

## EXPORT FINANCE AUSTRALIA ISSUES CONDITIONAL LETTER OF SUPPORT FOR THE MOUNT PEAKE PROJECT OF UP TO \$300M IN DEBT FUNDING

*The conditional letter of support is a cornerstone component of the finance package for the future construction of the TNG's flagship Mount Peake Project*

### Key Points

- **The Australian Government's Export Credit Agency ("ECA"), Export Finance Australia ("EFA"), issues conditional and non-binding Letter of Support for up to A\$300 million of debt funding for the Mount Peake Vanadium-Titanium-Iron Project.**
- **The Mount Peake Project is one of only 15 Australian critical minerals projects identified by the Australian Government in its critical minerals priority road map.**
- **EFA's non-binding Letter of Support notes the broad alignment of the Project with the Government's Critical Mineral Strategy to diversify production of, and capture more value from, critical minerals supply.**

Australian resource and mineral processing technology company TNG Limited (ASX:TNG) ("TNG" or the "Company") is pleased to announce the receipt of a conditional Letter of Support from Export Finance Australia ("EFA") that considers the provision of up to A\$300 million of debt funding for the construction of TNG's flagship 100% owned Mount Peake Vanadium-Titanium-Iron project ("Mount Peake" or the "Project") in the Northern Territory.

EFA is Australia's export credit agency and is guaranteed by the Commonwealth of Australia. EFA is administering the Australian Government's A\$2 billion Critical Minerals Facility, which has been established to assist in funding critical minerals projects. The Mount Peake Project is one of 15 Australian critical minerals projects identified by the Australian Government in its Resources Technology and Critical Minerals Processing: National Manufacturing Priority Road Map<sup>1</sup>.

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 Government and the Northern Territory Government. The receipt of this non-binding Letter of Support highlights the broad alignment of the Project with objectives of the Australian Government's Critical Minerals Strategy which is to diversify global critical minerals supply and capture more value from the critical minerals value chain.

EFA's non-binding Letter of Support notes the need for progress on a number of commercial matters and outlines the following:

1. EFA can consider the provision of debt funding up to A\$300 million;
2. a successful outcome is contingent on several conditions including:
  - a. meeting EFA "know your customer", sanctions and anti-bribery requirements and checks;
  - b. provision of detailed financing proposal and independent due diligence material;
  - c. TNG making satisfactory progress towards the Project's funding plan including the raising of equity and securing funding from other lenders;

<sup>1</sup> See Resources Technology and Critical Mineral Processing National Manufacturing Road Map, Australian Government, March 2021, p.6

- d. TNG making satisfactory progress securing offtake agreements for the Project's products with counterparties acceptable to Export Finance Australia;
- e. a contracting strategy and contractors for the engineering, construction and commissioning of the Project acceptable to Export Finance Australia; and,
- f. the Project complying with our environmental and social risk policies, including receiving the required regulatory and environmental approvals.

The tenor of the Project will be supported by Mount Peake's long project life (>37 years) and JORC Ore Reserves.

TNG's debt financing strategy is to secure a multi-source funding package consisting of government and commercial bank funding. Pursuing a multi-source funding strategy allows TNG to optimise its debt financing, providing greater access to low-cost lending, offering greater flexibility in loan structuring and ensuring that TNG's funding package aligns with its development and offtake partners.

Following the accomplishment of this important milestone for the Mount Peake Project, TNG will now further engage with EFA to progress the customary due diligence process for obtaining finance. EFA's non-binding Letter of Support does not constitute a commitment to provide finance and there is no certainty that an agreement will be reached between the parties.

### Management Comment

TNG's Managing Director & CEO, Paul Burton, said:

*"We are delighted with the support received from the Australian Government through the Export Finance Australia. This non-binding Letter of Support lays a solid foundation for the Company to secure the debt financing package for the development of its Mount Peake Project."*

*"Mount Peake is a significant critical minerals project for Australia as it will contribute to the diversification of global critical minerals supply, specifically of vanadium and titanium, and will bring more value from the critical minerals value chain to the country."*

*"We are looking forward to continue working with the Export Finance Australia and other financiers to structure the best debt financing package for the Project."*

Authorised by the TNG Board of Directors:

#### Paul E Burton

Managing Director and CEO

8 July 2022

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## About TNG

TNG is a mineral resource and 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 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 announcement has been prepared by TNG Limited. This announcement is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained.

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