

## PROPOSED GRANT OF PERFORMANCE RIGHTS AND NON-EXECUTIVE DIRECTOR RIGHTS

Australian resource and mineral processing technology company TNG Limited (ASX: TNG) ("TNG" or the "Company") advises that the Board of Directors has resolved to make offers of up to 36.5 million Performance Rights and Non-Executive Director ("NED") Rights (together, "**Rights**") to Directors and eligible executives, employees and consultants under the TNG Limited Performance Rights Plan and the recently established TNG Limited NED Rights Plan (together, the "**Rights Plans**").

TNG established the Rights Plans to attract and retain talented key personnel required for the successful delivery of the Company's flagship Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory, and to appropriately incentivise its senior leadership team to drive company performance for the benefit of TNG and all shareholders.

The TNG Limited Performance Rights Plan was approved by shareholders at TNG's 2018 Annual General Meeting (see Notice of Annual General Meeting released to ASX on 16 October 2018 for further details). Since that time the Company has built up its management team and successfully recruited exceptional personnel for the Mount Peake Project.

With a clear development pathway in place for the project, the Board believes that it is now an appropriate time to make the proposed offers of Rights to incentivise and retain key personnel and Directors as TNG moves towards the financing and development of Mount Peake.

The proposed grant of Rights to Directors, as set out below, is subject to shareholder approval at the next General Meeting of the Company. To date, the Company has not issued any Rights under the Rights Plans.

The proposed Rights will vest only upon satisfaction of certain key performance/vesting conditions as set by the Board of Directors, and will entitle the holder to one fully-paid TNG ordinary share for each vested right. Annexure A sets out details of the performance/vesting conditions that apply to the proposed Rights.

The Board of Directors proposes the following grants of Rights:

Unlisted Rights	Number proposed to be granted to Directors including the Managing Director (subject to shareholder approval)	Number proposed to be issued to eligible executives, employees and contractors	Principal Terms	Issue Price
Class A	1,740,000	Up to 1,900,000	The unlisted Rights will be issued under the terms of the Rights Plans. Key terms and vesting conditions are described in Annexure A.	Nil
Class B	4,660,000	Up to 5,700,000		
Class C	1,740,000	Up to 1,900,000		
Class D	2,610,000	Up to 2,900,000		
Class E	2,020,000	Up to 1,900,000		
Class F	2,020,000	Up to 1,900,000		
Class G	2,610,000	Up to 2,900,000		
<b>Total</b>	<b>17,400,000</b>	<b>Up to 19,100,000</b>		

The grant of Rights to eligible executives, employees and consultants will be made subject to the approval by shareholders of the proposed grants of Rights to Directors.

Authorised by:

**John Elkington**  
**Chairman**

21 May 2020

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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.

## Annexure A – Summary of key terms of Rights

The proposed Rights are structured in different classes as detailed below, with each class of Rights subject to different vesting conditions. The total number of Rights to vest will depend on the satisfaction of the vesting conditions in each class. The vesting period for the Rights is three (3) years from the date of grant of Rights.

Class of Right	Vesting Condition
<b>A</b>	Final binding off-take contracts executed for all products to be produced at the Darwin Processing Facility
<b>B</b>	Completion of the Mount Peake Project Front-End Engineering and Design (FEED) Study by SMS group, and receipt of a turnkey EPC proposal from SMS group
<b>C</b>	Entry into binding documentation for the acquisition of land for the Darwin Processing Facility by the NT Government
<b>D</b>	Commencement of ground-breaking activities at the Mount Peake Project
<b>E</b>	Entry into binding documentation to raise an amount of equity finance which is sufficient to support the project financing of the Mount Peake Project
<b>F</b>	Entry into binding documentation to raise an amount of debt finance which is sufficient to support the project financing of the Mount Peake Project
<b>G</b>	TNG's market capitalisation reaching A\$300 million based on a volume weighted average price of TNG shares over 20 consecutive trading days on which TNG shares have traded

The key terms of the NED Rights Plan are the same as the key terms of the Performance Rights Plan (which was approved at TNG's 2018 Annual General Meeting – see Notice of Annual General Meeting released to ASX on 16 October 2018 for further details), except that NED Rights may only be issued to non-executive Directors. The Rights classes will be the same for Performance Rights and NED Rights, with the same vesting conditions to apply.

Each Right will, upon vesting and exercise, result in the issue of one ordinary share in the Company. No issue price or exercise price is payable for the Rights.

The Board will determine (in its sole discretion) the extent to which the relevant vesting conditions have been satisfied. Rights may vest (and be exercised into shares) progressively as vesting conditions are satisfied.