

TNG MANDATES KfW IPEX-Bank AS LEAD DEBT ARRANGER FOR US\$600M/A\$850M MOUNT PEAKE FINANCE PACKAGE

Major step forward for TNG as it gears up to launch the development of one of the world's most significant new strategic metals projects

Key Points

- KfW IPEX-Bank appointed as TNG's exclusive senior debt advisor and arranger.
- KfW IPEX-Bank will structure the total debt finance package for the Mount Peake Vanadium-Titanium-Iron Project and lead a syndication.
- KfW IPEX-Bank mandated to raise up to US\$600 million as part of the total finance package for the Mount Peake Project.

Australian strategic metals company TNG Limited (ASX: TNG) (**TNG** or **the Company**) is pleased to announce the appointment of Germany's KfW IPEX-Bank GmbH (**KfW IPEX-Bank**) as its exclusive senior debt advisor and arranger to lead a US\$600 million debt raise for the development and construction of its 100%-owned **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory.

KfW IPEX-Bank is a specialised solution provider in export and project financing with a proven track record for complex project financings worldwide.

Under the mandate letter (**Mandate**) executed between the parties, KfW IPEX-Bank will structure, coordinate, lead, arrange and manage a syndicate to **raise a targeted amount of US\$600 million (A\$850 million)** to underpin the project financing package.

The final capital requirements will be precisely determined and optimised during the ongoing Mount Peake Front-End Engineering and Design (FEED) study and lender's due diligence.

During the due diligence process, the adequate levels of contingencies, working capital, debt service reserve amounts and project owner's costs will be fully evaluated as part of the capital requirements and the entire senior debt financing package will be structured accordingly.

The Mandate will commence on 15 January 2019.

KfW IPEX-Bank has already been working closely with SMS Financial Services and TNG to refine and optimise the Mount Peake financial model for the CAPEX and OPEX assumptions during the FEED study, led by TNG's strategic engineering and construction partner SMS Group.

Through this early involvement, the parties will aim to achieve an improved debt/equity structure that is tailored to match the robust economics of the Mount Peake Project.

This approach has already resulted in a positive outcome, culminating in a presentation and meeting with senior KfW IPEX-Bank executives at TNG's head office in Perth.

Under the mandate, KfW IPEX-Bank's role will include advising TNG on how to maximise, to the greatest extent possible, cover instruments available from export credit agencies (ECA's).

Management Comment

TNG's Managing Director, Mr Paul Burton, said: *"We are delighted to have secured a specialised world-class bank partner for a world-class project. We are extremely pleased to have achieved this outcome with KfW IPEX-Bank, which follows extensive reviews and meetings in Europe, Singapore and at the Company's head office over the past 12 months."*

"KfW IPEX-Bank is one of the leading export and project financing banks worldwide, with a proven track record for complex project financings spanning many decades and in-depth expertise to access and optimize ECA cover and the respective funding."

"We now look forward to working closely with KfW IPEX-Bank to progress the full financing package for the Mount Peake Project expeditiously, with a view to achieving financial close as soon as possible and getting on with the job of constructing this major new Australian resource project," he added.

KfW IPEX-Bank's responsible Managing Director, Mr Michael Nosbüsch said:

"We are pleased to provide our specialized structuring expertise to TNG, as well as our significant experience with niche commodities, to ensure bankability of the financing package. With a strong European EPC-package to be provided by SMS group and their successful track-record in combination with TNG's experienced management team, we are confident that TNG's business case will become a great story of success."

About KfW IPEX-Bank

Within KfW Group, KfW IPEX-Bank is responsible for international project and export finance. It offers medium and long-term financing to support key export industries, to develop economic and social infrastructure, to fund environmental and climate protection projects and to secure the supply of raw materials. KfW IPEX-Bank operates as a legally independent group subsidiary and is represented in the most important economic and financial centres across the globe.

Paul E Burton
Managing Director

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Forward-Looking Statements

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