



TNGLIMITED

**QUARTERLY REPORT
MARCH 2010**

For personal use only



HIGHLIGHTS

- **Mount Peake resource increased to 139Mt @ 0.29 % V₂O₅ 5.3 % TiO₂, 23.7% Fe at a 0.1 % V₂O₅ cut-off, and a Significant Exploration Target¹ of 500 – 700Mt with a grade range of 0.2% - 0.4% V₂O₅, identified.**
- **Metallurgical test work continues to progress positively on the Mount Peake ore with recovery of all 3 principal commodities now being assessed.**
- **The Sandy Creek resource at Manbarrum increased to 24.4 Mt @ 1.81% Zn, 0.45 % Pb, 4.57 g/t Ag.**
- **Final payment of \$560,000 received for sale of Mineral Rights of Legune prospect.**



PO Box 1126

Subiaco, Western Australia 6904

T +61 8 9327 0900

F +61 8 9327 0901

www.tngltd.com.au

corporate@tngltd.com.au

Contact:

Paul Burton, Director & CEO

¹ The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resources



TNG Projects

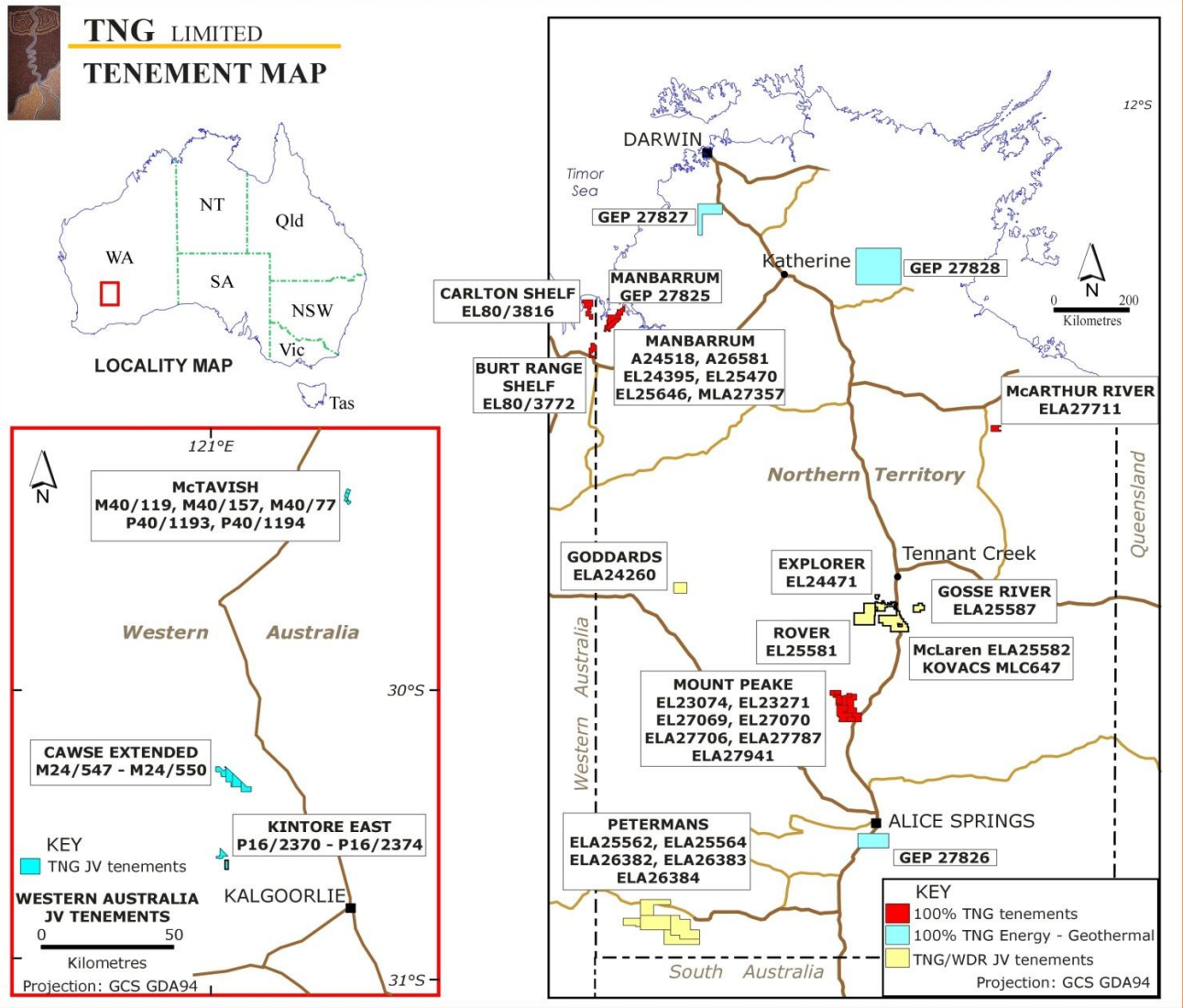


Figure 1: TNG Limited Tenement Map

SUMMARY

The Company's 100% owned Mount Peake project remained the focus of the exploration strategy during this quarter, with mining industry consultants Snowden completing a revised resource estimate, and metallurgical testwork continuing under management by metallurgical consultants METS.

A revised resource estimate was also completed for the Sandy Creek Deposit, at the company's 100% owned Manbarrum Project.

Joint venture and investment discussions continued with several Asian resource companies during the quarter.



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. This project has been the company's main exploration focus.

Resource:

An updated JORC inferred resource of 139mt @ 0.29% V₂O₅, 5.3% TiO₂, 23.7% Fe was announced during the quarter. The Mount Peake resource remains open along strike to the north and south and TNG is confident that this resource will be increased as more drilling over the large aeromagnetic anomaly which is coincident with the resource is completed. The magnetic anomaly extends for some 9km and only 2.3km has been drilled to date.

The updated Inferred Resource represents a 30% increase from the previous resource estimate. Concentrate grades shown in table 1 are commercially acceptable.

The estimate has been completed by Snowden Mining Industry Consultants Pty Ltd ("Snowden") and is reported using a V₂O₅ cut-off of 0.1 % together with the estimated DTR concentrate recovery and grades shown in Table 1. The resource has been reported in accordance with the 2004 JORC Code. Table 2 reports the resource at a range of cut-offs.

Category	Tonnes (Mt)	Head grades					
		V ₂ O ₅ %	TiO ₂ %	Fe %	SiO ₂ %	Al ₂ O ₃ %	
Inferred	139	0.29	5.3	23.7	32.5	8.2	
		Concentrate grades					
		DTR					
		Mass Recovery %	V ₂ O ₅ %	TiO ₂ %	Fe %	SiO ₂ %	Al ₂ O ₃ %
		18.2	1.19	14.7	54.1	3.5	2.6

Table 1: February 2010 Mount Peake Inferred Resource at a 0.1 % V₂O₅ cut-off grade

Cut-off grade V ₂ O ₅ (%)	Tonnes (Mt)	Density (tm ⁻³)	V ₂ O ₅ (%)	TiO ₂ (%)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)
0.10	139	3.0	0.29	5.3	23.7	32.5	8.2
0.15	123	3.0	0.31	5.7	24.6	31.7	7.7
0.20	100	2.9	0.34	6.2	25.7	30.5	7.2
0.25	82	3.0	0.36	6.6	26.6	29.8	6.9
0.30	64	3.0	0.39	7.1	27.6	28.8	6.6
0.35	42	3.1	0.42	7.6	29.0	27.6	6.3
0.40	25	3.1	0.45	8.2	30.3	26.7	6.0

Table 2: February 2010 Mount Peake Inferred Mineral Resource – grade tonnage report



The Mount Peake resource **remains open along strike to the north and south** and TNG is confident that the resource will be further increased as TNG undertakes more drilling over the aeromagnetic anomaly which is coincident with the resource.

Drilling in the northern lobe of the magnetic anomaly has confirmed this is also a gabbro host with a vanadium-rich magnetite zone.

Geophysical modelling of the magnetic data surrounding the Mount Peake resource indicates support for other potential magnetite-rich zones based on the Mount Peake signature. The company considers this represents an Exploration Target¹ at Mount Peake of 500-700 Mt with a grade range of 0.2% - 0.4% V₂O₅

Further drilling is now scheduled to commence in June following postponement of the previous drill programme due to wet weather conditions preventing heavy vehicle access.

Metallurgical Test Work:

TNG has 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.

Results of all metallurgical testwork has demonstrated the amenability of the host rock, a magnetite olivine pyroxenite, to produce a high grade Vanadium concentrate over 1 % V₂O₅.

Further testwork aimed at optimising the grade and recovery, has successfully improved the results with improvements to the grade and recovery of V₂O₅, Fe and TiO₂ while also successfully reducing the SiO₂ and Al₂O₃ 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 and to optimize the process.

TNG has commissioned METS to investigate the recovery of the Iron and Titanium as additional marketable products. This is progressing and will be reported on completion.

Stirling Deeps Project: Ni, Cu, PGM - TNG 100%

TNG has applied for funding from the Northern Territory Government for diamond drilling at the Stirling Deeps Project (located at Mount Peake) as part of the Government's collaborative funding program.

The funds will be used for deep drilling to target the nickel-copper and platinum group minerals potential of the large mafic system identified at Mount Peake.

Anomaly BGC1:

Drilling of this high priority electro-magnetic anomaly was postponed due to wet weather preventing drill rig access. This has now been scheduled to be drilled in June.

¹ The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resources.



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

Sandy Creek Deposit:

Snowden Mining Industry consultants completed a revised resource estimate for Sandy Creek following a decision on the resource from the company's independent consultants.

The new estimate is 24 Mt @ 1.81%Zn, 0.45% Pb, 4.57 g/t Ag, representing a 54% increase in tonnage from the previous estimate.

Material	Classification		Tonnes	Zn	Pb	Ag
Oxide	Indicated		575,000	1.45	0.43	5.14
	Inferred		877,000	1.26	0.28	3.24
	Total		1,452,000	1.34	0.34	3.99
Primary	Indicated		12,906,000	2.07	0.57	4.77
	Inferred		10,023,000	1.54	0.30	4.40
	Total		22,929,000	1.84	0.45	4.61
Total			24,381,000	1.81	0.45	4.57

Table 3: Sandy Creek Zinc Mineral Resource, as at March 2010 at a 1.0 % Zn cut-off

The company will now consider future programmes for this project area.

Numerous additional priority exploration targets have been identified within the field, with the potential to deliver similar-scale deposits to those defined at Sandy Creek and Djibitgun such as Landandi and Browns prospects provide a potential Exploration Target¹ of 80 to 100Mt at a range of 1.8 to 2.2 % zinc for total combined resources in the region.

Joint venture and investment discussions continued with several Asian resource companies during the quarter.

Mineral Rights Sale:

The final payment of \$560,000 was received for the sale of the Mineral Rights of the Legune Prospect from Teng Fei Mining. Further cooperation with Teng Fei Mining is under discussion.

JOINT VENTURE PROJECTS

Western Desert Resources Ltd. (WDR) Joint Venture

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

During the quarter seven magnetic targets were tested however adverse ground and weather conditions led to early termination of the program.

¹ The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resources.



Three drillholes completed to target depth intersected magnetic volcanic sequences. Diamond drilling will be required to complete test of four of the magnetic targets. This is planned for next quarter.

WDR have also identified the Wiso Basin sequence as being prospective for phosphate in the EL area and this will be tested in future programmes.

McTavish Project:

TNG 30%, Barmenco 70%

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.

Kintore East Joint Venture:

TNG 20%, La Mancha 80%

TNG has elected to retain a 2% Gold Royalty in these tenements following dilution to 20% by La Mancha.

Other Tenements and Opportunities

TNG has maintained its assessment and review of other project opportunities during the quarter.

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

Davis Samuel

TNG is a party to proceedings instituted by the Commonwealth of Australia in the Supreme Court of the Australian Capital Territory. TNG anticipates that the judge will announce his decision in 2010; however no firm timetable for the decision has been advised to date.

Cash Position

TNG currently has \$3,535,162 cash on hand.

Investments

TNG holds listed shares with a current market value of \$900,000.

**TNG LIMITED**

Paul E Burton
Director & CEO
23 April 2010

Competent Person's Statement

The information in this report that relates to Exploration Results and Exploration Targets 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.

The information in this report that relates to Mineral Resources is based on information compiled by Michael Andrew who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of Snowden Mining Industry Consultants Pty Ltd. Michael Andrew 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'. Michael Andrew 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 contains '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, 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.

Exploration Target

The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resources.



TENEMENTS

TNG Tenement schedule:

Project	Tenement ID	Holder	Operator	Date Applied	Status	Area Km ²
Manbarrum (NT)	A 24518	TNG100%	TNG (NT)	15/12/04	Granted	16.85
Manbarrum (NT)	A 26581	TNG100%	TNG (NT)	14/01/08	Granted	14.65
Manbarrum (NT)	EL 24395	TNG100%	TNG (NT)	8/09/04	Granted	200.5
Manbarrum (NT)	EL 25470	TNG100%	TNG (NT)	13/07/06	Granted	199.3
Manbarrum (NT)	EL 25646	TNG100%	TNG (NT)	16/10/06	Granted	129.3
Manbarrum (NT)	ML(A)27357	TNG100%	TNG (NT)	15/05/09	Pending	2.04
Manbarrum (WA)	EL 80/3772	TNG100%	TNG (NT)	16/10/06	Granted	402
Manbarrum (WA)	EL 80/3816	TNG100%	TNG (NT)	30/11/06	Granted	224
Mount Peake (NT)	EL 23271	Enigma100%	TNG (NT)	20/07/01	Granted	95.9
Mount Peake (NT)	EL 23074	Enigma100%	TNG (NT)	2/03/01	Granted	169.2
Mount Peake (NT)	EL 27069	Enigma100%	TNG (NT)	1/12/08	Granted	245.9
Mount Peake (NT)	EL 27070	Enigma100%	TNG (NT)	1/12/08	Granted	89.46
Mount Peake (NT)	ELA 27706	Enigma100%	TNG (NT)	7/10/09	Pending	579.58
Mount Peake (NT)	ELA 27787	Enigma100%	TNG (NT)	16/11/09	Pending	139.19
Mount Peake (NT)	ELA 27941	Enigma100%	TNG (NT)	15/02/10	Pending	660.82
McArthur River (NT)	ELA 27711	Enigma100%	Enigma	14/10/09	Pending	170.77
Warramunga (NT)	MLC 647	TNG100%	WDR	23/03/70	Granted	0.08
Warramunga (NT)	EL 24471	TNG100%	WDR	23/11/04	Granted	454.95
Warramunga (NT)	EL 25581	TNG100%	WDR	6/09/06	Granted	1170
Warramunga (NT)	ELA 25582	TNG100%	WDR	6/09/06	Moratorium	1207
Warramunga (NT)	ELA 25587	TNG100%	WDR	11/09/06	Pending	248.2
Tanami East (NT)	ELA 24260	TNG100%	WDR	15/04/04	Pending	462.3
Petermans (NT)	ELA 25562	TNG100%	WDR	23/08/06	Pending	942.15
Petermans (NT)	ELA 25564	TNG100%	WDR	23/08/06	Pending	1546.49
Petermans (NT)	ELA 26382	TNG100%	WDR	16/08/07	Pending	406.4
Petermans (NT)	ELA 26383	TNG100%	WDR	16/08/07	Pending	1300
Petermans (NT)	ELA 26384	TNG100%	WDR	16/08/07	Pending	909.51
Geothermal (NT)	GEP27825	TNG Energy100%	TNG (NT)	1/12/09	Pending	409
Geothermal (NT)	GEP27826	TNG Energy100%	TNG (NT)	1/12/09	Pending	1602
Geothermal (NT)	GEP27827	TNG Energy100%	TNG (NT)	1/12/09	Pending	1125
Geothermal (NT)	GEP27828	TNG Energy100%	TNG (NT)	1/12/09	Pending	5905
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 JV (WA)	M 40/119	Enigma10.1%	FMR	31/12/93	Granted	1.5
McTavish JV (WA)	M 40/157	Enigma10.1%	FMR	18/01/95	Granted	0.3
McTavish JV (WA)	M 40/77	Enigma10.1%	Nex Metals	13/06/88	Granted	1.2
McTavish JV (WA)	P 40/1193	Enigma10.1%	FMR	2/02/07	Granted	1.71
McTavish JV (WA)	P 40/1194	Enigma10.1%	FMR	2/02/07	Granted	1.82



TENEMENTS

TNG Tenement schedule continued:

Project	Tenement ID	Holder	Operator	Date Applied	Status	Area Km ²
Kintore East JV (WA)	P 16/2370	TNG17.55%	LMRA	20/12/06	Granted	1.83
Kintore East JV (WA)	P 16/2371	TNG17.55%	LMRA	20/12/06	Granted	1.2
Kintore East JV (WA)	P 16/2372	TNG17.55%	LMRA	20/12/06	Granted	1.5
Kintore East JV (WA)	P 16/2373	TNG17.55%	LMRA	20/12/06	Granted	1.21
Kintore East JV (WA)	P 16/2374	TNG17.55%	LMRA	20/12/06	Granted	2
Kintore East JV (WA)	P 16/2459	TNG17.55%	LMRA	20/12/06	Granted	2



For personal use only

Directors		Australian Stock Exchange Listing	
John W Barr	Chairman	Shares	TNG
Paul Burton	Director & CEO		
Neil Biddle	Non Executive Director		
Eddie Fry	Non Executive Director	German Exchanges	A0B60K
Company Secretaries			
Simon Robertson			
Shareholder Enquiries		Major Shareholders – 23 April 2010	
Paul Burton			
Simon Robertson			
Contact		CBH Resources Limited	6.28%
PO Box 1126,		RAB Special Situations (Master) Fund Ltd	4.73%
SUBIACO, WA 6904		ANZ Nominees	3.99%
Telephone:	(08) 9327 0900	JW Barr	3.77%
Facsimile:	(08) 9327 0901	N Biddle	2.73%
Email:	corporate@tngltd.com.au	TOTAL DIRECTORS HOLDINGS	7.68%
Website:	www.tngltd.com.au	Capital Structure – 23 April 2010	
Share Registry		Ordinary Shares	258,055,076
Computershare Investor Services Pty Ltd		Options: 31.08.11 (unlisted)	500,000 \$0.15
Level 2, 45 St Georges Terrace		Options: 31.12.11 (unlisted)	1,800,000 \$0.32
Perth WA 6000		Options: 15.12.12 (unlisted)	13,600,000 \$0.15
Telephone:	(08) 9323 2000		
Facsimile:	(08) 9323 2033		