

TNG TEAMS UP WITH LEADING NT CONTRACTORS TO DELIVER MOUNT PEAKE CIVIL ENGINEERING WORKS

MOU signed with McMahon Services Australia and leading indigenous contractor Intract Australia

Australian strategic metals company TNG Limited (ASX: TNG) is pleased to advise that it has taken another key step towards the development of its flagship Mount Peake Vanadium-Titanium-Iron Project in the NT after signing a Memorandum of Understanding (MOU) for the project's civil engineering and construction work.

The MOU has been signed with leading Australian industrial, construction and environmental service provider, McMahon Services Australia Pty Ltd, and leading indigenous contractor, Intract Australia Limited.

Intract is a business formed by the partnership of the Aboriginal Foundation of South Australia and McMahon Services to provide contracting services to the mining and civil construction industry. Intract has been developed to deliver long-term employment to Aboriginal people through the provision of stable jobs, skills training and comprehensive mentoring and support.

The MOU covers all aspects of the Mount Peake civil engineering and construction work, including construction of the mine, camp, airport, railway siding and mine haul road.

The parties will now commence a 90-day due diligence period and, subject to satisfactory completion of due diligence, may enter into binding agreements for:

1. All civil engineering and construction requirements related to the development of the Mount Peake mine;
2. Potential funding or investment in TNG, either on a project or corporate basis; and
3. Any other mutually beneficial arrangements with a focus on the operation of TNG's Mount Peake mine.

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 Feasibility Study is scheduled for completion by mid-2015, with the commencement of construction targeted for early 2016 and first production targeted for 2017.

TNG's Managing Director, Paul Burton, said that the signing of the MOU with McMahon and Intract represented a positive step towards the Mount Peake development. "We are delighted to be working with McMahon and Intract towards securing binding agreements for the Mount Peake civil engineering and construction contracts, which will represent a core component of the project development," he said.

"Our aim is to ensure the Mount Peake development provides a significant employment opportunity for indigenous Australians, and we are very pleased to be working with Intract, one of Australia's leading indigenous mining service contractors, to ensure we achieve this goal."

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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 235km north of Alice Springs, Mount Peake will be a 20-year plus project producing a suite of high-quality, high-purity strategic metals products for global markets including vanadium pentoxide, iron oxide and titanium dioxide. The project, which will be a top-10 global producer, has received Major Project Facilitation status from the NT Government.

The Mount Peake Feasibility Study is well advanced and due for completion by mid-2015, paving the way for project financing and development to proceed. An integral part of TNG's emerging strategic metals business is its 100% ownership of the unique and patented TIVAN® hydrometallurgical process, which offers significantly lower capital and operating costs, lowers risk and successfully extracts two other valuable metals from the resource in addition to vanadium – titanium dioxide and high-purity iron oxide.

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

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