

TNG SIGNS BINDING TERM SHEET WITH THE VIMSON GROUP FOR LIFE OF-MINE OFF-TAKE FOR MOUNT PEAKE IRON PRODUCTS

Binding Term-Sheet for TNG's iron products means that binding terms and off-take arrangements are now in place for 100% of forecast production from the Mount Peake Vanadium-Titanium-Iron Project

Key Points

- Binding Term Sheet for a Life-of-Mine (LOM) Off-take Agreement (the "Agreement") signed with leading Indian mining conglomerate, the Vimson Group, for the iron ore products to be produced from TNG's 100%-owned Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory.
- Under the Agreement, the Vimson Group, through a Singapore-based, wholly-owned subsidiary, will provide full distribution services including freight financing, technical support, logistics, marketing and sales.
- TNG will sell, and the Vimson Group will purchase, 100% of TNG's iron ore products on an FOB basis to market globally subject to execution of the Agreement.
- TNG and the Vimson Group have agreed to move towards execution of the Agreement based on these terms not later than six months from the date of the Binding Term Sheet.
- The signing of this Binding Term Sheet completes the portfolio of binding term sheets and off-take contracts now in place for all three of TNG's high-value products, supporting its funding and commercialisation strategy for the Mount Peake Project and marking another key step towards development.

Australian strategic metals company TNG Limited (ASX: TNG) ("TNG" or the "Company") is pleased to announce that it has signed a Binding Term Sheet with leading Indian mining conglomerate the Vimson Group, through its Singapore-based, wholly owned subsidiary, V. M. Salgaocar & Bro. (Singapore) Pte. Ltd. ("V. M. Salgaocar & Bro."), for the life-of-mine off-take of the high-purity iron ore products to be produced by the Company's flagship 100%-owned **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory.

Under the Binding Term Sheet, TNG will sell, and V. M. Salgaocar & Bro. will purchase, 100% of the iron products planned to be produced by Mount Peake on an FOB basis for global marketing and distribution, for a fixed commission. TNG intends to produce approximately 500,000 tonnes per annum of iron oxide fines from its planned Darwin-based TIVAN® Processing Facility, alongside high-purity vanadium pentoxide and titanium pigment products.

TNG and V. M. Salgaocar & Bro. will now work towards completion of a final binding life-of-mine agreement not later than six months from the date of the Binding Term Sheet.

The Vimson Group, which is a major shareholder in TNG with a stake of 9.84%, is a family-owned Indian conglomerate with extensive interests in mineral resources, financial services, real estate development, healthcare and sports. Its head office is in Goa, India, with other offices in Mumbai, Delhi, Bengaluru, and Singapore. The Vimson Group has been in the business of mining, processing and transporting iron ore from its fully integrated supply chain in India since 1952 and has been supplying leading Japanese, Korean and Chinese companies including Nippon Steel and POSCO. More information can be found at www.vimsongroup.com.

The Binding Term Sheet, together with the binding term sheet and off-take agreements TNG has in place for its vanadium pentoxide and titanium pigment products, underpins the Company's commercial strategy for the Mount Peake Project and creates a strong foundation for the project's financing and development.

Management Comment

Commenting on the signing of the Binding Term Sheet with the Vimson Group, TNG's Managing Director & CEO, Mr Paul Burton, said:

"We are delighted to have signed a Binding Term Sheet with the Vimson Group to purchase our iron oxide products on a life-of-mine basis. This represents the final component of our already-impressive portfolio of Tier-1 off-take arrangements spanning all three high-value products to be delivered from the TIVAN® refinery in Darwin.

"Vimson is a leader in the Indian resources sector with similar values and growth strategies to TNG, and this agreement further cements the strong relationship we have developed with them since their original investment in the Company in 2018. The planned signing of a binding life-of-mine off-take agreement is consistent with the original intentions and discussions at the time of that investment.

"Coming hard on the heels of our recent agreement with GUNVOR (Singapore), the signing of this Binding Term Sheet means that the forecast Mount Peake production is now fully under contract, strongly supporting a move into the financing and execution phase. Achieving this outcome in the current challenging global market environment is a solid achievement by our team and is testament to the project's quality, scale and robustness. We look forward to working closely with V. M. Salgaocar & Bro. and executing the final binding off-take agreement for the long term."

Commenting on the signing of the Binding Term Sheet with TNG, Mr. Vivek S. Salgaocar, Director of V. M. Salgaocar & Bro., said:

"We are excited by the prospect of bringing TNG's differentiated iron products to market, and will leverage our deep capabilities to ensure the best financial outcome for all involved. This is a further step in Vimson's path towards growing its global presence in the mineral resources space. We continue to be optimistic about our association with TNG, which commenced with our investment last year, and will work towards executing binding, life-of-mine agreements for the ferrous output from the Mount Peake Project."

Paul E Burton
Managing Director

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About TNG

TNG is building a world-scale strategic metals business based on its flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory. Located 235 km north of Alice Springs, Mount Peake will be a long-life project producing a suite of high-quality, high-purity strategic metals products for global markets including vanadium pentoxide, titanium dioxide and iron ore fines. The project, which is expected to be a top-10 global producer, has received Major Project Facilitation status from the Northern Territory Government.

Vanadium is a highly strategic metal which is used as an alloy in steel. It is also in strong demand for use in energy storage, with vanadium redox batteries used to store electricity generated by solar and wind power, and lithium-vanadium ion batteries used to power hybrid cars.

Forward-Looking Statements

This announcement has been prepared by TNG Limited. This announcement is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained.

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