



17 December 2019

TNG SHAREHOLDER NEWSLETTER

Australian strategic metals company TNG Limited (ASX: TNG) (“TNG” or the “Company”) hereby releases the enclosed document “TNG Shareholder Newsletter, December 2019”.

Authorised for release by:

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TNG Limited

17 December 2019

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TNG LIMITED

TNG

SHAREHOLDER NEWSLETTER

DECEMBER 2019

FROM THE MD'S DESK



Paul Burton

Managing Director and CEO

Dear shareholder,

I am once again happy to report that our team has achieved a number of important milestones and tangible progress towards development.

The recent submission of the Mining Management Plan for the Mount Peake Mine Site and, subsequently, the Environmental Impact Statement for the Darwin TIVAN® Processing Facility, were both important achievements for our project. The submission of these documents should mark the final chapter in the multi-faceted environmental approval and permitting process that has been required for the Mount Peake Project and represents a substantial step towards the broader development and operation of Mount Peake.

In September, we announced an optimised delivery strategy for Mount Peake stemming from the ongoing internal reviews and the detailed FEED Study work streams currently being progressed by TNG team and our strategic development partner SMS group, supported by Como Engineers, Ti-Cons, Snowden and METS.

We now have a streamlined, simplified project that reflects the significant value being generated by these ongoing work streams, and which we believe will allow us to make a Final Investment Decision and achieve a suitable Financial Close in the presently challenging financial market environment.

Recently, we also announced that the Company intends to further explore a dual listing on the Main Market of the London Stock Exchange as opposed to the AIM market of the LSE, as previously foreshadowed. This decision was made following extensive engagement by TNG's directors with the LSE, as well as corporate advisers, brokers and investors in the London and European markets.

The strategy for this is that the LSE Main Market is a leading destination for well-established resource companies and has a strong network of brokers, analysts and institutional investors with a deep knowledge of the global resources market and could provide an additional avenue for funding.

I am also pleased to note that we have continued to expand and strengthen our senior management team as we gear up for operational readiness planning, with the recent appointments of highly experienced mining, processing and project development executives Dan Foo as Project Director, Paul Kreppold as Project Manager – NPI and Terry Stark as General Manager Mining. Additionally, with the takeover of Cristal by Tronox, we have been lucky to secure two of the most senior executives in the titanium pigment sector, Graeme Stephens as Titanium Process Manager and Simon Morten as General Manager Titanium Production.

Finally, I am glad to report that the Company held its 2019 AGM on 18 November and we were very delighted with the strong support received by all shareholders. The positive outcome of this year's AGM is a reflection of the efforts made by the Board to successfully address the issues raised by shareholders at the 2018 AGM in relation to the appointment of an independent Chair and the first strike on the remuneration report.

With your continued support and an enhanced and very experienced management team in place, the Company is now strongly positioned to advance Mount Peake and begin TNG's transformation into a world-leading diversified strategic metals producer.

As we approach the end of another year, I would like to wish you a happy holiday season and a prosperous 2020!



PROJECT CONTROL GROUP

In September 2013, the Northern Territory Government ("NTG") awarded Major Project Status to the Mount Peake Project. The benefits of Major Project Status include whole-of-government support, coordination and facilitation, assistance in identifying and mapping regulatory approvals, a dedicated project case manager and facilitation of engagement with the Australian Government through a central and single point of contact.

Additionally, the Northern Territory Government's Major Projects Group ("MPG") has allocated a Project Control Group ("PCG") to the Mount Peake Project to assist TNG in progressing all aspects of the Project including approvals and permitting. The PCG also provides ongoing guidance to the Company with respect to the various NTG key stakeholders for advice on the progression of the approvals processes.

In October, TNG representatives met with the PCG in Darwin to progress discussions regarding the Environmental Impact Statement for the TIVAN® Processing Facility in Darwin, logistics, infrastructure, site access and local industry participation, among other matters. The meeting was very productive and TNG representatives are very pleased with the efforts and support provided by the Northern Territory Government for the development of Mount Peake.

PROJECT APPROVALS

In October, the Company submitted the Mining Management Plan ("MMP") for the Mount Peake Mine Site to the Department of Primary Industry and Resources of the Northern Territory Government, marking another key step towards completion of the multi-faceted permitting process.

In the same month, TNG also submitted the Environmental Impact Statement ("EIS") for its TIVAN® Processing Facility in Darwin to the Northern Territory Environmental Protection Authority (NT EPA). The submission of the EIS is the final major permitting requirement and a substantial step towards the broader development and operation of the Project.

The Draft EIS can be viewed electronically at the NT EPA website (www.ntepa.nt.gov.au/envirocomment). Hard copies of the document are also available for viewing from Saturday, 30 November 2019, to Friday, 21 February 2020, at the following locations:

- ▶ NT EPA, Level 1, Arnhemica House, 16 Parap Rd, Parap, NT
- ▶ Northern Territory Library, Parliament House, Darwin, NT
- ▶ Environment Centre Northern Territory, Unit 3, 98 Woods Street, Darwin, NT

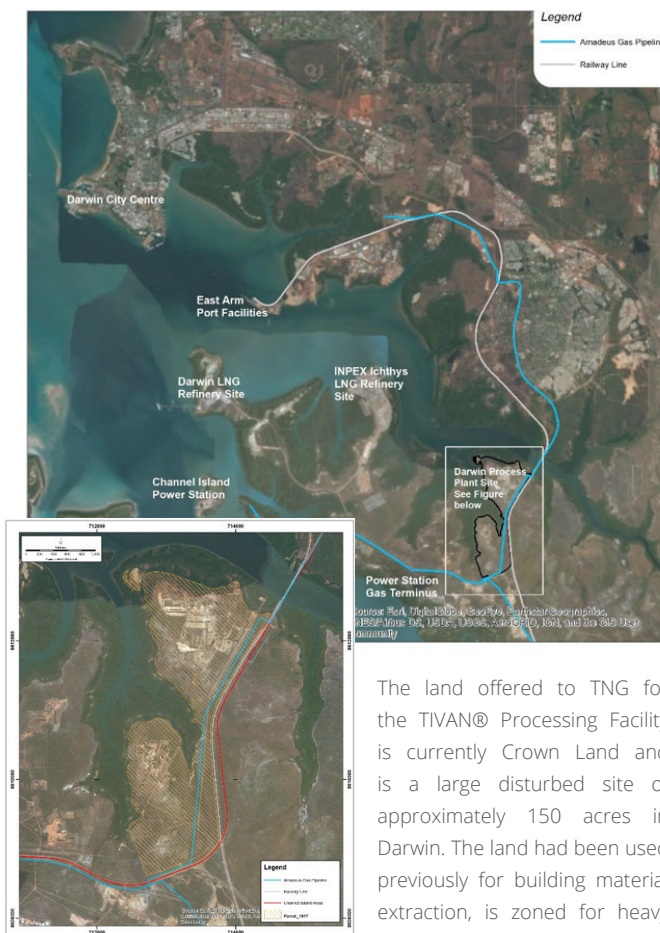
Interested persons and organisations wishing to comment on the Draft EIS are invited to make a submission by 21 February 2020. All submissions will be treated as public documents unless confidentiality is requested. Comments can be sent to:

Environmental Assessments, Northern Territory Environment Protection Authority

Mail: GPO Box 3675, Darwin NT 0801

Email: eia.ntepa@nt.gov.au

LAND SITE – DARWIN TIVAN® PROCESSING FACILITY



The land offered to TNG for the TIVAN® Processing Facility is currently Crown Land and is a large disturbed site of approximately 150 acres in Darwin. The land had been used previously for building material extraction, is zoned for heavy industry and is ideally located

next to the railway line, Amadeus Gas pipeline hub, Darwin power plant, and approximately 10km from the Darwin Port.

The Company has recently submitted an application for the direct sale of Crown Land to the NT Department of Infrastructure, Planning and Logistics Land and is now in discussions with the NT Government regarding suitable terms of acquisition.

NAIF

The Company has formally submitted an application to NAIF regarding infrastructure funding for the Project. Discussions were held between TNG and NAIF about NAIF's Project Assessment Process, which have progressed well.

NT MAJOR PROJECTS CONFERENCE 2019

On 29 and 30 October, TNG representatives attended the 10th Annual Northern Territory Major Projects Conference in Darwin. Mr Paul Burton was a featured speaker and presented the Mount Peake Project, which was very well received by the audience.

On 19 November, TNG received a letter from the Chief Minister of the Northern Territory, Hon Michael Gunner, acknowledging the submission of the EIS for the Darwin TIVAN® Processing Facility and reinforcing the NT Government's commitment to the Mount Peake Project.



**CHIEF MINISTER
MINISTER FOR TRADE AND MAJOR PROJECTS**

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**Mr Paul Burton
Managing Director
TNG Limited
PO Box 1126
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Via email: peb@tngltd.com.au

Dear Mr Burton

Thank you for your email correspondence dated 30 October 2019 advising that TNG Limited has submitted an Environmental Impact Statement for the proposed Darwin Processing Facility at Middle Arm.

My Government remains committed to this project, which will deliver significant economic and social benefits across the Northern Territory.

I look forward to continuing the ongoing partnership between TNG and the Northern Territory Government to secure remaining project approvals necessary to move the Mount Peake Project into development and delivery.

Yours sincerely

MICHAEL GUNNER

19 NOV 2019



What is the progress of the equity component of the project funding?

TNG is actively progressing and evaluating a number of different options for equity financing, which include:

- ▶ ASX investors – existing shareholders and Australian institutional investors
- ▶ London Market – potential dual listing on the Main Market of the London Stock Exchange
- ▶ Strategic investors – existing strategic shareholders and new strategic investors
- ▶ International investors – institutional investors (outside of Australia and UK)
- ▶ Off-take partners – existing and new partners
- ▶ Development partners – existing project development partners

This broad range of equity options will assist TNG to tailor an optimal equity strategy for the Mount Peake Project. The final equity requirement will be determined following completion of the FEED study and confirmation of the level of debt funding available.

How and when will the funding package be structured by KfW?

Under the KfW Mandate, KfW will structure, coordinate, lead, arrange and manage a syndicate to raise a targeted amount of US\$600 million (A\$850 million) to underpin the project financing package for Mount Peake. KfW will advise TNG on how to maximise, to the greatest extent possible, cover instruments available from export credit agencies (“ECAs”).

KfW has been working closely with TNG and SMS to refine and optimise the Project financial model, with the aim of achieving an improved debt/equity structure – which is currently expected to be split 65%:35% (subject to confirmation) – that is tailored to match the robust economics of the Mount Peake Project. The final debt requirement will be determined upon completion of the FEED study, which is expected to be finalised in mid-2020, subject to factors outside of the Company's control.

Shareholder Questions

If you have a question for TNG, we'd love to hear from you!

- ▶ Send your enquiry to corporate@tngltd.com.au

MEET THE TEAM

Dan Foo, Project Director

Joined in August 2019

Mr Foo is a qualified mechanical engineer with over 40 years' experience as a hands-on executive with front-line exposure to major projects in the mining and mineral industry. He has worked across a range of commodities and project types including iron ore, bauxite, alumina, nickel, coal, gold, gallium, rare earths, power generation and waste-to-energy.

For the past three years, Mr Foo was the CEO of Endeavour Energy Corporation, an international start-up company in the Waste-to-Energy sector. Prior to that, he was the General Manager of Doric Group and Director of Major Projects of UGL Limited. He was also the Director of the Feasibility Study phase of a \$5 billion Aurukun Bauxite/Alumina refinery for Chalco Australia.

Terry Stark, General Manager Mining

Joined in September 2019

Mr Stark is a mining engineer with more than 40 years of broad experience in the mining and civil industries, including both underground and surface mining experience across multiple operations in Australia.

Mr Stark has operated his own engineering services consultancy for the past six years. Previously, he was the Managing Director, Resources Division, of Galaxy Resources Limited.

Simon Morten, General Manager Titanium Production

Joined in November 2019

Mr Morten holds a Bachelor degree in Applied Science (Chemistry) and has 40 years' experience in the chemical, mining and processing industries in multiple locations across the globe including Australia, Brazil, China, Europe, Saudi Arabia, the UK and the USA.

He has 30 years of experience in the titanium pigment industry, with expertise in pigment manufacture and processing, having spent most of his career with Cristal and its predecessors. Recently, Mr Morten was the Acting Vice President of Manufacturing at Cristal, managing three sulphate process production sites during the integration of Cristal and Tronox.

Graeme Stephen, Titanium Process Manager

Joined in September 2019

Mr Stephen has over 40 years' experience in the global titanium dioxide industry. He has a very strong background both in Research & Development (especially product and process development) and Manufacturing in the titanium dioxide industry, including as site director of three large manufacturing sites.

He spent most his career working in a range of different positions with Cristal Inorganic Chemicals and its predecessors, which was recently acquired by Tronox, one of the world's leading vertically integrated producers of high-quality titanium products and zircon, with a diverse global footprint.

RECENT EVENTS

- ▶ **Sep** **Deutsche Balaton Investors Conference, MS Königin Silvia/Germany** (20 September)
- ▶ **Oct** **NT Major Projects Conference 2019, Darwin** (29 and 30 October)
- ▶ **Nov** **TZMI Congress, Singapore** (11 to 13 November)
2019 Annual General Meeting, Perth (18 November)
121 Mining Investment, London (20 and 21 November)

CEO INTERVIEWS

On 12 September, Paul Burton was interviewed by the Boardroom Media and spoke about the optimised delivery strategy for TNG's Mount Peake Project. The interview is available on the [Media](#) page of the TNG website.

NEW WEBSITE

TNG has launched a new website. Please, check it out on www.tngltd.com.au.

PROMOTIONAL VIDEO

On the [Media](#) page of TNG's new website you will also find a promotional video about the Company's three high value – high purity products.