

MOUNT PEAKE PROJECT UPDATE: DARWIN EIS AND MINE SITE MMP PROGRESS

Australian strategic metals company TNG Limited (ASX: TNG) (“**TNG**” or the “**Company**”) is pleased to provide an update on the final environmental assessment and permitting processes being undertaken for the mine site and the proposed TIVAN® downstream Processing Plant Facility in Darwin, both part of its flagship 100%-owned **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory (see Figure 1).

Environmental Impact Statement (“EIS”)

The EIS for the Darwin Processing Plant Facility is being progressed separately to the environmental approvals for the Mount Peake Mine Site and Concentrator, which were completed in 2017. It was important that the mine site approvals were secured before the finalisation of the processing facility EIS to avoid any potential changes to the downstream processing site, and consequently, the terms of the EIS.

The Darwin Processing Plant EIS is being completed by TNG’s principal environmental consultant, Animal Plant Mineral Pty Ltd (“**APM**”), under Terms of Reference (“**TOR**”) received from the Northern Territory Government Environment Protection Authority (“**NTEPA**”).

The TOR refers to land that has been allocated to TNG exclusively for the purpose of assessing the suitability of locating its TIVAN® processing plant and associated plants (see Figures 2 to 4).

The TIVAN® plant and associated plant and equipment will form part of a large chemical processing facility requiring a footprint of approximately 100 acres. The Company plans to produce three high quality products at the facility - vanadium pentoxide flake, iron oxide pellets and titanium pigment - utilising the TIVAN® process and the downstream refinery plant prior to packaging and shipping product to its off-take partners via the Darwin Port (see Figure 5).

The land offered to TNG is a large disturbed site of approximately 150 acres, having been used previously for building material extraction, and is zoned for heavy industry. It is ideally located next to the railway line and approximately 10km from the Darwin Port. Prior to the commencement of the EIS, the Company looked at several potential sites in the NT to consider the most appropriate site for the facility.

APM has completed pre-wet season and post-wet season flora, vegetation and fauna surveys and three seasonal ‘threatened and migratory bird’ surveys at the project site. These were required to be carried out over both dry and wet seasons. No unexpected findings were reported. These surveys will also inform the assessment of potential project environmental impacts and support the Draft EIS.

As part of the final stages of the EIS, the Company recently engaged several key consultants to undertake specialist technical studies required under the TOR which will inform the assessment of the potential environmental impacts of the Darwin Processing Facility. The consultants will be managed by APM.

The studies to be undertaken by the sub-consultants will assess specific potential project impacts of the large facility on various environmental factors, feeding into the Draft EIS. A competitive tendering process was undertaken to select consultants capable of delivering the best value outcomes for TNG.

The contracted consultants, and their respective studies, are listed below:

- Elton Consulting Group Pty Ltd: Economic and Social Impact Assessment;
- Vipac Engineers & Scientists Limited: Noise and Vibration Impact Modelling;
- Vipac Engineers & Scientists Limited: Air Quality Impact Modelling;
- Golder Associates: Site Soil Assessment
- Golder Associates: Hydrogeology;
- Advisian: Terrestrial Hydrology;
- Baird: Hydrodynamic Modelling;
- O2 Marine: Marine Ecological Surveys and Near-shore Environmental Quality;
- Aurora Environmental Service: Climate Study; and
- Tonkin Consulting: Traffic Impact Assessment.

As lead consultant for delivery of the Draft EIS for the Darwin Processing Plant, APM continues to assess the environmental factors specific to the proposed processing plant location and engage with the NTEPA.

The EIS is expected to be drafted and submitted in Q2 2019 subject to delays beyond the direct control of TNG.

Mine Management Plan (“MMP”)

The Mount Peake Project mine site, north of Alice Springs (see Figure 2), secured key environmental and project development approvals last year, with the receipt of State and Federal environmental approvals, the execution of a formal Native Title Mining Agreement and the award of the Mount Peake Mineral Leases for the Mount Peake Mine Site and Concentrator (see ASX announcements dated 11 October 2018 and 21 November 2018).

The MMP is a requirement following the environmental approvals for the Mount Peake mine site and details how the Company will operate the mine under the environmental guidelines and its plans for rehabilitation.

The MMP includes Integrated Waste Landform detailed design, specialist ground water modelling and ground water dependent ecosystem, acid drainage monitoring and modelling. The Company has maintained a close liaison with the NT Department of Primary Industry and Resources on progress and the MMP is scheduled to be submitted in Q2 2019 subject to delays beyond the direct control of TNG.

Major Projects Group

The Company has continued to meet and liaise with the NT Government’s Major Projects Group (“MPG”) regarding the progress of the environmental work and mine site MMP. Meetings are scheduled to take place each month with a Project Control Group (“PCG”), a group arranged by the MPG for assistance with progressing all aspects of the project including logistics, operational matters and permitting.

The land site allocated to TNG for the Darwin Processing Plant Facility is currently Crown Land and the Company continues to have discussions with the NT Government on suitable terms of acquisition.

Management Comment

Commenting on the update, TNG’s Managing Director, Paul Burton, said: *“We are close to finalising our two remaining milestone permits. Our lead environmental consultant, APM, has done a great job in helping to identify and appoint the right group of consultants to complete the required technical studies to finalise the EIS for the TIVAN® Processing Plant in Darwin. This is a large, complex downstream processing facility which is being fully assessed for its potential environmental impacts as part of the EIS and permitting process, and has required a number of additional studies compared to the mine site EIS.”*

“Both the EIS and the MMP are very important documents for the Company and submission should pave the way for development activities to commence, subject to finance and other remaining approvals”.

Paul E Burton
Managing Director

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Forward-Looking Statements

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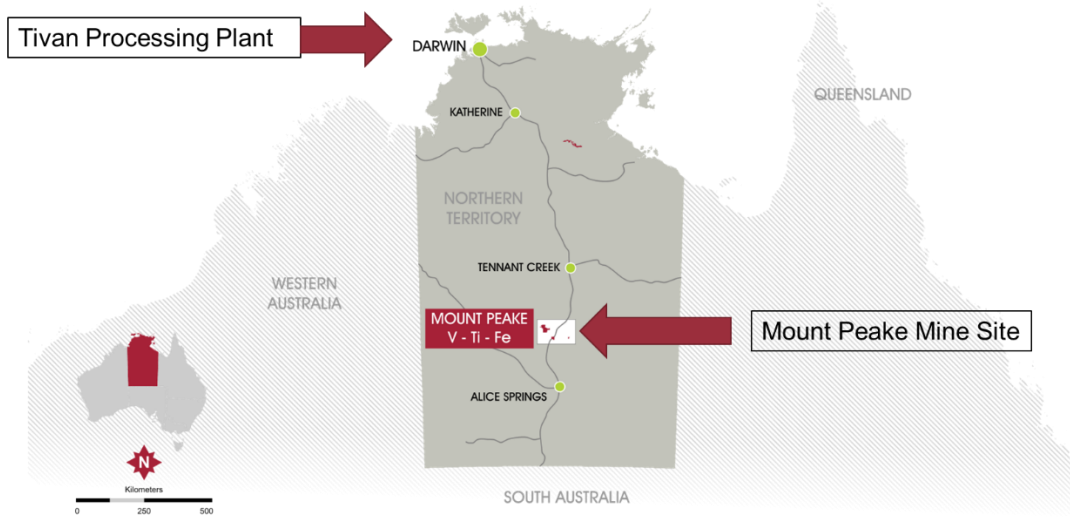


Figure 1: Proposed Mount Peake Project location plan in the Northern Territory.



Figure 2: Proposed Darwin Processing Facility location.

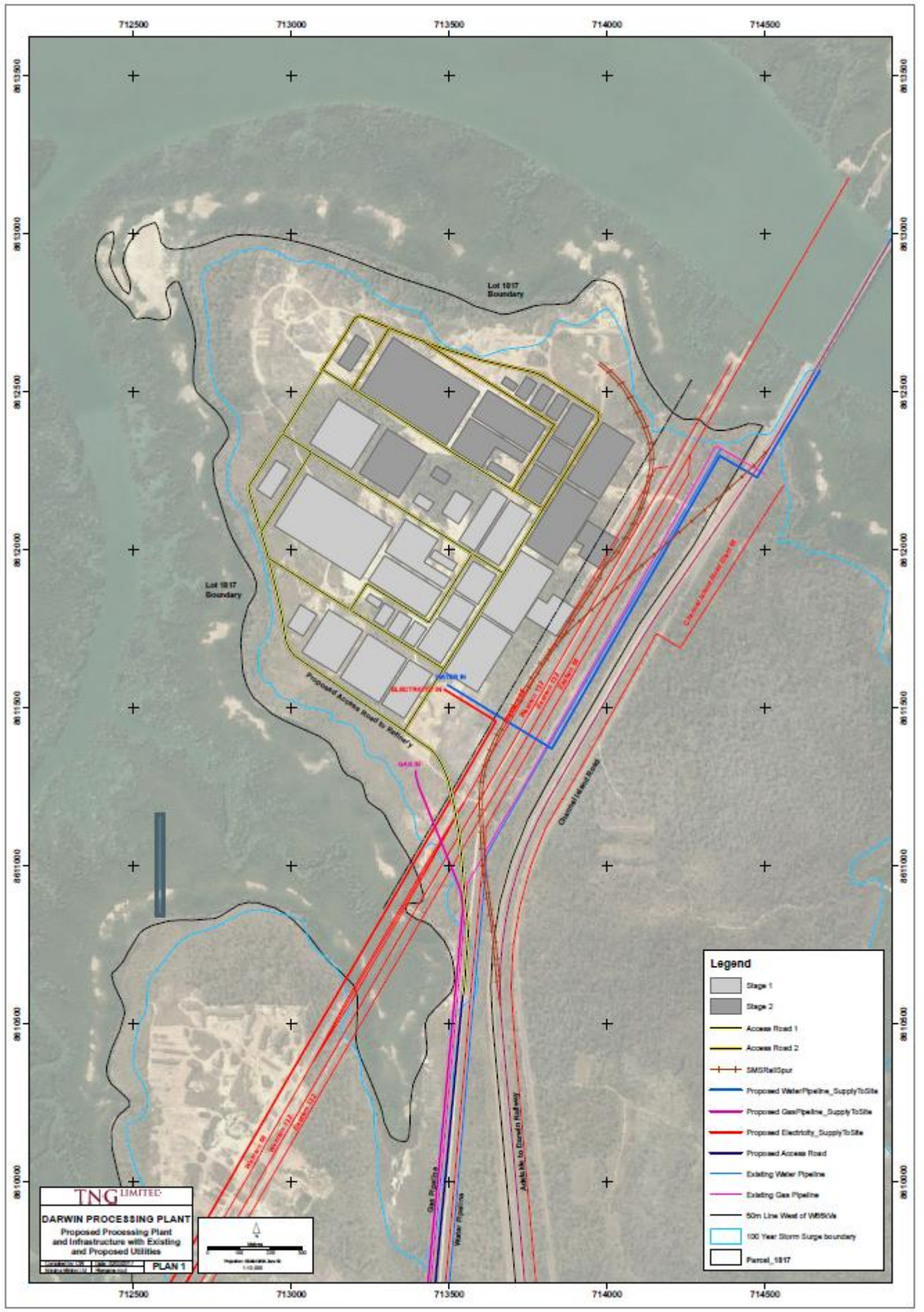


Figure 3: Detailed layout of proposed processing facility and associated infrastructure.

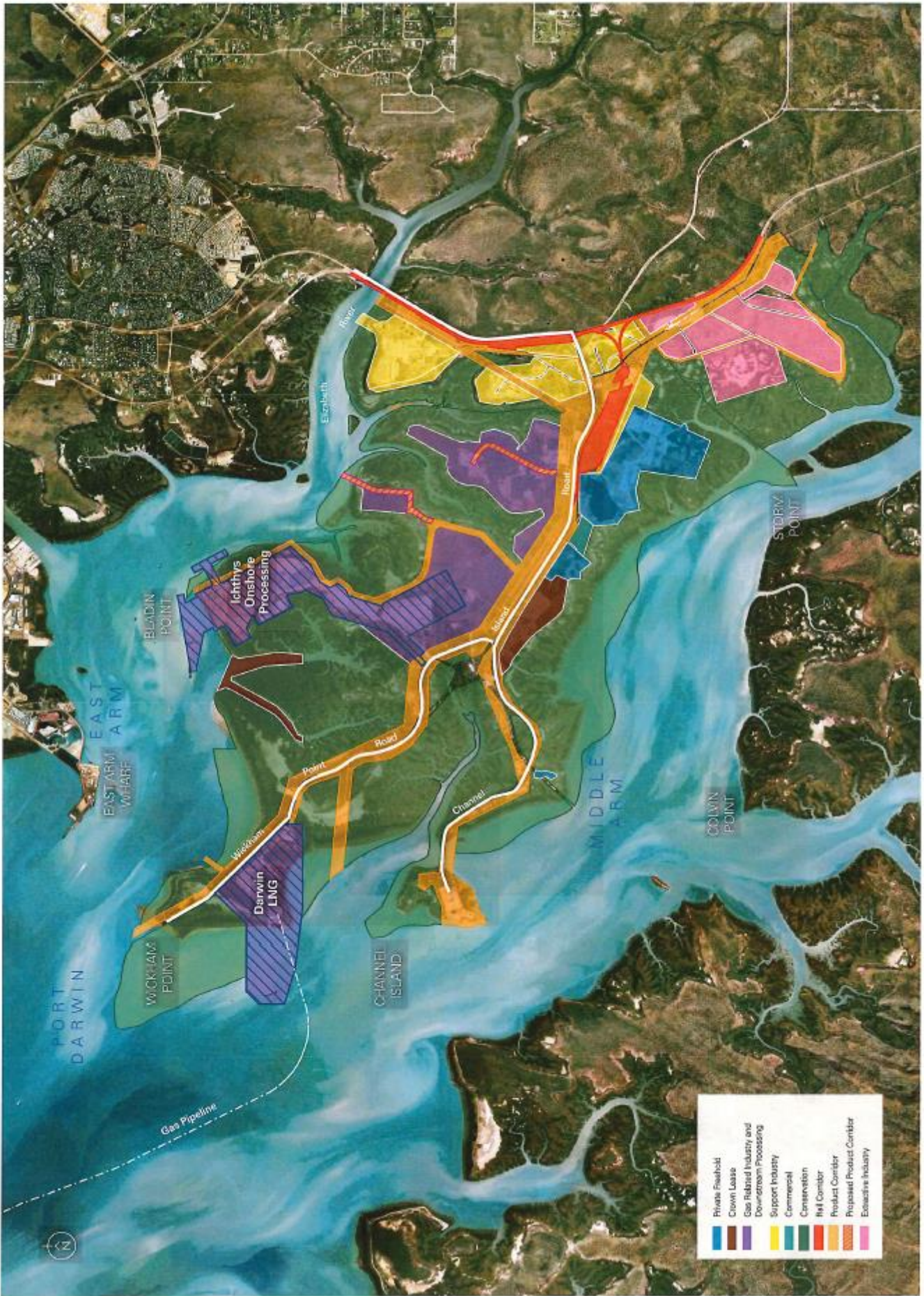


Figure 4: Details of land tenure.



Figure 5: Darwin Port, East Arm Wharf.