

TNG LIMITED

TNG LIMITED
ACN 000 817 023

OFFER DOCUMENT

For a fully underwritten pro rata non-renounceable Rights Issue to Eligible Shareholders on the basis of one (1) New Share for every twenty (20) existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.093 per New Share to raise approximately \$4,980,000 (before costs) (**Offer**).

The Offer opens on 5 July 2019 and closes at 5:00pm (WST) on 24 July 2019 (unless it is lawfully extended). Valid acceptances must be received before that time.

The Offer is fully underwritten by Deutsche Balaton Aktiengesellschaft. Please refer to Section 6 for the terms of the underwriting.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document.

The New Shares offered by this Offer Document should be considered as speculative.

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1. IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

1.1 This document is not a prospectus

This Offer Document is dated 26 June 2019, has been prepared by TNG Limited and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in section 5 of this document. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

1.2 Section 708AA of the Corporations Act

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

1.3 Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

1.4 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document. In particular, this Offer Document does not constitute an offer to Ineligible Foreign Shareholders and may not be distributed in any jurisdiction other than Australia and New Zealand and the New Shares may not be offered or sold, directly or indirectly, to persons in any jurisdiction other than Australia and New Zealand.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

Accordingly, Ineligible Foreign Shareholders will not be entitled to participate in the Offer.

The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Shares the subject of this Offer Document or otherwise permit a public offering of the Shares the subject of this Offer Document in any jurisdiction outside Australia and New Zealand.

It is the responsibility of applicants outside Australia and New Zealand to obtain all necessary approvals for the allotment and issue of the Shares pursuant to this Offer Document. The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

1.5 United States Shareholders

This Offer does not constitute an offer to sell, nor a solicitation to buy Shares in the United States of America, nor does it constitute an offer to a person who is a US Person or someone who is acting on behalf of a US Person.

The Shares have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States of America, or to, or for the account or benefit of, US Persons (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act.

1.6 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 5 of this Offer Document for further details.

1.7 Notice to nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.8 Forward-looking statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Offer Document.

1.9 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

2. CORPORATE DIRECTORY

Directors

John Elkington
Chairman

Paul Burton
Managing Director and CEO

Greg Durack
Non-Executive Director

John Davidson
Non-Executive Director

Company Secretary

Jason Giltay

ASX Code

TNG

Registered Office

Suite 20
22 Railway Road
SUBIACO WA 6008

Telephone: + 61 8 9327 0900
Facsimile: +61 8 9327 0901

Email: corporate@tngltd.com.au
Website: www.tngltd.com.au

Share Registry*

Computershare Investor Services Pty
Limited
Level 11
172 St Georges Terrace
PERTH WA 6000

Auditor*

KPMG
235 St Georges Terrace
PERTH WA 6000

Underwriter

Deutsche Balaton Aktiengesellschaft
(HRB 338172, Registry Court of
Mannheim)
Ziegelhäuser Landstrasse 1, 69120
Heidelberg, Germany

Legal Advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

3. DETAILS OF THE OFFER

3.1 The Offer

The Offer is being made as a fully underwritten non-renounceable entitlement offer of one (1) New Share for every twenty (20) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.093 per Share. Fractional Entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as set out in Section 3.6 of this Offer Document, a maximum of approximately 53,549,716 Shares will be issued pursuant to this Offer to raise up to approximately \$4,980,000 (before costs).

As at the date of this Offer Document, the Company has a total of 13,500,000 Options on issue. Please refer to section 3.6 of this Offer Document for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application monies (without interest) as soon as practicable.

3.2 Use of Funds

Completion of the Offer will result in an increase in cash in hand of up to approximately \$4,980,000 (before costs).

The funds raised from the Offer are currently intended to be used in accordance with the table set out below:

Use of funds	Amount (\$)	% of funds raised
Front-end Engineering & Design, and associated works	2,500,000	50
Non-process infrastructure planning and design	1,000,000	20
Permitting and approvals	500,000	10
Expenses of the Offer ¹	274,000	6
Working capital	706,000	14
Total	4,980,000	100

Notes:

1. Refer to Section 3.11 for further details relating to the estimated expenses of the Offer.

The above represents the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of design and engineering, operational and exploration, drilling and feasibility activities, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

3.3 Indicative Timetable

Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice (Cleansing Notice) with ASX (prior to the commencement of trading)	Wednesday, 26 June 2019
Notice sent to security holders	Friday, 28 June 2019
Ex-date	Monday, 1 July 2019
Record Date for determining Entitlements	Tuesday, 2 July 2019
Offer Document sent out to Eligible Shareholders & Company announces this has been completed & Offer Opening Date	Friday, 5 July 2019
Closing Date	Wednesday, 24 July 2019
Shares quoted on a deferred settlement basis	Thursday, 25 July 2019
ASX notified of under subscriptions	Monday, 29 July 2019
Issue date/Shares entered into Shareholders' security holdings	Wednesday, 31 July 2019

* Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only and are subject to change.

3.4 Entitlements and Additional Shares

Details of how to apply under the Offer are set out in Section 4 of this Offer Document.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

You can also apply for additional shares under the Shortfall Offer in addition to your Entitlement by following the instructions set out in Section 4.

The Shortfall Offer is described in Section 4.5 below.

3.5 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

3.6 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares	Number
Shares currently on issue	1,070,994,327
New Shares offered pursuant to the Offer ¹	53,549,716
Total Shares on issue after completion of the Offer¹	1,124,544,043

Notes:

1. This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of New Shares offered under the Offer.
2. 8,500,000 shares, which were issued in previous years pursuant to the Company's Employee Share Plan, and Non-Executive Director and Consultant Share Plan (which were approved at the Company's AGM on 21 November 2012), remain subject to "holding locks" which were put in place in accordance with the terms and conditions of the original offers and plans. The holding locks will remain in place until certain restrictions are satisfied unless waived by the Directors. Further details of the plans are set out in the notice of meeting for the 2012 Annual General Meeting.

Options

Options	Number
Options currently on issue:	
Unquoted exercisable at \$0.193 on or before 7 September 2019	1,500,000
Unquoted exercisable at \$0.263 on or before 13 December 2019	11,000,000
Unquoted exercisable at \$0.27 on or before 13 December 2019	1,000,000
Total	13,500,000

The capital structure on an undiluted basis as at the date of this Offer Document is 1,070,994,327 Shares and on completion of the Offer (assuming no Options are exercised prior to the Record Date and all Entitlements are accepted) would be 1,124,544,043 Shares.

The capital structure on a fully diluted basis as at the date of this Offer Document would be 1,084,494,327 Shares and on completion of the Offer (assuming all Options are exercised prior to the Record Date and all Entitlements are accepted) would be 1,138,719,043 Shares.

No other Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.7 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 5% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	50,000,000	4.67%	2,500,000	50,000,000	4.45%
Shareholder 2	25,000,000	2.33%	1,250,000	25,000,000	2.22%
Shareholder 3	10,000,000	0.93%	500,000	10,000,000	0.89%
Shareholder 4	1,000,000	0.09%	50,000	1,000,000	0.09%
Shareholder 5	100,000	0.01%	5,000	100,000	0.01%

Notes:

1. This is based on a share capital of 1,070,994,327 Shares at the date of this Offer Document and the Offer being fully underwritten.

3.8 Directors Interests and Participation

Each Director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Voting Power (%)	Entitlement (Shares)	\$
John Elkington	Nil	Nil	Nil	Nil
Paul Burton	7,461,110	0.70%	373,056	34,694
Greg Durack	437,615	0.04%	21,881	2,035
John Davidson	633,480	0.06%	31,674	2,946

Notes:

1. Mr John Elkington was appointed as a Non-Executive Director and Non-Executive Chairman on 1 February 2019 and does not yet hold Shares in the Company.

Each of the Directors presently intend to take up their Entitlement in full.

3.9 Substantial shareholders

The Company's substantial holders and their Entitlement prior to the Offer are set out in the table below.

Substantial Holder	Shares	Voting Power (%) ¹	Entitlement	\$
V.M. Salgaocar & Bro. (Singapore) Pte. Ltd	110,692,082	10.34%	5,534,604	514,718
The Underwriter and its Related Entities ²	108,576,882	10.14%	5,428,845	504,883
WWB Investments Pty Ltd	80,000,000	7.47%	4,000,000	372,000
Aosu Investment & Development Co	56,208,643	5.25%	2,810,432	261,370

Notes:

1. The voting power in the table is prior to settlement of the Offer.
2. The Underwriter's related entities include Sparta AG, VV Beteiligungen Aktiengesellschaft, DELPHI Unternehmensberatung Aktiengesellschaft and Wilhelm K.T. Zours.

3.10 Effect on control of the Company and potential dilution to Shareholders

The Underwriter presently is a Shareholder of the Company and the extent to which Shares are issued pursuant to the underwriting will increase the Underwriters' voting power in the Company. The Underwriter is not a related party of the Company for the purpose of the Corporations Act. The Underwriter's present relevant interest and changes under several scenarios are set out in the table below and are based on the assumption that the Underwriter takes up its full Entitlement under each scenario.

Event	Shares held by Underwriter	Voting power of Underwriter
Date of Offer Document	108,576,882	10.14%
Completion of Rights Issue		
• Fully subscribed	114,005,727	10.14%
• 75% subscribed	127,393,156	11.33%
• 50% subscribed	140,780,585	12.52%
• 25% subscribed	154,168,014	13.71%
• Only the Underwriter and the Directors' take up their Entitlements	161,699,987	14.38%

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from Ineligible Foreign Shareholders being unable to participate in the Offer;
- (b) in the more likely event that there is a Shortfall, Eligible Shareholders who do not subscribe for their full entitlement of Shares under the Offer and Ineligible Foreign Shareholders unable to participate in the Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement as shown by the table in Section 3.7; and
- (c) in respect of any Shortfall, Eligible Shareholders can apply to top-up their shareholding, by subscribing for additional shares to be issued from the Shortfall pool (**Shortfall Offer**). All decisions regarding the allocation of Shortfall Shares will be made by the Underwriter in consultation with the Company and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shares applied for will be issued to Eligible Shareholders. However, pursuant to the terms of the Underwriting Agreement the Company will only issue such Shares in conjunction with the Underwriter and pursuant to an application received where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 20%.

3.11 Expenses of the Offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$274,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
Underwriting fee	200,000
ASX fees	15,000
Legal fees	20,000
Administration, printing and mailing costs	39,000
Total	\$274,000

3.12 Underwriting

The Offer is fully underwritten by Deutsche Balaton Aktiengesellschaft (HRB 338172, Registry Court of Mannheim) (**Underwriter**). The Company has entered into the Underwriting Agreement with the Underwriter, the material terms of which are summarised in Section 6.

3.13 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.145	13 May 2019
Lowest	\$0.08	8 April 2019
Last	\$0.10	25 June 2019

3.14 Opening and Closing Dates

The Offer opens on the Opening Date, being 5 July 2019, and closes on the Closing Date, being 5:00pm (WST) on 24 July 2019 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

3.15 Issue of Shares

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 3.3 of this Offer Document.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application monies will be held by the Registry in trust for the Applicants in a separate bank account as required by the Corporations Act. The

Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 3.3 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

3.16 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

3.17 CHES

The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.18 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 5 of this Offer Document for further details.

3.19 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

3.20 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before deciding whether or not to invest.

All announcements made by the Company are available from its website www.tngltd.com.au or the ASX website www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

3.21 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company Secretary or Investor and Public Relations Executive on +61 8 9327 0900.

4. ACTION REQUIRED BY SHAREHOLDERS

4.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque or arrange payment by BPAY® for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque or arrange payment by BPAY® for the appropriate Application monies (at \$0.093 per New Share); or
- (c) if you wish to apply for your Entitlement and for Shares under the Shortfall Offer (refer to Section 4.5 below):
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided;
 - (ii) fill in the number of additional shares under the Shortfall Offer you wish to apply for in the space provided on the Entitlement and Acceptance Form; and
 - (iii) attach your cheque or arrange payment by BPAY® for the appropriate Application monies (at \$0.093 per New Share);
- (d) if you do not wish to accept any of your Entitlement, you are not obliged to do anything.

Your completed Entitlement and Acceptance Form and payment must reach the Registry no later than 5:00pm (WST) on the Closing Date.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

4.2 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any

Application monies, the Application may not be varied or withdrawn except as required by law.

4.3 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "TNG Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry at the address set out on the Entitlement and Acceptance Form by no later than 5:00pm (WST) on the Closing Date.

4.4 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 3:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

4.5 Shortfall Offer

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and will revert to the Underwriter unless it is allocated to other Eligible Shareholders as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

If you wish to apply for additional Shares out of the Shortfall (**Shortfall Shares**) in excess of your Entitlement pursuant to a top-up facility you may do so by completing the relevant part of the Entitlement and Acceptance Form relevant to the Shortfall Offer. Shortfall Shares will be offered at an issue price of \$0.093 per Shortfall Share (the same issue price as under the Offer). Please read the instructions on the Entitlement and Acceptance Form carefully.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Shares than applied for or no Shortfall Shares at all. All decisions regarding the allocation of Shortfall Shares will be made by the Underwriter in consultation with the Company and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shares applied for will be issued to Eligible Shareholders and the Company will only issue such Shares where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 20%.

The Company will have no liability to any Applicant who receives less than the number of additional Shares they applied for under the Shortfall Offer. If the Company scales back any applications for Shares under the Shortfall Offer any application monies will be returned (without interest) as soon as practicable.

Completed application forms in relation to the Shortfall Offer and payment in accordance with Sections 4.3 and 4.4, must reach the Company's share registry by no later than 5:00pm (WST) on the Closing Date. Completed application forms in relation to the Shortfall Offer may be lodged at the share registry (by post or delivery) at the following address:

Computershare Investor Services Pty Limited

GPO BOX 505 Melbourne Victoria 3001 Australia

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

5.2 TNG specific risks

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. Prospective investors should read this Offer Document in its entirety before deciding whether to apply for Shares under this Offer Document.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

(a) Capital requirements and impact on operations

TNG's operations, including the development of the Mount Peake Project and continued exploration of its other projects, will require substantial expenditures. Successful development of TNG's projects will require significant additional amounts of capital in due course. In particular, the pre-production capital expenditure estimate for development of the Mount Peake Project is A\$853 million, which will need to be raised through a mixture of debt and equity financing if the Mount Peake Project is to be developed.

Whilst the Company has executed a mandate letter with KfW IPEX-Bank to raise funds for the Mount Peake Project (as announced on 13 December 2018), there is no assurance that such funding will be sufficient, made available on suitable terms or at all.

Additionally, the funds raised through the Offer, even if fully subscribed, together with cash reserves may not be sufficient to successfully achieve all of the Company's current business objectives as provided in the use of funds table in Section 3.2.

There is no assurance that TNG will be successful in raising additional capital under the Offer or in the future, as and when it is required in order to fully finance and develop TNG's projects. Failure to obtain additional funding may cause TNG to postpone any development plans, forfeit rights to some or all of its projects or reduce its operating structures,

including staff and overhead levels, which may delay or suspend TNG's business strategy and could have a material adverse effect on TNG's activities and Share price.

Any additional equity financing may be dilutive to TNG's existing shareholders and any debt financing, if available, may involve restrictive covenants which limit TNG's operations and business strategy.

(b) **Mount Peake Project**

TNG's flagship Mount Peake Project is a Vanadium – Titanium – Iron deposit located 235km north of Alice Springs in the Northern Territory, close to existing road, rail and gas infrastructure.

As announced on 2 November 2018, the Company has appointed German based metallurgical engineering firm SMS group to commence a comprehensive front-end engineering and design (**FEED**) study for the Mount Peake Project, encompassing the mine site concentrator and associated TIVAN downstream processing plant, as well as all associated plant and equipment.

In addition to the FEED of the process, plant and equipment, SMS group will provide a proposal for the full procurement and construction for the project, including the balance of plant and equipment on a turn-key, single source, fixed-price basis with production rate, production quantity and production quality guarantees.

At this stage of development, there is no guarantee that the SMS group proposal will be on viable terms, which may cause the Company's plans for these projects to be reduced, delayed, amended or forfeited; further, there is no assurance that SMS group will be able to satisfy the above guarantees, nor comply with its pricing. These events may have an adverse effect on TNG's future activities, development, financial plans and activities and have a resultant detrimental impact on TNG's Share price.

(c) **Agreements and contractual risk**

TNG has entered into several memoranda of understanding, heads of agreement and letters of intent with various parties in respect of off- take, development, operations and marketing commitments, potential applications for TNG's products (such as vanadium redox batteries) and strategic supply agreements including the agreement with Swiss global speciality chemical distributor DKSH as announced on 13 May 2019.

Some of these agreements are binding for life of mine, while others are non-binding and preliminary in nature. There is no guarantee that legally binding contractual arrangements will eventuate from these preliminary agreements. There is also a risk that these arrangements may result in binding agreements on terms that are less favourable to TNG than anticipated.

(d) **TIVAN® Metallurgical Process**

TNG has developed a metallurgical process for the recovery of high purity vanadium pentoxide, titanium dioxide and iron oxide from the Mount Peake Project. Patents for this process have now been approved in the United States of America, Canada, Russia and Vietnam after being

granted in Australia, and the process is registered with the trademark name of TIVAN®. Patent approvals for China, South Africa, and the European Union are currently in progress.

In February 2018, TNG announced that, together with its technical consultants METS, SMS and CSIRO, it had confirmed a potential TiO₂ pigment process for the Mount Peake Project. The new process, which is based on the conventional TiO₂ sulphate route, has the potential to directly use the Company's TIVAN®-produced feedstock for the production of a high-grade TiO₂ pigment without further upgrading the treatment process. This process has the potential to further improve the economics of TNG's Mount Peake Project while at the same time reducing the technical complexity and environmental impact of the project. However, there is no guarantee that the estimated cost savings, or any further improvements, will be realised.

As announced on 26 September 2018, TNG has signed a heads of agreement with German technology provider Ti-Cons for the supply of a titanium pigment process package which is to be developed in conjunction with SMS group. The Company has progressed binding agreements with SMS group and Ti-Cons which it expects to execute for the delivery of the titanium pigment process package, however there is no guarantee at this stage of development that the package will be delivered with acceptable deliverables to progress an EPC process.

(e) **TIVAN® Processing Facility EIS**

The TIVAN® downstream processing plant is proposed to be located on an area within the Middle Arm Peninsula of Darwin Harbour. An environmental impact statement (**EIS**) is being developed, and TNG has appointed Animal Plant Mineral Pty Ltd as consultant for the EIS. Work is progressing on the EIS, and TNG is continuing to liaise with regulators in respect of the EIS, however there can be no guarantee that the finding of the EIS will be positive. Please see the announcement of 20 March 2019 for further information.

(f) **Intellectual property**

TNG regards its patents, copyrights, trademarks, trade secrets and similar intellectual property (including that relating to the TIVAN® process) as important. TNG relies on patent, trademark and copyright law, trade secret protection and duties of confidence with third parties to protect its intellectual property rights. While TNG will use all reasonable endeavours to protect these rights, such as filing a trade mark application for "TNG360" as announced on 28 March 2019, the steps that TNG takes to protect its intellectual property rights may be inadequate. The unauthorised use or disclosure of its proprietary technology and systems may have adverse effects on the future operation and financial performance of TNG.

(g) **Environmental and Cultural**

The locations of some of TNG's projects are considered by TNG to be culturally and environmentally sensitive.

There is a substantial level of regulation and restriction on the ability of mining companies to have access to land in Australia. *The Native Title Act*

1993 (Cth) gives statutory recognition of claims of native title, as set out in paragraph 5.2(l) below.

TNG's operations will also be subject to environmental regulation as set out in paragraph 5.2(m) below.

(h) **Reliance on key personnel**

TNG is reliant on its management. The loss of one or more of these individuals could adversely affect TNG.

In addition, TNG's ability to achieve its business goals effectively will require it to continue to implement and improve its management systems and to recruit and train new employees and consultants. Although TNG expects to be able to do so in the future, there can be no assurance that TNG will be able to attract and retain skilled and experienced personnel and consultants.

(i) **Joint venture parties, contractors and agents**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which TNG may be or become a party; or insolvency or other managerial failure by any of the contractors used by TNG in any of its activities; or insolvency or other managerial failure by any of the other service providers used by TNG for any activity.

(j) **Exploration, development, mining and processing risks**

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable ore resources;
- (ii) successful conclusions to bankable feasibility studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (v) securing and maintaining title to tenements;
- (vi) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants;
- (viii) native title risks (see also below); and
- (ix) adverse weather conditions which, over a prolonged period can adversely affect exploration and mining operations and the timing of revenues; and

- (x) operational and technical risks arising once production commences.

Whether or not income will result from development of tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

(k) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(l) **Native title**

As announced to the ASX on 11 October 2018, TNG has executed a landmark Native Title Mining Agreement covering its flagship Mount Peake Project. The Agreement was entered into between TNG, the Central Land Council and Eynewantheyne Aboriginal Corporation RNTBC, the registered native title body corporate for the native title holders of the land at Mount Peake. As a result of this executed Native Title Mining Agreement, the Northern Territory Government subsequently issued the required Mining Leases to the Project on 21 November 2018.

In addition to its negotiations relating to the Mount Peake Native Title Mining Agreement, TNG may, from time to time, need to negotiate with other native title claimants for access rights to its tenements and/or holders in the event of mining. There may be significant delays and costs associated with these negotiations and to reach agreement acceptable to all relevant parties.

(m) **Environmental regulation**

TNG's operations are and will be subject to environmental regulation. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance and assessments of proposed projects. Environmental regulations could impact on the viability of TNG's projects. TNG may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it was not responsible.

(n) **Title**

All mining tenements which TNG may acquire either by application, sale and purchase or farm-in are regulated by the applicable state mining legislation.

The four Mineral Leases required for the Mount Peake Project have now been granted by the Northern Territory Minister for Primary Industry and Resources. The grant of the Mount Peake Mineral Lease follows the receipt of the environment approvals from both the Northern Territory Government and the Federal Government on 25 January 2018 and 15 May 2018 respectively. The Mount Peake Project has all the required leases for TNG to proceed to the next stage of the Project's development.

However, renewal of titles is made by way of application to the relevant department. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable state mining legislation. In addition, the relevant department may impose conditions on any renewal, including relinquishment of ground.

(o) **Mineral Resource and Ore Reserve estimates**

Mineral Resource and Ore Reserve estimates are expressions of judgment based on knowledge, experience and industry practice. Mineral Resource and Ore Reserve estimates which were valid when made may change significantly when new information becomes available. In addition, Mineral Resource and Ore Reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should TNG encounter mineralisation or formations different from those predicted by past sampling and drilling, Mineral Resource and Ore Reserve estimates may have to be adjusted and this may affect the viability of future operations.

5.3 General risks

(a) **Share market**

Share market conditions may affect the price at which TNG's shares trade regardless of operating performance. Share market conditions are affected by many factors, such as:

- (i) general economic outlook;
- (ii) movements in, or outlook in, interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity prices;
- (v) changes in investor sentiment towards particular market sectors; and
- (vi) the demand for, and supply of, capital.

Shareholders should recognise that the price of TNG shares may fall as well as rise. Many factors will affect the price of TNG shares including local and international stock markets, movements in interest rates, economic conditions and investor sentiment generally. In addition, the commencement of, or escalation in, any war, armed conflict, hostilities between nations, civil unrest or terrorist activities may affect the price of TNG shares.

(b) **Commodity prices**

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence and have an effect on the economic viability of individual projects in which TNG has an interest.

(c) **Economic factors**

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. TNG's future possible revenues and share prices can be affected by these factors, which are beyond the control of TNG and its Directors.

(d) **Government policy**

Industry profitability can be affected by changes in government, both within Australia and externally, which are not within the control of TNG. TNG's activities are subject to extensive laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities upon the environment and upon interests of native and/or indigenous peoples. Permits from a variety of regulatory authorities are required for many aspects of mine operation and reclamation. There is no assurance that permits will be obtained when sought or that unfavourable conditions will not be imposed. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of TNG's tenements, the extent of which cannot be predicted.

(e) **Speculative investment**

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by TNG or by investors in TNG. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of TNG and the value of the New Shares offered under this Offer. Potential investors should consider that an investment in TNG is speculative and should consult their professional adviser before deciding whether to apply for New Shares pursuant to this Offer.

5.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

6. UNDERWRITING AGREEMENT

Pursuant to the Underwriting Agreement, the Underwriter has agreed to fully underwrite the Offer, being 53,549,716 Shares for an underwriting fee of 4% (exclusive of GST) of the underwritten amount (being \$4,980,000), equating to an approximate total fee of \$199,200.

The Company will also pay the Underwriter's reasonable costs and out of pocket expenses incurred in respect of the Offer.

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) **(Indices fall)**: the All Ordinaries Index as published by ASX is at any time after the date of this Agreement, is at a level that is 15% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement; or
- (b) **(No Official Quotation)**: Official Quotation has not been granted for all the Shares by the Shortfall Notice Deadline Date (as defined in the Underwriting Agreement) or, having been granted, is subsequently withdrawn, withheld or qualified; or
- (c) **(Supplementary Offer Document)**:
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement forms the view on reasonable grounds that a Supplementary Offer Document should be lodged with ASX and the Company fails to lodge a Supplementary Offer Document in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a Supplementary Offer Document without the prior written agreement of the Underwriter (which shall not be unreasonably withheld); or
- (d) **(Non-compliance with disclosure requirements)**: it transpires that the Offer Materials do not contain all the information required by the Corporations Act; or
- (e) **(Misleading Offer Materials)**: it transpires that there is a statement in the Offer Materials that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Offer Materials or if any statement in the becomes or misleading or deceptive or likely to mislead or deceive or if the issue of the Offer Materials is or becomes misleading or deceptive or likely to mislead or deceive;
- (f) **(Restriction on allotment)**: the Company is prevented from allotting the Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (g) **(Withdrawal of consent to Offer Materials)**: any person (other than the Underwriter) who has previously consented to the inclusion of its name in

the Offer Materials or to be named in the Offer Materials, withdraws that consent;

- (h) **(ASIC application)**: an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Offer Materials, the Shortfall Notice Deadline Date (as defined in the Underwriting Agreement) has arrived, and that application has not been dismissed or withdrawn;
- (i) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (j) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, Japan, Russia, the United Kingdom, the United States of America, France, North Korea, the People's Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (k) **(Authorisation)** any authorisation which is material to anything referred to in the Offer Materials is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (l) **(Indictable offence)**: a director or senior manager of a Relevant Company is charged with an indictable offence;
- (m) **(Offer Materials)**: a statement contained in the Offer Materials is or becomes misleading or deceptive or likely to mislead or deceive, or the Offer Materials omit any information they are required to contain (having regard to the provisions of section 708AA of the Corporations Act and any other applicable requirements);
- (n) **(Lodgement of Cleansing Notice)**: the Company fails to lodge with the ASX the Cleansing Notice before 8:00 am on the Announcement Date (as defined in the Underwriting Agreement);
- (o) **(Cleansing Notice)**: the Cleansing Notice is defective, or a supplementary statement is issued or is required to be issued under the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84);
- (p) **(new circumstance)**: an obligation arises on the Company to give ASX a notice in accordance with section 708AA(12) of the Corporations Act (as inserted by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84), in relation to a matter that the Underwriter reasonably considers to be adverse, or a new circumstance that the Underwriter reasonably considers to be adverse, arises or becomes known which, if known at the time of issue of the Offer Materials and the Cleansing Notice would have been included in the, the Offer Materials or the Cleansing Notice;
- (q) **(Termination Events)**: subject always to the event having a material adverse effect, any of the following events occurs:

- (i) **(Default)**: default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;
- (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect;
- (iii) **(Contravention of constitution or Act)**: a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (iv) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect (as defined in the Underwriting Agreement) or any adverse change or any development including a prospective adverse change after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Offer Materials becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- (v) **(Error in Due Diligence Results)**: it transpires that any of the Due Diligence Results or any part of the Verification Material was false, misleading or deceptive in a material respect or that there was a material omission from them;
- (vi) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the Issue or the Offer Materials;
- (vii) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- (viii) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation";
- (ix) **(Change in Act or policy)**: there is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- (x) **(Prescribed Occurrence)**: a Prescribed Occurrence (as defined in the Underwriting Agreement) occurs;
- (xi) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xii) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;

- (xiii) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$150,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xiv) **(Litigation)**: material litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced or threatened against any Relevant Company, other than any claims disclosed to the Underwriter in writing prior to the date of this Agreement or foreshadowed in the Offer Materials;
- (xv) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xvi) **(Timetable)**: there is a delay in any specified date in the Timetable which is greater than 5 Business Days, without the written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);
- (xvii) **(Force Majeure)**: an event of Force Majeure (as defined in the Underwriting Agreement) affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
- (xviii) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xix) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Offer Materials;
- (xx) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Relevant Company; or
- (xxi) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

7. DEFINED TERMS

\$ or A\$ means an Australian dollar.

Applicant refers to a person who submits an Entitlement and Acceptance Form, or submits a payment of subscription monies in respect of the Offer.

Application refers to the submission of an Entitlement and Acceptance Form.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of the ASX.

Closing Date means the closing date set out in Section 3.3 or such other date as may be determined by the Directors.

Company means TNG Limited (ACN 000 817 023) (ASX:TNG).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement to subscribe for one (1) New Share for every twenty (20) Shares held by an Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Ineligible Foreign Shareholder means person registered as the holder of Shares as at 5:00pm (WST) on the Record Date who is not an Eligible Shareholder.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer or Rights Issue means the pro rata non-renounceable offer of New Shares at an issue price of \$0.093 each on the basis of one (1) New Share for every twenty (20) Shares held on the Record Date subscribed for pursuant to this Offer Document.

Offer Document means this Offer Document.

Offer Materials means the documents issued or published by, or with the Company's prior approval, on behalf of the Company, in respect of the Offer, being:

- (a) the Offer Document, any Entitlement and Acceptance Form and any Supplementary Offer Document; and
- (b) any other communications with Shareholders, nominees and other parties approved or authorised by or on behalf of the Company in connection with the Offer.

Official Quotation means official quotation on ASX.

Opening Date means the opening date set out in Section 3.3 of this Offer Document.

Option means an option to acquire a Share in the Company.

Record Date means the record date set out in Section 3.3 of this Offer Document.

Relevant Company means the Company and each Subsidiary.

Rights Issue or Offer means the pro rata non-renounceable offer of New Shares at an issue price of \$0.093 each on the basis of one (1) New Share for every twenty (20) Shares held on the Record Date subscribed for pursuant to this Offer Document.

Section means a section of this Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means as defined in Section 3.10(c) of this Offer Document.

Substantial Holder means those Shareholders who hold at least 5% of the Shares in the Company.

Supplementary Offer Document means any supplementary or replacement offer document to the Offer Document in connection with the Offer.

Underwriter means Deutsche Balaton Aktiengesellschaft (HRB 338172, Registry Court of Mannheim).

Underwriting Agreement means the Underwriting Agreement entered into between the Underwriter and the Company and dated 25 June 2019.

Underwriter and its Related Entities means the Underwriter, Sparta AG, VV Beteiligungen Aktiengesellschaft, DELPHI Unternehmensberatung Aktiengesellschaft and Wilhelm K.T. Zours.

US Person means a person who receives the Offer when they are located in the United States of America.