

## Annual General Meeting Company Presentation

*2015 – A Year of  
Achievement in a  
Challenging Environment*



Paul Burton, Managing Director  
Celtic Club, West Perth – 30 November 2015

# Disclaimer

## Forward-Looking Statements

This presentation has been prepared by TNG Ltd. This document contains background information about TNG Ltd current at the date of this presentation. The presentation 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 in this presentation.

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## Competent Person's Statements

The information in this report that relates to the Mount Peake Mineral Resource estimates is extracted from an ASX Announcement dated 26 March 2013, (see ASX Announcement – 26 March 2013, "Additional Information on the Mount Peake Resource", [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asx.com.au](http://www.asx.com.au)), and was completed in accordance with the guidelines of the JORC Code (2012). Initial mining and financial assessment work, based on the Mineral Resource,

followed (see ASX Announcement – 15 July 2013, "TNG Considers Two-Stage Development Option for Mount Peake Project, NT", [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asx.com.au](http://www.asx.com.au)).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

The information in this report that relates to the Mount Peake Ore Reserve estimates is extracted from an ASX Announcement dated 31 July 2015, (see ASX Announcement – 31 July 2015, "Mount Peake Feasibility Study Confirms a World-Class Project", [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asc.com.au](http://www.asc.com.au)) and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Ore Reserve estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

The information in this report that relates to Exploration Results and Exploration Targets for Mount Peake and Mt Hardy projects are based on information compiled by Exploration Manager Mr Kim Grey B.Sc. and M. Econ. Geol. Mr Grey is also a member of the Australian Institute of Geoscientists and a full time employee of TNG Limited. Mr Grey has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grey consents to the inclusion in the report of the matters based on his information in the form and context in which it appear.

## Production Targets and Financial Information

Information in relation to the Mount Peake Definitive Feasibility, including production targets and financial information, included in this report is extracted from an ASX Announcement dated 31 July 2015, (see ASX Announcement – 31 July 2015, "Mount Peake Feasibility Study Confirms a World-Class Project", [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asx.com.au](http://www.asx.com.au)). The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement released on 31 July 2015 continue to apply and have not materially changed.

## 2015: A Pivotal Year in TNG's history

### **Key Achievements:**

- Completion of Feasibility Study (DFS) for Mount Peake Project with outstanding results – \$4.9 billion NPV, 41% pre-tax IRR
- Completion of commercial testwork on TIVAN® refinery process with exceptional recoveries – flow-sheet finalised
- Maiden Ore-Reserve completed for Mount Peake Project
- Binding off-take agreement signed for vanadium and binding term sheets in progress for iron and titanium products
- Long-term water source discovered for Mount Peake operations
- Engineering group appointed for mine site permitting and design – EIS submitted to regulatory authorities
- Funding and development discussions well advanced with a portfolio of Tier-1 global partners
- 12-year Davis Samuel Matter settled with Commonwealth on judgment and costs
- ~\$8M raised during the year via institutional placements and option conversions: solid cash position at year-end of ~\$5.5M
- Market capitalization >\$100M for most of 2015 – a 95% increase

### **Challenges:**

- Resource sector and global commodity pricing remained very uncertain
- Availability of capital remains tight in a challenging equity market
- Demerger of base metal projects – deferred but remains the Company's corporate plan

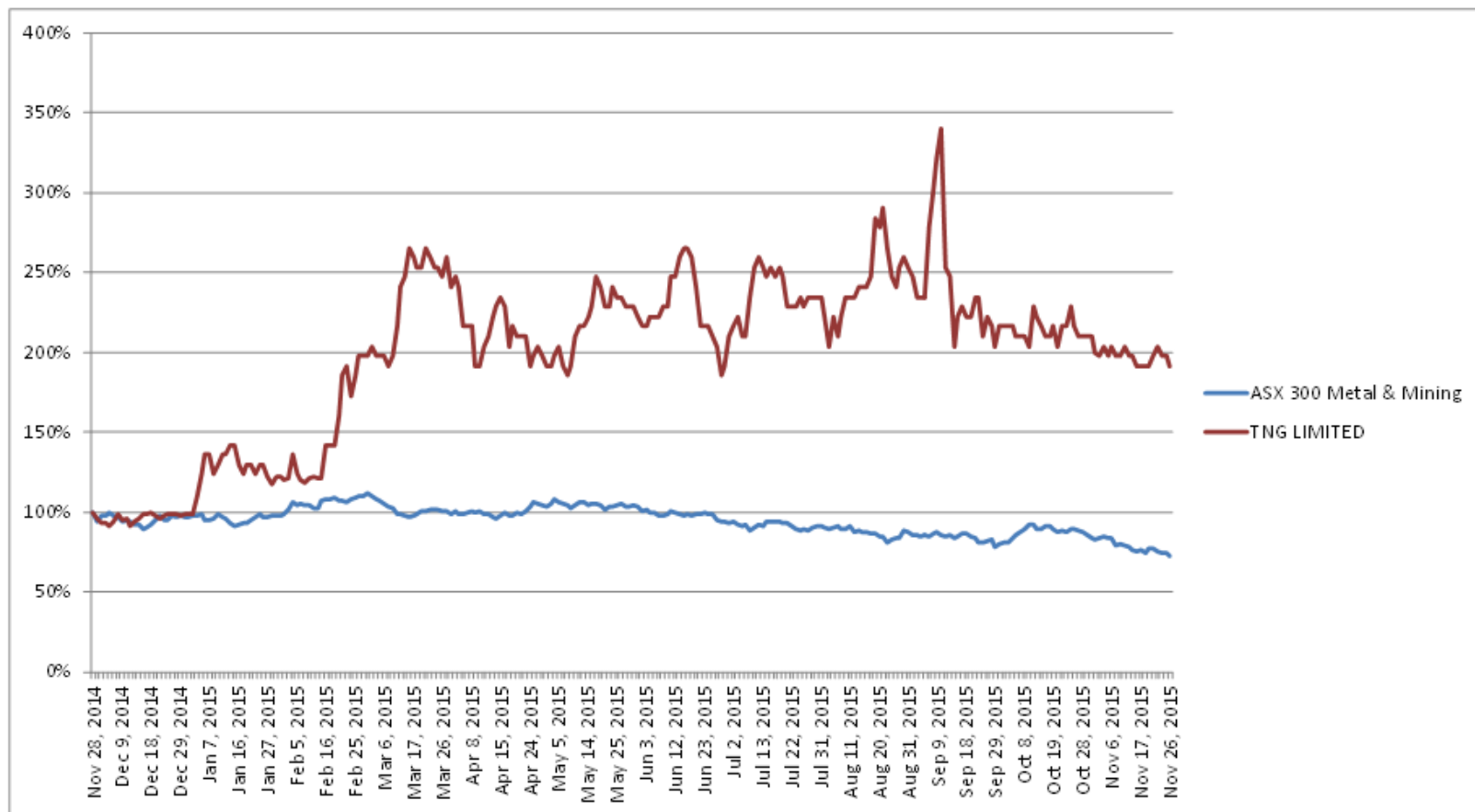
# TNG: Share price performance

Price Compared with ASX All Ords



	Cash	Share Price	Market Cap
November 2014	\$8.1 million	\$0.09	\$55 million
November 2015	\$5.5 million	\$0.16	\$114 million

# TNG: Share price vs. S&P/ASX 300 Metal and Mining Index





# TNG LIMITED



## Mount Peake Feasibility Study – Key Outcomes



Technically and Financially Robust Long-Life Project	
Project life	17 years
Mining rate	3Mtpa (Stage 1) expanding to 6Mtpa (Stage 2) after 4 years
Pre-production capital estimate (including all infrastructure)	A\$970 million (stage 2 expected to be covered from revenue )
Total operating costs (including mining, processing, transport & royalties)	A\$167 per tonne
Total revenue (life-of-mine)	A\$27.3 billion
Operating cash flow (life-of-mine)	A\$13.6 billion
Net cash flow (life-of-mine)	A\$11.6 billion
Payback period	4 years
Net annual operating cash flow	A\$780M
IRR pre-tax	41%
NPV (at 8% discounted)	A\$4.9 billion

Refer ASX announcement 31 July 2015.



**TIVAN® PROCESS 100%-owned by TNG**  
Allows maximum recovery of value from resource

Optimised magnetic concentrate passes through TIVAN® refinery

Bulk leaching for three product separation

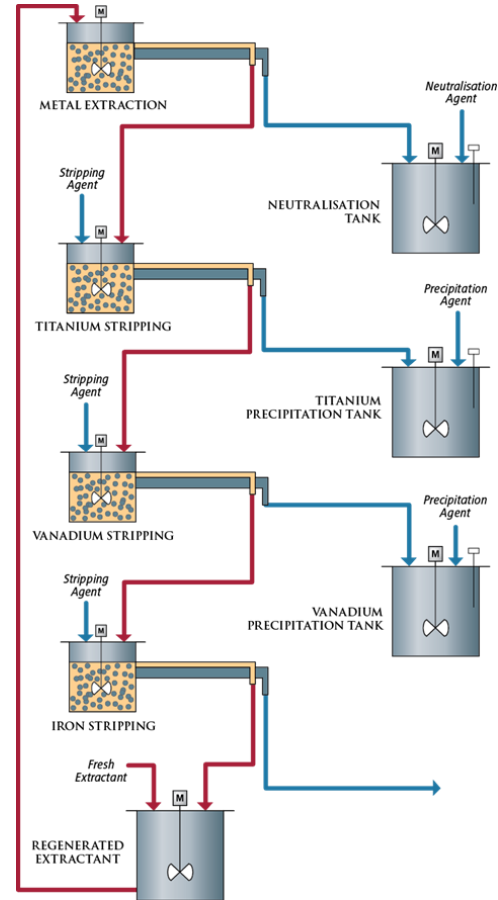
Leaching and SX process well understood, good recoveries, high purity products:

$V_2O_5$  Vanadium Pentoxide

$TiO_2$  Titanium Dioxide concentrate

$Fe_2O_3$  Iron Oxide

Then further refine  $TiO_2$  to pigment grade and  $Fe_2O_3$  to Pig Iron





## Key Consultants

Feasibility Study leaders	<b>Snowden Mining Group</b>
Advisors: Feasibility; metallurgical; plant design	<b>SMS Siemag</b>
Metallurgical testwork and flowsheet design:	<b>CSIRO (Perth), METS, ALS Ammtec, BureauVeritas, Outotec</b>
Environmental, hydrology and Environmental Impact Statement:	<b>GHD</b>
Engineering, mine plant design:	<b>Como Engineers</b>
Mine and Infrastructure:	<b>McMahon Services</b>

SMS group



MECHANICAL & MINERAL PROCESS ENGINEERS

METS ENGINEERING



# Mount Peake Project – Engaging with Global Partners

Development	<ul style="list-style-type: none"><li>• <b>HYUNDAI STEEL</b> – MoU Potential Partner</li><li>• <b>SMS SEIMAG</b> – Potential Refinery Build</li><li>• “Tier One Group” - for construction and operation</li></ul>
Off-take	<ul style="list-style-type: none"><li>• <b>WOOJIN METALS (Korea)</b> – <math>V_2O_5</math></li><li>• <b>Gunvor (Singapore)</b> – <math>Fe_2O_3</math> / Pig-iron – Under negotiation</li><li>• <b>Global Pacific Partners</b> – <math>TiO_2</math> / Pigment – Under negotiation</li></ul>
Mining and Infrastructure	<ul style="list-style-type: none"><li>• <b>Snowden Mining Consultants</b> – potential mine design</li><li>• <b>McMahon Services</b> – Potential mine and infrastructure</li></ul>



GLOBAL-PACIFIC PARTNERS

SNOWDEN

McMAHON SERVICES



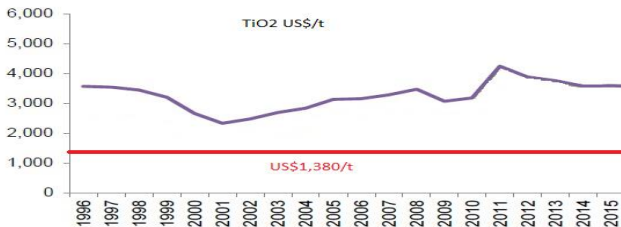
## Extensive ground work completed in following areas:

- 1. Project Finance :** - Expect consortium mix for project-based equity finance
  - **Cornerstone investor / partner**
  - **Major partner / off-take partner finance arrangements**
  - **Equity / Debt finance**
  - **Federal Government:** \$5 billion development fund for Northern Australia
- 2. Environmental Impact Statement approvals**
- 3. Mining agreement and Mining Permit approvals**
- 4. EPCM and Contractor award**



# Outlook for Commodities and TIVAN'S products

- Almost all commodities in most resources sectors have declined significantly during the year
- All resource companies are operating in an uncertain environment
- Titanium and vanadium have been relatively stable compared to mainstream commodities such as copper, nickel and zinc
- The fundamental underlying demand for products containing vanadium and titanium ensures future demand
- VRB's continue to emerge as acceptable energy source



## Titanium dioxide feed stock and pigment (TiO<sub>2</sub>)

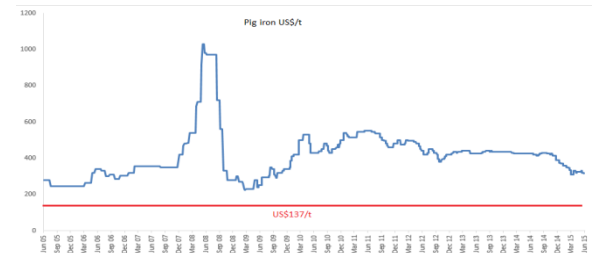
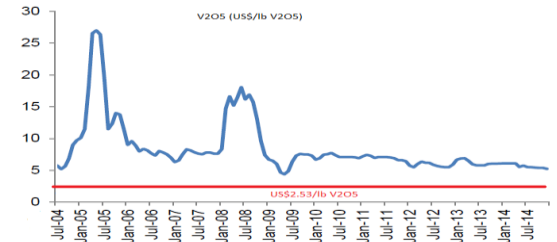
World's demand currently over supply but demand expected to increase in 2017

## Pig Iron

World's demand: 1.2 billion tpa  
TNGs product easily absorbed in ready market

## Vanadium Pentoxide (V<sub>2</sub>O<sub>5</sub>)

World's demand: 140,000tpa  
expected to increase by 30% by 2017



# TNG Corporate Overview

## Key Corporate and Financial Data

ASX code:	TNG
Market capitalisation (at 16c):	\$110M
Shares on issue:	712M
Cash (at 26 November):	\$5.5M
Auditors: KPMG	
Lawyers: Clifford Chance	

## Board of Directors

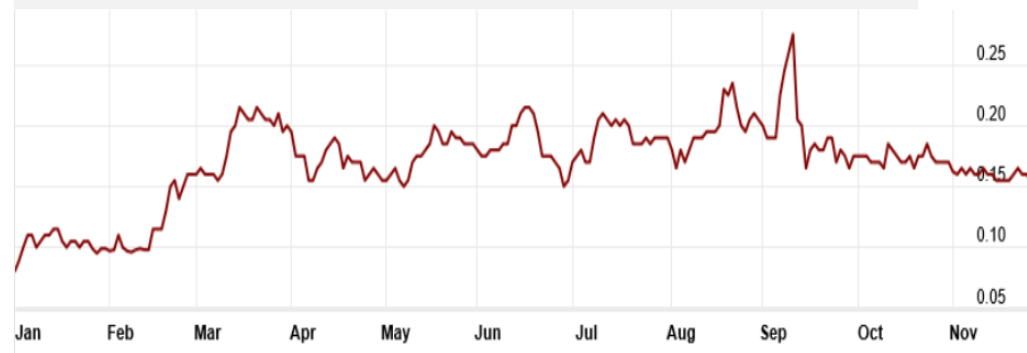
Michael Evans	Acting Chairman
Paul Burton	Managing Director
Stuart Crow	Non-executive Director
Rex Turkington	Non-executive Director
Mr Jianrong Xu	Resigned
Mr Zhigang Wang	Retired

## Major Shareholders

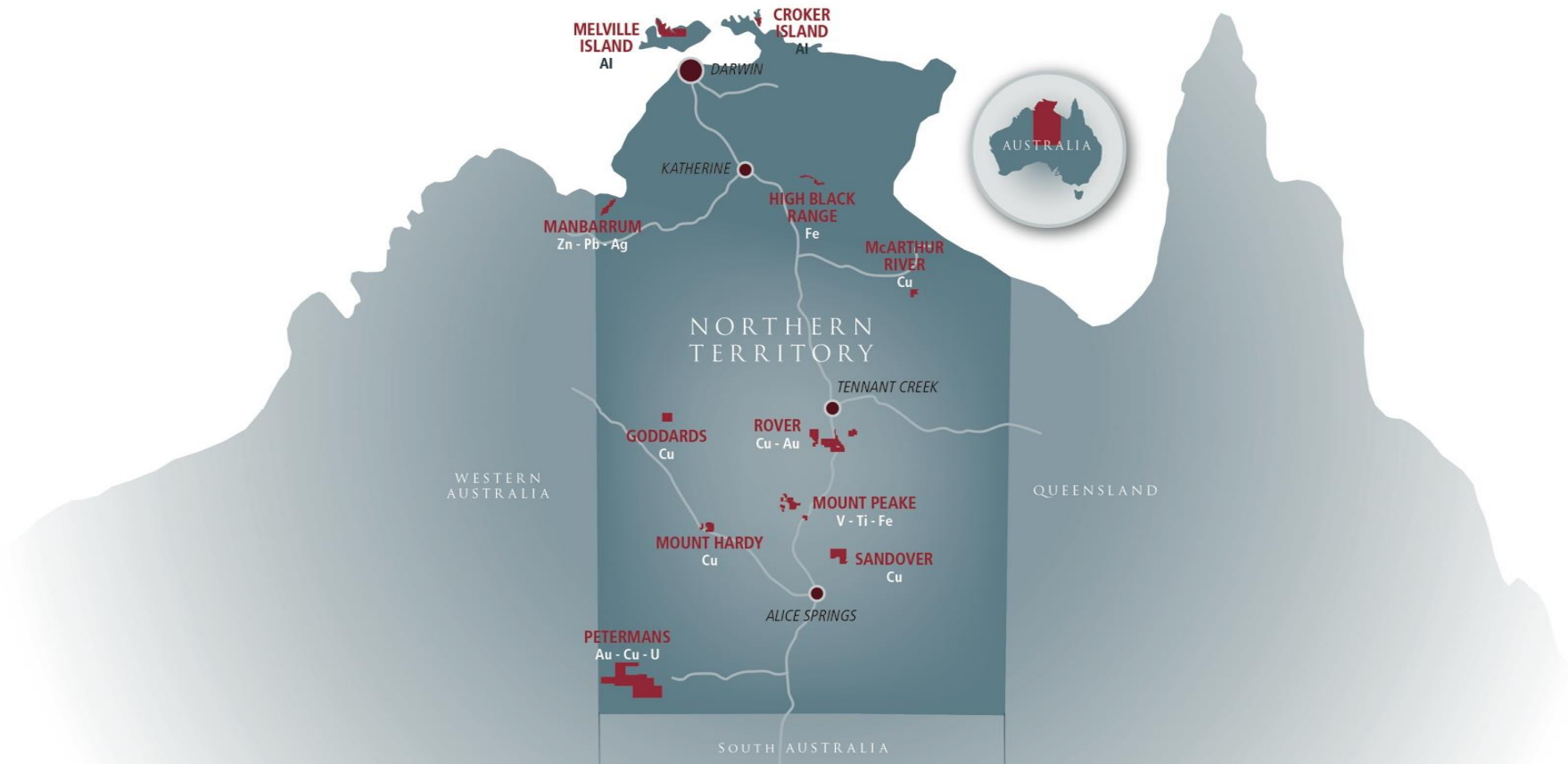
WWB Investments P/L	11.11%
Aosu Investment & Development Co	7.88%
Ao-Zhong International Mineral Resources	5.73%

*(Directors and their related companies hold approximately 13% of issued capital)*

## 2015 share price



# TNG Other assets: Strong base of multi-commodity projects



## Expectations and Plans: The Year Ahead

- Expect prevailing economic conditions to continue in 2016 - providing mix of opportunities and challenges
- Focus on completing Project Finance and Development agreements
- Engage with Federal and NT Government
- Appoint Financial Advisor / Group
- Appoint lead EPMC contractor
- Source new key Executive and Board appointments
- Aim to commence on-ground mine development by mid-2016
- Re-consider demerger of base metal projects –
- Todd River Resources
- Potential new project acquisition

*Mount Peake*



*“Just give me a shovel..!”*

# Mount Peake Project



## MOUNT PEAKE VANADIUM AND TITANIUM PROJECT

Conceptual Design





# TNG LIMITED

ASX: TNG

[www.tngltd.com.au](http://www.tngltd.com.au)



**THANK YOU**

**Paul Burton – Managing Director**