



TNG_{LIMITED}

**QUARTERLY REPORT
DECEMBER 2009**

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HIGHLIGHTS

- Further drilling at Mount Peake has extended mineralisation at the Iron – vanadium – titanium mineralised zone. Over 2km of mineralised strike length has now been defined. Several Magnetic and Gravity anomalies remain to be drilled. Independent resource consultants are calculating a new Resource estimate.
- A significant magnetic and electro-magnetic basement conductor has been confirmed in historic data on TNG's new Exploration Licence EL 27070 at Mount Peake. Other airborne geophysics and ground geophysical targets are currently under review.
- Exploration Licence Applications have increased TNG's total landholding to over 2000km² at Mount Peake. In addition to the Iron/Vanadium mineralisation and the Nickel/Copper targets the new applications also cover a uranium anomaly with a rock sample result of 500ppm U₃O₈. A Uranium / Thorium anomaly was also revealed in new radiometric survey data.
- At the Manbarrum Project independent consultants have concluded that high-grade RC drilling results from the Sandy Creek zinc-lead-silver deposit should be included in the resource estimate. Their study finds previous diamond drilling may have suffered zinc loss, possibly due to the drilling process. Higher grade RC drilling results, previously considered unreliable when compared with earlier diamond drilling, are now valid. A new resource estimate is now in progress.
- Also at Manbarrum analytical results from scout diamond drilling confirmed broad-scale zinc and lead mineralisation at the Browns Prospect, 6km NE of Sandy Creek deposit.
- An Option to Purchase Agreement was signed to acquire an Exploration Licence in a highly prospective area of the Rover prospects at Tennant Creek. The application covers significant IOCG-style copper-gold targets.
- A Mineral Rights Agreement was signed, for the sale of the Legune Iron Prospect for \$1.400m.
- At the Rover project WDR have advised that a drilling programme has commenced. Eight magnetic targets are to be tested in the current programme.



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TNG Operations

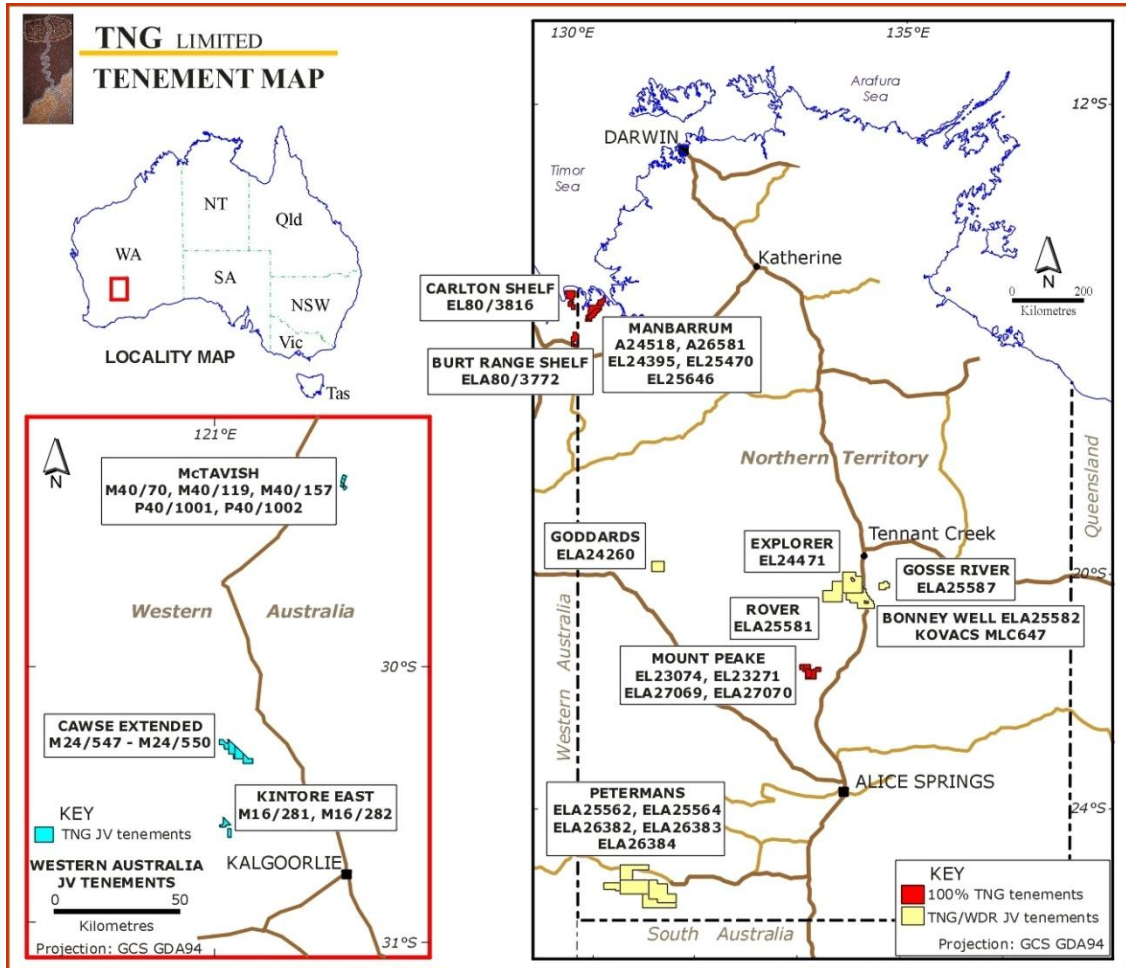


Figure 1: TNG Limited Tenement Map

PROJECTS

Mount Peake Project: Iron – Vanadium – Titanium: TNG 100%

The Mount Peake project area is located on Stirling Station and covers a highly prospective, but poorly explored area of the Western Arunta geological province. The area is prospective for Iron-Vanadium-Titanium and also for Nickel-Copper-PGMs' .

Resource:

The Mount Peake Project currently has a JORC inferred resource estimate of 107mt @ 0.32% V₂O₅, 5.95% TiO₂, 25% Fe. Metallurgical testwork has shown the ore upgrades by standard magnetic process to 1.2% V₂O₅, 17%TiO₂, 55% Fe. Drilling during the quarter was aimed at testing extensions to the mineralisation.



The drilling successfully confirmed that the resource increases to the North. Final assay results are awaited and once received a new resource estimate will be commenced.

Metallurgical Test Work:

Further testwork aimed at optimising the grade and recovery continued positively, with both Pyrometallurgical techniques and hydrometallurgical techniques, being progressed.

The preliminary results are as follows:

Results from the magnetic separation beneficiation testwork have been highly encouraging. The ore responded well to coarse cobbing, giving an upgrade from 0.3% V_2O_5 to 0.5-0.8% V_2O_5 . High V_2O_5 recovery at 85-97% was obtained. This high rejection of barren material at a coarse size reduces the load on the downstream processing.

Regrinding the cobbing magnetic concentrate to P_{100} 75 μm has led to a further upgrade in the magnetic concentration. The V_2O_5 grade was increased to 0.9-1.1%, a grade that is suitable for both pyrometallurgical and hydrometallurgical processing. Again, a high recovery of V_2O_5 at 80-94% was achieved.

The ores exhibited good potential to be upgraded by the low processing cost of magnetic separation. As an alternative to salt roasting, the magnetic concentrate was also found to be amenable to hydrometallurgical processing. A high vanadium extraction of 98% was achieved using acid leaching. About 83-99% of the iron was also co-extracted with the vanadium.

Preliminary test results showed that the iron can be separated from the vanadium by solvent extraction, generating an iron solution with purity of 99.6% $FeCl_3$. Optimisation of the solvent extraction testwork programme is underway and will be reported at the completion of the sighter test.

Extraction of titanium was recorded during the acid leaching at a reduced acid concentration. The titanium level in the leach residue was upgraded to 39% TiO_2 . This leach residue is suitable to be used as the feed grade for synthetic rutile production.

Overall, it showed that the Mount Peake deposit ore has no mineralogical issues that would inhibit the response of the ore to magnetic separation beneficiation. The ore is not refractory and highly amenable to hydrometallurgical processing. The hydrometallurgical test route allows more than a single product being generated, which could have a positive impact on the project economics.

Stirling Deeps Project: Nickel – Copper – Platinum Group Minerals: TNG 100%

During this quarter 2 diamond holes were completed targeting the nickel-copper and platinum group minerals potential of the large mafic system as part of the Government's \$2.400 million collaborative funding program.

The drilling intersected minor sulphides at variable intervals in the core. These have been sampled and submitted for analysis. Results are awaited.



A review of all Airborne Electro-Magnetic (AEM) data flown by TNG's previous J.V. partners has commenced with acquisition of the data from Fugro as it was not forwarded to TNG or the Northern Territory government previously. Existing AEM anomalies will then be reviewed and a drill programme of any significant targets will be planned for 2010.

As a result of this initial review the company is pleased to report that a **significant basement conductor, BGC1** has been established (Figure 2).

The original survey covered a large portion of the Mount Peake project area as well as surrounding tenements held by other companies at that time. 20 high priority targets were originally selected from this survey but were not followed up. TNG now has access to all targets and anomalies.

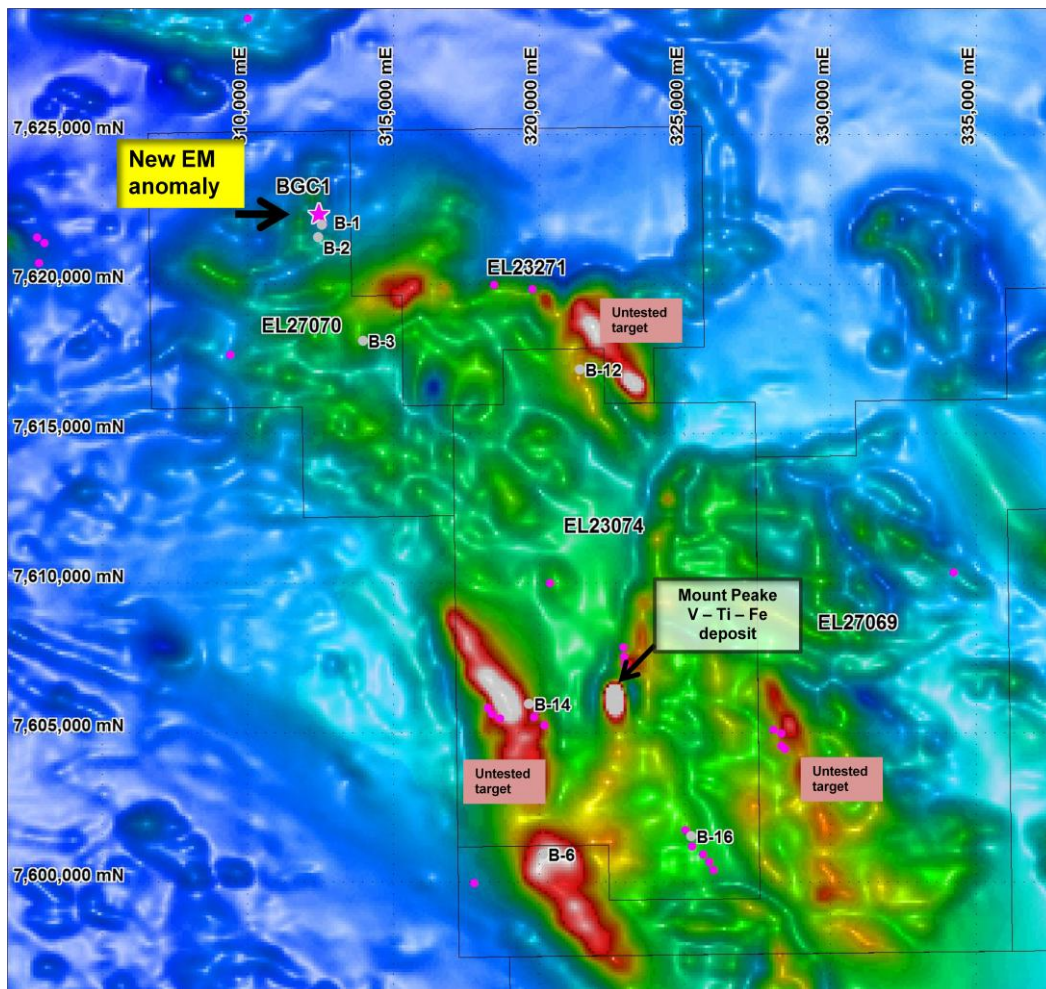


Figure 2: Location of anomaly B1 and the new BGC anomaly.



TNG's previous joint venture partners also carried out a ground EM moving loop survey over seven of the selected AEM targets. Target B1 (figure 2) was found to indicate a strong basement conductor and was modelled to be at approximately 300 metres depth. This was subsequently drilled by diamond drill hole ARD01 in 2006 to a depth of 314m (312440e, 7622090n (AGD84 zone53)) intersecting significant intervals from 205m - 265m containing graphitic biotite schist with traces of base metal mineralisation, including analytical results up to **694ppm Zn, 358ppm Pb, 405ppm Cu, 160ppm Ni, 17ppm Pd**. Petrological work indicated that this mineralisation had potentially been remobilised from a nearby source.

In June 2006 a ground-based moving loop EM traverse along the conductive trend of the B1 anomaly at a survey line spacing of 400 metres was carried out. The results of this work delineated a **strong basement conductor** approximately 250m to the north east of drill hole ARD01. The anomaly is detected on two lines 400m apart. In 2009 the licences were relinquished without drilling this new target.

TNG subsequently applied for and secured the grant of EL 27070, which covers the anomaly B1 and surrounding area, and also EL 27063, which covers other magnetic and EM targets from the previous surveys. A full reassessment of the data has been carried out and, as a result of this work, has confirmed a **significant basement conductor** located to the north of B1, with a time constant in the 30-40 msec, and strikes of approximately 800m at a depth of 120m (Figure 3).

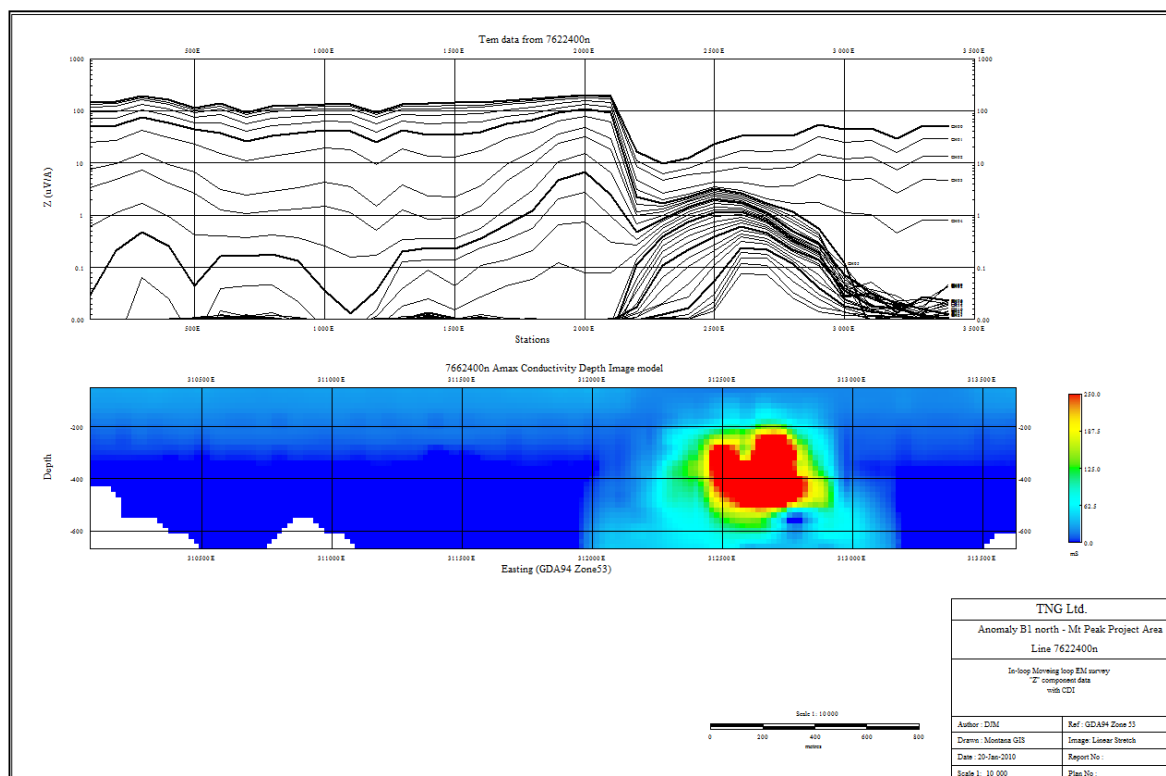


Figure 3: EM profile of the "BGC1 " anomaly with Conductivity Depth Image model. The image displays the high conductivity of the basement anomaly source.



TNG considers the BGC1 anomaly to be a high priority target which will be added to its Nickel-Copper-PGM exploration programme for 2010 in this highly prospective area.

The other magnetic and AEM targets are being reviewed for potential analogies to the Mount Peake Gabbro which hosts the existing $V_2O_5 - TiO_2 - Fe$ resource.

Manbarrum Project: Zinc-Lead-Silver, Iron-Ore: TNG 100%.

Sandy Creek Deposit:

Results from the single large diameter (PQ) diamond drill hole have confirmed the existence of all Zinc and lead mineralisation intersected in previous RC drill holes. This is a significant result and confirms TNG's and its resource consultants view that the Diamond Drill results have biased low and are therefore providing a lower overall grade to the resource.

TNG has commissioned independent consultants to undertake a complete review of the Sandy Creek resource, including remodeling the geological and mineralisation modes in light of the new drilling information, with the aim of a new JORC resource estimation including all RC drill data. This is currently in progress.

Browns Prospect

Analytical results of drill core have confirmed MVT-style zinc mineralisation was intersected in all diamond drill hole. These results are considered highly positive given the size of the Browns target. A reverse circulation drilling programme will be planned for the 2010 field season, to assess the resource potential if this priority prospect.

Legune Iron Ore Prospect

During the quarter a Mineral Rights Agreement was signed with Chinese backed Teng Fei Mining Ltd.

The agreement provides for the 100% sale by TNG of the rights to explore and advance the Legune Iron Ore prospect.

Under the agreement TFM will pay the sum of \$1.400 million in two tranches with an initial amount of \$840,000 now received and the remainder \$560,000 within 90 days. The sale does not affect TNG's interests in the Manbarrum Project.



JOINT VENTURE PROJECTS

Western Desert Resources Ltd. (WDR) Joint Venture Rover Joint Venture: EL 25581, 24471

TNG 100%, (WDR initially earning in to 51% with the ability to earn 80%)

WDR has a farm-in agreement with TNG over two granted exploration licences (EL24471 and EL25581). The agreement requires WDR to spend \$500,000 to earn a 51% interest in the tenements. WDR should complete the initial spend shortly. WDR can then elect to spend an additional \$850,000 over 30 months to earn a further 29% share for a total 80% interest in the tenements.

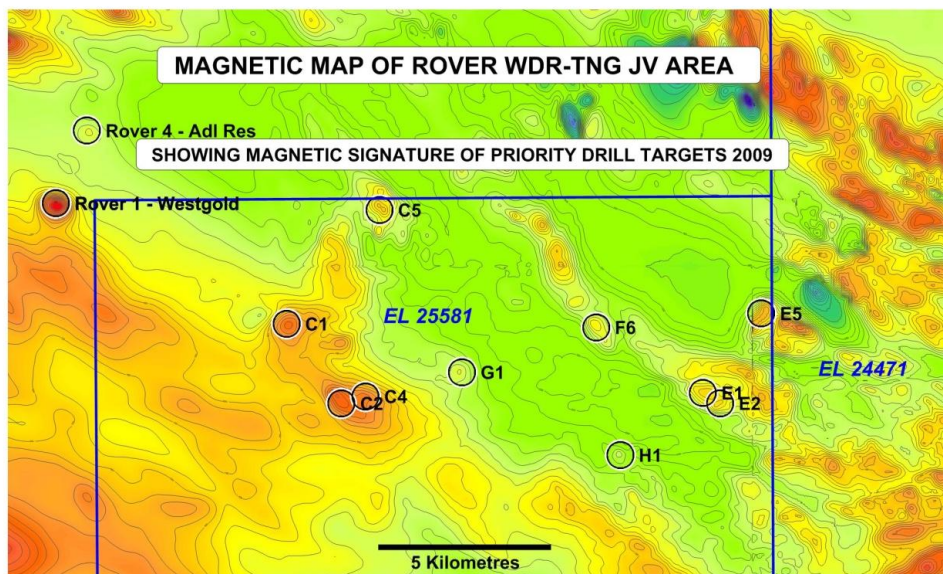


Figure 4: WDR Rover targets.

Western Desert Resources Limited have advised that drilling has commenced on the Rover gold/copper project with the first drillhole to be located at magnetic anomaly C5.

Reverse Circulation drilling will be used to test eight magnetic targets within the northern portion of EL25581. There is a good chance that magnetic ironstone and associated gold/copper mineralisation will be intersected in these drillholes.

McTavish Project: M40/119

TNG 33.3%, FMR 33.3%, Crucible Mining 33.3%

TNG holds an interest in other tenement groups, however, in each case, the Company does not contribute towards exploration expenditure as the projects are subject to joint venture or options for sale. These projects include McTavish project. No work was completed by the operator, Crucible Mining.



Kintore East Joint Venture:

TNG 49%, La Mancha 51%

No work was carried out by the operator, La Mancha.

Other Tenements and Opportunities

TNG has signed an Option Agreement to acquire Exploration Licence 26236 in the prospective Tennant Creek area north of the company's existing Rover prospects. The application covers significant IOCG-style copper-gold targets and granting of the licence and exploration is anticipated in 2010.

TNG has applied for several Geothermal Exploration Licenses in the NT under its wholly owned subsidiary TNG Energy Ltd.

TNG continues to review other project opportunities.

MINING PROJECTS

Cause Extended JV: Nickel, TNG 20%, Norilsk 80%

Norilsk Nickel Australia has advised it has placed the Cause laterite nickel operation on indefinite care and maintenance which will delay commencement of mining operations at Cause Extended.

CORPORATE

AGM

All resolutions were passed at the companies AGM held on November 19th 2009.

Davis Samuel

TNG is a party to proceedings instituted by the Commonwealth of Australia in the Supreme Court of the Australian Capital Territory. In November 2009 TNG advised that certain of the other defendants had sought to have the case re-opened. The submissions to re-open were heard on 9 November 2009. The proceedings were adjourned until 5 February 2010.

On the basis of this adjournment the TNG Directors now believe that a decision in respect to the Davis Samuel matter is not expected before the end of the second quarter of 2010.

Cash Position

TNG has \$3,681,025 cash on hand.

Investments

TNG holds listed shares with a current market value of \$665,398.



TNG LIMITED

Paul E Burton

Director & CEO

28 January 2010

Competent Person / Qualified Person Statements

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. Paul Burton is a Director of TNG Limited. Paul Burton has sufficient experience which is 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.

Forward Looking Statements

This report may contain 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, objectives, performance, outlook, growth, cash flow, earnings per share and shareholder value, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses, property acquisitions, mine development, mine operations, drilling activity, sampling and other data, grade and recovery levels, future production, capital costs, expenditures for environmental matters, life of mine, completion dates, uranium prices, demand for uranium, and currency exchange rates. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast' and similar expressions. Persons reading this report are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Information Form. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

**TENEMENTS****TNG Tenement schedule:**

Project	Tenement ID	Holder	Operator	Date Applied	Status	Area Km ²
Manbarrum (NT)	EL24395	TNG100%	TNG(NT)	8/09/04	- Granted	200.0
Manbarrum (NT)	A24518	TNG100%	TNG(NT)	15/12/04	- Granted	16.8
Manbarrum (NT)	EL25470	TNG100%	TNG(NT)	13/07/06	- Granted	199.5
Manbarrum (NT)	EL25646	TNG100%	TNG(NT)	16/10/06	- Granted	122.0
Manbarrum (NT)	A26581	TNG100%	TNG(NT)	14/01/08	- Granted	12.0
Manbarrum (WA)	EL80/3772	TNG100%	TNG(NT)	16/10/06	- Granted	402.8
Manbarrum (WA)	EL80/3816	TNG100%	TNG(NT)	30/11/06	- Pending	224.0
Mount Peake (NT)	EL23074	TNG100%	Enigma	2/03/01	- Granted	169.2
Mount Peake (NT)	EL23271	TNG100%	Enigma	20/07/01	- Granted	95.9
Mount Peake (NT)	EL27069	TNG100%	Enigma	1/12/08	- Pending	245.9
Mount Peake (NT)	EL27070	TNG100%	Enigma	1/12/08	- Pending	89.5
Warramunga (NT)	*EL 24471	TNG100%	WDR	23/11/04	- Granted	1354.0
Warramunga (NT)	*EL 25581	TNG100%	WDR	6/09/06	- Pending	1170.0
Warramunga (NT)	ELA 25582	TNG100%	WDR	6/09/06	Moratorium	1207.0
Warramunga (NT)	EL 25587	TNG100%	WDR	11/09/06	- Pending	248.2
Warramunga (NT)	MLC 647	TNG100%	WDR	23/03/70	- Granted	0.1
Tanami East (NT)	ELA 24260	TNG100%	WDR	15/04/04	- Pending	462.3
Petermans (NT)	ELA 25562	TNG100%	WDR	23/08/06	- Pending	942.2
Petermans (NT)	ELA 25564	TNG100%	WDR	23/08/06	- Pending	1546.5
Petermans (NT)	ELA 26382	TNG100%	WDR	16/08/07	- Pending	406.4
Petermans (NT)	ELA 26383	TNG100%	WDR	16/08/07	- Pending	1300.0
Petermans (NT)	ELA 26384	TNG100%	WDR	16/08/07	- Pending	909.5
Cawse Ext. (WA)	M 24/547	TNG20%	Norilsk	2/02/96	- Granted	8.6
Cawse Ext. (WA)	M 24/548	TNG20%	Norilsk	2/02/96	- Granted	8.6
Cawse Ext. (WA)	M 24/549	TNG20%	Norilsk	2/02/96	- Granted	8.6
Cawse Ext. (WA)	M 24/550	TNG20%	Norilsk	2/02/96	- Granted	8.6
McTavish (WA)	M 40/119	TNG10.1%	FMR/Crucible	31/12/93	- Granted	1.5
McTavish (WA)	M 40/157	TNG10.1%	FMR/Crucible	18/01/95	- Granted	0.3
McTavish (WA)	M 40/77	TNG10.1%	FMR/Crucible	13/06/88	- Granted	1.2
McTavish (WA)	M 40/194	TNG10.1%	FMR/Crucible	14/01/94	- Pending	3.5
Kintore East JV (WA)	M16/281	TNG49%	La Mancha	7/03/96	- Pending	4.5
Kintore East JV (WA)	M16282	TNG49%	La Mancha	7/03/96	- Pending	3.2

*Subject to farm in arrangement. WDR currently earning in to 51%.



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Directors		Australian Stock Exchange Listing				
John W Barr	Chairman					
Paul Burton	Director & CEO	Shares				TNG
Neil Biddle	Non Executive Director					
Eddie Fry	Non Executive Director					
		German Exchanges				A0B60K
Company Secretaries						
John W Barr						
Simon Robertson						
Shareholder Enquiries						
		Major Shareholders – 27 January 2010				
Paul Burton						
Contact		CBH Resources Limited				6.28%
		RAB Special Situations (Master) Fund Ltd				4.73%
Telephone:	(08) 9327 0900	ANZ Nominees				3.96%
		COLBERN Nominees				3.59%
Facsimile:	(08) 9327 0901	JW Barr				2.83%
		N Biddle				2.72%
Email:	corporate@tngltd.com.au					
		TOTAL DIRECTORS HOLDINGS				6.74%
Website:	www.tngltd.com.au					
		Capital Structure – 27 January 2010				
Share Registry						
		Ordinary Shares				258,055,076
Computershare Investor Services Pty Ltd						
Level 2, 45 St Georges Terrace		Options:	31.03.10	(unlisted)	14,000,000	\$0.49
Perth WA 6000		Options:	31.12.11	(unlisted)	1,800,000	\$0.32
		Options:	31.08.11	(unlisted)	500,000	\$0.15
Telephone:	(08) 9323 2000	Options:	15.12.12	(unlisted)	13,600,000	\$0.15
Facsimile:	(08) 9323 2033					