

TNG SECURES STRATEGIC A\$10M INVESTMENT BY LEADING GERMAN INSTITUTIONS AS PART OF A\$15M CAPITAL RAISING TO ADVANCE MOUNT PEAKE

Major European institutional investors set to join the TNG register

Key Points

- **A\$10M placement agreed with two leading German-based institutions.**
- **Plus, TNG to undertake a 1-for-20 non-renounceable pro rata entitlements issue to raise ~A\$5M.**
- **Entitlements issue to be fully underwritten by the German-based institution.**
- **Proceeds to be used to further progress pre-development activities for the Company's Mount Peake Project ahead of a potential Final Investment Decision and project financing.**
- **Marks another important step in the Company's strategy to introduce major global institutional and strategic investors to its register to support its project financing strategy.**

Australian strategic metals company TNG Limited (ASX: TNG) ("TNG" or "the Company") is pleased to announce that it has 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 A\$15 million capital raising to advance its flagship 100%-owned **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory.

The Company has executed binding term sheets with DELPHI and Sparta for a strategic investment in TNG by way of a share placement of A\$10 million (before costs) at an issue price of \$0.093 per share ("Placement").

TNG also proposes to undertake 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 the same issue price of \$0.093 per new share, to raise approximately A\$5 million before costs ("Entitlements Issue"). Deutsche Balaton AG intends to fully underwrite the Entitlements Issue, subject to execution of a formal underwriting agreement.

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.

Importantly, the strategic Placement is consistent with TNG's objective of introducing major global institutional investors to its share register with the capability to follow their initial investment and support the Company's multi-pronged funding strategy for Mount Peake.

The issue price of \$0.093 per share represents:

- A discount of 11.4% to the Company's closing share price on ASX of 10.5c on 5 June 2019 (the last trading day prior to the trading halt for the capital raising); and
- A discount of 14.6% to the Company's 10-day volume weighted average price ("VWAP") of 10.9c at the close of trade on 5 June 2019.

Placement

Under the binding term sheets, the German-based institutions DELPHI and Sparta will subscribe for a total of 107,526,882 new shares at a price of \$0.093 per share to raise A\$10 million (before costs). The new shares to be issued under the Placement will rank equally with TNG's existing shares on issue.

The Placement further strengthens the institutional presence on the Company's share register, which is an importance strategic outcome ahead of the project financing process for the Mount Peake Project.

The Placement will be undertaken pursuant to TNG's existing capacity under ASX Listing Rule 7.1 and therefore does not require shareholder approval. Settlement of the Placement, and the issue of the Placement shares, is expected to occur on or around 14 June 2019.

Entitlements Issue

The proposed Entitlements Issue will provide eligible TNG shareholders with an opportunity to participate in this milestone capital raising at the same price as the Placement. The Entitlements Issue will be offered to all eligible shareholders, including the investors who participated in the Placement.

Further details of the Entitlements Issue, including the terms of offer, the underwriting and the offer timetable, will be disclosed in an offer document intended to be lodged with ASX and dispatched to eligible shareholders shortly.

Management Comment

TNG's Managing Director and CEO, Mr Paul Burton, said the Company was very pleased to have secured the support of two leading German institutions with a strategic investment that represents a significant vote of confidence in both the Mount Peake Project and the Company's financing and development strategy.

"Having two major German institutions join our register is a significant step forward for the Company which is consistent with our planned strategy to introduce more institutions to our register, as we plan for the transformation to developer-producer. Following last year's strategic investment by Indian Iron ore conglomerate, the Vimson Group, we now have a much stronger strategic and institutional presence on our register - which is exactly what is required and we will continue to grow as we move to put in place a multi-pronged project funding package for Mount Peake."

"Mount Peake is a large-scale and complex project, and institutional support is therefore expected to play a critical part in securing the project equity finance required for future development."

"We are also very pleased to be able to offer all of our eligible shareholders an opportunity to participate in this capital raising through the proposed Entitlements Issue."

Paul E Burton
Managing Director and CEO

11 June 2019

Inquiries:

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

Jason Giltay
 Company Secretary + 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 long-life project producing a suite of high-quality, high-purity strategic metals products for global markets including vanadium pentoxide, titanium dioxide and iron ore fines. The project, which is expected to be a top-10 global producer, has received Major Project Facilitation status from the Northern Territory Government.

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.

About DELPHI

DELPHI Unternehmensberatung is a private investment company located in Heidelberg, Germany, whose primary business objective is to invest its own funds in a portfolio of companies. DELPHI has been active in other Australian resources investments. Wilhelm K. T. Zours is the major shareholder of DELPHI.

About Deutsche Balaton

Deutsche Balaton is a German investment company located in Heidelberg. The shares of Deutsche Balaton have been listed at the German Stock Exchange for more than 20 years. Deutsche Balaton has a very stable shareholder structure with one majority shareholder. The company manages its own funds, which are around 250 million EUR of equity (IFRS) and around 500 million EUR of total assets under management. Deutsche Balaton has a very broad investment spectrum ranging from investments in stock listed companies as well as private equity and seed investments to real estate. Within the last two years the group has expanded its investment focus to the Australian resource sector. The major shareholder of Deutsche Balaton is Wilhelm K. T. Zours.

Sparta AG is a subsidiary of Deutsche Balaton AG.

Forward-Looking Statements

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