company's ability to issue further equity securities without Shareholder approval. Shareholder approval is sought pursuant to Listing Rule 7.4 to reinstate the Company's capacity to issue Equity Securities representing up to 15% of its issued ordinary capital, if required, without prior Shareholder approval.

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders in relation to the issue of the Free Attaching Options in connection with the issue of Shares under the February 2014 Placement Facility:

- (a) the total number of Free Attaching Options issued was 6,719,167;
- (b) the Free Attaching Options were issued for free along with Shares issued pursuant to the February 2014 Placement Facility;
- (c) each Free Attaching Option will have an exercise price of \$0.08 per Free Attaching Option and will expire on 31 July 2015 and will otherwise be issued on the terms set out in section 4.5 of the Prospectus (a copy of that section is reproduced in Schedule 4);

- (d) the allottees of the Free Attaching Options were sophisticated or professional investors (or other investors falling within an exception in section 708 of the Corporations Act);
- (e) as announced to ASX on 25 February 2014, funds raised under the February 2014 Placement Facility have been and will be used to progress the ongoing Definitive Feasibility Study on the Company's flagship Mount Peake Iron-Vanadium-Titanium Project in the Northern Territory, as well as to progress its other exploration projects and for general working capital; and
- (f) a voting exclusion statement in respect of Resolution 8 is set out in the Notice.

The Board unanimously recommends that Shareholders vote in favour of Resolution 9.

### **Resolution 10 – Ratification of issue of Shares and Free Attaching Options under the March 2014 Placement**

On 6 March 2014 the Company announced to ASX that it had issued 2,966,665 Shares and 1,483,324 Free Attaching Options under Listing Rule 7.1 (the “**March 2014 Placement**”).

The issue of Shares and Free Attaching Options under the March 2014 Placement has restricted the Company's ability to issue further equity securities without Shareholder approval. Shareholder approval is sought pursuant to Listing Rule 7.4 to reinstate the Company's capacity to issue equity securities representing up to 15% of its issued ordinary capital, if required, without prior Shareholder approval.

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders in relation to the issue of the Shares and the Free Attaching Options under the March 2014 Placement:

- (a) the total number of Shares issued was 2,966,665;
- (b) the total number of Free Attaching Options issued was 1,483,324;
- (c) the Shares were issued for \$0.045 each and were issued on the same terms as the other Shares on issue;
- (d) the Free Attaching Options were issued for free along with Shares issued pursuant to the March 2014 Placement;
- (e) each Free Attaching Option will have an exercise price of \$0.08 per Free Attaching Option and will expire on 31 July 2015 and will otherwise be issued on the terms set out in section 4.5 of the Prospectus (a copy of that section is reproduced in Schedule 4);
- (f) the allottees of the Shares and Free Attaching Options were sophisticated or professional investors (or other investors falling within an exception in section 708 of the Corporations Act);
- (g) as announced to ASX on 6 March 2014, funds raised under March 2014 Placement have and will be used to progress the ongoing Definitive Feasibility Study on the Company's flagship Mount Peake Iron-Vanadium-Titanium Project in the Northern Territory, as well as to progress its other exploration projects and for general working capital; and
- (h) a voting exclusion statement in respect of Resolution 10 is set out in the Notice.

The Board unanimously recommends that Shareholders vote in favour of Resolution 10.

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## Part F – 10% Placement Facility

### Resolution 11 – Approval of the 10% Placement Facility under Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue (or agree to issue) Equity Securities representing up to 10% of their issued share capital through placements for up to 12 months after their annual general meeting (the “**10% Placement Facility**”). A 10% Placement Facility is in addition to an eligible entity’s 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue (or agree to issue) Equity Securities under a 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see paragraph (c) (Formula for calculating 10% Placement Facility) below).

### Description of Listing Rule 7.1A

#### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting (which requires the approval of 75% of the votes cast by Shareholders present and eligible to vote on the Resolution).

#### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

#### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the period of approval, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

where:

- A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:
- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
  - (ii) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
  - (iii) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary securities under the entity’s 15% placement capacity without Shareholder approval pursuant to Listing Rule 7.1 or ratification pursuant to Listing Rule 7.4;
  - (iv) less the number of fully paid ordinary securities cancelled in the 12 months.

*Note that “A” has the same meaning in Listing Rule 7.1 when calculating an entity’s 15% placement capacity.*

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rules 7.1 or 7.4.

**(d) Listing Rule 7.1 and Listing Rule 7.1A**

As mentioned above, the ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 554,576,423 Shares and has capacity to issue:

- (i) 64,208,428 Equity Securities under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 11 at the Meeting, 50,585,056 Shares under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue (or entry into an agreement to issue) of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to paragraph (c) (Formula for calculating 10% Placement Facility) above).

**(e) Minimum issue price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price ("VWAP") of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i), the date on which the Equity Securities are issued.

**(f) 10% Placement Facility period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which Shareholder approval is obtained to the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which Shareholder approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking),

(the **10% Placement Period**).

**Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided in relation to the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than the amount described in paragraph (e) (Minimum issue price) above.
- (b) If Resolution 11 is approved by Shareholders at the Meeting and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic interest may be diluted if the Equity Securities are issued at a discount. Further, the existing Shareholders' voting power in the Company will be diluted by up to 9.09%. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of Shareholder approval at the AGM; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities and also on the Company's Share price post issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current Share price and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice (see paragraph (c) (Formula for calculating 10% Placement Facility) above).

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro-rata entitlement offer or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved by Shareholders at this Meeting or at future Shareholder meetings; and
- (ii) two examples where the issue price of Shares has changed – in one example it has decreased by 50% and in another it has increased by 50% against the current Share price (which, for the purposes of this table, is \$0.135 as at 17 October 2014).

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		Assuming 50% decrease in issue price \$0.0675	Issue price \$0.135	50% increase in issue price \$0.27
<b>Current Variable A</b> 506,057,963 Shares on issue	<b>Number of shares that could be issued under 10% Placement Facility</b>	50,605,796 Shares	50,605,796 Shares	50,605,796 Shares
	<b>Funds that could be raised</b>	\$3,415,891	\$6,831,783	\$13,663,565
<b>50% increase in current Variable A</b> Assuming 759,086,945 Shares on issue	<b>Number of shares that could be issued under 10% Placement Facility</b>	75,908,694 Shares	75,908,694 Shares	75,908,694 Shares
	<b>Funds that could be raised</b>	\$5,123,837	\$10,247,674	\$20,495,348
<b>100% increase in current Variable A</b> Assuming 1,012,115,926 Shares	<b>Number of shares that could be issued under 10% Placement Facility</b>	101,211,592 Shares	101,211,592 Shares	101,211,592 Shares
	<b>Funds that could be raised</b>	\$6,831,783	\$13,663,565	\$27,327,130

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) In each case, an issue of the maximum number of shares under the 10% Placement Facility would dilute the Shareholders as at the date immediately prior to the issue by up to 9.09 %. For example, based on the current number



of Shares as at the date of this Notice, existing Shareholders would have 554,783,829 votes out of a total post-issue number of shares of 610,262,212 shares, representing 9.09 % of the post-issue total number of shares (or a dilution of 9.09 %).

- (iii) The table does not show the economic dilution that may be caused to a particular Shareholder's shareholding by reason of placements under the 10% Placement Facility.
  - (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (v) The issue of Equity Securities under the 10% Placement Facility consists only of Shares (since this is the only class of listed securities the Company has on issue at the date of this Notice).
  - (vi) The base issue price is assumed to be \$0.135 being the closing price of the Shares on ASX on 17 October 2014.
  - (vii) The issue price is assumed to be the current Share price as at 17 October 2014 of \$0.135 (rather than being based on the 15 trading day VWAP).
  - (viii) No Options are exercised before the issue of Equity Securities under the 10% Placement Facility.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 11 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue Equity Securities under the 10% Placement Facility for the following purposes:
- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards acquisitions of new assets or investments (including expenses associated with such acquisitions or repayment of debt drawn down to fund such acquisitions), for capital expenditure on the Company's current assets for continued exploration and development of its current projects and/or for general working capital.

The Company may issue such Equity Securities for non-cash consideration.

The Company will comply with its disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities under the 10% Placement Facility.

- (e) The Company's allocation policy for issues of new Shares under the 10% Placement Facility is dependent on the prevailing market conditions at the time of any proposed issue. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to, without limitation, the following factors:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate and other forms of equity and debt financing;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (f) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.
- (g) The total number of Equity Securities issued by the Company in the 12 months preceding the date of the Meeting is 44,142,791 representing 9.33 % of the total number of Equity Securities on issue at the commencement of that 12 month period.

- (h) Set out below are the details of all issues of Equity Securities by the Company during the 12 months preceding the date of the Meeting:

Date of issue:	27 November 2013
Number issued and type of security issued:	11,850,000 Shares 4,000,000 Options
Summary of terms:	Fully paid ordinary shares  Unlisted options exercisable at \$0.057 expiring 26 November 2016  The terms of these securities are described in more detail in the Company's 2013 Notice of Annual General Meeting released to ASX on 22 October 2013.
Names of persons who received securities or basis on which those persons was determined:	4,100,000 Shares issued under TNG Employee Share Plan.  2,000,000 Shares issued to each of Messrs Evans, Turkington and Crow as Non-Executive Directors of the Company under the TNG Non-Executive Director and Consultant Share Plan.  3,000,000 Shares issued to consultants to the Company under TNG Non-Executive Director and Consultant Share Plan.  4,000,000 unlisted Options issued to Mr Michael Evans and Mr Zhigang Wang pursuant to the TNG Non-Executive Director and Consultant Option Plan
Price:	Shares issued at \$0.049 Options issued for nil consideration <u>Value at time of issue</u> \$0.049 per Share \$0.029 per Option <u>Value at 17 October 2014</u> \$0.135 per Share \$0.103 per Option
Discount to market price (if any):	The price of \$0.049 was 0% discount to the market price on the date of issue.
Total cash consideration received:	No cash consideration was received for the 11,850,000 Shares issued under TNG Share Plans. Pursuant to the TNG Share Plans, the Company provided loans to participants to assist them to acquire the Shares.
Amount of cash consideration spent	N/A
Date of Issue	27 November 2013

Use of Cash Consideration	N/A
Intended use for remaining amount of cash (if any):	N/A

Date of issue:	27 February 2014								
Number issued and type of security issued:	(a) 13,438,333 Shares (b) 6,719,167 Options								
Summary of terms:	(a) fully paid ordinary shares (b) listed options with exercise price of \$0.08 expiring 31 July 2015.								
Names of persons who received securities or basis on which those persons was determined:	Shares issued to sophisticated and professional investors pursuant to a placement announced 25 February 2014								
Price:	(a) 13,438,333 Shares at \$0.045 (b) 6,719,167 Free Attaching Options								
Discount to market price (if any):	Shares issued at \$0.045, being a discount of 4.26% to the closing Share price of the day prior to issue, which was \$0.047.								
Total cash consideration received:	\$604,725								
Amount of cash consideration spent:	\$604,725								
Use of cash consideration:	<table> <tr> <td>Raising Costs</td><td>\$30,061</td></tr> <tr> <td>Exploration expenses including drilling</td><td>\$197,619</td></tr> <tr> <td>Mount Peake DFS expenses</td><td>\$237,045</td></tr> <tr> <td>General Overheads including salaries and wages, rent and other expenses</td><td>\$140,000</td></tr> </table>	Raising Costs	\$30,061	Exploration expenses including drilling	\$197,619	Mount Peake DFS expenses	\$237,045	General Overheads including salaries and wages, rent and other expenses	\$140,000
Raising Costs	\$30,061								
Exploration expenses including drilling	\$197,619								
Mount Peake DFS expenses	\$237,045								
General Overheads including salaries and wages, rent and other expenses	\$140,000								
Intended use for remaining amount of cash (if any):	N/A								

Date of issue:	6 March 2014
Number issued and type of security issued:	(a) 2,966,665 Shares (b) 1,483,324 Options
Summary of terms:	(a) fully paid ordinary shares (b) listed options with exercise price of \$0.08, expiry date of 31 July 2015.
Names of persons who received securities or basis on which those persons was determined:	Shares issued to sophisticated and professional investors pursuant to a placement announced 25 February 2014
Price:	(a) 2,966,665 Shares at \$0.045 (b) 1,483,324 Free Attaching Options
Discount to market price (if any):	Shares issued at \$0.045, being a premium of 4.65% to the closing Share price of the day prior to issue, which was \$0.043.
Total cash consideration received:	\$133,500
Amount of cash consideration spent:	\$133,500
Use of cash consideration:	Raising Costs \$24,582 Exploration expenses including drilling \$108,918
Intended use for remaining amount of cash (if any):	N/A

Date of Issue	31 March 2014
Number issued and type of security issued:	500,000 Shares
Summary of terms:	Fully paid ordinary shares
Names of persons who received securities or basis on which those persons was determined:	Shares issued to consultant for services provided.
Price:	Nil
Discount to market price (if any):	Closing Share price of day prior to issue \$0.063
Total cash consideration received:	Nil

Amount of cash consideration spent:	N/A
Use of cash consideration:	Consultancy services were provided to a value of \$31,500 (500,000 Shares at \$0.063).
Intended use for remaining amount of cash (if any):	N/A

Date of Issue	6 June 2014
Number issued and type of security issued:	4,500,000 unlisted Options
Summary of terms:	Unlisted Options exercisable at \$0.15 on or before 6 June 2017
Names of persons who received securities or basis on which those persons was determined:	Options issued under the TNG Non-Executive Director and Consultant Option Plan
Price:	Nil <u>Value at time of issue</u> (b) \$0.092 per Option <u>Value at date of notice</u> (b) \$0.072 per Option
Discount to market price (if any):	N/A
Total cash consideration received:	Nil
Amount of cash consideration spent:	N/A
Use of cash consideration:	N/A
Intended use for remaining amount of cash (if any):	N/A

Date of Issue	30 June 2014 21 July 2014 4 August 2014 15 August 2014 27 August 2014
Number issued and type of security issued:	44,444 99,999 22,222 33,333 22,222
Summary of terms:	Fully paid ordinary shares
Names of persons who received securities or basis on which those persons was determined:	Existing Shareholders exercising Options
Price:	\$0.08 per Share
Discount to market price (if any):	Closing Share price of day prior to issue:  30 June 2014      \$0.165 24 July 2014      \$0.230 4 August 2014      \$0.195 15 August 2014    \$0.235 27 August 2014    \$0.240
Total cash consideration received:	\$17,777
Amount of cash consideration spent:	\$17,777
Use of cash consideration:	General overheads including salaries and wages, rent and other expenses
Intended use for remaining amount of cash (if any):	N/A

Date of Issue	27 August 2014
Number issued and type of security issued:	400,000
Summary of terms:	Fully paid ordinary shares
Names of persons who received securities or basis on which those persons was determined:	Exercise of unlisted Options by a Director
Price:	\$0.235 per Share
Discount to market price (if any):	Shares issued at \$0.235, being a discount of 2.08% to the closing Share price of the day prior to issue, being \$0.24.
Total cash consideration	\$9,400

received:	
Amount of cash consideration spent:	\$9,400
Use of cash consideration:	General overheads including salaries and wages, rent and other expenses
Intended use for remaining amount of cash (if any):	N/A

- (i) A voting exclusion statement is included in the Notice.

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## Part G – Approval of 60,000,000 Future Placement Facility

### Resolution 12 – Approval of 60,000,000 Future Placement Facility

Resolution 12 seeks Shareholders' approval:

- a) pursuant to Listing Rule 7.1 and for all other purposes, for the Directors to allot and issue 60,000,000 Equity Securities under the Future Placement Facility; or (if applicable)
- b) pursuant to Listing Rule 7.4 and for all other purposes, to ratify the issue of up to 60,000,000 Equity Securities under the Future Placement Facility to reinstate the Company's capacity to issue Equity Securities representing up to 15% of the issued ordinary capital, if required, without Shareholder approval.

The Company is considering raising further capital of up to 60,000,000 Equity Securities between the date of the Notice and the date which is 3 months after the date of the Meeting (the “**Future Placement Facility**”). The Company is seeking approval to issue up to 60,000,000 Equity Securities, made up of Shares and Free Attaching Options (on the terms set out in Schedule 4) without utilising its capacity under Listing Rule 7.1.

The method by which the Company will raise the capital has not yet been finalised but will be announced to ASX once finalised. Shares and/or Free Attaching Options may be issued under the proposed capital raising either before or after the date of the Meeting, depending on the format and timing of the proposed capital raising. Accordingly, Resolution 12 seeks Shareholder approval or ratification (as applicable) for the issues of the Shares and or Free Attaching Options that have either taken place by the date of the Meeting, or are proposed to take place in the 3 months following the date of the Meeting. The Shares and/or Free Attaching Options to be issued under the Future Placement Facility are those that would count towards the Company's Listing Rule 7.1 capacity. In addition to these, further Equity Securities may also be issued pursuant to exceptions set out in Listing Rule 7.2 or pursuant to the 10% Placement Facility (if approved under Resolution 11).

If the proposed issues under the Future Placement Facility have not yet taken place by the date of the Meeting, the effect of passing Resolution 12 will be to allow the Directors to issue the Equity Securities during the three month period after the Meeting (or a longer period, if allowed by ASX), without using up the Company's 15% placement capacity under Listing Rule 7.1.

If the issues under the Future Placement Facility have taken place by the date of the Meeting, the Company's ability to issue Equity Securities without Shareholder approval will have been restricted. Accordingly, the effect of passing Resolution 12 will be to reinstate the Company's capacity to issue further Equity Securities representing up to 15% of its issued ordinary capital, if required, without Shareholder approval.

The Company has not yet made any agreement or arrangement to issue the Equity Securities or confirmed the number of Equity Securities to be issued (other than the limit of 60,000,000 Equity Securities in addition to Equity Securities that may otherwise be issued pursuant to ASX Listing Rule 7.1, 7.1A or 7.2), and there is no certainty that it will proceed with any capital raising under the Future Placement Facility.

If the Future Placement Facility is not approved by Shareholders, the Company reserves the right to issue Equity Securities during the 3 month period after the Meeting, subject to Listing Rules 7.1, 7.1A and 7.2.

### **Specific Information Required by Listing Rules 7.3 and 7.5**

For the purposes of Listing Rules 7.3 and 7.5, information regarding the Future Placement Facility is provided as follows:

- (a) The maximum number of Equity Securities the Company can issue under the Future Placement Facility is 60,000,000.
- (b) If the issue of Equity Securities under the Future Placement Facility has not taken place at the date of the Meeting, the Equity Securities will be issued no later than three months after the date of the Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of Listing Rule 7.3.2).
- (c) As subscriptions to the Future Placement Facility have not yet been arranged, the allottees will be identified at the Directors' discretion but will not be related parties or associates of related parties of the Company, except where approval under Listing Rule 10.11 is not required.
- (d) The Shares to be issued under the Future Placement Facility will be either Shares or Free Attaching Options, issued in accordance with the following:
  - The Shares issued under the Future Placement Facility will be issued by the Company at an issue price calculated in accordance with Listing Rule 7.3.3 of at least 80% of the volume weighted average market price for Shares over the last five days on which sales of Shares were recorded prior to the date of issue of the Shares, or if there is a prospectus relating to the issue of Shares, over the last five days on which sales of Shares were recorded prior to the date of the prospectus. The Shares to be issued will be fully paid ordinary shares in the capital of the Company.
  - The Free Attaching Options will be issued for free and will otherwise be issued on the terms set out in Schedule 4. Eligible shareholders who subscribe for Shares under the Future Placement Facility will be offered Free Attaching Options together with the Shares subscribed for.
- (e) The funds raised under the Future Placement Facility will be used for working capital purposes including expenditure in respect of the Mount Peake Project definitive feasibility study and other projects.
- (f) Issue of the Equity Securities under the Future Placement Facility may occur progressively.
- (g) A voting exclusion statement is included in the Notice.



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## Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

### Voting Exclusions

To the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 1 or 3 to 8 if the person is either a member of a Group Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on Resolutions 1 or 3 to 8 (as applicable). However, the proxy may vote if the proxy is the chair of the meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of a Group Company's key management personnel.

## Schedule 1 - Definitions

In this Explanatory Memorandum, Notice and Proxy Form:

**10% Placement Facility** means a placement facility to issue Equity Securities representing up to 10% of an entity's issued capital pursuant to Listing Rule 7.1A.

**2012 Loan** means the loan of \$508,200.00 granted to Mr Paul Burton on 21 November 2012 in respect of the 6,000,000 Shares issued to Mr Paul Burton under the TNG Employee Share Plan.

**Article** means an article of the Constitution.

**associates** has the same meaning as in the Corporations Act.

**ASX** means ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Auditors' Report** means the auditors' report included in the annual report for the year ended 30 June 2013

**Board** means the board of Directors.

**Chairman** means the person appointed to the chair of the Meeting convened by this Notice.

**Company** means TNG Limited ABN 12 000 817 023.

**Conditional Waiver of Loan Agreement** means the agreement between the Company and Mr Paul Burton dated 17 October 2014 which provides for the waiver of the 2012 Loan in the event of a change of control in the Company.

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Directors' Declaration** means the directors' declaration included in the annual report for the year ended 30 June 2014.

**Directors' Report** means the directors' report included in the annual report for the year ended 30 June 2014.

**Eligible Employee** means an Executive Director of a Group Company or a full or part time employee of a Group Company, but excluding any of their Associates.

**Eligible Entity** means:

- (a) a non-executive director of a Group Company; or
- (b) a consultant or contractor of the Group Company to whom an offer of Shares can be made without disclosure because of section 708 of the Corporations Act (such as a consultant or contractor who is a "sophisticated" or "professional investor" or to whom an offer falls within section 708(1) of the Corporations Act),

but excludes full and part time employees of Group Companies.

**Employment Services Agreement** means the revised contract of employment between Mr Burton and the Company announced to ASX on 17 October 2014.

**Equity Securities** has the same meaning as in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum to the Notice.

**February 2014 Placement Facility** means the 50,000,000 Share placement facility approved by Shareholders at the 2013 AGM.

**Free Attaching Option** means an Option issued for no consideration, and attached to Shares.

**Future Placement Facility** means the proposed 60,000,000 Share placement facility for which Resolution 11 seeks Shareholder approval pursuant to Listing Rule 7.1.

**Group Company** means the Company or any of its Subsidiaries.

**Listing Rules** means the Listing Rules of ASX.

**Loan** means the loans granted to Eligible Entities under the TNG Non-Executive Director and Consultant Share Plan or to Eligible Employees under the TNG Employee Share Plan.

**March 2014 Placement** means the placement of 2,966,665 Shares and 1,483,324 Free Attaching Options announced on 5 March 2014.

**Meeting** has the meaning given in the introductory paragraph of this Notice.

**Non-Executive Director** means the non-executive directors of the Company.

**Notice** means this notice of meeting.

**Option** means an option to acquire a Share.

**Proxy Form** means the proxy form attached to this Notice.

**Relevant Directors** means each of Mr Michael Evans, Mr Rex Turkington, Mr Stuart Crow and Mr Zhigang Wang.

**Remuneration Report** means the remuneration report included in the annual report for the year ended 30 June 2014.

**Resolution** means a resolution contained in this Notice.

**Schedule** means a schedule to this Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**Subsidiary** has the meaning given to it by section 46 of the Corporations Act.

**TNG Employee Share Plan** means the Employee Share Plan under which Eligible Employees may be issued Shares, at the determination of the Board on the terms set out in Schedule 3.

**TNG Non-Executive Director and Consultant Option Plan** means the Non-Executive Director and Consultant Option Plan under which Eligible Employees may be issued Options, at the determination of the Board.

**TNG Non-Executive Director and Consultant Share Plan** means the Non-Executive Director and Consultant Share Plan under which Eligible Entities may be issued Shares, at the determination of the Board on the terms set out in Schedule 2.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

## Schedule 2 – Summary of TNG Non-Executive Director and Consultant Share Plan

A summary of the key terms of the TNG Non-Executive Director and Consultant Plan are set out below.

### 1. Entitlement to Participate

The Board may from time to time determine that an Eligible Entity (being a Non-Executive Director of a Group Company, or a consultant or contractor of the Group Company to whom an offer of Shares can be made without disclosure because of section 708 of the Corporations Act (such as a consultant or contractor who is a “sophisticated” or “professional” investor or to whom an offer falls within section 708(1) of the Corporations Act), but excluding any of their Associates and any full and part time employees of Group Companies) may participate in the plan and the extent of that participation. In making that determination, the Board must consider:

- (i) the office held by, or services provided by, the Eligible Entity to the relevant Group Company;
- (ii) the length of office or service of the Eligible Entity with the Group;
- (iii) the potential contribution of the Eligible Entity to the growth and profitability of the Group; and
- (iv) any other matters which the Board considers relevant.

### 2. Offer

The Company may, in its absolute discretion, make an offer to issue Shares pursuant to the plan (the “**Plan Shares**”) to any Eligible Entity (including an Eligible Entity who has previously received an Offer) upon such terms as the Board may determine.

### 3. Issue Price

The issue price of the Plan Shares offered will be determined by the Board in its absolute discretion and may be a nominal or nil amount. However, where a Loan is offered in relation to the Plan Shares, the issue price must be equal to the volume weighted average actual price at which Shares were traded on the ASX over the 5 trading days up to and including (i) the date the offer was accepted; or (ii) if earlier, the date on which the Eligible Entity accepted their employment contract where it includes an entitlement to receive, or to be offered, Plan Shares.

### 4. Loan

The Company may, in its absolute discretion, grant a Loan to an Eligible Entity for the purpose of purchasing Plan Shares under an offer.

Where the Company decides to offer a Loan to an Eligible Entity to acquire Plan Shares, the offer for the Plan Shares must include:

- (i) the maximum amount of the Loan (which must not exceed the Share Payment in respect of the Plan Shares offered); and
- (ii) the Loan repayment date.

Where an Eligible Entity lodges an acceptance form agreement to a Loan, and the Company accepts that acceptance form:

- (i) a loan agreement is deemed to arise between the Company and the Eligible Entity on the terms and conditions set out in this paragraph 4 (*Loan*);
- (ii) the Company is deemed to loan the amount agreed in the acceptance form (the “**Loan Amount**”) to the Eligible Entity at the time the Company issues the Plan Shares; and

- (iii) the Eligible Entity is deemed to direct the Company to apply the entire Loan Amount towards paying the Share Payment in full or in part in respect of the Plan Shares being acquired under the offer.

### **Interest**

The Loan will be interest free unless the Company and the Eligible Entity agree otherwise or the offer specifies otherwise.

### **Cash dividends**

An Eligible Entity who accepts an offer and acquires Plan Shares under the plan (a “Participant”) is deemed to have irrevocably directed the Company to apply any cash dividends in respect of the Plan Shares held by the Participant to repayment of any outstanding Loan Amount under the Participant’s Loan. Any surplus of the cash dividend after repayment of the Loan will be paid to the Participant.

### **Repayment**

The Loan will be repayable in full on the loan repayment date specified in the offer unless earlier repayment is otherwise required under the plan.

A Participant may repay all or part of its Loan at any time prior to the loan repayment date.

The Loan will become repayable in full where:

- (i) the Participant ceases to be an Eligible Entity for any reason;
- (ii) the Participant suffers an Event of Insolvency (defined as where (a) a person is, or is deemed to be, insolvent, or is declared bankrupt; or (b) a liquidator, provisional liquidator, receiver, manager or administrator is appointed in respect of the person or any of the person’s assets);
- (iii) the Participant breaches any condition of the Loan or the plan; or
- (iv) a Restriction Condition in relation to the Plan Shares subject of the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived),

and, in such circumstances and where:

- (i) a Restriction Condition in relation to the Plan Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Plan Shares must be sold by the Participant and the sale proceeds applied to repay the Loan in accordance with paragraph 9 (*Unfulfilled Restriction Condition*) below;
- (ii) all Restriction Conditions in relation to the Plan Shares have either been satisfied or are waived, the Company must promptly by written notice advise the Participant of the Loan Amount outstanding (if any) and that outstanding Loan Amount is due and payable. Where a Participant fails to repay the outstanding Loan Amount within 30 days of the date of written notice from the Participant (or such later date as approved by the Board), the Company must sell the Plan Shares and apply the sale proceeds in accordance with paragraph 9 (*Unfulfilled Restriction Condition*) below (except where the sale proceeds exceed the outstanding Loan Amount the Participant may keep the remainder).

A Participant may not transfer or otherwise deal with a Plan Share until the Loan Amount in respect of that Plan Share has been repaid in full unless they are selling the Plan Shares in accordance with paragraph (ii) above.

### **Limited Recourse Loan**

A Loan will be non-recourse except for the Participant’s obligation under paragraph (ii) directly above.

In the event the sale proceeds from the sale of Plan Shares are less than any outstanding Loan Amount, the Sale Proceeds will be deemed to have satisfied the outstanding Loan Amount in relation to those Plan Shares in full and the Participant will have no further liability to the Company in respect of the Loan.

## **5. Rights Attaching to Plan Shares**

A Participant will, from and including the Issue Date, be the legal owner of the Plan Shares allotted and issued under the plan and will be entitled to dividends (subject to the paragraph 5 (*Cash dividends*) above) and to exercise voting rights attached to the Plan Shares.

Each Plan Share will be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

## **6. Restrictions on Dealing in Plan Shares**

The Plan Shares will be quoted on ASX. However, except as otherwise provided in this plan, a Participant may not sell, transfer, assign, mortgage, charge or otherwise encumber a Plan Share until the end of any applicable Restriction Period (where 'Restriction Period' is defined as the period commencing on the date of issue of the Plan Share and ending on the later of:

- (i) the date all Restriction Conditions that apply to that Plan Share (if any) are satisfied or waived by the Board; and
- (ii) the date any Loan in relation to the Plan Shares is repaid in full or otherwise discharged under this plan.)

## **7. Dealing with Plan Shares after Restriction Period**

Following expiry of the Restriction Period, a Participant may deal with its Plan Shares as it sees fit, subject to compliance with any securities trading policy applying to Eligible Entities and to compliance with legal requirements including the "insider trading" rules.

## **8. Hedging**

Participants are prohibited from entering into transactions in financial products issued over the Company's securities by third parties which operate to limit the economic risk relating to their unvested entitlements under the plan.

## **9. Unfulfilled Restriction Condition**

### ***Sale of Plan Shares***

Where a Restriction Condition in relation to Plan Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Participant must, unless the Restriction Condition is waived by the Board:

- (i) arrange to sell the Plan Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the volume weighted average price at which Shares were traded on the ASX on the 10 trading days before the sale date; and
- (ii) apply the sale proceeds in the following priority:
  - first, to pay the Company any outstanding Loan Amount (if any) in relation to the Plan Shares (subject to paragraph 4 (*Limited Recourse Loan*));
  - second, to the extent the sale proceeds are sufficient, the Participant may keep an amount equal to any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant. The Participant acknowledges that the Company is not liable to repay the Participant any cash consideration or Loan Amount repayments;
  - third, to settle any tax liability that the Participant may have solely in respect of the sale of the Plan Shares or dividends received and applied against the Loan (provided the Participant can demonstrate how that tax liability arises); and

lastly, any remainder to be paid by the Participant to the Company to cover its costs of managing the plan.

### ***Ceasing Engagement before Restriction Conditions satisfied***

Where the person who was initially offered the Plan Shares ceases to be a non-executive director, consultant or contractor of a Group Entity and, at that time, there are Restriction Conditions in relation to those Plan Shares that are unsatisfied or are incapable of satisfaction in the opinion of the Board (and they are not waived), the Company must, subject to the Corporations Act and the ASX Listing Rules, sell the Plan Shares in accordance with paragraph 9 (*Sale of Plan Shares*) of this Plan.

## **10. Exceptions to Dealings and Sale**

### ***Good leaver***

Where:

- (i) the Participant dies; or
- (ii) the Eligible Entity to whom the offer was originally made ceases to be a non-executive director, consultant or contractor of a Group Entity as a result of:
  - (A) bona fide retirement from the workforce (unless the retirement happens within six (6) months of the date of the issue of the Plan Shares); or
  - (B) total and permanent disability,

the Board may in its sole and absolute discretion elect to waive any of the Restriction Conditions applying to the Participant's Plan Shares and (provided any Loan has been repaid) permit the Participant (or their personal legal representative) to sell, transfer, assign, mortgage, charge or otherwise encumber the Participant's Plan Shares.

## **11. Capital Reorganisation**

If there is any reorganisation of the issued capital of the Company (including any subdivision, consolidation, reduction, return or cancellation), the number of Plan Shares will be adjusted by the Board accordingly in line with the Corporations Act and the Listing Rules.

## **12. Bonus and Rights Issues**

Subject to the plan, a Participant, upon allotment of Plan Shares, will enjoy all rights attaching to Shares of the Company including the right to participate in bonus issues and rights issues in respect of the Plan Shares.

## **13. Takeover, Scheme or Winding Up**

The Board may, in its absolute discretion and subject to such conditions as it sees fit, waive a Restriction Condition applying to a Plan Share where:

- (i) **(Takeover)**: a Takeover Bid for the Company's issued Shares is made and the bidder obtains voting power (as defined in the Corporations Act) in the Company of 50% or more and the takeover offers are made or declared unconditional (which includes where the takeover offers are unconditional other than for the happening of the events or circumstances set out in section 652C(1) and (2) of the Corporations Act or the condition set out in section 625(3) of the Corporations Act);
- (ii) **(Compromise or Arrangement)**: a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;

- (iii) **(other control transaction)**: an event or transaction by which an entity obtains or is to obtain voting power (as defined in the Corporations Act) in the Company of 50% or more is approved or accepted by a majority of members of the Company; or
- (iv) **(Winding Up)**: the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.

#### 14. Alterations to the Plan

- (i) Subject to paragraphs (ii) and (iii) below (and to the Listing Rules and all applicable laws), the Board may at any time by written instrument amend all or any of the terms and conditions, including this paragraph.
- (ii) Any amendment to the terms and conditions must not materially reduce the rights of any Participant in respect of their Plan Shares held at the date of the amendment, unless the amendment is introduced primarily:
  - (A) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or similar plans;
  - (B) to correct any manifest error or mistake;
  - (C) to take into consideration possible adverse tax implications in respect of the plan arising from, amongst others, changes to tax legislation and/or changes in the interpretation of tax legislation by a court of competent jurisdiction;
  - (D) for the purpose of enabling the Participants generally (but not necessarily each Participant) to receive a more favourable taxation treatment in respect of their participation in the plan; or
  - (E) to enable the plan or any member of the Group to comply with the constitution of a Group Company, the Corporations Act or the Listing Rules.
- (iii) Subject to paragraph (ii) above, any amendment made under paragraph (i) above may be given retrospective effect as specified in the written instrument by which the amendment is made.

#### 15. Governing Law

The terms and conditions of this plan shall be governed by and construed in accordance with the laws for the time being in force in Western Australia.



## Schedule 3 - Summary of TNG Employee Share Plan

A summary of the key terms of the TNG Employee Share Plan are set out below.

### 1. Entitlement to Participate

The Board may from time to time determine that an Eligible Employee (being an Executive Director of a Group Company or a full or part time employee of a Group Company, but excluding any of their Associates) may participate in the plan and the extent of that participation. In making that determination, the Board must consider:

- (i) the seniority of the Eligible Employee and the position the Eligible Employee occupies with the relevant Group Company;
- (ii) the length of service of the Eligible Employee with the Group;
- (iii) the record of employment of the Eligible Employee with the Group;
- (iv) the potential contribution of the Eligible Employee to the growth and profitability of the Group; and
- (v) any other matters which the Board considers relevant.

### 2. Offer

The Company may, in its absolute discretion, make an offer to issue Shares pursuant to the plan (the “**Plan Shares**”) to any Eligible Employee (including an Eligible Employee who has previously received an Offer) upon such terms as the Board may determine.

### 3. Issue Price

The issue price of the Plan Shares offered will be determined by the Board in its absolute discretion and may be a nominal or nil amount. However, where a Loan is offered in relation to the Plan Shares, the issue price must be equal to the volume weighted average actual price at which Shares were traded on the ASX over the 5 trading days up to and including (i) the date the offer was accepted; or (ii) if earlier, the date on which the Eligible Employee accepted their employment contract where it includes an entitlement to receive, or to be offered, Plan Shares.

### 4. Loan

The Company may, in its absolute discretion, grant a Loan to an Eligible Employee for the purpose of purchasing Plan Shares under an offer.

Where the Company decides to offer a Loan to an Eligible Employee to acquire Plan Shares, the offer for the Plan Shares must include:

- (i) the maximum amount of the Loan (which must not exceed the Share Payment in respect of the Plan Shares offered); and
- (ii) the Loan repayment date.

Where an Eligible Employee lodges an acceptance form agreement to a Loan, and the Company accepts that acceptance form:

- (i) a loan agreement is deemed to arise between the Company and the Eligible Employee on the terms and conditions set out in this paragraph 4 (*Loan*);
- (ii) the Company is deemed to loan the amount agreed in the acceptance form (the “**Loan Amount**”) to the Eligible Employee at the time the Company issues the Plan Shares; and

- (iii) the Eligible Employee is deemed to direct the Company to apply the entire Loan Amount towards paying the Share Payment in full or in part in respect of the Plan Shares being acquired under the offer.

### **Interest**

The Loan will be interest free unless the Company and the Eligible Employee agree otherwise or the offer specifies otherwise.

### **Cash dividends**

An Eligible Employee who accepts an offer and acquires Plan Shares under the plan (a “**Participant**”) is deemed to have irrevocably directed the Company to apply any cash dividends in respect of the Plan Shares held by the Participant to repayment of any outstanding Loan Amount under the Participant’s Loan. Any surplus of the cash dividend after repayment of the Loan will be paid to the Participant.

### **Repayment**

The Loan will be repayable in full on the loan repayment date specified in the offer unless earlier repayment is otherwise required under the plan.

A Participant may repay all or part of its Loan at any time prior to the loan repayment date.

The Company will have a lien over the Plan Shares in respect of which a Loan Amount is outstanding and the Company will be entitled to sell those Plan Shares in accordance with the terms of this plan.

The Loan will become repayable in full where:

- (i) the Participant ceases to be an Eligible Employee for any reason;
- (ii) the Participant suffers an Event of Insolvency (defined as where (a) a person is, or is deemed to be, insolvent, or is declared bankrupt; or (b) a liquidator, provisional liquidator, receiver, manager or administrator is appointed in respect of the person or any of the person’s assets);
- (iii) the Participant breaches any condition of the Loan or the plan; or
- (iv) a restriction condition (being a condition set out in an offer that must be satisfied (unless waived by the Board in its absolute discretion) before the Plan Shares can be sold, transferred, assigned, charged or otherwise encumbered (“**Restriction Condition**”)) in relation to the Plan Shares subject of the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived),

and, in such circumstances and where:

- (i) a Restriction Condition in relation to the Plan Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Plan Shares must be sold and the sale proceeds applied to repay the Loan in accordance with paragraph 9 (*Unfulfilled Restriction Condition*) below;
- (ii) all Restriction Conditions in relation to the Plan Shares have either been satisfied or are waived, the Company must promptly by written notice advise the Participant of the Loan Amount outstanding (if any) and that outstanding Loan Amount is due and payable. Where a Participant fails to repay the outstanding Loan Amount within 30 days of the date of written notice from the Company (or such later date as approved by the Board), the Company must sell the Plan Shares and apply the sale proceeds in accordance with paragraph 9 (*Unfulfilled Restriction Condition*) below (except where the sale proceeds exceed the outstanding Loan Amount the Company must pay the remainder, less any amount necessary to cover the reasonable expenses associated with selling the Plan Shares, to the Participant).

A Participant may not transfer or otherwise deal with a Plan Share until the Loan Amount in respect of that Plan Share has been repaid in full.

### **Limited Recourse Loan**

A Loan will be non-recourse except against the Plan Shares held by the Participant to which the Loan relates.

In the event the sale proceeds from the sale of Plan Shares are less than any outstanding Loan Amount, the Sale Proceeds will be deemed to have satisfied the outstanding Loan Amount in relation to those Plan Shares in full and the Participant will have no further liability to the Company in respect of the Loan and the Company will have no further recourse to the Participant in relation to the Loan.

### **5. Rights Attaching to Plan Shares**

A Participant will, from and including the Issue Date, be the legal owner of the Plan Shares allotted and issued under the plan and will be entitled to dividends (subject to the paragraph 4 (*Cash dividends*) above) and to exercise voting rights attached to the Plan Shares.

Each Plan Share will be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

### **6. Restrictions on Dealing in Plan Shares**

The Plan Shares will be quoted on ASX. However, except as otherwise provided in this plan, a Participant may not sell, transfer, assign, mortgage, charge or otherwise encumber a Plan Share until the end of any applicable Restriction Period (where 'Restriction Period' is defined as the period commencing on the date of issue of the Plan Share and ending on the later of:

- (i) the date all Restriction Conditions that apply to that Plan Share (if any) are satisfied or waived by the Board; and
- (ii) the date any Loan in relation to the Plan Shares is repaid in full or otherwise discharged under this plan.)

### **7. Dealing with Plan Shares after Restriction Period**

Following expiry of the Restriction Period, a Participant may deal with its Plan Shares as it sees fit, subject to compliance with any securities trading policy applying to Eligible Employees and to compliance with legal requirements including the "insider trading" rules.

### **8. Hedging**

Participants are prohibited from entering into transactions in financial products issued over the Company's securities by third parties which operate to limit the economic risk relating to their unvested entitlements under the plan.

### **9. Unfulfilled Restriction Condition**

#### **Sale of Plan Shares**

Where a Restriction Condition in relation to Plan Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the Restriction Condition is waived by the Board:

- (i) arrange to sell the Plan Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the volume weighted average price at which Shares were traded on the ASX on the 10 trading days before the sale date; and
- (ii) apply the sale proceeds in the following priority:
  - first, to pay the Company any outstanding Loan Amount (if any) in relation to the Plan Shares (subject to paragraph 4 (*Limited Recourse Loan*) and the Company's reasonable costs in selling the Shares;

second, to the extent the sale proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant. The Participant acknowledges that the Company is not liable to repay the Participant any cash consideration or Loan Amount repayments except to the extent covered by the remaining sale proceeds;

third, to settle any tax liability that the Participant may have solely in respect of the sale of the Plan Shares or dividends received and applied against the Loan (provided the Participant can demonstrate how that tax liability arises); and

lastly, any remainder to the Company to cover its costs of managing the plan.

### ***Ceasing Employment before Restriction Conditions satisfied***

Where the person who was initially offered the Plan Shares ceases to be an Eligible Employee and, at that time, there are Restriction Conditions in relation to those Plan Shares that are unsatisfied or are incapable of satisfaction in the opinion of the Board (and they are not waived), the Company must, subject to the Corporations Act and the ASX Listing Rules, sell the Plan Shares in accordance with paragraph 9 (*Sale of Plan Shares*) of this Plan.

## **10. Exceptions to Dealings and Sale**

### ***Good leaver***

Where:

- (i) the Participant dies; or
- (ii) the Eligible Employee to whom the offer was originally made ceases to be employed as a result of:
  - (A) bona fide retirement from the workforce (unless the retirement happens within six (6) months of the date of the issue of the Plan Shares);
  - (B) bona fide redundancy; or
  - (C) total and permanent disability,

the Board may in its sole and absolute discretion elect to waive any of the Restriction Conditions applying to the Participant's Plan Shares and (provided any Loan has been repaid) permit the Participant (or their personal legal representative) to sell, transfer, assign, mortgage, charge or otherwise encumber the Participant's Plan Shares.

## **11. Capital Reorganisation**

If there is any reorganisation of the issued capital of the Company (including any subdivision, consolidation, reduction, return or cancellation), the number of Plan Shares will be adjusted by the Board accordingly in line with the Corporations Act and the Listing Rules.

## **12. Bonus and Rights Issues**

Subject to the plan, a Participant, upon allotment of Plan Shares, will enjoy all rights attaching to Shares of the Company including the right to participate in bonus issues and rights issues in respect of the Plan Shares.

## **13. Takeover, Scheme or Winding Up**

The Board may, in its absolute discretion and subject to such conditions as it sees fit, waive a Restriction Condition applying to a Plan Share where:

- (i) **(Takeover):** a Takeover Bid for the Company's issued Shares is made and the bidder obtains voting power (as defined in the Corporations Act) in the Company of 50% or more and the

takeover offers are made or declared unconditional (which includes where the takeover offers are unconditional other than for the happening of the events or circumstances set out in section 652C(l) and (2) of the Corporations Act or the condition set out in section 625(3) of the Corporations Act);

- (ii) **(Compromise or Arrangement):** a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (iii) **(other control transaction):** an event or transaction by which an entity obtains or is to obtain voting power (as defined in the Corporations Act) in the Company of 50% or more is approved or accepted by a majority of members of the Company; or
- (iv) **(Winding Up):** the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.

#### 14. Limit on number of Plan Shares

The Company must take reasonable steps to ensure that the number of Plan Shares offered by the Company under this Plan when aggregated with:

- (i) the number of Shares issued during the previous 5 years under the plan (or any other employee share plan extended only to Eligible Employees); and
- (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee share scheme (as defined in the Corporations Act) of the Company were to be exercised or accepted,

but disregarding any offer made, or option acquired or share issued by way of or as a result of:

- (i) the making of an offer or invitation to a person situated at the time of receipt of the offer or invitation outside Australia; or
- (ii) an “excluded offer” or “excluded invitation” (each as defined in the Corporations Law as in force prior to the commencement of Schedule 1 to the Corporate Law Economic Reform Program Act (1999)); or
- (iii) an offer which did not need disclosure because of section 708 of the Corporations Act; or
- (iv) an offer made under a disclosure document,

does not exceed 5% of the total number of Shares on issue at the time of an offer.

#### 15. Alterations to the Plan

- (i) Subject to paragraphs (ii) and (iii) below (and to the Listing Rules and all applicable laws), the Board may at any time by written instrument amend all or any of the terms and conditions, including this paragraph.
- (ii) Any amendment to the terms and conditions must not materially reduce the rights of any Participant in respect of their Plan Shares held at the date of the amendment, unless the amendment is introduced primarily:
  - (A) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or similar plans;
  - (B) to correct any manifest error or mistake;
  - (C) to take into consideration possible adverse tax implications in respect of the plan arising from, amongst others, changes to tax legislation and/or changes in the interpretation of tax legislation by a court of competent jurisdiction;

- (D) for the purpose of enabling the Participants generally (but not necessarily each Participant) to receive a more favourable taxation treatment in respect of their participation in the plan; or
  - (E) to enable the plan or any member of the Group to comply with the constitution of a Group Company, the Corporations Act or the Listing Rules.
- (iii) Subject to paragraph (ii) above, any amendment made under paragraph (i) above may be given retrospective effect as specified in the written instrument by which the amendment is made.

## **16. Governing Law**

The terms and conditions of this plan shall be governed by and construed in accordance with the laws for the time being in force in Western Australia.

## **Schedule 4 – Section 4.5 of Prospectus**

Set out below is a copy of section 4.5 of the Prospectus dated 1 July 2013 which contains the terms of the Free Attaching Options.

### **4.5 Rights and liabilities attaching to the Options**

The Options to be granted under this Prospectus will be granted on the following terms and conditions:

(a) Entitlement

Subject to adjustment in accordance with these terms and conditions, each Option entitles the Optionholder to subscribe for one (1) unissued Share upon payment of the Exercise Price before the Expiry Date.

(b) Exercise Price

The exercise price of each Option is \$0.08 (Exercise Price).

(c) Expiry Date

An Option is exercisable at any time after the date of grant and on or before 5.00pm (WST) on 31 July 2015 (Expiry Date). Options that are not exercised by the Expiry Date lapse.

(d) Notice of Exercise

The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(e) Minimum number of Options exercised

The Optionholder may not exercise less than 1,000 Options at any one time, unless the Optionholder has less than 1,000 Options in which event the Optionholder must exercise all their Options together.

(f) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the Shares of the Company on issue at the date of this Prospectus.

(g) Quotation of Shares on exercise

Application will be made by the Company to ASX for official quotation of Shares issued upon the exercise of the Options.

(h) No certificate

No certificate will be issued if the Options are granted quotation on ASX.

(i) Timing of issue of Shares

After an Option is validly exercised, the Company must as soon as possible:

(i) issue the Share; and

(ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 10 business days from the date of exercise of the Option.

(j) Participation in new issues

An Optionholder may participate in new issues of securities to holders of Shares only if and to the extent that:

- (i) an Option has been exercised; and
- (ii) a Share has been issued in respect of the exercise before the record date for determining entitlements to the new issue.

The Company must give notice to the Optionholder of any new issue not less than 6 Business Days before the record date for determining entitlements to the issue.

(k) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) Adjustment for rights issue

If the Company makes a pro-rata issue of Shares to existing Shareholders (other than a bonus issue) the Exercise Price of an Option will be reduced according to the following formula:

New exercise price =  $O - E [P - (S+D)]$

$N+1$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one (1) Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro-rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro-rata issue).

N - the number of Shares with rights or entitlements that must be held to receive a right to one (1) new Share.

(m) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) Quotation of Options

Application for quotation of the Options has been made by the Company.

(o) Options transferable



The Options are transferable. Options may be transferred in the same manner as Shares unless classified as restricted securities under the ASX Listing Rules and may be exercised by any other person or body corporate.

(p) Exercise instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

(q) Voting and dividend rights

The Options carry no rights to vote at a meeting of Shareholders, and no rights to dividends."

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

000001 000 TNG  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

For your vote to be effective it must be received by 2:00pm (WST) Tuesday, 25 November 2014

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** ➔



Update your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

View the Annual Report:

**[www.tngltd.com.au](http://www.tngltd.com.au)**

**Your secure access information is:**

**SRN/HIN: I9999999999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

#### Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of TNG Limited hereby appoint

☐

the Chairman  
of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of TNG Limited to be held at the Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western Australia at 2:00pm (WST) on Thursday, 27 November 2014 and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 3 to 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 3 to 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 3 to 8 by marking the appropriate box in step 2 below.

### STEP 2

#### Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

##### ORDINARY BUSINESS

Resolution 1	Adopt Remuneration Report			
Resolution 2	Re-election of Mr Stuart Crow			
Resolution 3	Approval of issue of Shares and Loan to Mr Michael Evans			
Resolution 4	Approval of issue of Shares and Loan to Mr Rex Turkington			
Resolution 5	Approval of issue of Shares and Loan to Mr Stuart Crow			
Resolution 6	Approval of issue of Shares and Loan to Mr Zhigang Wang			
Resolution 7	Approval of issue of Shares and Loan to Mr Paul Burton			
Resolution 8	Approval of Conditional Waiver of 2012 Loan Agreement and financial assistance thereunder			
Resolution 9	Ratification of issue of Free Attaching Options under February 2014 Placement			
Resolution 10	Ratification of issue of Shares and Free Attaching Options under March 2014 Placement			
Resolution 11	Approval of 10% Placement Facility under Listing Rule 7.1A			
Resolution 12	Approval of 60,000,000 Future Placement Facility			

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

Contact  
Daytime  
Telephone

Date

/ /

TNG

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## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Proxy Form

For your vote to be effective it must be received by 2:00pm (WST) Tuesday, 25 November 2014

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

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**Turn over to complete the form** ➔



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**Your secure access information is:**

**SRN/HIN:**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of TNG Limited hereby appoint

☐

the Chairman of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of TNG Limited to be held at the Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western Australia at 2:00pm (WST) on Thursday, 27 November 2014 and at any adjournment or postponement of that Meeting.

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**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 3 to 8 by marking the appropriate box in step 2 below.

### STEP 2 Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

#### ORDINARY BUSINESS

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Resolution 2 Re-election of Mr Stuart Crow

Resolution 3 Approval of issue of Shares and Loan to Mr Michael Evans

Resolution 4 Approval of issue of Shares and Loan to Mr Rex Turkington

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Resolution 6 Approval of issue of Shares and Loan to Mr Zhigang Wang

Resolution 7 Approval of issue of Shares and Loan to Mr Paul Burton

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Resolution 9 Ratification of issue of Free Attaching Options under February 2014 Placement

Resolution 10 Ratification of issue of Shares and Free Attaching Options under March 2014 Placement

Resolution 11 Approval of 10% Placement Facility under Listing Rule 7.1A

Resolution 12 Approval of 60,000,000 Future Placement Facility

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date / /

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