

ASX ANNOUNCEMENT

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PROJECTS

Mount Peake: Fe-V-Ti
Manbarrum: Zn-Pb-Ag
East Rover: Cu-Au
McArthur: Cu

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MOUNT PEAKE UPDATE: CONSTRUCTION OF PILOT PLANT TO TEST TIVAN™ PROCESS POISED TO COMMENCE

BENCH-SCALE TESTWORK NEARING COMPLETION: FEASIBILITY ON TRACK

Highlights:

- **Metallurgical testwork program for all phases of the TIVAN™ hydrometallurgical process continuing steadily with target completion by the end of Q1 2012.**
- **Final testwork of some key phases completed.**
- **Pilot plant assembly commencing at the end of January 2012 with planned operation and testing scheduled for March 2012.**

Australian resources company TNG Limited (ASX: TNG) is pleased to advise that the next key phase of the metallurgical testwork program for its flagship **Mount Peake Iron-Vanadium-Titanium Project** in the Northern Territory is underway with construction of a pilot plant scheduled to start at the end of January 2012.

The modular **pilot plant** will be assembled to test the proprietary TIVAN™ solvent extraction (SX) process, developed jointly by TNG and its partner, METS Pty Ltd. The pilot plant will be assembled at the ALS-AMMTEC laboratory in Perth using existing SX equipment.

Operation and testing of the pilot plant is scheduled to commence in March 2012, providing a definitive test of the commercial potential of the TIVAN™ process to produce a high purity aqueous vanadium solution leading to a vanadium pentoxide product of commercial grade. Final results are expected by the end of Q2 2012.

Further testwork to confirm the iron and titanium grade products is scheduled for early Q2. The ability of the TIVAN™ process to extract commercial high-grade quantities of vanadium and iron from the Mount Peake mineralization underpins TNG's development proposition for this world-scale project.

It also has the potential to be applied to other vanadium deposits globally.

The upcoming testwork programs represent key inputs to the Definitive Feasibility Study (DFS) on the Mount Peake Project, which is scheduled to commence in Q1 of 2012.

The testwork programs and DFS for Mount Peake form part of TNG's Strategic Alliance with the East China Mineral Exploration & Development Bureau (ECE). TNG last week completed the first stage of its previously announced \$13.4 million transaction with ECE.

Metallurgical Test Work

Optimisation testwork has been completed for the High Pressure Grinding Rolls HPGR, providing encouraging results and indicating lower than expected specific power requirements.

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Dry and wet Low Intensity Magnetic Separation (LIMS) magnetic concentrate option testing on the HPGR fines has been completed indicating lower mass pull but higher grades on the preferred wet LIMS magnetic concentrate option.

Leach tests on the magnetic concentrate are on track with ore zone, acid concentration and temperature tests completed, and confirming expected extractions.

Bulk leach test work on a 90kg magnetic concentrate sample is scheduled for February which will be used as feed solution for the pilot plant operational and testing phase.

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Paul E Burton
Managing Director
30 January 2012

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COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Paul Burton who is a Member of The Australasian Institute of Mining and Metallurgy, an employee and Director of TNG Limited. Paul Burton has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Paul Burton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Michael Andrew who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of Snowden Mining Industry Consultants Pty Ltd. Michael Andrew has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Michael Andrew consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.