

ASX ANNOUNCEMENT

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PROJECTS

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

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TNG AWARDS KEY FEASIBILITY STUDY CONTRACTS FOR MOUNT PEAKE VANADIUM PROJECT TO SNOWDEN

*Contracts for geotechnical work and mining financial analysis
signed as TNG advances Feasibility towards completion*

Key Points

- **Two contracts awarded to Snowden to deliver expert studies on the Mount Peake Vanadium-Titanium-Iron Project, namely:**
 - **Geotechnical work – to determine safe pit slope angles; and**
 - **A Mining Study, to deliver pit design, mine schedules, mining cost analysis (OPEX and CAPEX) and cash flow models.**
- **Both contracts will, together with the ongoing and well advanced metallurgical and process plant studies, allow delivery of the Mount Peake Feasibility Study.**
- **Geotechnical drilling scheduled to commence on site in February.**

TNG Limited (ASX: TNG) is pleased to advise that it has taken further key steps towards completing the final elements of the Feasibility Study on its 100%-owned **Mount Peake Vanadium Project** in the NT after awarding two separate contracts to leading mining services group Snowden Mining Industry Consultants Pty Ltd ("Snowden").

The contracts, encompassing a key geotechnical study to assist with final mine design and a detailed mining study and financial analysis, will enable TNG to finalise the Mount Peake Feasibility Study by mid-2015.

The geotechnical study will generate a geotechnical model for the entire Mount Peake deposit to identify potential risk areas/mitigation strategies, and enable assessment to determine optimal pit wall slope angles.

Further specific geotechnical diamond drilling is scheduled to commence in February to provide logging information and samples for analysis to feed into this study, allowing results to be passed on (later during Q1 2015) to the pit design and financial analysis stage.

Over 100 sample tests (UCS, density, direct shear, PSD, etc.) will be conducted on material drilled around the pit wall areas, and be added to the existing database, predominantly from within the pit/resource generated from the resource drilling in late 2012.

The Mining and Financial Analysis work will deliver an optimised pit design and mine development strategy together with a detailed mining schedule, and will also determine the likely capital and operating (mining CAPEX and OPEX) and mining contractor costs.

A detailed financial analysis and cash flow model for Mount Peake will be a key deliverable from this work.

These studies will also tie in with the metallurgical and process plant work currently being conducted by the METS/Midas group, allowing delivery of the final Feasibility Study by mid-2015.

Funding to complete this work was secured late in 2014 and TNG looks forward to delivering the Feasibility Study for the Mount Peake development, which will be a world-class, long-life strategic metals operation producing three highly valuable products: high-purity vanadium pentoxide (V_2O_5), iron oxide (Fe_2O_3) and titanium dioxide (TiO_2).

Development and construction is expected to be undertaken by POSCO E&C together with Hyundai Steel and discussions on the details of this are expected to be finalised this Quarter. TNG has also secured Letters of Intent for the incorporation of WOOJIN Steel's process with the TIVAN™ plant, together with agreements on off-take for all products with WOOJIN for vanadium pentoxide, Gunvor for iron oxide and Global Pacific Partners for titanium.

The Company confirms it is also in discussions with other parties for the supply of other vanadium products directly to vanadium redox battery suppliers.

Snowden is globally recognised by regulators, miners and financiers in delivering quality independent analysis and consulting to the mining industry. Snowden has been involved with the project since discovery and will provide continuity. Snowden were involved in delivering the 2012 Pre-Feasibility Study and generated the financial model and current Resource Calculation for Mount Peake.

TNG's Managing Director, Mr Paul Burton, said the award of the contracts to Snowden marked the commencement of the final stages of the Mount Peake Feasibility Study.

"The start of final geotechnical work and mining and financial studies marks the penultimate stage of the Feasibility Study, together with the final metallurgical and process plant work on the TIVAN™ process which is already well underway," he said. "This is an exciting stage for the Project and the Company, and we look forward to continuing to work closely with Snowden to deliver these important elements of the Feasibility Study.

"This marks the start of a potentially exciting and transformational year for TNG," Mr Burton added.

Paul E Burton
Managing Director

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