

ASX ANNOUNCEMENT

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ASX CODE: TNG

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PROJECTS

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

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TNG SIGNS LANDMARK DEVELOPMENT MOU WITH KOREA'S POSCO E&C FOR MOUNT PEAKE VANADIUM PROJECT

Encompassing Feasibility Study completion, project construction and development plus potential project finance via K-ECA or Korean Banks

HIGHLIGHTS

- **Non-binding MoU signed with leading Korean conglomerate POSCO Engineering and Construction (E&C) for construction and delivery of the Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory.**
- **POSCO E&C is part of the multi-billion dollar POSCO Group of companies, a global steel giant and world-leader in resource development and construction.**
- **The MoU provides for strategic cooperation to complete and deliver the Mount Peake Definitive Feasibility Study and consider the award of a contract for Engineering, Construction and Development of the Project.**
- **POSCO E&C also has the opportunity to assist with financing project delivery via the Korean Export Credit Agency or Korean Banks.**

TNG Limited (ASX: **TNG**) is pleased to announce that it has signed a wide-ranging 3-way Memorandum of Understanding (MoU) with major Korean conglomerate POSCO Engineering & Construction (E&C) and its metallurgical consultants, METS Pty Ltd.

The landmark MoU encompasses completion of the Feasibility Study, potential project financing from the Korean Export Credit Agency (K-ECA) or Korean Banks, and construction and development of the Company's flagship 100%-owned **Mount Peake Vanadium Project**.

The MOU with POSCO E&C and TNG's metallurgical consultants METS, provides a unique combined approach to provide efficient and cost effective delivery for the Mount Peake Project, paving the way for TNG to secure POSCO E&C's involvement in engineering, construction, financing and developing Mount Peake in subsequent binding agreements.

The MOU brings the resources, expertise, financial capability and networks of a major global conglomerate in the resource development and construction field for the development of Mount Peake.

POSCO E&C (part of the POSCO Group) specialises in major project development (Mega Projects).

A worldwide total solution provider with over 8,000 employees globally, POSCO E&C had global orders of US\$12 billion and sales of US\$8 billion in 2013. It has a clear vision to become a top-10 global construction company by 2020.

Under the terms of the MOU, the parties may enter into binding agreements for the following:

- Completion of the Feasibility Study of the Mount Peake Project;
- The potential for assistance in obtaining project finance by POSCO E&C via the Korean ECA or other agreed sources;
- Potential for POSCO E&C to be awarded Engineering and Construction contracts for the development of Mount Peake;
- Other agreements with the aim of directly or indirectly supporting TNG's Mount Peake development, including its short- and long-term project development requirements.

The MoU with POSCO E&C follows TNG's recent strategic agreement with one of the world's largest ferro-vanadium producers, Korean-based **WOOJIN IND., CO., Ltd** ("WOOJIN"). WOOJIN is a major supplier of ferro-vanadium to POSCO Steel and other major steel manufacturers worldwide.

TNG is currently progressing the metallurgical, permitting and environmental stages of its advanced Definitive Feasibility Study (DFS) for the Mount Peake Project, which will be a world-class, long-life strategic metals project producing three highly valuable products: high-purity vanadium pentoxide (V_2O_5), iron oxide (Fe_2O_3) and titanium dioxide (TiO_2).

Mount Peake comprises one of the largest undeveloped vanadium-titanium-iron resources in the world and has the potential to be a top-10 global producer of strategic metals.

The POSCO Group has had a strong involvement in the Australian resource sector over many years and holds a 12.5% equity stake in the giant \$9.8 billion Roy Hill iron ore project currently under development in Western Australia. It is also a major shareholder in leading mid-tier Australian copper producer Sandfire Resources (ASX: SFR).

The POSCO Group comprises 51 companies with total sales of US\$87 billion in 2012. POSCO is:

- the world's 3rd largest steel producer with 37Mtpa production of crude steel ('13);
- ranked 1st steel company by World's Most Admired Companies ('12);
- ranked 20th as sustainable company by World Economic Forum ('12); and
- ranked 100th in terms of business scales by Fortune Global ('12).

POSCO Steel is the world's third largest steel producer with annual production of 37Mtpa of crude steel and annual sales of US\$31 billion (2013). POSCO E&C is a world-class general construction company

POSCO E&C has completed significant mega-projects worldwide with some recent examples of its capability including:

Location	Project	Completion	CAPEX (USD)	Scope
Indonesia	Cilegon Steel Mill Complex	Dec, 2013	2.7 Billion	E, P, C
Brazil	CSP Steel Plant	Jun, 2015	4.3 Billion	E, P, C
Vietnam	An Khanh New City Development	July, 2016	2 Billion	Planning E, P, C, M
South Korea	Songdo Urban Development	2020	35 Billion	Planning E, P, C, M

More information can be found at the company's web site: <http://www.poscoenc.com/english>.

Commenting on the MOU with POSCO E&C, TNG's Managing Director, Mr Paul Burton, said: "We are very pleased to have the involvement of one of the world's largest and most successful diversified steel, resource development and construction conglomerates in the development of the Mount Peake Project.

"This represents a great strategic fit for all parties and complements our existing relationship with WOOJIN under the strategic agreement announced in March," Mr Burton said.

"It is also consistent with our broader objective, which is to secure globally significant strategic and commodity partners to work alongside TNG in financing and developing our world-class Mount Peake Vanadium Project.

"We have now clearly demonstrated our ability to attract blue-chip strategic partners to work with us in the financing and delivery of the Mount Peake Project, and we look forward to working with POSCO E&C and WOOJIN to progress this exciting project to the next stage. However, at this stage our arrangement with POSCO is non-exclusive and I don't rule out the possibility of other global strategic partners becoming involved as we pursue our goal of creating the foundations to build a world-class strategic metals house.

"Our progress with WOOJIN following their recent Due Diligence visit to Darwin and Perth remains very positive and these meetings resulted in some very positive outcomes. We believe this will clearly map out our development pathway for Mount Peake and there should be plenty of significant news flow for shareholders as we advance along this road in the months ahead," Mr Burton added.

Paul E Burton
Managing Director

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