

ASX ANNOUNCEMENT

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ASX CODE: TNG

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PROJECTS

Mount Peake: Fe-V-Ti
Black Range Iron: Fe
Manbarrum: Zn-Pb-Ag
East Rover: Cu-Au
McArthur: Cu-Zn-Pb-Ag
Mount Hardy: Cu-Au-Zn-Pb
Sandover: Cu-Au
Walabanba: Ni-Cu-Au

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TNG SIGNS VANADIUM OFF-TAKE AGREEMENT WITH LEADING KOREAN METALS GROUP

Long-term off-take deal with WOOJIN encompasses up to 60% of forecast production and pre-production finance, underpinning the Mount Peake development

HIGHLIGHTS

- **Binding Term Sheet signed with leading Korean ferro-vanadium group, WOOJIN IND. CO. Ltd for vanadium off-take from TNG's flagship Mount Peake Vanadium-Titanium-Iron Project in the NT.**
- **Agreement encompasses off-take for a minimum of 60% of the vanadium pentoxide (V₂O₅) to be produced by Mount Peake, underpinning the project's revenue forecast.**
- **Mount Peake is forecast to produce ~11,000tpa of V₂O₅ over a minimum 20-year mine life.**
- **Following the signing of this Binding Term Sheet, the parties will immediately commence working on a full binding off-take agreement reflecting the key terms in this Term Sheet.**
- **A binding off-take agreement is expected to be finalized in the next three months, marking another key step towards financing and development of the Mount Peake Project.**

Australian strategic metals company TNG Limited (ASX: TNG) is pleased to announce that it has signed a Binding Term Sheet with the major Korean-based ferro-vanadium producer **WOOJIN IND., CO., LTD., (WJN)** for the sale of up to 60 per cent of the vanadium production from its flagship **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory.

This development follows the execution of a Letter of Intent (LOI) between WJN and TNG in June 2014. Since then, the two companies have been working in close collaboration to pursue binding agreements and establish a basis for long-term understanding and cooperation.

The Binding Term Sheet further cements the relationship between TNG and WOOJIN and marks a significant step towards the finalisation of a binding long-term off-take agreement for the companies forecast vanadium pentoxide production which will underpin financing and development of the world-scale Mount Peake Project.

TNG remains in discussions with companies in the alternative energy sector for the remaining 40 per cent of forecast vanadium production from Mount Peake.

The signing of a Binding Term Sheet for vanadium off-take cements TNG's strategic plan as a potentially major player in the global value chain for vanadium supply, securing a long-term partnership with one of the world's leading ferro-vanadium producers in the Asian region.

TNG is currently at an advanced stage of a Definitive Feasibility Study on the Mount Peake Project development, which is expected to be a world-class, long-life strategic metals mine producing three highly valuable products: High-purity vanadium pentoxide (V_2O_5), iron oxide (Fe_2O_3) and titanium dioxide (TiO_2).

The key terms agreed upon in the Binding Term Sheet are as follows and will be incorporated into a binding off-take agreement:

1. WOOJIN to purchase **a minimum of 60% of refined vanadium pentoxide (V_2O_5)** from TNG's TIVAN[®] plant.
2. Potential **pre-production financing terms**.
3. **Off-take will be negotiated on an arm's length basis** at a price based on a pre-determined formula based on *Metal Bulletin's* vanadium pentoxide, CIF Europe min. 98% quotation.

TNG's Managing Director, Mr Paul Burton, said the rapid progress to a Binding Term Sheet with WOOJIN for the majority of the expected vanadium production from the Mount Peake Project marked another important step in the Company's strategy of attracting Tier One global partners to support the financing, development and off-take for the Project.

"Having WOOJIN involved right from the beginning of the Mount Peake development is a significant advantage for us. They are one of the world's leaders in ferro-vanadium production, with a strong R&D capability and a considerable depth of marketing expertise in the vanadium industry.

"This Binding Term Sheet also helps to further de-risk the Mount Peake Project and significantly underpins the project's revenue forecast," Mr Burton added. "We expect that a long-term off-take agreement will be concluded within three months, putting us in a very strong position to move ahead with project financing as soon as the Feasibility Study is finalized and delivered – which is on track to occur by mid-2015.

"Further discussions on other mutually beneficial arrangements with WOOJIN are continuing," he continued. "Our companies have many synergies, and we are jointly looking to position TNG as a key part of the global value chain for vanadium production and supply as the value for this product is fully realised."

Paul E Burton
Managing Director

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