

20 September 2016

TNG APPOINTS GRESHAM PARTNERS AS CORPORATE ADVISOR FOR FUNDING MOUNT PEAKE PROJECT

Leading advisory group to assist with the development of a funding strategy, evaluation of debt and equity funding options and introductions to potential funders and investors

Australian strategic metals company TNG Limited (ASX: TNG) is pleased to announce the appointment of leading independent advisory house Gresham Advisory Partners Limited as corporate advisor to assist with the funding and development of its flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory.

Mount Peake, which is located 235km north-west of Alice Springs, is in the final stages of permitting with a range of pre-development activities underway including engineering works, water bore drilling and mine design.

TNG has already assembled a Tier One consortium of strategic off-take and potential funding partners, engineering groups, independent consultants and technical specialists to support the development of this world-class project.

These include global engineering group SMS Group, Singapore-based commodity trader Gunvor Group, Downer EDI, Snowden Mining Industry Consultants, Global Pacific Partners, Caterpillar Finance and Korean ferro-vanadium group WOOJIN. Binding off-take agreements are currently in place for 60 per cent of its forecast vanadium production and all of its forecast production of iron products.

Last year TNG completed a Definitive Feasibility Study (DFS) for the A\$970 million Mount Peake Project, confirming a potentially world-class project capable of generating outstanding returns. (see ASX Announcement – 31 July 2015).

The DFS forecasts Mount Peake's nameplate capacity at 17,560tpa of high-purity vanadium pentoxide (V_2O_5), 236,000tpa of titanium dioxide (TiO_2) and 637,000tpa of pig iron over an initial life of 17-years.

Gresham's role includes assisting TNG in:

- developing the appropriate funding strategy for Mount Peake with a view to optimising the funding mix and maximising value to TNG's shareholders;
- preparing financial models in order to develop a robust internal valuation and cash flow assessment (including debt capacity) of the Project;
- the identification of debt and equity funding sources;
- the negotiation of equity and debt terms;
- the negotiation of further off-take agreements to the extent that this supports the proposed funding of Mount Peake; and
- all other necessary aspects of the negotiation, execution and completion of the funding of the project.

Gresham is a leading independent Australian investment and advisory house with offices in Sydney, Melbourne and Perth. More information on Gresham can be found at www.gresham.com.au.

Management Comment

TNG's Managing Director, Mr Paul Burton, said the appointment of Gresham marked the beginning of an intensive phase of activity for the Company as it commenced detailed financing discussions.



“We have always said that the financing of Mount Peake would be achieved on a consortium basis, including participation by some of the Tier-1 strategic partners who are already closely involved with the project,” he said.

“We are delighted to have secured the involvement of a finance house in Gresham with extensive corporate advisory skills, outstanding global contacts and an impressive track record in assisting with some of the most significant financing transactions to be undertaken by Australian-listed companies.

“This is another blue-chip name to add to the already long and impressive list of participants in this world-class project, and we now looking forward to securing a suitable financing package in due course. It is also pleasing to note the significant recovery in pricing in both vanadium and titanium dioxide markets this year. While not unexpected, this bodes very well for the future of Mount Peake and the future of TNG.”

Paul E Burton
Managing Director

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