

## TNG APPOINTS EXPERIENCED INDUSTRY VETERAN AS TITANIUM BUSINESS MANAGER

*Highly experienced international executive Philippe Guillemaille joins TNG as Titanium Business Manager to oversee its emerging titanium business*

### Key Points

- Philippe Guillemaille will support TNG's business development and long-term strategy to become a leading global titanium dioxide (TiO<sub>2</sub>) and pigment producer.
- Philippe's role will be focused on securing key commercial agreements with first tier groups in the TiO<sub>2</sub> industry.
- Having secured similar agreements with the largest paint manufacturer in the world and leading TiO<sub>2</sub> producers in the past, Philippe is very confident of positioning TNG at the forefront of the TiO<sub>2</sub> scene.
- The TiO<sub>2</sub> pigment industry is experiencing a major positive upturn with a 20% increase in prices over the past 12 months and numerous M&A transactions highlighting the strong outlook for the commodity.

Emerging titanium dioxide (TiO<sub>2</sub>) producer TNG Limited (ASX: TNG) is pleased to announce the appointment of highly experienced industry executive Philippe Guillemaille as its Titanium Business Manager, to progress marketing and off-take strategies for the TiO<sub>2</sub> products from its flagship 100%-owned **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory.

Mr Guillemaille is a highly experienced sales and marketing professional in the chemical industry. He has held positions as sales manager for Fuji Film (Japan), Metallgesellschaft (Germany) and Monsanto/Exxon Chemicals (U.S.) among others. He began his career in the TiO<sub>2</sub> industry 20 years ago with Kronos and Argex Titanium. His academic studies include a degree from the Lyon Institute of Technology, France.

This newly created position within TNG covers key aspects of business development and offtake sales for the titanium dioxide to be produced from Mount Peake with the clear objective of successfully commercializing the titanium products, attracting industry partnerships or investments. Mr Guillemaille will develop collaborations and partnerships with key TiO<sub>2</sub> players and investors while attending and presenting at leading industry conferences in the second half of 2017. This appointment cements TNG's strategic plan to become a major player in the global supply chain of TiO<sub>2</sub>.

TNG completed a Definitive Feasibility Study (DFS) for Mount Peake in 2015, confirming a potential world-class project capable of generating outstanding returns. The key findings of the DFS included life-of-mine net cash flow of \$11.6 billion, a pre-tax IRR of 41% and an NPV<sub>8</sub> of \$4.9 billion (*see ASX Announcement – 31 July 2015*). The DFS forecasts Mount Peake's nameplate capacity at 17,560tpa of high-purity vanadium pentoxide (V<sub>2</sub>O<sub>5</sub>), 236,000tpa of titanium dioxide (TiO<sub>2</sub>) and 637,000tpa of pig iron.

Since completing the DFS, TNG has signed binding off-take agreements for 60 per cent of its projected vanadium output with a major Korean group (*see ASX Announcement – 7 September 2015*) and for its iron products with Gunvor (Singapore) (*see ASX Announcement – 23 March 2016*), and this appointment forms part of TNG's strategic plan for its titanium products.

TNG is currently in discussions with major groups to secure a project financing package for Mount Peake. International groups are currently reviewing both the opportunity to provide pre-production finance as well as direct investment in either TNG or the Mount Peake Project, or both.

TNG's ASX Announcement regarding the DFS (dated 31 July 2015) contains a Competent Person's statement. TNG confirms that it is not aware of any new information or data that materially affects the information included in the Announcement of 31 July 2015 and that all the material assumptions and technical parameters underpinning the estimates in the Announcement of 31 July 2015 continue to apply and have not materially changed.

### **Management Comment**

TNG's Managing Director, Mr Paul Burton, said the Company was delighted to have secured a highly-credentialed and experienced executive in the global titanium dioxide industry to join its expanding development team for the Mount Peake Project.

"Mr Guillemaille is an expert in sales management and negotiation and will play an invaluable role as part of our ongoing financing and off-take discussions for the Mount Peake Project," Mr Burton said.

"He brings unrivalled knowledge of the global TiO<sub>2</sub> industry. His expertise will help expedite the development of end-user relationships in the coatings market as well as other markets," he added. "Mr. Guillemaille's in-depth knowledge of the TiO<sub>2</sub> industry will help focus and accelerate our product development.

"He will also be involved in market development covering R&D efforts for end-users, as well as working with the management team with a strategic focus on maximizing the project's Internal Rate of Return.

"With binding off-take agreements already in place for our vanadium and iron product streams, we are now ready to step-up our efforts in respect to our third valuable product stream, titanium dioxide," Mr Burton said. "And we are doing so in a considerably more favourable environment, with clear signs of a strong recovery in this industry since the beginning of the year."

Commenting on his appointment, Mr Guillemaille said: "I am delighted to be joining the team at TNG and to be working with them on the development of this major project, which represents a game-changer in the industry. TNG is making significant advancements in its approach to the development of this world-class project that will result in major improvements in TiO<sub>2</sub> processing from mine to customer delivery."

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 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 unique and patent pending 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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