

## June 2019 Quarterly Activities Report

**Mount Peake progressing on multiple fronts | Titanium Pigment Off-take Agreement executed  
NPI Contractor engaged | Rail Agreement executed | EIS & MMP nearing completion | FEED process advancing  
Project Development Team expanded | Funding package structure underway**

### HIGHLIGHTS

#### ***MOUNT PEAKE VANADIUM-TITANIUM-IRON PROJECT (NT) (TNG: 100%)***

##### **Project Progress, Planning and Development**

- Leading construction group **McMahon Services** engaged to progress the program of work for the Non-Process Infrastructure requirements for both the Mount Peake mine site and the Darwin TIVAN<sup>®</sup> Processing Facility.
- Heads of Agreement signed with **Genesee & Wyoming Australia** for rail haulage services for the transport of magnetite concentrate produced at the Mount Peake mine site to the Darwin TIVAN<sup>®</sup> Processing Facility, and then finished products to the Darwin Port.
- Appointment of three accomplished Perth-based mining and project management professionals, **Peter Hedley, Craig Reimer and Paul Kreppold**, to manage the overall project execution for delivery of Mount Peake Project.
- **Project Roadmap Workshop** held in Perth in June with the participation of all parties involved in the development of the Mount Peake Project, including TNG's engineering partner, SMS group, to agree Project Execution Plan.
- Reverse Circulation drilling program completed at Mount Peake to generate samples for the equipment selection testwork being undertaken by SMS group, as well as to sterilise key areas of the mine site for future infrastructure.

##### **Titanium Dioxide Pigment Off-Take Agreement**

- Binding life-of-mine off-take and marketing agreement executed with the leading Market Expansion Services provider **DKSH** to purchase up to 100% of the **titanium dioxide pigment** expected to be produced by Mount Peake.
- Trademark name secured for TNG's outdoor coating product; **TNG360**.

##### **TIVAN<sup>®</sup> Process**

- Extension of patent coverage for TNG's proprietary TIVAN<sup>®</sup> hydrometallurgical process for the extraction and recovery of high-purity vanadium, with patent approval received from **Vietnam** bringing total countries covered to five with other two in progress.

##### **Project Permitting**

- Progress continued with the multiple works streams involved in the Environmental Impact Statement ("EIS") for the Darwin Processing Plant. No hindrances or concerns with the EIS have been raised to date.
- Key surveys required for the Mine Management Plan (MMP), which includes the important Integrated Waste Landform detailed design, specialist ground water and surface water modelling, acid drainage monitoring and biological monitoring, have been completed. No issues were highlighted and final reports are now awaited for inclusion in the MMP.

##### **Project Financing**

- Germany's KfW IPEX-Bank, the Company's exclusive senior debt advisor and arranger for project debt financing, has progressed the structured finance package expected for the funding of the Mount Peake Project.
- The Company continued assessing potential interest for a dual listing on the AIM market of the London Stock Exchange.
- Discussions were also held with other institutions and equity funds in Europe and Hong Kong.

#### ***CORPORATE***

- **Strategic \$10 million investment** secured from two leading German-based institutions, **DELPHI and Sparta** – respectively the parent company and a subsidiary of Deutsche Balaton AG – as part of a broader \$15 million capital raising that includes a \$5 million rights issue.
- The Company's had a cash position of \$20.1 million as at 30 June 2019 (prior to the completion of the rights issue).

## MOUNT PEAKE VANADIUM-TITANIUM-IRON PROJECT (TNG: 100%)

### PROJECT SUMMARY AND DETAILS

The Mount Peake Project is a potential 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 160 million tonnes (118 million tonnes Measured, 20 million tonnes Indicated, 22 million tonnes Inferred), grading 0.28% V<sub>2</sub>O<sub>5</sub>, 5.3% TiO<sub>2</sub> and 23% Fe (refer to Appendix A of this report for a full statement of the Mineral Resource), Mount Peake is one of the largest undeveloped vanadium-titanium-iron projects in the world.

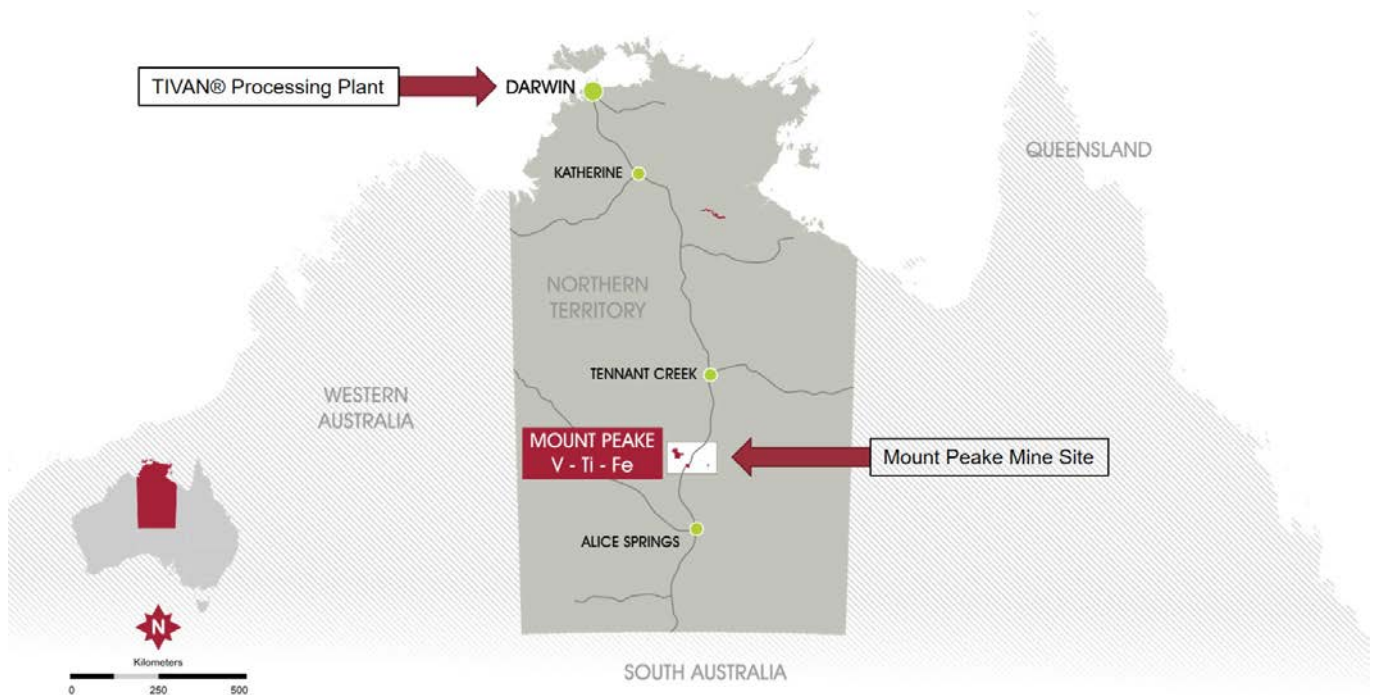


Figure 1. Mount Peake Project Location Plan in the Northern Territory

### Mount Peake Project Planning and Development: Project Execution Plan

During June, the Company hosted a Project Roadmap Workshop (“Workshop”) in Perth to review Mount Peake Project’s goals and deliverables. The Workshop was initiated and led by TNG’s Managing Director & CEO, Paul Burton, as a tool to coordinate resources within the teams involved, communicate plans and manage stakeholder expectations to incorporate into the Company’s Project Execution Plan (PEP).

The Workshop was held over three days with 35 participants and representatives from SMS group, Ti-Cons, APM, Como, CSIRO, McMahon, Mets, Snowden, Company consultants, and TNG key staff members and non-executive directors.

Following the Workshop, the Company announced the appointment of three accomplished Perth-based mining and project management professionals, Peter Hedley, Craig Reimer and Paul Kreppold to join the Company specifically to assist management of the overall PEP for delivery of the Mount Peake Project. They will report to the Managing Director and will initially be on a fixed-contract basis (see ASX Announcement dated 20 June 2019).

### Front-End Engineering and Design (“FEED”)

During the quarter, SMS group continued to progress the FEED process for the Mount Peake Project. This work is being undertaken under a comprehensive scope which comprises the Mount Peake mine site Concentrator, the TIVAN® Processing Plant and all associated plant and equipment.

In addition to the FEED of the process, plant and equipment, SMS group’s scope includes the provision of a proposal for full procurement and construction including the balance of plant and equipment to be provided on a turnkey, single-source, fixed-price EPC basis, including process and product guarantees.

The FEED process keeps TNG on a structured path and timeline towards incorporating the first TIVAN® process in a technically and commercially acceptable package, largely de-risked from a customer perspective, and provided by one single, fully responsible world-class contractor.

**Non-Process Infrastructure (“NPI”)**

Leading construction group McMahon Services (“MCM”) was engaged to progress the large program of work for the NPI requirements for Mount Peake (see ASX Announcement dated 9 May 2019).

The NPI requirements for the Project are significant and include but are not limited to haul roads, airfield upgrades, concentrate handling infrastructure, water and power infrastructure, accommodation facilities and concentrate storage facilities.

The engagement encompasses the NPI at both the Mount Peake mine site, located 235km north of Alice Springs, and the Darwin TIVAN® Processing Facility, and will be undertaken in parallel with the FEED study for the Project, which is being progressed by SMS group.

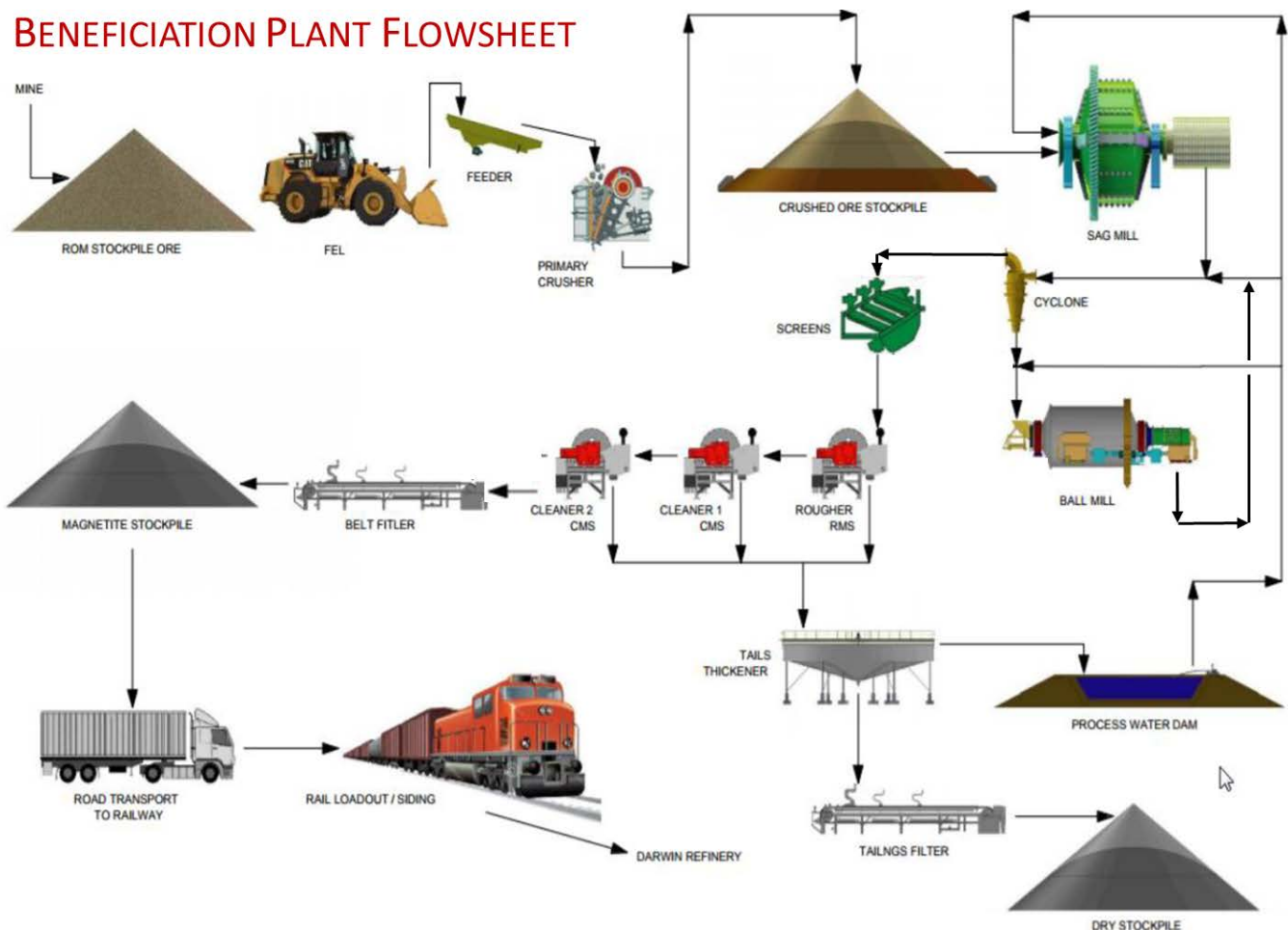
MCM will work collaboratively with TNG to develop the tendering documents and implement the strategy and delivery framework for all the various NPI works packages. This will extend to any approvals, capital budgeting and detailed project scheduling, enabling progression into the detailed design and ultimately construction phases with selected contractors, in a manner consistent with TNG’s PEP.

**Mount Peake Beneficiation Plant**

The Beneficiation Plant at the Mount Peake mine site will use conventional technology with a proven background in performance and reliability. The facility is designed to maximise recovery and produce a magnetite concentrate with reduced moisture to minimise transport costs.

During the quarter, the Company advanced technical optimisations with its engineering partners on the design for the Beneficiation Plant and its required infrastructure, as well as environmental requirements.

**BENEFICIATION PLANT FLOWSHEET**



**Figure 2: Mount Peake Mine Site Beneficiation Plant flowsheet**

## TIVAN® Processing Facility

During the period, the SMS group progressed design of the TIVAN® Processing Plant. Testwork programs are underway to support the development of production and product quality guarantees for the Processing Plant by SMS.

## TIVAN® PLANT FLOWSHEET

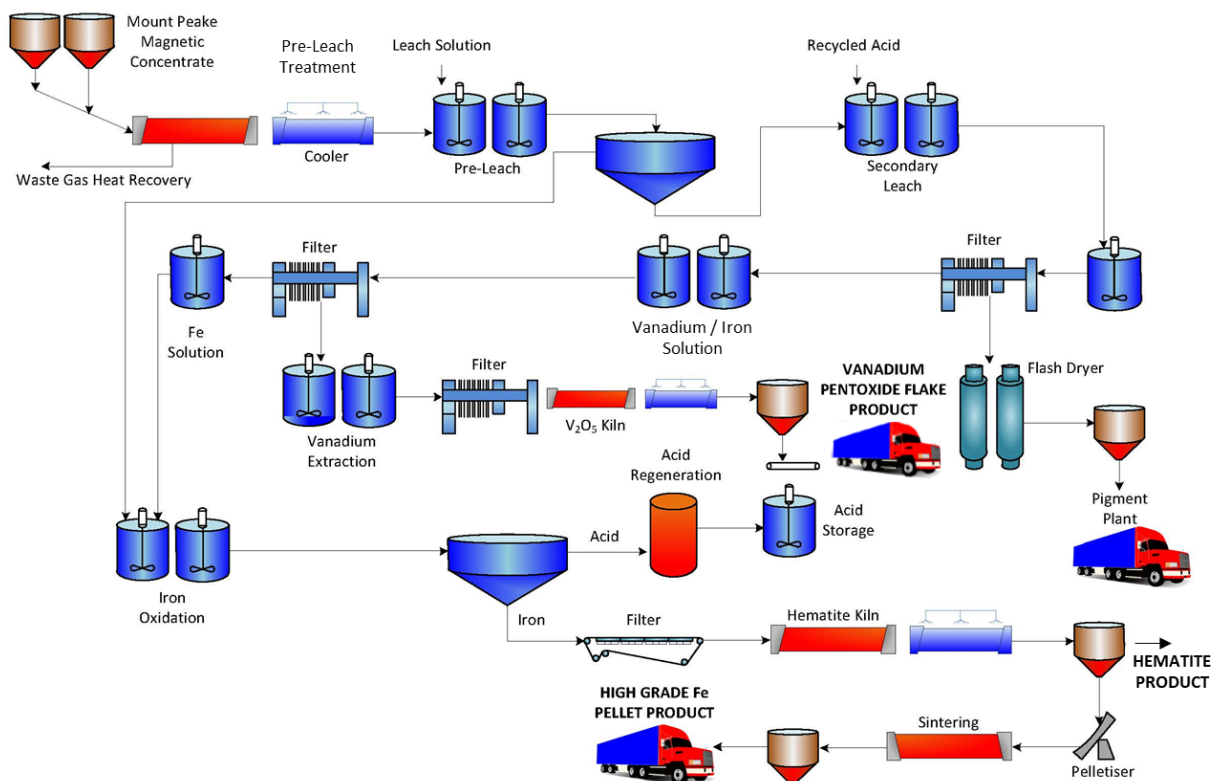


Figure 3. TIVAN® Processing Facility Flowsheet

## Pigment Plant

During the quarter, industry-leading German technology provider, Ti-Cons, progressed work on the Pigment Plant design for the TIVAN® feedstock and the process to produce a high-quality pigment. Under the Binding Heads of Agreement signed in September 2018, they will supply a full technology package for TNG's titanium pigment plant including engineering, construction support, procurement support, training and commissioning (see ASX Announcement dated 26 September 2018).

## Drilling Program

A **reverse circulation** drilling program at Mount Peake mine site was completed during the quarter to generate samples for equipment selection testwork being undertaken by TNG's engineering partner, SMS group, as well as to sterilise key areas of the mine site for future infrastructure (see ASX Announcement dated 4 April 2019).

The Company completed approximately 1,800 m of Reverse Circulation drilling during April 2019. Four holes for 480 m were drilled in the initial mining area of the planned open pit to generate several tonnes of samples of ore material.

A total of 17 holes, to depths of between 50 m and 100 m, were also drilled in and around the planned locations of the Concentrator, ore stockpile and Integrated Waste Landform ("IWL") to complete sterilisation activities ahead of future development activities. The location of the IWL has been moved slightly south and west of the planned mining pit to better accommodate the storage of both mining waste rock and dewatered processing tailings.

A **diamond drilling** programme has been scheduled to commence in August to provide core for additional crushing index work, blastability testwork and additional ore variability testing. The Mount Peake ore body is homogeneous, but the Company considers variability one of the key aspects to a successful performance of the beneficiation design and will continue to add confirmatory testwork to ensure support of optimising operational performance on commencement of concentrate production.

## Rail Haulage Services

During the quarter, TNG entered into a Binding Heads of Agreement (“HoA”) with Genesee & Wyoming Australia (“GWA”) for the provision of rail haulage services for Mount Peake. GWA is the third-largest rail operator in Australia and the majority owner of the rail line to Darwin that runs approximately 1,100 km from the Mount Peake mine site (see ASX Announcement dated 27 June 2019).

Rail haulage will underpin the logistics chain transporting the magnetite concentrate to be produced by the proposed Beneficiation Plant at the Mount Peake mine site to the proposed TIVAN® Processing Facility in Darwin, where TNG intends to produce high-purity vanadium pentoxide, titanium pigment and iron ore fines.

The scope of services includes the loading of magnetite concentrate onto rail at the Adnera rail siding (proposed to be located 85 km from the mine site), rail haulage from Adnera to the TIVAN® Facility in Darwin on the Tarcoola-to-Darwin rail line, and the unloading of magnetite concentrate at the TIVAN® Facility. GWA will also load and transport TNG’s final products from the TIVAN® Facility to the Darwin Port.

GWA will provide all necessary rail transport plant and equipment, including locomotives, wagons, crew vans and fuelling equipment.

## Off-take Agreements

### Titanium Dioxide Pigment

During the quarter, the Company signed a Binding Life-of-Mine Off-take and Marketing Agreement with the leading global specialty chemical distributor DKSH (Switzerland) for Titanium Dioxide Pigment from Mount Peake. DKSH will provide full distribution services, including freight financing, technical support, logistics, marketing and sales for TNG’s TiO<sub>2</sub> product(s) from the Mount Peake Project (see ASX Announcement dated 13 May 2019).

TNG will sell, and DKSH will purchase, a minimum of 75,000 tonnes to up to 150,000 tonnes per year – or 100% of TNG’s TiO<sub>2</sub> proposed production on an FOB basis to distribute globally, excluding the Iberian Peninsula and European Nordic countries and subject to the terms and conditions of the agreement. TNG will initially produce a high-durability pigment for the outdoor coating industry, which represents the largest pigment market, before expanding to other high-value niche markets.

The Company has registered a trademark for this product as “TNG360”.

### Vanadium Pentoxide

During the quarter, the Company reviewed other off-take proposals from other parties for the remaining 40% of proposed production. The Company has also been in discussions with its off-take partner Woojin to reaffirm the current terms of the existing agreement and off-take for the remaining 40% of proposed production. The Company confirms that Woojin remains fully committed to the agreement and participation in the project.

### Iron Oxide

During the quarter, the Company continued discussions with its major shareholder, leading iron ore producer the Vimson Group, to consider terms for a potential iron ore off-take agreement for the Company’s high-grade iron oxide product. These discussions have progressed well and a draft Binding Term Sheet is under review.

## Project Approvals

### Environmental Impact Study (“EIS”)

The Darwin Processing Facility (“DPF”) EIS is being undertaken by TNG’s principal environmental consultant, Animal Plant Mineral Pty Ltd (“APM”) under the TOR received from the NTEPA. Further works have progressed well during the quarter (see ASX Announcement dated 17 July 2019).

All ground and marine monitoring works are either complete or in their final stages, with the reports being compiled by the relevant contractors for inclusion into the EIS submission (refer to Table 1 below).

Some key work streams experienced delays as they were dependant on other external required information linked to the completion of certain phases of the FEED. As a result, TNG applied for and received an extension from the NTEPA for submission of these items, and is confident the EIS will be submitted as soon as possible, subject to factors outside of the Company’s control.

Importantly, the Company notes that no hindrances or concerns with the EIS have been raised to date.



**Table 1: EIS Technical Studies and Work Streams for the DPF**

Contractor	Area of Work	Status
Elton Consulting Group Pty Ltd	Economic and Social Impact Assessment	Finalising
Vipac Engineers & Scientists Limited	Noise and Vibration Impact Modelling	Finalising
Vipac Engineers & Scientists Limited	Air Quality Impact Modelling	Finalising
Golder Associates	Site Soil Assessment	Completed / Reporting underway
Golder Associates	Hydrogeology	Completed / Reporting underway
Advisian	Terrestrial Hydrology	Completed / Reporting underway
Baird	Hydrodynamic Modelling	Completed / Reporting underway
02 Marine	Marine Ecological Surveys and Near-shore Environmental Quality	Completed / Reporting underway
Aurora Environmental Service	Climate Study	Finalising
Tonkin Consulting	Traffic Impact Assessment	Completed / Reporting underway

### Economic and Social Impact Assessment

A full Economic and Social Impact Assessment programme has been developed by the Company's appointed experts, Elton Consulting, which has now commenced with the results expected to form part of the EIS. This programme will ensure that TNG engages effectively with all key stakeholders in the development of the Project, including meetings with relevant Government Departments, Ministers and local communities.

### Mine Management Plan ("MMP")

The MMP is a requirement following the environmental approvals for the Mount Peake mine site and its primary purpose is to formalise the actions to be taken and strategies to be implemented which, in combination, will manage impacts to the environment to acceptable and sustainable limits over both the short and long-term.

Importantly the MMP includes an IWL detailed design, specialist ground water and surface water modelling, acid drainage monitoring and biological monitoring. These are detailed and complex surveys required to be undertaken by specific specialist external consultants and contractors. Completion of these has taken longer than anticipated. However, the Company is pleased to advise that no issues have been highlighted during this process and the surveys are now complete and awaiting the final reports for inclusion into the MMP (see ASX Announcement dated 17 July 2019).

### Northern Territory Government Support

On 3 May, TNG received a letter from the Chief Minister of the Northern Territory, Hon Michael Gunner, congratulating TNG on its achievement in progressing the development of Mount Peake and emphasising NT's Government strong commitment to the Project (see TNG Shareholder Newsletter, June 2019).

### Project Finance

The Company's plans for project finance are centred on a significant debt portion being covered by the Company's exclusive senior debt advisor and arranger for project debt financing, Germany's KfW IPEX-Bank. Once the full component of the debt coverage is known from KfW-IPEX, the Company will be able to confirm the quantum of any mezzanine finance and equity required. TNG is being proactive in identifying potential investors with the interest and ability to provide mezzanine finance and equity.

As part of the mezzanine and equity process, TNG senior representatives have continued to meet with major financial institutions and equity funds both in Australia and overseas, principally in London, Hong Kong and Frankfurt.

### AIM Listing

During the quarter, the Company met with investors and advisors in London regarding a potential listing on AIM.

No decision has been made at this time as to whether TNG will apply for admission to trading on AIM, or whether the Company will seek to raise funds via the issue of new ordinary shares at the time of any such admission.

## Product Pricing Development

Vanadium pentoxide prices have decreased by 43% from US\$14/lb to US\$8/lb since the end of March 2019. Following a historical price rally, vanadium has now come back to historical average levels.

The titanium dioxide pigment price has been flat at US\$3,000/t since the end of March 2019. Supply and demand seem well balanced entering into the high demand season. Producers recently announced an increase in prices.

The iron ore fines price has increased by 22.5% from US\$102/t to US\$125/t since the end of March, following a strong recovery across the board for iron products. Prices have doubled in the last 12 months.

## Strategic Development

### BBI Group and Balla Balla Deposit

During the quarter, the Company continued discussions with BBI Group and its parent company, Todd Corporation, regarding the very positive results from testwork on concentrate from the Balla Balla Vanadium Project.

TNG's focus remains on the development of Mount Peake and any such discussions would only be progressed on this basis.

## OTHER PROJECTS

### Cause Extended Mine Project: Nickel-Cobalt

#### (80%: Mesmeric/20%: TNG)

The Company has a 20% free-carried interest in the Cause Extended Mining Lease. No further information was supplied by Mesmeric Enterprises during the reporting period. The Company continues to request updates.

## CORPORATE

### Capital Raising

#### Strategic Placement

During the quarter, TNG secured a strategic investment from two leading German-based institutions, DELPHI Unternehmensberatung AG ("DELPHI"), the parent company of Deutsche Balaton AG, and Sparta AG ("Sparta"), a subsidiary of Deutsche Balaton AG, as part of a landmark \$15 million capital raising to advance Mount Peake which includes a non-renounceable pro-rata entitlements issue (see ASX Announcement dated 11 June 2019).

DELPHI and Sparta subscribed for a total of 107,526,882 new shares at a price of \$0.093 per share to raise \$10 million (before costs) ("Placement"). The Placement was undertaken pursuant to TNG's existing capacity under ASX Listing Rule 7.1 and therefore did not require shareholder approval. Settlement of the Placement, and the issue of the Placement shares, occurred on 17 June 2019.

The expected proceeds of the capital raising are intended to be used to further progress pre-development activities including design and engineering, final permitting and planning for the Mount Peake Project, and to provide general working capital, ahead a potential Final Investment Decision for the project.

#### Rights Issue

The Company is undertaking a non-renounceable pro-rata entitlements issue, under which eligible shareholders will have the opportunity to subscribe for one new share for every 20 existing shares held, at an issue price of \$0.093 per new share, to raise approximately \$5 million before costs ("Rights Issue"). The Rights Issue is fully underwritten by Deutsche Balaton AG (see Offer Document released on 26 June 2019).

The Rights Issue was made to all shareholders of the Company named on its register of members at 5:00pm (WST) on 2 July 2019, whose registered address is in Australia and New Zealand ("Eligible Shareholders"), and otherwise in accordance with the Offer Document. Eligible Shareholders were mailed an Offer Document together with an Entitlement and Acceptance Form on 5 July 2019.

The Offer is expected to close on 24 July 2019 with the new shares to be issued on 31 July 2019.

## Update on Share Plans

During the quarter, the Company completed the sale of 14,538,235 shares, at a price of \$0.085 per share, to major shareholder Vimson Group, an Indian-based mining conglomerate. The shares had been previously issued under the TNG Employee Share Plan and TNG Non-Executive Director and Consultant Share Plan (together referred to as the “Share Plans”) to certain Directors, consultants and employees, with the sale to Vimson undertaken pursuant to the Share Plans (see ASX Announcement dated 7 May 2019).

## Investor and Market Engagement

During the quarter, TNG representatives attended the 121 Mining Investment Conferences in Singapore, London and New York, the Resources Rising Stars Conference on the Gold Coast, and the Mining Journal Select Conference in London.

These engagements form part of the Company’s ongoing strategy to institutionalise our share register by introducing institutional and strategic investors capable of following their initial investment and supporting TNG’s project financing strategy. These investors can also help to expand the Company’s profile in international markets and assist in attracting more global shareholders, which can improve liquidity and, consequently, share price.

The Company is planning to conduct investor roadshows in Australia and the UK in the September 2019 quarter.

## Cash and Investments

TNG had total cash reserves of \$20.1 million as at 30 June 2019 (prior to completion of the Rights Issue).

TNG holds shares in the following listed entities:

- Peninsula Energy Ltd (ASX: PEN): 90,000 ordinary shares
- Todd River Resources Ltd (ASX: TRT): 7,000,000 ordinary shares

Paul Burton

**Managing Director & CEO**

22 July 2019



## APPENDIX A

## Mount Peake Mineral Resources and Ore Reserves

The Mount Peake Mineral Resource estimate set out below (Table 1) was released in an ASX Announcement dated 26 March 2013, "Additional Information on the Mount Peake Resource", 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 dated 15 July 2013).

Table 1 – Mount Peake Mineral Resource estimate

Category	Tonnes (Mt)	V <sub>2</sub> O <sub>5</sub> %	TiO <sub>2</sub> %	Fe%	Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %
Measured	118	0.29	5.5	24	8.2	33
Indicated	20	0.28	5.3	22	9.1	34
Inferred	22	0.22	4.4	19	10.0	38
<b>TOTAL</b>	<b>160</b>	<b>0.28</b>	<b>5.3</b>	<b>23</b>	<b>8.6</b>	<b>34</b>

Note: Mineral Resource is inclusive of Ore Reserves. Tonnage and grade figures in tables have been rounded and small discrepancies in totals may occur. Ore Reserve is reported using a 0.1% V<sub>2</sub>O<sub>5</sub> cut-off. TNG is not aware of any new information or data that materially affects the mineral resource estimate included in the ASX Announcement dated 26 March 2013 and all material assumptions and technical parameters underpinning the assessment provided in that announcement continue to apply.

## Ore Reserve

The Mount Peake Ore Reserve estimate (Table 2) was reported in an ASX Announcement dated July 31 2015 ("Mount Peake Feasibility Results").

Table 2 – Mount Peake Ore Reserve estimate

Category	Tonnes (Mt)	V <sub>2</sub> O <sub>5</sub> %	TiO <sub>2</sub> %	Fe%
<b>Proven</b>	0	-	-	-
<b>Probable</b>	41.1	0.42	7.99	28.0
<b>TOTAL</b>	<b>41.1</b>	<b>0.42</b>	<b>7.99</b>	<b>28.0</b>

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. Ore Reserve is reported using a 15% Fe cut-off. TNG is not aware of any new information or data that materially affects the Ore Reserve estimate reported in the ASX Announcement dated 31 July 2015 and all material assumptions and technical parameters underpinning the assessment provided in that announcement continue to apply.

## Tenement Schedule

The Group holds an interest in the following tenements as at 30 June 2019:

Project	Mineral and ancillary Titles	Holder and TNG Equity
Mount Peake	EL27069, EL27070, EL27941, EL29578, EL30483, EL31389, EL31850, ML28341, ML29855, ML29856, ML30686, AA31105, AA32037	Enigma Mining Limited 100%
Cawse Extended	M24/547, M24/548, M24/549, M24/550	TNG 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	M16/545	Evolution Mining (Mungarri) Pty Ltd. TNG 2% gold return interest on production.

## Competent Person's Statements

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 dated 26 March 2013, "Additional Information on the Mount Peake Resource", [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asx.com.au](http://www.asx.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 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 estimate is extracted from an ASX Announcement dated July 31 2015, ("Mount Peake Feasibility Study confirms a world – class project capable of delivering outstanding returns over long life", [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asx.com.au](http://www.asx.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 estimate 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 Study, including production targets and financial information, included in this report is extracted from an ASX Announcement dated 20 November 2017 ("Updated Feasibility Study Results", [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asx.com.au](http://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.

## Forward-Looking Statements

This report has been prepared by TNG Limited. This announcement is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained.

This report is for information purposes only. Neither this nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of TNG Limited shares in any jurisdiction. This report does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

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This report may include forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of TNG Limited. Actual values, results or events may be materially different to those expressed or implied.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

TNG Limited

**ABN**

12 000 817 023

**Quarter ended ("current quarter")**

30 June 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(2,570)	(9,424)
(b) development		
(c) production		
(d) staff costs	(484)	(1,806)
(e) administration and corporate costs	(163)	(2,110)
1.3 Dividends received (see note 3)		
1.4 Interest received	67	261
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds	-	1,551
1.8 Other (TRT oncharge as per administrative services agreement)	36	652
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,114)</b>	<b>(10,876)</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(7)	(55)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets-security deposits		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other – security deposit	(26)	(93)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(33)</b>	<b>(148)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	11,319	25,525
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(35)	(116)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>11,284</b>	<b>25,409</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	11,977	5,729
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,114)	(10,876)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(33)	(148)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	11,284	25,409
4.5 Effect of movement in exchange rates on cash held		
<b>4.6 Cash and cash equivalents at end of period</b>	<b>20,114</b>	<b>20,114</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	12,114	1,977
5.2 Call deposits	8,000	10,000
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>20,114</b>	<b>11,977</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
199

Director fees include salaries, superannuation and consultant fees.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Engineering, exploration and evaluation	(4,012)
9.2 Development	
9.3 Production	
9.4 Staff costs	(492)
9.5 Administration and corporate costs	(372)
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>(4,876)</b>



## Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 22 July 2019

Print name: Jason Giltay

(Company Secretary)

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.