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MOUNT PEAKE MINE ENVIRONMENTAL IMPACT STATEMENT RELEASED FOR PUBLIC COMMENT

Environmental approvals process for world-class strategic metals project advances to next key stage

Emerging Australian strategic metals producer TNG Limited (ASX: TNG) is pleased to advise that the Environmental Impact Statement (EIS) for the mine and processing facility for its flagship 100%-owned **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory is now available for Public Comment. This represents a significant milestone in the overall project's environmental approval process.

The Mount Peake Project comprises a mine and processing facility to be located at Mount Peake, approximately 235km north-northwest of Alice Springs and 50km north-west of Ti Tree, and the Darwin TIVAN® Refinery, to be located at the Middle Arm Industrial Precinct some 16km to the south-east of Darwin.

Environmental approvals for the mine and refinery are being progressed separately, reflecting both their geographical separation (1,400 km) and the fact that significantly different environmental and social issues need to be addressed at the two locations.

The mine and refinery were referred to separately by the Northern Territory Environment Protection Authority (NT EPA), which determined that both required assessment under the Northern Territory *Environmental Assessment Act 1982* (EA Act) at the level of Environmental Impact Statement (EIS).

The mine and refinery were also separately referred to by the Commonwealth Department of the Environment under the *Environment Protection and Biodiversity Conservation Act 1999*. Both were determined to be controlled actions with assessment by accredited assessment under the EA Act.

The Mount Peake mine site and processing facility includes a proposed open-cut mining operation, waste rock dump, ore processing plant, tailings storage facility, water dams, gas-fired power station, accommodation village, site access roads, Stuart Highway underpass, rail load-out facility and borefield.

The EIS identifies and assesses the potential environmental and social impacts of the project and provides management and control measures to reduce potential risks or impacts to as low as reasonably practicable and to an acceptable level, in accordance with legislative requirements, industry standards and TNG's environment, community, and health and safety policies.

Potential impacts have been assessed for water resources (groundwater and surface water), biodiversity (flora, vegetation and fauna), air and greenhouse gasses, noise and vibration, Aboriginal and historic heritage, socio-economics, human health and safety, waste management and rehabilitation and closure.

The EIS can be accessed through the TNG website:

http://www.tngltd.com.au/sustainable_development/environmental_impact_assessment.phtml

The EIS was prepared by GHD, one of the world's leading environmental and resources consulting groups. TNG engaged GHD to complete all environmental permitting requirements for the integrated Mount Peake mine and refining operation (*see ASX Announcements – 17 February 2015 and 2 November 2015*). GHD has been closely involved with TNG at Mount Peake since the Pre-Feasibility Study for the project was completed in 2012.

An EIS for the Darwin Refinery is currently being prepared. Specialist studies are being undertaken to identify and assess potential environmental and social impacts and to identify management and mitigation measures where necessary. As part of this work, consultation will be undertaken with local communities and government agencies. The Refinery EIS is scheduled to be completed in late 2016, allowing overall environmental approval to be secured by early 2017.

The completion of the mine site EIS and commencement of the public exhibition period marks a major milestone for the planned integrated Mount Peake mine and refinery, and follows the completion of a number of other important elements of the project, including:

- The Feasibility Study and Financial Assessment of the Mount Peake Project (*see ASX Announcement – 31 July 2015*);
- Continuing successful progress in securing product off-take agreements (*see ASX Announcement – 7 September 2015*);
- The submission of the Notice of Intent for the Refinery (*see ASX Announcement – 2 November 2015*); and
- The recent signing of a binding agreement with global engineering firm SMS Group GmbH for the design and implementation of the TIVAN® refinery (*see ASX Announcement – 2 February 2106*).

The approvals process will continue through the next several months, as dictated by NT EPA processes, with the Mount Peake Mine approval broadly expected to occur before July 2016, followed by the Darwin Refinery approval.

TNG's Managing Director, Mr Paul Burton, said the release of the mine EIS for public comment marked another important milestone in the overall permitting process, and another step towards development of the world-class Mount Peake Project.

"The EIS has been prepared to a very high standard and addresses the full range of economic and social issues associated with the proposed development of a mine and processing facility at Mount Peake," he said.

"We look forward to completing the approvals process for this component of the project, which is anticipated to occur by July, while continuing to progress the Darwin refinery approvals in parallel to allow overall environmental approval to be secured as soon as possible" Mr Burton said.

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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 with the mine producing magnetite concentrate from which the Darwin Refinery will generate a suite of high-quality, high-purity strategic metals products for global markets including vanadium pentoxide, pig iron and titanium dioxide pigment. 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 mid-2015, demonstrating that the Mount Peake Project could 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 TIVAN® hydrometallurgical process, which 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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