

## ASX ANNOUNCEMENT

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ASX CODE: TNG

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### DIRECTORS

Michael Evans

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Wang Zhigang

### COMPANY SECRETARY

Simon Robertson

### PROJECTS

Mount Peake: Fe-V-Ti

Black Range Iron

Manbarrum: Zn-Pb-Ag

East Rover: Cu-Au

McArthur: Cu-Zn-Pb-Ag

Mount Hardy: Cu-Au-Zn-Pb

Sandover: Cu-Au

Walabanba: Fe-V-Ti-Cu-Au

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## HYUNDAI STEEL SIGNS PIVOTAL AGREEMENT WITH TNG

*Agreement encompasses potential cornerstone investment, strategic co-operation, off-take of iron products and provision of project finance to underpin development of world-class vanadium project*

### HIGHLIGHTS

- Hyundai Steel Co., Ltd, a leading Korean-based global steel company and member of the Hyundai-Kia Automotive Group, and ferro-vanadium giant WOOJIN sign non-binding development MoU with TNG.
- Hyundai Steel is one of the world's largest electric arc furnace (EAF) steel manufacturers, with three new blast furnaces, and forms part of a global industrial conglomerate.
- The MoU encompasses strategic co-operation to deliver a cornerstone investment in TNG, potential off-take for the iron products from TNG's Mount Peake project and includes consideration of TNG's other resource projects.
- Hyundai Steel will also assist TNG with procuring project finance to underpin development of its world-class Mount Peake Vanadium Project in the Northern Territory.
- Discussions to progress this MoU to binding agreements are already underway. Completion will represent a company-making development for TNG, securing the Company's future as a major strategic metals house.

TNG Limited (ASX: TNG) is pleased to announce that it has signed a wide-ranging three-way Memorandum of Understanding (MoU) with global steel giant **Hyundai Steel Co., Ltd**, part of the Hyundai Automotive Group, paving the way for a potentially company-making funding, development and construction arrangement for its flagship **Mount Peake Vanadium Project** in the Northern Territory.

The non-binding MoU – with Hyundai Steel and leading ferro-vanadium producer, Korean-based WOOJIN IND., CO., Ltd – was signed on 10 July 2014 during a visit by a high-level delegation comprising senior executives from both Hyundai Steel and WOOJIN to Perth.

The MoU lays the foundations for TNG to enter into binding agreements with Hyundai Steel for the financing and development of Mount Peake. Together with TNG's existing portfolio of global strategic partnerships, this

puts the Company in a powerful position to realise its vision of becoming a major strategic metals house.

This is one of the most significant MoU's the company has signed to date, encompassing strategic co-operation with Hyundai Steel for a potential cornerstone investment in TNG and potential long-term off-take arrangements for the iron products from Mount Peake. Importantly, it also considers all of TNG's resource projects.



Figure 1 - TNG MD Paul Burton (left) with Mr Bum Soo, Kim, Senior Vice President, Hyundai Steel (centre) and Mr In Jong, Ki, Chairman of WOJIN, signing the MOU. Standing at the rear from left are TNG Directors Mr Rex Turkington, Mr Stuart Crowe and Chairman Michael Evans, with Mr Byung Jik, Lim, Director, Hyundai Steel and Mr Tai Won, Choi, General Director, WOJIN.

Hyundai Steel is a steel-making company headquartered in Incheon and Seoul, South Korea. It is a member of the Hyundai-Kia Automotive Group.

Established in 1953, it is the oldest steel-making company in Korea and was established following the end of the Korean War as the country's first steel-maker with a mission to rebuild the national economy from the ruins of war.

In 2000, Hyundai Steel took a major step forward with the large-scale restructuring of the Korean steel industry, merging with Kangwon Industry and acquiring Sammi Steel followed by the acquisition of Hanbo Steel in 2004.

Hyundai Steel is today one of the world's leading electric furnace steelmakers with three new blast furnaces and production sites at Incheon, Pohang and Dangjin in Korea.

TNG is currently progressing the metallurgical, permitting and environmental stages of its advanced Definitive Feasibility Study (DFS) for the Mount Peake Project, which will be a world-class, long-life strategic metals project producing three high value products: high-purity vanadium pentoxide ( $V_2O_5$ ), iron oxide ( $Fe_2O_3$ ) and titanium dioxide ( $TiO_2$ ).

Mount Peake comprises one of the largest undeveloped vanadium-titanium-iron resources in the world and has the potential to be a top-10 global producer of strategic metals. Under the terms of the MoU, subject to satisfactory discussions, approvals and regulatory requirements, TNG and Hyundai Steel may enter into binding agreements for:

- Development of the Mount Peake Project and TNG's other resource projects;
- A potential cornerstone financial investment by Hyundai in TNG;
- Assistance in obtaining project finance;
- Other mutually beneficial arrangements with the aim of directly or indirectly supporting TNG's Mount Peake development, including its short- and long-term project development requirements; and
- Long-term off-take agreements for the iron products to be produced by Mount Peake.



Figure 2 - Members of the delegation from Hyundai Steel and WOOJIN with TNG's Board and senior management in the Company's Perth office

The MoU builds on and complements agreements signed in recent months with WOOJIN and POSCO Engineering & Construction, as well as marketing and off-take arrangements secured with Gunvor Group and Global Pacific Partners.

TNG's Managing Director Mr Paul Burton said the signing of an MoU with Hyundai Steel marked a pivotal moment in the Company's history and was a major milestone towards the financing and development of its flagship asset, the Mount Peake Vanadium-Titanium-Iron Project, as well as advancing its other projects.

“This is a breakthrough development, aligning TNG with one of the world’s largest and most successful steel companies which, in turn, forms part of one of Korea’s dominant industrial conglomerates,” Mr Burton said.

“Together with our strategic partner, WOOJIN, which is a major supplier of ferro-vanadium to Hyundai Steel, this gives the Company direct access to one of the largest and most successful steel-making and industrial conglomerates in the world.

“Securing the backing of Hyundai Steel, potentially through a cornerstone investment in the Company or the Mount Peake Project, represents a major step forward for TNG and Mount Peake and gives us access to a powerful global conglomerate with the ability to assist us in funding and completing the Definitive Feasibility Study and, ultimately, financing and constructing the Project.

“We have now established an impressive portfolio of global strategic, commodity and off-take partners led by Hyundai Steel and also including WOOJIN, POSCO, Gunvor Group and Global Pacific Partners. We are looking forward to working with all of these groups to finalise binding agreements covering all aspects of the financing, development and operations of Mount Peake.

“I would like to take this opportunity to thank Mr Kim from Hyundai Steel, and Mr Ki from WOOJIN and their respective teams who visited Perth recently to meet with TNG and our Board of Directors. We are looking forward to working closely with Hyundai Steel and our other key alliance partners to deliver a world-class strategic metals project which we are confident will deliver outstanding returns for all stakeholders.”

**Paul E Burton**  
**Managing Director**

**14 July 2014**

**Inquiries:**

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