

TNG APPOINTS COMO ENGINEERS TO OVERSEE PROJECT MANAGEMENT FOR MOUNT PEAKE VANADIUM PROJECT

Leading Australian engineering group to assume lead consulting role in overseeing construction of Mount Peake beneficiation plant and key infrastructure

Key Points

- **COMO Engineers Pty Ltd (“COMO”) appointed as lead consultant for Project Management of the construction of the beneficiation plant and key infrastructure at TNG’s flagship Mount Peake Vanadium-Titanium-Iron Project in the NT.**
- **TNG and Como will collaborate under a Steering Committee model which will see Como provide key personnel for the management of the Project and associated infrastructure.**
- **As part of its role, Como will oversee the definition, implementation and evaluation of the most efficient and cost effective contracting strategy aligned with the overall project delivery timelines.**
- **Como will assign the relevant management and technical personnel to supervise the Project’s construction through completion and handover to the operational team.**

Further to its recent announcement regarding the provision of key EPC services for its flagship Mount Peake Vanadium-Titanium-Iron Project in the NT, Australian strategic metals company TNG Limited (ASX: TNG) is pleased to announce the appointment of highly-regarded Australian engineering group Como Engineers Pty Ltd (“Como”) to oversee key aspects of the project’s construction and development.

The appointment of Como – which has been involved in the delivery of several recent high-profile mid-tier resource projects in Australia including Arrium’s Peculiar Knob Iron Ore mine in South Australia, Pilbara Minerals’ Pilgangoora Project and Galaxy Resources’ Mt Cattlin Project – further strengthens TNG’s capabilities as it advances towards construction.

As part of the appointment, the TNG and Como will establish a Steering Committee, allowing TNG to maintain control of its project while securing critical project management and technical support from Como. This structure will also ensure prompt and effective decision making that aligns with TNG’s overall development strategy.

The engagement is also expected to play a decisive role in the crucial tendering process for Mount Peake with Como providing full technical, commercial and contractual definition that aligns with the Project and TNG’s corporate requirements.

Como’s global experience, combined with its team of highly competent engineers and metallurgists who have taken projects from concept to completion, will ensure that the Mount Peake Project can progress efficiently through the final engineering and study phases and into construction and operations.

Last week, TNG signed a strategic co-operation agreement with leading construction companies McMahon Services and Clough Projects to work together to provide key engineering, procurement and construction (EPC) services for Mount Peake, further highlighting the depth and quality of the team of strategic development partners, consultants and advisers it has assembled to advance the Mount Peake Project into production.

About Como Engineers

Como Engineers was established in 1986 to provide engineering services and specialist products to the mining and resource industry. Como Engineers' core focus is to design and construct Mineral Processing Plants and associated infrastructure.

The company employs a team of experienced metallurgists, engineers and draftspeople to offer a complete process and engineering service – from metallurgical testing through to Scoping and Definitive Feasibility Studies as well as detailed engineering design to project construction and commissioning, providing clients with considerable time and cost savings.

Como Engineers operates worldwide offering localised support with offices in Perth, Melbourne and Jakarta. For more information: <https://www.comoeng.com.au/>

Management Comment

TNG's Managing Director, Mr Paul Burton, said the Company was delighted to announce the appointment of an experienced, skilled and highly capable Australian-based engineering group in Como Engineers as Project Manager for key aspects of the Mount Peake construction package.

"We already have some of the best names in the global construction and engineering sectors as part of our development team at Mount Peake, and we are very pleased to have Como as part of this Tier-1 group.

"Como Engineers have played an important role in the delivery of some highly successful mid-tier resource projects in Australia in recent years, notably some large projects in the strategic metals and gold sectors, and we are pleased to be able to draw on their skills and expertise as we move the project towards development.

"We now have an extended team in place that includes our German-based strategic engineering partner SMS group, Australian engineering groups Clough Projects and McMahon Services, and now Como Engineers.

"Having this breadth and quality of expertise available to us will play a very important role in securing our project funding package, completing final engineering and design, and moving the project expeditiously towards development and operations."

Paul E Burton
Managing Director

21 March 2018

Additional information

TNG updated the economics of its Definitive Feasibility Study (DFS) for the Mount Peake Project in November 2017, confirming a world-class project capable of generating outstanding returns. Key findings of the updated DFS included life-of-mine net cash flow of \$11.7 billion, a pre-tax IRR of 44% and an NPV8 of \$4.7 billion (see ASX Announcement – 20 November 2017).

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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.

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. TNG has demonstrated production of three commercial high purity products from its TIVAN process:

Vanadium Pentoxide and Vanadium Electrolyte:

TNG has previously confirmed the ability to produce high-purity vanadium pentoxide at +99% purity from its TIVAN® plant following an extensive pilot plant testwork program in 2015 (ASX release, 8 July 2015).

Subsequently, the Company successfully produced commercial-grade high-purity vanadium electrolyte from this vanadium pentoxide (see ASX release, 10 October 2016) to the exacting and detailed specification required by Sumitomo Electric (SEI).

Titanium Dioxide – Titanium Pigment

TNG has previously confirmed its ability to produce a high-grade titanium dioxide feedstock from its TIVAN® process, grading approximately 80% TiO₂ (see ASX release, 8 July 2015). This feedstock is a direct residue from the initial leaching phase of the TIVAN® process, where the vanadium and iron have been dissolved into solution. With this current breakthrough, TNG has now confirmed that this feedstock can be taken directly to a pre-coating pigment phase.

Iron Oxide: As part of the acid digestion process, the iron component of the magnetite is removed and then captured once the vanadium is extracted from solution, producing a 99.9% pure Fe₂O₃ product.

Production Targets and Financial Information

Information in relation to the Mount Peake Definitive Feasibility, including production targets and financial information, included in this report is extracted from an ASX Announcement dated 20 November 2017, (see ASX Announcement – 20 November 2017, “[Updated Feasibility Study Results](#)”, www.tngltd.com.au and 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 20 November 2017 continue to apply and have not materially changed.

Forward-Looking Statements

This announcement has been prepared by TNG Ltd. 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.

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