

DETAILED WATER BORE DRILLING WITH PRODUCTION WELLS COMMENCES AT MOUNT PEAKE AQUIFER FOR MINE DEVELOPMENT PLANNING

Detailed pre-engineering works progressing on several fronts with further updates expected shortly

Key Points

- A program of water bore drill testwork has commenced at TNG's flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory as part of mine development requirements.
- The specialist drilling has been designed to provide additional information for the bore field modelling included in the Feasibility Study following the discovery of the aquifer by TNG last year.
- Works will encompass detailed pump testing, water sampling, aquifer modelling, assessment and reporting.
- Results will form a part of the Supplement Report for the Environmental Impact Study (EIS) for the Mount Peake development, to be submitted later this year.

Australian strategic metals company TNG Limited (ASX: TNG) is pleased to advise that a new program of water bore drilling has commenced at its flagship 100%-owned **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory.

The water bore drilling and evaluation program will provide additional information required for the groundwater modelling work conducted during 2015, which formed a part of the Definitive Feasibility Study completed in July 2015 (*see ASX Announcement – 31 July 2015*), and for the Environmental Impact Statement (EIS) report submitted to the Northern Territory EPA in December last year (*see ASX Announcement – 11 February 2016*).

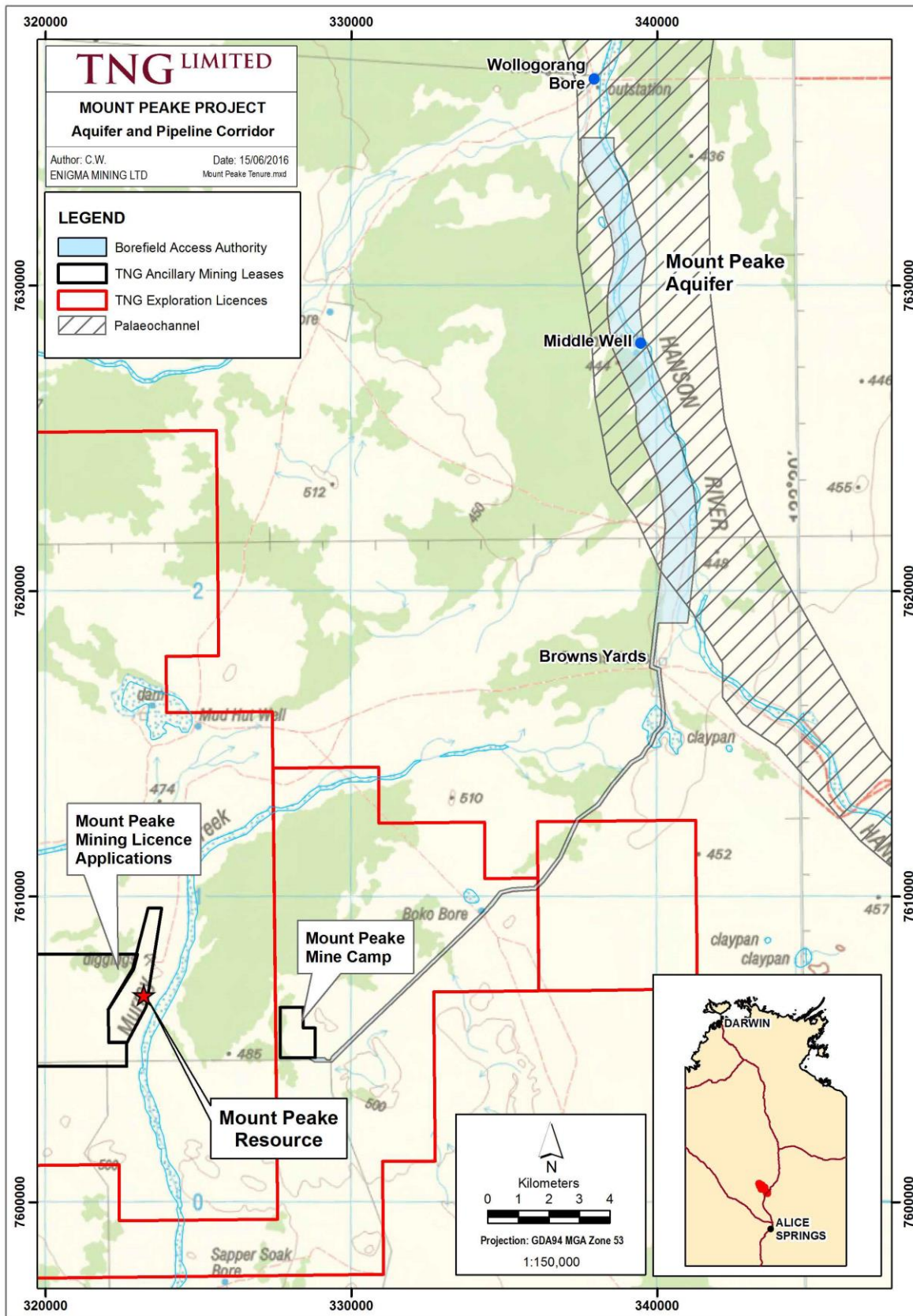
The Mount Peake aquifer is located 20-35km to the north-east of the proposed Mount Peake mine site (see Figure 1). A series of large diameter water-bore holes will be drilled in the paleochannel aquifer outlined by TNG's drilling in 2015 (*see ASX Announcements – 23 February 2015 and 13 April 2015*). In addition, two "production" bores will be established together with adjacent monitoring holes to establish the data required for mine planning by Snowden and Downer, which have been appointed by TNG to undertake pre-engineering works and development.

Detailed evaluation of the long-term sustainability of the aquifer is a normal requirement for long-life mine projects such as Mount Peake, which has an initial life-of-mine of 17 years.

GHD, TNG's appointed Environmental and Hydrological Consultants, will be involved in supervising the drilling works and pump testing of the aquifers intersected in the drilling, and will assess the sustainable yield of the aquifer system for the mine development. This will include water sampling for quality assessment, pump testing to evaluate sustainable yield utilising several types of pump tests including initial air lifting with the drill rig will be followed by 24-hour pump testing, and 14-day extended pumping of selected holes.

GHD will prepare an updated groundwater model and design of the operational bore field from which yield values will be obtained for the proposed bore field in order to establish the life-of-mine mining and ancillary water requirements for the whole operation.

Importantly, this work will also determine the exact amount of pumps, type and the power required for the life of mine operation which TNG will incorporate into its current investigations into the potential to utilise alternative power solutions for the mining operations, such as solar-powered vanadium redox batteries. It is highly likely that these can be used for the pumps, reducing operating costs and provide a green energy solution.



Management Comment

TNG's Managing Director, Mr Paul Burton, said the water bore drilling program was expected to run over the next few weeks and would form an important part of the Company's mine planning activities.

"The availability and sustainability of water is an essential component of any remote mine site," he said. "Mount Peake is blessed with a good location relative to infrastructure and also with a proximal water source. We expect good results from this program which will be reported after review. The results will assist our key consultants, Downer and Snowden, to complete pre-engineering works and finalise detailed mine development planning.

"This work is being undertaken in parallel with other facets of the pre-engineering program. I am looking forward to updating the market on these other activities in the near future."

Paul E Burton
Managing Director

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Inquiries:

Paul E Burton
Managing Director + 61 (0) 8 9327 0900

Nicholas Read
Read Corporate + 61 (0) 8 9388 1474

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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