

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholder,

It's just over a month since I formally joined TNG as independent non-executive Director and non-executive Chair. I have spent the past few weeks catching up with the key members of our growing executive team and my fellow Directors, and familiarising myself with the vast amount of activity which is going on across the Company as we work to bring a world-scale strategic metals asset to fruition.

The Mount Peake Project itself is not a new project to me. During my time at Snowden, I worked closely with the TNG technical team on the project's early technical and economic evaluation and therefore have a good understanding of its key attributes.

It is without question one of the world's premier vanadium development assets – a large, long-life project with outstanding economic fundamentals, located in one of the world's most stable and supportive jurisdictions. I firmly believe that great assets make great companies, and this was one of the key reasons why I accepted TNG's offer to join the board and provide strategic assistance to bring the Mount Peake Project into production as the Company transitions from explorer to developer.

With the ability to produce not one but three high-value, high-purity products using a state-of-the-art, environmentally friendly hydrometallurgical process, Mount Peake is ideally placed to become a "new-generation" vanadium mine – poised to meet the demand for vanadium globally to increase steel strength as well as from the new energy storage and grid-scale battery sectors.

Having seen many resource projects advance from the concept stage through feasibility and ultimately into funding, construction and operations, I have no doubt that Mount Peake has all the key ingredients required to underpin TNG's transformation into a world-class strategic metals business.

However, it is also important to be realistic about the complexity and size of the task ahead, particularly against the backdrop of the current "risk-off" environment when attracting funding to develop new resource projects. Mount Peake is a Tier-1 asset with a large capital requirement; therefore, it requires Tier-1 funding and development partners, underpinned by a clear, consistent and fully integrated funding strategy.

I firmly believe that the strategy TNG has devised and implemented under the leadership of our Managing Director, Paul Burton, is the right one.

We have an outstanding list of strategic development partners. We have secured binding off-take terms for all of our products with a group of blue-chip customers in our various commodity areas. We have just mandated one of the world's biggest and most influential resource development banks in Germany's State-owned KfW-IPEX Bank as our exclusive debt advisor to arrange and structure a US\$600 million debt finance package.

And, earlier this week, the Company revealed that it is considering a dual listing in the UK by potentially admitting its securities to trading on the AIM market of the London Stock Exchange. Having spent a number of years living and working in London, I believe this is a sound strategy to be contemplating. A potential AIM listing could significantly enhance liquidity for the Company's shareholders and provide direct access to investors in the London market.

I believe this could ultimately play an important role in our overall funding strategy for Mount Peake.

On other fronts, TNG is continuing to recruit highly-experienced and appropriately qualified executives to build its executive team. Additional appointments – including new project development personnel and an in-house Investor Relations and Shareholder Liaison officer – are expected in the coming weeks. In addition, the Board renewal process which began last year will continue to unfold in the months ahead, with our overriding objective being to add further depth, experience and capability to the Board.

Finally, I am pleased to say that the Company is in great financial shape with over \$16.75 million in cash at the end of the December Quarter and has the support of committed shareholders including the recent strategic investment by the Vimson Group.

Now is an exciting time for TNG and I believe that with the strategic and operational focus we are entering a transformational period for the Company. On behalf of my fellow Directors, I would like to take this opportunity to thank you for your continued support and wish you well for the year ahead.

Yours faithfully,

John Elkington
Non-Executive Chairman

7 March 2019

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