

# TNG LIMITED

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**TNG LIMITED**  
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## **NOTICE OF ANNUAL GENERAL MEETING**

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**The Annual General Meeting will be held at  
the Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western  
Australia  
on Thursday, 29 November 2018 at 11.00 am (WST) (or as soon  
thereafter as the Requisitioned Meeting concludes).**

**Shareholders are urged to attend the meeting or vote by lodging the  
proxy form attached to this Notice.**

*This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

**Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9327 0900.**

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**TNG LIMITED**

**ABN 12 000 817 023**

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## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of TNG Limited (the "**Company**") will be held at the Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western Australia 6008 on Thursday, 29 November 2018 at 11.00 am (WST) (or as soon thereafter as the Requisitioned Meeting concludes) (the "**Meeting**").

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 27 November 2018 at 4.00 pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

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# AGENDA

## ORDINARY BUSINESS

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### Part A – Financial and other reports

#### Financial and other reports

To receive and consider the financial report for the year ended 30 June 2018 and the related Directors' Report, Directors' Declaration and Auditor's Report.

#### Resolution 1 – Adopt Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report of the Company for the financial year ended 30 June 2018 be adopted.”

*Under the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company.*

#### Voting exclusion

*To the extent required by section 250R of the Corporations Act, a vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Company's key management personnel details of whose remuneration are included in the Remuneration Report or a closely related party of such a member. However, a person (the “voter”) may cast a vote as a proxy where the vote is not cast on behalf of such a member or a closely related party of such a member and the voter is either:*

- (a) appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 1; or*
- (b) the chair of the meeting and the appointment of the chair as proxy does not specify the way the proxy is to vote on Resolution 1 and expressly authorises the chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the key management personnel.*

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### Part B – Election of Directors

#### Resolution 2 – Re-election of Mr Rex Turkington

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Rex Turkington, who retires in accordance with Article 6.3(b) of the Constitution and, being eligible, offers himself for election, be re-elected as a Director.”

**Short Explanation:** *As announced to ASX on 3 and 5 October 2018, the Company received a notice under section 249D of the Corporations Act requesting that the Company call a meeting of Shareholders to consider the removal of Mr Rex Turkington as a Director (“**Requisitioned Meeting**”). The Requisitioned Meeting is scheduled to occur on the same date as, and immediately prior to, this Meeting. The Directors (Mr Turkington abstaining) recommend you vote **AGAINST** the removal of Mr Rex Turkington as a Director at the Requisitioned Meeting for the reasons set out in the notice for the Requisitioned Meeting. However, in the event such resolution is passed, Mr Turkington will not be required to seek re-election as a Director and this Resolution 2 will be withdrawn.*

#### Resolution 3 – Election of Mr Greg Durack

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Greg Durack, who retires in accordance with Article 6.3(j) of the Constitution and, being eligible, offers himself for election, be elected as a Director.”

## SPECIAL BUSINESS

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### Part C – Approval of Performance Rights Plan

#### Resolution 4 – Approval of the TNG Performance Rights Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.2, exception 9 and for all other purposes, the TNG Performance Rights Plan (and future issues of securities by the Company to Eligible Executives under the TNG Performance Rights Plan from the date of this Meeting for the next 3 years) as described in the Explanatory Memorandum, be approved.”

**Short Explanation:** *The Board considers it necessary to implement a performance rights plan now to attract and retain key personnel required for the development and delivery of the Company’s Mount Peake Project and to establish key performance measures to drive the future development of the Company. Further detail is set out in the Explanatory Memorandum.*

#### **Voting Exclusion**

*The Company will disregard any votes cast in favour of this Resolution 4 by or on behalf of any Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of such Director. However, the Company will not disregard a vote if:*

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

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### Part D – Ratification of prior issues

#### Resolution 5 – Ratification of issue of Shares pursuant to the Vimson Tranche 1 Placement

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 93,757,203 Shares to the Vimson Group on 28 September 2018 pursuant to the Vimson Tranche 1 Placement, as described in the Explanatory Memorandum, be approved and ratified.”

#### **Voting Exclusion**

*The Company will disregard any votes cast in favour of this Resolution 5 by or on behalf of the Vimson Group or an associate of the Vimson Group.*

*However, the Company will not disregard a vote if:*

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

#### Resolution 6 – Ratification of issue of Shares pursuant to the April Placement

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 26,974,655 Shares to Australian institutional investors on 10 April 2018 pursuant to the April Placement, as described in the Explanatory Memorandum, be approved and ratified.”

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution 6 by or on behalf of:

- (a) any person who participated in the April Placement; or
- (b) an associate of those persons.

However, the Company will not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## **Part E – Approval of new issues**

### **Resolution 7 – Approval of Vimson Tranche 2 Placement**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.1 and for all other purposes, the issue of up to 2,396,644 Shares to the Vimson Group pursuant to the Vimson Tranche 2 Placement, at an issue price of \$0.104 per Share, on the terms and conditions described in the Explanatory Memorandum, be approved.”

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution 7 by or on behalf of:

- (a) a person who may participate in, or who will obtain a material benefit as a result of, the Vimson Tranche 2 Placement (as defined in the Explanatory Memorandum) (except a benefit solely in the capacity of a holder of Shares); or
- (b) any associates of such persons.

However, the Company will not disregard a vote if:

- (c) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## **Part F – Approval of 10% Placement Facility**

### **Resolution 8 – Approval of 10% Placement Facility under Listing Rule 7.1A**

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve that the Company may issue (or enter into agreements to issue) Equity Securities representing up to 10% of the issued capital of the Company (calculated in accordance with the formula prescribed in Listing Rule 7.1A.2) on the terms and conditions set out in the Explanatory Memorandum.”

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution 8 by a person who is expected to participate in the 10% Placement Facility (as defined in the Explanatory Memorandum) and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if this Resolution 8 is passed, and by any associates of such persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## **OTHER BUSINESS**

To consider any other business which may properly be brought before the Meeting in accordance with the Constitution and the Corporations Act.

### **BY ORDER OF THE BOARD**



**Paul Burton**  
Managing Director

Dated: 15 October 2018

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# TNG LIMITED

ABN 12 000 817 023

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## EXPLANATORY MEMORANDUM

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### Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at the Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western Australia on Thursday, 29 November 2018 at 11.00 am (WST) or as soon thereafter as the Requisitioned Meeting concludes.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

This Explanatory Memorandum includes information to assist Shareholders in deciding how to vote on each of the Resolutions contained in the Notice.

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### Part A – Financial and other reports

#### Resolution 1 – Adopt Remuneration Report

The Corporations Act requires listed companies to put a remuneration report relating to director and executive remuneration for each financial year to a resolution of members at their annual general meeting. The Remuneration Report is included in the Directors' Report of the Company's Annual Report.

Under section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on the Resolution are voted against adoption of the Remuneration Report at the 2018 Annual General Meeting and then again at the 2019 Annual General Meeting, the Company will be required to put to Shareholders a resolution at the 2019 Annual General Meeting proposing the calling of a further general meeting to consider the election of directors of the Company ("**Spill Resolution**").

If more than 50% of Shareholders vote in favour of a Spill Resolution, the Company would be required to convene a further general meeting ("**Spill Meeting**") within 90 days of the 2019 Annual General Meeting. All of the Directors who were in office when the 2019 Directors' Report was approved by the Directors, other than the Managing Director, would cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved would be the Directors of the Company.

The remuneration report included in the annual report for the year ended 30 June 2017 was passed by more than 75% of the votes cast on the resolution adopting that report at the Company's 2017 Annual General Meeting.

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

The Company's key management personnel, details of whose remuneration are included in the Remuneration Report, and their closely related parties are prohibited from voting on Resolution 1, except in the circumstances described in the voting exclusion statement set out in the Notice.

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## Part B – Election of Directors

### Resolution 2 – Re-election of Mr Rex Turkington

Resolution 2 seeks the re-election of Mr Rex Turkington as a Non-Executive Director. Mr Turkington was first appointed as a Non-Executive Director by the Directors on 29 November 2011 under Article 6.2(b) of the Constitution and subsequently re-elected by Shareholders at the Annual General Meetings of the Company held on 21 November 2012, 27 November 2013 and 29 November 2016. Mr Turkington was appointed as interim Chairman of the Company, pending the appointment of a permanent Chairman in due course. Mr Turkington is a member of the Board's audit committee and the remuneration committee.

Mr Turkington is required to retire in accordance with Article 6.3(c) of the Company's Constitution. Article 6.3(c) provides that if the Company has three or more Directors, one third of the total number of Directors (excluding any Director who must retire pursuant to Article 6.3(j) and the Managing Director of the Company) must retire at each annual general meeting. A Director who retires under Article 6.3(c) is eligible for re-election.

Mr Turkington is a highly experienced corporate advisor and economist who has worked extensively in the financial services and stockbroking industry in Australia, specialising in the exploration and mining sectors. He has extensive experience with equities, derivatives, foreign exchange and commodities, and has participated in numerous corporate initial public offerings and capital raisings for listed exploration and mining companies.

Mr Turkington was an advisor to the Company prior to his appointment to the Board in 2011 and since his appointment to the Board has been involved with the Company's development and growth strategy.

Mr Turkington is currently the managing director of South Pacific Securities Pty Ltd, an Australian corporate advisory company offering corporate finance and investor relations advice to listed companies. He holds a first class Honours Degree in Economics from the University of Wellington in New Zealand, is a graduate of the Australian Institute of Company Directors and is an Associate of the Financial Services Institute of Australasia (FINSIA) (formerly the Securities Institute of Australia). Mr Turkington is currently non-executive Chairman of ASX listed Key Petroleum Limited (ASX:KEY) and a non-executive director of ASX listed Todd River Resources Limited (ASX:TRT).

The Board considers that Mr Turkington qualifies as an independent Non-Executive Director.

Being eligible, Mr Turkington offers himself for re-election as a Non-Executive Director.

#### ***Directors' recommendation***

The Board (other than Mr Turkington, who declines to make a recommendation) unanimously recommends that Shareholders vote in favour of this Resolution.

As noted above (in the Notice), the Company has received a notice under section 249D of the Corporations Act requesting that the Company call a meeting of Shareholders to consider the removal of Mr Rex Turkington as a Director at the Requisitioned Meeting. The Requisitioned Meeting is scheduled to occur on the same date as, and immediately prior to, this Meeting. The Directors (Mr Turkington abstaining) recommend you vote **AGAINST** the removal of Mr Rex Turkington as a Director at the Requisitioned Meeting for the reasons set out in the notice for the Requisitioned Meeting. However, in the event such resolution is passed, Mr Turkington will not be required to seek re-election as a Director and Resolution 2 will be withdrawn.

### Resolution 3 – Election of Mr Greg Durack

Resolution 3 seeks the election of Mr Greg Durack as a Non-Executive Director. Mr Durack was appointed as a Non-Executive Director by the Directors on 31 May 2018 under Article 6.2(b) of the Constitution, following the retirement of Mr Geoffrey (Stuart) Crow.

Mr Durack is required to retire in accordance with Article 6.3(j) of the Constitution. Article 6.3(j) provides that a Director appointed under Article 6.2(b) must retire at the first annual general meeting following the Director's appointment. A Director who retires under Article 6.3(j) is eligible to be re-appointed at that general meeting.



Mr Durack, a highly experienced metallurgist and mining executive with more than 30 years' global mining experience, brings a vast depth of experience in project evaluation, feasibility studies, project development and mining operations to the Board.

Mr Durack has a distinguished career spanning multiple commodities and projects. His consulting company is the Study Manager for the Definitive Feasibility Study for Pilbara Minerals Limited's (ASX: PLS) Pilgangoora Lithium-Tantalum Project in Western Australia's Pilbara region. Between 2007 and 2013, Mr Durack was CEO of ASX listed Jupiter Mines Limited (ASX:JMS).

The Board considers that Mr Durack qualifies as an independent Non-Executive Director.

Being eligible, Mr Durack offers himself for election as a Director.

#### **Directors' recommendation**

The Board (other than Mr Durack, who declines to make a recommendation) unanimously recommends that Shareholders vote in favour of this Resolution.

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## **Part C – Approval of Performance Rights Plan**

### **Resolution 4 – Approval of the TNG Performance Rights Plan**

Resolution 4 seeks Shareholder approval in accordance with Listing Rule 7.2, Exception 9(b) of the issue of securities under the TNG Limited Performance Rights Plan ("**TNG Performance Rights Plan**"). The TNG Performance Rights Plan contemplates the issue to 'Eligible Executives' of rights which carry the entitlement to be issued Shares on satisfaction of performance conditions determined by the Board ("**Rights**"). The definition of Eligible Executives under the plan includes actual and prospective full-time, part-time or casual employees, executive Directors (excluding Non-Executive Directors) and consultants.

The Board believes that having the TNG Performance Rights Plan in place and the ability to issue Rights to employees (including executive Directors) and consultants pursuant to the plan provides a powerful tool to achieve the following key objectives:

- (i) to attract and retain talented and high calibre key management personnel who are able to deliver the Company's business objectives;
- (ii) to attract and retain employees and consultants to the Company;
- (iii) to ensure remuneration is competitive in relation to the broader market and is linked to role, experience and performance; and
- (iv) to ensure remuneration is compatible with the Company's phase of development and cash flow position.

The Board considers it necessary that the TNG Performance Rights Plan be implemented now, so that during the coming year (and future years), key personnel required for the development and delivery of the Company's Mount Peake Project are recruited or retained and are given key performance criteria which must be satisfied in order to be awarded Shares in the Company (for the reasons explained above) so as to drive performance for the benefit of the Company and all shareholders.

The Board is seeking Shareholder approval for the issue of Rights to Eligible Executives under the terms of the TNG Performance Rights Plan for the purposes of Listing Rule 7.2, exception 9(b) (as an exception to Listing Rule 7.1).

Listing Rule 7.1 provides that a listed company must not issue or agree to issue new securities in any 12 month period which exceed 15% of the number of issued ordinary securities at the beginning of the 12 month period without shareholder approval unless an exception applies. One of those exceptions is exception 9 of Listing Rule 7.2 which excludes, when calculating the 15% limit, securities (including performance rights) issued under an employee incentive scheme where shareholders have approved the issue. Approval under

Listing Rule 7.2, exception 9(b) lasts for a period of 3 years. If Shareholder approval for the issue of Rights under the terms of the TNG Performance Rights Plan is not obtained, any issue of securities would diminish the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 4 seeks Shareholder approval for the issue of securities to Eligible Executives under the terms of the TNG Performance Rights Plan for a period of 3 years so that the Company retains the ability to manage its capital requirements efficiently by ensuring that the 15% limit is not diminished by issues of Rights under the plan. The Board believes this will provide the Company with additional flexibility to raise capital as and when appropriate.

In order to continue to take advantage of the exemption from Listing Rule 7.1, and to allow the Company greater flexibility to issue Rights, the Board unanimously recommends that Shareholders approve Resolution 4.

It is important to note that Resolution 4 does not of itself authorise the issue of Rights to executive Directors. Any such issues to Eligible Executives who are also directors will need to be specifically approved under Listing Rule 10.11 or 10.14.

A summary of the terms of the TNG Performance Rights Plan is set out in Schedule 2 of this Explanatory Memorandum.

Resolution 4 is an ordinary resolution.

### **Information required for the purposes of Listing Rule 7.2**

The following information is provided for the purposes of Listing Rule 7.2, exception 9(b) in relation to the TNG Performance Rights Plan:

- (i) A summary of the terms of the TNG Performance Rights Plan is set out in Schedule 2 of this Explanatory Memorandum.
- (ii) No Rights have been issued under the TNG Performance Rights Plan.
- (iii) A voting exclusion statement has been included for the purposes of Resolution 4.

A full copy of the terms of the TNG Performance Rights Plan will be sent to Shareholders on request.

### ***Directors recommendation***

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

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## **Part D – Ratification of prior issues**

### **Resolution 5 – Ratification of issue of Shares pursuant to the Vimson Tranche 1 Placement**

On 24 September 2018, the Company announced to ASX that it had executed a binding subscription agreement with leading Indian mining conglomerate the Vimson Group, through its Singapore-based, wholly owned subsidiary, V. M. Salgaocar & Bro. (Singapore) Pte. Ltd., for a strategic investment into TNG of approximately \$10 million (before costs).

The terms of the subscription agreement provided that the Vimson Group would be issued a total of 96,153,847 Shares in two tranches, at a subscription price of \$0.104, which represented a 20% discount to the 15 trading day volume weighted average price (“VWAP”) of Shares prior to 18 September 2018 (of \$0.129) (“**Vimson Placement**”). The first tranche of 93,757,203 Shares under the Vimson Placement was issued to the Vimson Group on 28 September 2018 as this was within TNG's existing Listing Rule 7.1 capacity (“**Vimson Tranche 1 Placement**”).

The issue of Shares pursuant to the Vimson Tranche 1 Placement has restricted the Company's ability to issue further Equity Securities without Shareholder approval. Under Listing Rule 7.4, an issue of securities that was within the entity's issue capacity under Listing Rule 7.1 will be treated as having been made with

shareholder approval (such that it does not reduce the entity's placement capacity if shareholders subsequently oppose the issue). The Company therefore seeks Shareholder approval and ratification of the Vimson Tranche 1 Placement.

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders in relation to the issue of Shares under the Vimson Tranche 1 Placement:

- (a) the total number of securities issued was 93,757,203 Shares;
- (b) the Shares were issued at an issue price of \$0.104 per Share (which represented a 20% discount to the 15 trading day VWAP of the Shares prior to 18 September 2018, being the date that the Vimson Tranche 1 Placement was announced to ASX);
- (c) the Shares were issued on the same terms as the other Shares on issue;
- (d) the Shares were issued to the Vimson Group;
- (e) as announced to ASX on 18 September 2018, funds raised under the Vimson Tranche 1 Placement will be used to progress the final engineering design and permitting required before the Company makes a final investment decision for the Company's Mount Peake Project, and for general working capital; and
- (f) a voting exclusion statement in respect of Resolution 5 is set out in the Notice.

#### ***Directors' Recommendation***

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

#### **Resolution 6 – Ratification of issue of shares pursuant to the April Placement**

On 3 April 2018, the Company announced to ASX that it had received firm commitments to raise up to \$3.5 million before costs via an issue of 24,137,931 Shares at an issue price of \$0.145 to institutional investors in Australia. Further to this announcement, on 5 April 2018, the Company announced that due to strong demand from investors the size of the placement would be increased. Further to this, on 10 April 2018, the Company issued 26,974,655 Shares to institutional investors in Australia at an issue price of \$0.145, which was within the Company's Listing Rule 7.1 capacity, raising a total of \$3.911 million before costs ("**April Placement**").

The issue of Shares pursuant to the April Placement has restricted the Company's ability to issue further Equity Securities without Shareholder approval. For the same reasons described in Resolution 5, the Company therefore seeks Shareholder approval and ratification of the April Placement under Listing Rule 7.4.

For the purposes of Listing Rule 7.5, the following information is provided to Shareholders in relation to the issue of Shares under the April Placement:

- (a) the total number of securities issued was 26,974,655 Shares;
- (b) the Shares were issued at an issue price of \$0.145 per Share;
- (c) the Shares were issued on the same terms as the other Shares on issue;
- (d) the Shares were issued to institutional investors in Australia;
- (e) as announced to ASX on 3 April 2018, funds raised under the April Placement will be used to advance key pre-development activities at the Company's Mount Peake Project, including completion of final off-take arrangements, final engineering and design and to provide general working capital; and
- (f) a voting exclusion statement in respect of Resolution 6 is set out in the Notice.

### **Directors' Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

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## **Part E – Approval of new issues**

### **Resolution 7 – Approval of Vimson Tranche 2 Placement**

As noted in Resolution 5 above, on 24 September 2018 the Company announced it had entered into a binding subscription agreement with the Vimson Group, pursuant to which the the Vimson Group would be issued a total of 96,153,847 Shares in two tranches. The Vimson Tranche 1 Placement Shares were issued to the Vimson Group on 28 September 2018 as this was within TNG's existing Listing Rule 7.1 capacity.

Resolution 7 seeks Shareholders' approval for the purposes of Listing Rule 7.1, and for all other purposes, for the issue of the remaining 2,396,644 Shares to the Vimson Group pursuant to the Vimson Placement ("**Vimson Tranche 2 Placement**"). The effect of passing Resolution 7 will be to allow the Company to issue the Vimson Tranche 2 Placement Shares within the three month period after the Meeting (or a longer period, if allowed by ASX), without reducing the Company's 15% placement capacity under Listing Rule 7.1.

If the Vimson Tranche 2 Placement is not approved by Shareholders, the Company retains the right to issue Shares for the purposes of the Vimson Tranche 2 Placement, subject to Listing Rules 7.1, 7.1A and 7.2.

For the purposes of Listing Rule 7.3, the following information regarding the Vimson Tranche 2 Placement is provided:

- (a) the maximum number of Shares the Company will issue under the Vimson Tranche 2 Placement is 2,396,644 Shares;
- (b) Shares issued under the Vimson Tranche 2 Placement will be issued no later than three months after the date of the Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of Listing Rule 7.3.2);
- (c) Shares issued under the Vimson Tranche 2 Placement will be issued at an issue price of \$0.104 per Share (being the same price as Shares issued under the Vimson Tranche 1 Placement);
- (d) Shares issued under the Vimson Tranche 2 Placement will be issued to the Vimson Group;
- (e) Shares issued under the Vimson Tranche 2 Placement will be issued on the same terms as the other Shares on issue;
- (f) funds raised under the Vimson Tranche 2 Placement will be used to progress the final engineering design and permitting required before TNG makes a final investment decision for the Mount Peake Project and for general working capital;
- (g) subject to obtaining Shareholder approval under this Resolution 7, Shares are expected to be issued under the Vimson Tranche 2 Placement as soon as practicable after (and in any event within three months after) the date of the Meeting; and
- (h) a voting exclusion statement in respect of Resolution 7 is set out in the Notice.

### **Directors' Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 7.

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## Part F – 10% Placement Facility

### Resolution 8 – Approval of 10% Placement Facility under Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue (or agree to issue) Equity Securities representing up to 10% of their issued share capital through placements for up to 12 months after their annual general meeting (the “**10% Placement Facility**”). A 10% Placement Facility is in addition to an eligible entity’s 15% placement capacity under Listing Rule 7.1 and provides the Directors with additional flexibility to efficiently manage the Company’s capital requirements.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as its market capitalisation is approximately \$106.4 million (based on the closing share price of \$0.115 on 4 October 2018).

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue (or agree to issue) Equity Securities under a 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see paragraph (c) (Formula for calculating 10% Placement Facility) below).

#### Description of Listing Rule 7.1A

(a) **Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting (which requires the approval of 75% of the votes cast by shareholders present and eligible to vote on the resolution).

(b) **Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

(c) **Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the period of approval, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

where:

- A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue:
- (i) plus the number of fully paid ordinary securities issued in the previous 12 months under an exception in Listing Rule 7.2;
  - (ii) plus the number of partly paid ordinary securities that became fully paid in the previous 12 months;
  - (iii) plus the number of fully paid ordinary securities issued in the previous 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4;
  - (iv) less the number of fully paid ordinary securities cancelled in the previous 12 months.

*Note that “A” has the same meaning in Listing Rule 7.1 when calculating an entity’s 15% placement capacity.*

- D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rules 7.1 or 7.4.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

As mentioned above, the ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 925,610,913 Shares and has capacity to issue:

- (i) no Equity Securities under Listing Rule 7.1. However, the Company will have capacity to issue 139,201,134 Equity Securities under Listing Rule 7.1 on the basis that Resolutions 5, 6 and 7 are passed and the Vimson Tranche 2 Placement Shares have been issued without reducing the Company's 15% placement capacity under Listing Rule 7.1; and
- (ii) subject to Shareholder approval being obtained under Resolution 8 at the Meeting, 92,800,756 Shares under Listing Rule 7.1A on the basis that Resolutions 5, 6 and 7 are passed and the Vimson Tranche 2 Placement Shares have been issued without reducing the Company's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue (or entry into an agreement to issue) of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to paragraph (c) (Formula for calculating 10% Placement Facility) above).

(e) **Minimum issue price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i), the date on which the Equity Securities are issued.

(f) **10% Placement Facility period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which Shareholder approval is obtained to the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which Shareholder approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking),

(the "10% Placement Period").

**Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided in relation to the 10% Placement Facility as follows.

- (a) The Equity Securities will be issued at an issue price of not less than the amount described in paragraph (e) (Minimum issue price) above.
- (b) If Resolution 8 is approved by Shareholders at the Meeting and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic interest may be diluted if the

Equity Securities are issued at a discount. Further, the existing Shareholders' Voting Power in the Company will be diluted by up to 9.09%. There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of Shareholder approval at the Annual General Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities and also on the Company's Share price post issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current Share price and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice (see paragraph (c) (Formula for calculating 10% Placement Facility) above).

The table also shows:

- (iii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro-rata entitlement offer or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved by Shareholders at this Meeting or at future Shareholder meetings; and
- (iv) two examples where the issue price of Shares has changed – in one example it has decreased by 50% and in another it has increased by 50% against the current Share price (which, for the purposes of this table is \$0.115, being the closing price of Shares as at 4 October 2018).

Variable 'A' in Listing Rule 7.1A.2	a	Dilution		
		Assuming 50% decrease in issue price \$0.0575	Issue price \$0.115	Assuming 50% increase in issue price \$0.1725
Current Variable A (see notes below) 928,007,557	Number of Shares that could be issued under 10% Placement Facility	92,800,756 Shares	92,800,756 Shares	92,800,756 Shares
	Funds that could be raised	\$5,336,043	\$10,672,087	\$16,008,130
50% increase in current Variable A 1,392,011,336	Number of Shares that could be issued under 10% Placement Facility	139,201,134 Shares	139,201,134 Shares	139,201,134 Shares
	Funds that could be raised	\$8,004,065	\$16,008,130	\$24,012,196
100% increase in current Variable A 1,856,015,114	Number of Shares that could be issued under 10% Placement Facility	185,601,511 Shares	185,601,511 Shares	185,601,511 Shares
	Funds that could be raised	\$10,672,087	\$21,344,174	\$32,016,261

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) In each case, an issue of the maximum number of Shares under the 10% Placement Facility would dilute the Shareholders as at the date immediately prior to the issue by up to 9.09%. For example, based on the current number of Shares on issue as expanded on the assumption that Resolutions 5, 6 and 7 are passed and the Vimson Tranche 2

Placement Shares have been issued without reducing the Company's 15% placement capacity under Listing Rule 7.1 (which expanded number of Shares is used as Variable A above), an issue of the maximum 10% available would mean that existing Shareholders would have 928,007,557 votes out of a total post-issue number of 1,020,808,313 Shares, representing 90.91% of the post-issue total number of Shares (or a dilution of 9.09%).

- (iii) The table does not show the economic dilution that may be caused to a particular Shareholder's shareholding by reason of placements under the 10% Placement Facility.
  - (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (v) The issue of Equity Securities under the 10% Placement Facility consists only of Shares (although TNG also has listed and unlisted Options on issue as at the date of this Notice).
  - (vi) The base issue price is assumed to be \$0.115, being the closing price of the Shares on ASX on 4 October 2018.
  - (vii) The issue price is assumed to be the current Share price as at 2 October 2018 of \$0.115 (rather than being based on the 15 trading day VWAP).
  - (viii) No Options are exercised before the issue of Equity Securities under the 10% Placement Facility.
- (c) The Company may only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 8 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue Equity Securities under the 10% Placement Facility for the following purposes:
- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards acquisitions of new assets or investments (including expenses associated with such acquisitions or repayment of debt drawn down to fund such acquisitions), for capital expenditure on the Company's current assets for continued exploration and development of its current projects and/or for general working capital.

The Company may issue such Equity Securities for non-cash consideration.

The Company will comply with its disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities under the 10% Placement Facility.

- (e) The Company's allocation policy for issues of new Shares under the 10% Placement Facility is dependent on the prevailing market conditions at the time of any proposed issue. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to, without limitation, the following factors:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate and other forms of equity and debt financing;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (f) Any potential allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.
- (g) The total number of Equity Securities issued by the Company in the 12 months preceding the date of the Meeting (as at 4 October 2018) (excluding Shares issued on exercise of Options) is



120,731,858 representing 14.77% of the total number of Equity Securities on issue at the commencement of that 12 month period<sup>1</sup>.

Set out below are the details of all issues of Equity Securities by the Company during the 12 months preceding the date of the Meeting (as at 4 October 2018):

Date of issue:	10 April 2018
Number issued and type of security issued	26,974,655 Shares
Summary of terms:	Fully paid ordinary Shares
Names of persons who received securities or basis on which those persons was determined:	26,974,655 Shares issued to institutional investors in Australia.
Price:	\$0.145 per Share
Discount to market price (if any):	The price of \$0.145 being a discount of 12.1% to the closing Share price of the trading day prior to the issue, which was \$0.165.
Total cash consideration received:	\$3,911,324.98
Amount of cash consideration spent	\$3,911,324.98
Use of Cash Consideration	<p>\$277,628 was used to fund the capital raising costs.</p> <p>\$1,425,561 was used to advance key pre-development activities at the Company's Mount Peake Project, including completion of final off-take arrangements, final engineering and design.</p> <p>\$2,099,233 was spent on salaries and wages, corporate and administrative costs and other general working capital.</p> <p>\$48,489 was used to purchase assets.</p>
Intended use for remaining amount of cash (if any):	\$60,413.98 to be spent on general working capital

Date of issue:	(a) 3 May 2018 (b) 30 May 2018 (c) 19 June 2018
Number issued and type of security issued	(a) 40,740 Shares (b) 70,365 Shares (c) 253,736 Shares
Summary of terms:	Fully paid ordinary Shares
Names of persons who received securities or basis on which those persons was determined:	A total of 364,841 Shares were issued on exercise of listed Options.
Price:	(a) \$0.193 per Share

<sup>1</sup> Excluding 25,505,596 listed Options which expired on 15 June 2018.

	(b) \$0.193 per Share (c) \$0.193 per Share
Discount to market price (if any):	(a) The price of \$0.193 being a premium of 24.52% premium to the closing Share price on the trading day prior to the issue date, which was \$0.155. (b) The price of \$0.193 being a premium of 42.97% to the closing Share price on the trading day prior to the issue date, which was \$0.135. (c) The price of \$0.193 being a premium of 60.83% to the closing Share price of the trading day prior to the issue date, which was \$0.120.
Total cash consideration received:	\$70,414
Amount of cash consideration spent	\$70,414
Use of Cash Consideration	General working capital.
Intended use for remaining amount of cash (if any):	N/A

Date of issue:	28 September 2018
Number issued and type of security issued	93,757,203 Shares
Summary of terms:	Fully paid ordinary Shares
Names of persons who received securities or basis on which those persons was determined:	Vimson Group (through its Singapore-based, wholly owned subsidiary, V. M. Salgaocar & Bro. (Singapore) Pte. Ltd)
Price:	\$0.104 per Share
Discount to market price (if any):	The price of \$0.104 being a discount of 13.33% to the closing Share price of the trading day prior to the issue date, which was \$0.120.
Total cash consideration received:	\$9,750,749.11
Amount of cash consideration spent:	\$0.00
Use of Cash Consideration:	N/A
Intended use for remaining amount of cash (if any):	To progress the final engineering design and permitting required before the Company makes a final investment decision for the Company's Mount Peake Project and to provide general working capital (including salaries and wages and corporate and administrative costs).

Date of issue:	Expected to be on or around 29 October 2018
Number issued and type of security issued:	Up to a further 45,871,559 Shares pursuant to the Company's share purchase plan announced to ASX on 24 September 2018 (" <b>SPP</b> ").

Summary of terms:	Fully paid ordinary Shares.
Names of persons who received securities or basis on which those persons was determined:	Shareholders who were holders of Shares as at 5pm WST on 21 September 2018 and whose registered address is in Australia or New Zealand.
Price:	\$0.109 per Share.
Discount to market price (if any):	N/A. The issue price of \$.109 per Share represented a discount of 20% to the VWAP of Shares for the five trading day period up to and including 21 September 2018 (the trading day prior to the announcement of the SPP) of \$0.136.
Total cash consideration received:	Up to approximately \$5million (before costs).
Amount of cash consideration spent:	N/A
Use of Cash Consideration:	Used to progress the final engineering design and permitting required before the Company makes a final investment decision for the Company's Mount Peake Project and for general working capital (including salaries and wages and corporate and administrative costs).
Intended use for remaining amount of cash (if any):	As above.

- (h) A voting exclusion statement is included in the Notice. As at the date of this Notice, the Company has not determined its allocation policy for the issue of Equity Securities under the 10% Placement Capacity (other than noting the persons to whom Shares will be issued will be determined on a case by case basis, having regard to the factors outlined in paragraph (e) above), nor has it invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 8.

**Directors' Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 8.

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## Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

If you appoint the Chairman as your proxy, or the Chairman is appointed as your proxy by default, please note that the Chairman intends to vote all undirected proxies held by him, and which are able to be voted, **in favour** of all Resolutions.

### Voting Exclusions

To the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 1 and 4 if the person is either a member of a Group Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on the relevant Resolution. However, the proxy may vote if the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of a Group Company's key management personnel.

If the Chairman is appointed as your proxy and you have not specified the way the Chairman is to vote on any of Resolutions 1 and 4, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of a Group Company's key management personnel.

## Schedule 1 – Definitions

In this Explanatory Memorandum, Notice and Proxy Form:

**10% Placement Facility** means a placement facility to issue Equity Securities representing up to 10% of an entity's issued capital pursuant to Listing Rule 7.1A.

**Annual General Meeting** means an annual general meeting of the Company.

**April Placement** means the issue of 26,974,655 Shares to institutional investors in Australia at an issue price of \$0.145 on 10 April 2018, within the Company's Listing Rule 7.1 capacity.

**Article** means an article of the Constitution.

**ASX** means ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Auditor's Report** means the auditor's report included in the annual report of the Company for the year ended 30 June 2018

**Board** means the board of Directors.

**Casual Employee** means an individual who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full-time position with a Group Company.

**Chairman** means the person appointed to the chair of the Meeting convened by this Notice.

**Company** means TNG Limited ABN 12 000 817 023.

**Constitution** means the constitution of the Company.

**Contractor** means:

- (a) an individual with whom a Group Company has entered into a contract for the provision of services under which the individual performs work for that Group Company; or
- (b) a company with whom a Group Company has entered into a contract for the provision of services under which an individual, who is a director of the company or their spouse, performs work for that Group Company,

where the individual who performs the work under or in relation to the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full-time position with the Group Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Directors' Declaration** means the directors' declaration included in the annual report of the Company for the year ended 30 June 2018.

**Directors' Report** means the directors' report included in the annual report of the Company for the year ended 30 June 2018.

**Eligible Executive** means an Executive nominated by the Board and whom the Board determines in its absolute discretion is to participate in the TNG Performance Rights Plan and who has not given or been given a notice of termination of employment.

**Equity Securities** has the same meaning as in the Listing Rules.

**Executive** means a person who is at the time of an offer under the TNG Performance Rights Plan:

- (a) a full or part-time employee (including an executive Director);
- (b) a Contractor;
- (c) a Casual Employee; or
- (d) a Prospective Participant,

of a Group Company.

**Explanatory Memorandum** means the explanatory memorandum to the Notice.

**Group Company** means the Company or any of its Subsidiaries.

**Listing Rules** means the Listing Rules of ASX.

**Meeting** has the meaning given in the introductory paragraph of this Notice.

**Nominee** means a nominee of an Eligible Executive that is one of the following:

- (a) an immediate family member of the Eligible Executive;
- (b) a company whose members comprise no persons other than the Eligible Executive or immediate family members of the Eligible Executive; or
- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)) where the Eligible Executive is a director of the trustee.

**Non-Executive Director** means a non-executive director of the Company.

**Notice** means this notice of meeting.

**Option** means an option to acquire a Share.

**Participant** means an Eligible Executive who is deemed to have accepted an offer under the TNG Performance Rights Plan and to whom a Right is (or is to be) issued under either plan, or its Nominee (as the context requires).

**Performance Rights** or **Rights** means rights which carry the entitlement to be issued Shares on satisfaction of performance conditions determined by the Board.

**Prospective Participant** means a person to whom an offer is made under the TNG Performance Rights Plan but who can only accept that offer if an arrangement has been entered into that will result in the person becoming covered by one of paragraphs (a) to (c) of the definition of Executive.

**Proxy Form** means the proxy form attached to the Notice.

**Related Bodies Corporate** has the meaning given in the Corporations Act.

**Remuneration Report** means the remuneration report included in the annual report of the Company for the year ended 30 June 2018.

**Resolution** means a resolution contained in the Notice.

**Requisitioned Meeting** means the extraordinary general meeting requested by three requisitioning members, to be held at 10.30 am (WST) on Thursday, 29 November 2018, to consider a resolution calling for the removal of Mr Rex Turkington as a Director.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**SPP** means the Company's share purchase plan announced to ASX on 24 September 2018.

**Subsidiary** has the meaning given in the Corporations Act.

**TNG Performance Rights Plan** means the TNG Limited Performance Rights Plan under which Eligible Executives may be issued Rights at the determination of the Board on the terms summarised in Schedule 2 of the Explanatory Memorandum.

**Vimson Group** means Singapore-based V. M. Salgaocar & Bro. (Singapore) Pte. Ltd and its Related Bodies Corporate.

**Vimson Placement** means the issue of 96,153,847 Shares to the Vimson Group, comprising the Vimson Tranche 1 Placement and the proposed Vimson Tranche 2 Placement.

**Vimson Tranche 1 Placement** means the issue of 93,757,203 Shares to the Vimson Group on 28 September 2018 at a subscription price of \$0.104 within TNG's existing Listing Rule 7.1 capacity as part of the Vimson Placement.

**Vimson Tranche 2 Placement** means the proposed issue of 2,396,644 Shares to the Vimson Group at a subscription price of \$0.104 as part of the Vimson Placement, which issue is subject to obtaining Shareholder approval under Resolution 7.

**Voting Power** has the meaning given in section 610 of the Corporations Act.

**VWAP** means volume weighted average price.

**WST** means Australian Western Standard Time, being the time in Perth, Western Australia.

For personal use only

## Schedule 2 – Summary of TNG Performance Rights Plan

In this Schedule 2, references to “Plan” mean references to the Performance Rights Plan.

The key terms of the Plan are as follows:


- (a) The Board may offer Rights to Eligible Executives in the form of an “Offer Document”.
- (b) The Board may offer Rights to Eligible Executives having regard to the seniority of the Eligible Executive and the position the Eligible Executive occupies in the Group, each Eligible Executive’s length of service with the Group, the record of employment of the Eligible Executive with the Group, the contribution the Eligible Executive has made to the Group, the potential contribution of the Eligible Executive to the Group and any other matters which the Board considers relevant.
- (c) No issue price is payable for the Rights.
- (d) No payment is required on vesting or exercise of a Right.
- (e) The Offer Document will set out (among other things) the number of Rights offered, the performance conditions that must be satisfied or circumstances which must exist before a Right vests, the period for satisfaction of a performance condition and any other information required by law or the Listing Rules or considered by the Board to be relevant.
- (f) Upon receipt of an offer, an Eligible Executive may, by notice in writing to the Board, nominate a Nominee in whose favour the Eligible Executive wishes to renounce the offer. The Board may, in its discretion, resolve not to allow a renunciation of an offer in favour of a Nominee without giving any reason for that decision.
- (g) Each Right which vests will entitle a Participant to be issued one Share.
- (h) Rights will be automatically exercised when the Rights vest.
- (i) Rights may not be transferred unless by force of law or upon death to the Participant’s legal personal representative or upon bankruptcy to the Participant’s trustee in bankruptcy.
- (j) Rights will not be quoted on ASX.
- (k) Any Shares issued on exercise of Rights will rank equally with all existing Shares on issue.
- (l) The Board may determine (at any time) that some or all Rights will vest early or will become exercisable immediately if:
  - (1) a takeover bid (as defined in the Corporations Act) is made in respect of Shares and both the bidder obtains Voting Power in the Company of 50% or more and the takeover offers are made or declared unconditional (other than for the happening of the events or circumstances set out in section 652C(1) and (2) of the Corporations Act or the condition set out in section 625(3) of the Corporations Act); or
  - (2) a transaction by way of compromise or arrangement under Part 5.1 of the Corporations Act is approved by the requisite majorities of members of the Company at a meeting convened in accordance with the order of a court under section 411(1) of the Corporations Act; or
  - (3) an event or transaction by which an entity becomes or is to become the registered holder of more than 50% of the total issued Shares is approved or accepted by a majority of members of the Company.
- (m) A Right not exercised will lapse on the first to occur of:
  - (1) the expiry date of the Right as set out in the Offer Document;
  - (2) the expiry of 30 days, or any longer period which the Board determines, after the Participant ceases to be employed or engaged by any member of the Group for any reason, including death, total and permanent disablement or retirement;
  - (3) a determination of the Board that the Participant has acted fraudulently, dishonestly or in breach of the Participant’s obligations to the Company or any member of the Group and that the Option is to be forfeited; and
  - (4) a determination of the Board that there has been a failure to meet any performance condition applicable to the Right within the required period.
- (n) The Board may, in its sole discretion, before a Right expires, determine that a Right will not lapse under the circumstances set out in paragraph (m) above if the Participant has ceased to be employed by any member of the Group as a result of:



- (1) total and permanent disablement, ill health, death, economic necessity or any other factor not attributable to the conduct or performance of that person; or
- (2) retirement under circumstances that are not related to the conduct or performance of that person,
- in which case the Right will, subject to the Plan, remain exercisable by the Participant (or, where applicable, the Participant's executor, administrator or legal personal representative) until the date determined by the Board or until the Right otherwise lapses in accordance with the Plan.

- (o) If, when making an offer of Rights under the Plan, the Company does so in reliance on ASIC Class Order [CO 14/1000], it must, at the time of making the offer, have reasonable grounds to believe that the number of Shares that have been, or may be, issued in any of the circumstances covered by the following paragraphs will not exceed 5% of the total number of Shares:
- (1) Shares that may be issued under the offer or any other offer to be made under the Plan (to the extent offered in reliance on ASIC Class Order [CO 14/1000]);
- (2) Shares issued or that may be issued as a result of offers made at any time during the previous three year period under:
- (3) the Plan or any other Employee Incentive Scheme in reliance on ASIC Class Order [CO 14/1000] or its predecessors; or
- (4) an ASIC exempt arrangement of a similar kind to an Employee Incentive Scheme.
- (p) Offers of Rights made or Shares issued other than in reliance on ASIC Class Order [CO 14/1000] or its predecessors (such as offers received outside of Australia or under an exception in section 708 of the Corporations Act) will not be included in calculating the 5% limit.
- (q) Rights carry no right to a dividend and no right to a vote.
- (r) A Participant may only participate in new issues of securities to shareholders if the Right has vested and Shares have been registered in the name of the Participant before the record date for determining entitlements to the issue. If required by the Listing Rules, the Company must give notice to Participants of any new issue before the record date for determining entitlements to the issue.
- (s) In the event of any reorganisation of the capital of the Company, the rights of a Performance Right holder will be changed to the extent necessary to comply with the Listing Rules applying to such reorganisation at the time of the reorganisation.

## Lodge your vote:

 **Online:**  
www.investorvote.com.au

 **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) www.intermediaryonline.com

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

TNG  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 11:00am (WST) Tuesday, 27 November 2018**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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IND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of TNG Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of TNG Limited to be held at the Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western Australia on Thursday, 29 November 2018 at 11:00am (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4 by marking the appropriate box in step 2 below.

### STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval of 10% Placement Facility under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Rex Turkington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 3	Election of Mr Greg Durack	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 4	Approval of the TNG Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 5	Ratification of issue of Shares pursuant to the Vimson Tranche 1 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 6	Ratification of issue of Shares pursuant to the April Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 7	Approval of Vimson Tranche 2 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

/ /

TNG

999999A

Computershare +