

December 2021 Quarterly Activities Report

Australian engineering and construction company Clough appointed to help advance the integrated mining and processing layout for Mount Peake, with a new plant layout completed in November | Project financing advancing on multiple fronts | \$12.5 million raised via share placement

SUMMARY

MOUNT PEAKE PROJECT – VANADIUM-TITANIUM-IRON (NT) (TNG: 100%)

- Clough Projects Australia Pty Ltd (“Clough”) appointed to develop an integrated design layout (“Integrated Layout”) for the single mining and processing operation at the Mount Peake Project mine site (“Mine Site”), located 235km north-west of Alice Springs in the Northern Territory.
- In November, Clough, together with TNG’s Project Team, completed development of the Integrated Layout comprising the beneficiation plant, TIVAN® processing facility and plant utilities located within the Mining Lease footprint of the Mine Site.
- Following the successful completion of the Integrated Layout, Clough was then commissioned to progress value engineering to optimise outcomes in cost/schedule and progress design aspects incorporating, civil, structural & architectural, mechanical, piping, electrical & instrumentation engineering disciplines, logistics and non-process infrastructure.
- TNG and its environmental consultant, Animal Plant Mineral (“APM”), continued to progress works for the environmental assessment process for the integrated mining and processing operation at Mount Peake.
- Further progress achieved with a range of project financing workstreams for the Project, including commercial debt and Export Credit Agency (“ECA”) cover, governmental concessional funding, build-own-operate-transfer (“BOOT”) funding and sustainable lending opportunities.
- SMS group are assisting Clough and TNG and finalising confirmatory testwork for the TIVAN® process under the revised layout.

TNG GREEN ENERGY STRATEGY

- TNG and its green energy partner, AGV Energy & Technology, continued to advance scoping and evaluation of a HySustain Green Hydrogen Project in Darwin.
- TNG’s consultant, METS Engineering, progressed the technology and process design study for a vanadium electrolyte production facility for the Company’s vanadium redox flow battery business unit.

CORPORATE

- In November, TNG raised A\$12.5 million in an oversubscribed institutional share placement at A\$0.09 per share (“Share Placement”) to fund the further consolidation planning, engineering and approvals and project financing work streams for the Mount Peake Project, as well as to progress the Company’s green energy initiatives.
- The Company’s cash position at 31 December 2021 was \$16.3 million.

COVID-19

The Company's project management team and other staff continue to work under standard working hours and arrangements, with provision for flexible or restricted working arrangements when required.

All necessary health and safety precautions continue to be adhered to, including Government-enforced travel restrictions.

The Company is closely monitoring the COVID-19 situation domestically and globally, including restrictions implemented by governments in Australia, mainly in Western Australia, and internationally, primarily in Germany and Austria, due to the Omicron variant and for any potential impacts on the Mount Peake Project.

The Company is currently assessing any potential impacts on the Project arising from the Western Australian Government's recent announcement maintaining the closure of the Western Australia borders indefinitely and their management of the COVID-19 pandemic¹.

Notably, the Association of Mining and Exploration Companies (AMEC)² has issued a media release expressing various concerns on the major difficulties created by the hard border for companies, including challenges to companies that have operations and interests outside of Western Australia, like TNG.

MOUNT PEAKE PROJECT – VANADIUM-TITANIUM-IRON (TNG: 100%)

PROJECT SUMMARY AND DETAILS

The Mount Peake Project ("Mount Peake Project" or "Project") is the Company's flagship project comprising a world-scale strategic metals deposit located 235km north-west of Alice Springs together with its advanced downstream processing under its 100% owned TIVAN® process. The Project is well located close to existing key power and transport infrastructure including the Alice Springs-Darwin Railway and the Stuart Highway.

Mount Peake is a shallow, flat-lying orebody with a JORC Measured, Indicated and Inferred Resource totalling 160 million tonnes (118 million tonnes Measured, 20 million tonnes Indicated and 22 million tonnes Inferred), grading 0.28% V₂O₅, 5.3% TiO₂ and 23% Fe (refer to Appendix A of this report for a full statement of the Mount Peake Mineral Resource). The Mount Peake Project is one of the largest undeveloped vanadium-titanium-iron projects in the world.

The Project has been awarded Major Project Status from both the Australian Federal Government and the Northern Territory Government.

The Company's strategy for the Mount Peake Project is to develop a fully-integrated single mining and processing operation to produce three high-value, high-purity products for export – vanadium pentoxide (V₂O₅), titanium dioxide pigment (TiO₂) and iron oxide (Fe₂O₃) – through the application of a world-first processing technology, known as the TIVAN® Process, which is owned exclusively by TNG.

TNG has life-of-mine binding off-take agreements in place for 100% of all products proposed to be produced from the Mount Peake Project with strong off-take counterparties with a multi-national presence.

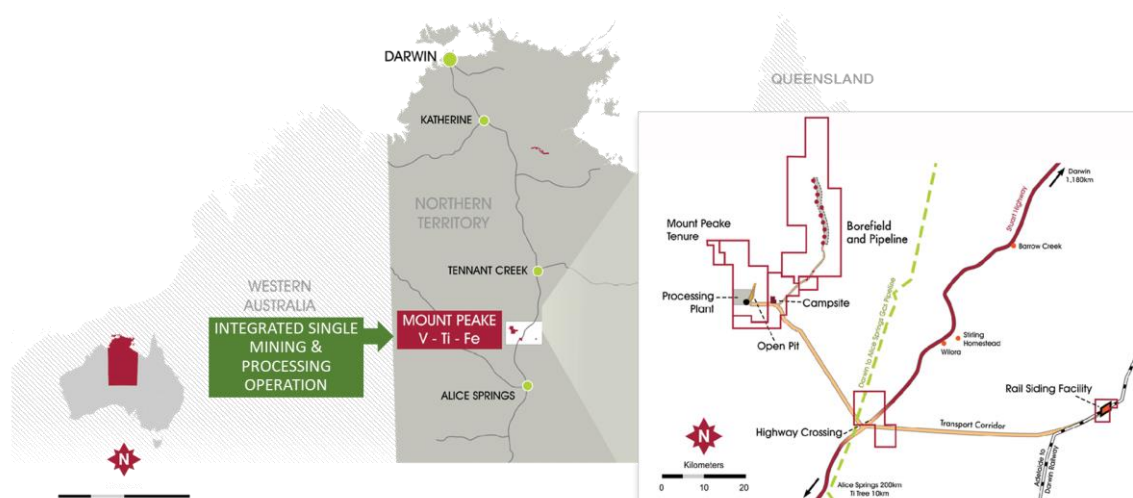


Figure 1. Mount Peake Project Location Plan in the Northern Territory

¹ <https://www.wa.gov.au/government/announcements/was-updated-safe-transition-plan-5-february-2022>

² [AMEC Media Release - "Delay means WA must address challenges created by the Hard Border now"](#)

PROJECT DEVELOPMENT

Integrated Layout

In October 2021³, the Company announced that it had appointed Clough to work with TNG's Project Team and SMS group ("SMS") to develop an integrated layout for the Mount Peake Project. This appointment followed a strategic decision to progress a fully-integrated operation at the Mount Peake mine site⁴ and was made in light of the severe restrictions on travel between Europe and Australia due to the COVID-19 pandemic which have impacted SMS' ability to travel and fully assign a team in Australia.

The preliminary integrated layout was developed and delivered by Clough together with TNG's Project Team in November 2021⁵, based on the deliverables prepared under the Front-End Engineering and Design ("FEED") study completed by SMS. The integrated layout comprises the beneficiation plant, TIVAN® processing facility ("TPF") and plant utilities located within the Mining Lease footprint of the Mount Peake site.

The plants will be positioned adjacent to the western boundary of the designated mining areas within the Company's existing Mining Lease 29855, which covers an area of 1,460 hectares. This area is capable of hosting a fully-integrated operation encompassing mining activities and waste storage, the Beneficiation Plant, the TPF and non-process infrastructure.

The integrated layout will be unconstrained compared to the size and shape requirements at the former Darwin site. This offers the potential to capitalise on improving constructability, operability and maintenance for the Project, as well as further cost optimisations from integrated infrastructure.

Value Engineering and Technical Optimisations

Following the delivery of the preliminary integrated layout for the Project, TNG commissioned Clough to progress value engineering to optimise outcomes in cost/schedule and progress design aspects incorporating civil, structural & architectural, mechanical, piping, electrical & instrumentation engineering disciplines, logistics and non-process infrastructure.

Clough has been working with TNG's Project Team with support from SMS to undertake this next engineering and design stage and deliver an updated capital cost estimate for the development of the Mount Peake Project, with this stage expected to be completed in May 2022.

Front-End Engineering and Design ("FEED") Study

TNG's Project Team has completed a review of the updated FEED report prepared and delivered by SMS, with further amendments requested by TNG's Project Team being currently addressed by SMS.

Additionally, the Company's Project Team is working with SMS and Clough to incorporate any changes on the engineering and design of the TPF as a result of the integrated Project at the Mine Site.

Non-Process Infrastructure ("NPI")

The Company has progressed updates on the NPI requirements for the integration and consolidation of the Project at the Mine Site.

PROJECT EXECUTION MODEL

TNG and SMS continued revision and optimisation of the model for the delivery of the Mount Peake Project during the quarter due to ongoing commercial and logistical challenges caused by the global COVID-19 pandemic, including severe restrictions on travel between Europe and Australia, the escalation of construction and engineering costs, global workforce shortages and disruptions to supply chain logistics.

PERMITTING AND APPROVALS

Environmental Approvals

TNG's environmental consultant, Animal Plant Mineral ("APM"), has continued to liaise with the Northern Territory Environment Protection Authority ("NT EPA") to progress the environmental assessment for the integrated Project.

³ Refer to ASX Announcement of 7 October 2021, "TNG appoints Clough for integrated layout of Mount Peake".

⁴ Refer to ASX Announcement of 7 October 2021, "TNG Announces Strategic Change for the Mount Peake Project".

⁵ Refer to ASX Announcement of 23 November 2021, "New plant layout for Mount Peake completed by Clough".

The Company and APM prepared and submitted a draft scope of works to the NT EPA during the Quarter and commenced review/updates of several technical studies

Mount Peake Mining Management Plan (“MMP”)

The Company continues to liaise with the Department of Industry, Tourism and Trade of the Northern Territory Government on any further requirements for the MMP due to the consolidation of the Project.

Native Title Agreement

TNG representatives progressed discussions with the Central Land Council (“CLC”) representatives regarding the consolidation of the Mount Peake Project at the Mine Site and future engagements with the native title holders.

An Indigenous Land Use Agreement is in place between TNG, the CLC and the Eynewantheyne Aboriginal Corporation RNTBC ICN 7947 (Native Title Party) (“Agreement”)⁶. This Agreement was supplemented by an Authority Certificate issued under the NT’s sacred sites legislation⁷.

PROJECT FINANCE

Debt Finance

KfW IPEX-Bank & KPMG Corporate Finance

In December, TNG agreed with KfW IPEX-Bank to extend the term of the debt financing 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.

The KPMG Corporate Finance team continued to provide 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.

Governmental Concessional Funding

During the quarter, TNG commenced 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 also continued 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 continued 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 continues to evaluate a number of BOOT or Build-Own-Operate (“BOO”) funding mechanisms in addition to the upfront pre-development capital expenditure required for Project development.

During the period, the Company engaged with potential BOOT/BOO providers across the Project’s process and non-process infrastructure. KPMG Corporate Finance has been assisting TNG through the provision of advice on potential structuring and commercial requirements for such arrangements.

Sustainable lending opportunities

The Company is working with its advisors and sustainability consultants to assist in ensuring that the full range of Environmental, Social and Governance (“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 Export Credit Agencies 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.

⁶ Refer to ASX Announcement of 11 October 2018, “Mount Peake Native Title Agreement Executed”.

⁷ Refer to ASX Announcement of 12 October 2020, “Authority Certificate issued for Mount Peake”.

Equity

During the period, the Company with the assistance of KPMG Corporate Finance progressed its strategy for the equity financing for the Mount Peake Project, including both institutional investor and strategic equity streams.

TNG continues to increase the institutional presence on its share register to support a future project financing equity raising, as reinforced by the recent Share Placement.

PRODUCT PRICING DEVELOPMENT⁸

Titanium Dioxide Pigment – TiO₂

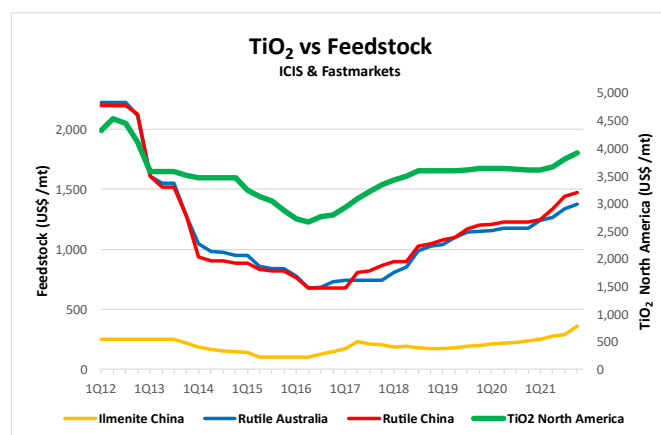
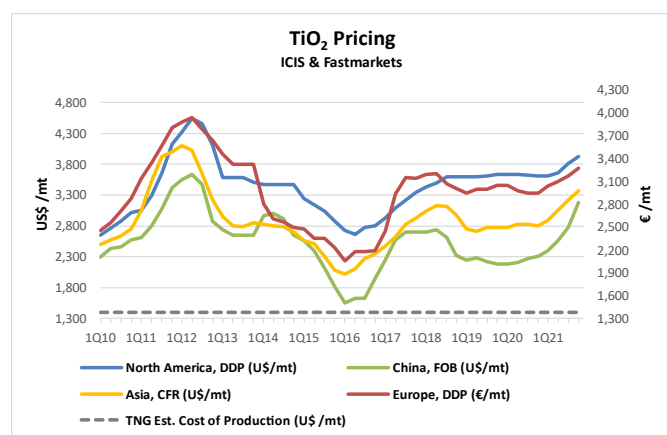
Titanium dioxide pigment demand remained strong in 2021. The utilisation of existing plant capacity was very high (above 95%) and the current inventories are very low (below 30 days).

The price of TiO₂ has increased in all regions in the last 12 months, up 35.82% in China, 22.3% in APAC (excluding China), 12.7% in Europe and 9.5% in North America.

Persistent constraints on feedstock will continue and are expected to increase in 2022. Feedstock prices have increased in the last 12 month, with ilmenite from China going up 58.3% and rutile from Australia up 18.6%.

The market price is expected to continue its momentum in 2022 and beyond due to strong paint demand in housing, the depletion of large feedstock deposits and the temporary shutdowns at some pigment plants during the year due to operational and supplier issues. Analysts expects these trends to continue at least until 2023-24.

TNG expects to achieve a 3-5% premium on the market price as its product will be a high-durable pigment.



Vanadium Pentoxide – V₂O₅

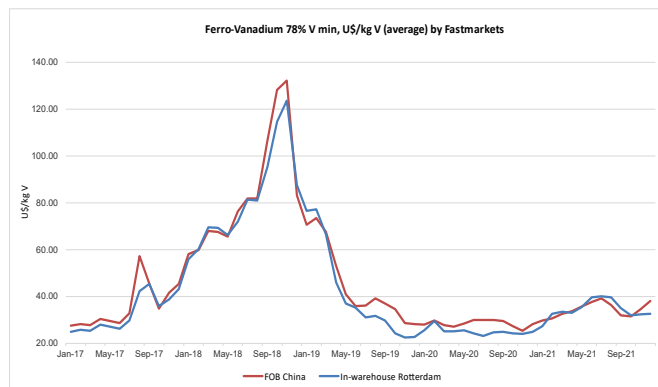
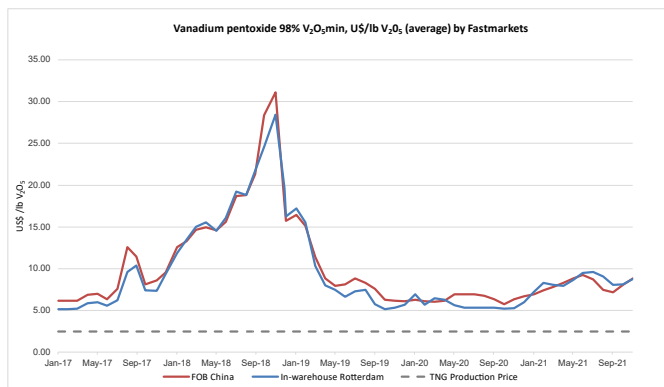
The price of vanadium pentoxide (98%), in-warehouse Rotterdam, increased by 65.4% in the last 12 months, reaching US\$9.00/lb at the end of 2021, while the V₂O₅ (98%), FOB China, price rose 39.2% over the same period, closing 2021 year at US\$8.92/lb.

The ferrovandium price, FOB China, increased 35.8% from the same period last year, reaching US\$38.81/kg.

Roskill expects a long-term V₂O₅ price of US\$7.50 /lb and 2% CAGR growth in demand between 2021 and 2050, reaching 209kt at the end of the period.

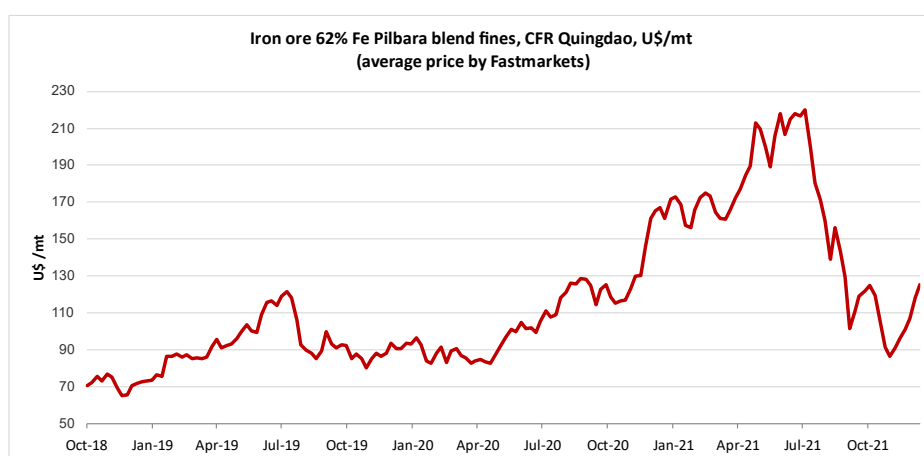
TNG expects to achieve a US\$2.0/lb V₂O₅ premium on the market price for its product at 99.6% purity (Roskill – September 2020).

⁸ Pricing source: ICIS and Fastmarkets



Iron Ore Fines

The average price for iron ore fines (62%) reached US\$115/tonne in the December 2021. Prices are expected to stabilise above historical levels of US\$80-100 /mt in 2022.



2022 MOUNT PEAKE PROJECT ACTIVITIES

The Company is currently progressing the following pre-development activities for the integrated Mount Peake Project:

Activity	Indicative targeted timing
Completion of value engineering and design by Clough	Jun 22 Quarter
Delivery of an updated capital cost estimate for the integrated Mount Peake Project	Jun 22 Quarter
Completion of borefield drilling program and application for water extraction licence	Jun 22 Quarter
Completion of review of NPI items for tendering process	Jun 22 Quarter
Submission of the revised environmental impact report to the NT EPA for approval	Sep 22 Quarter
Submission of the revised Mining Management Plan for approval	Sep 22 Quarter
Implementation of project financing strategy	Sep 22 Quarter
Final Investment Decision	Dec 22 Quarter

Note: The indicative targeted timings for the pre-development activities for the Mount Peake Project are estimates only which are subject to risks, uncertainties, events and assumptions outside the control of TNG Limited; including impacts and uncertainties related to the Western Australian Government's recent announcement on maintaining the closure of the Western Australia borders indefinitely and their management of the COVID-19 pandemic.

TNG ALTERNATIVE ENERGY STRATEGY

GREEN HYDROGEN PRODUCTION TECHNOLOGY

During the quarter, TNG and Malaysian-based AGV Energy & Technology Sdn Bhd (“AGV”) progressed scoping and evaluation of an initial HySustain Project in Darwin in the Northern Territory.

The Company engaged with the Northern Territory Government on the possible use of the existing land at the Middle Arm Precinct in Darwin reserved for the Company for the Mount Peake Project for potential development of a green hydrogen production facility under the joint venture with AGV.

TNG and AGV have also engaged with potential energy suppliers for the development of an energy supply strategy and other potential development partners for the project.

VANADIUM REDOX FLOW BATTERY (“VRFB”) BUSINESS

During the quarter, TNG’s consultant, Perth-based mineral process engineering group, METS Engineering (“METS”), progressed a technology and process design study for the development of a vanadium electrolyte (“VE”) production facility (“VE Study”) under the Company’s VRFB business unit, including flowsheets and process descriptions, and cost estimates. A final VE Study report has been submitted to TNG, which is under review.

The planned development of a VE production facility will underpin TNG’s VRFB business unit, directly supporting its collaboration with Singaporean-based battery technology development company V-Flow Tech, and the collaboration for both VRFB and green hydrogen opportunities with AGV Energy & Technology.

The Company is developing a strategic workplan for the development of the VE facility and VRFB business unit on the basis of the VE Study.

OTHER PROJECTS

KULGERA PROJECT (EL – 100% TNG)

The Company has two granted Exploration Licences (“EL”) for the Kulgera Project, a 1,231km² vanadium and titanium exploration project located along the South Australian border in the Northern Territory.

The Kulgera Project comprises a large accumulation of dune sand containing a magnetite/ilmenite heavy mineral fraction. TNG’s goal is to determine if this heavy fraction is able to be treated by its proprietary TIVAN® process, to extract value from both the vanadium and titanium content.

A range of chemical and mineralogical analyses were done on the 2021 sampling. Further test work has commenced, and the assessment is ongoing.

MOONLIGHT PROJECT (EL – 100% TNG)

The Company has Exploration Licences for vanadium exploration at Moonlight, located 80km west of Daly Waters in the central Northern Territory. No field activity was undertaken during the quarter due to travel restrictions.

CAWSE EXTENDED MINE PROJECT: NICKEL-COBALT (80%: MESMERIC/20%: TNG)

The Company has a 20% free-carried interest in the Cawse Extended Mining Lease. Joint venture partner, Mesmeric Enterprises, had previously completed necessary rehabilitation works. No further activity was reported to TNG during the period and the Company continues to request updates.

CORPORATE

CAPITAL RAISING

During the quarter, TNG completed a Share Placement at \$0.09 per share to raise A\$12.5 million (before costs).

The Share Placement was strongly supported by a number of new institutional and high net worth investors, as well as by the Company’s German-based major shareholder, Deutsche Balaton and associates. Leading investment bank Canaccord Genuity (Australia) Limited (“Canaccord”) were appointed as Lead Manager to the Share Placement.

The introduction of new institutional investors through the Share Placement is consistent with TNG’s objective of increasing the institutional investor presence on its share register ahead of the finalisation and execution of the Company’s equity strategy for project financing. Institutional investors are expected to play a significant role in

financing the development of the Company's flagship Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory.

The proceeds of the Share Placement are intended to be used to fund:

- consolidation planning for the Mount Peake Vanadium-Titanium-Iron Project, including required permitting, engineering and execution planning work streams;
- project financing work streams and associated costs (including detailed due diligence requirements);
- progression of TNG's green energy initiatives including green hydrogen opportunities for Mount Peake and under the joint venture with AGV Energy, and the Company's vanadium electrolyte production strategy; and
- general working capital requirements.

Approximately 139 million New Shares were issued under the Share Placement, utilising TNG's available 15% placement capacity pursuant to ASX Listing Rule 7.1.

FINANCIAL POSITION

TNG had total cash reserves of \$16.26 million as at 31 December 2021.

Payments for development, engineering, exploration and evaluation activities for the Company's flagship Mount Peake Project totalled \$1.9 million during the period.

During the quarter, payments to related parties of TNG Limited totalled \$194,000, which referred to Directors' remuneration including salary, fees and superannuation (Appendix 5B, item 6.1) and fees for additional services provided (Appendix 5B, item 6.2).

Further details can be found in the enclosed Appendix 5B – Quarterly Cash Flow Report.

INVESTOR AND MARKET ENGAGEMENT

During the quarter, TNG's Managing Director & CEO, Paul Burton, gave interviews to Small Caps and Eureka Report on the Company's Mount Peake Project and the green energy initiatives. He was also interviewed by the *Australian Financial Review* ("AFR") and *Paydirt* Magazine.

Additionally, Mr Burton presented at the Resources Rising Stars Conference held in Perth on 15 October and at the NT Resources Week, Mining the Territory Conference on 28 October in Darwin. The Company's CFO, Jonathan Fisher, presented at the Share Café "Hidden Gems" Webinar on 22 October.

AGM 2021

TNG held its 2021 Annual General Meeting ("AGM") on 30 November 2021 at the Vibe Hotel Subiaco, WA.

Authorised by:

Paul E Burton

Managing Director & CEO

25 January 2022

APPENDIX A

MOUNT PEAKE MINERAL RESOURCES AND ORE RESERVES

Mineral Resource

The Mount Peake Mineral Resource estimate set out below (Table 1) was released in an ASX Announcement entitled “Additional Information on the Mount Peake Resource” on 26 March 2013 in accordance with the JORC Code (2012).

Table 1 – Mount Peake Mineral Resource estimate

Category	Tonnes (Mt)	V ₂ O ₅ %	TiO ₂ %	Fe%	Al ₂ O ₃ %	SiO ₂ %
Measured	118	0.29	5.5	24	8.2	33
Indicated	20	0.28	5.3	22	9.1	34
Inferred	22	0.22	4.4	19	10.0	38
TOTAL	160	0.28	5.3	23	8.6	34

Note: Mineral Resource is inclusive of Ore Reserves. Tonnage and grade figures in tables have been rounded and small discrepancies in totals may occur. The Mineral Resource is reported using a 0.1% V₂O₅ cut-off. TNG is not aware of any new information or data that materially affects the Mineral Resource estimate included in the ASX Announcement dated 26 March 2013 and all material assumptions and technical parameters underpinning the assessment provided in that announcement continue to apply.

Ore Reserve

The Mount Peake Ore Reserve estimate (Table 2) was reported in an ASX Announcement entitled “Mount Peake Feasibility Results” on 31 July 2015 in accordance with the JORC Code (2012).

Table 2 – Mount Peake Ore Reserve estimate

Category	Tonnes (Mt)	V ₂ O ₅ %	TiO ₂ %	Fe%
Proven	0	-	-	-
Probable	41.1	0.42	7.99	28.0
TOTAL	41.1	0.42	7.99	28.0

Note: Tonnage and grade figures in tables have been rounded to 2 or 3 significant figures and as a result small discrepancies may occur due to the effect of rounding. Ore Reserve is reported using a 15% Fe cut-off. TNG is not aware of any new information or data that materially affects the Ore Reserve estimate reported in the ASX Announcement dated 31 July 2015 and all material assumptions and technical parameters underpinning the assessment provided in that announcement continue to apply.

Tenement Schedule

The Company held a direct or indirect interest in the following tenements on 31 December 2021:

Project	Mineral and ancillary Titles	Holder and TNG Equity
Mount Peake	EL27069, EL27070, EL27941, EL29578, EL30483, EL31389, EL31850, ML28341, ML29855, ML29856, ML30686, AA31105, AA32037	Enigma Mining Limited - 100% (Enigma is a wholly owned subsidiary of TNG Limited)
Cawse Extended	M24/547, M24/548, M24/549, M24/550	TNG 20% free carried to production, or can be converted to a 2% net smelter return on ore mined. Unicorn Pit is now excised and a wet tonne royalty applies.
Kulgera	EL32369, EL32370	Enigma Mining Limited - 100% (Enigma is a wholly owned subsidiary of TNG Limited)
Moonlight	EL32433, EL32434	Enigma Mining Limited - 100% (Enigma is a wholly owned subsidiary of TNG Limited)
Kintore East	M16/545	Evolution Mining (Mungarri) Pty Ltd TNG 2% gold return interest on production

Competent Person's Statements

The information in this report related to the Mount Peake Mineral Resource estimates is extracted from an ASX Announcement entitled "Additional Information on the Mount Peake Resource" dated 26 March 2013 in accordance with the JORC Code (2012) and is available to view on www.tngltd.com.au and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

The information in this report related to the Mount Peake Ore Reserve estimates is extracted from an ASX Announcement entitled "Mount Peake Feasibility Results" dated 31 July 2015 in accordance with the JORC Code (2012) and is available to view on www.tngltd.com.au and www.asx.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Ore Reserve estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

The information in this report related to the Kulgera Project Mineral Resource estimates is extracted from an ASX Announcement entitled "TNG expands tenure with existing JORC resource" dated on 8 July 2020 in accordance with the JORC Code (2012) and is available to view on www.tngltd.com.au and www.asx.com.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resource estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

Production Targets and Financial Information

Information in relation to Mount Peake production targets and financial information included in this report is extracted from an ASX Announcement dated 11 September 2019 called "Optimised Delivery Strategy for Mount Peake" available on the Company's website on www.tngltd.com.au. The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement released on 11 September 2019 continue to apply and have not materially changed.

Forward-Looking Statements

This report has been prepared by TNG Limited. This report 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.

This report is for information purposes only. Neither this nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of TNG Limited shares in any jurisdiction. This report does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

To the fullest extent permitted by law, TNG Limited, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this report. No responsibility for any errors or omissions from this arising out of negligence or otherwise is accepted.

This report may include forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of TNG Limited. Actual values, results or events may be materially different to those expressed or implied.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

TNG Limited

ABN

12 000 817 023

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(460)	(820)
(e) administration and corporate costs	(374)	(710)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	11
1.5 Interest and other costs of finance paid	(5)	(5)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (Government payments)	-	-
1.9 Net cash from / (used in) operating activities	(835)	(1,524)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(3)	(5)
(d) exploration & evaluation	(1,898)	(5,390)
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Research & Development Refund)		
2.6	Net cash from / (used in) investing activities	(1,901)	(5,395)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	12,500	12,500
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	5	5
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(683)	(683)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other:		
	(a) Proceeds from Company Share Plan Loan Repayment		
	(b) Repayments of lease liability	(37)	(82)
3.10	Net cash from / (used in) financing activities	11,785	11,740

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,206	11,434
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(835)	(1,524)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,901)	(5,395)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11,785	11,740
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	16,255	16,255

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,255	1,206
5.2	Call deposits	15,000	6,000
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	16,255	7,206

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	190
6.2	Aggregate amount of payments to related parties and their associates included in item 2	4
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(835)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,898)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,733)
8.4 Cash and cash equivalents at quarter end (item 4.6)	16,255
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	16,255
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.95
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 25 January 2022

Authorised by: Paul Burton
 Managing Director & CEO

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.