

ASX ANNOUNCEMENT

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PROJECTS

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

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MAJOR DRILLING PROGRAMS SET TO COMMENCE ON TNG'S NT COPPER AND VANADIUM PROJECTS

Three rigs to be operational across two fronts during November

Highlights:

- **2,000m of RC drilling scheduled for the Mount Hardy Copper Project, commencing late October.**
- **Drilling will test up to five priority prospect areas, identified from recent HELITEM® and ground EM surveys, as well as recent rock chip sampling.**
- **7,000m of drilling, including 2,000m of diamond core drilling, to be undertaken at the Company's flagship Mount Peake Vanadium-Titanium-Iron Project.**
- **Mount Peake drilling designed to extend the current 160Mt Indicated and Inferred Resource and upgrade the resource to the Measured category.**
- **Diamond core (PQ) drilling will also be undertaken to extract core for metallurgical test work, as part of the upcoming Definitive Feasibility Study on Mount Peake.**

Australian resources company TNG Limited (ASX: **TNG**) is pleased to announce significant new drilling programs at both its **Mount Hardy Copper Project** and flagship **Mount Peake Vanadium-Titanium-Iron Project**, both located in the Northern Territory.

The Company will have three rigs operating for much of November, providing strong news flow through to the end of the year.

Copper Drilling – Mount Hardy

Drilling at the Mount Hardy Copper Project is scheduled to commence by the end of October, subject to rig mobilisation from previous work. This program will initially comprise 2,000m of Reverse Circulation (RC) drilling, subject to success.

The program will test priority targets where TNG has recently reported outstanding rock chip sample results with peak rock chip grades of **35.0% copper, 6.85% zinc, 16.15% lead and 7.93g/t gold** (see ASX Announcements – September 27th, October 2nd and 10th).

The samples came from coincident EM targets identified from highly successful HELITEM® and ground EM surveys conducted over the Mount Hardy Project area earlier this year. The combination of excellent results from geophysics and fieldwork including mapping, soil sampling and rock chip samples has significantly enhanced the prospectivity of the Mount Hardy Project.

The Company will report the results from this drilling following completion and receipt of assay results.

Mount Peake Resource Extension Drilling

In order to continue to progress its flagship Mount Peake Vanadium-Titanium-Iron Project, the Company has decided to undertake additional drilling to extend and upgrade the current JORC compliant resource.

The Pre-Feasibility Study (PFS) completed earlier this year was based on an updated JORC Indicated and Inferred Resource for Mount Peake published on 12 October 2011 of 160Mt @ 0.3% V₂O₅, 5% TiO₂ and 23% Fe (Indicated 110Mt @ 0.29% V₂O₅, 5.3% TiO₂ and 23% Fe; Inferred 48Mt @ 0.24% V₂O₅, 4.5% TiO₂ and 21% Fe). In addition to this resource, TNG has published an Exploration Target¹ of 500-700Mt grading 0.2-0.4% V₂O₅ and 25-35% Fe.

The updated resource model compiled by Snowden Mining Consultants revealed that the Mount Peake deposit itself remains open to the east. In addition, recent regional drilling has highlighted the potential to further increase the Company's resource inventory in the region.

The forthcoming drilling program will comprise 7,000m of diamond and RC drilling and is designed to extend the resource to the east by converting some of the current Exploration Target to JORC resources, as well as to upgrade the existing resource to the JORC Measured category.

This will provide a strong foundation for the Definitive Feasibility Study (DFS). TNG is scheduled to make a decision to proceed with the DFS during Q4 2012.

The Mount Peake drilling will include approximately 2,000m of large diameter (PQ) diamond core drilling to extract representative samples for metallurgical testwork that will be undertaken as part of the DFS.

TNG's Managing Director, Mr Paul Burton, said the November drilling represented one of the most significant exploration campaigns in the Company's recent history.

"The results we have achieved recently from Mount Hardy are exceptional for early-stage exploration, and have confirmed the prospectivity of this very exciting copper region," he said. "We are really looking forward to putting some of these priority targets to the ultimate test with drilling. Copper exploration within our portfolio will be a key ongoing focus for us for much of the rest of the year.

"In addition, we have decided to undertake additional drilling at Mount Peake to extend and upgrade the resource. This will further enhance and strengthen the project as we move towards a decision on a Definitive Feasibility Study later this Quarter."

Paul E Burton Managing Director

¹ The potential quantity and grade is conceptual nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

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COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Paul Burton who is a Member of The Australasian Institute of Mining and Metallurgy and a 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.

The information in this report that relates to Mineral Resources is based on information compiled by Jeremy Peters who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of Snowden Mining Industry Consultants Pty Ltd. Jeremy Peters 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'. Jeremy Peters consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.