

2 February 2016

TNG SIGNS BINDING AGREEMENT WITH GLOBAL ENGINEERING GIANT SMS GROUP FOR TIVAN® REFINERY DESIGN AND CONSTRUCTION FINANCE PACKAGE

Significant milestone for TNG with the signing of a wide-ranging agreement with one of the world's biggest suppliers of metallurgical plants, equipment and services

Key Points

- One of world's biggest metallurgical engineering and construction companies, SMS group, throws its weight behind the Mount Peake development after signing a binding Heads of Agreement with TNG including:
 - *Engineering, design and tendering for construction for the TIVAN® downstream refinery; and*
 - *Provision of assistance for funding the construction of the TIVAN refinery through Export Credit Agencies or other structured finance.*
- This marks a major step forward in the long-standing relationship between TNG and SMS group and secures another Tier-1 global partner to participate in the financing and development of the project.

Australian strategic metals company TNG Limited (ASX: TNG) is pleased to announce that it has signed a Binding Heads of Agreement (HoA) with one of world's largest metallurgical engineering and construction companies, SMS group ("SMS"), for the implementation of the TIVAN® downstream refinery which forms part of its 100%-owned **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory.

The HoA, which was signed during a visit by a senior delegation from SMS to TNG's head office in Perth, marks a new stage in the collaboration and cooperation between the two companies. SMS has been involved with TNG's Mount Peake Project since 2011, and played an integral role in the completion of the Definitive Feasibility Study (DFS) which was delivered in July 2015.

Under the HoA signed today, SMS will:

- Undertake full due diligence of all relevant aspects of the Mount Peake DFS relating to the TIVAN® refinery;
- Provide detailed engineering, design and final costing for tender for the refinery; and
- Provide assistance for arranging the funding the construction of the TIVAN® refinery which includes the Export Credit Agencies (ECA's) or other structured finance.

SMS Group GmbH is of the leading global system suppliers of plants, machines and services along the entire metallurgical value chain, with a global workforce of approximately 14,000 employees. It has assisted with many aspects of the Mount Peake DFS including metallurgical testwork, flowsheet verification, financial modelling and with the final compilation of the DFS report.

TNG's Managing Director, Mr Paul Burton, said he was delighted to have secured the involvement of SMS as a key development partner to progress the TIVAN® refinery through the construction phase.

“SMS is a world leader in metallurgical plant design and construction, and has already played an integral role in the planning and testwork for the TIVAN® plant,” he said. “They are ideally placed to help us progress the refinery through the design and construction phases, and we are delighted to have secured their services now to implement the design and construction.”



Paul Burton, Managing Director and Harald Rackel – Member of the SMS Group Board



Rex Turkington – Non-Executive Director, Paul Burton, Harald Rackel and Marc Hoffmann – Vice President, SMS Group

Paul E Burton
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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.

Forward-Looking Statements

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