

ASX ANNOUNCEMENT

12th April 2012

ASX CODE: TNG

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DIRECTORS

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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

CONTACT DETAILS

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HEADS OF AGREEMENT SIGNED WITH TORO ENERGY FOR EXPLORATION JOINT VENTURE

*TNG TO EXPLORE HIGHLY PROSPECTIVE TENEMENTS WEST OF
MOUNT PEAKE*

Key Points:

- **Heads of Agreement (HOA) signed with Toro Energy allowing TNG to explore for all minerals except uranium over granted ELs 27115, 26848 and 27876.**
- **TNG to earn 51% through expenditure of \$500,000 over 2 years, with option to increase to 80% with expenditure of a further \$1.5M over 5 years.**
- **Tenements contain numerous magnetic targets anomalous in Ni, Cu and PGM, suggesting presence of sulphide-bearing intrusive rocks.**
- **Historical exploration has returned highly-anomalous Ni and Cu results up to 3581ppm Ni and 2410ppm Cu over 20-50m.**
- **Tenements located close to regional infrastructure.**

Australian resources company TNG Limited (ASX: TNG) is pleased to announce that it has signed a Heads of Agreement (HOA) with Australian uranium exploration and project development company, Toro Energy Limited (ASX: TOE), providing TNG with the right to explore for all minerals except uranium within Toro Energy's EL 27115, EL 26848 and EL 27876 tenements.

The tenements lie immediately west of TNG's flagship Mount Peake Strategic Metals Project in the Northern Territory (figure 1), and are considered to be highly prospective for copper and nickel mineralisation based on previous exploration results. The HOA will be known as the Walabanba Hills Project.

Under the terms of the HOA, TNG must spend a total of A\$500,000 on exploration activities within the first two years to earn a 51% interest in each of granted Exploration Licences (EL's) 27115, 26848 and 27876, at which point a formal Joint Venture agreement between TNG and Toro will be signed, subject to meeting conditions precedent.

TNG then has the right to increase its stake to 80% by spending a further A\$1.5 million over the next five years. Toro can then elect to retain, assign or convert its remaining 20% interest to a 2% Net Smelter Royalty (NSR).

The EL's 27115, 26848 and 27876 tenements were previously held by Western Mining Corporation (WMC) in the mid-1990s and Anglo American Corporation between 2003 – 2004, who conducted aeromagnetic surveys over the region and focused on magnetic and Electro-Magnetic (EM) anomalies. These surveys identified numerous targets anomalous in nickel, copper and Platinum Group Elements (PGM), suggesting the presence of sulphide-bearing intrusive rocks.

Historical soil sampling and drilling conducted by WMC, Aberfoyle and Anglo American returned highly anomalous nickel and copper results up to 3,581ppm nickel and 2,410ppm copper in shallow drilling over lengths of 20 to 50m above significant but unexplained magnetic anomalies, however these results were never followed up.

Based on available data, six areas have been identified as highly prospective for immediate follow up using a combination of soil geochemistry, magnetic and electro-magnetic geophysics to rapidly advance targets for drilling (figure 2).

TNG's Managing Director, Mr Paul Burton, said the new tenements were an exciting and highly prospective addition to the Company's copper exploration portfolio and strategy in the Northern Territory.

TNG LIMITED

Paul E Burton
Managing Director

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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.

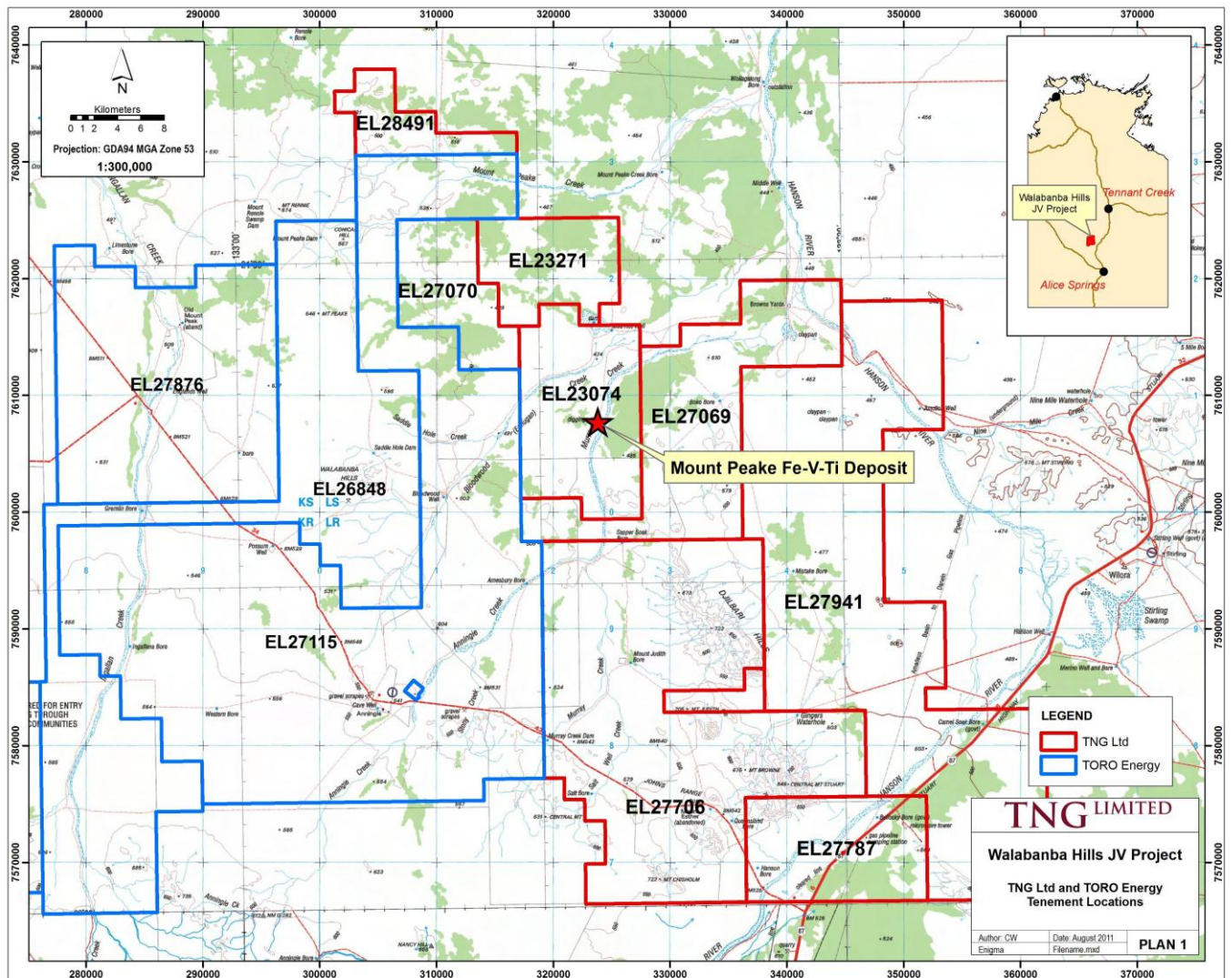


Figure 1: Walabanba Hills Project Location Map

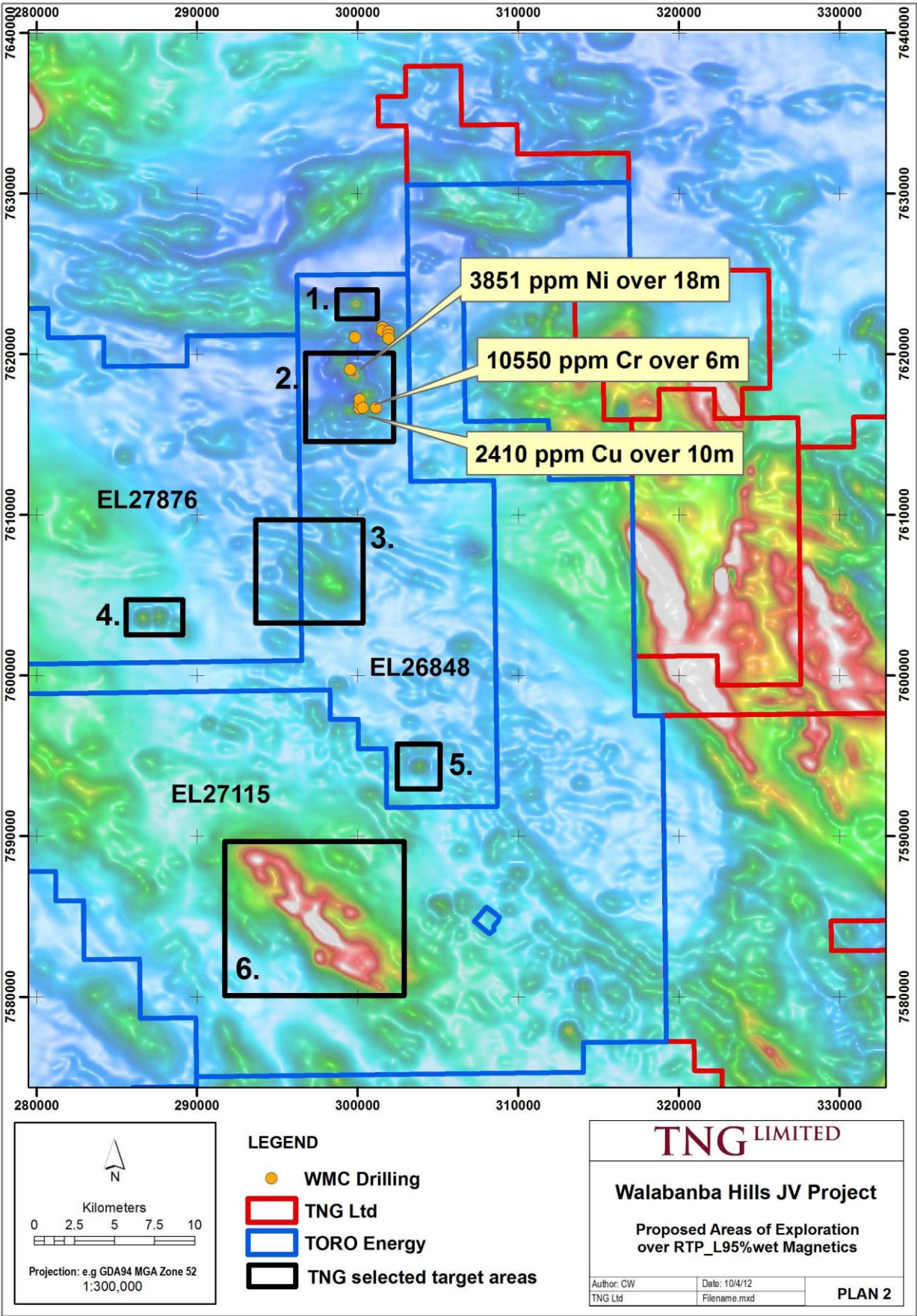


Figure 2: TNG Targets