

## TNG SIGNS HOA WITH MINING AND INFRASTRUCTURE COMPANY BBI GROUP, A SUBSIDIARY OF TODD CORPORATION FOR STRATEGIC COOPERATION

*Agreement with BBI Group Pty Limited (BBI) encompasses potential cooperation on both technological and commercial aspects of each company's projects.*

### Key Points

- **TNG and BBI will evaluate the application of the TIVAN process on BBI's 100% owned Balla Balla Vanadium Titanium Iron (BBVTI) project located on the coast of the Pilbara in Western Australia.**
- **TNG and BBI will assess potential options for commercial co-operation so as to best develop and fully exploit BBI's BBVTI and TNG's Mount Peake Project.**

Emerging strategic metals company TNG Limited (ASX: TNG) is pleased to announce that it has signed a Heads of Agreement (HoA) with the BBI Group Pty Limited (BBI) owner of the Balla Balla Vanadium Titanium Iron (BBVTI) project located on the coast of the Pilbara in Western Australia for strategic collaboration and evaluation of mutually beneficial opportunities for their respective Australian vanadium assets.

The HoA will allow the companies to assess the potential applications of TNG's 100% owned TIVAN technology to BBVTI's resource as well as commercial cooperation and synergies in the possible development of the BBVTI and the Mount Peake Project.

BBI owns 100% of the BBVTI project located on the coast of the Pilbara in Western Australia. BBVTI currently has a JORC compliant Resource of 456 million tonnes graded at 0.64% V<sub>2</sub>O<sub>5</sub>, 13.7% TiO<sub>2</sub> and 45% Fe. BBI is also intending to develop port infrastructure near to the BBVTI resource.

TNG owns 100% of the world-scale Mount Peake Vanadium-Titanium-Iron 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. Mount Peake has a JORC Measured, Indicated and Inferred Resource totalling 160Mt (118Mt Measured, 20Mt Indicated, 22Mt Inferred), grading 0.28% V<sub>2</sub>O<sub>5</sub>, 5.3% TiO<sub>2</sub> and 23% Fe (see ASX Announcement – 20 November 2017).

TNG updated the economics of its Definitive Feasibility Study (DFS) for Mount Peake 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 NPV<sub>8</sub> of \$4.7 billion (see ASX Announcement – 20 November 2017). 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.

BBI is a majority owned subsidiary of the Todd Corporation, one of New Zealand's largest and most successful companies. Todd Corporation traces its history back to 1884, having interests in oil and gas exploration and production, electricity generation, energy retailing, property development, minerals, healthcare and technology.

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.

### **Management Comment**

TNG's Managing Director, Mr Paul Burton, said *"We are very pleased to have commenced a strategic relationship with BBI to evaluate a number of opportunities to work together to unlock the potential of our respective world-class Australian vanadium assets.*

*"As part of this arrangement, we will explore opportunities to use our TIVAN™ hydrometallurgical process at BBI's Balla Balla Vanadium Project, as well as a number of other potential growth pathways. The Balla Balla deposit is another exceptional world class vanadium resource and our initial test work has shown the TIVAN technology is ideally suited to processing its material".*

*"We are very much looking forward to working with BBI at an exciting time in the global vanadium and strategic metals markets, where conventional sources of demand are being supplemented by demand from the emerging lithium-ion battery sector and renewable energy markets."*

Paul E Burton  
**Managing Director**

12 June 2018.

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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.

### **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 – 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 estimates is extracted from an ASX Announcement dated 31 July 2015, (see ASX Announcement – 31 July 2015, "Mount Peake Feasibility Study Confirms a World-Class Project", [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asc.com.au](http://www.asc.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 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.

### **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](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 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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