

MOUNT PEAKE VANADIUM-TITANIUM-IRON PROJECT DEVELOPMENT UPDATE

Progress update on key FEED Study and NPI work streams

Australian resource and mineral processing technology company TNG Limited (ASX: TNG) (“TNG” or the “Company”) is pleased to provide an update on the Front-End Engineering and Design (“FEED”) study and the non-process infrastructure (“NPI”) work being undertaken for its 100%-owned Mount Peake Vanadium-Titanium-Iron Project (“Project”), located in the Northern Territory, Australia.

FEED Study

TNG and its strategic engineering and development partner, the German-based metallurgical engineering firm SMS group (“SMS”), have continued to advance the key work streams within the comprehensive FEED study for the Mount Peake processing plants related to design and engineering. The technical and commercial objectives of the FEED study include:

- Confirmation of the expected performance of the processing plants;
- Ensuring that the design meets key requirements relating to integrity, operability, availability, safety and environmental aspects;
- Confirmation that a scale-up to a large commercial size is achievable;
- Confirmation that major equipment can be procured for the plant configuration and sizes engineered;
- Confirmation of constructability; and
- Process engineering and engineering, procurement and construction (“EPC”) planning in sufficient detail to support an accurate cost estimate and a binding fixed, lump sum price for the EPC process.

The scope of work for the FEED study has been divided into four front-end loading (“FEL”) phases – namely, FEL-0, FEL-1, FEL-2 and FEL-3. This covers the process plant equipment required for the mine site Beneficiation Plant and the Darwin TIVAN® Processing Facility, including all associated plant and equipment.

The key objective and current status of each FEL phase is summarised below:

Phase	Objective	Status and Outcome
FEL-0	Review and verify the process to be modelled for the Project in terms of technical aspects and assumptions, and to derive the information and requirements for the following engineering phases.	Phase complete: <ul style="list-style-type: none"> • Technical due diligence completed and process verified in support of engineering phases; and • SMS formal presentation delivered.
FEL-1	Confirm the viability of the business case and technical concept with the chosen parameters – location, plant capacity, product mix, technology and equipment.	Phase complete: <ul style="list-style-type: none"> • Viability of business case confirmed including technical concept with chosen parameters; and • SMS formal presentation delivered.

Phase	Objective	Status and Outcome
FEL-2	Confirm the Project scope for the process and balance of the plant.	Majority of FEL-2 works completed or progressed prior to the COVID-19 pandemic.
FEL-3	Confirm all aspects of the Project at a degree of detail which is sufficient to obtain firm quotes from partners for bought-in package units, civil works, buildings, erection and balance of plant, and prepare the Project for the execution phase.	<p>FEL-2 (balance of work) and FEL-3 were restructured during late March 2020 to address the impact of COVID-19, with the aim of optimising the progression of critical deliverables:</p> <ul style="list-style-type: none"> • Development of infrastructure; • Development of specification for process & balance of plant; • Process flow diagrams, heat & mass balance; • Process & instrumentation diagrams; • Increasing level of detail of plant & 3D design; and • Validating test works.

The FEED work is focused on the key design, engineering and commercial deliverables required to support completion in a timely manner. Some supporting FEED work streams that have been deferred due to the COVID-19 crisis will recommence as restrictions are eased in heavily affected locations, mainly in Europe.

Following completion of FEL-3, SMS will provide TNG with a fixed-price EPC proposal for the delivery of the mine site Beneficiation Plant and the Darwin TIVAN® Processing Facility, which will include production quantity, production rate and product quality guarantees.

NPI

The NPI required at both the Darwin TIVAN® Processing Facility and mine site Beneficiation Plant work streams include:

- Mine site accommodation village;
- Mine site accommodation village including facilities management and catering;
- Mine site communications;
- Mine site access/haul road;
- Mine site bore field;
- Power supply, and gas supply and transport, for the mine site and Darwin; and
- Logistics handling and transport.

Several work streams are at an advanced stage, including some tender processes which have now been progressed and evaluated to a point where successful tenders can be selected for short-listing and/or contract negotiation.

The mine site village accommodation tender and mine site facilities management and catering tender have both been completed and evaluated. The borefield and power transmission for the mine site have been scoped, tendered and evaluated. Mine site and village communication requirements have been investigated and offers from service providers received.

The mine site access/haul road design is currently undergoing cost optimisation. Power and gas studies for both the Darwin and Mount Peake sites have progressed and are now in their final stages. Independent power providers have submitted proposals for both sites which are currently being evaluated by the TNG project management team. Logistics providers are finalising the transport methodology between Mount Peake and Darwin.

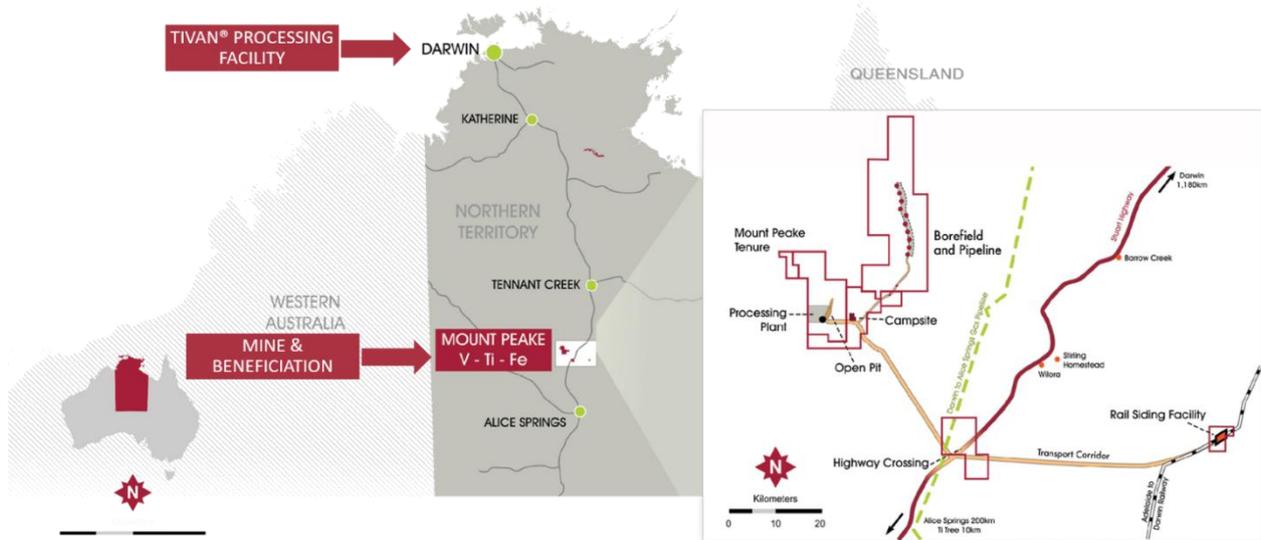


Figure 1. Mount Peake Project Location Plan in the Northern Territory

The table below provides a summary of the current status of the NPI works and further details:

Item	Current Status	Details
Mine Site – Village Accommodation	Tender Evaluated	Construction and operational camp for the mine site as a turnkey package.
Mine Site – Haul Road	Tender Evaluated	Haul road from highway to the mine site which includes an underpass and road to rail siding.
Mine Site – Borefield	Tender Evaluated	The borefield consist of seven production bores and piping to the mine site.
Mine Site – Power to Borefield	Tender Evaluated	Approximately 40km of overhead power line.
Mine Site – Camp Catering	Tender Evaluated	A service and catering contract for construction and operation.
Materials Handling Logistics	Preliminary offer	Materials handling logistics between the mine site and the Processing Facility in Darwin.
Mine Site – Communications	Offer	This proposal requires no capital investment by TNG and is a turnkey package.
Power and Gas	Evaluations underway	Independent power providers have tendered for a Build-Own-Operate.

The current global COVID-19 crisis has caused some disruption and, over the past two months, the Company has worked with its consultants and external partners to mitigate these impacts as much as possible for the successful completion of both the FEED study and NPI work.

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About TNG

TNG is a Perth based resource and mineral processing technology company focussing on 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 products for global markets including vanadium pentoxide, titanium dioxide pigment 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.

Forward-Looking Statements

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