TNG LIMITED

POSITIVE METALLURGICAL OPTIMISATION TESTWORK - MOUNT PEAKE, NT

HIGHLIGHTS

- **Ongoing Metallurgical test work has successfully improved the quality of the magnetic concentrate.**
- **The vanadium grade was improved from a head grade of 0.5% V_2O_5 to 1.3% V_2O_5 with an average vanadium recovery of 86% in 40% of the mass.**
- **The iron grade in the magnetic concentrate was upgraded from a head grade of 32% Fe up to a maximum of 66% Fe.**
- **The titanium grade also showed an upgrade from a head grade of 9.4% TiO_2 to 16% TiO_2.**
- **Regrinding the magnetic concentrate to 45 micron successfully reduced the SiO_2 and Al_20_3 contaminants to an acceptable level for conventional vanadium processing.**
- **Snowden Mining Industry Consultants are commencing an initial scoping study.**

Australian resources company TNG Limited (ASX: TNG) is pleased to report further encouraging results from metallurgical results from the recently completed Reverse Circulation (RC) drilling program carried out at the Company's 100%-owned **Mount Peake Project** in the Northern Territory.

TNG has previously reported a maiden JORC Inferred Resource of 107 Mt @ 0.32 % V_2O_5, 5.9 % TiO_2, 29% Fe from its first round of Reverse Circulation drilling. A significant portion of the magnetic anomaly remains untested and when drilled is anticipated to increase this initial resource estimate.

Prior to further drilling TNG commissioned Mineral Engineering Technical Services Pty Ltd ("METS") to design and manage the metallurgical testwork programme. METS has in-depth experience with vanadium deposits, particularly with Australian projects, and are well suited to evaluate the Mount Peake mineralisation.

Initial testwork reported previously, confirmed that a high-grade vanadium pentoxide (V_2O_5) concentrate can be produced from the Mount Peak mineralisation. Further test work aimed at optimising the grade and recovery, has successfully improved on the initial results by regrinding to 45 microns, as shown in Table 1 below.

This has also resulted in improving the grade and recovery of the Fe and $Ti0_2$ and successfully reduced the $Si0_2$ and Al_20_3 components to acceptable commercial levels.

Further testwork is underway to study the amenability of the ore to alternative salt roasting and/or leach processes to further improve the vanadium recovery. This will be reported on completion.

TNG has commissioned METS to investigate the recovery of the Iron and Titanium as additional marketable products and results of this will be reported in due course.

MPM 001						
Sample	Grind size (mm)	Grade (%)				
		Fe	SiO_2	Al_2O_3	TiO_2	V_2O_5
Mag Conc	75	51.2	6	2.9	14.7	1.07
Regrind Mag Conc	45	56.8	1.5	2.3	15.9	1.3

MPM 003						
Sample	Grind size (µm)	Grade (%)				
		Fe	SiO_2	Al_2O_3	TiO_2	V_2O_5
Mag Conc	75	53.5	2.9	2.6	17.2	1.1
Regrind Mag Conc	45	55.6	1.6	2.4	17.2	1.2

Regrind Sample	Mass recovery (%)	Recovery (%)				
		Fe	SiO_2	Al_2O_3	TiO_2	V_2O_5
MPM 001	33.8	59.5	2.2	14.2	62.4	88.1
MPM 003	40.9	66.0	3.1	17.5	66.9	84.7

Table 1: METS optimisation testwork results, Mount Peake RC drill material.

Following the positive results received from METS, TNG is pleased to advise that it has instructed Snowden Mining Industry Consultants to commence an initial Scoping Study on the Mount Peake Project. Although this will be undertaken based on the current Inferred Resource and initial metallurgical testwork results, it is considered an appropriate next step to progress the Project before committing to further exploration expenditure.

Further drilling at Mount Peake will commence in August as part of the previously reported NT Government funded drilling grant, awarded to TNG to identify if the Mount Peake intrusion is a large layered mafic system with massive sulphide potential.

Following completion of this programme, further drilling of extensions to the large magnetic anomaly that currently defines the Mount Peake Iron – Vanadium – Titanium mineralization will commence.

Yours faithfully
TNG LIMITED

Paul Burton
Exploration Director
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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Paul Burton who is a Member of The Australasian Institute of Mining and Metallurgy and a Director of TNG Limited. Paul Burton has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Paul Burton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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