

ASX ANNOUNCEMENT

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PROJECTS

Mount Peake: Fe-V-Ti
Black Range Iron
Manbarrum: Zn-Pb-Ag
East Rover: Cu-Au
McArthur: Cu-Zn-Pb-Ag
Mount Hardy Cu-Au-Zn-Pb
Sandover Cu-Au
Walabanba Fe-V-Ti-Cu-Au

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TNG COMMENCES DIAMOND DRILLING PROGRAMME

INCLUDING GRAPHITE TARGETS AT MOUNT PEAKE AND BASE METALS AT THE MCARTHUR RIVER PROJECT, NORTHERN TERRITORY.

TNG Limited (ASX: TNG) is pleased to advise that a new **diamond drilling** program has been initiated, commencing at its flagship **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory and then continuing at its highly prospective **McArthur River base metals** project, see Figure 1 below:



Figure 1: TNG Tenure in the Northern Territory showing the projects to be drilled.

Drilling is expected to continue through September and updates on progress and subsequent analytical results will be reported in due course.

Mount Peake Drilling:

At Mount Peake two diamond drill (DD) holes have been designed to target the graphite mineralisation previously encountered in reverse circulation (RC) drill testing (see ASX releases 21 July 2014 and 21 October 2010).

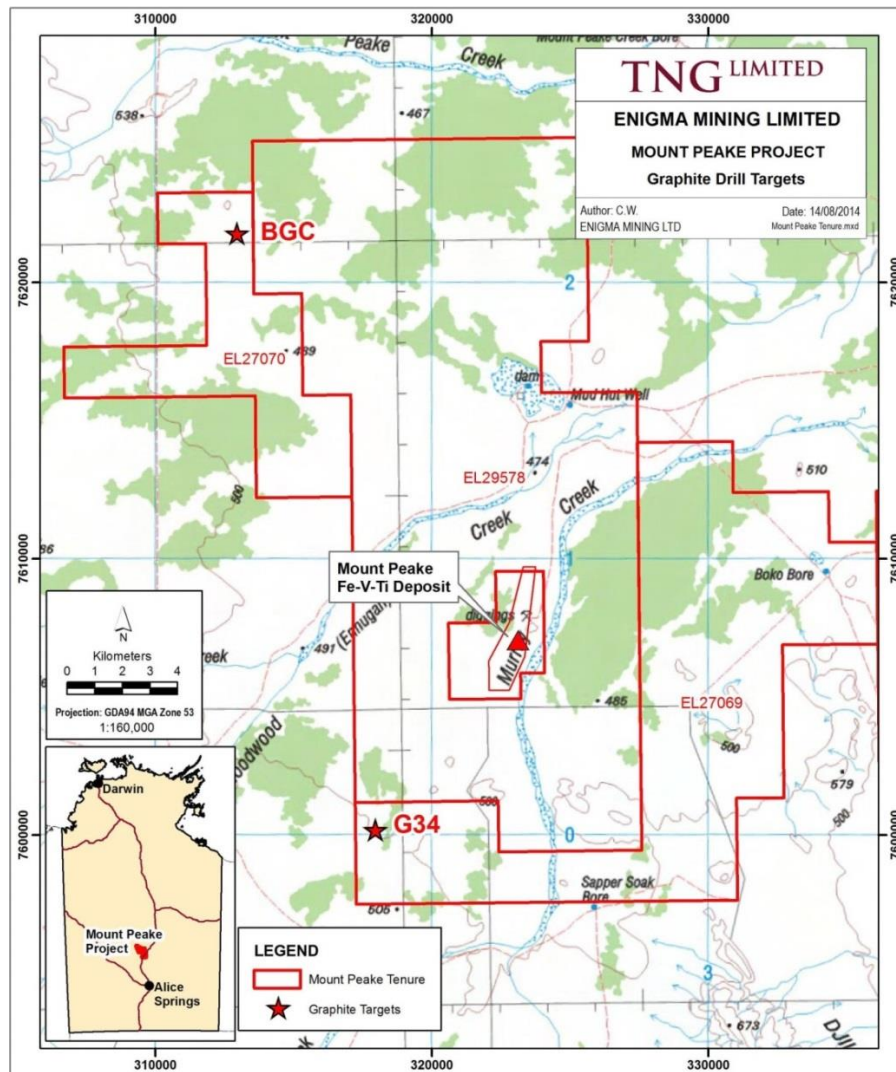


Figure 2: Location of the graphite prospects, BGC1 and G34 to be drill tested at Mount Peake.

The original RC drilling intersected thick continuous zones (>50m) of graphite, in two separate holes, each located on a strong EM conductor target (BGC1 and G34) proximal to the Mount Peake resource (Figure 2).

Each target was outlined originally with GEOTEM (airborne electromagnetic survey) and confirmed in 2012 by a HELITEM (helicopter mounted time-domain electromagnetic) survey conducted for TNG.

The northern BGC1 target generated a strong late-time conductor anomaly (Figure 3) that was drilled with highly graphitic schist encountered over the last 100m of the hole (Figure 4). In this current programme it is intended to wedge off this existing hole to obtain core samples over this full mineralised interval for metallurgical test work to assess recovery of the graphitic carbon.

Preliminary metallurgical work on the previous RC samples provided significant encouragement with upgrading by floatation to 70% Total Graphitic Carbon, however diamond core sampling is required for more rigorous assessment to determine the quality and commercial potential of the graphite.

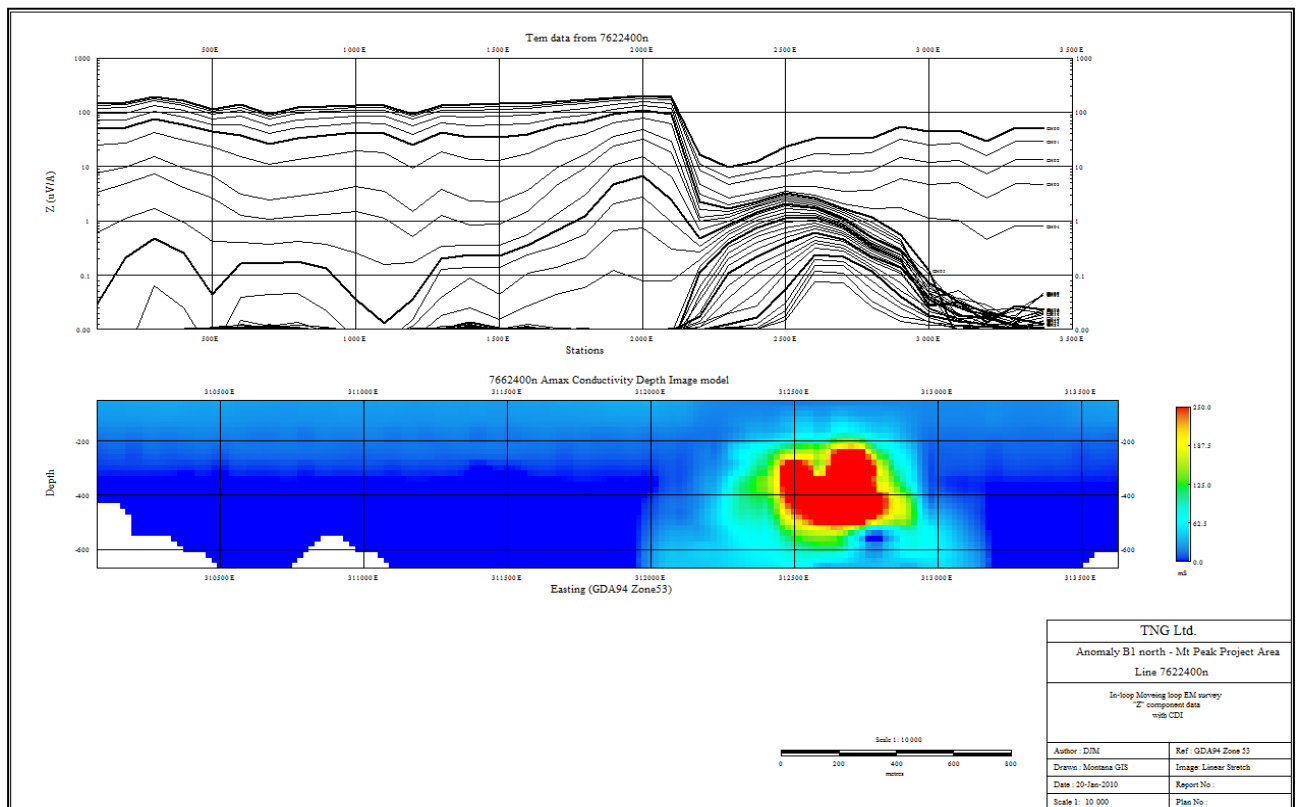


Figure 3: GEOTEM profile of the BGC anomaly with Conductivity Depth Image model. The image displays the high conductivity of the basement anomaly source with a Profile and 2D Modelled Cross Section on Northing 7,599,900mN, showing the BGC1 conductor target to be drill tested at Mount Peake.

G34, the second EM target at Mount Peake to contain graphite, has a strong mid- to late-time EM conductor response that drilling failed to adequately test in 2011 (due to drilling difficulties). A diamond tail will extend the existing single RC hole on this target, which finished in strongly graphitic schist.

Drilling this month will provide samples for further metallurgical testwork, and should this be encouraging additional drilling will be required to assess the size and economic potential of the occurrences.

McArthur River Project Drilling:

On completion of the Mount Peake drill programme the diamond drill rig will move to TNG's 100% owned **McArthur River Project** with two targets being tested. Both have large surface geochemical anomalies with coincident geophysical (IP – induced polarisation) conductor zones.

The McArthur River tenements are within the highly prospective McArthur Basin (65km southwest of the McArthur Zinc mine operated by Glencore Xstrata), and within the Batten Fault Zone (Figure 5) which hosts several other areas of base metal mineralisation, including the recently outlined Teena Deposit (Rox/Teck).

The drilling program at McArthur River has secured co-funding from the Northern Territory Department of Mines and Energy (see ASX release 27 June 2014). This will provide \$70,000 to partially cover the drilling and analytical costs.

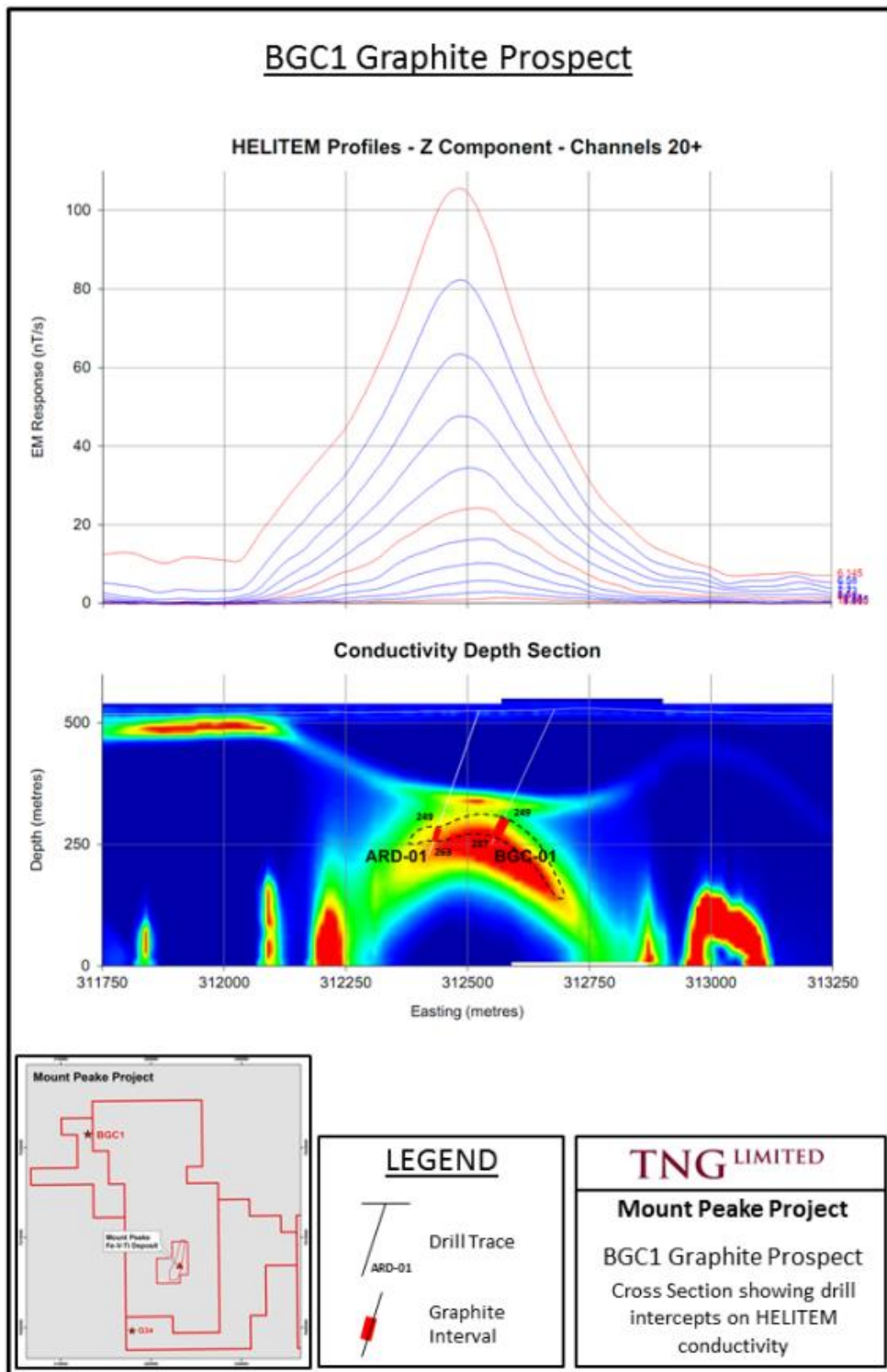


Figure 4: Conductivity Profile and 2D Modelled Cross Section on Northing 7,599,900mN, showing the BGC1 conductor target to be drill tested at Mount Peake.

Drilling will test two zones: the Central Zinc and Northeastern Zn-Cu anomalies (Figure 6). The Central Zinc Zone has anomalous soil geochemistry (both historical and from recent TNG work) over an area of 450m x 3000m (at a 250ppm Zn anomalous threshold) with results of up to 1,400ppm Zn and 670ppm Pb, partially coincident patchy copper anomalism and coincident IP anomalies (Figure 7).

The Northeastern Zone is up to 850m long, with zinc soil results of up to 650ppm, copper to 1,000ppm and lead to 520ppm, as well as coincident (down-dip) IP (induced polarisation) geophysical anomalism (Figure 7).

The IP geophysical survey was completed by a previous explorer, with the anomalous outline shown in Figure 7 comprising ten individual profile anomalies, the strongest two being targeted in the upcoming drilling program. Stratigraphy dips gently to the east and so the proposed hole collars are offset to the east of the best geochemistry to test the down-dip (fresh rock) positions.

Both geochemical/geophysical zones are adjacent to regionally significant faults (Figure 5) that may have been conduits for mineralising fluids (see ASX Release – 16 September 2013).

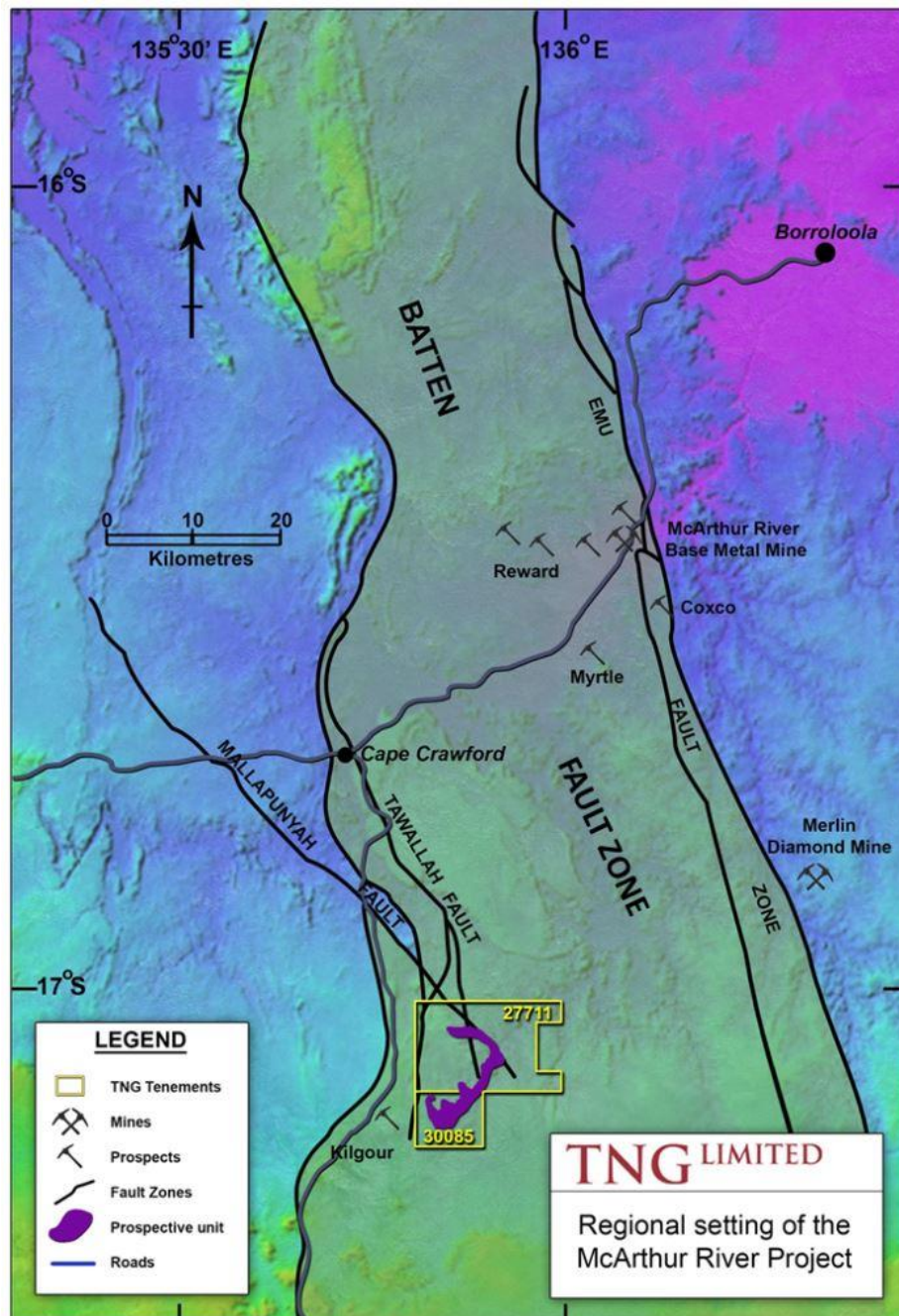


Figure 5: Location of the McArthur River Project area, and prospective stratigraphy in relation to regional structures and known mines and prospects.

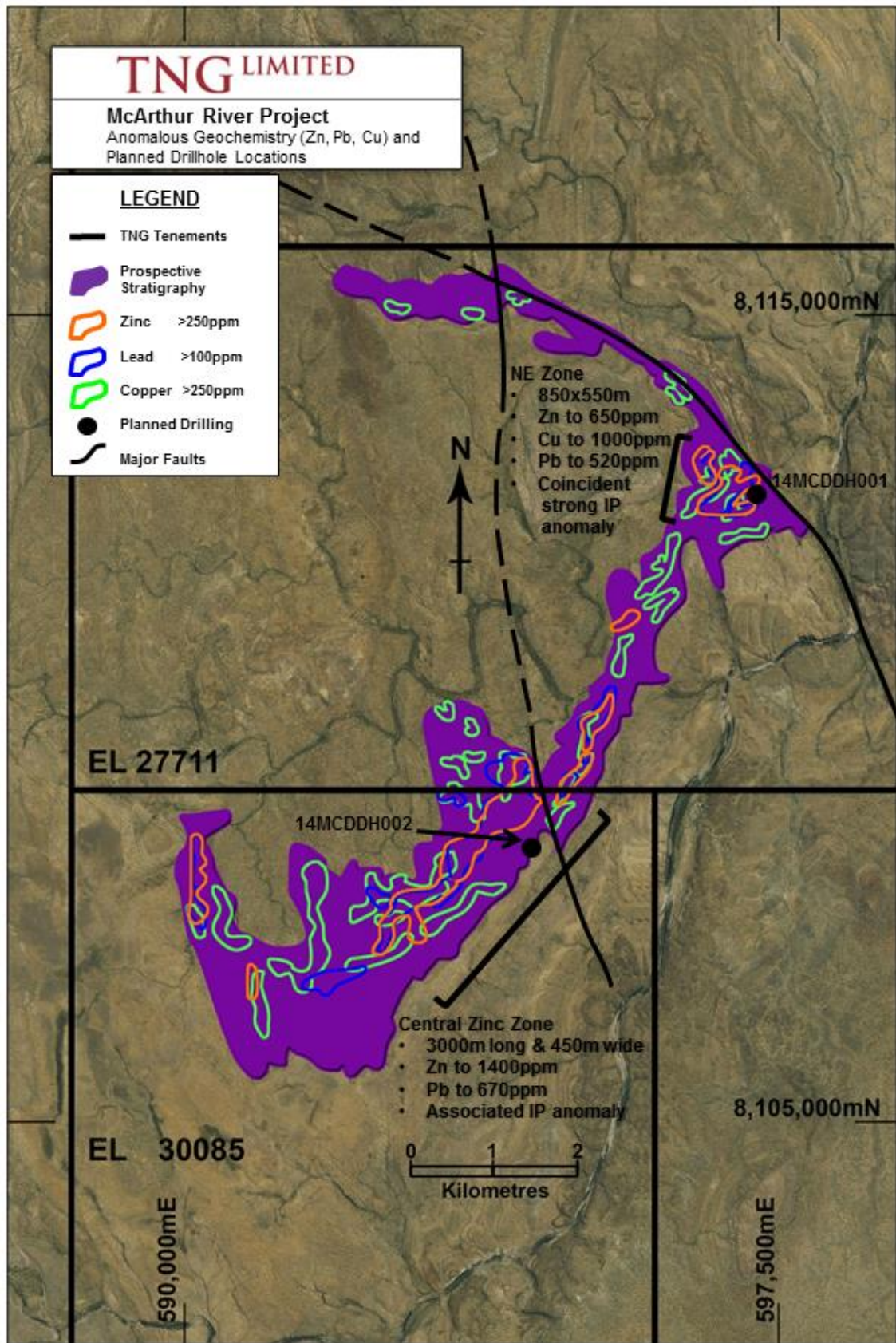


Figure 6: Location of planned drilling at McArthur River, 14MCDDH001, and 14MCDDH002 showing prospective stratigraphy and anomalous geochemistry (Zn, Cu, Pb).

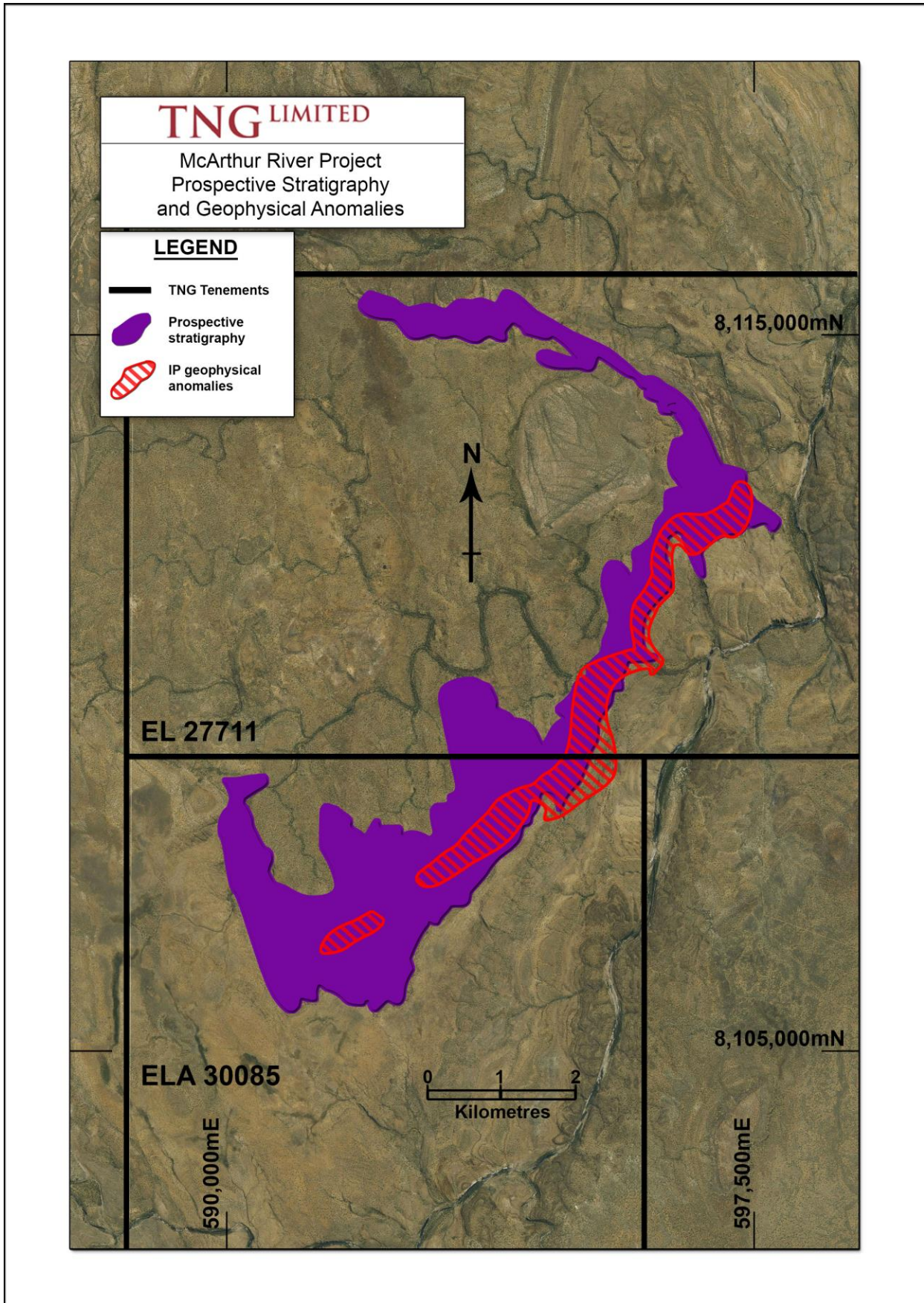


Figure 7: IP geophysical survey anomalous areas at McArthur River, shown on the prospective stratigraphy and an aerial photography base image.

Managing Director Paul Burton said that TNG has a portfolio of quality projects in the Northern Territory and it's important that we are able to cost effectively add value to these while continuing with our flagship Mount Peake development. The potential for a significant graphite resource at Mount Peake is intriguing now that graphite is being used more in the energy storage sectors, which we are targeting with our TIVAN process, he added.

In addition the huge anomaly with geophysical targets at Mc Arthur is a quality project just waiting to be drilled and is an exciting development for us to be able to address this now providing additional potential value for our shareholders.

Paul E Burton
Managing Director

20 August 2014

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Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Exploration Manager Mr Kim Grey B.Sc. and M. Econ. Geol. Mr Grey is a member of the Australian Institute of Geoscientists and an employee of TNG Limited. Mr Grey has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. It has been not been updated to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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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