

11 May 2015

TIVAN® PILOT TEST WORK COMMENCES

Results expected by mid-June for incorporation in the Mount Peake Feasibility Study

KEY POINTS

- Testwork commences at recently completed pilot plant at CSIRO in Perth.
- Program to run continuously for ~14 days with final results expected by mid-June.
- A successful pilot plant trial will allow final commercialisation of the improved TIVAN® Process.
- Results represent a key final input into the Mt Peake Feasibility Study, which remains on track for completion by mid-year.

Australian strategic metals company TNG Limited (ASX: TNG) is pleased to advise that the previously foreshadowed pilot metallurgical testwork program for commercial design of the proposed **TIVAN® refinery** at its flagship **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory has now commenced.

The TIVAN® test work program, which is being conducted using bulk material from Mount Peake, is designed to prove the full sequence of hydrometallurgical extraction of vanadium, titanium and iron products from the Mount Peake titano-magnetite orebody, and provide the final engineering design parameters for the TIVAN® refinery.

The test work program is being carried out at the world-class CSIRO hydrometallurgical research facilities in Perth and has been designed by the CSIRO team under guidance of the Company's metallurgical consultants, METS Pty Ltd, and leading global metallurgical engineering and plant construction group SMS Siemag, who were recently appointed to oversee and coordinate finalisation of the metallurgical engineering component of the feasibility study.

The test work program, which represents a pivotal component of the final stages of the Mount Peake Feasibility Study, will involve the following phases:

- Feed preparation processing;
- Leach;
- Solvent Extraction; and
- Product packaging.

The test work program is expected to run continuously over the next 14 days after which results will be assessed, reviewed and reported. Final results are expected to be available by mid-June ready for incorporation into the Mount Peake Feasibility.

The patent-pending and recently enhanced TIVAN® Process is expected to yield improvements in many sections of the refinery process, as well as producing a higher grade and therefore a higher value titanium-dioxide by-product in addition to the high purity vanadium-pentoxide and iron oxide products. This may significantly enhance the project economics.

TNG's Managing Director, Mr Paul Burton, said the test work program would provide independent validation of the feasibility of the TIVAN® refinery process, paving the way for the commercialisation of the hydrometallurgical technology as well as completion of the Mount Peake Feasibility Study.

"I know that many shareholders and investors have been keenly following the progress of our TIVAN® development program and it's great to be able to inform everyone that the program has now commenced in Perth and is on track to run continuously over the next two weeks," he said.

"The results of this program represent a key input into the Feasibility Study, and we expect it to give TNG a competitive advantage for the development of Mount Peake with the significant technical, operational and economic benefits which are expected to flow from this hydrometallurgical processing technology," Mr Burton added.

Paul E Burton
Managing Director

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Competent Person Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on, and fairly represents, information and supporting documentation compiled by Exploration Manager Mr Kim Grey B.Sc. and M. Econ. Geol. Mr Grey is a member of the Australian Institute of Geoscientists, and a full time employee of TNG Limited. Mr Grey has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grey consents to the inclusion in the report of the matters based on his information in the form and context in which it appear.

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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