



## AMENDED

# TNG COMMISSIONS NEW SCOPING STUDY FOR MOUNT PEAKE VANADIUM PROJECT

*STUDY FOLLOWS RECENT METALLURGICAL PROCESSING  
BREAKTHROUGH*

### HIGHLIGHTS

- **New Scoping Study to incorporate hydrometallurgical processing for the recovery of all three components – vanadium, titanium and iron**
- **Test work optimisation continuing to improve project economics**
- **Joint Patent Application for new hydrometallurgical process submitted by TNG and Mineral Engineering Technical Services**

Australian resource company TNG Limited (ASX: **TNG**) is pleased to advise that it has commissioned a new Scoping Study for its 100%-owned **Mount Peake Vanadium Project** in the Northern Territory (*see Figure 1*) based on a recent metallurgical processing breakthrough for the Project.

TNG announced on 20 May that the Mount Peake Project had received a major boost with the joint development of a new metallurgical process for extraction of all **three key commodities** – vanadium, titanium and iron – from the Mount Peake ore.

The new hydrometallurgical process route was jointly developed with the Company's metallurgical consultants, Mineral Engineering Technical Services Pty Ltd ("METS").

TNG has now commissioned METS to undertake a new Scoping Study which will identify new CAPEX and OPEX parameters for the Project.

The new Scoping Study will incorporate hydrometallurgical processing for the recovery of the valuable products, which is the subject of a new Patent Application jointly submitted by TNG and "METS" on an equal share basis.

TNG believes that the new process will significantly boost the economics of the Mount Peake Project through the recovery of three marketable products.

TNG will continue to advance the test work with METS to optimise the process prior to a decision on whether to proceed with a full Feasibility Study.

A coarse cobbing testwork program conducted on drill core has continued to show improvements to both the grade and recovery of vanadium-rich titanomagnetite concentrate, as shown below:

Drill Hole	Grind Size (mm)	Mass Rec. (%)	Fe		V <sub>2</sub> O <sub>5</sub>		TiO <sub>2</sub>		SiO <sub>2</sub>		Al <sub>2</sub> O <sub>3</sub>	
			Grade (%)	Rec (%)	Grade (%)	Rec (%)	Grade (%)	Rec (%)	Grade (%)	Rec (%)	Grade (%)	Rec (%)
MPDD 001	6.70	75.3	31.3	81.4	0.44	90.6	7.8	89.1	26.2	68.4	5.2	70.9
	3.35	74.4	32.2	82.9	0.46	95.1	8.2	92.5	25.4	65.4	5.1	68.6
	1.00	56.6	36.5	71.4	0.61	95.1	10.5	90.4	20.3	39.8	4.8	48.9
	0.50	56.8	36.3	71.3	0.61	94.8	10.3	89.2	20.6	40.5	4.9	50.5
Calculated Head Grade (%)			28.9		0.36		6.6		28.9		5.5	
Drill Hole	Grind Size (mm)	Mass Rec. (%)	Fe		V <sub>2</sub> O <sub>5</sub>		TiO <sub>2</sub>		SiO <sub>2</sub>		Al <sub>2</sub> O <sub>3</sub>	
			Grade (%)	Rec (%)	Grade (%)	Rec (%)	Grade (%)	Rec (%)	Grade (%)	Rec (%)	Grade (%)	Rec (%)
MPDD 002	6.70	79.6	31.8	88.1	0.52	93.1	9.7	92.4	24.7	70.9	6.2	72.3
	3.35	79.8	31.5	87.6	0.52	93.2	9.7	92.5	24.8	71.3	6.2	73.4
	1.00	67.1	35.3	82.4	0.63	94.1	11.5	92.3	20.7	50.1	5.7	56.3
	0.50	57.3	38.5	76.9	0.72	92.7	12.9	88.3	17.1	35.4	5.3	44.4
Calculated Head Grade (%)			28.7		0.45		8.4		27.7		6.8	

Test work carried out using the RC chip samples showed that the magnetic concentrate is amenable to hydrometallurgical processing, giving high extractions of vanadium (98%) and iron (83-99%) in the acid leaching.

The Mount Peake deposit currently contains a JORC Inferred Resource of **139 million tonnes (Mt) grading 0.29% vanadium (V<sub>2</sub>O<sub>5</sub>), 5.3% titanium (TiO<sub>2</sub>), 23.7% iron (Fe).**

The project is located close to existing power and transport infrastructure and has a potential Exploration Target<sup>1</sup> of 500-700Mt with a grade range of 0.2% - 0.4% V<sub>2</sub>O<sub>5</sub> and 25% - 35% Fe.

Yours faithfully

**TNG LIMITED**



**Paul Burton**  
**Director & CEO**  
 July 8<sup>th</sup> 2010

<sup>1</sup> The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resources.

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Read Corporate**+ 61 (0) 419 929 046****Competent Person's Statement**

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Paul Burton who is a Member of The Australasian Institute of Mining and Metallurgy and a 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.

Mr Damian Connelly, MAAusIMM, Chartered Professional (MET), MMICA, MSME, MSAIMM was responsible for the preparation of the metallurgical test work results reported herein. Mr Connelly has sufficient experience to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of the Exploration Results, Mineral Resources and Ore Reserves. Mr Connelly consents to the inclusion in the report of the matters based on his information in the form and context in which is appears.

**Forward-Looking Statements**

This report contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, objectives, performance, outlook, growth, cash flow, earnings per share and shareholder value, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses, property acquisitions, mine development, mine operations, drilling activity, sampling and other data, grade and recovery levels, future production, capital costs, expenditures for environmental matters, life of mine, completion dates, and currency exchange rates. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast' and similar expressions. Persons reading this report are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Information Form.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

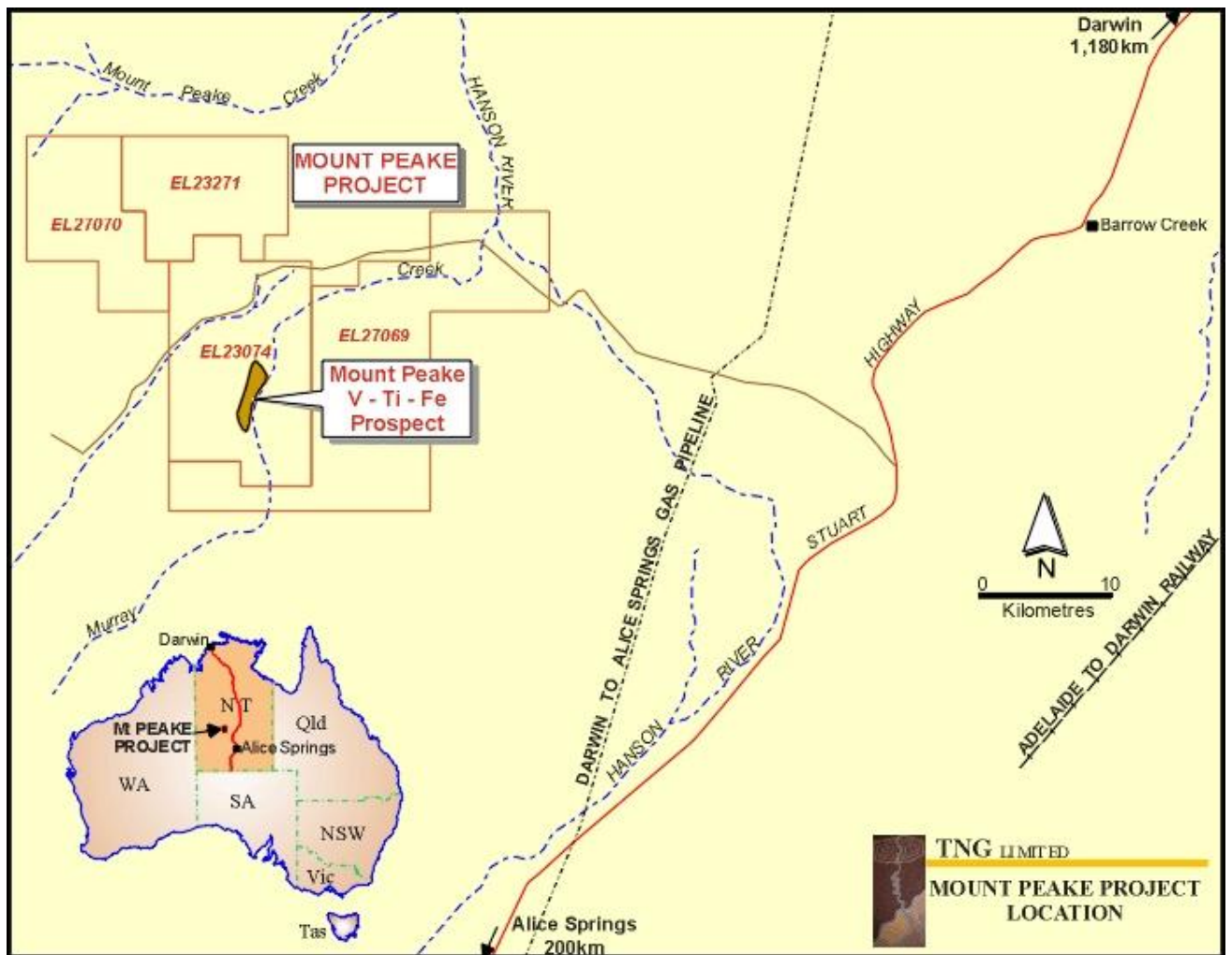


Figure 1: Project Location Map: Mount Peake Deposit.