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MINE AND PLANT SOURCE WATER DRILLING COMMENCES AT MOUNT PEAKE VANADIUM PROJECT, NT

Drilling for process and potable water underway alongside recently commenced geotechnical drilling as part of final stages of Mount Peake Feasibility Study

Australian strategic metals company TNG Limited (ASX: TNG) is pleased to advise that a program of water bore drilling has commenced at its flagship Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory.

The program is designed to prove the availability of water for use on the proposed Mount Peake mine site for process plant water, site dust suppression and camp potable water supply, as required for the Feasibility Study.

Drilling will be undertaken in a known aquifer located some 25-50km from the potential mine site

GHD Hydrological Consultants will be involved in supervising the drilling works and pump testing of the aquifers intersected in the drilling, as well as assessing the sustainable yield of the aquifer system to ensure its suitability for the mine development.

This program will also form part of the work GHD has commenced as part of the overall Environmental Impact Statement or EIS (*see ASX Announcement – 17 February 2015*) covering surface water assessment and mine area groundwater studies.

The program is expected to run over the next few weeks in parallel with the ongoing geotechnical diamond drilling program currently underway within the resource pit area, as announced on 23 February 2015. A total of five diamond drill holes have been completed in this program with positive geotechnical data received to date. A summary of this will be advised once the programme has been completed.

These drilling programs represent the final components of field work required for the Mount Peake Feasibility Study, which is expected to be completed by mid-2015.

TNG's Managing Director, Mr Paul Burton, said the geotechnical and aquifer location drilling were important components of the Mount Peake Feasibility Study and for future planning of the mine site.

"Completion of the geotechnical data and location of an aquifer will also contribute to the information required for the conversion of the Mineral Resource into a mineable Ore Reserve" he added.

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About TNG

TNG is building a world-scale strategic metals business based on its flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory. Located 235km north of Alice Springs, Mount Peake will be a 20-year plus project producing a suite of high-quality, high-purity strategic metals products for global markets including vanadium pentoxide, iron oxide and titanium dioxide. The project, which will be a top-10 global producer, has received Major Project Facilitation status from the NT Government.

The Mount Peake Feasibility Study is well advanced and due for completion by mid-2015, paving the way for project financing and development to proceed. An integral part of TNG's emerging strategic metals business is its 100% ownership of the unique and patented TIVAN® hydrometallurgical process, which offers significantly lower capital and operating costs, lowers risk and successfully extracts two other valuable metals from the resource in addition to vanadium – titanium dioxide and high-purity iron oxide.

Vanadium is a highly strategic metal which is used as an alloy in steel. It is also in strong demand for use in energy storage, with vanadium redox batteries used to store electricity generated by solar and wind power, and lithium-vanadium ion batteries used to power hybrid cars.

Forward-Looking Statements

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