

## MOUNT PEAKE PROJECT RECEIVES FEDERAL ENVIRONMENTAL APPROVAL

*Key permitting milestone marks completion of EIA process and paves way for world-class project to proceed to financing and construction*

### Key Points

- Federal Government environmental approval granted for the Mount Peake Vanadium-Titanium-Iron Project under the *Environment Protection and Biodiversity Conservation Act 1999*.
- Follows approval from the NT Environment Protection Authority (NTEPA) granted in January this year.
- With both Territory and Federal environmental approvals in place, TNG now awaits only the grant of the Mount Peake Mining Lease before site-based construction can commence.
- This is expected to occur as soon as a final Mining Agreement is signed with the Central Land Council.
- Key permitting achievement represents a major positive milestone for TNG as it progresses final off-take and funding discussions.

Australian strategic metals company TNG Limited (ASX: TNG) is pleased to advise that the Federal Minister for Environment and Energy, the Hon Josh Frydenberg, has granted environmental approval, subject to implementation conditions, to the mine site component of its flagship 100%-owned **Mount Peake Vanadium-Titanium Iron Project**, located 230km north-west of Alice Springs in the Northern Territory.

The Minister's approval was received by TNG on Friday, 11 May 2018.

The key approval has been granted in accordance with and for the purpose of certain provisions of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) (EPBC Act) and marks the completion of the Environmental Impact Assessment (EIA) process for the mine site component of the Mount Peake Project.

The approval follows the Northern Territory Environmental Protection Authority (NTEPA) providing an approved assessment report in January this year (see ASX announcement, 25 January 2018).

The receipt of Federal environmental approval represents the final major permitting hurdle to allow financing and construction of the Mount Peake Project to proceed (subject to finalisation of offtake and funding arrangements), and signals that it is ready to progress to the next stage of mining approval under the Mining Management Act (NT).

In order to complete this process, TNG has commenced work to finalise its Mine Management Plan (MMP), incorporating the recommendations made by the NTEPA, as outlined in their assessment report.

As disclosed on 1 May 2018, the Company is also in well advanced negotiations with the Central Land Council to finalise a Mining Agreement with the Traditional Land Owners. TNG is not in a position to confirm exactly when a final agreement will be concluded. However, based on the positive progress of the negotiations to date, TNG continues to expect to achieve a positive outcome in the near term. This together with the EIA for the mine site (now fully approved) and completion of the MMP will pave the way for the grant of a Mining Lease by the Northern Territory Government.

Mount Peake is a world-class, long-life strategic metals asset located in Australia's northern development hub.

TNG is currently advancing financing discussions for an \$853 million development comprising an open pit mine and on-site 3Mtpa concentrator (expanding to 6Mtpa in Stage 2) linked by rail to an advanced TIVAN™ hydrometallurgical metals refinery to be located in Darwin.

The project's development will be a major boost to the Northern Territory economy, leveraging off its strategic location close to existing power and transport infrastructure including the Alice Springs-Darwin railway line, the Sturt Highway and an LPG pipeline.

The Company has successfully signed three life-of-mine off-take agreements for its vanadium, titanium dioxide and iron products (see ASX announcement dated 6 March, page 3), with the project forecast to produce 243,000 tonnes of high-purity vanadium pentoxide, 3.5 million tonnes of titanium pigment and 10.6 million tonnes of iron oxide over its 17-year life (see ASX announcement dated 20 November 2017).

As announced on 20 November 2017, an updated Feasibility Study completed late last year outlined exceptional economics including a reduced pre-production CAPEX requirement of A\$853 million, a pre-tax internal rate of return of 44% and a Net Present Value of A\$4.7 billion.

TNG's Managing Director, Mr Paul Burton, said: *"This Federal environmental approval is a huge milestone for all our key stakeholders, but particularly for our development and permitting team and our shareholders, who have waited patiently for this news. We are absolutely delighted that the long-running Environmental Impact Assessment process for the Mount Peake mine and infrastructure component is now completed.*

*"We will now proceed to seek to finalise the Mining Agreement with the CLC as soon as possible and secure our Mining Lease, which in turn clears the way for site-based construction activities to commence. In parallel, we have a number of financing and off-take discussions progressing.*

*"Against the backdrop of an outstanding performance by all of our key metals over the past 12 months – particularly vanadium and titanium – we believe that the prospects are strong for Mount Peake. TNG is working hard to unlock the value of this world-class strategic metals resource and to position it as a long-life supplier of high-value battery and steel raw materials for many decades to come."*

Paul E Burton  
**Managing Director**

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**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 20 November 2017 continue to apply and have not materially changed.

## Forward-Looking Statements

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