

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
Mount Hardy Cu-Au
Sandover Cu-Au

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UPDATE ON PILOT PLANT TESTWORK TO TEST TIVAN™ HYDROMETALLURGICAL PROCESS

**CONTINUOUS PILOT PLANT OPERATIONS ACHIEVED: SUCCESSFUL
OUTCOMES TO DATE, WITHIN EXPECTATIONS**

Australian resources company TNG Limited (ASX: TNG) is pleased to provide an update on the recently completed continuous run pilot plant operation for its flagship **Mount Peake Iron-Vanadium-Titanium Project** in the Northern Territory.

The pilot plant run is the culmination of a pilot plant testwork program and forms an important milestone in the assessment process, following on from previous detailed bench scale test work.

As previously advised, this phase of the proprietary TIVAN™ solvent extraction (SX) process test work is being run continuously at the ALS-AMMTEC laboratory in Perth using modified SX equipment, under supervision by TNG's metallurgical consultants, METS Pty Ltd.



Plate 1: TNG/METS TIVAN – Stripping mixer/settler cells under controlled temperature conditions

The pilot plant operation was able to achieve a continuous run of 67 hours, out of the planned 72-hour run time. During most of this time, the plant was operating under stable conditions.

METS have reported that they were able to achieve and maintain the operating conditions identified and determined from prior bench scale test work, undertaken since November 2011.

TNG's Managing Director, Mr Paul Burton, said METS had advised that the outcomes seen to date from the pilot plant testwork program had met all expectations.

"Data collation and verification of all test assaying is now continuing, in parallel with testwork to produce a final vanadium product from the stripped solution," Mr Burton said.

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The successful completion of the Solvent Extraction Pilot test run has confirmed the preferred process flow sheet option for the Mount Peake Project, providing confidence in the potential to fully commercialise the TIVAN™ process

As the testwork study progresses, the TIVAN™ process will continue to be compared against a number of other processing options in order to ensure that a high level of independent scrutiny is in place to confirm the appropriateness of the process and to demonstrate its advantages in terms of extraction and recovery.

In addition final testwork to produce a Fe₃O₄ product and regenerate hydrochloric acid, using proven technology, will be undertaken as part of the next stage of a future Feasibility Study on the Mount Peake Project.



Plate 2: TNG/METS TIVAN – Extraction & Stripping sections including organic recycle & individual cell flow control

“Subject to verification of the results and receipt of final assays, this should enable us to reach definitive conclusions on the commercial potential of the TIVAN™ Process that will underpin a development decision of the Mount Peake Project,” Mr Burton said.

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Paul E Burton
Managing Director
4th April 2012

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COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results and Exploration Targets are based on information compiled by Mr Paul Burton, B.Sc, M.Sc, is also a Member of The Australasian Institute of Mining and Metallurgy , and an employee and Director of TNG Limited. Mr 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'. Mr Burton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Damian Connelly, MAAusIMM, Chartered Professional (MET), MMICA, MSME, MSAIMM was responsible for the preparation of the metallurgical test work results reported herein. Mr Connelly has sufficient experience 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 the Exploration Results, Mineral Resources and Ore Reserves. Mr Connelly consents to the inclusion in the report of the matters based on his information in the form and context in which is appears.