

18 August 2020

TNG SHAREHOLDER NEWSLETTER

Australian resource and mineral processing technology company TNG Limited (ASX: TNG) (“TNG” or the “Company”) hereby releases the enclosed document “TNG Shareholder Newsletter, August 2020”.

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18 August 2020

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Shareholder Newsletter

August 2020

From the MD's Desk

Dear shareholder,

So far 2020 has been a year marked by an unprecedented global health and economic crisis that we have all had to make changes for; but, I am pleased to report that our team has been able to continue progressing works for the proposed development of the Company's world-class Mount Peake Project despite delays and challenges caused by the COVID-19 pandemic.

In this newsletter, in addition to other corporate matters, I thought it would be useful to provide some insight into the detail and work areas required for the FEED process for our Project, which is well underway. I hope this is helpful.

On behalf of our team and TNG's Board of Directors, thank you for your continued support and I wish you continued safety and good health.




Paul Burton

Managing Director and CEO

Latest News

Binding Life-of-Mine Off-take Agreement with Vimson Group Completed

On 27 July, TNG announced the signing of a Binding Life-of-Mine Off-take Agreement with the leading Indian mining conglomerate, Vimson Group, for 100% of the iron products to be produced by Mount Peake on a FOB basis for global marketing and distribution, for a fixed commission.

The Agreement is on a "Take or Pay" basis, with exclusive rights to TNG products. Vimson is also a major shareholder of TNG. TNG intends to produce approximately 500,000 tonnes per annum of high-grade iron ore fines (+64% Fe) from its proposed Darwin-based TIVAN® Processing Facility, which is expected to have a 10% premium on the benchmark 62% Fe product.

We consider the execution of this agreement with such a high-profile group an excellent fit for the continued growth of the Company.

About Vimson Group

Founded over 70 years ago in Goa, Vimson Group is a family-owned Indian conglomerate with successful ventures in Mining, Trading, Financial Services and Real Estate Development. Vimson also runs significant philanthropic initiatives in Healthcare and Sports.



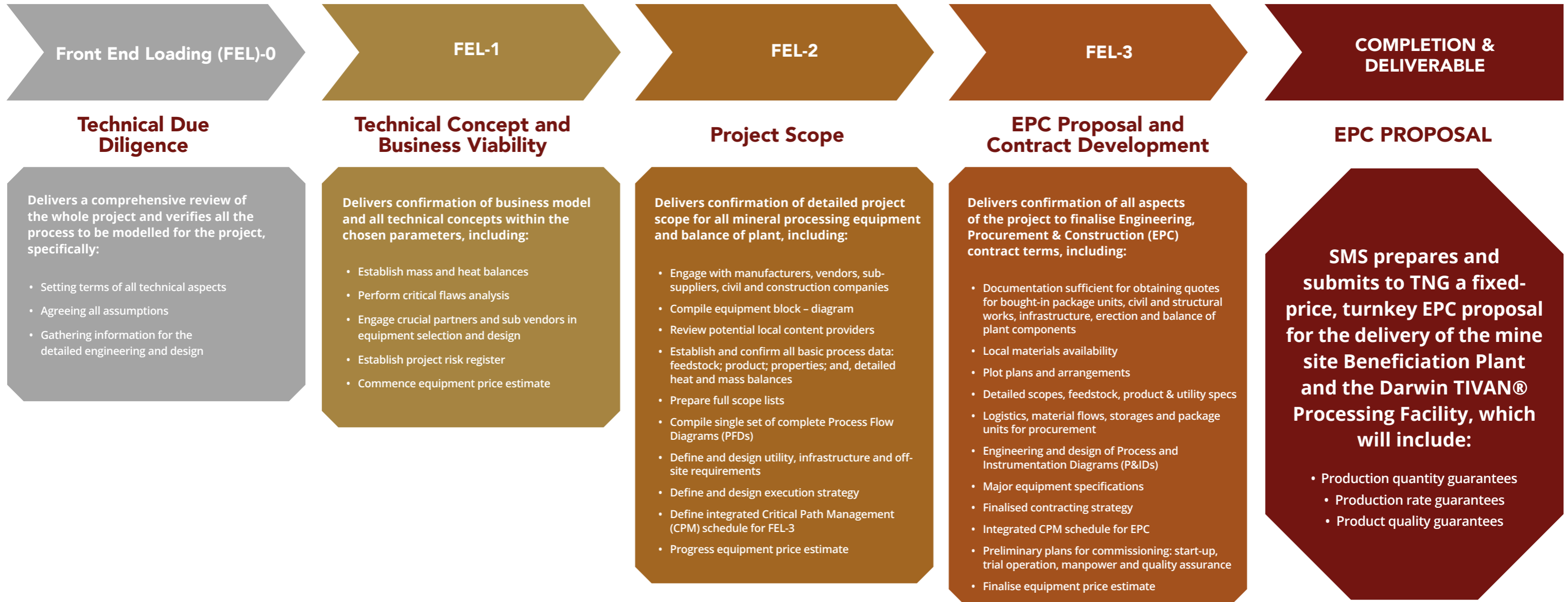
Vimson is one of India's oldest iron ore mining companies, responsibly transforming natural resources into prosperity for the entire community. Since the first consignment of iron ore was shipped to Nippon Steel Corporation in 1952, the Group has provided its clients with niche, consistent quality ore. Subsequently, the Group commenced exports to POSCO in 1972 and to various steel mills across China in 2000.

The Group has a unique view of the mining industry, remaining employee-oriented, with a focus on sustainability and a vision towards innovation. Currently, Vimson has expanded its efforts to strategic investments in mineral development and emerging mining technology outside India, through the Prospect Mining Studio, a partnership between Vimson and, innovation hub, Newlab.

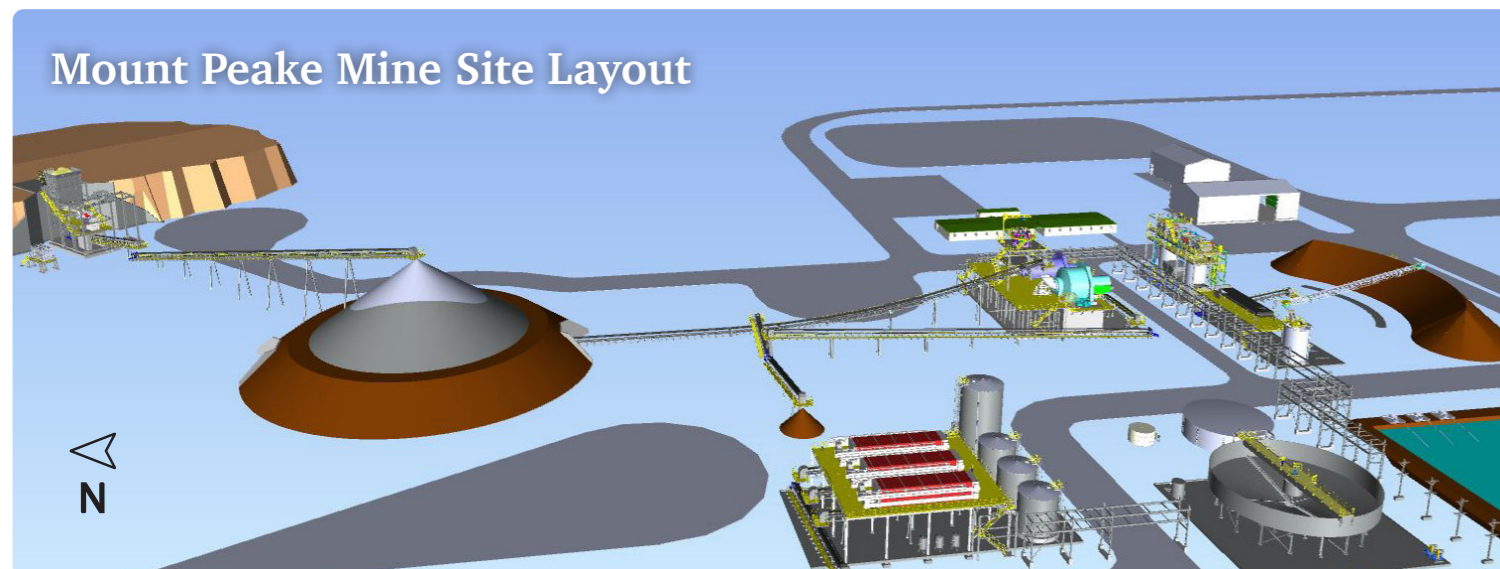
Prospect Mining Studio supports startups of all stages, forward-thinking innovators and prominent researchers as they build, pilot and scale frontier technologies that will advance the natural resource and mining industries in a sustainable and socially responsible solutions.

More information on the Vimson Group can be found at www.vimsongroup.com.

PROGRESS TO EPC PROPOSAL

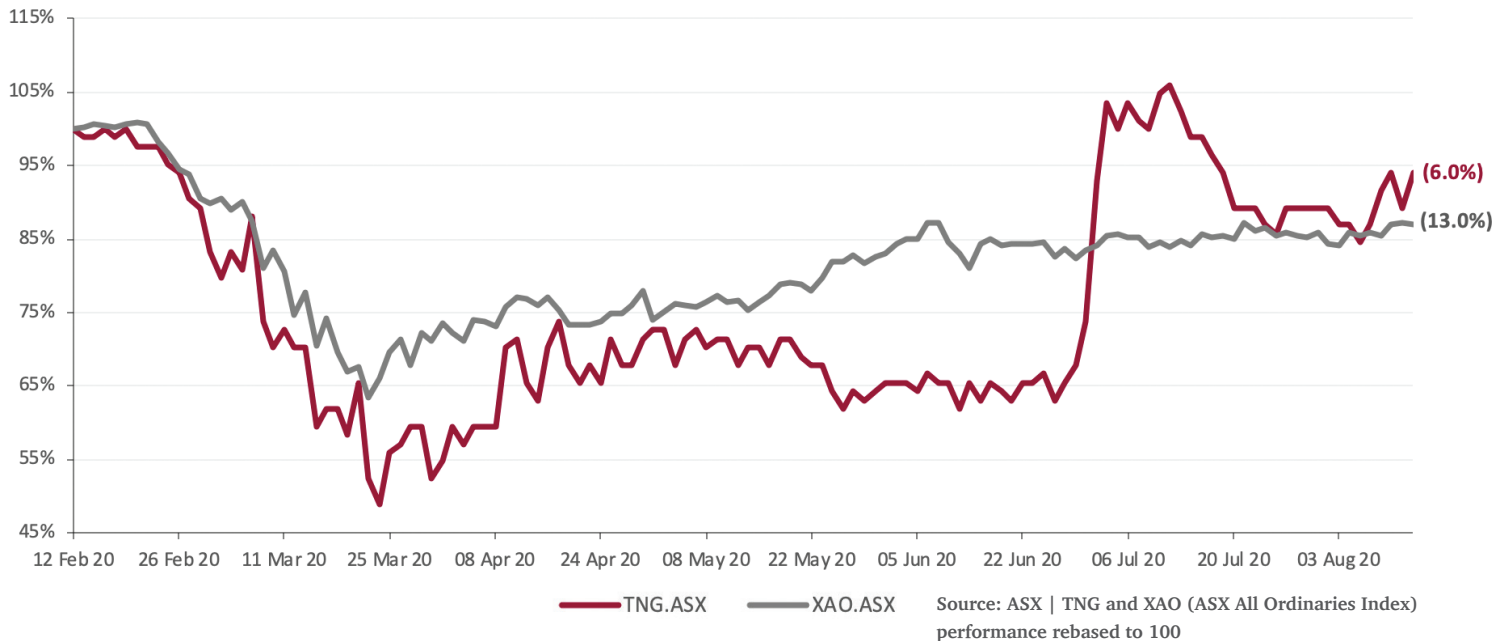


NON-PROCESS INFRASTRUCTURE – Mine Site Layout | Haul Road | Borefield | Accommodation & Catering | Logistics | Power & Gas



TNG SHARE PRICE PERFORMANCE

Last six months - 12 Feb to 12 Aug 2020



Shareholder Q & A

Q: What is the status of the land sale application of the TIVAN® Processing Facility in Darwin (“DPF”)?

A: The Company recently met with the Northern Territory Department of Infrastructure, Planning and Logistics (DIPL) to discuss the application for acquisition of Crown Land for the proposed land site of the DPF. TNG is aware that the Northern Territory Government (“NTG”) has a thorough process to complete and following this meeting is confident that it will secure acceptable terms for the land acquisition post the upcoming Government election on 22 August 2020.

Q: What is the purpose of acquiring the Kulgera Project?

A: The expansion of TNG’s tenements is consistent with the Company’s long-term growth strategy, which is to become a vertically integrated global producer of three high value, high purity products – vanadium pentoxide, titanium dioxide and iron oxide. The Kulgera Project has a very large known mineral sands resource, which can potentially be processed through the TIVAN® process being developed for Mount Peake. However, the Company has no intention to focus on this project until Mount Peake is operational; it is purely an opportunity to add to the Company’s resource bank. For further information refer to ASX Announcement dated 8 July 2020.

Q: What is the current status of the Supplement to the Draft Environmental Impact Statement (“EIS”) for TNG’s DPF?

A: The Company is currently preparing a Supplement to its Draft EIS to address the public submissions and comments from the NTG agencies received in April 2020.

The process of submitting the Draft EIS provides the Northern Territory Environment Protection Authority with the opportunity to fully understand the DPF and its products, waste streams, etc, and then to request further details or works, which they may have not contemplated under the original Terms of Reference (ToR).

The key matters raised in the comments were mainly related to wastewater discharge, water use and marine flora and fauna are currently being addressed for inclusion in the Supplement.

As part of this, the Company has engaged Environmental Geochemistry International Pty Ltd (“EGI”) to undertake a detailed characterisation study and risk assessment for the waste products that will be generated at the DPF as required by the NTG agencies in the Supplement. Due to the nature and detailed requirements of work for the TIVAN® process, this study is expected to be provided by December 2020, after which TNG will include the results, finalise and submit the EIS Supplement.

Shareholders Questions

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

► [Send your enquiry to corporate@tngltd.com.au](mailto:corporate@tngltd.com.au)