

## TNG RECEIVES FURTHER FINANCIAL BACKING WITH KOREAN EXPORT CREDIT AGENCY K-SURE ISSUING A LETTER OF SUPPORT FOR UP TO A\$200M IN DEBT FUNDING FOR THE MOUNT PEAKE PROJECT

*The conditional finance support from K-SURE is another cornerstone component of the multi-source, global funding package for TNG'S flagship Mount Peake Project*

### Key Points

- The Korean official Export Credit Agency Korea Trade Insurance Corporation (“K-SURE”) has issued a conditional Letter of Support for the provision of up to A\$200 million in debt funding for TNG’s Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory.
- TNG has now received a total of up to A\$800 million in conditional Letters of Support/Interest for the Mount Peake Project from Australian, German and Korean Government backed funding sources.
- The Letter of Support from K-SURE builds on the December 2021 Memorandum of Understanding on Cooperation in Critical Minerals Supply Chains, signed between the Republic of Korea and Australia.
- KPMG Corporate Finance and Germany’s KfW IPEX-Bank GmbH continue to support TNG in achieving these landmark financing milestones.

Australian resource and mineral processing technology company TNG Limited (ASX: TNG) (“TNG” or the “Company”) is pleased to announce that it has received further conditional finance support for the provision of debt funding for its flagship Mount Peake Critical Minerals; Vanadium-Titanium-Iron Project in the Northern Territory from the Korean official Export Credit Agency (“ECA”) Korea Trade Insurance Corporation (“K-SURE”).

The Letter of Support from K-SURE provides confirmation of their interest in participating in the funding of the Mount Peake Project **up to an amount of A\$200 million**.

K-SURE is the Republic of Korea’s official ECA under the Ministry of Trade, Industry and Energy and its involvement followed after Australia and the Republic of Korea entered into a Memorandum of Understanding on cooperation in Critical Minerals Supply Chains in December 2021.

The conditional Letter of Support received from K-SURE follows on from the recent receipt of Letters of Support/Interest from German and Australian ECAs totalling A\$600 million, **taking the total in conditional interest from Australian, German and Korean Government backed funding sources for the Mount Peake Project to up to A\$800 million** (see ASX Announcements of 8 July and 19 July 2022).

In addition to this up to A\$800 million of Government-related funding interest, TNG has received expressions of interest from seven Australian and International Commercial and Investment Banks for financing the commercial component of the debt for the Project (see ASX announcement, 19 July 2022). With the combination of the significant government-related funding and the substantial interest received from the commercial debt market, the Company is confident that its project financing strategy for Mount Peake is firmly on track.

K-SURE’s support for Mount Peake was achieved given the long-term off-take agreement signed with South Korea’s WOJIN IND. CO. (“Woojin”) Ltd for up to 60% of Mount Peake’s forecast life of mine vanadium production. Woojin

is the largest ferrovanadium converter in South-East Asia with key customers such as POSCO and Hyundai. TNG recently further strengthened its ties with the Republic of Korea by joining the Australia-Korea Business Council.

K-SURE's Letter of Support outlines the need to satisfy the following conditions:

1. Full compliance with all environmental and social requirements and standards as defined under the OECD Common Approaches, the IFC Performance Standards, the Equator Principles and the equivalent Australian legal requirements and standards;
2. Execution of an off-take agreement with Korean offtake companies, covering certain obligations such as the sale of at least 60% of Mount Peake's total vanadium production over the amortisation period of the loan. This condition has already been fulfilled given the off-take agreement signed with Woojin;
3. Appropriate security rights to K-SURE over TNG's interest in the Project;
4. Receipt of all requisite permits and licenses required to develop and operate Mount Peake; and
5. Other conditions deemed necessary by K-SURE.

Following the receipt of these recent Letters of Support/Interest for the Mount Peake Project, TNG and its advisors will continue progressing customary due diligence with commercial lenders and Government-related funding sources including K-SURE.

The Letter of Support received from K-SURE does not constitute a commitment or an offer. The provision of debt funding will be subject to satisfaction of K-SURE's conditions and due diligence procedures.

#### **Management Comment**

TNG's Managing Director & CEO, Paul Burton, said:

*"We welcome the receipt of this commitment for up to A\$200 million in debt funding for Mount Peake from K-Sure, which further cements our strong, long-standing relationship with South Korea, particularly considering that Korea's WOOJIN was one of our foundational off-take customers for vanadium production from Mount Peake.*

*"This caps a solid couple of months for TNG, with results of dedicated hard work seeing us receive a total of up to A\$800 million in conditional Letters of Support/Interest for the Mount Peake Project from Australian, German and Korean-backed funding sources. This is in addition to the existing debt funding commitment of up to US\$600 million from the German Government-backed KfW IPEX-Bank GmbH.*

*"This shows that our multi-pronged global funding strategy is firmly on track and represents a strong vindication both of TNG and the quality of the Mount Peake Project as a world-class critical minerals asset and of our funding strategy, which has been meticulously developed, planned and executed over a long period of time.*

*"This reinforces the importance of having a stable corporate environment to ensure we can finalise these funding agreements and progress the Mount Peake Project to a Final Investment Decision. We have received strong indications of support from all of our funding and strategic partners, and we are looking forward to moving the Project forward as quickly as possible. We are continuing to focus on achieving project milestones as our key priority, and we are pleased that the hard work of our team over many months and years has resulted in some momentum building in recent weeks. This is notwithstanding the disruption that has been caused by the unnecessary section 249D action that has been taken by a group of minority shareholders and risks derailing this progress."*

Authorised by the TNG Board of Directors:

**Paul E Burton**

Managing Director and CEO

1 August 2022

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**About TNG**

TNG is a mineral resource and processing technology company focussing on 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 products for global markets including vanadium pentoxide, titanium dioxide pigment and iron ore fines. The project, which is expected to be a top-10 global producer, has received Major Project Status from the Australian Federal Government and the Northern Territory Government.

TNG is also advancing a green energy strategy with the dual objective of offsetting carbon emissions from its planned future operations and generating new business opportunities in the alternative energy market to create additional shareholder value, with a focus on green hydrogen and vanadium redox flow batteries.

**Forward-Looking Statements**

This announcement has been prepared by TNG Limited. 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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