

TNG ADVANCES TITANIUM OFF-TAKE AND MARKETING STRATEGY WITH APPOINTMENT OF GLOBAL CONSULTING FIRM

Key agreement with leading TiO₂ consulting group TiPMC supports TNG's development strategy for the Mount Peake Project and future TiO₂ off-take as TiO₂ market shows improvement

Key Points

- Long-term agreement signed with the leading Titanium Dioxide (TiO₂) and mineral sands consulting firm TiPMC Solutions LLC for TNG's 100%-owned Mount Peake Vanadium-Titanium-Iron Project in the NT.
- Under the agreement, TiPMC's experts will provide ongoing support to TNG for TiO₂ business development and marketing.
- TiPMC will recommend the best options for TNG's titanium product to enter the TiO₂ market and address long term off-take agreements with either existing pigment producers or end-users.
- The agreement allows TNG to advance its marketing and off-take strategy for the third valuable product to be produced by the Mount Peake Project, building on the binding life-of-mine off-take agreements already signed for vanadium and iron products.
- In the first half of 2016, the TiO₂ pigment industry has experienced its strongest uptick in price and overall balancing of supply and demand since 2012 on the back of strengthening demand from a range of key economies including North America, Asia and Europe.

Emerging strategic metals company TNG Limited (ASX: TNG) is pleased to announce that it has signed a long-term strategic agreement with a leading global titanium dioxide (TiO₂) and mineral sands consulting firm, **TiPMC Solutions LLC**, to progress the marketing and off-take strategies for the titanium products from its flagship 100%-owned **Mount Peake Vanadium-Titanium-Iron Project** in the Northern Territory.

The agreement has been executed at a time of improving market conditions for the titanium dioxide pigment industry and cements TNG's strategic plan to become a major player in the global supply chain of TiO₂, securing a long-term partnership with one of the world's leading consultancies in the sector.

The agreement will cover key aspects of TNG's business development and sales for the titanium dioxide to be produced from Mount Peake. The agreement will also give the Company access to industry-leading experts in the TiO₂ field who will be assist TNG in finalizing the Company's marketing strategy for titanium pigment.

TNG completed a Definitive Feasibility Study (DFS) for Mount Peake last year, confirming a potential world-class project potentially capable of generating outstanding returns. A significant proportion of the projected returns at come from the TiO₂ products expected from Mount Peake and as such the company's strategy has been to select the best way forward for this anticipated future production.

Since completing the DFS, TNG has signed binding off-take agreements for 60 per cent of its projected vanadium output with a major Korean group (*see ASX Announcement – 7 September 2015*) and for its iron products with Gunvor (Singapore) (*see ASX Announcement – 23 March 2016*), while also optimising and pre-engineering its proprietary TIVAN processing plant with the SMS group. TNG is also advancing discussions with major groups to secure a project financing package for Mount Peake.

TNG’s Managing Director, Mr Paul Burton, said the Company was delighted to have secured the involvement of the TiPMC group, who are globally recognised as leaders in the titanium dioxide industry, in supporting the Company’s ongoing financing and off-take discussions for the Mount Peake Project.

“With binding off-take agreements already in place for our vanadium and iron product streams, we are have been working to step-up our efforts in respect to our third valuable product stream, titanium dioxide,” he said.

“And we are doing so in a considerably more favourable environment, with clear signs of a recovery in this important industry sector since the beginning of the year. We look forward to working closely with TiPMC to optimise our marketing strategy and secure suitable off-take arrangements to underpin this aspect of our project.”

TiPMC’s Managing Director, Mr Gerald Colamarino, said: “The TiPMC Consulting team is pleased to collaborate with TNG on this major project. We believe TNG is making significant developments that will deliver advances in TiO₂ processing from mine to customer delivery.”

TiO₂ Outlook

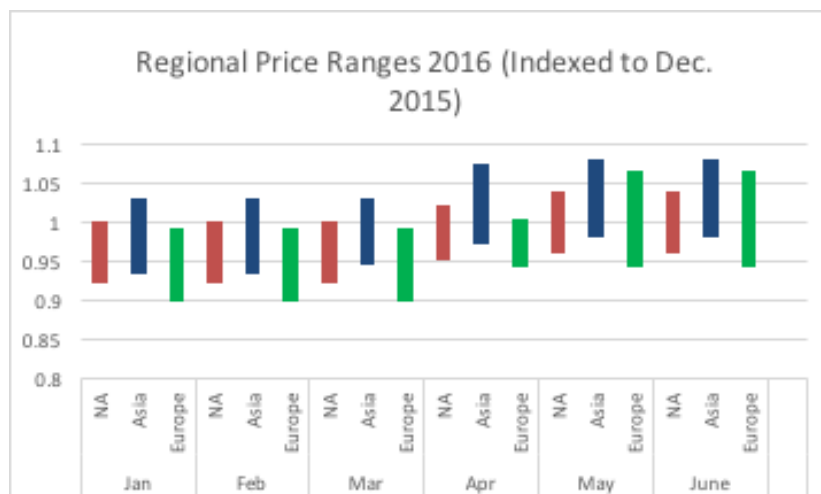
In the first half of 2016, the TiO₂ pigment industry experienced its strongest uptick in price and overall health since 2012 due to:

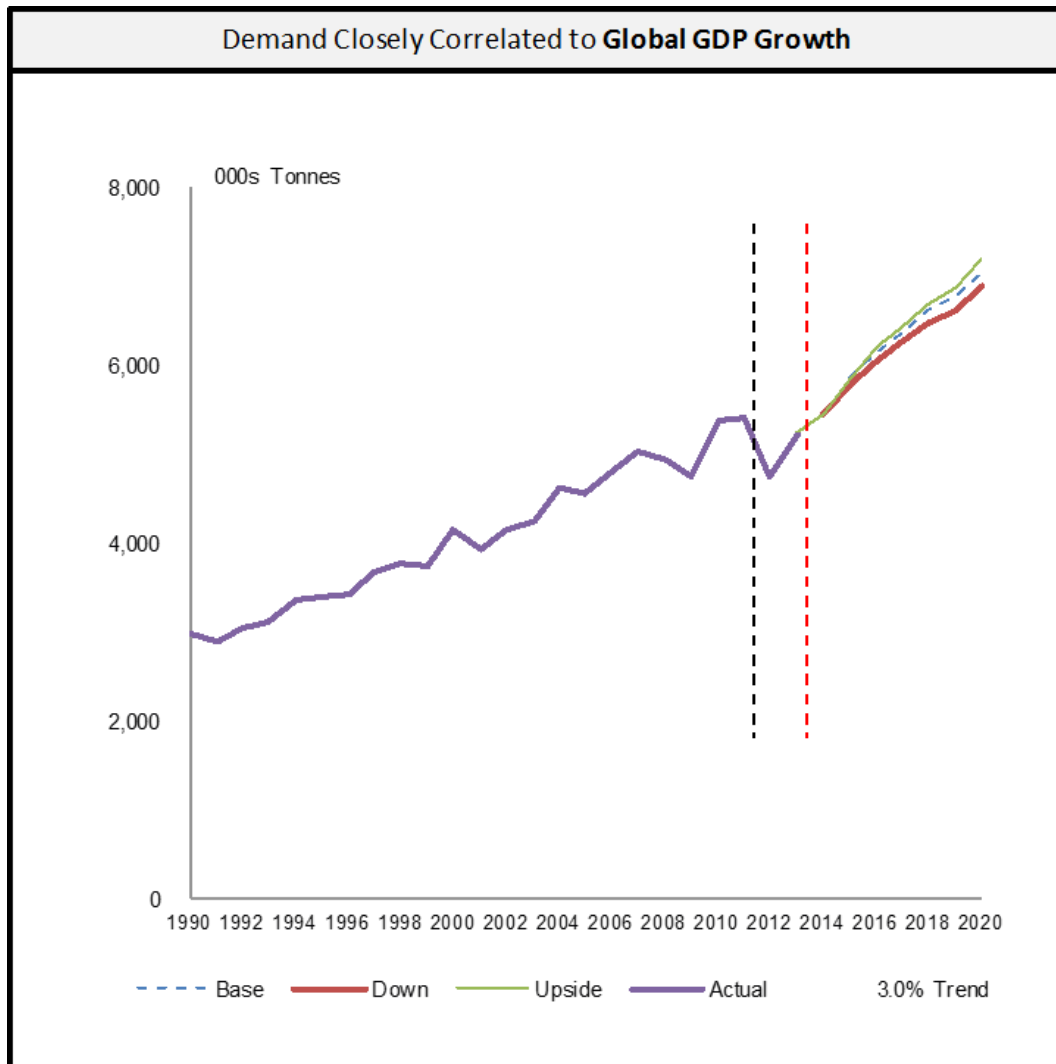
- Improving architectural coatings markets in North America, where the American Coatings Institute has recently forecast growth in the 5% range;
- Pigment growth in India with consumption on track to exceed 250kt, representing nearly 10% growth in a very fast growing market;
- Strengthening economies in ASEAN, in countries like Malaysia, Indonesia, and the Philippines;
- Increasing demand in Northern and Eastern Europe, particularly Germany; and
- Strengthening master-batch markets, particularly in Germany and Benelux.

TiPMC estimates that growth outside China may exceed 4% in 2016, a sharp increase over previous years. Prices, as indexed to the end of 2015, are trending upward in 2Q2016, and TiPMC expects the trend to continue well into the future.

TiPMC believes that the introduction of new technology such as TNG’s TIVAN® process has the capability to bring increased value into the entire TiO₂ value chain, which has escaped from the industry over the past several years.

Coupled with the potential upward trend in the value of TiO₂ products in the coming years, new technology from differentiated resource bases, such as TNG, offers the potential for sustainable growth and value creation within the industry.





Source: Ti Observer – Insights for Analysts, the monthly TiPMC publication

About TiPMC

The USA-based TiPMC global consulting team applies extensive operational experience and strategic knowledge to resolve diverse manufacturing and financial challenges throughout the titanium and rare earth value chain. TiPMC experts combine vision and hands-on expertise to assist business leaders across a range of industry disciplines including technology engineering, operations, business development, technology, as well as all facets of marketing.

More info on TiPMC can be seen on www.tipmcconsulting.com.

Paul E Burton
Managing Director

21 July 2016

Inquiries:

Paul E Burton
 Managing Director + 61 (0) 8 9327 0900

Nicholas Read
 Read Corporate + 61 (0) 8 9388 1474

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 long-life project producing a suite of high-quality, high-purity strategic metals products for global markets including vanadium pentoxide, titanium dioxide and pig iron. 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 was completed in July 2015, demonstrating that the Mount Peake Project could generate outstanding returns and paving the way for final approvals, project financing and development to proceed. An integral part of TNG's emerging strategic metals business is its 100% ownership of the unique and patent pending TIVAN® hydrometallurgical process, which successfully extracts all three valuable metals from the Mount Peake resource.

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

This announcement has been prepared by TNG Ltd. This announcement 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.

This is for information purposes only. Neither this nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of TNG Ltd shares in any jurisdiction.

This does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

To the fullest extent permitted by law, TNG Ltd, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from this arising out of negligence or otherwise is accepted.

This may include forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of TNG Ltd. Actual values, results or events may be materially different to those expressed or implied.