

## TNG ANNOUNCES SHARE PURCHASE PLAN

### *SPP Offer includes a free attaching Option on a 1-for-2 basis*

TNG Limited (ASX:TNG) (**TNG** or the **Company**) is pleased to announce that it is offering eligible shareholders the opportunity to participate in a Share Purchase Plan (**SPP**) to acquire up to \$15,000 worth of fully paid ordinary shares in TNG (**Shares**) at an issue price of \$0.135 per Share without paying brokerage or other transaction costs, and including a free attaching option on a 1 for 2 basis.

The SPP will provide shareholders with the opportunity to increase their holding at an attractive price without paying brokerage or transaction costs, as the Company moves ahead with the next phase of development of the Mount Peake Project in the Northern Territory.

The issue price under the SPP represents a 14.73% discount to the volume weighted average price of Shares on the ASX over the five trading day period prior to the date of this announcement (which was \$0.158).

The SPP is not underwritten and will be capped at a total amount of \$4 million (before costs). The funds raised under the SPP will be used for ongoing development activities at TNG's Mount Peake Project and to provide general working capital.

### Shareholders' eligibility to participate in the SPP

Participation in the SPP is entirely optional and is available exclusively to shareholders who were registered as holders of Shares at 4.00pm (AWST) on 30 November 2016, and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

### Option Offer

Eligible Shareholders who subscribe for Shares under the SPP are also being offered one (1) free attaching option (**Option**) for every two (2) Shares subscribed for (**Option Offer**). The Options will have an exercise price of \$0.20 and expiry date of 15 June 2018. TNG will apply to have the Options quoted on ASX.

### SPP and Option Offer

The offer of Shares under the SPP is made in accordance with ASIC Class Order [CO 09/425] and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act 2001 (Cth). However, given that ASIC Class Order [CO 09/425] does not provide relief for the grant of options, the Company will issue a prospectus for the Option Offer (**Prospectus**).

Eligible Shareholders will be able to participate in the SPP by choosing one of the following levels of participation:

Number of Shares applied for	Amount payable for that parcel	Number of Options
7,407	A\$999.95	3,703
14,814	A\$1,999.89	7,407
37,037	A\$5,000.00	18,518

Number of Shares applied for	Amount payable for that parcel	Number of Options
74,074	A\$9,999.99	37,037
111,111	A\$14,999.99	55,555

The SPP is non-renounceable. This means that Eligible Shareholders who do not take up their entitlement to participate in the SPP will not be able to transfer or receive any value for these entitlements. The issue of Shares under the SPP is not subject to shareholder approval.

The SPP offer is intended to be open between Monday, 5 December 2016 and Monday, 19 December 2016. However, TNG reserves the right to alter these dates at its discretion.

TNG has applied to ASX for a waiver of Listing Rule 10.11 to allow Directors who are eligible shareholders (and entities controlled by them) to participate in the SPP and in the related Option offer without the approval of TNG shareholders.

#### **SPP shortfall**

Any Shares not subscribed for by Eligible Shareholders under the SPP will comprise the shortfall and may be offered to institutional or sophisticated investors as a separate placement at the discretion of the Directors, up to the limit available to TNG under its placement capacity in accordance with ASX Listing Rule 7.1.

#### **SPP and Option Offer documentation**

Full details of the SPP and Option Offer are set out in the attached offer documentation (consisting of an SPP Offer Booklet, a Prospectus for the Option Offer and a combined application form for the Shares and the Options).

The offer documentation will be mailed to Eligible Shareholders on or about 5 December 2016.



Paul E Burton  
**Managing Director**

1 December 2016

#### **Inquiries:**

Paul E Burton  
Managing Director + 61 (0) 8 9327 0900

Nicholas Read  
Read Corporate + 61 (0) 8 9388 1474

## TNG Share Purchase Plan

*Not for release or distribution in the United States*

30 November 2016

Dear Shareholder

### Offer to participate in the TNG Share Purchase Plan

The Directors of TNG Limited (ASX: TNG) (**TNG**) are pleased to offer you the opportunity to participate in the TNG Share Purchase Plan (**SPP**).

The SPP offers eligible shareholders an opportunity to purchase further shares in TNG (**New Shares**) to a value of approximately A\$1,000, A\$2,000, A\$5,000, A\$10,000 or A\$15,000 at a discount and free from brokerage and transaction costs.

The offer price for the New Shares will be A\$0.135 per New Share. This represents a 14.73% discount to the volume weighted average price of TNG shares for the five trading day period up to and including 30 November 2016 (the trading day prior to the announcement of the SPP) of A\$0.158.

Any New Shares not subscribed for by eligible shareholders under the SPP will comprise the shortfall (**SPP Shortfall**) and may be offered to institutional or sophisticated investors as a separate placement at the discretion of the Directors, up to the limit available to TNG under its placement capacity in accordance with Listing Rule 7.1 (**SPP Shortfall Offer**).

Eligible shareholders who subscribe for New Shares under the SPP, and investors who subscribe for New Shares under the SPP Shortfall Offer, will be allocated one (1) free attaching option (**Option**) for every two (2) New Shares subscribed for. It is proposed that TNG will apply to have the Options quoted on ASX. Each Option will have an exercise price of A\$0.20 and an expiry date of 15 June 2018.

The SPP is not underwritten and will be capped at a total amount of A\$4 million (before costs). A scale-back policy will be applied if valid applications exceed A\$4 million. TNG reserves absolute discretion regarding the amount raised under the SPP and the exercise of its right to accept additional funds or to scale-back applications. Should a scale-back happen, you may be allocated New Shares to a value which is less than the parcel of New Shares you applied for and the difference will be refunded to you.

Funds raised under the SPP will be used for the ongoing development activities at TNG's Mount Peake Project and to provide general working capital.

Participation in the SPP is entirely optional and open to shareholders who were holders of fully paid ordinary shares in TNG as at 4.00pm Australian Western Standard Time (**AWST**) on Wednesday, 30 November 2016 and whose registered address is in Australia or New Zealand.

The SPP will open on (and the SPP offer documents will be despatched to eligible shareholders by) 5 December 2016 and will remain open until 5.00pm AWST on 19 December 2016. As soon as practicable after the close of the SPP, TNG will make an ASX announcement as to the outcome of the SPP and the number of New Shares to be issued.



The offer of New Shares under the SPP and the offer of the attaching Options are made under the following separate offer documents (**enclosed**):

- SPP Offer Booklet;
- Prospectus for the Options; and
- combined application form for the New Shares and Options.

These documents are important and should be read thoroughly in conjunction with the publicly available information relating to TNG. If you are unsure about whether to participate, please contact your professional adviser. If you require further information, please contact the Company Secretary (contact details are in the enclosed instructions).

On behalf of the Board, I invite you to consider this opportunity to increase your investment in TNG.

Yours sincerely



Paul Burton  
Managing Director  
**TNG Limited**

## Key Dates\*

Date (and time if relevant)	Event
4.00pm AWST, Wednesday, 30 November 2016	<b>Record Date</b> The date and time at which TNG determines who is eligible to participate in the SPP.
Monday, 5 December 2016	<b>Opening Date</b>
5.00pm AWST, Monday, 19 December 2016	<b>Closing Date</b> Application Forms together with payment by cheque or money order must be received by this time and date.  <b>NOTE:</b> BPAY payments must be received by 4.00pm AWST, Monday, 19 December 2016 (which is when the BPAY system closes on the Closing Date).
Thursday, 22 December 2016	<b>Issue Date</b> The date on which the New Shares and Options are expected to be issued and any scale back of the New Shares and Options is announced.
Friday, 23 December 2016	<b>Trading Date</b> The date on which the New Shares and Options are expected to begin trading.
Thursday, 22 December 2016	<b>Despatch Date</b> Transaction confirmations / holding statements will be sent to shareholders on or around this date.

\* TNG may change any of the Key Dates at its discretion (even if the offer has opened or applications have been received).

## Instructions

The SPP opens on Monday, 5 December 2016 and under the offer you may apply for a parcel of New Shares as set out in the table below. For every 2 New Shares you subscribe for under the SPP, you will be entitled to 1 Option. The total number of Options under each parcel of New Shares is outlined in the table below.

Number of New Shares applied for	Amount payable for that parcel	Number of Options
7,407	A\$999.95	3,703
14,814	A\$1,999.89	7,407
37,037	A\$5,000.00	18,518
74,074	A\$9,999.99	37,037
111,111	A\$14,999.99	55,555

To apply and pay for your New Shares, you have two options:

### Option 1: BPAY<sup>®1</sup>

You can make a payment by BPAY<sup>®</sup> if you have an Australian bank account enabled for this purpose. BPAY<sup>®</sup> customers must follow the instructions on page 6 and in the Application Form and must use the customer reference number shown on the Application Form which is required to identify your holding. If paying by BPAY<sup>®</sup>, you do not need to return your Application Form. See page 6 for further information.

<sup>1</sup> <sup>®</sup> Registered to BPAY Pty Ltd ABN 69 079 137 518.

## **Option 2: Application Form and cheque, bank draft or money order**

You can complete the Application Form and return it to Computershare Investor Services Pty Limited (**Share Registry**), GPO BOX 505, Melbourne, Victoria 3001 Australia together with a cheque, bank draft or money order, in accordance with the instructions on the Application Form,

Cheques, bank draft and money orders must be made payable to "TNG Limited" in Australian dollars and drawn on an Australian bank for the correct amount. TNG will not accept payment by cash.

### **Timing**

All payments by cheques, bank draft and money orders and Application Forms must be received before 5.00pm AWST, Monday, 19 December 2016. You cannot withdraw or cancel your application or BPAY<sup>®</sup> payment once you have sent it in. BPAY<sup>®</sup> payments must be received by 4.00pm AWST, Monday, 19 December 2016 (note that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment).

### **Questions**

If you have any questions, please contact TNG's Company Secretary any time between 9.00am and 5.00pm (AWST) Monday to Friday on +61 8 9327 0900.

### **No offer outside Australia and New Zealand**

This document may not be released or distributed in the United States or any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any country other than Australia and New Zealand. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 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.

## Terms and Conditions

**IMPORTANT NOTICE:** The market price of TNG shares may rise or fall from now to when the New Shares are issued to you under the SPP or upon exercise of Options. Therefore, if you apply for and we allot to you New Shares under the SPP, the offer price for those New Shares may be more than, or less than, the market price of TNG shares you could buy at that time. Similarly, the exercise price for your Options may be more than, or less than, the market price of TNG shares you could buy at the time of exercise. By completing and returning the Application Form or making a BPAY payment, you acknowledge this risk. We encourage you to contact your professional adviser regarding whether to participate in the SPP and how much to contribute.

### Offer timetable

- (a) The offer timetable is set out in the Key Dates above and is included in these Terms and Conditions.
- (b) Payment by BPAY®, Application Forms, cheques, bank draft and money orders may not be processed and may not be valid if they have not been received by or on behalf of TNG by the time and date specified for the Closing Date. You must allow adequate time for Application Forms and cheques, bank draft or money orders forwarded by post to be received by the Share Registry. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.
- (c) TNG expects to send a transaction confirmation or holding statement to you on or around the Despatch Date.
- (d) TNG expects that the New Shares and Options will be issued under the SPP and pursuant to the Prospectus on the Issue Date and will commence trading on ASX on the Trading Date. You must confirm your holding before trading in any New Shares or Options you believe have been issued to you under the SPP and pursuant to the Prospectus.
- (e) At any time, TNG can change the Closing Date, the Issue Date, the Trading Date and the Despatch Date (even if the offer has opened, or BPAY® payments and Application Forms have been received) by lodging a revised timetable with ASX.

### Eligible Shareholders

You are an eligible shareholder and may participate in the SPP if you were a registered holder of TNG ordinary shares with a registered address in Australia or New Zealand

as at 4.00pm AWST on Wednesday, 30 November 2016, unless you hold TNG shares on behalf of another person who resides outside Australia or New Zealand (in which case you will not be eligible to participate in respect of the shares of that person) (**Eligible Shareholder**).

For New Zealand shareholders, you must still be a shareholder at the date of this offer, that is, Monday, 5 December 2016.

TNG has determined that it is not practical for holders of TNG shares with registered addresses in other countries to participate.

- **Holders receiving more than one offer:** If you are the only registered holder of TNG shares, but you receive more than one offer under the SPP (due to multiple registered holdings), you may only contribute a maximum of A\$15,000 in applying for New Shares.
- **Joint Holders:** If 2 or more persons are recorded in the register of members of TNG as jointly holding TNG shares, they are considered to be a single registered holder for the purpose of the SPP and they are entitled to participate in the SPP in respect of that single holding only. If as joint holders you receive more than one offer under the SPP due to multiple identical holdings, you may still only contribute a maximum of A\$15,000 in applying for New Shares.
- **Custodians, trustees and nominees:** If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] (**Custodian**), and hold TNG shares on behalf of one or more persons (each a **Participating Beneficiary**), or on behalf of a "downstream custodian" within the definition of ASIC Class Order [CO 09/425] who holds the beneficial interest in TNG shares on behalf of a Participating Beneficiary, you may apply for up to a maximum of A\$15,000 worth of New Shares for each Participating Beneficiary, subject to providing TNG

with a Custodian Certificate in accordance with paragraph (d) of “Significance of applying for New Shares” below. If you are not a Custodian, the rules for multiple single holdings apply and you may only contribute a maximum of A\$15,000 in applying for New Shares. You are not eligible to participate on behalf of a person who resides outside Australia and New Zealand.

### Participation is optional

Participation in the SPP is entirely optional. If you are an Eligible Shareholder, you can choose whether or not to participate.

### How much can you invest?

- (a) If you are an Eligible Shareholder, you may apply to buy a parcel of New Shares by contributing a set amount of approximately A\$1,000, A\$2,000, A\$5,000, A\$10,000 or A\$15,000. There is no additional cost to acquire the free attaching Options.
- (b) This parcel may be subject to a scaleback and rounding. The SPP will be capped at a total amount raised of A\$4 million (before costs). TNG reserves absolute discretion regarding the amount raised under the SPP and exercise of its right to accept additional funds or to scaleback applications.
- (c) Unless you are applying as a Custodian, the maximum amount of A\$15,000 applies even if you receive more than one Application Form or if you hold shares in TNG in more than one capacity (for example, if you are both a sole and joint holder of shares in TNG - see “Eligible Shareholders” above) and irrespective of the number of TNG shares you hold on the Record Date. We can reject any application for New Shares if we believe you have not complied with this condition.

### How to apply for New Shares

If you would like to participate in the SPP, you have two options:

#### Option 1: BPAY

Provided you are not a Custodian, you can make a payment by BPAY<sup>®</sup> if you have an

Australian bank account enabled for this purpose. BPAY<sup>®</sup> customers must use the customer reference number shown on the Application Form which is required to identify your holding. If paying by BPAY<sup>®</sup>, you do not need to return your Application Form.

**IMPORTANT NOTE:** By using this BPAY<sup>®</sup> facility to apply for New Shares, you represent that the total of the application price for the following does not exceed A\$15,000:

- (a) the New Shares the subject of this application;
- (b) any other shares applied for under this SPP, or shares or interests in the class issued under a similar arrangement in the 12 months before this application;
- (c) any other shares or interests in the class which you have instructed a custodian to acquire on your behalf under this SPP; and
- (d) any other shares or interests in the class issued to a custodian under an arrangement similar to this SPP in the 12 months before this application as a result of you instructing the custodian or another custodian, which resulted in you holding a beneficial interest in the shares or interests.

Payment by BPAY<sup>®</sup> may not be processed and may not be valid if it has not been received by TNG by the time and date specified for the Closing Date. You should be aware that the BPAY<sup>®</sup> system closes at 4.00pm AWST and your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

#### Option 2: Application Form and cheque, bank draft or money order

You must complete an Application Form and return it with a cheque, bank draft or money order in accordance with the instructions on the Application Form.

Cheques, bank draft and money orders must be payable to “TNG Limited – SPP Subscription Funds Trust Account”, in Australian dollars and drawn on an Australian bank for the correct amount. TNG will not accept payment by cash.

Application Forms, cheques, bank draft and money orders may not be processed and may not be valid if they have not been received by or on behalf of TNG by the time and date specified for the Closing Date. You must allow adequate time for Application Forms and cheques, bank draft or money orders forwarded by post to be received by the Share Registry.

### Options

Successful applicants for New Shares under the SPP will also be entitled to receive one free attaching Option for every two New Shares issued under the SPP. The Options will have an exercise price of A\$0.20 per Option and an expiry date of 15 June 2018. TNG will apply to have the Options quoted so that they can be traded on ASX.

The offer of Options will be made separately under a prospectus which will be sent to shareholders as a separate document accompanying this document (**Prospectus**). Applicants should consider the Prospectus when deciding whether to apply for the Options and must complete the combined Application Form which accompanies this SPP offer booklet if they wish to apply to participate in the SPP.

### TNG's discretion regarding applications

TNG may accept or reject applications for New Shares under the SPP, including if:

- (a) an Application Form is incorrectly completed, incomplete or otherwise determined by TNG to be invalid;
- (b) you are a Custodian, and we are not satisfied with your certification for any reason;
- (c) a cheque is dishonoured or has not been completed correctly;
- (d) the correct amount corresponding to your application is not provided with the Application Form or BPAY<sup>®</sup> payment;
- (e) a BPAY<sup>®</sup> payment is not received or is incomplete or invalid;
- (f) unless you are applying as a Custodian, an applicant appears to be contributing more than A\$15,000 under the SPP;

- (g) an application is received after the time and date specified as the Closing Date. TNG has a discretion whether or not to accept late BPAY<sup>®</sup> payments, Application Forms and cheques, bank draft or money orders; or
- (h) TNG believes you are not an Eligible Shareholder,

and TNG must reject applications if required to do so under ASIC Class Order [CO 09/425].

TNG reserves the right to return your cheque, bank draft or money order or refund your BPAY<sup>®</sup> payment and not allot you any New Shares.

### Offer price

The offer price for the New Shares is A\$0.135. This represents a 14.73% discount to the volume weighted average price of TNG shares for the five trading day period up to and including 30 November 2016 (the trading day prior to the announcement of the SPP) of A\$0.158.

### Condition

The issue of the New Shares under the SPP and the Options pursuant to the Prospectus is subject to TNG being able to comply with the ASX Listing Rules.

### Applications may be scaled back

- (a) TNG reserves the right to determine the amount it raises through the SPP, including the right to scale back applications (**Scaleback**). At this stage the maximum amount raised under the SPP will be capped at a total amount of A\$4 million (before costs), though TNG reserves the right to change this cap at its discretion by announcement to ASX.
- (b) If there is a Scaleback you may not receive all the New Shares for which you have applied. Each applicant will be treated equally and scaled back on a pro rata basis. In the event of a Scaleback, the number of Options will also be scaled back proportionately. If a Scaleback produces a fractional number when applied to your parcel, the number of New Shares (and Options) you will be issued will be rounded down.

- (c) TNG will refund to you by direct credit deposit to your nominated bank account (where you have given your nomination to the Share Registry) or by cheque, the difference between your application money and the total offer price for the New Shares issued to you.

### No other participation costs

No brokerage, commission or other participation costs are payable by you to acquire New Shares and Options under the SPP and pursuant to the Prospectus.

### No interest

No interest will be paid on any application money returned to you.

### You cannot transfer your rights under this SPP

Your rights under this offer are personal to you and non-renounceable. This means you cannot transfer your right to purchase New Shares under this SPP or to receive Options under the Prospectus to anyone else.

### Equal ranking

New Shares issued under the SPP will, at the time of issue, rank equally with existing fully paid ordinary shares in TNG quoted on ASX, with the same voting rights, dividend rights and other entitlements.

### Significance of applying for New Shares

If you apply to participate in the SPP:

- (a) you agree that once you have sent in your application or made your BPAY<sup>®</sup> payment, you cannot withdraw or cancel your application and your application is unconditional;
- (b) you confirm that you are an Eligible Shareholder and that you are lawfully permitted to accept the offer under the SPP and participate in the SPP in accordance with these Terms and Conditions and any applicable laws;
- (c) you certify that, even if you have received more than one offer under the SPP or received offers in more than one capacity, the total of the application price for the following does not exceed A\$15,000:
  - the New Shares the subject of this application;
  - any other shares applied for under this SPP, or shares or interests in the class issued under a similar arrangement in the 12 months before this application;
  - any other shares or interests in the class which you have instructed a custodian to acquire on your behalf under this SPP; and
  - any other shares or interests in the class issued to a Custodian under an arrangement similar to this SPP in the 12 months before this application as a result of you instructing the Custodian or another custodian, which resulted in you holding a beneficial interest in the shares or interests;
- (d) if you are a Custodian and are applying for New Shares with a total application price exceeding A\$15,000, subject to you providing a notice in writing to TNG certifying the matters required by ASIC Class Order [CO 09/425] condition 9 (**Custodian Certificate**). Custodians should request a pro forma Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate or if you would like further information on how to apply, you should contact the Share Registry;
- (e) you agree to these Terms and Conditions and you agree not to do anything which would be contrary to the spirit, intention or purpose of the SPP;
- (f) you agree to be bound by the Constitution of TNG;
- (g) you authorise TNG (and its officers or agents) to correct any error or omission in your Application Form and to complete the Application Form by inserting missing details if TNG elects to do so;
- (h) you agree that TNG may determine that your Application Form is valid and

in accordance with these Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;

- (i) you agree that your application is only effective when received by, or on behalf of, TNG and not when posted;
- (j) you accept the risk associated with any refund that may be sent to you by direct credit to your account as nominated to the Share Registry or cheque to your address shown on TNG's register;
- (k) you agree that you are responsible for any dishonour fees or other costs which TNG may incur if your cheque for payment is dishonoured;
- (l) you agree that TNG and the Share Registry have not provided you with investment or financial product advice, and that they have no obligation to provide advice to you about your decision to apply for and buy New Shares or to receive Options; and
- (m) you agree that TNG is not liable for any exercise of its discretions referred to in these Terms and Conditions.

#### **Notice to shareholders in New Zealand**

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of TNG with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document 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.

#### **No US offer**

If you apply to participate in the SPP, you acknowledge and agree that:

- (a) the New Shares and Options have not, and will not be, registered under the

*US Securities Act of 1933*, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia and New Zealand;

- (b) you must not send copies of these Terms and Conditions or any other material relating to the SPP to any person in the United States or elsewhere outside Australia and New Zealand;
- (c) you must not submit an Application Form or make payment by BPAY<sup>®</sup> for any person resident outside Australia or New Zealand; and
- (d) if you do not comply with these restrictions, it may result in violations of applicable securities laws.

#### **Withdrawal, waiver, suspension and termination**

TNG reserves the right to withdraw the offer at any time up to the Issue Date.

TNG reserves the right at any time to:

- (a) waive compliance with any provision of these Terms and Conditions;
- (b) amend or vary these Terms and Conditions; and
- (c) suspend or terminate the SPP.

Any amendment, variation, suspension or termination is binding on all Eligible Shareholders even if TNG does not notify you of the event.

### **Settling disputes**

TNG may settle, in any manner it sees fit, any difficulties, anomalies or disputes which may arise in connection with the operation of the SPP whether generally or in relation to any participant or any application for New Shares. TNG's decision is conclusive and binding on all participants and other persons to whom the determination relates. These rights may be exercised by TNG's Board or any delegate of the Board.

### **Governing Law**

These Terms and Conditions are governed by the laws in force in Western Australia. By accepting this offer, you submit to the non-exclusive jurisdiction of the courts in Western Australia.

### **No underwriting**

The SPP is not underwritten.

### **Interpretation**

The term "these Terms and Conditions" includes terms and conditions in the Application Form, Instructions and Key Dates. The Application Form forms part of this offer document.

### **Risk factors**

There are risks associated with an investment in Shares and Options. Please refer to the risk factors set out in section 2 of the Prospectus.

### **Directory**

#### **Registered Office**

TNG Limited  
Level 1  
282 Rokeby Road  
Subiaco, WA 6008, Australia  
Telephone: +61 8 9327 0900  
Facsimile: +61 8 9327 0901

### **Share Registry**

Computershare Investor Services Pty Limited  
Level 11  
172 St Georges Terrace,  
Perth, WA 6000, Australia

### **Legal Advisers**

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

Telephone: +61 8 9262 5555  
Facsimile: +61 8 9262 5522

## For all enquiries:

**Phone:**



TNG Limited (08) 9327 0900

TNG Limited +61 8 9327 0900



TNG

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

## Make your payment:



See overleaf for details of the Offer and how to make your payment

## Share Purchase Plan Application Form

**Your payment must be received by 5:00pm (AWST) Monday 19 December 2016**

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of TNG Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for TNG Limited shares on the terms of the Share Purchase Plan (SPP) and to receive free attaching options on the terms of the Prospectus.

In addition, by making payment you certify that the aggregate of the application price paid by you for:

- the New Shares the subject of the payment slip overleaf;
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the payment;
- any other shares or interests in the class which you have instructed a custodian to acquire on your behalf under the SPP; and

- any other shares or interests in the class issued to a custodian under an arrangement similar to this SPP in the 12 months prior to the date of submission of the payment as a result of you instructing a custodian, which resulted in you holding a beneficial interest in the shares or interests, does not exceed \$15,000.00.

TNG Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by TNG Limited will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. TNG Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where TNG Limited does not notify you of that event.

### Step 1: Registration Name & Offer Details

Details of the shareholding and the Offer are shown overleaf.

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

### Step 2: Make Your Payment

Your payment must correspond to one of the options detailed overleaf. You may choose one option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

**BPAY®:** See overleaf. Do not return the payment slip with BPAY payment.

**By Mail:** Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "TNG Limited" and cross "Not Negotiable". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

# Share Purchase Plan Application Form

X 9999999991

IND

## STEP 1 Registration Name & Offer Details

 For your security keep your SRN/  
HIN confidential.

Registration Name: MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Record date: **4:00pm (AWST) Wednesday 30 November 2016**

Minimum value available to purchase: **\$999.95**

Maximum value available to purchase: **\$14,999.99**

## STEP 2 Make Your Payment

	Bill Code: 999999
	Ref No: 1234 5678 9123 4567 89

### Pay by Mail:

 Make your cheque, bank draft or money order payable to "TNG Limited" and cross "Not Negotiable".

Return your cheque with the below payment slip to:  
**Computershare Investor Services Pty Limited**  
**GPO BOX 505 Melbourne Victoria 3001 Australia**

Contact your financial institution to make your payment from your cheque or savings account.

### Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 4:00pm (AWST) Monday 19 December 2016. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor TNG Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AWST) Monday 19 December 2016. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor TNG Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

### Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

[Detach here](#)

### Purchase Details for TNG Limited (choose one option)

<input type="checkbox"/> \$999.95 worth of securities	OR	<input type="checkbox"/> \$1,999.89 worth of securities	OR	<input type="checkbox"/> \$5,000.00 worth of securities
<input type="checkbox"/> \$9,999.99 worth of securities	OR	<input type="checkbox"/> \$14,999.99 worth of securities		



Entitlement No: 12345678

Payment must be received by 5:00pm (AWST) Monday 19 December 2016

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

### Contact Details

Contact Name \_\_\_\_\_ Daytime Telephone \_\_\_\_\_

### Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

123456789123456789+0000000001-3051+14

# **TNG LIMITED**

ABN 12 000 817 023

## **PROSPECTUS**

**For the issue of one (1) free attaching Option for every two (2) Shares subscribed for by SPP Subscribers**

**THE SPP OPTION OFFER IS CURRENTLY SCHEDULED TO CLOSE AT 5.00PM AWST ON 19  
December 2016**

**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 Options under the SPP Option 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 OPTIONS OFFERED BY THIS PROSPECTUS SHOULD BE CONSIDERED SPECULATIVE IN  
NATURE.**

## **IMPORTANT INFORMATION**

### **About this Prospectus**

This Prospectus is dated 30 November 2016 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

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

This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) 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 Options offered under this Prospectus should be considered speculative in nature. Before applying for Options, 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 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 SPP Option 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 Options offered by this Prospectus.

The SPP Option Offer is not underwritten.

This Prospectus should be read in conjunction with the other documents (including the SPP Offer 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 6008, 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 ).

Applications for Options offered under this Prospectus can only be submitted on an original Application Form or via the methods set out in the SPP Offer Documents 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 SPP Option Offer which is not contained in this Prospectus or the SPP Offer 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 SPP Option 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 SPP Option 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 Options 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 SPP Option Offer under this Prospectus in any jurisdiction other than Australia and New Zealand.

The Options to be issued subject to this Prospectus are not being offered or sold to the public within New Zealand other than under the SPP, which is being made to existing Shareholders with registered addresses in New Zealand to whom the SPP Option Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (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 Options, you will provide personal information to the Company and the Registry. The Company and the Registry will 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 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 at the end of this Prospectus.

## CORPORATE DIRECTORY

### Directors

Paul Burton  
Geoffrey (Stuart) Crow  
Rex Turkington

Managing Director  
Non-Executive Director  
Non-Executive Director

### Securities Exchange Listing

Australian Securities Exchange  
Home Branch – Perth  
Level 40, Central Park  
152-158 St George's Terrace  
Perth, WA 6000

### Company Secretary

Mr Simon Robertson

### ASX Code

TNG

### Principal and Registered Office

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

### Company Website

[www.tngltd.com.au](http://www.tngltd.com.au)

### Share Registry

Computershare Registry Services Pty Ltd  
Level 11, 172 St Georges Terrace  
Perth, WA 6000  
Tel: + 61 1300 787 272

### Lawyers to the Company

Clifford Chance  
Level 7, 190 St Georges Terrace  
Perth, WA 6000

## INDICATIVE TIMETABLE FOR SPP OPTION OFFER\*

Event	Date (and time if relevant)
Record Date	4.00pm AWST, 30 November 2016
SPP announcement date and lodgement of Prospectus with ASX	1 December 2016
Prospectus and SPP Offer Documents sent to Eligible Shareholders	5 December 2016
Opening Date	5 December 2016
Closing Date	5.00pm AWST, 19 December 2016
Anticipated date for issue of the Options	22 December 2016
Anticipated date for sending holding statements	22 December 2016
Anticipated trading date of Options	23 December 2016

\* These dates are indicative only. The Company may vary the dates and times of the SPP Option Offer or withdraw it without notice. Accordingly, Eligible Shareholders 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 SPP Option Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the Options.

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# 1. Details of the SPP and the SPP Option Offer

## 1.1 Background

TNG is offering Eligible Shareholders the opportunity to subscribe, under a share purchase plan (**SPP**), for up to A\$15,000 worth of Shares at an issue price of A\$0.135 to raise a maximum of A\$4,000,000 (before costs).

The SPP is not underwritten. Any Shares not subscribed for by Eligible Shareholders under the SPP will comprise the shortfall (**SPP Shortfall**) and may be offered to institutional or sophisticated investors as a separate placement at the discretion of the Directors, up to the limit available to the Company under its placement capacity in accordance with Listing Rule 7.1 (**SPP Shortfall Offer**).

Eligible Shareholders who subscribe for Shares under the SPP, and investors who subscribe for Shares under the SPP Shortfall Offer (together **SPP Subscribers**), are also being offered one (1) free attaching Option for every two (2) Shares subscribed for. The offer of these Options (**SPP Option Offer**) is being made under this Prospectus.

It is proposed that the Options will be listed on the ASX. Each Option will have an exercise price of A\$0.20 per Option and will expire on 15 June 2018 and will otherwise be issued on the terms set out in Section .

All of the 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 for further information regarding the rights and liabilities attaching to the Shares.

The Company has applied to ASX for a waiver of Listing Rule 10.11 to allow Directors who are Eligible Shareholders (and entities controlled by them) to participate in the SPP and in the SPP Option Offer without the approval of Shareholders. The Directors will not be able to participate in the SPP or the SPP Option Offer unless the waiver is granted by ASX or Shareholder approval is obtained.

## 1.2 The SPP Option Offer

By this Prospectus, the Company makes an offer of up to 14,814,814 Options to SPP Subscribers (or their nominees) on the basis of one (1) free attaching Option for every two (2) Shares subscribed for under the SPP or the SPP Shortfall Offer, as applicable. Where the determination of the entitlement of any SPP Subscriber results in a fraction of an Option, such fraction will be rounded down to the nearest whole Option.

The Company has as at the date of this Prospectus 751,772,713 Shares and 7,000,000 unlisted options on issue.

## 1.3 Opening and Closing Dates

As set out in the indicative timetable, the SPP Option Offer will open on 5 December 2016 (**Opening Date**) and is anticipated to close on 19 December 2016 (**Closing Date**). The Opening Date and Closing Date for the SPP Option Offer are indicative only and subject to change without notice. The Company may vary these dates, including to close the SPP Option Offer early, extend the Closing Date or to withdraw the SPP Option Offer at any time prior to issue of the Options. 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 SPP Option Offer from the Opening Date until 5.00pm AWST 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 SPP Option Offer.

The amount to be raised under the SPP is capped at A\$4,000,000 (before costs). This means that the SPP Option Offer is capped at a total of 14,814,814 Options. If acceptances are received in respect of more than 14,814,814 Options, acceptances will be scaled back in accordance with the mechanisms described in the SPP Offer Documents accompanying this Prospectus.

## **1.5 Applying for Options**

If you would like to apply for Options, please complete the enclosed combined Application Form which accompanies this Prospectus and return it to the Registry at:

Computershare Investor Services Pty Limited  
GPO BOX 505  
Melbourne, Victoria 3001, Australia

An Applicant may only accept the SPP Option Offer on the basis of one (1) Option for every two (2) Shares subscribed for pursuant to the SPP or the SPP Shortfall Offer.

The SPP Option Offer is non-renounceable. Accordingly, an SPP Subscriber may not sell or transfer all or part of their entitlement under the SPP Option Offer.

If the number of Options subscribed for is more than the number of Options to which the Applicant is entitled under the SPP Option Offer (including because of a scale back of Shares to be issued under the SPP – see section entitled "Applications may be scaled back" in the SPP offer booklet), the Company reserves the right to return the Application Form and not issue any Options to the Applicant or to accept it in respect of a lesser number of Options.

The return of a completed Application Form will constitute the Eligible Shareholder's offer to subscribe for Options on the terms and conditions of the SPP Option Offer. Once an Application has been made, it cannot be revoked. No notice of acceptance of the Application will be provided to the Applicant by the Company or the Registry.

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.

## **1.6 No underwriting**

The SPP Option Offer will not be underwritten.

## **1.7 Issue of Options and sending of security holder statements**

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

The Directors expect that Options under the SPP Option Offer will be issued on or about 22 December 2016. Holding statements in relation to those Options are expected to be dispatched by 22 December 2016.

Applicants who sell Options 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 Options before receiving their holding statement, whether on the basis of a confirmation of allocation provided by the Company, the Registry, a broker or otherwise.

## **1.8 ASX quotation**

An application will be made to ASX for the Official Quotation of the Options 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 Options issued under the SPP Option Offer will commence within five Business Days after the date of issue provided the requirements for quotation in the Listing Rules (including for example that there are at least 50 holders with a marketable parcel) have been met. If permission is not granted by ASX for the Official Quotation of the Options 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.

## **1.9 SPP Shortfall**

Any Shares not subscribed for by Eligible Shareholders under the SPP will comprise the SPP Shortfall and may be offered to institutional or sophisticated investors as a separate placement at the discretion of the Directors pursuant to the SPP Shortfall Offer.

The offer of Options under the SPP Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open after the Closing Date. Subscribers under the SPP Shortfall Offer will be offered Shares at the same issue price at which the Eligible Shareholders were offered Shares under the SPP, together with 1 free attaching Option for every 2 Shares subscribed for, pursuant to this Prospectus.

Unless Shareholder approval is sought and obtained, the total number of Shares and Options issued under the SPP Shortfall Offer will be limited to the number which may be issued by the Company under its placement capacity in accordance with Listing Rule 7.1. As at the date of this Prospectus TNG's placement capacity is 110,690,907 equity securities. However, this figure will decrease by the number of Options issued under the SPP Option Offer. Shares issued under the SPP will fall within an exception to Listing Rule 7.1 and will not count towards TNG's placement capacity.

The Directors do not represent that any application to participate in the SPP Shortfall Offer will be successful. The Company reserves the right to issue to an applicant for Shares under the SPP Shortfall Offer a lesser number of Shares than the number applied for or reject an application or not proceed with the issuing of the Shares pursuant to the SPP Shortfall Offer or part thereof. If the number of Shares issued to an applicant is less than the number applied for by the applicant, surplus application monies will be refunded to the applicant in full. Interest will not be paid on any application monies refunded.

If you are invited to subscribe for Shares pursuant to the SPP Shortfall Offer, and you wish to subscribe, please complete an SPP Shortfall Application Form. The SPP Shortfall Application Form allows you to apply for both Shares offered under the SPP Shortfall Offer and Options offered under this Prospectus.

## **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 Options 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 Options 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 2016 is in the Annual Report which was announced on the ASX on 27 October 2016.

A summary of activities relating to the Company is also set out in the quarterly activities reports lodged with ASX on 13 April 2016, 14 July 2016 and 21 October 2016. The Company's continuous disclosure notices (i.e. ASX announcements) since the date of lodgement of the Annual Report on 27 October 2016 are listed in Section .

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 ASX announcements prior to deciding whether or not to subscribe for Options 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 Shares and in Options will be settled through CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and 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 Options will not receive a certificate but will receive a statement of their holding of Options.

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

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Registry and will contain details of the number of Options issued to you under this Prospectus and your security holder reference number.

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

### **1.13 Enquiries concerning Prospectus**

Enquiries concerning the Application Form or relating to the SPP Option Offer and this Prospectus should be directed to the Company Secretary by telephone on +61 8 9327 0900.

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## 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) 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 SPP, even if fully subscribed, together with cash reserves will not be sufficient to successfully achieve all the objectives of TNG's business strategy. Successful development of TNG's projects will require significant additional amounts of capital in due course. In particular, the capital expenditure estimate for development of the Mount Peake Project is A\$970 million, which will need to be raised through a mixture of debt and equity financing if the Mount Peake Project is to be developed.

There is no assurance that TNG will be successful in raising additional capital under the SPP or the SPP Shortfall Offer or in the future as and when it is required in order to fully finance and develop TNG's projects. 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.

#### (b) 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.

In July 2015, the Company completed a Definitive Feasibility Study which found that the Mount Peake Project could generate a pre-tax internal rate of return of 41% based on a pre-production capital cost of A\$970 million, a total estimated life of mine net cash flow of A\$11.6 billion and operating cash flows of A\$13.6 billion over an initial 17 year project life.

On 20 September 2016 the Company announced that it had appointed Gresham Advisory Partners Limited as a corporate advisor to assist with the development of a funding strategy in respect of the Mount Peake Project, evaluation of debt and equity funding options and introductions to potential funders and investors.

On 9 November 2016, the Company announced that it had received further approvals with respect to the construction of creek-crossing causeways from the Traditional Owner Group for the Mount Peake Project area.

The Company is continuing to evaluate the project financing for, and the development of, the Mount Peake Project, and to obtain the necessary regulatory approvals and permits. There is no guarantee that the Company will secure project financing or receive all regulatory approvals required for the development of the Mount Peake Project.

(c) **Agreements**

The Company has entered into several non-binding memoranda of understanding, heads of agreement and letters of intent with various parties in respect of off-take, development, operations and marketing commitments and strategic supply agreements. Many of these agreements are non-binding and preliminary in nature. There is no guarantee that legally binding contractual arrangements will eventuate. There is also a risk that these arrangements may result in binding agreements on terms that are less favourable to the Company than anticipated.

The Company is also currently in discussions with various parties regarding proposed new memoranda of understanding in relation to potential applications for the Company's products, including in vanadium redox batteries. There is no guarantee that such discussions will result in the entry into non-binding memoranda of understanding or legally binding agreements.

(d) **TIVAN® Metallurgical Process**

The Company has developed a metallurgical process for the recovery of high purity vanadium from the Mount Peake Project. The process is subject to an international patent application (patent pending) and the process is registered with the trademark name of TIVAN.

The Company has completed the pilot metallurgical test work for the TIVAN® refinery. While all test work to date and the pilot plant test work has indicated the technical and commercial viability of the TIVAN® process, there is no guarantee that the TIVAN® process will up-scale to an industrial-sized plant for use on the Mount Peake Project.

The Company entered a memorandum of understanding with SMS Group GmbH (**SMS**) for the joint commercial exploitation of the TIVAN® technology and to investigate opportunities to grant each other access to their respective intellectual property and in June 2016 a subsidiary of SMS made an equity investment in the Company, subscribing for 14 million Shares. TNG and SMS have worked on a redesign of the vanadium extraction circuit for the TIVAN® refinery which has yielded improvements in processing plant operating costs and opens up the potential for further refinements and improvements in the overall process economics for capital and operating expenditure. However, there is no guarantee that the estimated cost savings, or any further improvements, will be realised.

(e) **Davis Samuel Claim**

As announced to ASX on 1 July 2016, the Australian Capital Territory Court of Appeal dismissed an appeal by several parties in relation to judgements handed down against them in 2013 and 2014 in favour of the Commonwealth of Australia (**Commonwealth**) in the legal proceedings known as *The Commonwealth v TNG Limited* (**Davis Samuel Claim**).

This means that, with TNG having settled the claim against the Commonwealth some time ago (see ASX announcement dated 23 November 2015), TNG's involvement in these long-running proceedings is now over, subject to any further appeals by those parties. TNG holds unsatisfied judgement for considerable sums against those parties, but their ability to satisfy those debts is very doubtful.

There is still a risk that further appeals may be made by those parties in relation to the Davis Samuel Claim.

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 the Davis Samuel Claim will not exceed a value of A\$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:

- (i) A\$1,500,000; or
- (ii) 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 A\$1,500,000) in respect of any liability incurred as a result of the Davis Samuel Claim if TNG's liability exceeds A\$500,000. Any amount payable by TNG under the Subscription Agreement will not crystallize until such time as all avenues of appeal have been exhausted.

Based on the position as at the date of this Prospectus, the maximum exposure of TNG in relation to the liquidated damages potentially payable under the Subscription Agreement has been fully provisioned in TNG's accounts as at 30 June 2016. However, if further appeals on the Davis Samuel Claim eventuate, there is a risk that TNG's exposure for liquidated damages could increase.

(f) **Intellectual property**

TNG regards its patents, copyrights, trademarks, trade secrets and similar intellectual property (including that relating to the TIVAN<sup>®</sup> 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.

(g) **Environmental and Cultural**

The locations of some of TNG's 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 below.

The Company's operations will also be subject to environmental regulation. See paragraph below.

(h) **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.

(i) **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.

(j) **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.

(k) **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.

(l) **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.

(m) **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.

(n) **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.

(o) **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.

(p) **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 SPP Option Offer, there will be a further 14,814,814 Options (subject to rounding) on issue (assuming the SPP under this Prospectus is fully subscribed and no other options are issued or exercised).

If exercised, these Options will be converted into Shares, thereby causing the shareholdings of Shareholders to be diluted by up to 1.9% (on the basis that the SPP is fully subscribed, all of the Options offered under this Prospectus are issued, no other Shares are issued and no options on issue at the date of this Prospectus are exercised). However, each Option has an exercise price of A\$0.20 which means that the Company will receive additional funds of up to approximately A\$2,962,962 upon exercise of the Options, if all Options the subject of the SPP Option Offer are exercised.

(q) **Proposed de-merger of base metal assets**

The Company has announced a proposal to de-merge its non-core portfolio of zinc, copper and base metal assets in the Northern Territory into a new company, Todd River Resources Limited. This is intended to enable the Company to focus on its Mount Peake Project, while retaining a significant shareholding in Todd River Resources, which is intended to become one of the largest base metal companies operating in the Northern Territory.

The Company originally received approval for the proposed de-merger at a general meeting of Shareholders in May 2015, however the process was deferred due to prevailing market conditions. On 25 July 2016 the Company announced its intention to convene a general meeting of Shareholders to seek re-approval of the de-merger. The Company has sought a Class Ruling from the Australian Taxation Office in respect of the de-merger proposal, and in particular to rule that there will be no unexpected adverse tax outcomes for Shareholders from the proposed in-specie distribution.

The proposed-demerger was re-approved by Shareholders at the extraordinary general meeting held on 29 November 2016. The proposed de-merger will involve Todd River Resources Limited acquiring the assets from TNG and existing eligible TNG Shareholders receiving shares in Todd River Resources Limited via an in-specie distribution. It is intended that Todd River Resources Limited will undertake a capital raising by way of an initial public offering as part of its ASX listing process.

The Company has advised that, subject to market conditions and the conditions set out in the notice for the extraordinary general meeting being satisfied (including receipt of the Class Ruling from the Australian Taxation Office), it intends to proceed with the in-specie distribution in the first quarter of 2017 in conjunction with the proposed initial public offer of Todd River Resources Limited. It is expected that an updated timetable for the in-specie distribution will be announced by the Company in the first quarter of 2017.

There is no guarantee that the proposed de-merger will take place on terms acceptable to the Company, or at all. As set out in the notice of extraordinary general meeting, the proposed de-merger remains subject to a number of conditions.

If the de-merger does take place, the Company will reduce its exposure to certain of its assets, but there is no guarantee that the value obtained by the Company will reflect the underlying value of the assets being de-merged. The Company has incurred fees in progressing the de-merger, which fees may not be recovered if the de-merger does not ultimately proceed.

## 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 Options pursuant to this Prospectus.

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### 3. Purpose and effect of the SPP Option Offer

This Section is prepared on the basis that the SPP is fully subscribed (in which case all Options will be issued under the SPP Option Offer and none will be issued pursuant to the SPP Shortfall Offer). The position will not be materially different from that set out below if some Options are issued under the SPP Option Offer and some under the SPP Shortfall Offer.

#### 3.1 Purpose of the SPP Option Offer

The SPP Option Offer is being made in accordance with the Company's announced intention to offer one (1) free attaching Option for every two (2) Shares subscribed for under the SPP and SPP Shortfall Offer.

No funds will be raised from the SPP Option Offer. Funds raised under the SPP will be used to progress the development of the Company's flagship Mount Peake Iron-Vanadium-Titanium Project in the Northern Territory and to provide general working capital.

#### 3.2 Effect of the SPP Option Offer

The principal effect of the SPP Option Offer, assuming all Options offered under the Prospectus are issued, will be to increase the number of Options currently on issue by a maximum of 14,814,814 (assuming that the SPP Option Offer is fully subscribed for).

If all of these 14,814,814 Options are exercised, the Company will be paid exercise proceeds of A\$2,962,962 (before costs) and an additional 14,814,814 Shares will be issued to Optionholders. The exercise proceeds will be applied towards the Company's general operational and working capital expenditure.

#### 3.3 Effect on capital structure

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

	<b>Number of Shares</b>	<b>Number of unlisted options (1)</b>	<b>Options Offered under this Prospectus</b>
Balance at the date of this Prospectus <sup>(2)</sup>	751,772,713	7,000,000	-
Maximum to be issued under the SPP	29,629,629	-	-
Maximum to be issued under the SPP Option Offer <sup>(3)</sup>	-	-	14,814,814
<b>Total Securities on issue after the SPP Option Offer</b>	<b>781,402,342</b>	<b>7,000,000</b>	<b>14,814,814</b>
<b>Shares to be issued if conversion of Options occurs</b>	<b>14,814,814</b>	<b>7,000,000</b>	<b>(14,814,814)</b>
<b>Diluted capital position</b>	<b>796,217,156</b>	<b>7,000,000</b>	<b>-</b>

(1) Details of options:

Exercise Date	Exercise Price	Number
4 January 2017	A\$0.15	1,000,000
6 June 2017	A\$0.15	4,500,000
7 September 2019	A\$0.20	1,500,000

Note that this does not include the options to be issued to the Directors shortly after the date of this Prospectus, as described in Section 4.7(b) of the Prospectus.

(2) Assuming no options are exercised prior to the Record Date.

(3) The Company will apply for Official Quotation of the Options issued under the SPP Option Issue.

### 3.4 Pro-forma balance sheet

The pro-forma balance sheet is based on the statement of financial position as at 31 October 2016 that has then been adjusted (assuming the SPP is fully subscribed for) to reflect the issue of 29,629,629 Shares pursuant to the SPP, at an issue price of A\$0.135 and 14,814,814 free attaching Options pursuant to the SPP Option Offer to raise a maximum amount of A\$4,000,000 before the costs of the SPP and SPP Option Offer. The pro-forma balance sheet is prepared on the basis that the SPP and SPP Option Offer raise A\$3,913,206 after costs. This has been 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 SPP Option Offer. The pro-forma, unaudited balance sheet does not take into account the effect of any future exercises of options.

	Audited 30 June 2016 '000	Unaudited 31 October 2016 '000	Adjustments '000	Unaudited Pro-forma 31 October 2016 '000
<b>Current Assets</b>				
Cash and cash equivalents	7,167	3,826	3,913	7,739
Other receivables	222	118	-	118
Prepayments	77	90	-	90
Other investments	46	46	-	46
<b>Total Current Assets</b>	<b>7,512</b>	<b>4,080</b>	<b>3,913</b>	<b>7,993</b>
<b>Non-Current Assets</b>				
Plant & equipment	119	101	-	101
Exploration and evaluation	24,684	26,950	-	26,950
<b>Total Non-Current Assets</b>	<b>24,803</b>	<b>27,051</b>	<b>-</b>	<b>27,051</b>
<b>Total Assets</b>	<b>32,315</b>	<b>31,131</b>	<b>3,913</b>	<b>35,044</b>
<b>Current Liabilities</b>				
Trade and other payables	761	561	-	561
Provisions	309	330	-	330
<b>Total Current Liabilities</b>	<b>1,070</b>	<b>891</b>	<b>-</b>	<b>891</b>
<b>Non-Current Liabilities</b>				
Provisions	260	260	-	260
<b>Total Non-Current Liabilities</b>	<b>260</b>	<b>260</b>	<b>-</b>	<b>260</b>

<b>Total Liabilities</b>	1,330	1,151	-	1,151
<b>Net Assets</b>	30,985	29,980	3,913	33,893
Equity				
Issued capital	64,944	64,944	3,913	68,857
Reserves	44	44	-	44
Accumulated losses	(34,003)	(35,008)	-	(35,008)
<b>Total Equity</b>	30,985	29,980	3,913	33,893

### 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 ASIC and the respective dates of those sales were:

Highest: A\$0.185 per Share on 17 October 2016

Lowest: A\$0.110 per Share on 7 September 2016

The latest available closing sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was A\$0.155 per Share on 29 November 2016.

### 3.6 Dividend policy

The Company does not currently pay dividends. The Directors are not able to say when or 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.

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## **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 SPP Option Offer and the information necessary to make an informed assessment of:

- (a) the effect of the SPP Option Offer on the Company;
- (b) the rights and liabilities attaching to the Options offered by this Prospectus; and
- (c) the rights and liabilities attaching to the underlying Shares.

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 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 securities market conducted by ASX. In particular, the Company has an obligation under the 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 SPP Option Offer remains open, the Company will provide free of charge to any person who requests it, a copy of:

- (a) the Company's Annual Report for the year ended 30 June 2016, 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 27 October 2016 (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
29/11/2016	Results of Meeting – AGM
29/11/2016	Results of Meeting – EGM
29/11/2016	MD presentation AGM
29/11/2016	Option exercise price
18/11/2016	Boardroom Radio Broadcast – Mr Paul Vollant
17/11/2016	Boardroom Radio Broadcast – Mr Paul Burton
16/11/2016	TNG signs MOU with global group Wogen for Titanium Products
09/11/2016	Traditional owner approvals received for Mount Peake
27/10/2016	Notice of Annual General Meeting / Proxy Form
27/10/2016	Appendix 4G
27/10/2016	Annual Report to Shareholders

### 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 by this Prospectus.

### 4.5 Rights and liabilities attaching to the Options

The Options to be issued under this Prospectus will be issued 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 (as defined below) before the Expiry Date (as defined below).

(b) Exercise Price

The exercise price of each Option is A\$0.20 (**Exercise Price**).

(c) Expiry Date

An Option is exercisable at any time after the date of issue and on or before 5.00pm AWST on 15 June 2018 (**Expiry Date**). Options that are not exercised by the Expiry Date shall 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 case 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 equity 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 equity 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

An application for quotation of the Options will be made by the Company to ASX.

(o) Options transferable

The Options are transferable. Options may be transferred in the same manner as Shares unless classified as restricted securities under the 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 of the Company, 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, the Corporations Act and the Listing Rules.

- (c) Dividends

The Directors may from time to time declare or determine that an interim or final dividend is payable to Shareholders, or fix the amount, the time for payment and the method of payment of any interim or final dividend. All dividends must be paid to the Shareholders in proportion to the number of Shares held and the amount paid on the Shares.

- (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 three 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, and 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 Corporations Act provides that 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) 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 SPP Option Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the SPP Option 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 SPP Option 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	Unlisted options
Rex Turkington	7,887,999	-
Paul Burton	13,249,999	-
Geoffrey (Stuart) Crow	7,037,204	-

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.

At the 2016 annual general meeting, Shareholder approval was obtained for the Company to issue 4,000,000 million options to Paul Burton and 1,000,000 options to each of Rex Turkington and Geoffrey (Stuart) Crow. As at the date of this Prospectus, these options have not yet been issued to the relevant Directors, however the Company intends to issue the options shortly after the date of this Prospectus.

The Company has applied to ASX for a waiver of Listing Rule 10.11 to allow Directors who are Eligible Shareholders (or entities controlled by them) to participate in the SPP and the SPP Option Offer without the approval of Shareholders. This waiver is required because the offer of Options as part of the SPP means that the exception in the Listing Rules for offers to directors under a security purchase plan does not apply to the SPP.

#### 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.

The Directors and former directors received the following remuneration for the previous two financial years:

##### Remuneration for the year ended 30 June 2016

Director	Directors Fees and Salary (A\$)	Superannuation (A\$)	Bonus (A\$)	Share Based Payments (A\$)	Total (A\$)
<b>Paul Burton</b>	467,501	44,413	200,000	64,493	817,604 <sup>1</sup>
<b>Geoffrey (Stuart) Crow</b>	71,000	-	-	49,600	120,600
<b>Rex Turkington</b>	127,400	-	-	49,600	177,000
<b>Michael Evans<sup>2</sup></b>	36,667	-	-	49,600	86,267
<b>Jianrong Xu<sup>3</sup></b>	14,583	-	-	-	14,583
<b>Zhigang Wang<sup>4</sup></b>	20,833	-	-	49,600	70,433

<sup>1</sup> Includes an additional amount of A\$41,197 of accrued annual leave not taken over and above base salary as detailed in service contract.

<sup>2</sup> Michael Evans resigned as a director of the Company on 4 December 2015.

<sup>3</sup> Jianrong Xu resigned as a director of the Company on 16 October 2015.

<sup>4</sup> Zhigang Wang retired as a director of the Company on 30 November 2016.

### Remuneration for the year ended 30 June 2015

Director	Directors Fees and Salary (A\$)	Superannuation (A\$)	Bonus (A\$)	Share Based Payments (A\$)	Total (A\$)
<b>Paul Burton</b>	407,031	38,668	108,000	178,866	764,245 <sup>5</sup>
<b>Geoffrey (Stuart) Crow</b>	50,000	-	-	97,759	147,759
<b>Rex Turkington</b>	63,000	-	-	97,759	160,759
<b>Michael Evans</b>	50,000	-	-	114,674	164,674
<b>Jianrong Xu</b>	50,000	-	-	-	50,000
<b>Zhigang Wang</b>	50,000	-	-	91,315	141,315

#### 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 SPP Option Offer; or
- (c) the SPP Option 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 SPP Option Offer.

Clifford Chance have acted as lawyers to the Company in connection with the SPP Option Offer and the other issues noted in Section . The Company estimates that it will pay Clifford Chance approximately A\$40,000 (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 SPP Option Offer and the other issues noted in Section . The Company estimates that it will pay SLR Consulting Pty Ltd approximately A\$2,500 (excluding GST and disbursements) for these services. SLR Consulting Pty Ltd currently holds 2,250,000 Shares issued to it under the TNG Loan Funded Non-Executive Director and Consultant Share Plan. Mr Robertson has an indirect beneficial interest in 505,000 Shares.

#### 4.10 Expenses of SPP Option Offer

The estimated expenses of the SPP and SPP Option Offer are as follows:

<sup>5</sup> Includes an additional amount of A\$31,681.00 of accrued annual leave not taken over and above base salary as detailed in service contract.

	<b>A\$</b>
ASIC Lodgement fee	2,350
ASX quotation fee	21,944
Legal and preparation expenses	42,500
Printing, mailing and other expenses	20,000
<b>Total</b>	<b>86,794</b>

#### **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:

- (i) 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 lawyers to the Company in respect of the SPP Option Offer and the other issues noted in Section in the form and context in which they are named.
- (ii) 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 SPP Option Offer and the other issues noted in Section in the form and context in which it is named.
- (iii) 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 SPP Option 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. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

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## 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:



Paul Burton  
**Managing Director**  
**TNG Limited**

Dated: 30 November 2016

## **Glossary of terms**

**A\$** 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 SPP Application Form or an SPP Shortfall Application Form (as the context requires).

**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 Ltd ACN 008 504 532.

**ASX Settlement Operating Rules** means the operating rules of ASX Settlement and, to the extent that they are applicable the operating rules of each of ASX and ASX Clear Pty Limited ACN 001 314 503.

**AWST** means Australian Western Standard Time.

**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 (ASX: TNG) 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.

**Eligible Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

**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 the Options on the Official List.

**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 a free attaching option granting the holder the right to acquire one Share on the exercise of the option, on the terms and conditions set out in Section .

**Optionholder** means a holder of an Option.

**Prospectus** means this prospectus dated 30 November 2016 and lodged with ASIC and includes any supplementary or replacement prospectus.

**Record Date** means 4.00pm AWST on the date identified as such in the indicative timetable, or such other date as announced to ASX by the Company.

**Registry** means Computershare Investor Services Pty Limited ACN 078 279 277.

**Related Party** has the meaning it has in the Corporations Act.

**Section** means a section of this Prospectus.

**Security** means a Share or Option.

**Shareholder** means a holder of Shares.

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

**SPP** means the share purchase plan referred to in Section 1.1.

**SPP Application Form** means the application form under the SPP, either attached to or accompanying this Prospectus.

**SPP Offer Documents** means the SPP offer letter, the SPP offer booklet and the SPP Application Form.

**SPP Option Offer** means the offer of Options as set out in Section 1.

**SPP Shortfall** means Shares not subscribed for by Eligible Shareholders under the SPP.

**SPP Shortfall Application Form** means an application form provided by the Company on which applications under the SPP Shortfall Offer can be made.

**SPP Shortfall Offer** has the meaning given in Section .

**SPP Subscriber** means an investor who has subscribed for Shares under the SPP or the SPP Shortfall Offer.