

21 October 2015

TNG APPOINTS PROJECT MANAGER FOR MOUNT PEAKE

Highly experienced industrial and construction group McMahon Services appointed to coordinate pre-development activities as project funding activities advance

Key Points

- McMahon Services awarded the role of Mount Peake Project Manager on behalf of TNG for the interim period until a final construction commitment and project finance is secured.
- Scope will cover all aspects of ongoing and forecast work at Mount Peake, with specific focus on:
 - *Mine and camp site preparation;*
 - *Haul road and rail facilities preparation;*
 - *Finalisation of refinery site location with the NT Government;*
 - *Coordination and completion of Land Clearance Licenses / TIVAN® refinery as required;*
 - *Facilitate approvals and Government funding for the proposed Ti-Tree Airport;*
 - *Finalise all logistics with rail freight carrier GWA and Darwin Port Authority;*
 - *Assist with establishing a TNG Darwin Office; and*
 - *Liaison with NT Major Projects and all Government departments.*

Emerging strategic metals producer TNG Limited (ASX: TNG) is pleased to announce that it has appointed McMahon Services as Interim Project Manager to coordinate the pre-development activities for its flagship 100%-owned **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory.

McMahon Services ("MCM") is an industry-leading, privately-owned industrial, construction and environmental service provider that has delivered some of Australia's most ambitious and significant construction services projects.

MCM was closely involved with the Mount Peake Definitive Feasibility Study (DFS) and contributed significantly to the outstanding outcomes delivered in the DFS (*see ASX Announcement – 31 July 2015*). It also has a well-established record of facilitating and developing projects both in the Northern Territory and Australia-wide.

As Interim Project Manager, MCM will play an integral role in managing and finalising the Mount Peake Project pre-development work, enabling TNG to focus on securing project finance and final permitting.

The scope of the appointment is intended to cover the following key areas:

- Mount Peake mine site and camp facilities design and preparation;
- Selection of refinery site location in consultation with the NT Government;
- Liaison with Government departments to finalise preliminary plans for the Mount Peake rail siding, road access, gas pipeline, electricity powerlines, water pipeline, location of processing plant and ancillary facilities, waste storage and site rehabilitation;
- Coordination and completion of land clearance and refinery licences as required;
- Liaison with the NT Government and Shire Council to obtain approvals and potential financial assistance for the expansion of the planned Ti-Tree Airport;
- Liaison with Darwin Ports Corporation and their nominated providers to obtain the necessary permitting for handling, storage and loading of products;
- Finalisation of rail access conditions and rail-port logistics with rail services provider, GWA;

- Completion of submissions required to access the Federal Government's \$5 billion development funding for Northern Australia Supplier Access to Major Project Funds (SAMP) / tariff concession;
- Coordination of community and stakeholder liaison and indigenous training and development; and
- Establishment of a Darwin office for TNG and provision of administrative support.

Management Comment

TNG's Managing Director, Mr Paul Burton, said he was delighted to be working with one of Australia's most highly regarded service providers to deliver the Mount Peake Project.

"As Project Manager, McMahon Services will play the leading role in completing the pre-development work at Mount Peake. Outsourcing this role to one of the country's best service groups is in keeping with TNG's strategy to bring the Mount Peake Project on line as quickly and professionally as possible," he said.

"McMahon's appointment will enable TNG to focus on securing project finance for the Mount Peake development, whilst also completing the final stages of project permitting."

Subject to all approvals, permitting and financing, construction of Mount Peake is planned to commence in 2016 with first production scheduled for early 2018.

Paul E Burton
Managing Director

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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 long-life project producing a suite of high-quality, high-purity strategic metals products for global markets including vanadium pentoxide, titanium dioxide and pig iron. 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 was completed in July 2015, demonstrating that the Mount Peake Project will generate outstanding returns and paving the way for final approvals, 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 all three valuable metals from the Mount Peake resource.

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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