



GEOPHYSICAL SURVEYS COMPLETED OVER KEY NICKEL-COPPER TARGETS AHEAD OF DRILLING AT MOUNT PEAKE PROJECT (NT)

HIGHLIGHTS:

- **New high-resolution ground-based EM surveys, completed over selected priority targets for copper, nickel and base metal mineralisation.**
- **3 priority targets selected for drill testing**
- **Drill rig secured to commence drilling in September**

TNG Limited (ASX: TNG) is pleased to advise that a new program of high-resolution ground-based geophysical surveys has been completed over **selected nickel-copper targets** at its 100%-owned **Mount Peake Vanadium Project** in the Northern Territory.

Following the reassessment of previously acquired airborne GEOTEM electromagnetic data, which identified a total of 35 targets for ground follow-up (see *Figure 1*), 4 higher priority targets were selected for high-resolution ground electromagnetic (EM) survey (see *Appendix 1*).

Survey lines were completed over two of the higher priority GEOTEM anomalies G10 & G34. A total of 68 x 50m stations were recorded for a total of 3 line kilometres. The work confirmed that both anomalies indicate large untested bedrock conductors and are recommended for drill testing (see *figure 2*).

In addition a magnetic-low anomaly with a coincident gravity-high has been identified which TNG believes warrants additional work. A surface gravity survey covering an area of 2km² with a mix of 50m & 100m stations on 200m lines was carried out over this target, AEM1, confirming the positive gravity response (see *figure 3*). The combination of associated magnetic response with the gravity makes this anomaly a high priority target and will be included in the next drilling programme.

The Company is also pleased to advise that a high-capacity Reverse Circulation drill rig has been secured to commence work at Mount Peake in late September 2010.

This program will initially focus on drill testing the previously reported high priority EM target, BGC1, with a 350 metre deep hole (see *Figure 4*). Drilling of this anomaly has been postponed earlier this year due to wet weather preventing heavy vehicle access and subsequent delays due to drill rig availability. All clearances and approvals are in place and the Company does not anticipate any further delays.

Yours faithfully
TNG LIMITED



Paul E Burton
Director & CEO
31 August 2010

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Paul Burton who is a Member of The Australasian Institute of Mining and Metallurgy, an employee and Director of TNG Limited. Paul Burton 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Paul Burton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FORWARD-LOOKING STATEMENTS

This report contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, objectives, performance, outlook, growth, cash flow, earnings per share and shareholder value, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses, property acquisitions, mine development, mine operations, drilling activity, sampling and other data, grade and recovery levels, future production, capital costs, expenditures for environmental matters, life of mine, completion dates, and currency exchange rates. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast' and similar expressions. Persons reading this report are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Information Form.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

Enquiries:

Paul E Burton
Director & CEO

+ 61 (0) 8 9327 0900

Nicholas Read
Read Corporate

+ 61 (0) 419 9290

Figure 1: GEOTEM Survey with new targets.

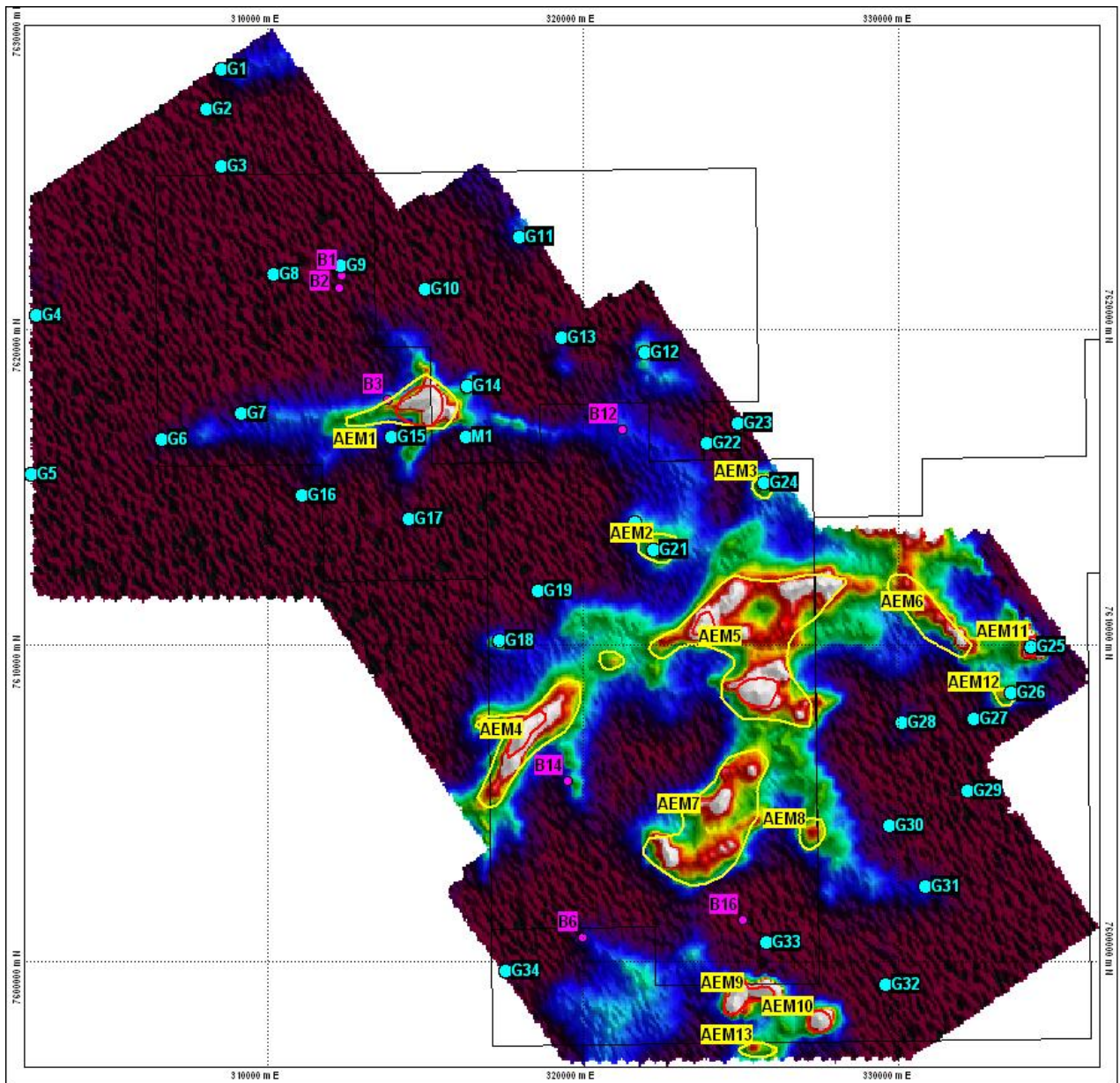
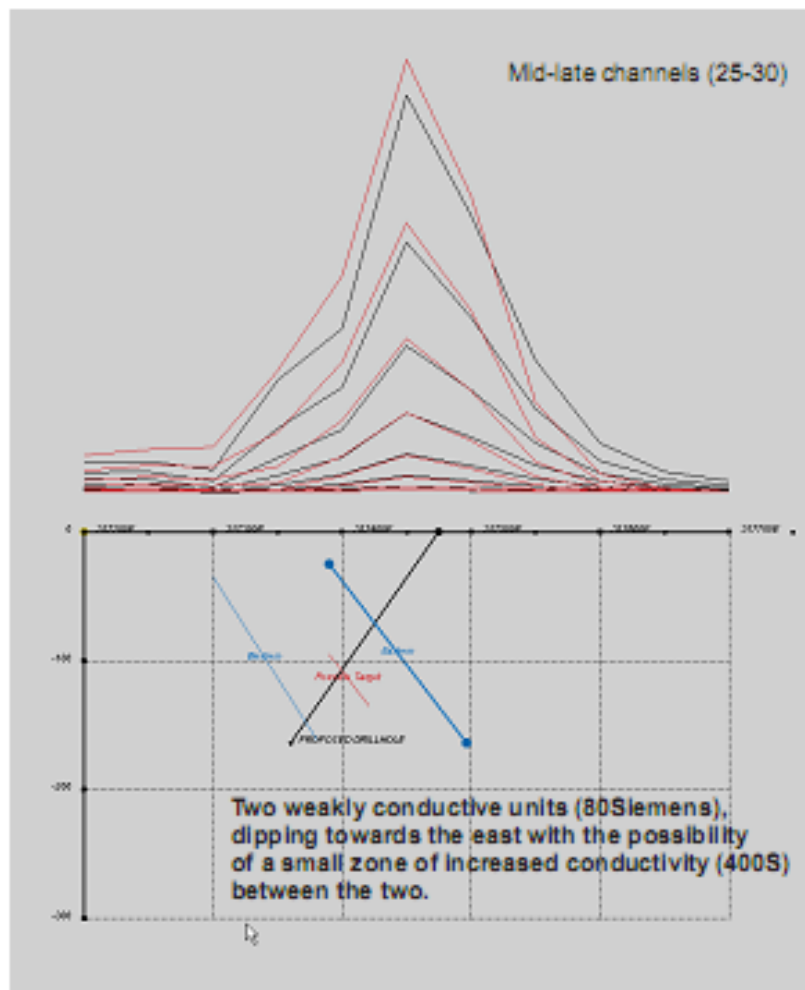
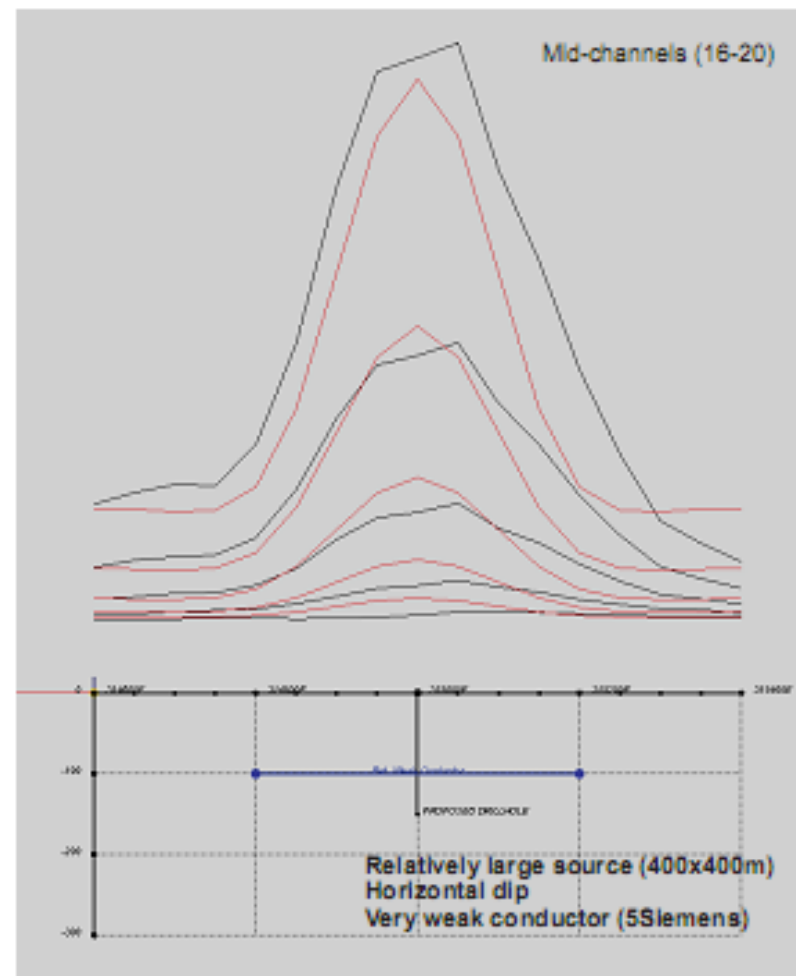


Figure 2: Ground EM survey results over GEOTEM targets G10 & G34. EW cross sections of EM profiles.



Line 7599750N - Target G34



Line 7621300N - Target G10

Figure 3: Comparison of gravity results with magnetic results of anomaly M1.

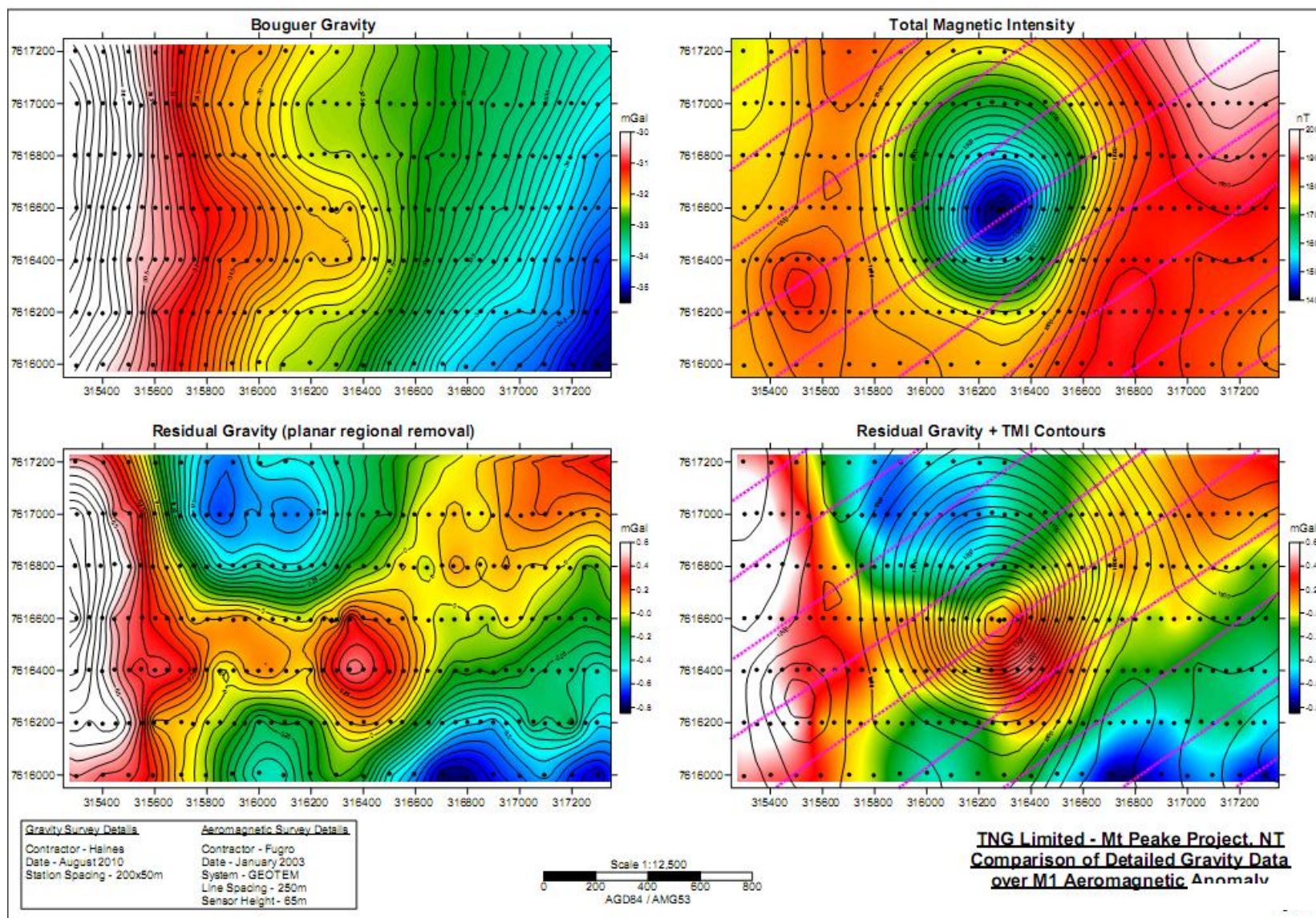
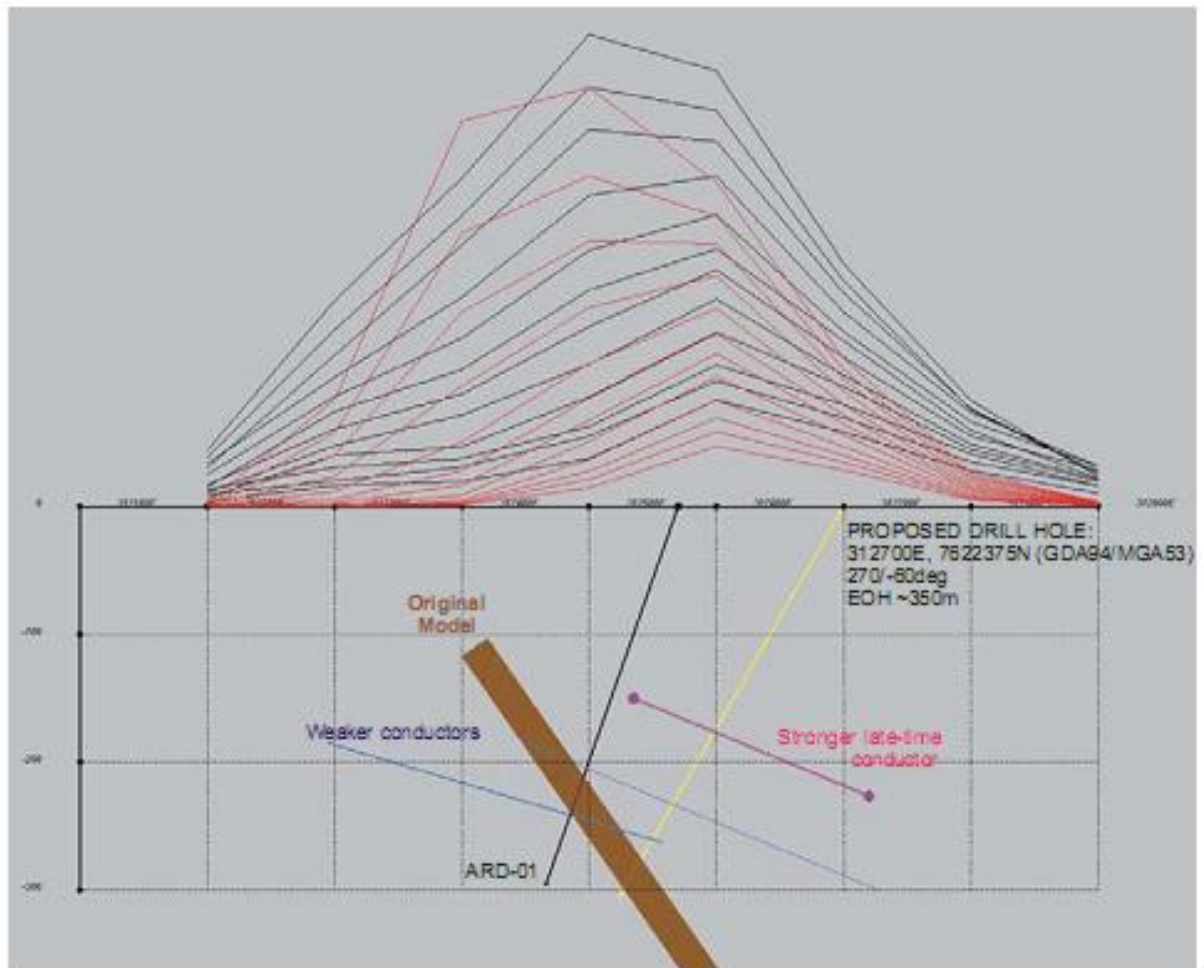


Figure 4: Ground EM model of BGC1/B1 anomaly, with proposed drill location.



Appendix 1: Ground Moving Loop EM survey specification

Datum: AGD84 / AMG53
Configuration: Moving Loop
Sensor: Coil only
Tx Loop Size: 200x200m, single turn
Reading Interval: 50m
Components: Z, X (pointing east 090deg) and Y (pointing north 000deg)
Time Base: 50msec (5Hz)
Stacks: 2x256 minimum (more if necessary)
Current: Max 15-16Amps
Other: Windshielded; duplicate readings per station stored in memory

Priority Order	Lines(N)	Start (E)	Finish (E)	Total (km)	50m Stations	Comments
1	7599750	317200	318000	0.80	17	G34
2	7599250	329200	330000	0.80	17	G32
3	7621300	314600	315400	0.80	17	G10
4	7619800	318950	319750	0.80	17	G13
			<u>Total</u>	<u>3.20</u>	<u>68 @ 50m</u>	