

## June 2022 Quarterly Activities Report

**Further key funding commitments secured for Mount Peake  
with Clough appointed as preferred EPC contractor**

### **MOUNT PEAKE – CRITICAL MINERALS PROJECT VANADIUM-TITANIUM-IRON (NT) (TNG: 100%)**

- TNG received a conditional and non-binding Letter of Support from Export Finance Australia (“EFA”) that considers the provision of up to A\$300 million of debt funding for the construction of the Mount Peake Project.
- Additionally, the Company received a Letter of Interest from Federal Republic of Germany Export Credit Agency, Euler Hermes, including indicative key terms for German ECA financing of A\$300 million, as well as seven Letters of Interest from Australian and International Commercial and Investment Banks.
- Clough Projects Australia Pty Ltd (“Clough”) appointed as TNG’s Lead Engineer and preferred Engineering, Procurement and Construction (“EPC”) Contractor for the delivery of the Mount Peake Project under a Heads of Agreement (“Agreement”) executed between the parties.
- Under the Agreement, Clough will prepare a binding fixed-price, lump sum EPC proposal for the Project subject to completion of any works required and the procurement contracting model.
- Successful completion of water bore drilling and evaluation program to provide information for groundwater modelling for additional process water required for the Processing Facility at the Mine Site.
- All ground-based activities for the Environmental Impact Assessment were completed by the Company and its environmental consultants during the quarter, with technical report now underway.
- Meetings held with the Central Land Council (“CLC”) regarding the Indigenous Land Use Agreement.
- Preparation of a revised equipment cost estimate for the Mount Peake integrated operation is being progressed by its lead engineering group Clough.
- TNG secured \$143,000 in co-funding under the Geophysics and Drilling Collaborations program administered by the Northern Territory Geological Survey for a brownfields drilling program at Mount Peake.

### **TNG ALTERNATIVE ENERGY**

- TNG and green hydrogen technology partner, Malaysian-based energy group AGV Energy & Technology, continued to progress commercial and technical parameters for the development of the “HySustain™” project in Darwin.
- Agreement executed with Perth-based Australian energy company Ultra Power Systems to jointly explore opportunities for vanadium electrolyte production and vanadium redox flow batteries (“VRFB”) in Australia.

### **CORPORATE**

- TNG received \$3.7 million as a refundable tax offset under the Federal Government’s Research & Development (“R&D”) tax incentive for eligible R&D activities undertaken during the 2020/2021 financial year.
- Small shareholding sale facility for certain shareholders with holdings valued at less than A\$500 closed on 4 April 2022 with proceeds paid to Eligible Shareholders on 27 April 2022.
- The Company’s cash position at 30 June 2022 was \$14.4 million.

**MOUNT PEAKE PROJECT – VANADIUM-TITANIUM-IRON (TNG: 100%)**

**PROJECT SUMMARY**

The Mount Peake Project is the Company’s flagship project, comprising a world-scale critical and battery minerals deposit located 235km north-west of Alice Springs in the Northern Territory (NT). The Project is well located close to existing key power and transport infrastructure corridors including the Alice Springs-Darwin Railway and the Stuart Highway.

The Company’s strategy for the Mount Peake Project is to develop a fully-integrated single mining and processing operation to produce three high-value, high-purity products for export – vanadium pentoxide (V<sub>2</sub>O<sub>5</sub>), titanium dioxide pigment (TiO<sub>2</sub>) and iron oxide (Fe<sub>2</sub>O<sub>3</sub>) – through the application of a world-first processing technology, known as the TIVAN® Process, which is owned exclusively by TNG.

Mount Peake is a shallow, flat-lying orebody with a JORC Measured, Indicated and Inferred Resource totalling 160 million tonnes grading 0.28% V<sub>2</sub>O<sub>5</sub>, 5.3% TiO<sub>2</sub> and 23% Fe. The Mount Peake Project is one of the largest undeveloped vanadium-titanium-iron projects in the world.

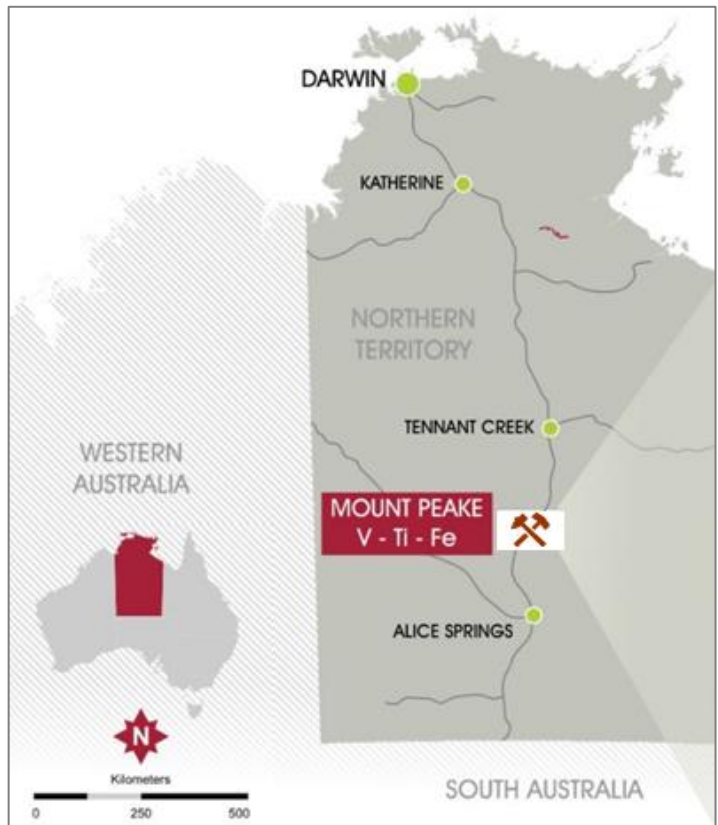
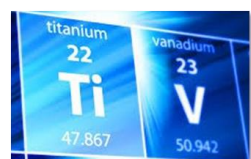


Figure 1. Mount Peake Project location

**PROJECT HIGHLIGHTS**

-  Major Project Status awarded by the Australian Federal Government and the Northern Territory Government
-  Vertically integrated mining and processing operation
-  TIVAN® technology enabling production of three high-purity products at commercial grade
-  Life of operations of 37 years bringing significant long-term socio-economic benefits to Northern Australia
-  Large flat-lying, shallow vanadium-titanium deposit in a tier-1 jurisdiction
-  Mining licences and most regulatory permits approvals in place
-  Partnerships with Tier 1 development companies and long-term off-take agreements in place for all products with global groups



***VANADIUM AND TITANIUM HAVE BEEN IDENTIFIED BY THE AUSTRALIAN GOVERNMENT AS CRITICAL MINERALS REQUIRED TO UNDERPIN THE ADVANCED TECHNOLOGIES THAT WILL SUPPORT THE GLOBAL PUSH FOR DECARBONISATION.***


**Key facts**

 **\$17.5 billion\*** contribution to Gross Territory Product

 A mine life of **37 years**

 **\$710 million** of minerals royalties

 Exports of **\$774 million** per annum

 **1,600-1,800 jobs** during construction and

 **1,000-1,200 jobs** per annum during operation

*\* Economic impact results have been developed by ACIL Allen using the Tasman Global computable general equilibrium model. The ACIL Allen reliance and disclaimer found at [www.acilallen.com.au](http://www.acilallen.com.au) applies to all results and information presented in this brochure.*

## **PROJECT DELIVERY STRATEGY**

TNG has executed a Heads of Agreement (“Agreement”) with Clough Projects Australia Pty Ltd (“Clough”) for the delivery of the Mount Peake Project. Under the Agreement, Clough has been appointed as TNG’s Lead Engineer and preferred Engineering, Procurement and Construction (“EPC”) Contractor for the delivery of the Project and will prepare a binding fixed-price, lump sum EPC proposal (“EPC Proposal”) for the Project, subject to completion of any works required and the procurement contracting model.

TNG and Clough are currently advancing discussions on any additional work that may be required to be undertaken by Clough to facilitate development of the EPC Proposal, with any such work to be confirmed under a separate services agreement including detailed scope, costs and scheduling.

The Company’s long-standing strategic engineering partner and metallurgical consultants SMS group (“SMS”) was previously contracted to deliver an EPC proposal but, due to disruptions caused by the COVID-19 pandemic, TNG reached agreement with SMS to engage with Australian-based engineering and construction companies for the delivery of the Mount Peake Project. SMS remains fully involved with confirmatory test and design work and Clough will continue to be supported by SMS.

## **PROJECT DEVELOPMENT**

### **Engineering and Design Work**

Following the completion of an integrated layout by Clough in November 2021, Clough has progressed engineering and design works for the Mount Peake Project and is progressing a revised cost estimate for the integrated operation.

The preparation of a revised cost estimate is still ongoing due to delays in sourcing market-based quotes caused by global disruption of supply chains due to the COVID-19 pandemic, higher energy costs (including from the impact of the Ukraine-Russia conflict), long lead times, logistical delays, higher labour costs due to workforce shortages and escalated costs of steel and concrete, which directly affect both equipment and construction costs. TNG is continuing to work closely with Clough to assess the potential impact of these factors on the cost estimate. Further updates will be given once TNG has more certainty as to the potential financial impact of those factors.

Clough will continue to identify any value engineering opportunities associated with optimising capital and operating expenditure for the streamlined operation while working closely with vendors for the equipment pricing. As part of the EPC Proposal, Clough will also have to take the above factors into account, including delays in sourcing the market-based quotes as part of their work to determine a fixed EPC price for delivery of the Project.

### **Non-Process Infrastructure (“NPI”)**

The Company has advanced NPI items for tendering processes, which will include BOO (build, own, operate) and BOOT (build, own, operate, transfer) items, haul roads, borefields, accommodation, etc.

### **Water Bore Drilling Program**

TNG completed a water bore drilling program at Mount Peake. The water bore drilling and evaluation program was undertaken to provide a sustainable water supply for the entire Mount Peake Project, with additional water resource information required for the groundwater modelling work being conducted by the Company’s appointed hydrological consultants, AQ2 Pty Ltd (“AQ2”).

Based on information obtained from this drilling, AQ2 will now update and expand the groundwater modelling that has been completed and provide a report to support a second Water Extraction Licence Application (“WELA”) from TNG, which will then provide sufficient, sustainable water resources for the entire planned mining and processing operation of the Mount Peake Project.

TNG currently has a WELA submitted to the Water Resources Division of the Northern Territory Government Department of Environment, Parks and Water Security (“DEPWS”).

### **Construction Planning**

The Company has secured access to locally sourced calcrete close to Mount Peake which is expected to be used and included in the Company’s planned construction and in the upstream processing at Mount Peake, subject to all required permitting and regulations.

## **PERMITTING AND APPROVALS**

### **Environmental Approvals**

The Company and its environmental consultant, Animal Plant Mineral (“APM”), have completed all ground-based activities for the Environmental Impact Assessment (“EIA”) report for the integrated Mount Peake Project. Results are now being reviewed for preparation to be included in the final report for submission.

### **Native Title Agreement**

During the period, the Company held meetings with the Central Land Council (“CLC”) representatives regarding updates to the current Indigenous Land Use Agreement (“ILUA”).

## **EXPLORATION**

The Company secured \$143,000 in co-funding under the Geophysics and Drilling Collaborations program, funded by the Resourcing the Territory initiative and administered by the Northern Territory Geological Survey.

The drilling program aims to obtain samples from the feeder zone and lower sections of the composite Mount Peake gabbro intrusive, to determine the potential for Ni-Cu, Cr and PGE mineralisation below the Mount Peake V-Ti Resource, which is scheduled to be undertaken in the second half of 2022.

## **PROJECT FINANCE**

### **Debt Finance**

#### **Governmental Concessional Funding Applications**

TNG received a conditional and non-binding Letter of Support from the Australian Government’s Export Credit Agency (“ECA”), Export Finance Australia (“EFA”), for up to A\$300 million of debt funding for the Mount Peake Project.

The Mount Peake Project is one of only 15 Australian critical minerals projects identified by the Australian Government in its critical minerals priority road map. EFA’s non-binding Letter of Support notes the broad alignment of the Project with the Government’s Critical Mineral Strategy to diversify production of, and capture more value from, critical minerals supply.

EFA’s provision of debt funding of up to A\$300 million is subject to customary due diligence process and successful outcome of several conditions. EFA’s non-binding Letter of Support does not constitute a commitment to provide finance and there is no certainty that an agreement will be reached between the parties.

The Company is now engaging with the EFA to progress the due diligence process and is advancing discussions with the Northern Australian Infrastructure Facility (“NAIF”) for a further funding package.

#### **KfW IPEX-Bank (“KfW”) & KPMG Corporate Finance**

Following the end of the quarter, the Company received Letters of Interest/Expressions of Interest from Federal Republic of Germany Export Credit Agency, Euler Hermes, and seven lenders active in Mining & Metals and ECA Finance.

Euler Hermes’ Letter of Interest to TNG includes indicative key terms based on German content from the involvement of the Company’s long-standing strategic engineering partner, the major German engineering firm, SMS Group, for German ECA financing of A\$300 million.

TNG has mandated KfW as its senior debt advisor and arranger of a syndicate to raise a targeted amount of up to US\$600 million to underpin the project financing package. The Euler Hermes amount of A\$300 million is part of this with the remainder expected from the other seven financial institutions.

KPMG Corporate Finance and Germany’s KfW IPEX-Bank GmbH supported TNG to achieve these landmark financing milestones.

TNG is also working with its advisors and sustainability consultants to assist in ensuring that the full range of Environmental, Social and Governance (“ESG”) funding options are assessed, including green loan finance.

### Build-own-operate-transfer funding (“BOOT”)

KPMG Corporate Finance has been assisting TNG with advice on potential structuring and commercial requirements for arrangements with potential BOOT/Build-Own-Operate (“BOO”) providers across the Project’s process and non-process infrastructure.

### Equity

TNG and KPMG Corporate Finance continued to progress the strategy for equity financing for the Mount Peake Project, including both institutional investor and strategic equity streams.

### PRODUCT PRICING DEVELOPMENT<sup>1</sup>

#### Titanium Dioxide Pigment – TiO<sub>2</sub>

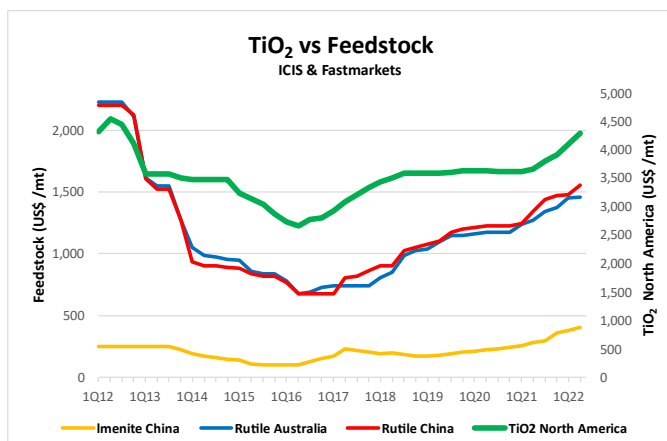
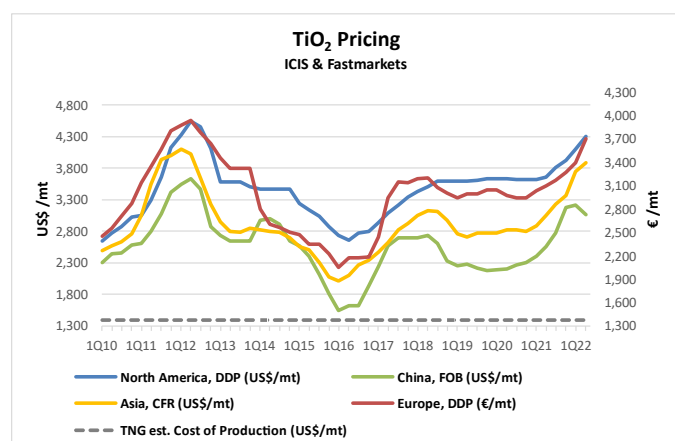
TiO<sub>2</sub> prices are expected to remain strong in North America, Europe and APA for the rest of the year due to low inventories as supply continues to remain tight amid a challenging global macroeconomic backdrop.

Operating rates are at maximum levels in North America and Asia Pacific, while Chinese producers are under pressure and Ukrainian plants are not producing significant volumes.

High energy prices, inflation and the Russia-Ukraine conflict are continuing to impact the pigment sector in Europe.

The TiO<sub>2</sub> price increased in all regions compared to last quarter, up 2.6% in APA (APAC - excluding China), 7.6% in Europe and 5.5% in North America.

TNG expects to achieve a 3-5% premium on the market price as its product will be a high-durable pigment (Roskill – September 2020).



#### Vanadium Pentoxide – V<sub>2</sub>O<sub>5</sub>

Prices of vanadium pentoxide were stable during the quarter, with an average price of USD8.98 /lb V<sub>2</sub>O<sub>5</sub> 98%.

The ferrovandium price increased slightly by 2.6%, with a quarterly average of USD11.00 /mt.

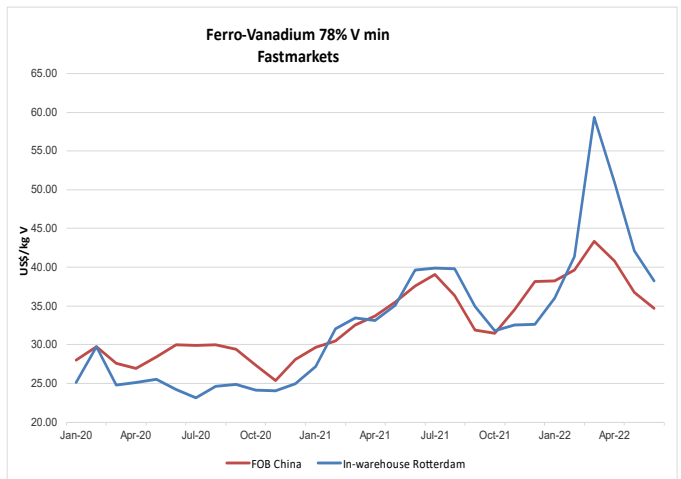
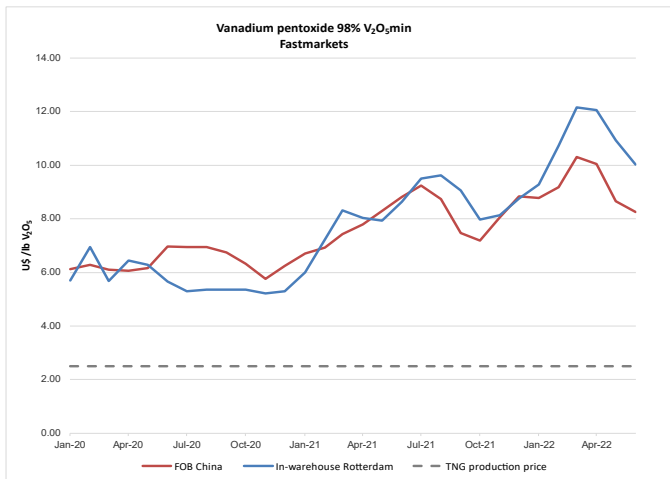
Chinese vanadium co-producers will restart operations after taking the opportunity to undertake maintenance during the COVID-19 lockdowns.

The Russia-Ukraine conflict continues to cause additional market volatility amid fears of supply shortages from Russian producer Evraz, in the wake of financial sanctions imposed on Russia by Western nations.

TNG expects to achieve a US\$2.0/lb V<sub>2</sub>O<sub>5</sub> premium on the market price for its product at 99.6% purity (Roskill – September 2020).

<sup>1</sup> Pricing source: ICIS and Fastmarkets

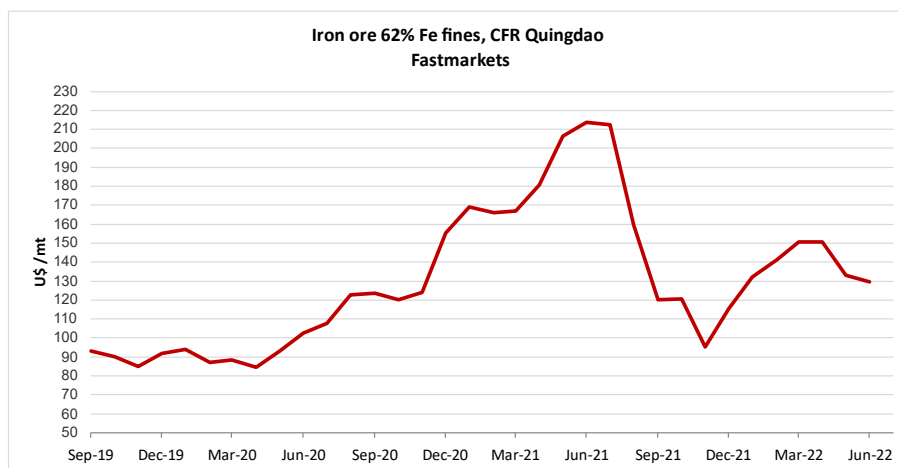




**Iron Ore Fines**

The seaborne iron ore price trend is expected to stabilise, after the start of the year was marked by a rise in futures and swaps markets mainly due to supply problems caused by the Russian-Ukrainian conflict.

TNG expects to add a US\$5.90/mt premium on top of that for its product at 64.4% (Roskill – September 2020).



**TNG ALTERNATIVE ENERGY**

**GREEN HYDROGEN PRODUCTION TECHNOLOGY**

TNG and Malaysian-based energy group AGV Energy & Technology (“AGV”) continued to progress a commercial study for an initial HySustain green hydrogen technology project in Darwin in the Northern Territory (“HySustain Darwin”).

**COLLABORATION AGREEMENT WITH ULTRA POWER SYSTEMS**

TNG further progressed its vanadium energy strategy after executing a memorandum of understanding for collaboration with Perth-based energy technology company, Ultra Power Systems Pty Ltd (“Ultra”).

Under the Agreement, TNG and Ultra will collaborate on opportunities for the identification, development, and deployment of a combined renewable power generation and VRFB storage system for the Australian market. This includes the production of Ultra’s high performing mixed-acid vanadium electrolyte.

The collaboration with Ultra will support TNG’s plans to establish a vertically integrated vanadium energy business including the supply of vanadium electrolyte and installation of batteries across a range of industries and remote locations. The parties will consider further formal agreements for collaboration initiatives.

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## OTHER PROJECTS

### **SPRING CREEK (EL – 100% TNG)**

The Company has an Exploration Licence for the highly prospective copper-focused Spring Creek Project in South Australia. TNG plans to commence a limited field program of geological mapping, soil sampling, geophysics and, potentially, drilling following permits and approvals.

### **KULGERA PROJECT (EL – 100% TNG)**

The Company has two granted Exploration Licences (“EL”) for the Kulgera Project, a 1,231km<sup>2</sup> vanadium and titanium exploration project located along the South Australian border in the Northern Territory.

A range of chemical and mineralogical analyses are being undertaken on the 2021 sampling. Assessment is ongoing with further testwork planned.

### **MOONLIGHT PROJECT (EL – 100% TNG)**

The Company has Exploration Licences at Moonlight, located 80km west of Daly Waters in the central Northern Territory where vanadium occurrences have been recorded. No field activity was undertaken during the quarter, but the Company aims to establish if these will provide additional vanadium reserves.

### **CAWSE EXTENDED MINE PROJECT: NICKEL-COBALT (80%: MESMERIC/20%: TNG)**

The Company has a 20% free-carried interest in the Cawse Extended Mining Lease. Joint venture partner, Mesmeric Enterprises, had previously completed necessary rehabilitation works. The Company awaits further work programme results from Mesmeric.

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## CORPORATE

### **FINANCIAL POSITION**

TNG had total cash reserves of \$14.4 million as at 30 June 2022.

Payments for development, engineering, exploration and evaluation activities for the Company’s flagship Mount Peake Project totalled \$2.1 million during the period.

During the quarter, payments to related parties of TNG Limited totalled \$205,000, which relates to Directors’ remuneration including salary, fees and superannuation (Appendix 5B, item 6.1) and fees for additional services provided (Appendix 5B, item 6.2).

Further details can be found in the enclosed Appendix 5B – Quarterly Cash Flow Report.

### **RESEARCH & DEVELOPMENT (“R&D”) REBATE**

On 4 May 2022, the Company received an amount of \$3.7 million as a refundable tax offset under the Federal Government’s R&D tax incentive scheme for eligible R&D activities related to the Mount Peake Project and the TIVAN® processing technology undertaken during the 2020/2021 financial year.

### **SMALL SHAREHOLDING SALE FACILITY (“FACILITY”)**

TNG announced the completion of the small shareholding sale facility (“Facility”), which was established to reduce the administrative costs of managing small shareholdings valued at less than A\$500 (“Eligible Shareholders”) on 14 February 2022 and closed on 4 April 2022.

The proceeds of the Facility were remitted to 551 participating Eligible Shareholders on 27 April 2022, with brokerage and other costs paid by the Company.

### **LAPSE OF PERFORMANCE RIGHTS**

During the period, 2,150,000 performance rights lapsed in accordance with their terms and conditions.

### **INVESTOR AND MARKET ENGAGEMENT**

During the quarter, TNG representatives presented at the Paydirt’s 2022 Battery Minerals Conference, Katherine & Barkly Region (NT) Major Projects Conference and the Rising Resources Stars Conference in the Gold Coast. Company representatives also attended the London 121 Mining Investment Conference in May.

Company representatives will be attending a number of conferences in the upcoming months, including the Mining the Territory Conference, TiO<sub>2</sub> World Summit and the 11<sup>th</sup> Annual NT Major Projects Conference.

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## COVID-19

The Company's management team and staff continue to work under standard working hours and arrangements, with provision for flexible or restricted working arrangements when required.

All necessary health and safety precautions continue to be adhered to, including Government-enforced travel restrictions.

The Company is closely monitoring the COVID-19 situation domestically and globally, including restrictions implemented by governments in Australia and overseas for any potential impacts on the Mount Peake Project.

Authorised by:

Paul E Burton  
**Managing Director & CEO**

27 July 2022

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## APPENDIX A

### MOUNT PEAKE MINERAL RESOURCES AND ORE RESERVES

#### Mineral Resource

The Mount Peake Mineral Resource estimate set out below (Table 1) was released in an ASX Announcement entitled “Additional Information on the Mount Peake Resource” on 26 March 2013 in accordance with the JORC Code (2012).

**Table 1 – Mount Peake Mineral Resource estimate**

Category	Tonnes (Mt)	V <sub>2</sub> O <sub>5</sub> %	TiO <sub>2</sub> %	Fe%	Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %
Measured	120	0.29	5.5	24	8.2	33
Indicated	20	0.28	5.3	22	9.1	34
Inferred	22	0.22	4.4	19	10.0	38
<b>TOTAL</b>	<b>160</b>	<b>0.28</b>	<b>5.3</b>	<b>23</b>	<b>8.6</b>	<b>34</b>

Note: Mineral Resource is inclusive of Ore Reserves. Tonnage and grade figures in tables have been rounded and small discrepancies in totals may occur. The Mineral Resource is reported using a 0.1% V<sub>2</sub>O<sub>5</sub> cut-off. TNG is not aware of any new information or data that materially affects the Mineral Resource estimate included in the ASX Announcement dated 26 March 2013 and all material assumptions and technical parameters underpinning the assessment provided in that announcement continue to apply.

#### Ore Reserve

The Mount Peake Ore Reserve estimate (Table 2) was reported in an ASX Announcement entitled “Mount Peake Feasibility Results” on 31 July 2015 in accordance with the JORC Code (2012).

**Table 2 – Mount Peake Ore Reserve estimate**

Category	Tonnes (Mt)	V <sub>2</sub> O <sub>5</sub> %	TiO <sub>2</sub> %	Fe%
Proven	0	-	-	-
Probable	41.1	0.42	7.99	28.0
<b>TOTAL</b>	<b>41.1</b>	<b>0.42</b>	<b>7.99</b>	<b>28.0</b>

Note: Tonnage and grade figures in tables have been rounded to 2 or 3 significant figures and as a result small discrepancies may occur due to the effect of rounding. Ore Reserve is reported using a 15% Fe cut-off. TNG is not aware of any new information or data that materially affects the Ore Reserve estimate reported in the ASX Announcement dated 31 July 2015 and all material assumptions and technical parameters underpinning the assessment provided in that announcement continue to apply.

#### Tenement Schedule

The Company held a direct or indirect interest in the following tenements on 30 June 2022:

Project	Mineral and ancillary Titles	Holder and TNG Equity
Mount Peake	EL27069, EL27941, EL29578, EL30483, EL31389, EL31850, ML28341, ML29855, ML29856, ML30686, AA31105, AA32037	Enigma Mining Limited - 100% (Enigma is a wholly owned subsidiary of TNG Limited)
Kulgera	EL32369, EL32370	Enigma Mining Limited - 100% (Enigma is a wholly owned subsidiary of TNG Limited)
Moonlight	EL32433, EL32434	Enigma Mining Limited - 100% (Enigma is a wholly owned subsidiary of TNG Limited)
Spring Creek	EL6705	Enigma Mining Limited - 100% (Enigma is a wholly owned subsidiary of TNG Limited)
Cawse Extended	M24/547, M24/548, M24/549, M24/550	TNG 20% free carried to production, or can be converted to a 2% net smelter return on ore mined. Unicorn Pit is now excised and a wet tonne royalty applies.
Kintore East	M16/545	Evolution Mining (Mungarri) Pty Ltd TNG 2% gold return interest on production

## Competent Person's Statements

The information in this report related to the Mount Peake Mineral Resource estimates is extracted from an ASX Announcement entitled "Additional Information on the Mount Peake Resource" dated 26 March 2013 in accordance with the JORC Code (2012) and is available to view on [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asx.com.au](http://www.asx.com.au). 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 related to the Mount Peake Ore Reserve estimates is extracted from an ASX Announcement entitled "Mount Peake Feasibility Results" dated 31 July 2015 in accordance with the JORC Code (2012) and is available to view on [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asx.com.au](http://www.asx.com.au). 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.

The information in this report related to the Kulgera Project Mineral Resource estimates is extracted from an ASX Announcement entitled "TNG expands tenure with existing JORC resource" dated on 8 July 2020 in accordance with the JORC Code (2012) and is available to view on [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asx.com.au](http://www.asx.com.au).

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.

## Production Targets and Financial Information

Information in relation to Mount Peake production targets and forecast financial information included in this report is extracted from an ASX Announcement dated 11 September 2019 called "Optimised Delivery Strategy for Mount Peake" available on the Company's website on [www.tngltd.com.au](http://www.tngltd.com.au). The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement released on 11 September 2019 continue to apply and have not materially changed.

## Forward-Looking Statements

This report has been prepared by TNG Limited. This report 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.

This report is for information purposes only. Neither this nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of TNG Limited shares in any jurisdiction. This report does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

To the fullest extent permitted by law, TNG Limited, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this report. No responsibility for any errors or omissions from this arising out of negligence or otherwise is accepted.

This report may include forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of TNG Limited. Actual values, results or events may be materially different to those expressed or implied.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

TNG Limited

ABN

12 000 817 023

Quarter ended ("current quarter")

30 June 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(455)	(1,762)
(e) administration and corporate costs	(600)	(1,641)
1.3 Dividends received (see note 3)		
1.4 Interest received	15	39
1.5 Interest and other costs of finance paid	(2)	(8)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (Government payments)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,042)</b>	<b>(3,372)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(2)	(16)
(d) engineering, exploration & evaluation	(2,123)	(8,912)
(e) investments		
(f) other non-current assets	(2)	(30)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Research & Development Refund)	3,687	3,687
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>1,560</b>	<b>(5,271)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	12,500
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	6
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(683)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other:		
	(a) Proceeds from Company Share Plan Loan Repayment	-	
	(b) Repayments of lease liability	(51)	(172)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(51)</b>	<b>11,651</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	13,975	11,434
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,042)	(3,372)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,560	(5,271)

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(51)	11,651
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>14,442</b>	<b>14,442</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	4,442	1,975
5.2	Call deposits	10,000	12,000
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>14,442</b>	<b>13,975</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	190
6.2	Aggregate amount of payments to related parties and their associates included in item 2	15
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,042)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,123)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,165)
8.4 Cash and cash equivalents at quarter end (item 4.6)	14,442
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	14,442
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	4.56
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	



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**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**


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8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2022

Authorised by: Paul Burton  
 Managing Director & CEO

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.