

TNG TO UNDERTAKE A\$12.5 MILLION ENTITLEMENT ISSUE

Proceeds of the capital raising intended to be used to progress finalisation of TNG's flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project and Final Investment Decision

Key Points

- TNG intends to undertake a 1-for-9 non-renounceable pro rata entitlement issue to raise up to A\$12.5M.
- Entitlement issue to include one (1) free attaching option for every one (1) new share issued.
- Proceeds to be used for design, engineering, permitting and planning activities for the Company's flagship Mount Peake Project as it progresses towards a potential Final Investment Decision.

Australian resource and mineral processing technology company TNG Limited (ASX: TNG) ("TNG" or the "Company") announces it intends to undertake a non-renounceable pro rata entitlement issue ("Entitlement Issue") to raise up to approximately A\$12.5 million to progress completion of its flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project ("Mount Peake Project" or the "Project") in the Northern Territory towards a Final Investment Decision for project financing.

Under the Entitlement Issue, eligible shareholders will have the opportunity to subscribe for one (1) new share for every nine (9) existing shares held at the record date, at an issue price of \$0.10 per new share, with one (1) free attaching option to be issued for every one (1) new share issued under the Entitlement Issue.

The Company intends to apply for quotation of the free attaching options on the ASX. The options will have a 12-month term and be exercisable at \$0.18 each on or before 30 November 2021.

Eligible shareholders will also have the opportunity to subscribe for any shortfall of securities not taken up under the Entitlement Issue.

The funds raised from the Entitlement Issue are intended to be used for completion of the design, engineering and approvals work streams, and pre-development planning for the Mount Peake Project, as well as to provide general working capital, as the Company progresses the Project towards the Final Investment Decision for project financing.

The issue price of \$0.10 per new share represents:

- a discount of 20.6% to the Company's 5-day volume weighted average price of \$0.126 at the close of trade on 1 October 2020; and
- a discount of 23.1% to the Company's closing share price on ASX of \$0.13 on 1 October 2020 (the last trading day prior to the announcement of the capital raising).

The Entitlement Issue will be offered to all shareholders of the Company named on its register of members at the record date whose registered address is in Australia, New Zealand, China (only certain institutional shareholders), Singapore or the European Union (to less than 150 persons in each EU member state).

Further details of the Entitlement Issue and key dates will be disclosed in a Prospectus to be lodged with ASX on Wednesday, 7 October 2020. Shareholders may view the Company's ASX announcements including those relating to the Entitlement Issue on the ASX website under the ASX code TNG.

Management Comment

TNG's Managing Director and CEO, Mr Paul Burton, said:

"We are pleased to offer our eligible shareholders the opportunity to participate in this capital raising as we finalise completion of pre-development engineering, approvals and planning for our flagship Mount Peake Project.

"The TNG Board of Directors thanks all shareholders for their continued support as we move towards the Final Investment Decision for project financing of this exciting project."

Authorised by:

John Elkington
Chairman

2 October 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

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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