

TNG APPOINTS ENGINEERING AND CONSTRUCTION COMPANY CLOUGH AS LEAD ENGINEER AND PREFERRED EPC CONTRACTOR FOR THE DELIVERY OF THE MOUNT PEAKE PROJECT

Key Points

- TNG has executed a Heads of Agreement (“Agreement”) with Clough Projects Australia Pty Ltd (“Clough”) for the delivery of the Company’s flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project (“Project”) in the Northern Territory.
- Under the Agreement, Clough:
 - has been appointed as TNG’s Lead Engineer and preferred Engineering, Procurement and Construction (“EPC”) Contractor for the delivery of the Project; and
 - will prepare a binding fixed-price, lump sum EPC proposal for the Project subject to completion of any works required and the procurement contracting model.
- Other work streams focussed on non-process infrastructure, Environmental Impact Assessment and the Central Land Council are progressing.
- Clough will continue to identify any value engineering opportunities associated with optimising capital and operating expenditure for the streamlined operation.

Australian resource and mineral processing technology company TNG Limited (ASX: TNG) (“TNG” or the “Company”) is pleased to advise that it has appointed Australian-based engineering and construction Clough (“Clough”), as TNG’s Lead Engineer and preferred EPC contractor for the delivery of its 100%-owned **Mount Peake Vanadium-Titanium-Iron Project** (“Mount Peake Project” or “Project”), located 235km north-west of Alice Springs in the Northern Territory (see Figure 1).

The Mount Peake Project, which is one of the largest undeveloped vanadium-titanium-iron projects in the world, has been awarded Major Project Status by both the Australian Federal Government and the Northern Territory Government.

The Company’s strategy for the 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 (TiO₂) pigment 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’s Managing Director & CEO, Mr Paul Burton, said: *“We are delighted to have moved forward with appointing Clough as TNG’s Lead Engineer and preferred EPC contractor for the delivery of the Mount Peake Project. Clough has a strong track record in delivering large projects like Mount Peake, and we are looking forward to working closely with them as they develop their EPC Proposal.”*

“We now have the support of three leading groups for the Project in Clough, SMS group and Ti-Cons, as we progress Mount Peake through the pre-development stage ahead of planned transition into delivery.”

Clough’s CEO & Managing Director, Peter Bennett, said: *“We are excited to be appointed as Lead Engineer and preferred EPC contractor for TNG to continue the development of their Mount Peake Project. Combining our 103-years of experience in delivering critical assets with TNG’s world first Processing Technology will create a nationally significant project.”*

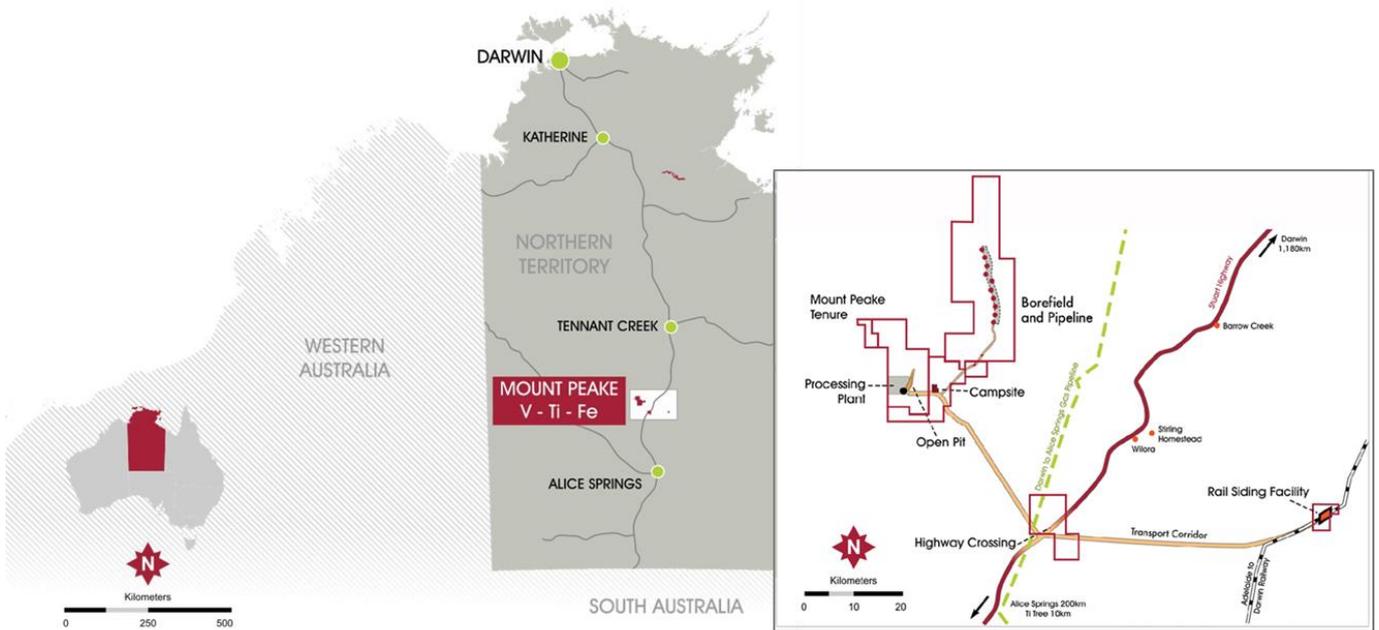


Figure 1. Mount Peake Project location

The Company previously engaged Clough to produce an integrated layout for the operation when the TIVAN® processing facility (see Figure 2) was relocated to the Mount Peake mine site in 2021 (see ASX Announcements of 7 October 2021 and 23 November 2021).

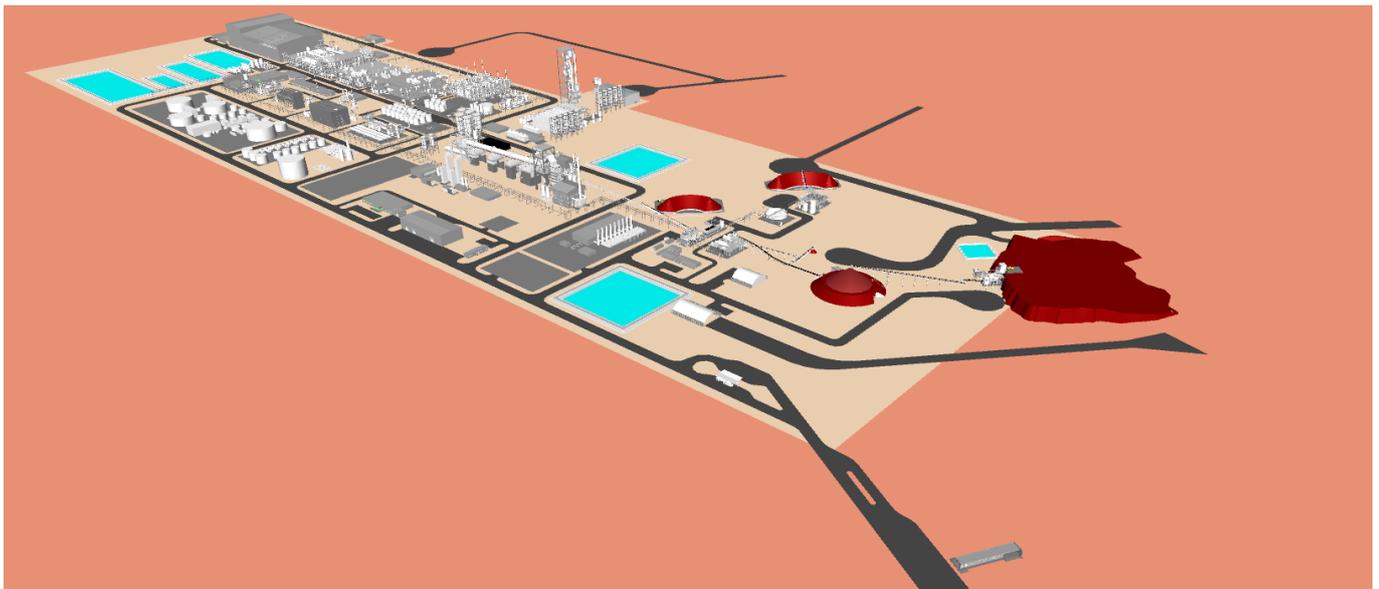


Figure 2. Mount Peake Project integrated operation layout (south-east view)

TNG’s long-standing strategic engineering partner and metallurgical consultants SMS group (“SMS”) was previously contracted to deliver an EPC proposal but, due to disruptions caused by the COVID-19 pandemic, the Company reached agreement with SMS to engage with Australian-based engineering and construction companies for the delivery of the Mount Peake Project, with the support of SMS and other technical parties (see ASX Announcement of 18 March 2022).

Under the Heads of Agreement, Clough will submit to TNG a binding fixed-price, lump sum EPC proposal (“EPC Proposal”) for delivery of the Project subject to completion of any works required and the procurement contracting model. TNG and Clough are currently advancing discussions on any additional work that may be required to be undertaken by Clough to facilitate development of this Proposal, with any such work to be confirmed under a separate services agreement including detailed scope, costs and scheduling.

In this lead role, Clough will continue to be supported by SMS group and TNG's pigment plant technology provider, German-based Ti-Cons.

General update and next steps

The Company notes that major resource projects worldwide are experiencing significant cost pressures due to various factors including the disruption of supply chains due to the COVID-19 pandemic, higher energy costs (including from the impact of the Ukraine-Russia conflict), long lead times, logistical delays, higher labour costs due to workforce shortages and escalated costs of steel and concrete, which directly affect both equipment and construction costs.

The Company previously indicated that a revised cost estimate for the Mount Peake integrated operation would be prepared by Clough, but given the factors referred to above, which have created delays in sourcing the market-based quotes, this work remains ongoing. Clough will continue to identify any value engineering opportunities associated with optimising capital and operating expenditure for the streamlined operation while working closely with vendors for the equipment pricing. As part of the EPC Proposal, Clough will also have to take account the above factors, including delays in sourcing the market-based quotes as part of their work to determine a fixed EPC price for delivery of the Project.

TNG continues to progress other current work streams including the groundwater modelling to support a second Water Extraction Licence Application, which will be based on the recent completed water bore drilling program (see ASX Announcement of 24 May 2022).

The information from the drilling program will also form part of the Environmental Impact Assessment ("EIA") report, which is currently being progressed. All ground-based activities for the EIA have been completed and a stakeholder engagement plan progressed.

The Company is also advancing non-process infrastructure ("NPI") items for tendering processes which will include BOO (build, own, operate) and BOOT (build, own, operate, transfer) items.

Meetings with the Central Land Council ("CLC") regarding updates to the Indigenous Land Use Agreement ("ILUA") have been held and a timeframe for completion is expected to be received from the CLC shortly.

Authorised by the TNG Board of Directors:

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About TNG

TNG is a Perth-based resource and mineral processing technology company focusing 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 Australian Federal Government and the Northern Territory Government.

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

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.

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