

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.

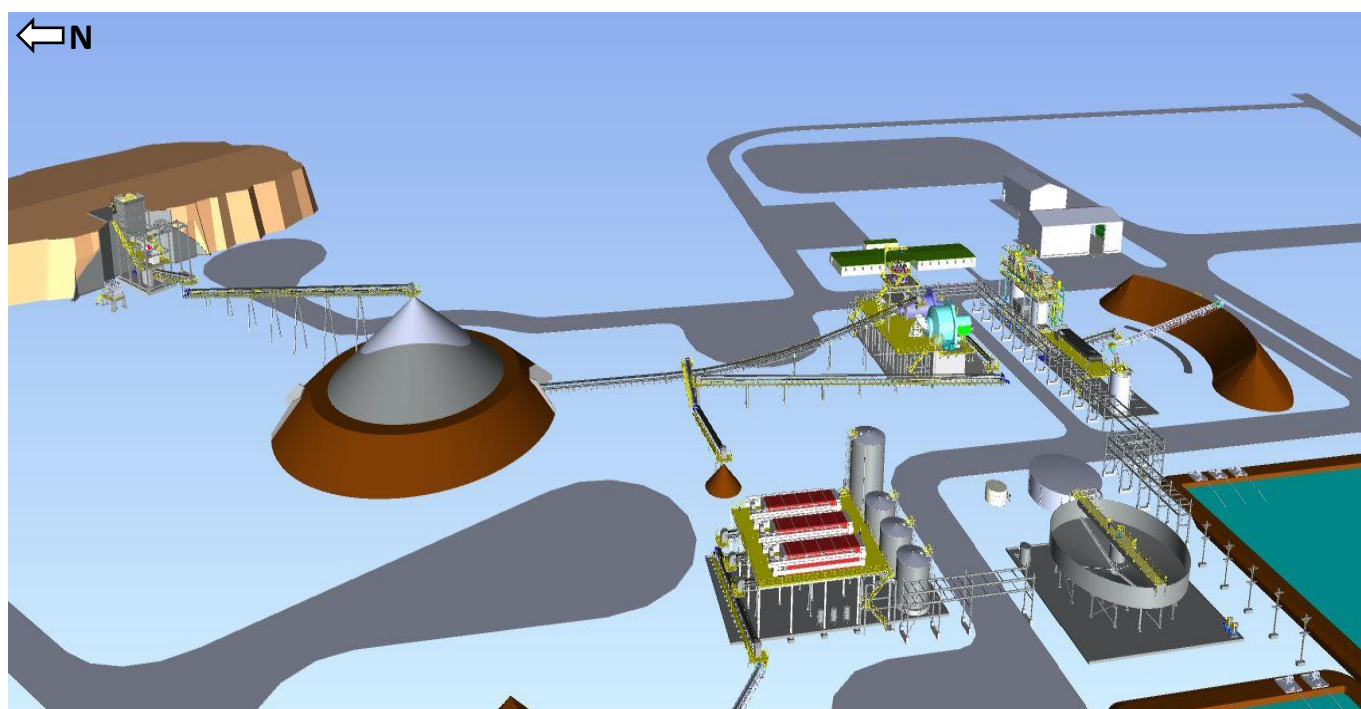


Figure 1. Mount Peake mine site layout (Como Engineers)

FEED Study

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

The Mount Peake Project is based on TNG’s proprietary hydrometallurgical process, the TIVAN® Process, which will be implemented and commercialised at an industrial scale for the first time globally at Mount Peake. SMS are therefore conducting a very detailed FEED study that requires an above-average level of technical and commercial due diligence and verification work before they provide an Engineering, Procurement & Construction (“EPC”) proposal with binding fixed lump sum pricing and terms.

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

As advised in May (see ASX Announcement dated 19 May 2020), the balance of work for front-end loading (“FEL”) phase 2 (FEL-2) 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.

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. The Darwin Processing Facility remains subject to reaching agreement with the Northern Territory Government for the land site acquisition on acceptable terms, and on environmental approval.

Despite the ongoing global health and economic crisis, TNG and SMS have achieved good progress in all areas of the FEED study, including:

- Total Process Flow Sheet and business case confirmed;
- Heat & Mass Balances finalised;
- Advanced development of engineering and design Process Flow Diagrams (PFDs);
- Advanced development of 3D build concept and digital fly-through for Darwin Process Plant (Figure 2);
- Establishing engineering Major Equipment List;
- Completion of general plant layout;
- Commencement and preparation of engineering and design of Process and Instrumentation Diagrams (P&IDs);
- Development of infrastructure design and plans;
- Development of EPC pricing;
- Communication and engagement terms for selected Australian engineering and construction companies; and
- Ongoing confirmatory test work with European laboratories (reopened in June after shutdown due to the COVID-19 pandemic).



Figure 2. Darwin Processing Facility 3D Model (SMS group)

NPI

In parallel with the FEED study, the Company has progressed the NPI works required at both the Darwin TIVAN® Processing Facility and the mine site Beneficiation Plant.

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	Tendered and shortlisted	Construction and operational camp for the mine site as a turnkey package.
Mine Site – Haul Road	Tendered and shortlisted	Haul road from highway to the mine site which includes an underpass and road to rail siding.
Mine Site – Borefield	Tendered and shortlisted	The borefield consists of seven production bores and piping to the mine site.
Mine Site – Power to Borefield	Tendered and shortlisted	Approximately 40km of overhead power line.
Mine Site – Camp Catering	Tendered and shortlisted	A service and catering contract for construction and operation.
Mine Site – Communications	Costs received	This proposal requires no capital investment by TNG and is a turnkey package.
Materials Handling Logistics	Preliminary offer	Materials handling logistics between the mine site and the Processing Facility in Darwin.
Power & Gas	Tendered and shortlisted	Independent power providers have tendered for a Build-Own-Operate contract. Progressing to draft supply agreements

COVID-19

The Company has been monitoring the current global COVID-19 crisis and, while restrictions within Western Australia have been eased and TNG's project management team has returned to near normalised working hours and arrangements, worldwide infections continue to rise and many countries, such as Germany, are reimplementing measures to control the pandemic.

TNG is not currently aware of any further delays to the completion of the FEED study; however, this is being continuously monitored to assess any possible impact of COVID-19 restrictions on the operations of contractors linked to development planning for Mount Peake.

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10 August 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.

Forward-Looking Statements

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