

ASX ANNOUNCEMENT

ASX CODE : TNG

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PROJECTS

Mount Peake: Fe-V-Ti
Manbarrum: Zn-Pb-Ag
East Rover: Cu-Au
McArthur: Cu

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DEFINITIVE DRILLING PROGRAMME COMMENCES AT MOUNT PEAKE IRON-VANADIUM PROJECT, NT

Highlights

- **4,000m Mount Peake drilling program commences**
- **Diamond Drilling aimed at extracting samples for metallurgical pilot plant testwork program**
- **Metallurgical testwork to provide definitive commercial test of TNG's patented hydrometallurgical process**

Australian resources company TNG Limited (ASX: TNG) is pleased to announce that the drilling program has commenced at its flagship Mount Peake Iron-Vanadium Project in the Northern Territory.

The program will comprise 2,000m of Diamond Drilling and 2000m of Reverse Circulation (RC) drilling, with two primary objectives:

- to extract approximately one tonne of representative diamond core sample for use in the metallurgical testwork and pilot plant studies to fully test the Company's patented hydrometallurgical process; and
- to upgrade the current JORC Inferred Resource of 139Mt @ 0.29% V₂O₅, 5.34% TiO₂ and 23.66% Fe to JORC Indicated and/or Measured status.

The hydrometallurgical process – which was jointly developed in 2010 in conjunction with TNG's metallurgical consultants, Mineral Engineering Technical Services Pty Ltd ("METS") – has for the first time using hydrometallurgy successfully extracted the valuable metal units of vanadium, titanium and iron from the titanomagnetite ores which make up most of Australia's known vanadium deposits.

This next phase of pilot plant metallurgical testwork, and will take approximately 26 weeks to complete, providing a definitive test of the commercial potential of the process, and forms part of the Pre-Feasibility Study (PFS) on the Mount Peake Project

The Resource upgrade will be completed by Snowden Mining Consultants.

TNG LIMITED

Paul E Burton
Managing Director
13th May 2011

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COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results 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.