



TNG REPORTS POSITIVE INTERIM RESULTS FROM MOUNT PEAKE SCOPING STUDY

CONSISTENT GRADES AND RECOVERIES OF IRON, VANADIUM & TITANIUM

Australian resources company TNG Limited (ASX: **TNG**) is pleased to report positive interim results from the new Scoping Study on its 100%-owned **Mount Peake Vanadium Project** in the Northern Territory.

The new Scoping Study, commissioned in July for commercial extraction of all **three key commodities** from the ore – namely iron, vanadium and titanium – has delivered encouraging results incorporating a newly patented hydrometallurgical process developed by TNG in conjunction with its metallurgical consultants, METS.

Key interim findings from the Scoping Study are summarised below:

- *the iron concentrate grade is consistent at **54-55% Fe** after preliminary grinding and magnetic separation:*
 - *Fe recovery is approximately **71-75%**;*
- *the vanadium concentrate grade is consistent at **1.2%** after preliminary grinding and magnetic separation:*
 - *V recovery is **91 – 95%**;*
- *the titanium grade is consistent at **16–17%** after preliminary grinding and magnetic separation:*
 - *Ti recovery is 75%;*
- *the ore is low in phosphorus, silica and alumina below commercial penalty values*
- *in leaching, the vanadium is readily leached with an extraction of >90% achieved, 80% for Fe, but only 20% for Ti;*
- *TiO₂ extraction – further purification would lead to a commercial grade TiO₂ achievable which could generate extra revenue;*
- *METS' view is that further test work may potentially eliminate the need for fine grinding, resulting in a further reduction in capital and operating expenditures; and*

- *METS' view is that the Capex and Opex using the new hydrometallurgical processing technique will be much lower than standard processes.*

The Mount Peake deposit, which currently contains a JORC Inferred Resource of 139 million tonnes (Mt) grading 0.29% vanadium (V₂O₅), titanium (TiO₂), 23.7% iron (Fe), produces smelter acceptable concentrate grades after low cost upgrading. The project is close to existing power and transport infrastructure and has a potential Exploration Target¹ of 500-700 Mt with a grade range of 0.2% - 0.4% V₂O₅ and 25% - 35% Fe.

It is important to note that the previous Scoping Study on the Mount Peake Project undertaken by Snowden Mining Industry Consultants had already returned positive economics despite a relatively high Capex estimate.

The new Scoping study will incorporate the hydrometallurgical process, which is the subject of a new Patent jointly owned by TNG and "METS" on an equal share basis. Further pre-processing optimisation tests have been carried out on drill core and continue to show improvements to both grade and recovery of both vanadium concentrate and iron

Test work carried out by TNG/METS has shown that the magnetic concentrate is amenable to hydrometallurgical processing, resulting in very high recoveries of vanadium (98%) and iron (83-99%) in the acid leaching.

TNG remains positive that the new process and recovery of all three marketable products will significantly boost the Project's economics. The Company will continue to advance the test work with METS to optimise the process prior to a decision on proceeding with a full Feasibility Study.

Yours faithfully

TNG LIMITED



**Paul Burton
Director & CEO**

September 13th 2010

Enquiries:

**Paul E Burton
Director & CEO**

+ 61 (0) 8 9327 0900

**Nicholas Read
Read Corporate**

+ 61 (0) 419 929 046

¹ *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.*

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.

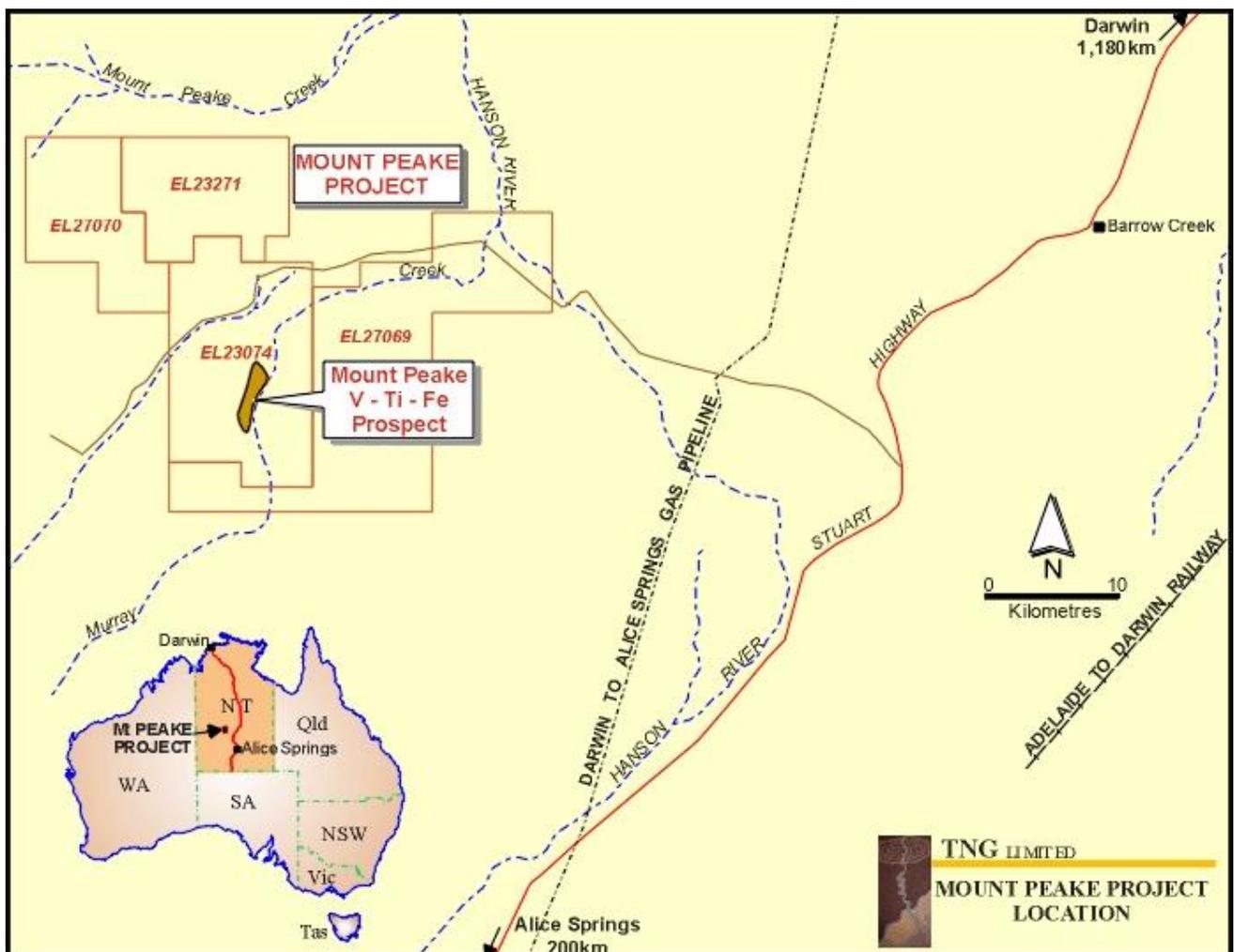


Figure 1: Project Location Map: Mount Peake Deposit.