

ASX ANNOUNCEMENT

25 February 2014

ASX CODE: TNG

REGISTERED OFFICE

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Subiaco, Western Australia 6008

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ABN 12 000 817 023

DIRECTORS

Jianrong Xu
Paul Burton
Michael Evans
Stuart Crow
Rex Turkington
Wang Zhigang

COMPANY SECRETARY

Simon Robertson

PROJECTS

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

CONTACT DETAILS

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Simon Robertson | +61 8 9327 0900

TNG TO FURTHER STRENGTHEN CASH POSITION

Proceeds to be used to progress Mount Peake development

TNG Limited (ASX: TNG) is pleased to advise that it will further strengthen its cash resources after receiving commitments to raise approximately \$700,000 on the same terms as the placement and Share Purchase Plan completed last year.

On 17 October 2013, the Company announced a placement raising \$2.3 million on the same terms as its earlier Share Purchase Plan (\$0.045 cents per share with one free attaching option exercisable at \$0.08 by 31 July 2015 for every 2 shares issued).

In that announcement, TNG advised that it had received additional commitments for approximately \$500,000 worth of shares (and free attaching options) on the same basis as the Share Purchase Plan and placement, subject to approval of the renewal of TNG's placement capacity under the Listing Rules.

This approval was received at TNG's Annual General Meeting on 27 November 2013.

TNG advises it has now received commitments for a total \$700,000 worth of shares on the terms described above. The company has agreed that shares and free attaching options are to be offered pursuant to a prospectus which was lodged with the Australian Securities and Investments Commission today and is attached to this announcement.

TNG's Managing Director, Mr Paul Burton, said he was pleased with the continued strong level of investor support for the Company, with the proceeds further strengthening its balance sheet and supporting its development plans for the Mount Peake strategic metals project in the Northern Territory.

Paul E Burton
Managing Director

Enquiries:

Paul E Burton,

Managing Director + 61 (0) 8 9327 0900

Nicholas Read

Read Corporate + 61 (0) 8 9388 1474

Forward-Looking Statements

This announcement has been prepared by TNG Limited. 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 Limited 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 Limited, 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 Limited. Actual values, results or events may be materially different to those expressed or implied.

About TNG:

TNG Limited is a junior exploration company with a focus on exploration and development of projects in the Northern Territory of Australia.

The company is currently developing its 100% owned world class Mount Peake Vanadium –Titanium – Iron project which is currently in the Definitive Feasibility Stage, with anticipated production in 2015. In addition it is also actively exploring its copper projects including its 100% owned Mt Hardy project which is emerging as a potential major Copper/Gold and polymetallic project.

The Company has joint ventures on its other projects with Rio Tinto, Norilsk, and Western Desert Resources and strategic investment from Ao-Zhong Ltd., a 100% owned subsidiary of China's ECE Ltd.

For more information please see the Company's website at www.tngltd.com.au

TNG LIMITED

ABN 12 000 817 023

PROSPECTUS

For the issue of up to 22,222,222 Shares and one (1) free Option for every two (2) Shares issued

THE OFFER IS CURRENTLY SCHEDULED TO CLOSE AT 5.00PM WST ON 4 March 2014

VALID APPLICATION FORMS MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the Application Form regarding the acceptance of Securities under the Offer.

Only investors nominated by the Company are eligible to participate in the Offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE SECURITIES OFFERED BY THIS PROSPECTUS SHOULD BE CONSIDERED SPECULATIVE IN NATURE.

IMPORTANT INFORMATION

About this Prospectus

This Prospectus is dated 25 February 2014 and was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the contents of this Prospectus.

The expiry date of this Prospectus is 5.00pm (WST) on the date that is 13 months after the date of this Prospectus (**Expiry Date**). No Securities will be issued on the basis of this Prospectus after the Expiry Date.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as a full form prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

The Securities offered under this Prospectus should be considered speculative in nature. Before applying for Securities, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits and risks involved. Various risks may affect the future operating and financial performance of the Company and the value of an investment in the Company. Some of these risks are listed in Section 2 of this Prospectus. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

The potential tax effects of participating in the Offer will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

The Company will apply for Official Quotation by ASX of the Securities offered by this Prospectus.

This Prospectus should be read in conjunction with the other documents which accompany this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 1, 282 Rokeby Road, Subiaco, Western Australia, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.3).

Applications for Securities offered under this Prospectus can only be submitted on an original Application Form provided by the Company and accompanying this Prospectus. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete unaltered copy of this Prospectus.

Any revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus or the documents accompanying it. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. Neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus, except as required by law, and then only to the extent so required.

Restriction on the distribution of this Prospectus

The Offer is not being made to Shareholders or residents outside Australia and New Zealand.

This Prospectus and the accompanying Application Form do not, and are not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy securities in any country other than Australia and New Zealand. In particular, any securities described in this Prospectus have not been, and will not be, registered under the *US Securities Act 1933* (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

No action has been taken to permit the Offer under this Prospectus in any jurisdiction other than Australia and New Zealand.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

Privacy

If you apply for Securities, you will provide personal information to the Company and the Registry. The Company and the Registry collect, hold and use information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out herein and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Defined terms and abbreviations

Terms and abbreviations used in this Prospectus are defined in the Glossary of Terms (see Section 6).

CORPORATE DIRECTORY

Directors

Jianrong Xu	Chairman
Paul Burton	Managing Director
Michael Evans	Non-Executive Director
Geoffrey Crow	Non-Executive Director
Rex Turkington	Non-Executive Director
Zhigang Wang	Non-Executive Director

Stock Exchange Listing

Australian Securities Exchange
Home Branch – Perth
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Company Secretary

Mr Simon Robertson

ASX Codes

TNG
TNGO

Company Website

www.tngltd.com.au

Principal and Registered Office

Level 1, 282 Rokeby Rd
Subiaco WA 6008
Tel: + 61 (0)8 9327 0900
Fax: + 61 (0)8 9327 0901

Solicitors to the Company

Clifford Chance
Level 7, 190 St Georges Terrace
Perth, Western Australia, 6000

Share Registry

Computershare Registry Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth WA
Tel: + 61 (0)8 9323 2000

INDICATIVE TIMETABLE FOR OFFER*

Lodgement of Prospectus with ASIC and ASX	25 February 2014
Opening Date	25 February 2014
Closing Date	4 March 2014
Anticipated date for allotment and issue of the Shares and Options	5 March 2014
Anticipated date for sending holder statements	5 March 2014
Anticipated trading date for Shares and Options	6 March 2014

* These dates are indicative only. The Company may vary the dates and times of the Offer or withdraw it without notice. Accordingly, investors nominated by the Company are encouraged to submit their Application Form as early as possible. Without limiting the foregoing, subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for allotment and issue of the Options.

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1. Details of the Offer

1.1 Background

On 14 August 2013, TNG advised that its Share Purchase Plan (announced on 2 July 2013) had closed, raising a total of \$1.2 million.

On 17 October 2013, TNG announced that it had placed an amount equal to the Share Purchase Plan shortfall of \$2.3 million. In its announcement TNG advised that it had received further commitments of up to \$500,000 worth of Shares (and free attaching Options) on the same basis as the completed Share Purchase Plan and placement (\$0.045 cents per Share with a free attaching Option on the basis of 1 Option for every 2 new Shares issued) subject to approval of the renewal of the Company's placement capacity under the Listing Rules. The Company's placement capacity was refreshed at its Annual General Meeting on 27 November 2013.

At the Annual General Meeting, Shareholders also approved a placement facility allowing the Company to issue (within 3 months of the AGM) up to 50,000,000 Shares at an issue price each of not less than 80% of the average market price of Shares over the last five days on which sales of Shares were recorded prior to the date of issue of the Shares or, if there is a prospectus relating to the issue of the Shares, over the last five days on which sales of Shares were recorded prior to the date of the prospectus (**Placement Facility**). The Shares offered by this Prospectus may be offered under the Placement Facility or alternatively under the Company's placement capacity under either Listing Rule 7.1 or 7.1A. The Options to be issued under this Prospectus will be issued under the Company's Listing Rule 7.1 capacity.

All Shares and Shares issued upon the future exercise of the Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.6 for further information regarding the rights and liabilities attaching to the Shares.

1.2 The Offer

By this Prospectus, the Company makes an offer of up to 22,222,222 Shares and 11,111,111 Options (subject to rounding provisions) to certain investors nominated by the Company. Options are offered on the basis of one free attaching Option for every Share subscribed for. Where any offer of Shares would result in an offer of a fraction of an Option, such fraction will be rounded down to the nearest whole Option.

Each Share will rank *pari passu* with the Company's existing Shares. The rights and liabilities attaching to Shares are set out in section 4.6.

Each Option will have an exercise price of \$0.08 per Option and will expire on 31 July 2015 and will otherwise be issued on the terms set out in section 4.5. Options will rank *pari passu* with the Company's other listed options expiring on 31 July 2015.

The Company has as at the date of this Prospectus 537,049,205 Shares, 38,888,852 listed Options and 7,000,000 unlisted Options on issue.

1.3 Opening and Closing Dates

The Offer will open on 25 February 2014 (**Opening Date**) and is anticipated to close on 4 March 2014 (**Closing Date**). The Opening Date and Closing Date for the Offer are indicative only and are subject to change without notice. The Company may vary these dates, including to close the Offer early, extend the Closing Date or to withdraw the Offer at any time prior to issue. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the Opening Date.

The Company will accept Application Forms for the Offer from the Opening Date until 5.00pm WST on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.4 Minimum and Maximum Subscription

There is no minimum subscription under the Offer.

The amount to be raised under the Offer is capped at \$1,000,000. This means that the Offer is capped at 22,222,222 Shares and 11,111,111 Options (subject to rounding provisions).

1.5 Applying for Shares and Options

If you have been sent a Prospectus and invited to apply for Shares and Options and would like to apply for Shares and Options, please complete the application form (**Application Form**) provided by the Company with copy of this Prospectus and return it to the Company:

TNG Limited
Level 1, 282 Rokeby Road
Subiaco WA 6008

The return of a completed Application Form will constitute an offer to subscribe for Securities on the terms and conditions of this Offer. Once an application has been made, it cannot be revoked. No notice of acceptance of the application will be provided by the Company.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

Offers are non-renounceable and may not be sold or transferred.

If the number of Securities subscribed for is more than the number of Securities offered to an applicant, the Company reserves the right to return the Application Form and not issue any Securities to the applicant or to accept it in respect of a lesser number of Securities.

1.6 No underwriting

The Offer will not be underwritten.

1.7 Brokers

Brokerage and/or handling fees on applications for Securities may be payable to member firms of ASX accepted by the Company. The rate payable will be determined by the Board in its absolute discretion.

1.8 Issue of Securities and sending of security holder statements

The Company will not be obliged to allot any Securities and the Applicant will not be entitled to receive or be issued any Securities until the Board resolves to allot the Securities.

The Directors expect that Securities under the Offer will be allotted and issued on or about 5 March 2014, however allotments may be made progressively. Holding statements in relation to those Securities are expected to be sent by 5 March 2014.

Applicants who sell Securities before they receive their holding statements will do so at their own risk. The Company and the Registry disclaim all liability, whether in negligence or otherwise, to any person who trades in Securities before receiving their holding statement, whether on the basis of a confirmation of allocation provided by the Company, the Registry, a broker or otherwise.

1.9 ASX quotation

Application will be made to ASX for the Official Quotation of the Securities offered by this Prospectus within seven days of the date of this Prospectus. Subject to approval being granted by ASX, it is expected that the quotation and trading of Securities issued under the Offer will commence within five Business Days after their date of issue. If permission is not granted by ASX for the Official Quotation of the Securities offered by this Prospectus within 3 months after the date of this Prospectus, the Company will repay, as soon as practicable, without interest, all application monies received pursuant to this Prospectus, or take such other action as allowed under the Corporations Act.

1.10 Taxation implications

The Directors do not consider it appropriate to give Shareholders or potential investors advice regarding the taxation consequences of subscribing for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders or potential investors. As a result, Shareholders and potential investors should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

1.11 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2013 is in the Annual Report which was announced on the ASX on 22 October 2013.

A summary of activities relating to the Company is also set out in the quarterly activities report lodged with ASX on 25 October 2013 and 21 January 2014. The Company's continuous disclosure notices (i.e. ASX announcements) since the date of lodgement of the Annual Report on 22 October 2013 are listed in Section 4.3.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders and potential investors review these and all other announcements prior to deciding whether or not to subscribe for Securities under this Prospectus.

1.12 CHESS and issuer sponsorship

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. All trading on ASX in Securities will be settled through CHESS. ASX Settlement Pty Limited ACN 008 504 532, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

The Company's Registry operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. Both these sub-registers constitute the Company's principal register of shareholders.

Holders of Securities will not receive a certificate but will receive a statement of their holding of Securities.

If you are broker sponsored or other participant in CHESS, ASX Settlement will send you a CHESS statement. The CHESS statement will set out the number of Securities issued under this Prospectus, provide details of your holder identification number and the terms and conditions applicable to the Securities, including a notice to exercise the Securities.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Computershare Investor Services Pty Limited and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHESSE statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.13 Enquiries concerning Prospectus

Enquiries relating to the Offer and this Prospectus should be directed to the Company Secretary by telephone on +61 8 9327 0900.

2. Risk factors

This section discusses some of the key risks associated with an investment in TNG Securities. A number of risks and uncertainties, which are both specific to TNG and of a more general nature, may adversely affect the operating and financial performance or position of TNG, which in turn may affect the value of TNG Securities and the value of an investment in TNG.

The risks and uncertainties described below are not an exhaustive list of the risks facing TNG or associated with an investment in TNG. Additional risks and uncertainties may also become important factors that adversely affect TNG's operating and financial performance or position.

This document is not financial product advice and has been prepared without taking into account your investment objectives or personal circumstances. Before investing in TNG Securities, you should consider whether an investment in TNG Securities is suitable for you. Potential investors should consider publicly available information on TNG (such as that available on the websites of TNG and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

2.1 TNG specific risks

(a) Litigation Risks

(i) Constructive Trust Claim

The Commonwealth of Australia (the Commonwealth) in proceedings in the Supreme Court of the Australian Capital Territory has claimed that it is entitled to a constructive trust over certain shares and options held by TNG in Kanowna Lights Limited (the **Kanowna Securities**) as a result of circumstances arising in the late 1990s when management control of TNG was held by interests associated with Davis Samuel Pty Ltd (**Davis Samuel**). The Commonwealth has obtained an injunction preventing TNG from selling or otherwise disposing of the Kanowna Securities.

The Commonwealth has claimed that as constructive trustee, TNG is liable to account for the market value of the shares at the time they were acquired. The Commonwealth gave an undertaking as to damages.

In December 1998, TNG entered into a settlement agreement with Davis Samuel and its directors which provided for the repayment of the funds expended by TNG, in exchange for the transfer of the Kanowna Securities to Davis Samuel. Subsequently, in September 1999, Davis Samuel purported to rescind the December 1998 settlement agreement.

TNG, as a party to the proceedings instituted by the Commonwealth, issued cross-claims against Davis Samuel and several other parties including Messrs Allan Endresz, Peter Cain, William Forge, David Muir and Peter Clark. TNG vigorously defended the Commonwealth claims. The court hearing commenced in June 2008 and concluded in the last quarter of 2008. The court reserved its decision, which was handed down on 1 August 2013.

The decision handed down on 1 August 2013 gave judgment for the Commonwealth on its claims, including the claim against TNG in relation to the Kanowna Securities, but has given leave to both TNG and the Commonwealth to make further submissions on how the Commonwealth's election to recover funds from Mark Endresz impacts on the remedies available to the Commonwealth as against TNG. Subject to this, TNG may be required to deliver up the Kanowna Securities to the Commonwealth, or an amount equal to their assessed value (possibly plus interest).

The Court also gave judgment for TNG on its counterclaim against ten of the defendants and on TNG's third party notice to Peter John Clark for damages to be assessed and to indemnify it against the Commonwealth's claim. In addition, the Court confirmed that TNG has an interest in funds and real property as a result of TNG paying over amounts as a consequence of various entities breaching fiduciary duties owed to TNG or assisting in those breaches. The recoverability of the full amount of any judgment in TNG's favour will depend on the ability to pay of those parties who are liable.

The above decision required further hearings and determinations to take place before final orders are made. As a result, any cost to TNG and any amounts recoverable by it on its counter claims cannot be reliably measured at this point in time. These further hearings took place in November and December 2013, but the decisions have been reserved.

If the outcome of this matter is not favourable to TNG, TNG will be liable to deliver the Kanowna Securities (or their value, possibly with interest) to the Commonwealth, and may also be liable for costs of the proceedings if awarded against it.

(ii) **Subscription agreement**

On 7 November 2011, TNG signed a subscription agreement with Ao-Zhong International Mineral Resources Pty Ltd (a subsidiary of the East China Mineral Exploration & Development Bureau (**ECE**)) and Aosu Investment and Development Co. Pty. Ltd. (together the **Subscribers**), formalising the previously announced strategic partnership with ECE (**Subscription Agreement**).

Under the Subscription Agreement, TNG represented and warranted to the Subscribers that any liability which any court may order TNG to pay in respect of legal proceedings known as The Commonwealth v TNG Limited (**Davis Samuel Claim**) will not exceed a value of \$500,000. If this representation and warranty is found to be incorrect (following the final determination of the Davis Samuel Claim after any avenues of appeal which any party to the Davis Samuel Claim elects to pursue have been exhausted), TNG will be liable to pay as liquidated damages to the Subscribers an amount that is the lesser of:

- (A) \$1,500,000; or
- (B) court ordered liability (including for damages and costs other than TNG's own legal costs incurred before the date of the Subscription Agreement) x 29.999%.

The Subscribers were unwilling to enter into the Subscription Agreement unless TNG included this clause to compensate the Subscribers (up to a cap of \$1,500,000) in respect of any liability incurred as a result of the Davis Samuel Claim (if TNG's liability exceeds \$500,000). Whilst TNG is anticipating it will continue to incur legal costs, as identified above, it is vigorously defending the claim. TNG does not anticipate that its liability (as defined in the Subscription Agreement) in respect of the Davis Samuel Claim will exceed \$500,000.

(b) **Capital requirements and impact on operations**

TNG's operations including the development of the Mount Peake project and continued exploration of its other projects will require substantial expenditures. The funds raised through the Offer, even if fully subscribed, together with cash reserves will not be sufficient to successfully achieve all the objectives of TNG's overall business strategy.

There is no assurance that TNG will be successful in raising additional capital under the Offer or in the future as and when it is required. Failure to obtain additional funding may cause TNG to postpone any development plans, forfeit rights to some or

all of its projects or reduce its operating structures, including staff and overhead levels, which may delay or suspend TNG's business strategy and could have a material adverse effect on TNG's activities.

Any additional equity financing may be dilutive to TNG's existing shareholders and any debt financing, if available, may involve restrictive covenants which limit TNG's operations and business strategy.

(c) **Mount Peake Project**

The Company's Mount Peake Project is a Vanadium – Titanium – Iron deposit located on Pastoral Lease land, 300km north-northwest of Alice Springs in the Northern Territory, close to existing road, rail and gas infrastructure.

The Company progressed the project to Pre-feasibility (**PFS**) stage in 2012.

The 2012 PFS results were independently prepared by Mineral Engineering Technical Services (**METS**) (which provided process and infrastructure design and related capital and operating costs analysis), Snowden Mining Consultants (which provided mine design, mining costs and financial analysis) and Sinclair Knight Merz (which provided PFS management and transport costs analysis) to an accuracy level of ± 25 per cent, which is typical for a PFS and provides a strong platform to progress to a Definitive Feasibility Study (**DFS**)

The results of the PFS were based on assumptions by the consultants on a number of items including but not limited to:

- (i) commodity prices;
- (ii) exchange rates;
- (iii) total material mined;
- (iv) strip ratios;
- (v) mine life;
- (vi) processing rate (life-of-mine);
- (vii) average head grade and recoveries;
- (viii) operating costs; and
- (ix) capital construction costs.

Based on the positive results of the PFS the Company is currently undertaking a Definitive Feasibility Study (DFS) into the project to confirm the economic viability of developing and mining the resource.

On 10 February 2014 the Company issued a progress update on activities and studies being undertaken with a view to refining capital and operating expenditures to a more accurate level as part of the DFS.

This is no guarantee that the DFS will confirm the assumptions used in the PFS or the results of the PFS or indicate that the development of Mount Peake Project is economically viable. Even if the DFS indicates that the project is economically viable the project will be subject to further detailed studies, finance arrangements, agreements and regulatory approvals before a decision to commence a mining operation can be made. There is no guarantee that these steps will result in the project being economically viable or progressing to mining operations.

(d) **TIVAN® Metallurgical Process**

The Company has, in conjunction with METS, developed a metallurgical process for the recovery of high purity vanadium from the Mount Peake deposit, and this process is subject to an international patent application (patent pending) and the process registered with the trademark name of TIVAN (**TIVAN® process**). This process was developed to extract commercial grades of vanadium, titanium and iron from the Mount Peake ore.

As part of the DFS, the Company, in conjunction with METS, has engaged the Commonwealth Scientific & Industrial Research Organisation (**CSIRO**) to complete a

definitive pilot plant trial representing the next phase in the Company's metallurgical test work program at Mount Peake.

CSIRO has been engaged to undertake the design, construction and operation of a pilot plant to provide critical information for the scale-up to an industrial-sized plant for the Mount Peake mining operation.

While all test work to date and pilot plant test work conducted in 2012 has indicated that the TIVAN[®] process can successfully produce high purity aqueous solutions leading to the production of high-purity vanadium pentoxide, iron-oxide and titanium-dioxide, until the final pilot test work is completed, there is no guarantee that the TIVAN[®] process will up-scale to an industrial-sized plant for use on the Mount Peake Project. If the process cannot be up-scaled the financial viability of the project may be impacted.

The Company announced on 20 November 2013 that it has executed formal agreements with METS which have since resulted in the acquisition of 100% of the TIVAN Hydrometallurgical process.

(e) **Intellectual property**

TNG regards its patents, copyrights, trademarks, trade secrets and similar intellectual property (including that relating to the TIVAN[®] process) as important. TNG relies on patent, trademark and copyright law, trade secret protection and duties of confidence with third parties to protect its intellectual property rights. While TNG will use all reasonable endeavours to protect these rights, the steps that TNG takes to protect its intellectual property rights may be inadequate. The unauthorised use or disclosure of its proprietary technology and systems may have adverse effects on the future operation and financial performance of TNG.

(f) **Manbarrum and Mount Hardy projects**

The Mount Hardy Copper-Gold project is located 220 km North of Alice Springs in the Northern Territory on a pastoral lease. The Manbarrum Lead-Zinc-Silver project is located 82 Kilometres northeast of Kununurra and is wholly located within the Northern Territory. The locations of these projects are considered by TNG to be culturally and environmentally sensitive.

There is a substantial level of regulation and restriction on the ability of mining companies to have access to land in Australia. The Native Title Act 1993 (Cwth) gives statutory recognition of claims of native title. See further details in paragraph (k) below.

The Company's operations at Manbarrum and Mount Hardy will also be subject to environmental regulation. See paragraph (l) below.

TNG has applied for exemptions from expenditure obligations in relation to various tenements forming part of the Manbarrum Project including obligations which have not been met as at the date of this Prospectus. Failure to meet obligations renders the tenements subject to forfeiture unless exemptions are granted. Whilst, based on previous experience, TNG is confident that the applications for exemption from minimum expenditure commitments will be granted, these applications have not yet been processed and if an application for an exemption was to be refused for some reason, there is a risk that the tenement would be forfeited.

(g) **Reliance on key personnel**

TNG is reliant on its management. The loss of one or more of these individuals could adversely affect TNG.

In addition, TNG's ability to achieve its business goals effectively will require it to continue to implement and improve its management systems and to recruit and train new employees and consultants. Although TNG expects to be able to do so in the

future, there can be no assurance that TNG will be able to attract and retain skilled and experienced personnel and consultants.

(h) **Joint venture parties, contractors and agents**

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which TNG may be or become a party; or insolvency or other managerial failure by any of the contractors used by TNG in any of its activities; or insolvency or other managerial failure by any of the other service providers used by TNG for any activity.

(i) **Exploration, development, mining and processing risks**

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable ore resources;
- (ii) successful conclusions to bankable feasibility studies;
- (iii) access to adequate capital for project development;
- (iv) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (v) securing and maintaining title to tenements;
- (vi) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (vii) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants;
- (viii) native title risks (see also below); and
- (ix) adverse weather conditions which, over a prolonged period can adversely affect exploration and mining operations and the timing of revenues; and
- (x) operational and technical risks arising once production commences.

Whether or not income will result from development of tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

(j) **Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through testwork to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(k) **Native title**

TNG may from time to time, need to negotiate with any native title claimant for access rights to its tenements. In addition, agreement will need to be reached with native title claimants and/or holders in the event of mining. There may be significant delays and costs associated with these negotiations and to reach agreement acceptable to all relevant parties.

(l) **Environmental management**

TNG's operations are and will be subject to environmental regulation. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance and assessments of proposed projects. Environmental regulations could impact on the viability of TNG's projects. TNG may become subject to liability for pollution or other hazards against

which it has not insured or cannot insure, including those in respect of past mining or other activities for which it was not responsible.

(m) **Title**

All mining tenements which TNG may acquire either by application, sale and purchase or farm-in are regulated by the applicable state mining legislation.

There is no guarantee that applications will be granted as applied for (although TNG has no reason to believe that tenements will not be granted in due course). Various conditions may also be imposed as a condition of grant. In addition the relevant minister may need to consent to any transfer of tenement to TNG.

Renewal of titles is made by way of application to the relevant department. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable state mining legislation. In addition, the relevant department may impose conditions on any renewal, including relinquishment of ground.

(n) **Resource estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when made may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should TNG encounter mineralisation or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and this may affect the viability of future operations.

(o) **Option and dilution risk**

Options are, by their nature, only of value at times when the exercise price is lower than the price of the underlying Shares. There is no guarantee that the Options will, at any particular time, have an exercise price which is lower than the price of Shares. The Options may be "out of the money" and may therefore have little or no value, and may expire at a time when they have no value.

On completion of the Offer, there will be a further 11,111,111 Options (subject to rounding) on issue (assuming the Offers under this Prospectus are fully subscribed and no other Options are granted or exercised).

If exercised, these Options will be converted into Shares, thereby causing the shareholdings of Shareholders to be diluted by up to 1.95% (on the basis that only these Options are exercised and no other Options on issue at the date of this Prospectus are exercised). However, each Option has an exercise price of \$0.08 which means that the Company will receive additional funds of up to approximately \$888,888 upon exercise of the Options, if all Options the subject of the Offer are exercised.

2.2 General risks

(a) **Share market**

Share market conditions may affect the price at which TNG's securities trade regardless of operating performance. Share market conditions are affected by many factors, such as:

- (i) general economic outlook;
- (ii) movements in, or outlook in, interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity prices;
- (v) changes in investor sentiment towards particular market sectors; and
- (vi) the demand for, and supply of, capital.

Security holders should recognise that the price of TNG Securities may fall as well as rise. Many factors will affect the price of TNG Securities including local and international stock markets, movements in interest rates, economic conditions and

investor sentiment generally. In addition, the commencement of, or escalation in, any war, armed conflict, hostilities between nations, civil unrest or terrorist activities may affect the price of TNG Securities.

(b) **Commodity prices**

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence and have an effect on the economic viability of individual projects in which TNG has an interest.

(c) **Economic factors**

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. TNG's future possible revenues and securities prices can be affected by these factors, which are beyond the control of TNG and its Directors.

(d) **Government policy**

Industry profitability can be affected by changes in government, both within Australia and externally, which are not within the control of TNG. TNG's activities are subject to extensive laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities upon the environment and upon interests of native and/or indigenous peoples. Permits from a variety of regulatory authorities are required for many aspects of mine operation and reclamation. There is no assurance that permits will be obtained when sought or that unfavourable conditions will not be imposed. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of TNG's tenements, the extent of which cannot be predicted.

2.3 Speculative investment

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Options offered under this Prospectus. Potential investors should consider that an investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Securities pursuant to this Prospectus.

3. Purpose and effect of the Offer

This Section 3 is prepared on the basis that the Offer is fully subscribed.

3.1 Purpose of the Offer

Funds raised under the Offer will be used to progress the ongoing Definitive Feasibility Study (DFS) on the Company's flagship Mount Peake Iron-Vanadium-Titanium Project in the Northern Territory, as well as to progress its other exploration projects and for general operational and capital expenditure.

3.2 Effect of the Offer

The principal effect of the Offer, assuming all Securities offered under the Prospectus are issued, will be to increase the number of Shares currently on issue by 22,222,222 and increase the number of listed Options currently on issue by 11,111,111 (assuming the Offer is fully subscribed for, and subject to rounding).

If fully subscribed cash reserves will increase by approximately \$920,000.

If all of the Options issued under this Prospectus are exercised, the Company will be paid exercise proceeds of \$888,888 (before costs) and an additional 11,111,111 Shares will be issued to Option holders. The exercise proceeds will be applied towards the Company's general operational and project expenditure.

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming the Offer is fully subscribed for, and all Securities offered under this Prospectus are issued and all options exercised (but no other securities are issued by the Company), is set out below:

	Number of Shares	Number of listed Options ⁽¹⁾	Number of unlisted Options ⁽²⁾
Balance at the date of this Prospectus ⁽³⁾	537,049,205	38,888,852	7,000,000
Maximum to be issued under the Offer	⁽⁴⁾ 22,222,222	⁽⁴⁾ 11,111,111	-
Total securities on issue after the Offer	559,271,427	49,999,963	7,000,000
Shares to be issued if conversion of all options occurs	56,999,963	(49,999,963)	(7,000,000)
Fully diluted capital position	616,271,390	-	-

(1) Details of Options:
Exercise Date Exercise Price
31 July 2015 \$0.08

(2) Details of Options:
Exercise Date Exercise Price Number
26 November 2015 \$0.235 3,000,000
26 November 2016 \$0.057 4,000,000

(3) Assuming no Options are exercised prior to the date of this Prospectus.

(4) The Company will apply for Official Quotation of these Shares and Options.

3.4 Pro-forma balance sheet

The pro-forma balance sheet is based on the statement of unaudited financial position as at 31 December 2013 that has then been adjusted (assuming the Offer is fully subscribed for) to reflect the issue of 22,222,222 Shares at an issue price of \$0.045 and 11,111,111 free attaching Options pursuant to the Offer to raise \$1,000,000 before costs of the Offer of approximately \$86,000. The pro-forma balance sheet is prepared on the basis that the Offer raises \$914,000 after costs. This has reflected as an increase in cash reserves with a corresponding increase in issued capital.

The pro-forma, unaudited balance sheet excludes movements from carrying out general business operations. The pro-forma, unaudited balance sheet is illustrative only and may not represent the financial position of the Company following the close of the Offer. The pro-forma, unaudited balance sheet does not take into account the effect of any future exercises of Options.

	Unaudited 31 December 2013 (Unaudited)	Adjustments	Pro-forma 31 December 2013 (Unaudited)
Current Assets			
Cash and cash equivalents	5,446,910	914,000	6,360,910
Other receivables	295,206	-	295,206
Prepayments	149,976	-	149,976
Other investments	63,600	-	63,600
Total Current Assets	5,955,692	914,000	6,869,692
Non-Current Assets			
Plant & equipment	199,529	-	199,529
Exploration and evaluation	23,294,249	-	23,294,249
Total Non-Current Assets	23,493,778	-	23,493,778
Total Assets	29,449,470	914,000	30,363,470
Current Liabilities			
Trade and other payables	485,594	-	485,594
Provisions	81,322	-	81,322
Total Current Liabilities	566,916	-	566,916
Total Liabilities	566,916	-	566,916
Net Assets	28,882,554	914,000	29,796,554
Equity			
Issued capital	45,218,669	914,000	46,132,669
Reserves	(11,400)	-	(11,400)
Accumulated losses	(16,324,715)	-	(16,324,715)
Total Equity	28,882,554	914,000	29,796,554

3.5 Market price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.048 Share on 21 February 2014

Lowest: \$0.038 per Share on 4 February 2014

The latest available closing sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.047 per Share on 24 February 2014

3.6 Dividend policy

The Company does not currently pay dividends. The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. Additional information

4.1 Nature of this Prospectus

This Prospectus is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities to issue a prospectus with less rigorous disclosure requirements if:

- (a) the securities offered by the prospectus were enhanced disclosure securities at all times in the 3 months before the date of the prospectus; and
- (b) during the shorter of the period during which the securities were quoted and the period of 12 months before the date of the prospectus, the company was not subject to certain exemptions or declarations prescribed by the Corporations Act.

Securities are enhanced disclosure securities if:

- (a) the company is included in the official list of ASX; and
- (b) the ASX Listing Rules apply to those securities.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information necessary to make an informed assessment of:

- (a) the effect of the Offer on the Company;
- (b) the rights and liabilities attaching to the Securities offered by this Prospectus; and
- (c) the rights and liabilities attaching to the Shares into which Options are exercisable.

As the Company has been listed on ASX since 18 February 1971, a substantial amount of information concerning the Company has previously been notified to ASX and is therefore publicly available.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Options.

4.2 Regular reporting and disclosure obligations

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

These obligations require the Company to notify ASX of information about specified events and matters as they arise for the purposes of ASX making that information available to the stock market conducted by ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information of which it becomes aware concerning the Company which a reasonable person would expect to have a material effect on the price or value of securities in the Company.

The Company is also required to prepare and lodge with ASIC both yearly and half yearly financial statements accompanied by a Directors' statement and report and an auditor's report.

All announcements made by the Company are available from ASX.

4.3 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC.

During the period that the Offer remains open, the Company will provide free of charge to any person who requests it, a copy of:

- (a) the Company's annual financial report for the year ended 30 June 2013, being the last financial year for which an annual financial report has been lodged with the ASIC in relation to the Company before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company after 22 October 2013 (being the date of lodgement of the most recent Annual Report referred to in paragraph (a)) and the date of issue of this Prospectus. These notices are listed below:

Date	Description of announcement
20/02/2014	Boardroom Radio Broadcast - Mr Paul Burton
18/02/2014	Boardroom Radio Broadcast - Mr Paul Burton
11/02/2014	Boardroom Radio Broadcast - Mr Paul Burton
10/02/2014	Mount Peake Feasibility Progress and Update
31/01/2014	Tenement schedule
28/01/2014	TNG expands Iron Ore portfolio
23/01/2014	Hardman & Co Research Report Update
22/01/2014	TNG signs agreement for Legune Iron prospect
21/01/2014	Quarterly Activities Report
16/01/2014	Quarterly Cashflow Report
15/01/2014	Change in substantial holding
6/12/2013	New High grade discovery at Mount Peake
4/12/2013	Change in Substantial Holding
2/12/2013	Change of Director's Interest Notice RT Revised
2/12/2013	Change of Director's Interest Notice RT
2/12/2013	Change of Director's Interest Notice SC
2/12/2013	Change of Director's Interest Notice ME
2/12/2013	Change of Director's Interest Notice PB
2/12/2013	Change of Director's Interest Notice WZ
28/11/2013	Boardroom Radio Broadcast - Mr Paul Burton
28/11/2013	Appendix 3B
27/11/2013	Results of Meeting
27/11/2013	MD presentation AGM
27/11/2013	Option exercise price
20/11/2013	TIVAN Acquisition Completed
13/11/2013	LCY: Manbarrum Purchase Update
12/11/2013	Manbarrum Sale Update
30/10/2013	Additional Information LR7.1A
25/10/2013	Amended Quarterly Activities Report
25/10/2013	Quarterly Activities Report
25/10/2013	Quarterly Cashflow Report
23/10/2013	Appendix 3B
23/10/2013	\$2.3 Million Placement Completed

4.4 No information excluded from continuous disclosure

Other than as set out in this Prospectus and the accompanying documents, there is no information which:

- (a) has been excluded from a continuous disclosure notice in accordance with the Listing Rules; and
- (b) is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the Options being offered.

4.5 Rights and liabilities attaching to the Options

The Options to be granted under this Prospectus will be granted on the following terms and conditions:

- (a) Entitlement

Subject to adjustment in accordance with these terms and conditions, each Option entitles the Optionholder to subscribe for one (1) unissued Share upon payment of the Exercise Price before the Expiry Date.
- (b) Exercise Price

The exercise price of each Option is \$0.08 (**Exercise Price**).
- (c) Expiry Date

An Option is exercisable at any time after the date of grant and on or before 5.00pm (WST) on 31 July 2015 (**Expiry Date**). Options that are not exercised by the Expiry Date lapse.
- (d) Notice of Exercise

The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (e) Minimum number of Options exercised

The Optionholder may not exercise less than 1,000 Options at any one time, unless the Optionholder has less than 1,000 Options in which event the Optionholder must exercise all their Options together.
- (f) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the Shares of the Company on issue at the date of this Prospectus.
- (g) Quotation of Shares on exercise

Application will be made by the Company to ASX for official quotation of Shares issued upon the exercise of the Options.

(h) No certificate

No certificate will be issued if the Options are granted quotation on ASX.

(i) Timing of issue of Shares

After an Option is validly exercised, the Company must as soon as possible:

- (i) issue the Share; and
- (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 10 business days from the date of exercise of the Option.

(j) Participation in new issues

An Optionholder may participate in new issues of securities to holders of Shares only if and to the extent that:

- (i) an Option has been exercised; and
- (ii) a Share has been issued in respect of the exercise before the record date for determining entitlements to the new issue.

The Company must give notice to the Optionholder of any new issue not less than 6 Business Days before the record date for determining entitlements to the issue.

(k) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) Adjustment for rights issue

If the Company makes a pro-rata issue of Shares to existing Shareholders (other than a bonus issue) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one (1) Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro-rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro-rata issue).

N - the number of Shares with rights or entitlements that must be held to receive a right to one (1) new Share.

(m) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) Quotation of Options

Application for quotation of the Options will be made by the Company.

(o) Options transferable

The Options are transferable. Options may be transferred in the same manner as Shares unless classified as restricted securities under the ASX Listing Rules and may be exercised by any other person or body corporate.

(p) Exercise instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

(q) Voting and dividend rights

The Options carry no rights to vote at a meeting of Shareholders, and no rights to dividends.

4.6 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek independent legal advice.

(a) Voting

At a general meeting, on a show of hands every Shareholder present in person has one vote. At the taking of a poll, every Shareholder present in person or by proxy and whose Shares are fully paid has one vote for each of his or her Shares. On a poll, the holder of a partly paid share has a fraction of a vote with respect to the share. The fraction is equivalent to the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

(b) General meetings

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to Shareholders under the Constitution of the Company, the Corporations Act and the Listing Rules.

(c) Dividends

The Directors may pay to Shareholders any interim and final dividends as, in the Directors' judgement, the financial position of the Company justifies. The Directors may fix the amount, the record date for determining eligibility and the method of payment. All dividends must be paid to the Shareholders in proportion to the number and the amount paid on the Shares held.

(d) Transfer of Shares

Generally, all Shares in the Company are freely transferable subject to the procedural requirements of the Constitution, and to the provisions of the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules. The Directors may decline to register an instrument of transfer received where the transfer is not in registrable form or where refusal is permitted under the Listing Rules or the ASX Settlement Operating Rules. If the Directors decline to register a transfer the Company must give reasons for the refusal. The Directors must decline to register a transfer when required by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules.

(e) Variation of rights

The Company may only modify or vary the rights attaching to any Shares with the prior approval by a special resolution of the Shareholders, or with the written consent of the holders of at least three-fourths of the issued Shares.

(f) Directors

The minimum number of Directors is three and the maximum is ten. Currently, there are six Directors. Directors must retire on a rotational basis so that one-third of Directors must retire at each annual general meeting. Any other Director who has been in office for three or more years must also retire. A retiring Director is eligible for re-election. The Directors may appoint a director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next annual general meeting.

(g) Decisions of Directors

Questions arising at a meeting of Directors are decided by a majority of votes. The Chairman has a casting vote.

(h) Issue of further shares

Subject to the Constitution, the Corporations Act and the Listing Rules, the Directors may issue, or grant options in respect of, Shares to such persons on such terms as they think fit. In particular, the Directors may issue preference shares, including redeemable preference shares, and may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on winding up.

(i) Officers' indemnity

To the full extent permitted by the law and to the extent not covered by insurance, the Company must indemnify each officer of the Company against all losses and liabilities incurred by the person as an officer of the Company, including costs and expenses incurred in defending proceedings in which judgement is given in favour of the person or in which the person is acquitted or in connection with relief granted to the person in an application under the Corporations Act in respect to such proceedings.

(j) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting. At least 28 days' notice of the intention to propose the special resolution must be given.

- (k) ASX Listing Rules prevail

To the extent that there are any inconsistencies between the Constitution and the Listing Rules, the Listing Rules prevail.

4.7 Directors' interests

- (a) Except as disclosed in this Prospectus, no Director or proposed director, and no firm in which a Director or proposed director has an interest:
- (i) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (ii) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.
- (b) The table below shows the interest of each Director (whether held directly or indirectly) in Securities as at the date of this Prospectus:

	Shares	Listed Options	Unlisted options
Zhigang Wang	59,808,643	-	4,000,000
Rex Turkington	5,721,333	166,666	-
Paul Burton	9,083,333	166,666	-
Geoffrey Crow	4,888,538	166,666	-
Michael Evans	2,509,937	111,111	2,000,000
Jianrong Xu	-	-	-

Directors may hold the relevant interests in Shares shown above directly, or through holdings by companies, trusts or other persons with whom they are associated.

4.8 Directors remuneration

The Constitution specifies that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. Each director receives a fee for being a director of the Company.

Directors received the following remuneration for the previous two financial years:

To 31 December 2013 (6 Months)

Director	Directors Fees and Salary (\$)	Superannuation (\$)	Consulting Fees (\$)	Share Based Awards (\$)	Total (\$)
Jianrong Xu	28,333	-	-	-	28,333
Paul Burton	180,000	16,200	-	259,447	455,647
Geoffrey Crow	28,333	-	-	82,241	110,574
Michael Evans	28,333	-	-	9,863	38,196

Rex Turkington	28,333	-	-	82,241	110,574
Zhigang Wang	28,333	-	-	52,471	80,804

2013

Director	Directors Fees and Salary (\$)	Superannuation (\$)	Consulting Fees (\$)	Share Based Awards (\$)	Total (\$)
Jianrong Xu	60,000	-	-	-	60,000
Paul Burton	359,141	33,667	-	376,274	769,082
Geoffrey Crow	60,000	-	-	113,479	173,479
Michael Evans	5,000	-	-	-	5,000
Rex Turkington	60,000	-	27,135	113,479	200,614
Zhigang wang	60,000	-	-	71,671	131,671

4.9 Interests of other persons

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, and no promoter of the Company holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given to any of these persons for services rendered by them in connection with the formation or promotion of the Company or in connection with the Offer. Clifford Chance have acted as solicitors to the Company in connection with the Offer and the other issues noted in section 1.1. The Company estimates that it will pay Clifford Chance approximately \$12,000 (excluding GST and disbursements) for these legal services.

SLR Consulting Pty Ltd, a company of which Mr Simon Robertson (the Company Secretary) is a director, has provided consulting services in connection with the Offer and the other issues noted in section 1.1. The Company estimates that it will pay SLR Consulting Pty Ltd approximately \$5,000 (excluding GST and disbursements) for these services. SLR Consulting Pty Ltd currently holds 1,750,000 Shares issued to it under the TNG Loan Funded NED and Consultant Share Plan. Mr Robertson has an indirect beneficial interest in an additional 500,000 Shares.

4.10 Expenses of Offer

The estimated expenses of the Offer are as follows:

	\$
ASIC Lodgement fee	2,171
ASX quotation fee	9,000
Legal and preparation expenses	16,500
Brokers Fees	60,000
Total	<u>86,671</u>

4.11 Consents

Each of the parties referred to in this Section:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus other than as specified in this Section;
- (c) has not made any statement on which a statement in this Prospectus is based, other than as specified in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus other than the reference to its name and the statement (if any) included in this Prospectus with the consent of that party as specified in this Section.

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with the ASIC:

Clifford Chance have given, and at the time of lodgement of this Prospectus, have not withdrawn, their written consent to being named in this Prospectus as solicitors to the Company in respect of the Offer and the other issues noted in Section 1.1 in the form and context in which they are named.

SLR Consulting Pty Ltd has given, and at the time of lodgement of this Prospectus, has not withdrawn, its written consent to being named in this Prospectus as consultant to the Company in respect of the Offer and the other issues noted in Section 1.1 in the form and context in which it is named.

Computershare Investor Services Pty Limited has given and, at the time of lodgement of this Prospectus, has not withdrawn its written consent to being named in this Prospectus as the share registry to the Company in respect of the Offer in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as the share registry to the Company.

5 Director's authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to be 'P. Burton', with a long horizontal stroke extending to the right.

Paul Burton
Managing Director
TNG Limited

25 February 2014

6. Glossary of terms

\$ means Australian dollars.

Applicant means a person who submits an Application Form.

Application means a valid application for Options made on an Application Form.

Application Form means an application form provided by the Company with a copy of this Prospectus.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Company or **TNG** means TNG Limited ACN 000 817 023.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means Corporations Act 2001 (Cth).

Directors mean the directors of the Company as at the date of this Prospectus.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

Official List means the official list of ASX.

Official Quotation means quotation of Options on the Official List.

Offer means the offer of up to 22,222,222 Shares and 11,111,111 Options (subject to rounding provisions) to certain investors nominated by the Company.

Offer Period means the period between the Opening Date and the Closing Date.

Opening Date means the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

Option means the right to acquire one Share on the exercise of the option, on the terms and conditions set out in Section 4.5.

Optionholder means a holder of Options.

Prospectus means this prospectus dated [XXX] 2014 and lodged with ASIC and includes any supplementary or replacement prospectus.

Registry means Computershare Investor Services Pty Limited ACN 078 279 277;

Section means a section of this Prospectus.

Security means a Share or Option.

Shareholders means a holder of Shares.

Share means an ordinary fully paid share in the capital of the Company.

WST means Australian Western Standard Time.