

## MOUNT PEAKE FINANCING ADVANCING ON MULTIPLE FRONTS

Australian resource and mineral processing technology company, TNG Limited (ASX: TNG) ("TNG" or the "Company"), is pleased to advise that it has made further progress with a range of project financing workstreams for its flagship 100%-owned **Mount Peake Vanadium-Titanium-Iron Project** ("Mount Peake Project" or "Project") in the Northern Territory, Australia.

The Company is progressing a range of financing streams in parallel with final permitting and value engineering, design and updated costings for the new fully-integrated plant layout at the Mount Peake mine site, ahead of a Final Investment Decision ("FID") targeted for 2022.

Mount Peake, one of the largest undeveloped vanadium-titanium-iron projects globally, is a world-class, multi-generational critical minerals asset located 235km north-west of Alice Springs in the Northern Territory.

TNG's development plan will see it produce three high-value, high-quality products from a dedicated mining, beneficiation and downstream processing operation at the Project – namely vanadium pentoxide, titanium dioxide and iron oxide fine – using the Company's 100%-owned, innovative titanomagnetite concentrate processing technology, the TIVAN® Process.

### Project Financing Equity

The Company continues to progress its strategy for the equity financing for the Mount Peake Project, including both institutional investor and strategic equity streams.

TNG recently completed a \$12.5 million share placement which was supported by a number of new domestic and international institutional investors following a successful virtual roadshow process coordinated by leading investment bank Canaccord Genuity as Lead Manager to the placement.

The Company is increasing the institutional presence on its share register to support a future project financing equity raising. Institutional investors are expected to play a significant funding role for Project development.

The strategic equity strategy is progressing with the assistance of KPMG Corporate Finance providing financial advice in this respect. The Company continues to engage with a number of Australian and international groups on strategic equity opportunities. The objective of the strategic equity process is to secure potential development partners to take an interest in the Project, either directly at the project level or indirectly at the company level.

### Project Financing Debt

The Company is progressing multiple initiatives to secure the debt finance required for the development of the Mount Peake Project. This includes commercial debt and Export Credit Agency ("ECA") covered lines, Government concessional funding and off-balance sheet Build-Own-Operate-Transfer ("BOOT") funding arrangements.

#### Commercial debt and ECA cover

Germany's KfW IPEX-Bank GmbH ("KfW IPEX-Bank") has been mandated by TNG as its senior debt advisor and arranger for the development of the Mount Peake Project. KfW IPEX-Bank is a specialised solution provider in export and project financing with a proven track record for complex project financings worldwide.

Under the mandate, the Company has engaged KfW IPEX-Bank to structure, coordinate, lead, arrange and manage a syndicate to raise a targeted amount of up to US\$600 million to underpin the project financing package.

KfW IPEX-Bank is also advising TNG on how to maximise cover instruments available from ECAs, including both “tied” and “untied” ECA financing.

TNG has agreed with KfW IPEX-Bank to extend the term of the mandate for 12 months to December 2022, following delays caused by the COVID-19 pandemic and the Company’s strategic decision to progress a fully-integrated operation at the Mount Peake Mine Site (as outlined in recent announcements).

The KPMG Corporate Finance team is providing advice to assist TNG on the execution of the debt funding process, including due diligence processes, and is working closely with KfW IPEX-Bank in this regard.

With the support of its advisors, the Company is also engaging with commercial banks to obtain proposals for the commercial debt tranche, in support of the structured financing and syndication process that will occur once the final capital cost of the fully-integrated Mount Peake Operation at the mine site is confirmed.

This engagement process will assist in refining the debt funding mix and prioritising resources in the next stage of financing.

#### Government concessional funding

In September 2021, the Federal Government announced the establishment of a \$2 billion Critical Minerals Loan Facility for Australian critical minerals projects to help secure the vital supplies of resources needed to drive the new energy economy and support future resources employment.

The Mount Peake Project is one of the most advanced critical minerals projects in Australia and is one of only 15 selected Australian critical minerals projects identified by the Federal Government in its *Resources Technology and Critical Minerals Processing: National Manufacturing Priority Road Map*. The Project has also been awarded Major Project Status by both the Federal and Northern Territory Governments.

TNG is engaging with Export Finance Australia (“EFA”), which is the Government body charged with administering the Critical Minerals Loan Facility, on opportunities to access this funding facility. As part of this process, the Company has also been liaising with the Federal Government Major Project Facilitation Office, the Federal Government Critical Minerals Facilitation Office and the Northern Territory Major Projects team.

TNG also continues to liaise with the Northern Australia Infrastructure Facility (NAIF) to progress the Company’s funding application, having provided updated information on the Project as a result of the fully-integrated Mount Peake operation.

#### Build-own-operate-transfer funding

As part of the Company’s funding strategy defined under previous feasibility studies, TNG is evaluating a number of BOOT or Build-Own-Operate (“BOO”) funding mechanisms in addition to the upfront pre-development capital expenditure required for Project development.

Under BOOT/BOO type funding arrangements, specialist third-party groups would be contracted to finance the detailed engineering, procurement and construction of specific plant and equipment for the Mount Peake Project, and then assume operational responsibility of these components during the Project’s operational life.

The advantage for the Company of BOOT/BOO arrangements is a reduction in the upfront capital required for project development, with the development costs for these items then built into TNG’s operational expenditure to align with the use of the plant and equipment. The involvement of expert third-party groups also provides operational and maintenance advantages.

These arrangements are common in large project developments over discrete items of plant and equipment, and may include accommodation camps, crushing plants, power stations, water treatment facilities and reagent production plants.

The FEED process has further assisted the Company with confirmation of the plant and equipment that is most suitable for potential BOOT/BOO arrangements. TNG continues to engage with potential BOOT/BOO providers across the Project’s process and non-process infrastructure and is being assisted by KPMG Corporate Finance through its provision of advice on potential structuring and commercial requirements for such arrangements.

Sustainable lending opportunities

Environmental, Social and Governance (“ESG”) credentials have become an increasingly important aspect of global financings, not only for specialist ESG loan funders, but also for financing with traditional lenders, who are increasingly cognisant of the ESG impacts of the projects they finance.

The Mount Peake Project will play an important role in the energy transition away from fossil fuels towards renewable, green energy sources.

The Project will deliver high-quality vanadium to world markets, vanadium being a critical metal in reducing the carbon intensity of industry. In its traditional uses, vanadium significantly reduces carbon intensity in the steel sector by increasing the yield strength of steels, meaning less steel is needed to achieve a required level of strength. In newer applications, vanadium is a critical aspect for renewable energy storage systems.

The Company is working with its advisors and sustainability consultants to assist in ensuring that the full range of ESG funding options are assessed and prioritised, and that traditional lenders are able to ascribe in their lending terms the full value of the ESG benefits that the Mount Peake Project will deliver.

Given the involvement of ECAs and Equator Principles Financial Institutions, the project financing will align to World Bank guidelines, Equator Principles and the International Finance Corporation’s performance standards. A detailed Environmental and Social review will be undertaken as part of the project financing process.

Authorised by TNG Board:

**Paul E Burton**  
**Managing Director & CEO**

14 December 2021

**Inquiries:**

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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 Status from the Northern Territory and Federal Governments.

TNG is also advancing a green energy strategy with the dual objective of offsetting carbon emissions from its planned future operations and generating new business opportunities in the alternative energy market to create additional shareholder value, with a focus on green hydrogen and vanadium redox flow batteries.

## Forward-Looking Statements

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