

TNG LIMITED

ABN 12 000 817 023

SUPPLEMENTARY EXPLANATORY MEMORANDUM

This Supplementary Explanatory Memorandum (**Supplementary Notice**) relates to the Company's General Meeting to be held at the Vibe Hotel, 9 Alvan Street, Subiaco, Western Australia on **Tuesday, 20 September 2022 at 4:00pm (WST)**.

You should read this document in conjunction with the Company's Notice of Meeting Booklet dated 8 August 2022 (**Notice of Meeting**). Defined terms in this Supplementary Notice have the same meanings as in the Notice of Meeting (unless otherwise specified).

The Company confirms that in issuing this Supplementary Notice there is no change to the time and date of the Meeting.

**The Board of TNG Limited continues to recommend that
Shareholders vote:**

AGAINST all five resolutions set out in the Notice of Meeting

SUPPLEMENTARY EXPLANATORY MEMORANDUM

The Company wishes to supplement the Explanatory Memorandum in relation to Resolution 5 in the Notice of Meeting with the information set out below. Resolution 5 in the Notice of Meeting relates to the removal of any Director appointed on and from 18 July 2022.

As announced on 2 September 2022, Mr Neil Biddle was appointed to the Board as non-executive Chairman with effect from that date. Mr Biddle is a highly experienced geologist and mining executive with a successful career spanning more than 30 years in the exploration and mining industry. Mr Biddle is one of the most successful mining entrepreneurs and executives in the fast-growing battery materials sector over the past decade, having played a pioneering role in the Australian lithium sector as one of the founders of lithium trail-blazer Pilbara Minerals (ASX: PLS). Further information on Mr Biddle is set out in Annexure A.

A copy of a letter dated 6 September 2022 from Mr Biddle (as Chairman) to Shareholders is set out in Annexure B.

The Notice of Meeting noted that Resolution 5 applied to Ms Elizabeth Henson, who was appointed as a Director on 1 August 2022. The Company wishes to make clear that, as a result of Mr Biddle's appointment as a Director on 2 September 2022, Resolution 5 now applies to Mr Biddle in addition to Ms Henson. If Resolution 5 is passed, both Mr Biddle and Ms Henson will be removed as Directors and the Company will cease to have access to the benefit of their expertise and experience.

The Board believes that it is not in the best interests of the Company for Mr Biddle or Ms Henson to be removed as Directors.

The Directors (with Mr Biddle and Ms Henson abstaining) strongly support the retention of Mr Biddle and Ms Henson as Directors. Accordingly, they continue to recommend that you vote **AGAINST** Resolution 5.

The Chairperson of the Meeting intends to vote undirected proxies **AGAINST** Resolution 5.

The Board continues to recommend, for the reasons set out in the Notice of Meeting and in subsequent ASX announcements, that shareholders vote **AGAINST** all resolutions at the upcoming Meeting.

Shareholders are encouraged to exercise their vote and any shareholders who have already voted and wish to change their vote should do it either online by visiting www.investorvote.com.au/Login and entering the control number '181237', or by requesting a new proxy form by contacting the TNG shareholder information line between 8.30am to 5.00pm (AEST) on 1300 403 041 within Australia or +61 3 9415 4158 from outside of Australia.

By order of the Board:



Ms Paula Raffo

Company Secretary

Dated: 14 September 2022

ANNEXURE A

2 September 2022

HIGHLY RESPECTED AUSTRALIAN MINING EXECUTIVE NEIL BIDDLE APPOINTED AS NON-EXECUTIVE CHAIRMAN OF TNG

Founding Managing Director returns as Chair to oversee TNG's next pivotal phase of growth

Australian resource and mineral processing technology company TNG Limited (ASX: TNG) ("TNG" or the "Company") is pleased to announce the appointment of highly regarded Australian mining executive **Mr Neil Biddle** as non-executive Chairman, effective immediately.

Following the appointment, current non-executive Chairman Mr John Elkington will transition to non-executive Director as part of TNG's ongoing board renewal process as it prepares to make the transition to development and production at the Mount Peake Critical Minerals Project in the Northern Territory.

Mr Biddle is a highly experienced geologist and mining executive with a successful career spanning more than 30 years in the exploration and mining industry.

He has been one of the most successful mining entrepreneurs and executives in the fast-growing battery materials sector over the past decade, having played a pioneering role in the Australian lithium sector as one of the founders of lithium trail-blazer Pilbara Minerals (ASX: PLS).

Mr Biddle played an instrumental role in leading Pilbara Minerals' acquisition of the Pilgangoora Lithium-Tantalum Project in WA, and oversaw the discovery, exploration, financing and early development of the project – including engagement with off-take partners, developing appropriate funding strategies and raising the profile of the lithium sector in the Australian investment market.

Mr Biddle was one of the first Australian mining executives to recognise the opportunity presented by the burgeoning lithium-ion battery sector. In the process, he set Pilbara Minerals on a long-term growth trajectory which transformed it from a junior micro-cap into what has since become the leading ASX-listed lithium company, with a market capitalisation today of over \$10 billion.

Mr Biddle was also one of the founders of WA gold developer Bardoc Gold (ASX: BDC), which was acquired earlier this year by ASX-200 gold producer St Barbara Limited (ASX: SBM) in a \$157 million transaction which crystallised value for shareholders. Together with Pilbara Minerals co-founder Tony Leibowitz, he has played an instrumental role in the rejuvenation of Greenvale Mining (ASX: GRV) over the past two years, identifying the potential of the Company's Alpha Torbanite Project in Queensland and establishing the Company's strategy to become a producer of carbon offset bitumen and a geothermal renewable energy supplier.

Mr Biddle recently stepped down as Managing Director of Greenvale but remains a non-executive Director and substantial shareholder of that Company. He also serves as a non-executive Director of Trek Metals (ASX: TKM).

Mr Biddle has a deep knowledge of TNG, having been the Company's founding Managing Director between 1998 and April 2011, when he was succeeded as Managing Director by Paul Burton. Mr Biddle oversaw the transformation of the Company from its predecessor, Hallmark Gold, with the development of its dominant exploration portfolio in Northern Australia, including a vast multi-commodity portfolio in the Tennant Creek region of the Northern Territory and the Manbarrum Zinc Project near Kununurra in WA. He continued to serve on the TNG board as a non-executive Director until May 2013, when he stepped down to join Pilbara Minerals.

Mr Biddle oversaw the early exploration of the Mount Peake Project (originally as a nickel sulphide target) and the subsequent discovery of the world-class vanadium-titanium-iron deposit by the Company's then Exploration Manager (now Managing Director), Paul Burton, who was appointed as CEO in September 2009. Earlier in his career, Mr Biddle was Managing Director of Border Gold (1994-1998) and Consolidated Victorian Mines (1991-1994).

Mr Elkington, has been non-executive Chairman since February 2019, and has overseen numerous important achievements including the FEED study by SMS group, the finalisation of binding off-take agreements with key customers, the award of Major Project Status and the progression of the Company's financing strategy – all against the backdrop of the challenges associated with the COVID-19 pandemic.

He has also overseen governance and due diligence for the Board renewal process, which has seen the appointment of non-executive Directors Mr Simon Morten, a world authority in the production of titanium dioxide pigment, and Ms Elizabeth Henson, an internationally recognised public company director, and now the appointment of new non-executive Chairman Mr Neil Biddle, a highly regarded mining executive recognised for bringing large resource projects into production.

Commenting on the appointment, outgoing TNG Chairman John Elkington said:

"We are absolutely delighted that Neil has agreed to return to TNG in the role of non-executive Chairman. I can think of no one with greater experience or better qualifications than Neil to lead the Board as we move into this next exciting phase of our growth. This is a pivotal time for the Company, as we advance the Mount Peake Project towards development.

"Neil's considerable corporate and strategic experience in the global battery metals sector – particularly in launching Pilbara Minerals on its highly successful growth trajectory – will be of huge value to TNG. We also look forward to his strategic input in unlocking the potential of our newly-acquired Sandover Lithium Project.

"As part of what has been a carefully planned board renewal and transition process, I will step down as Chair but will remain on the board as a non-executive Director and look forward to continuing to contribute to this next important phase of financing and construction at Mount Peake."

TNG Managing Director and CEO Paul Burton said:

"We are absolutely delighted that Neil has agreed to return to TNG as non-executive Chairman. No other candidate knows the company, the assets, the Northern Territory landscape and the battery metals sector better than Neil. He will be an invaluable source of wise counsel and strategic advice, and his presence on the board will open many additional doors for us.

"Building on the strong foundations we have created over the past decade in terms of development and engineering partners, customers and financing partners, I have every confidence that, under Neil's leadership, TNG is set to grow and thrive in the years ahead. We are looking forward to this next chapter with great anticipation and excitement.

"I would like to take this opportunity to thank John for his substantial contribution as Chairman over the past three-and-a-half-years. Despite the challenges of the global COVID pandemic, we have been able to achieve a great deal and continue to advance a very large and complex project towards financing and development. We look forward to his continued contribution as a non-executive Director, particularly given his intimate knowledge of the Mount Peake Project."

Incoming Chair Neil Biddle said:

"TNG has a world-class critical minerals asset and the team led by Paul Burton has made significant progress over the past 10 years, working hard to deliver a major new long-life production asset that will change the face of the Company and make a huge contribution to the Australian economy. I look forward to working with Paul, the Board and the TNG team to deliver on this potential while also unlocking the exciting new opportunity they have secured at the Sandover Lithium Project and fully evaluating the significant nickel potential around Mount Peake. These are exciting times for TNG and I encourage all shareholders to unite behind the team to capitalise on the hard work that has been put in over a long period of time."

As previously announced, and as reflected in the Notice of Meeting (“Notice”) dated 8 August 2022, certain requisitioning shareholders led by Mr Grant Wilson have proposed a resolution removing all new directors appointed on or after 18 July 2022 until the commencement of the General Meeting (“GM”) to be held on 20 September 2022. This resolution (being Resolution 5 described in the Notice) purports to apply to the appointment of Mr Biddle even though Mr Biddle was appointed after the Notice was despatched and when voting is already underway. The Company’s position is that, if Resolution 5 is passed, the Company (or an interested person such as Mr Biddle) may seek to challenge the validity of Resolution 5 insofar as it relates to Mr Biddle. The Company notes that Mr Biddle will be up for election by shareholders at the Company’s Annual General Meeting in November in accordance with the usual provisions of the Company’s constitution. The existing Directors are firmly of the view that the appointment of Mr Biddle is in the best interests of the Company.

The Board continues to recommend, for the reasons set out in the Notice, that shareholders vote AGAINST all resolutions at the upcoming GM, including Resolution 5 which purports to apply to Mr Biddle. Shareholders are encouraged to exercise their vote and any shareholders who have already voted and wish to change their vote should do it either online by visiting www.investorvote.com.au/Login and entering the control number ‘181237’, or by requesting a new proxy form by contacting the TNG shareholder information line between 8.30am to 5.00pm (AEST) on 1300 403 041 within Australia or +61 3 9415 4158 from outside of Australia.

Authorised by the TNG Board of Directors:

Paul E Burton

Managing Director and CEO

2 September 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.

This announcement 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 announcement 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.

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This announcement 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.

ANNEXURE B

6 September 2022

Dear TNG Shareholders,

I am delighted to have recently joined the Board of TNG Limited as non-executive Chairman at a very important time in its history, and return to the Company I started 24 years ago.

I was Managing Director of TNG between 1998 and April 2011, when I was succeeded by Paul Burton, and remained a non-executive Director until May 2013, when I stepped down to join Pilbara Minerals (ASX: PLS) and lead that Company's growth and development to become one of Australia's leading lithium producers, with a market capitalisation today of almost \$11 billion.

I oversaw the early exploration of the Mount Peake Project (originally as a nickel sulphide target) and the subsequent discovery of the world-class vanadium-titanium-iron deposit by TNG's then Exploration Manager, Paul Burton. Since my departure, TNG, led by Paul, has made significant progress towards development of the Project, a major new long-life production asset that will change the face of the Company and make a huge contribution to the Australian economy.

I firmly believe that Mount Peake is one of the world's premier critical minerals development projects, located in one of the world's most stable and supportive jurisdictions, and I am looking forward to working again with Paul, the Board and the TNG team to deliver on this potential.

Due to my strong experience in the fast-growing battery materials sector over the past decade, I am excited and energised about the significant opportunity presented by the Mount Peake Project – which is on track to become one of Australia's next major producers of future-facing metals.

While the financing and execution of the Mount Peake Project remains our core focus, the Company also has additional exciting growth opportunities in the shape of the recently-secured the Sandover Lithium Project and the substantial nickel potential around Mount Peake. These complement the existing asset base at Mount Peake and represent opportunities to add further value which is in keeping with our aim to have TNG re-rated.

Under my watch, I intend to ensure that we maximise all of these opportunities for our shareholders and set TNG on a long-term growth trajectory. As part of this, we will continue our board renewal process, grow our team, introduce new investors and build on the solid foundations created over the past decade.

Importantly, I would like to acknowledge that I am fully aware that TNG is currently under unwarranted and unnecessary attack by a small minority of shareholders. They are seeking to use the *Corporations Act 2001 (Cth)* to seize control of the TNG Board at an upcoming general meeting of shareholders on 20 September by proposing to remove non-executive director, John Elkington, and Managing Director, Paul Burton.

I am fully aware that the requisitioning shareholders, led by Grant Wilson, have also proposed a resolution removing all new directors appointed on or after 18 July 2022 until the commencement of the general meeting, with this resolution (being Resolution 5 described in the Notice of Meeting) purporting to apply to the appointment of my fellow Board member Elizabeth Henson and myself.

I would like to clarify my position that, if Resolution 5 is passed, I will consider that my directorship is terminated by the wishes of the shareholders, regardless of legal opinion.



Notably, my decision to return to the TNG Board was based on the significant progress achieved by the current Board and management in advancing the Mount Peake Project, most recently with receipt of up to A\$800 million in conditional non-binding project financing support, as well as on the new exciting opportunities in the lithium space with the acquisition of the Sandover Lithium Project.

I fully support the current Board and management and I strongly believe that a change in control of the TNG Board is not in the best interests of all shareholders and will jeopardise the progress achieved so far.

As I said previously, these are exciting times for TNG and I encourage all shareholders to unite behind the team to capitalise on the hard work that has been put in over a long period of time.

Yours sincerely

Neil Biddle

Non-Executive Chairman
TNG Limited

