

TNG SIGNS BINDING TERMS FOR LIFE-OF-MINE PRINCIPAL MARKETING AGREEMENT WITH GUNVOR (SINGAPORE) FOR VANADIUM PENTOXIDE

Signing of Binding Term Sheet marks another key step towards financing and development of the Mount Peake Vanadium-Titanium-Iron Project

Key Points

- Binding Term Sheet for a Life-of-Mine (LOM) Principal Marketing Agreement (the “Agreement”) signed with the major global commodity trader Gunvor (Singapore) for the remaining vanadium pentoxide production from TNG’s 100%-owned Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory.
- Under the Agreement, a maximum of 40% of the vanadium pentoxide to be produced from Mount Peake will be purchased, complementing the existing agreement for the balance with Korea’s WOOJIN.
- TNG’s vanadium pentoxide will be purchased on an FOB basis and marketed and distributed on a global basis for a fixed commission, subject to the execution of the Agreement based on these terms not later than six months from the date of the Term Sheet.
- The signing of this Term Sheet, in addition to the life-of-mine off-take deals already secured for Mount Peake vanadium pentoxide and titanium dioxide, marks another key milestone for TNG following completion of the Mount Peake Feasibility Study financial model interim update in September this year and opens the door to further potential financing opportunities.
- As outlined in the Company’s ASX announcement of 13 September 2019, discussions for a life-of-mine off-take agreement for 100% of the iron oxide products from Mount Peake are well advanced.

Australian strategic metals company TNG Limited (ASX: TNG) (“TNG” or “the Company”) is pleased to announce that it has signed a Binding Term Sheet with the global commodity trader, **GUNVOR (Singapore)**, for potential off-take of 40% of the high-purity vanadium pentoxide that will be produced by the Company’s flagship 100%-owned **Mount Peake Vanadium-Titanium-Iron Project** (“Project”) in the Northern Territory.

TNG intends to produce approximately 6,000tpa of vanadium pentoxide from its TIVAN® Processing Facility, to be located in Darwin (NT) – one of three high-value downstream products to be produced by the fully integrated Mount Peake Project for export to a global customer base.

The Binding Term Sheet with GUNVOR (Singapore) encompasses key terms for the sale and purchase off-take of 40% of the vanadium pentoxide to be produced from Mount Peake, including the purchase of these products on an FOB basis and global distribution for a fixed commission. Based on these terms, TNG and GUNVOR will work towards the completion of the Agreement for the vanadium pentoxide from Mount Peake not later than six months from the date of the Binding Term Sheet.

Together with the existing off-take agreements already in place with WOOJIN (for vanadium) and DKSH (for titanium) and ongoing advanced discussions for iron oxide off-take (refer ASX announcement 13 September 2019), TNG is confident that it will be able to sell the entire diversified suite of high-value products from Mount Peake in global commodity markets, underpinning the Project’s forecast revenue and creating a strong foundation for its financing and development.

Founded in 2000, Gunvor Group is one of the world’s largest independent commodities trading houses by turnover, creating logistics solutions that safely and efficiently move physical energy and bulk materials from where they are sourced and stored to where they are demanded most. With strategic investments in industrial infrastructure—refineries, pipelines, storage, terminals, mining and upstream—Gunvor further generates sustainable value across the global supply chain for its customers. In 2018, Gunvor generated US \$87 billion in revenue moving more than 185 million MT of physical commodities. More information can be found at www.GunvorGroup.com or @Gunvor.

Management Comment

Commenting on the signing of the Binding Term Sheet with GUNVOR (Singapore), TNG’s Managing Director & CEO, Mr Paul Burton, said:

“We are delighted to have strengthened our long-standing relationship with GUNVOR, a global commodity trader with similar values and growth strategies to TNG, by signing this Binding Term Sheet for vanadium pentoxide off-take. We have dealt with the team at GUNVOR over a number of years, including on the possibility of off-take for iron oxide products as disclosed in our release of September this year, and we are delighted to be working closely with them to develop this additional segment of our business.”

“The signing of this Binding Term Sheet in the current challenging global market environment is another solid achievement by our team and is testament to the quality and robustness of the Mount Peake Project. We look forward to working closely with GUNVOR and executing the final binding Principal Marketing Agreement for the long term.”

Paul E Burton
Managing Director & CEO

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About TNG

TNG is building a world-scale strategic metals business based on its flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory. Located 235km north of Alice Springs, Mount Peake will be a long-life project producing a suite of high-quality, high-purity strategic metals products for global markets including vanadium pentoxide, titanium dioxide and iron ore fines. The project, which is expected to be a top-10 global producer, has received Major Project Facilitation status from the Northern Territory Government.

Vanadium is a highly strategic metal which is used as an alloy in steel. It is also in strong demand for use in energy storage, with vanadium redox batteries used to store electricity generated by solar and wind power, and lithium-vanadium ion batteries used to power hybrid cars.

Forward-Looking Statements

This announcement has been prepared by TNG Limited. This announcement is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained.

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