TNG LIMITED

31 July 2015

June 2015 Quarterly Activities Report

TNG to embark on funding and off-take discussions following completion of positive Mount Peake Feasibility Study with exceptional results

HIGHLIGHTS

MOUNT PEAKE VANADIUM-TITANIUM-IRON PROJECT (NT) – Definitive Feasibility Study

- Definitive Feasibility Study (DFS) completed subsequent to Quarter-end with the Study finding that the 100%-owned Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory, when developed, will deliver robust financial and technical outcomes. Key findings of DFS include:
  - *Pre-production capital cost estimate of A$970M (Stage 1 infrastructure, mine site, concentrator and Refinery);*
  - *Pre-tax net annual average production cash flow of A$785 million;*
  - *Life-of-mine net cash-flow of A$11.6 billion;*
  - *Pre-tax IRR of 41%;*
  - *Two year pre-production period for construction;*
  - *Initial 17-year project life;*
  - *3Mtpa (Stage1) mining operation expanding to 6Mtpa (Stage2) after 4 years of production;*
  - *Average annual production of 17,560tpa V_2O_5, 236,000tpa TiO_2 (pigment), 637,000tpa Pig Iron;*
  - *Pay back of 4 years.*
- Maiden Probable Ore Reserve of 41.1Mt (50% of mine life) at V_2O_5 0.42%, TiO_2 7.99%, Fe 28.0% at a cut-off grade of 15% Fe, which has converted 65% of the Measured Resource with a 50% increase in V_2O_5 grade.
- TNG expects DFS findings to underpin discussions for converting funding and construction MOU's to binding implementation agreements; binding commodity off-take agreements expected to be negotiated this Quarter.
- Subject to all approvals, permitting and financing, construction of Mount Peake is planned to commence in 2016 with first production scheduled for early 2018.

MOUNT PEAKE VANADIUM-TITANIUM-IRON PROJECT (NT) – Other developments

- Non-binding MOU signed with a leading Vanadium Redox-Flow Batteries (VRB) manufacturer for the supply of vanadium product from Mount Peake and the installation of a VRB unit on site to provide power to run the Mount Peake mine site and TIVAN® refinery.
- Non-binding MOU signed with the Australia's Energy Made Clean Ltd ("EMC") to consider long-term strategic cooperation for the supply and installation of EMC's Solar Power System at Mount Peake.

TIVAN® HYDROMETALLURGICAL PROCESS

- All phases of the improved TIVAN® flow sheet and pilot plant completed satisfactorily, within scope and to industry standards at the CSIRO's Hydrometallurgical Facility in Perth.
- Leach stages completed with improvement to > 95% vanadium extraction.
- Continuous run solvent extraction achieved > 99% vanadium extraction.
- Vanadium production successfully achieved with > 93% recovery; Vanadium assays of > 99% purity.
- Titanium production achieved with > 90% recovery; Titanium product improved to up to 65% purity, providing ideal specification for refining to pigment grade.
- Results of the pilot plant trial now allows final design for the improved TIVAN® Process.
- DFS includes a new proposed Darwin location for the TIVAN® Refinery

CORPORATE

- Spin-off of Todd River Resources set to proceed following approval from shareholders at a General Meeting on 20 May 2015. Todd River Resources will host a highly prospective portfolio of zinc, copper and base metal assets.
- Institutional investments totalling $4.0M secured through two separate placements to strategic Hong Kong-based institutional investors completed in April and May.
- Cash reserves of $5.29M at Quarter-end.

SUMMARY

The June 2015 Quarter was a pivotal period for TNG, with the completion of the Definitive Feasibility Study (DFS) for the Company's flagship Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory being progressed. The DFS was finalised and announced to the market on 31 July 2015 (see ASX Announcement – Mount Peake Feasibility Study Confirms a World-Class Project").

The completion of the Feasibility Study, building on the Company's established global network of strategic alliance and development partners, is expected to pave the way for financing and development of the world-scale Mount Peake Project to proceed during the second half of 2015 – positioning TNG to become a significant global player in the strategic metals business.

The DFS has delivered exceptional results, outlining a world-class project capable of generating outstanding returns for shareholders. The DFS found Mount Peake would generate a pre-tax internal rate of return **(IRR) of 41%** based on a **pre-production capital cost of A$970 million**, total estimated **life-of-mine net cash flow of A$11.6 billion** and **operating cash flows of A$13.6 billion** over an initial 17-year project life.

In light of these results, TNG will now progress discussions with its established network of key strategic partners. Where MOUs are already in place, TNG aims to finalise binding contractual agreements to underpin financing, construction and off-take arrangements. Subject to satisfactory completion of these agreements and all other regulatory approvals and permitting, TNG envisages that construction of Mount Peake could commence in 2016, with a proposed 24 month construction timeline to first production.

During the Quarter the Company was able to build on its strong and growing relationship in place with Korean ferro-vanadium giant, WOOJIN, by signing two sets of Binding Term Sheets – the first for vanadium off-take and marketing, and the second for the exchange of WOOJIN's proprietary technology that will enable TNG to convert vanadium pentoxide (V_2O_5) mined at Mount Peake into high-value ferro-vanadium (FeV).

Under the Binding Term Sheet for off-take, WOOJIN will purchase a minimum of 60% of refined V_2O_5 from TNG's TIVAN® plant, with the off-take to be negotiated on an arm's length basis at a price based on a pre-determined formula based on Metal Bulletin's vanadium pentoxide, CIF Europe min. 98% quotation. This marks a significant step towards the finalisation of a binding long-term off-take agreement for the Company's forecast vanadium pentoxide production which will underpin the financing and development of the Mount Peake Project.

This agreement was closely followed by the signing of a second Binding Term Sheet with WOOJIN which provides for the transfer of WOOJIN's proprietary ferro-vanadium technology to TNG. Under this second Binding Term Sheet, TNG and WOOJIN have agreed terms for the formation of a Conversion Joint Venture to enable the establishment and operation of a WOOJIN V_20_5 conversion plant at TNG's TIVAN® refinery site, capable of converting V_2O_5 to high-value FeV. The conversion technology is currently in use at WOOJIN's Gimpo plant in Korea, enabling WOOJIN to achieve the highest vanadium recovery in the world for FeV production at a low conversion cost. The addition of this process to the TIVAN® plant will provide TNG with the ability to produce additional value-added products for global distribution.

The agreement also provides terms for TNG and WOOJIN to form a Marketing Joint Venture for the sale and distribution of the FeV produced under the Conversion Joint Venture. WOOJIN's capabilities and technology are very complementary to TNG's own proprietary TIVAN® downstream processing technology, and the Company expects that the combination of the world-class Mount Peake project with WOOJIN's enhanced processing capability and marketing reach will be very powerful indeed.

Subsequent to the end of the Quarter, TNG contracted SMS Siemag, one of world's leading metallurgical engineering and plant building companies, to oversee and coordinate the finalisation of the engineering study on the improved TIVAN® Process which underpins the downstream processing route for Mount Peake.

The Company also signed a Memorandum of Understanding for the Mount Peake Project's civil engineering and construction work with leading Australian industrial, construction and environmental service provider, McMahon Services Australia Pty Ltd, and leading indigenous contractor, Intract Australia Limited. The MOU covers all aspects of the Mount Peake civil engineering and construction work, including construction of the mine, camp, airport, railway siding and mine haul road.

Outside of Mount Peake, exploration at the McArthur River Zinc-Copper Project in the Northern Territory has yielded a new discovery, with reconnaissance rock chip sampling returning results of 48% Cu, 47% Cu and 68gpt Ag. This new zone extends over an area of 300m x 600m within a large 700m x 1400m area of soil anomalism, further enhancing the prospectivity of the

McArthur River Project, which is proposed for inclusion in the spin-off of TNG's non-core base metal assets via Todd River Resources.

A General Meeting of TNG Shareholders was held on 20 May 2015 to approve the demerger of all base-metal assets into Todd River Resources, a wholly owned subsidiary of TNG. Once completed, Todd River Resources will have one of the largest base metal footprints in the Northern Territory with ownership of a number of advanced assets including the large Manbarrum Zinc Project.

Also subsequent to the end of the Quarter, TNG secured a $2.04 million investment from a strategic Hong Kong institutional investor, further strengthening the Company's position in challenging economic conditions.

PROJECTS

VANADIUM-TITANIUM-IRON

Mount Peake Project: TNG 100%

The Mount Peake Project is emerging as a world-scale strategic metals project located 235km north-west of Alice Springs in the Northern Territory close to existing key power and transport infrastructure including the Alice Springs-Darwin Railway and the Stuart Highway. With a JORC Measured, Indicated and Inferred Resource totalling 160Mt (118Mt Measured, 20Mt Indicated, 22Mt Inferred), grading 0.28% V_2O_5, 5.3% TiO_2 and 23% Fe, Mount Peake is one of the largest undeveloped vanadium-titanium-iron projects in the world. The area under licence covers a highly prospective, but poorly explored part of the Western Arunta geological province which offers significant exploration upside for TNG within an extensive 100%-owned ground-holding.

TNG has just completed a Feasibility Study on the Mount Peake Project, paving the way for project financing and development to proceed. A summary of the Feasibility Study findings are shown below (For further details (see ASX Announcement 31 July 2015 – Mount Peake Feasibility Study Confirms a World-Class Project")

Definitive Feasibility Study Summary and Key Assumptions

DFS results show an increase in life-of-mine revenues and cash flows compared to the previous results from the Pre-Feasibility Study (PFS) completed in 2012 (see ASX Announcement – 15 July 2013).

The DFS is based on the production of magnetite concentrate on site at Mount Peake. The DSF assumes that concentrate will be trucked to a rail siding and then railed north to a TIVAN® Refinery facility to be located approximately 10km from Darwin Port. From the magnetite concentrate the TIVAN® facility will produce high-purity vanadium pentoxide, titanium dioxide concentrate and iron oxide. Associated downstream plants will produce high grade titanium pigment, and pig iron.

DFS financial model

The DFS financial model was compiled and audited by Snowden.
Key assumptions and findings are as follows:

Summary of Key Financial Parameters from cash flow model:

Mine Life:	15 years
Pre-production capital cost estimate (including all infrastructure:	A$970 million
Total operating costs (including mining, processing, transport & royalties):	A$167 per tonne of ore
Total revenue (life-of-mine):	A$27.3 billion
Operating cash flow (life-of-mine):	A$13.6 billion
Net cash flow (life-of-mine):	A$11.6 billion
Discount rate:	8%
Pay back:	4 years
Nett annual operating cash flow:	41%
NPV (at 8% discounted)	A$4.9 billion

Maiden Ore Reserve

The Probable Ore Reserve estimated as part of the DFS is based on, and inclusive of, the above stated Mineral Resources. The Ore Reserve is classified as a Probable Reserve and constitutes around 30% of the Measured and Indicated Mineral Resource, limited only by price forecasts provided be TNG's external consultants.

The forecasts go out to the year 2025 and the resultant Probable Reserve encompasses the first eight years of the planned mine life.

Table 1. The maiden Mount Peake Probable Ore Reserve estimate.

Category	Tonnes (Mt)	V_2O_5%	TiO_2%	Fe%
Proven	0	-	-	-
Probable	41.1	0.42	7.99	28.0
TOTAL	**41.1**	**0.42**	**7.99**	**28.0**

Note: Tonnage and grade figures in tables have been rounded to 2 or 3 significant figures and as a result small discrepancies may occur due to the effect of rounding. Estimate calculated at 15% Fe cut-off grade

Development Schedule

After the final Native Title Agreement is signed by TNG and the Traditional Owners, TNG expects a recommendation to be made by the NT Department of Mines and Energy with regards to the granting of the Mount Peake Mining Leases (ML28341, ML29855, ML29856, and ML30686). This is expected to take one month from the finalisation of the Native Title Agreement.

The Environmental Impact Statement (EIS) is well advanced and expected to be submitted shortly. No issues are currently anticipated from any of the above approvals and processes.

Subject to all regulatory approvals, permitting and receipt of financing, initial site works are expected to commence early in 2016 and will comprise concurrent construction of the accommodation village, the access road and commencement of clearing of the open cut through the overlying sand cover to enable the establishment of the first areas for mining.

The Mount Peake project proposed implementation schedule is dictated by the development of the TIVAN® Refinery. It is planned that first ore is expected to be extracted in Q1 2018, with initial ore stored on a run of mine (ROM) stockpile.

The process plant will commence processing when the ROM stockpile contains sufficient ore feed, which in the DFS assumes will occur in Q1 2018.

First concentrate production is expected to be sent to the TIVAN® Refinery in Q1 2018 and the first vanadium pentoxide, titanium pigment and pig-iron shipment is expected to occur in Q2 2018.

Satisfactory financing, final development approvals, signing of the final Native Title Agreement, the grant of the Mining Leases and a number of other environmental and other regulatory approvals and permits will be required before mine development and production can commence. The proposed schedule described above is subject to satisfying those requirements.

Next Steps

Financing and offtake discussions have progressed significantly and it is possible that these will be finalised prior to receipt of all necessary statutory approvals.

While the Company's immediate focus is on the permitting and development of the Mount Peake mine, it is also well placed to continue with developing its extensive asset portfolio to build TNG into a premier mining group.

Following recent discussions with Australian, European, Korean and Chinese Engineering Procurement and Construction (EPC) companies, TNG will now give immediate consideration to identifying potentially suitable partners for development of the project.

MOU with leading Vanadium Redox-Flow Batteries manufacturer

TNG has secured the involvement of a leading manufacturer of Vanadium Redox-Flow Batteries (VRB) in the development plans for the Mount Peake Project, both as a potential off-take customer and to examine the feasibility of installing a VRB unit on site to help power the operation.

The growing use of Vanadium Redox-Flow Batteries (VRB's) worldwide is one of the key drivers of projected rapid demand growth for vanadium, given their extremely large storage capacity – which makes them well suited for use in large power storage applications.

The MOU provides a unique opportunity for TNG to partner with one of the world's leading VRB manufacturers, resulting in an integrated approach for the development and sale of the vanadium products from Mount Peake to the high value and fast-growing VRB market, as well as investigation of the feasibility of installing a VRB unit directly at the Mount Peake mine site.

Vanadium Redox-Flow Batteries exploit the ability of vanadium to exist in solution in four different oxidation states, and uses this property to make a battery that has just one electroactive element instead of two.

The large power storage capacity of VRB's makes them well suited to applications where batteries are used to help average out the production of highly variable generation sources such as wind or solar power, helping generators cope with large surges in demand or levelling out supply/demand at a transmission-constrained region, such as a remote mine site.

Under the terms of the MOU, subject to satisfactory discussions, approvals and regulatory requirements, TNG may enter into binding agreements with the VRB manufacturer for:

- The purchase of vanadium product from TNG's 100%-owned TIVAN® plant;
- The installation of a VRB unit for the supply of electricity at TNG's Mount Peake Project;
- Close cooperation for TNG's vanadium product development including but not limited to vanadium electrolyte; and
- Any other mutually beneficial arrangements with the aim of directly or indirectly supporting TNG's Mount Peake development, including its short- and long-term project development requirements.

MOU for solar power options at Mount Peake

TNG has signed a Memorandum of Understanding (MOU) with leading Australian renewable energy group Energy Made Clean Ltd ("EMC") to evaluate and implement energy supply options for the Mount Peake Project, including the potential supply of a state-of-the-art Solar Power System (SPS) to the project.

The MOU followed an earlier MOU with a leading global vanadium battery manufacturer for the potential supply of a Vanadium Redox Battery (VRB) at Mount Peake (outlined above). EMC's expertise in the design and installation of state-of-the-art commercial solar power installations will allow TNG to evaluate and implement the most efficient solution for the supply of energy at its operations.

A Solar Power System, in conjunction with a VRB storage system, could significantly cut power costs at TNG's operations, supply the Company with a renewable energy solution, as well as provide a showcase for the rapidly increasing use of Vanadium Redox Battery installations in remote areas.

Energy Made Clean (EMC) has established a strong reputation for designing, building, owning and operating renewable energy projects since 2004. EMC's project team has significant demonstrated experience across a range of innovative energy projects including solar PV, battery storage systems and off-grid energy systems. These projects have been delivered for a number of private and government clients. EMC designs, constructs and commissions these projects using a team of in-house engineers and construction specialists.

Under the terms of the MOU with EMC, subject to satisfactory discussions, approvals and regulatory requirements, TNG and EMC may enter into binding agreements for:

- The supply and installation of a SPS for the Mount Peake mine site;
- The supply and installation of a SPS for the TIVAN® refinery site;
- Close cooperation between TNG and EMC for TNG's project development including but not limited to assisting with completion of the Feasibility study by supplying the technical specifications and capital cost of the SPS;
- Close cooperation between TNG and EMC for EMC's product development;

- Agreements between EMC and TNG are intended to be structured in a way to allow TNG to raise direct or third party financing for the development of its Mount Peake project; and
- Any other mutually beneficial arrangements.

TIVAN® Process

TIVAN® pilot plant testwork completed with exceptional results

The pilot metallurgical testwork program for the TIVAN® downstream refinery of the Mount Peake Project has been successfully completed, delivering excellent results which have either met or exceeded expectations in all areas.

The TIVAN® testwork program was carried out at the world-class Commonwealth Scientific and Industrial Research Organisation (CSIRO) hydrometallurgical research facilities in Perth, with the appointed team of CSIRO experts providing significant input and improvements to the process before and during the trial.

The program has confirmed the ability to achieve commercial vanadium recoveries of >93% and produce high-purity vanadium pentoxide (V_2O_5) of >99% purity, with high-purity iron oxide and titanium dioxide also recovered as valuable by-products.

An important development arising from these improvements is a significant improvement in titanium dioxide recoveries to >90%, and the ability to obtain a low iron titanium dioxide concentrate of up to 65% purity. This has resulted in TNG and its consultants considering the production of titanium pigment (>90% grade) directly from this concentrate using an industry standard chloride process, allowing the Company to benefit from improved revenues. Titanium pigment currently sells for approximately US$3000/tonne.

The testwork was conducted using bulk material from the Mount Peake Project, and was designed to prove the full sequence of hydrometallurgical extraction of vanadium, titanium and iron products from the Mount Peake titano-magnetite orebody, as well as to provide key inputs to the final engineering design and scale-up parameters for the fabrication and construction of the TIVAN® refinery.

The testwork program and results have been fully reviewed by Mineral Engineering Technical Services (METS) and global engineering group SMS Siemag, with both groups concluding that the program has demonstrated the technical and commercial viability of the TIVAN® Process.

The patent-pending and enhanced TIVAN® Process yielded significant improvements and value-add considerations in many sections of the refinery process.

The testwork phases were conducted as follows:

- **Crushing, grinding, beneficiation:** to produce a magnetite concentrate; achieved with positive results.
- **Feed preparation and pre-processing:** this was completed with positive results with further room for optimisation identified;
- **TIVAN® Leach phase:** this was completed with positive results with further room for optimisation being identified particularly on scale-up;
- **Solvent extraction:** Solvent Extraction (SX) feed preparation and SX operation was completed using industry standard unit operations including mixer-settlers, operating conditions and circuit configuration. This section worked extremely well on a continuous basis with all recycles taken into consideration.

Conclusions and Improvements:

Considerable testwork prior to and during the pilot run allowed many significant improvements to be made to the overall process, both in design and operation. These include:

- Analytical purity of products obtainable, grading[1]:
  Vanadium Pentoxide: >99%
  Titanium Dioxide: >65%
  Iron Oxide: >99%
- Feed preparation improved the quality of the feed to the TIVAN® leach offering early iron removal opportunity and additional downstream advantages;
- The higher concentrate feed allowed a higher titanium grade with consequent higher recoveries with higher grade concentrate production;

- An excellent TIVAN® leaching efficiency was achieved with high extraction of vanadium into the leach solution and excellent deportment of titanium to the leach residue;
- A new SX feed preparation stage and simpler organic system achieved extraction rates for vanadium of >99% in only 1 minute whilst maintaining excellent selectivity for vanadium over iron;
- Good continuous operation of the SX circuit with excellent stripping efficiency for vanadium, minimal crud formation or lock-up of metal in the organic phase;
- The combined feed preparation, leach and SX circuits worked well together and through the piloting a number of further optimisation opportunities have arisen to provide further process efficiencies and cost savings; and
- Value added improvement have also been identified and are to be incorporated into the design.

[1] Analytical purity of products is based on all test work and analytical assays conducted on TNG samples. Additional validation and optimisation work may result in grade and purity being improved further.

Other prospects at Mount Peake

The Company has identified significant other mineralisation potential in the Mount Peake area.

Graphite

The graphite potential of the Mount Peake Project is also continuing to emerge. This work is still at an early stage, however the graphite prospectivity at Mount Peake represents an exciting emerging opportunity for TNG, which will be further tested during 2015.

OTHER PROJECTS

COPPER

McArthur – EL 27711 and EL 30085

The McArthur River tenements, which are located approximately 50km south of Cape Crawford along the Tablelands Highway, covers part of the prospective McArthur Basin geology, 65km south-west of the McArthur Zinc mine operated by Xstrata, and within the Batten Fault Zone which hosts several other areas of base metal mineralisation, including the recently outlined Teena Deposit (Rox/Teck).

Work completed by TNG in 2013 outlined three large geochemically anomalous Zn-Cu-Pb zones (following a review of historical exploration data) associated with the Wollogorang Formation (see ASX Announcement on 16th September 2013). ELA 30085 was applied for during 2013 to secure the full 17km of strike extent of prospective stratigraphy.The central anomaly is 3000m long and up to 450m wide with values up to 1400ppm Zn and 670ppm Pb in soil samples. The other zones have results of up to 1,150ppm Cu and 800ppm Zn.

The potential of the Wollogorang Formation carbonaceous shales to host stratiform base metal accumulations has been confirmed by field mapping and sampling by TNG geologists, together with relogging of drill core from the tenement area (accessed in the NTGS Core Library) during 2013.

During the Quarter TNG delineated an extensive zone of high-grade surface copper mineralisation from mapping and rock chip sampling undertaken at the McArthur River Project.

A program of field mapping, soil sampling and rock chip sampling was conducted at the McArthur River Project to follow up the high grade 48% copper analysis located during earlier reconnaissance sampling (see ASX Announcement – 16 February 2015). This work was conducted as part of the ongoing background assessment of the assets, which have been included in the recently approved demerger of Todd River Resources.

The field work has confirmed the very high prospectivity of the McArthur River Project, with these results indicating a newly discovered zone of sedimentary-hosted stratiform copper-silver mineralisation which represents a significant exploration target and potential new mineralisation style for this area.

Sediment-hosted stratiform copper deposits are an important and economically attractive, world-class mineral deposit style. Examples of these are demonstrated by the super-giants of the Kupfershiefer in north-central Europe and the Copper Belt of Central Africa.

McArthur River Sampling Program

Detailed geological mapping was completed by TNG geologists over an area of approximately three square kilometres. Systematic Portable XRF (pXRF) and -80# soil sampling and rock chip sampling was also undertaken with full details provided in the Company's ASX Announcement dated 9 June 2015.

48 rock samples were collected with all samples analysed for a 33-element suite. Results of greater than 1% copper are shown in Table 1 and results of all significant elements and sample coordinates are provided in the Company's ASX Announcement dated 9 June 2015. Significant copper results >40% Cu are shown in Table 2. Laboratory analysis of the rock samples returned a total of seven samples with >40% Cu, 12 samples greater than 10% Cu and 19 samples above 1% Cu. These results enhance and confirm the extent of the potential copper horizon.

Table 1. Significant rock chip sample results (>1% Cu.

SAMPLE NUMBER	EASTING MGAZ53	NORTHING MGAZ53	Au ppm	Ag ppm	Bi ppm	Cu %	Mo ppm	S %
MC15001	593373	8109079	0.031	68	1050	**48.3**	30	1.76
MC15001D	593373	8109079				**47.9**		
MC15501	593375	8109090	0.089	41	1120	**47.8**	30	0.21
MC15502	593372	8109088	N.D.	57	1220	**45.6**	50	0.92
MC15503	593372	8109090	0.006	4	160	**5.01**	10	0.27
MC15504	593370	8109085	N.D.	1	30	**1.54**	<10	0.26
MC15505	593373	8109086	0.074	57	1290	**47.7**	30	0.91
MC15506	593376	8109081	0.037	46	1050	**44.3**	30	0.83
MC15507	593375	8109080	N.D.	46	1000	**35.9**	30	1.17
MC15508	593380	8109093	0.039	45	970	**37.2**	30	0.47
MC15509	593376	8109106	N.D.	18	420	**15.25**	10	0.18
MC15510	593372	8109098	0.009	9	180	**6.02**	10	0.23
MC15511	593498	8109393	N.D.	39	240	**17.95**	20	0.7
MC15526	593354	8109078	<0.005	3	120	**4.15**	<10	0.21
MC15536	593268	8109518	0.076	48	2220	**45.1**	<10	1.53
MC15537	593273	8109512	0.068	48	2140	**45.8**	<10	1.61
MC15538	593273	8109508	0.099	47	2220	**44.6**	<10	1.57
MC15539	593286	8109531	N.D.	2	150	**2.51**	<10	0.28
MC15540	593276	8109535	N.D.	12	840	**10.95**	<10	0.61
MC15541	593281	8109544	0.011	3	170	**1.99**	<10	0.26
MC15542	593291	8109543	N.D.	5	230	**4.10**	<10	0.27

Table 2. Multi-element anomalism for the two sampling areas.

		Copper Results			Silver	Gold	Bismuth	Molybdenum
		>40%	>10%	>1%	>10 g/t	>0.05 g/t	>250ppm	>=30ppm
Original Site	No. Samples (23)	**4**	7	11	8	2	8	7
	Maximum Value	**47.80%**			**68**	**0.09**	**1220**	**50**
Northern Breakaway	No. Samples (18)	**3**	5	8	5	3	4	0
	Maximum Value	**45.80%**			**48**	**0.10**	**2220**	

All anomalous samples came from a shale band in the lowermost Wollogorang Formation (Figure 1). This shale (Pto1) is approximately ten metres thick and bound below by the Settlement Creek Dolerite and above by a dolomite subunit within the Wollogorang Formation (Pto2).

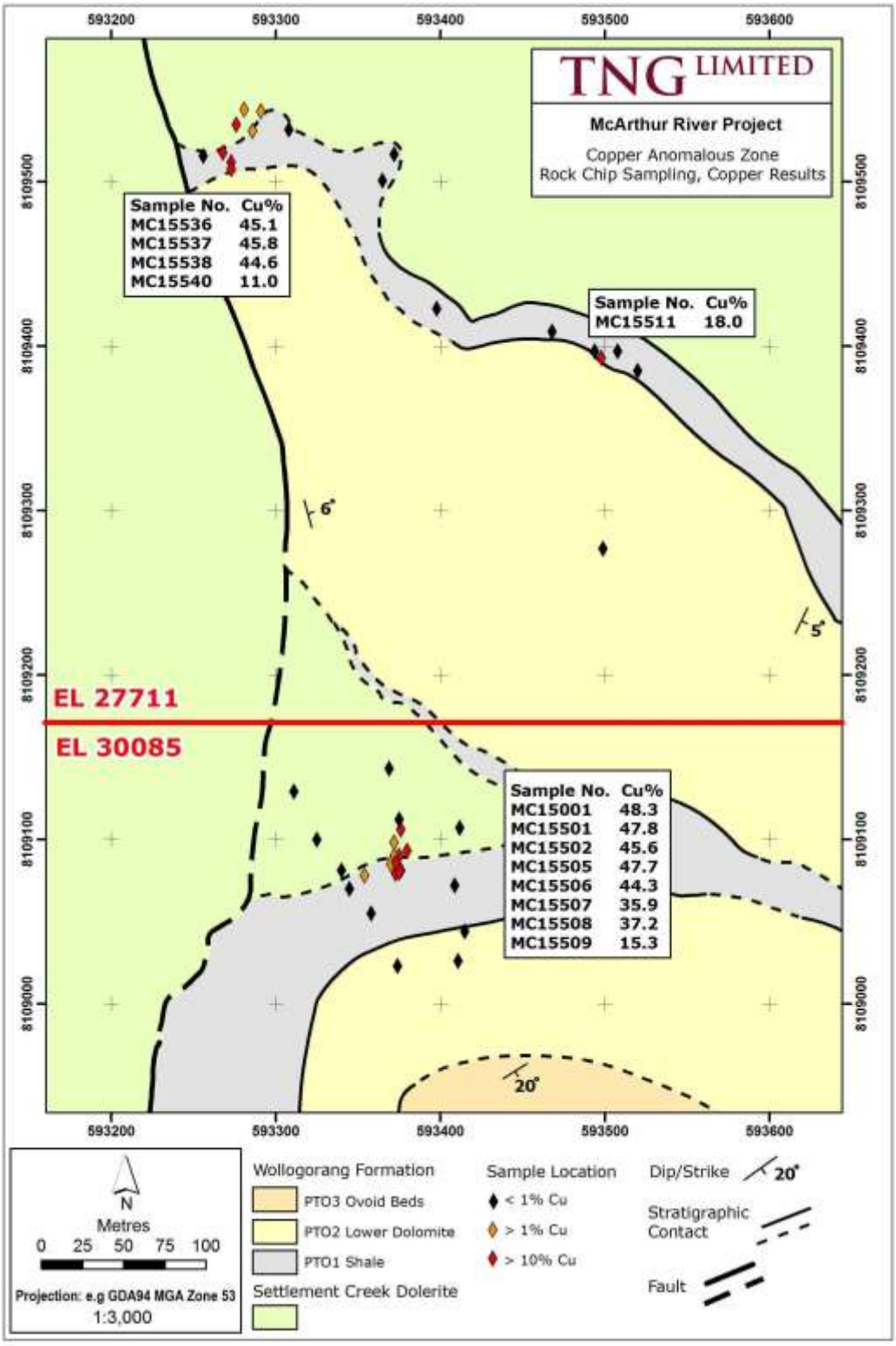


Figure 1: Portion of the mapped area showing the locations of the rock chip samples in Table 1

The dolomite exposures are prominent, forming low (2-10m) breakaways with the shale poorly exposed on the scree slope below the breakaway. Stratigraphy in the area displays variable but shallow dips (0-20 degrees), mostly dipping towards the east.

Copper anomalism was found in two main areas (see Figure 1). A total of 23 samples were taken in the vicinity of the original sample at approximately 593,373mE 8,109,079mN. These samples were spread over an area of 150m by 120m and returned four (five including the original sample) assays of greater than 40% Cu. Seven samples returned values of greater than 10% Cu, while the eight samples showing more than 1% Cu were spread over an area of 30m by 50 metres.

An exposure of the shale along a NNE facing breakaway some 300-500m to the north returned three rock samples with >40% Cu results. The anomalous samples were all taken from the same stratigraphic shale unit and were spread over 250m of strike exposure along the breakaway.

The copper is present as malachite (green hydrated copper carbonate) and chalcocite (black supergene copper sulphide) in all samples with more than 1% Cu. Significant tenorite (black high-grade copper oxide) and/or native copper may also be present.

There is a distinct multi-element association which is displayed by these samples in Cu-Bi-Ag-Au-Mo. The multi-element anomalism for the two areas is outlined in Table 2.

Silver correlates well with copper and is highly anomalous with ten samples returning over 40g/t Ag and 13 above 10g/t, with a maximum value of 68g/t. Gold was analysed only in 18 samples and, of those, five results exceeded 0.05g/t, with a maximum value of 0.10g/t Au. All anomalous gold results came from samples with >40% copper.

Bismuth is also highly anomalous, with results to 2220ppm Bi, while the background is <20ppm. Molybdenum (Mo) is elevated in the copper anomalous samples with a maximum value of 50ppm in sample MC15502 which has 45.6% Cu (Table 1).

TNG has been active in this area since 2011, although most work to date has been directed towards the zinc potential higher in the stratigraphy (see ASX Announcements – 16 September 2013, 20 August 2014, and 14 October 2014). Late in 2014, NTGS-sponsored diamond drilling was completed on two combined geochemical and geophysical zinc targets.

Sampling of this drill core provided numerous sulphides in an organic and sulphide rich portion of the Ovoid Beds subunit of the Wollogorang Formation (Pto3) and returned results of over 0.2% for both zinc and copper (see ASX Announcement – 18 December 2014). The zinc was associated with pyrite and sphalerite fine sulphides in the most organic rich portion of the stratigraphy. Very high (to 7% TOC) organic content is seen in this interval of core.

The extreme high copper grades seen (10-48% Cu) are a result of supergene enrichment in the weathered profile and likely persist to around 100m below surface. The likely original chalcopyrite hypogene copper has been upgraded to supergene sulphide species (chalcocite, bornite, native copper) which were then replaced by carbonate/oxide species (malachite, tenorite) resulting in the extreme grades seen.

These results indicate a new sedimentary hosted stratiform layer of copper mineralisation has been outlined over an area in excess of 600m by 400m. It is several metres thick and persistent under very thin dolomite cover covering an area of at least 0.5 square kilometres. The horizon dips to the east and would be present over a couple of square kilometres at less than 100m depth below surface and reappears to the south of the area mapped. Soil sampling (see ASX Announcement – 16 September 2013) also highlights the copper potential in the south.

It would be unusual if the mineralised zone was not continuous as is normal with sedimentary hosted stratiform layers but further work is required to establish this.

Yah Yah – ELA 28509

The Yah Yah tenement, located approximately 50km south-west of the McArthur township, contains the historical Yah Yah copper mine, which produced some 40 tonnes of hand-picked, high-grade copper (20-30% Cu) ore prior to 1912. A grab sample collected from a Yah Yah waste dump by CRA Exploration assayed 30.4% Cu. In addition, BHP completed a soil survey which returned best results of up to 562ppm Cu from a 300m wide zone over the old structure.

Discussions with Traditional Owners are continuing in relation to access.

Mount Hardy Project: TNG 100%

Mount Hardy – EL 29219, EL 27892, EL 28694

The Mount Hardy Copper Project is located within the Mount Hardy Copper Field, approximately 300km north-west of Alice Springs. The project area is situated on the Mount Doreen (SF52-12) and Mount Theo (SF52-08) 1:250,000-scale sheets. Access to the Mount Hardy tenement is via the Tanami Highway. The Project contains extensive areas of surface copper with anomalous zinc, gold, silver and lead, with surface sampling returning rock chip grades of up to 35% Cu, 18% Pb, 10% Zn, 7g/t Au and 400g/t Ag.

The Company is of the view that the mineralisation at Mount Hardy is similar in style to other identified mineralised prospects in the Arunta, including those at KGL's Jervois project and Kidman's Home of Bullion prospect.

No further work is planned on this project ahead of the proposed demerger.

Walabanba Hills JV: Copper: TNG earning 51% with potential to increase to 80% (all minerals except uranium)

The Walabanba Joint Venture area lies immediately west of TNG's flagship Mount Peake Strategic Metals Project in the Northern Territory, and is considered highly prospective for copper and nickel mineralisation based on previous exploration results. TNG work since 2012 has identified three drill-ready EM targets.

No further work is planned on this project ahead of the proposed demerger.

Sandover Project: Copper: TNG 100%

ELA 29252 and ELA 29253

The Sandover Copper Project tenements are located approximately 100km north-east of Alice Springs just north of the Plenty Highway. The project area is situated on the Alcoota (SF53-10) 1:250,000 scale map sheet. The two tenements (ELA's 29252 and 29253) cover 894km^2 (283 blocks) in the highly prospective Aileron and Irindina Provinces, some 120-180km to the north-east of Alice Springs. Access to conduct field programmes over these tenements is subject to agreement with the CLC managed Alcoota Pastoral Leaseholders.

Discussions with Traditional Owners are continuing in relation to access.

No further work is planned on this project ahead of the proposed demerger.

OTHER PROJECTS

COPPER-ZINC-LEAD-SILVER, IRON-ORE

Manbarrum Zinc-Lead-Silver Project: TNG 100%

Located 82 kilometres north east of the township of Kununurra in the Northern Territory, The Manbarrum Project comprises three Exploration Licenses and two Authority to Prospect licenses (under section 178) covering a combined area of 407 square kilometres. The Project comprises a series of Mississippi-Valley-style lead-zinc-silver deposits which TNG discovered in 2007. Two deposits totalling more than 35Mt of combined zinc-lead-silver mineralisation have been discovered to date, with a number of untested targets.

No further work is planned on this project ahead of the proposed demerger.

Legune Hematite Project

No further work is planned on this project ahead of the proposed demerger.

Black Range Project

The two new tenements within the Black Range Project were granted in August and cover approximately 60km of strike of the Sherwin Iron formation, host to existing iron resources being exploited by Western Desert Resources (ASX:WDR) and Sherwin Iron (ASX: SHD).

This project will remain in TNG after the proposed demerger.

Tomkinson Basin Project

The two tenements were granted earlier in 2015 and program planning has commenced. The target is the Namerinni Formation, at time equivalent of the host sequence from the McArthur River Zn-Pb-Ag-Cu mine in the McArthur Basin to the northeast.

No further work is planned on this project ahead of the proposed demerger.

JOINT VENTURE PROJECTS

COPPER-GOLD

Western Desert Resources Ltd (WDR) Joint Venture: TNG 100%,
(WDR earning 51% with scope to earn up to 80%)

The Rover Project covers three granted exploration licences in the lucrative Tennant Creek goldfields, two of which (EL24471 and EL25581) are in joint venture with TNG Ltd and one (EL28128) is 100% held by WDR.

No further work is planned on this project ahead of the proposed demerger.

McTavish Project Joint Venure: TNG 2% Royalty, Barminco 70%

No further work is planned on this project ahead of the proposed demerger.

Kintore East Joint Venture: TNG 20%, La Mancha 80%

No further work is planned on this project ahead of the proposed demerger.

NICKEL MINING PROJECTS:

Nickel Cawse Extended Joint Venture: TNG 20%, Norilsk 80%

The Cawse laterite nickel operation has been placed on indefinite care and maintenance by Norilsk Nickel Australia and is subject to a sale agreement by Norilsk Nickel.

No further work is planned on this project ahead of the proposed demerger.

BAUXITE

Melville Island Licence

In October 2012 TNG formally signed the farm-in and joint venture agreement on its 100% owned Melville Island licence ELA 28617 in the Northern Territory with Rio Tinto Exploration Pty Ltd (RTX). TNG will receive an initial cash payment of $50,000, and RTX will progress negotiations and grant of the licence application for bauxite exploration. Following the grant of the licence RTX must spend $5M within 4 years to earn 80% equity in the project with TNG retaining 20% equity at which point TNG may elect to contribute, sell or convert its equity to a 2% Net Smelter Royalty (NSR). The Melville Island Exploration licence application has been a strategic licence for TNG being located in a prospective area for bauxite and other minerals. The licence area covers approximately 1,400km.

No further work is planned on this project ahead of the proposed demerger.

CORPORATE

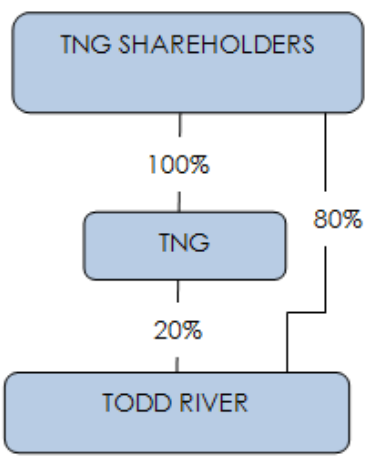
Update on planned demerger of non-core assets

During the Quarter, TNG shareholders approved plans to demerge the Company's non-core portfolio of zinc, copper and base metal assets in the Northern Territory.

The proposed spin-off, via its subsidiary company Todd River Resources (TRR), will see TNG emerge with a minimum of 20 per cent cornerstone stake in the new company with TNG shareholders to hold 80 per cent of the shares via an in-specie distribution.

Following the demerger, Todd River Resources will have one of the largest base metal footprints in the Northern

STRUCTURE POST IN-SPECIE DISTRIBUTION



Territory with ownership of a number of advanced assets including the large Manbarrum Zinc Project.

The demerger is consistent with TNG's focus on the development of the Mount Peake Project.

The Company's primary objective in undertaking the Spin-out is to separate the NT Base Metal Assets from its other assets and to achieve the following commercial objectives:

- to allow TNG to concentrate on the development of its flagship asset, the world-class Mount Peake Vanadium-Titanium-Iron Project;
- to create a separate entity to focus on the future development of the NT Base Metal Assets;
- to provide separate funding channels for Todd River and the NT Base Metal Assets, thereby allowing the Company to conserve its cash resources for undertaking activities connected with its flagship asset and also enabling each entity to achieve a funding profile more attuned to the stage of development of its respective assets; and
- to make it easier to raise equity to fund the NT Base Metal Assets.

$4.0M Raised Through Two Separate Placements to Institutional Investors

During the Quarter, TNG secured an investment from Trafalgar Capital a strategic Hong Kong and London based institutional investor. The Placement comprised the issue of 15.72 million shares at an issue price of 13 cents per share to raise $2.04 million (before costs), and was completed under TNG's 15% placement capacity under ASX Listing Rule 7.1. The Placement was settled on 24 April 2015.

The funds raised from this Placement will be used to progress completion of the Mount Peake feasibility study.

The Company then secured a further A$2 million investment from a leading London and Hong Kong based Institutional investor. This placement, comprising 13.33 million shares at an issue price of 15 cents per share, was settled on 26 May 2015.

The offer from the Institution followed shareholder approval to refresh the Company's placement capacity at the Extraordinary General Meeting on 20 May 2015.

The funds raised from this second Placement will be used for completion of the development and commercialisation of the TIVAN® hydrometallurgical process, completion of the Mount Peake Feasibility Study and to progress activities in relation to the development and financing of the project.

Davis Samuel

TNG has submitted its appeal against the final judgment orders for the long-standing (12 year) legal matter between the Commonwealth and Davis Samuel in which TNG has been one of 27 defendants. The details of the Davis Samuel matter have been disclosed by the Company in its statutory reporting since 2002.

The Company also remains in discussions with the Commonwealth on the question of costs.

Cash

TNG had total cash reserves of $5.29 million at Quarter-end.

Paul Burton
Managing Director
31 July 2015

Tenement Schedule

The Group holds an interest in the following tenements or tenement applications at 30 June 2015:

Project	Tenements	Equity
Mount Peake	EL27069, EL27070, EL27787, EL27941, EL28941, EL29578, ELR29627, EL29867, MLA28341, MLA29855, MLA29856	100%
McArthur River	EL27711, EL28503, EL30085	100%
Melville Island	ELA28617	100% (Farm in agreement)
Croker Island	ELA29164	100%
East Arnhem Land	EL28218, EL28219	100%
Black Range	ELA 30207, ELA 30208	100%
Mount Hardy	EL27892, EL29219, EL 28694	100%
Manbarrum JV	A24518, A26581, EL24395, EL25646, EL25470 MLA27357	100%
Sandover	ELA29252, ELA29253	100%
Walabanba Hills	EL26848, EL27115, EL27876	100% (Farm in agreement)
Warramunga/Rover JV	EL24471, EL25581, ELA25582, ELA25587, MLC647	100% (Farm in agreement)
Peterman Ranges	ELA26383, ELA25564, ELA26384, ELA25562, ELA26382	100% (Farm in agreement)
Goddard's	ELA24260	100% (Farm in agreement)
Cawse Extended	M24/547, M24/548, M24/549, M24/550	20% free carried to production, or can be converted to a 2% net smelter return on ore mined. Unicorn Pit is now excised and a wet tonne royalty applies.
Kintore East	P16/2370, P16/2371, P16/2372, P16/2373, P16/2374, P16/2459	Diluting from 49% to 2% gold return interest on production. Current percentage interest is 23.75%.
Tomkinson	ELA30348, ELA 30359	100%

Competent Person's Statements

The information in this report that relates to Exploration Results 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.

The information in this report that relates to the Mount Peake Mineral Resource estimates is extracted from an ASX Announcement dated 26 March 2013, (see ASX Announcement – 26 March 2013, "Additional Information on the Mount Peake Resource", www.tngltd.com.au and www.asx.com.au), and was completed in accordance with the guidelines of the JORC Code (2012). Initial mining and financial assessment work, based on the Mineral Resource, followed (see ASX Announcement – 15 July 2013, "TNG Considers Two-Stage Development Option for Mount Peake Project, NT ", www.tngltd.com.au and www.asx.com.au).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

The information in this report that relates to the Mount Peake Ore Reserve estimates is extracted from an ASX Announcement dated 31 July 2015, (see ASX Announcement – 31 July 2015, "Mount Peake Feasibility Study Confirms a World-Class Projec", www.tngltd.com.au and www.asc.com.au) and was completed in accordance with the guidelines of the JORC Code (2012).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Ore Reserve estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

Production Targets and Financial Information

Information in relation to the Mount Peake Definitive Feasibility, including production targets and financial information, included in this report is extracted from an ASX Announcement dated 31 July 2015, (see ASX Announcement – 31 July 2015, "Mount Peake Feasibility Study Confirms a World-Class Project", www.tngltd.com.au and www.asx.com.au).

The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement released on 31 July 2015 continue to apply and have not materially changed.