

March 2022 Quarterly Activities Report

SUMMARY

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

- Agreement with SMS group (“SMS”) for a revised Project Execution Strategy allows enhanced delivery of key processing infrastructure for the Mount Peake Critical Minerals Project. This takes advantage of the recent changes in global conditions, supply chain management, logistics and cost inflation.
- Clough Projects Australia Pty Ltd (“Clough”) has progressed value engineering for the mining and processing operation at the Mount Peake mine site (“Mine Site”).
- Technical studies for the submission of a revised environmental impact report for the Project are progressed, with consultation of the Northern Territory Environmental Protection Authority.
- Subsequent to the end of the quarter, the Company commenced a water bore drilling and evaluation program to provide information required for the groundwater modelling work for additional process water required for the Processing Facility at the Mine Site.
- The pricing for TNG’s key products continues to be strong, despite additional market volatility amid fears of supply shortages due to global condition.

TNG ALTERNATIVE ENERGY

- Commercial and technical parameters for the development of the “HySustain™” green hydrogen technology project in Darwin continued to be progressed in joint venture with Malaysian-based energy group AGV Energy & Technology.
- Following a formal request by TNG, the Northern Territory Government has reserved a site in Darwin Port’s Middle Arm precinct for the HySustain Darwin Project ahead of the application and lease negotiations.
- A Technology & Process Design Study was completed for the development of a high-purity Vanadium Electrolyte Production Facility to support the commercialisation of Vanadium Redox Flow Battery technology in Australia and enhance value from the Mount Peake product suite.

CORPORATE

- On 15 February 2022, TNG established a small shareholding sale facility (“Facility”) for certain shareholders with holdings valued at less than A\$500 (“Eligible Shareholders”). The Facility closed on 4 April 2022 with proceeds expected to be paid to Eligible Shareholders on or shortly after 27 April 2022.
- The Company’s cash position at 31 March 2022 was \$14.0 million.

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

PROJECT SUMMARY

The Mount Peake Project is the Company’s flagship project, comprising a world-scale critical and battery minerals deposit located 235km north-west of Alice Springs in the Northern Territory (NT). The Project is well located close to existing key power and transport infrastructure corridors including the Alice Springs-Darwin Railway and the Stuart Highway.

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.

Mount Peake is a shallow, flat-lying orebody with a JORC Measured, Indicated and Inferred Resource totalling 160 million tonnes grading 0.28% V₂O₅, 5.3% TiO₂ and 23% Fe. The Mount Peake Project is one of the largest undeveloped vanadium-titanium-iron projects in the world.

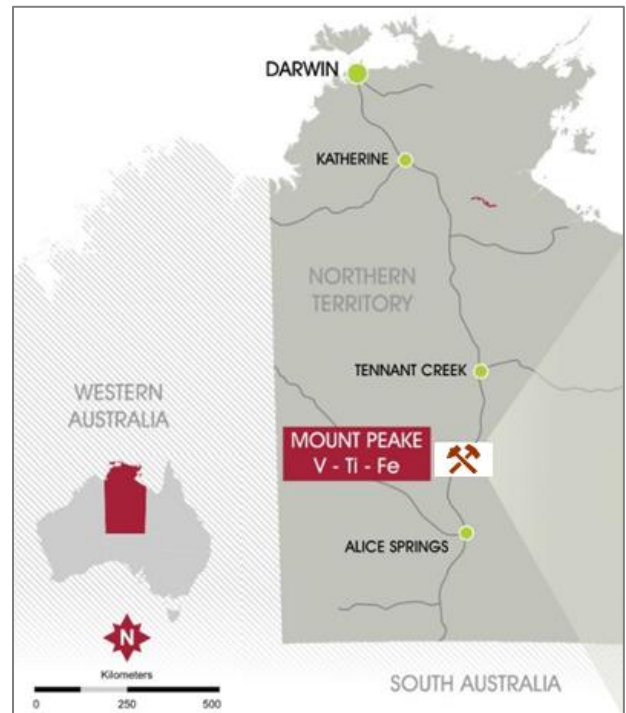


Figure 1. Mount Peake Project location

PROJECT HIGHLIGHTS

-  Major Project Status awarded by the Australian Federal Government and the Northern Territory Government
-  Vertically integrated mining and processing operation
-  TIVAN® technology enabling production of three high-purity products at commercial grade
-  Life of operations of ~40 years bringing significant long-term socio-economic benefits to Northern Australia
-  Large flat-lying, shallow vanadium-titanium deposit in a tier-1 jurisdiction
-  Mining licences and most regulatory permits approvals in place
-  Partnerships with Tier 1 development companies and long-term off-take agreements in place for all products with global groups

Forecast Production 100k tpa of TiO₂	
Forecast Production 6k tpa of V₂O₅	
Forecast Production 500k tpa of Fe₂O₃	


VANADIUM AND TITANIUM HAVE BEEN IDENTIFIED BY THE AUSTRALIAN GOVERNMENT AS CRITICAL MINERALS REQUIRED TO UNDERPIN THE ADVANCED TECHNOLOGIES THAT WILL SUPPORT THE GLOBAL PUSH FOR DECARBONISATION

Key facts

 **\$824 million** of capital expenditure


 **\$378 million** of operating expenditure in each year of the project


 **\$17.5 billion*** contribution to Gross Territory Product

 A mine life of **37 years**

 **\$710 million** of minerals royalties

 Exports of **\$774 million** per annum

 **1,600-1,800 jobs** during construction and

 **1,000-1,200 jobs** per annum during operation

PROJECT EXECUTION STRATEGY

Following meetings with SMS group (“SMS”) in Germany, a revised Project Execution Strategy for the delivery of the Mount Peake Project was agreed by TNG and SMS in March.

Under the revised model, SMS will provide a commercial and technical proposal for engineering and procurement for the delivery of the TIVAN® Processing Facility (“TPF”) at the Mount Peake mine site (“Mine Site”). TNG will have the flexibility to appoint Australian-based engineering and construction companies for the delivery of the Mine Site Beneficiation Plant, Titanium Pigment Plant and Non-Process Infrastructure, as well as for the construction of the TPF and associated infrastructure.

The revised Project Execution Strategy optimises TNG’s approach to delivering the Mount Peake Project, taking into consideration recent changes in global conditions, supply chain management, logistics and cost inflation.

SMS will work closely with TNG and its nominated contractors to provide any necessary processing, engineering and technical validation work as required for the TPF and execution planning. SMS will provide product and process guarantees upon a Final Investment Decision (subject to internal controls at SMS).

TNG will progress “Build Own Operate” and “Build Own Operate Transfer” options to further reduce capital expenditure.

It is expected that the revised Project Execution Model will optimise the development process, providing flexibility and potential commercial benefits for TNG and its shareholders.

PROJECT DEVELOPMENT

Value Engineering and Technical Optimisations

Clough Projects Australia Pty Ltd (“Clough”) continues to advance the design and value engineering works for the Mount Peake Project, which comprises the Beneficiation Plant, TPF (including a Pigment Plant) and plant utilities located within the Mining Lease footprint at the Mine Site.

This phase of works follows the completion of an integrated layout by Clough, which was based on the deliverables prepared under the Front-End Engineering and Design (“FEED”) study completed by SMS. This is progressing on schedule and is expected to be completed by Clough by May 2022 and the Company is in discussion regarding a potential Engineering Procurement Construction (“EPC”) contract for project delivery.

In parallel to the current engineering and design work, the Company continues to undertake a technical and commercial assessment of all plant areas and includes validation test work of critical areas and in addition the use of hydrogen to reduce the Project’s overall net carbon footprint.

Non-Process Infrastructure (“NPI”)

The integrated mining and processing operation at the Mine Site has provided the opportunity for consolidation of a number of infrastructure items including power generation, gas supply and communications installations.

Water Bore Drilling Program

Subsequent to quarter-end, TNG commenced a new water bore drilling and evaluation program on the aquifer located at the Mount Peake Project to provide additional information required for the groundwater modelling work being conducted by TNG’s appointed hydrological consultants, AQ2 Pty Ltd.

This work will support an additional Water Extraction Licence Application to provide process water required for the mineral processing at the Mine Site and the Environmental Impact Assessment report.

PERMITTING AND APPROVALS

Environmental Approvals

TNG’s environmental consultant, Animal Plant Mineral (“APM”), has been mandated to progress the environmental assessment for the Mount Peake integrated Project.

APM are progressing a number of technical studies, including Biological Surveys, Groundwater and Surface Water Assessments, Air Quality Assessment, the Greenhouse Gas Assessment and Management Plan, Noise Impact Assessment, Waste Characterisation and Landform Design, Traffic Impact Assessment, Stakeholder Engagement Strategy and Mine Closure Plan.

The Company expects this work to be completed during the June 2022 quarter and submit a revised environmental impact report to the Northern Territory Environment Protection Authority (“NT EPA”) for approval by the September 2022 quarter.

Mount Peake Mining Management Plan (“MMP”)

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

Native Title Agreement

TNG progressed discussions with the Central Land Council (“CLC”) representatives regarding future meetings and 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”)¹ and the Company is currently liaising with the CLC on any additions required to the existing Agreement.

PROJECT FINANCE

Debt Finance

KfW IPEX-Bank (“KfW”) & KPMG Corporate Finance

The Company held discussions with representatives of Germany’s KfW IPEX-Bank GmbH (“KfW”), TNG’s mandated exclusive senior debt advisor and arranger for the Project, on the revised Project Execution Strategy. KfW has indicated its support and reaffirmed its commitment to progressing the debt financing process for the Mount Peake Project on this basis.

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 in this regard.

Governmental Concessional Funding Applications

TNG progressed its application and meetings with the Northern Australian Infrastructure Facility (“NAIF”) and the Export Finance Australia (“EFA”) including the Australian Government’s \$2 billion Critical Minerals Facility for financing support. EFA provides financial solutions to support Australian exporters, including loans, guarantees, bonds and insurance, and manages the Critical Minerals Facility. This process has involved the Federal Government Major Project Facilitation Office, the Federal Government Critical Minerals Facilitation Office and the Northern Territory Major Projects team.

Build-own-operate-transfer funding (“BOOT”)

During the quarter, the Company engaged with potential BOOT/Build-Own-Operate (“BOO”) providers across the Project’s process and non-process infrastructure. KPMG Corporate Finance has been assisting TNG by providing advice on potential structuring and commercial requirements for such arrangements.

Equity

During the quarter, TNG and KPMG Corporate Finance progressed its strategy for equity financing for the Mount Peake Project, including both institutional investor and strategic equity streams.

PRODUCT PRICING DEVELOPMENT²

Titanium Dioxide Pigment – TiO₂

The impact of the Ukrainian war on Europe’s titanium dioxide pigment industry is slowly evolving, as a combination of immediate supply problems and an inflating cost base add support for further price increases. Ukraine accounts for around 6% of global ilmenite supply (sulphate and chloride).

Global logistics issues continue to affect all producers and feedstock availability has been a constraint for certain plants during the first half of 2022. The utilisation of existing plant capacity was very high (above 95%) and the current inventories are very low (below 30 days).

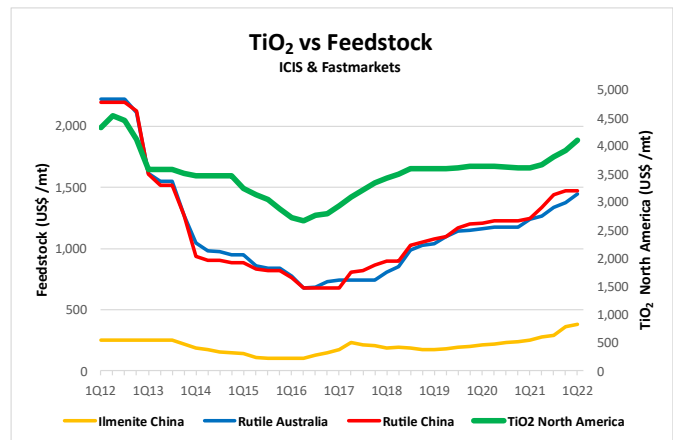
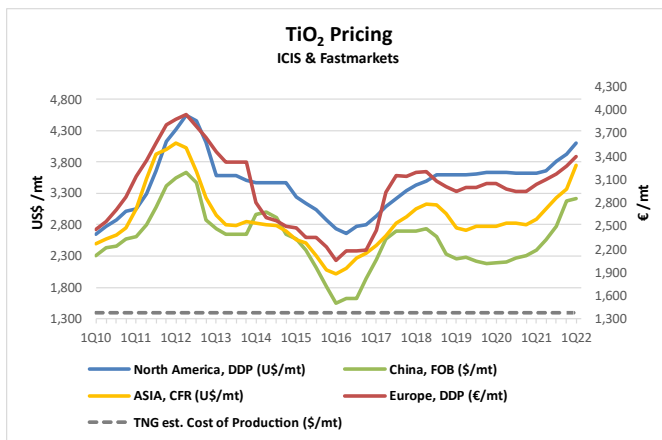
¹ Refer to ASX Announcement of 11 October 2018, “Mount Peake Native Title Agreement Executed”.

² Pricing source: ICIS and Fastmarkets

The upward momentum in TiO₂ prices that began in 2021 continued in the March 2022 quarter and is expected to continue at least throughout this calendar year.

The TiO₂ price increased in all regions compared to last quarter, up 3.1% in China, 10.9% in APAC (excluding China), 6.1% in Europe and 4.7% in North America.

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



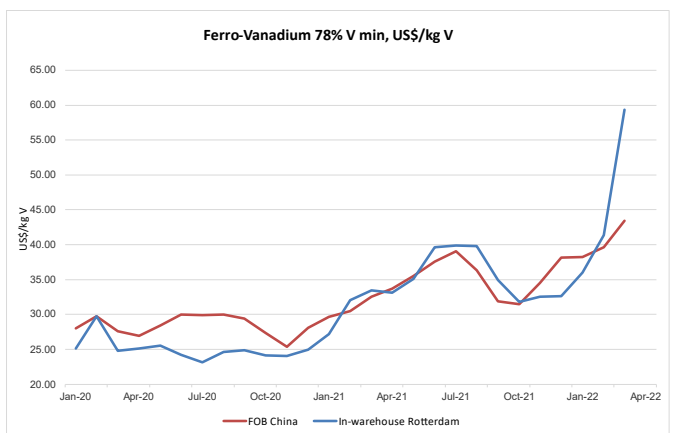
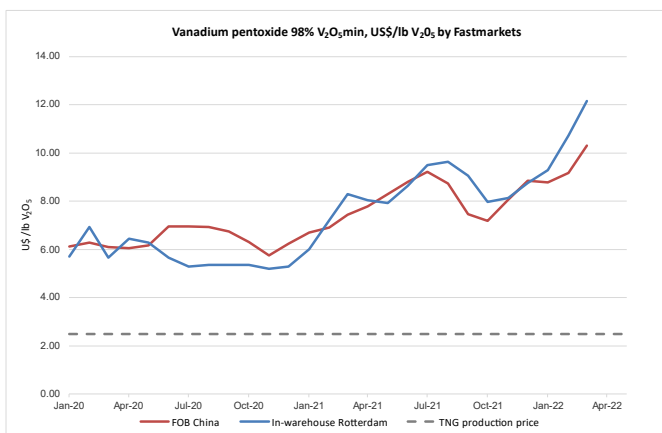
Vanadium Pentoxide – V₂O₅

During the quarter, prices of vanadium pentoxide and ferrovandium increased sharply. The ferrovandium price has almost doubled since the beginning of the year, reaching US\$62/kg V Rotterdam in March 2022. The price of vanadium pentoxide (98%), in-warehouse Rotterdam, was US\$12.16/lb and US\$10.31/lb in China.

Supply was already tight as several Chinese vanadium co-producers paused operations to undertake maintenance.

However, the Russia-Ukraine conflict has caused additional market volatility amid fears of supply shortages from Russian producer Evraz. Evraz reported that it has been experiencing “frictions” in terms of supply, logistics and financial flows in the wake of financial sanctions imposed on Russia by Western nations.

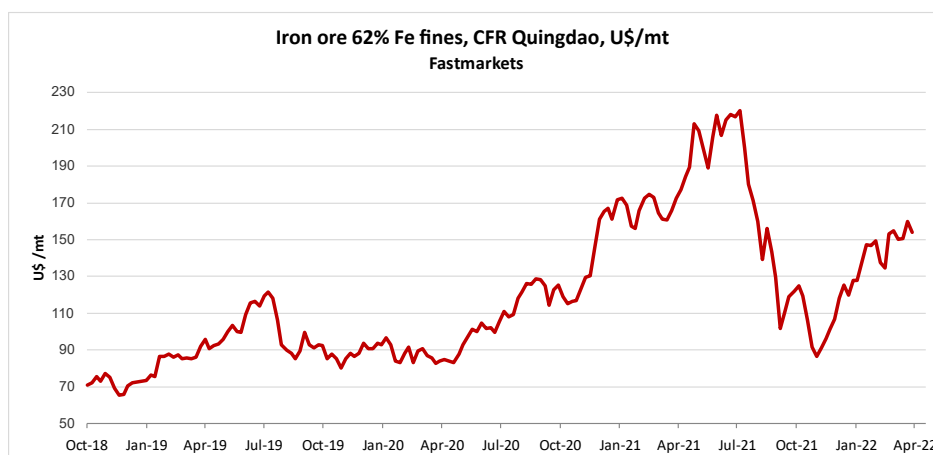
TNG expects to achieve a US\$2.0/lb V₂O₅ premium on the market price for its product at 99.6% purity (Roskill – September 2020).



Iron Ore Fines

The seaborne iron ore price continued to rise during the quarter, mainly in March 2022 on the back of a bullish run in the futures and swaps markets mainly due to supply issues as a result of the Russia-Ukraine conflict.

TNG expects to add a US\$5.90/mt premium on top of that for its product at 64.4% (Roskill).



TNG ALTERNATIVE ENERGY

GREEN HYDROGEN PRODUCTION TECHNOLOGY

TNG and Malaysian-based energy group AGV Energy & Technology (“AGV”) continued to progress a commercial study for an initial HySustain green hydrogen technology project in Darwin in the Northern Territory (“HySustain Darwin”) during the quarter, with the parties strategically evaluating the project development concept and scoping its preliminary commercial and technical viability. The joint venture is also preparing a development strategy as part of this study for the next phase of development for HySustain Darwin.

During the period, following a formal request by TNG, the Northern Territory Government reserved a site in Darwin Port’s Middle Arm for the HySustain Darwin Project ahead of the application and lease negotiations.

The reserved site is the previous site proposed to be used for the Mount Peake Project downstream processing facility. TNG previously completed an extensive body of work for this site for Mount Peake, which will significantly benefit planning for HySustain Darwin.

The joint venture has also initiated early engagement with potential off-takers in Asia and prospective financiers on the main future project financing requirements.

VANADIUM ENERGY PROJECT – VANADIUM ELECTROLYTE & BATTERIES

Technology and Process Design Study

During the quarter, TNG completed a review of a technology and process design study for the development of a production facility to produce high-purity vanadium electrolyte (“VE”) for the Vanadium Redox Flow Battery (“VRFB”) market (“VE Study”). The key outcomes and findings of the VE Study identified:

- The preferred form of vanadium pentoxide as the preferred feedstock for the process, this is planned to be derived from vanadium pentoxide flake (the vanadium product planned to be produced at Mount Peake);
- Preferred process options, with process flowsheets, descriptions and design criteria, and a mass balance, developed for each option; and
- Darwin as the indicative location of the facility with existing ready access to all necessary infrastructure; the next phase of work will also consider the option of a Mount Peake based VE production facility as part of the consolidated mining and processing operation.

Following the successful completion of the VE Study, the Company is also now evaluating the use of VRFBs at its Mount Peake operation and incorporating these into the current non-process infrastructure design and energy supply mix to help further reduce the Project’s carbon footprint.

OTHER PROJECTS

SPRING CREEK (EL – 100% TNG)

During the period, the Company was granted an Exploration Licence for the highly prospective copper-focused Spring Creek Project in South Australia. The Exploration Licence covers known stratigraphic copper mineralisation but has had no substantial exploration since 1970. Stratigraphic copper deposits tend to be large and high grade.

The Company plans to commence a limited field program of geological mapping, soil sampling, geophysics and, potentially, drilling following permitting and approvals.

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 magnetite/ilmenite heavy mineral concentrate. The Company is evaluating if this heavy fraction can be treated using its proprietary TIVAN® process, to extract value from both the vanadium and titanium content.

A range of chemical and mineralogical analyses are being undertaken on the 2021 sampling. Assessment is ongoing with further testwork planned.

MOONLIGHT PROJECT (EL – 100% TNG)

The Company has Exploration Licences at Moonlight, located 80km west of Daly Waters in the central Northern Territory where Vanadium occurrences are recorded. No field activity was undertaken during the quarter but the Company aim to establish if these will provide additional vanadium reserves.

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. The Company awaits further work programme results from Mesmeric.

CORPORATE

SMALL SHAREHOLDING SALE FACILITY (“FACILITY”)

On 15 February 2022, TNG announced that it had established a small shareholding sale facility (“Facility”) for certain shareholders with holdings valued at less than A\$500 (“Eligible Shareholders”), which closed on 4 April 2022.

Following the closing date, Eligible Shareholders had their TNG shares sold through the Facility (pursuant to the powers under TNG’s Constitution) (“Participating Shareholder”) without having to pay brokerage or other costs. The proceeds of the Facility were remitted to Participating Shareholders on 27 April 2022.

VESTING OF EMPLOYEE OPTIONS

During the period, 2,500,000 unquoted employee options (“Options”) exercisable at \$0.15 (expiring on 26 Feb 2024) and 2,500,000 Options exercisable at \$0.20 (expiring on 26 Feb 2024) vested in accordance with their terms and conditions.

No Options have been converted and the capital structure of the Company remains the same.

FINANCIAL POSITION

TNG had total cash reserves of \$14.0 million as at 31 March 2022.

Payments for development, engineering, exploration and evaluation activities for the Company’s flagship Mount Peake Project totalled \$1.4 million during the period.

During the quarter, payments to related parties of TNG Limited totalled \$187,000, 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, presented at the Paydirt's 2022 Battery Minerals Conference in Perth and provided an update interview with Small Caps.

Company representatives will be attending a number of conferences in the upcoming months, including the Katherine & Barkly Region (NT) Major Projects Conference.

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 and overseas, primarily in Germany and Austria, for any potential impacts on the Mount Peake Project.

Authorised by:

Paul E Burton

Managing Director & CEO

28 April 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 March 2022:

Project	Mineral and ancillary Titles	Holder and TNG Equity
Mount Peake	EL27069, EL27941, EL29578, EL30483, EL31389, EL31850, ML28341, ML29855, ML29856, ML30686, AA31105, AA32037	Enigma Mining Limited - 100% (Enigma is a wholly owned subsidiary of TNG Limited)
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)
Spring Creek	EL6705	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.
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 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(487)	(1,307)
(e) administration and corporate costs	(331)	(1,041)
1.3 Dividends received (see note 3)		
1.4 Interest received	13	24
1.5 Interest and other costs of finance paid	(1)	(6)
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	(806)	(2,330)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(9)	(14)
(d) engineering, exploration & evaluation	(1,399)	(6,789)
(e) investments		
(f) other non-current assets – Security deposit	(28)	(28)

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 (9 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	(1,436)	(6,831)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	12,500
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	1	6
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(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	(39)	(121)
3.10	Net cash from / (used in) financing activities	(38)	11,702
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	16,255	11,434
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(806)	(2,330)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,436)	(6,831)

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 (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(38)	11,702
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	13,975	13,975

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	1,975	1,255
5.2	Call deposits	12,000	15,000
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)	13,975	16,255

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	170
6.2	Aggregate amount of payments to related parties and their associates included in item 2	17
<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)	(806)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,399)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(2,205)
8.4 Cash and cash equivalents at quarter end (item 4.6)	13,975
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	13,975
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.34
<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: 28 April 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.