TNG LIMITED

QUARTERLY REPORT
JUNE 2008

TNG LIMITED

HIGHLIGHTS

- **Extensive high-grade hematite outcrop discovered at Legune Prospect, 2km south of the Djibitgun base metal deposit, Manbarrum Project.**
- **Rock chip samples from main outcrop assay up to 67.1% Fe with low phosphorus and silica.**
- **Significant widths of magnetite bearing vanadium and titanium mineralisation identified from assaying drill core at the Mt Peake Project. Northern Territory. Abundant Magnetite over 100m in Gabbro core with assay results up to 34.5% Fe. High vanadium 0.59% V_2O_5 and titanium 9.81% TiO_2.**
- **Metallurgical test work is progressing on drill core from the Sandy Creek and Djibitgun deposits, with encouraging results to date. Regional exploration programme in progress.**
- **Opes Prime Receiver has completed sale of TNG Shares.**
- **Underwritten Rights Issue documents dispatched.**
- **EGM called for 11 August 2008.**

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TNG Operations

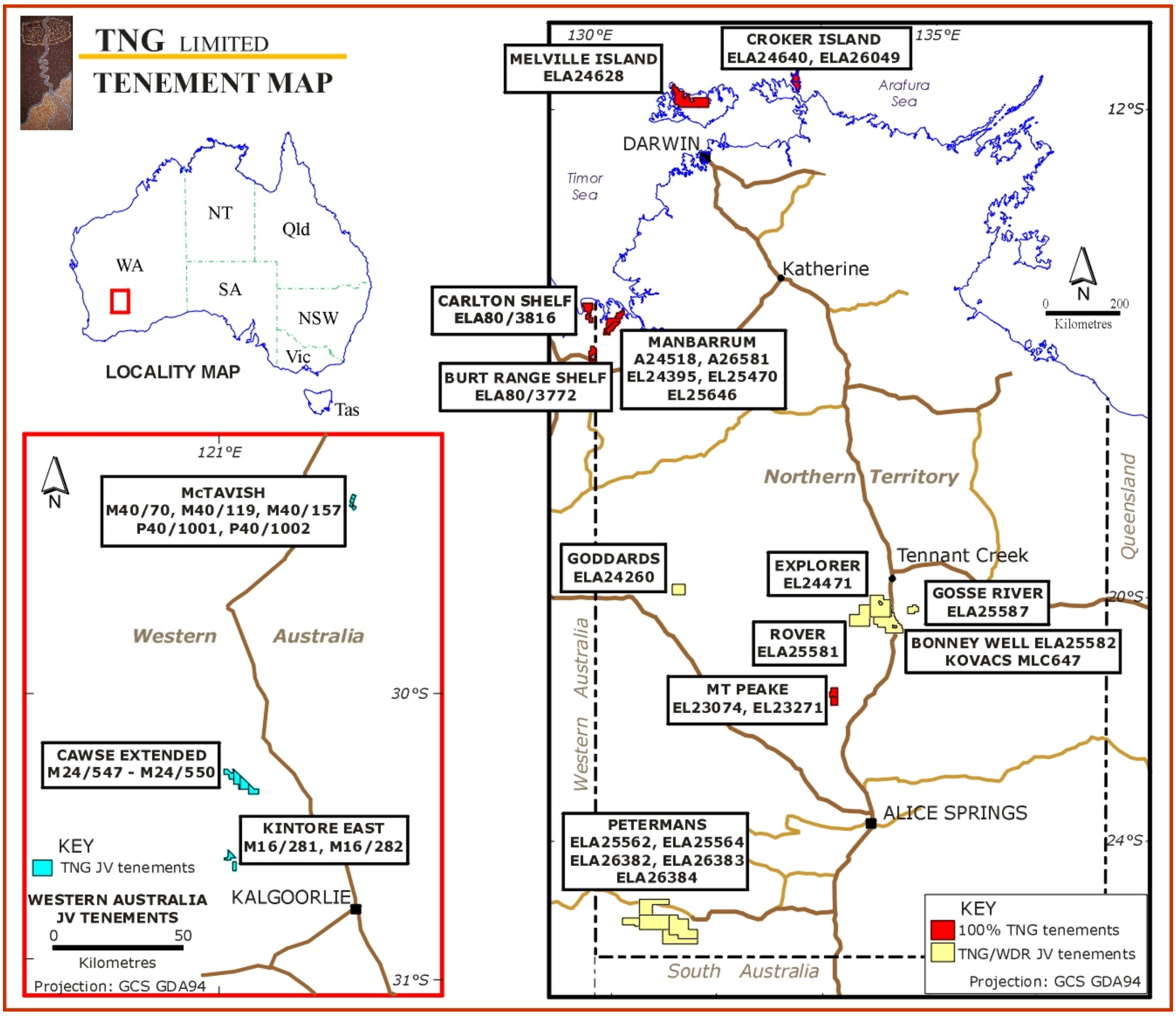

Figure 1: TNG Limited Tenement Map

SUMMARY

During the June Quarter, TNG focused on regional exploration work at the Manbarrum project and geological assessment of other project areas (Figure 1).

Metallurgical test work continued on selected drill core from the Sandy Creek deposit and test work also progressed on selected oxide material from the Djibitgun deposit, in order to evaluate potential mining operations and guide future exploration.

Regional exploration work has defined additional mineralisation potential at the Manbarrum project following a significant new Hematite discovery located at the Legune prospect (Figure 2). High priority Zinc/ Lead/ Silver targets remain to be tested.

Evaluation of previous exploration at the Mt Peake project, N.T (Figure 1) has also uncovered a potential Iron-Titanuim- Vanadium resource, while the project area also remains highly prospective for nickel sulphides.

TNG's joint venture partners, Western Desert Resources Ltd ("WDR") have also been active commencing exploration on the Explorer licence area EL 24471 (N.T).

EXPLORATION

- **2008 Exploration Programme**

The 2008 exploration programme is focusing on regional data acquisition and project assessment while the metallurgical test work at Manbarrum is completed. On completion of the test work it is anticipated that further drilling at the Djibitgun deposit will be implemented to test extensions to the higher grade Zinc (Zn) zones that are within the broad Silver (Ag) resource, to produce a revised resource estimate. Other priority Zinc (Zn) and Lead (Pb) prospects will be drill tested at that time.

PROJECTS

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

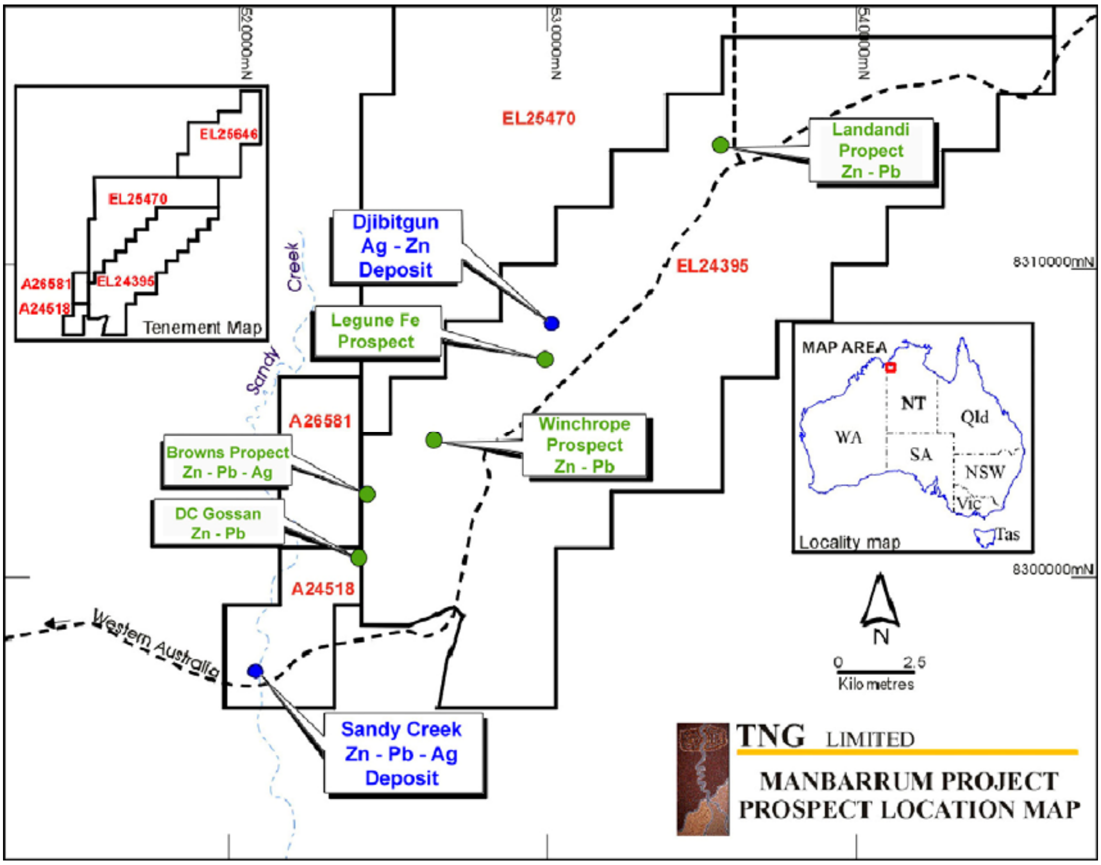

Figure 2: Manbarrum Project: Exploration Prospects

- **Regional Rock Chip programme**

During the quarter TNG announced the location of significant high-grade hematite iron mineralisation from an area known as the Legune Prospect (formerly 'Ochre prospect'), 2km south of the Djibitgun Zn/Ag base metal deposit (Figure 2).

Following agreement with the traditional owners initial rock chip assaying of a prominent hematite outcrop (Figure 3) gave high grade Iron (Fe) assays with corresponding low levels of phosphorus (P) and silica (SiO_2) (see Table 1 below). Follow up mapping and sampling confirmed that the Legune Prospect has a resource potential, comprising a low-lying hill with an extensive hematite cap. It is approximately 900 metres in length and 500 metres wide. The surrounding area's adjacent to the hill have not yet been evaluated. The area has now been grid sampled on a 50m x 50m grid and samples despatched to the laboratory for XRF analysis.

SAMPLE DESCRIPTION	Fe %	$Si0_2$ %	P %
501691	61.3	5.73	0.016
PB01	67.1	2.29	0.015

Table 1: XRF Assay Results

Figure 3: Hematite outcrop, Legune prospect

Portable NITON XRF assays results confirm that the Fe content of the hematite extends over the entire area, with consistent results over 55% Fe, however laboratory XRF assay results are awaited. Once all assays have been received, a drill programme will be planned to test the thickness and depth extent of the hematite mineralisation, for which additional traditional owner permission will be required. The regional rock and soil programme is continuing, and has potential to add both to the Fe resource and to the Zn/ Pb/ Ag Prospects.

- **Sandy Creek Deposit** (15.97mt @ 2.3% Zn+Pb, 5.4g/t Ag)

Metallurgical Test Work

Metallurgical test work is progressing at Metplant Engineering Pty Ltd (Perth) with the assessment of the recovery of Zn and Pb from primary sulphide mineralisation in the Sandy Creek drill core. Results to date are encouraging. This work will be reported when finalised.

Further Exploration Work

The current Sandy Creek resource excludes the higher grade pipe or lode zones (as reported previously). Further drilling will be oriented to delineate the mineralised trends, to allow inclusion of this high grade zone in an updated resource estimate.

- **Djibitgun Deposit** (Global JORC Inferred Resource 19.93mt @ 16.4g/t Ag, 0.5% Zn, Internal JORC inferred 6.7mt @ 2.4% Zn+Pb, 14 g/t Ag)

Metallurgical Test Work

Mineralogical and Metallurgical test work has commenced at Mineral Engineering Technical Services Pty Ltd (Perth) to evaluate the leaching characteristics of the oxide zinc and silver mineralisation, particularly in the inferred oxide internal resource of 6.7mt @ 2.4% Zn+Pb, 14 g/t Ag. Initial extraction results for Zn and Ag are encouraging, with mineralogical and leach data pending.

Further Exploration Work

The Djibitgun deposit was located by reconnaissance broad spaced drilling. Infill drilling to establish the extent of the internal higher grade Zn and Ag mineralised zone is planned to commence during the next quarter.

- **Manbarrum Project Tenement Status**

The additional Authority to Prospect, A 26581 was granted to TNG on 19th June 2008. The 2 licence areas in Western Australia covering the western margin of the Bonaparte Basin remain under application.

Tenement Application No	Holder	Date Applied	Date Granted	Status	Area Km^2
EL24395 (NT)	TNG 100%	08/09/04	16/08/05	- Granted	200.0
A 24518 (NT)	TNG 100%	15/12/04	25/08/05	- Granted	16.8
A 26581 (NT)	TNG 100%	14/01/08	19/06/08	- Granted	12.0
EL25470 (NT)	TNG 100%	13/07/06	05/03/07	- Granted	199.5
EL25646 (NT)	TNG 100%	16/10/06	23/08/07	- Granted	122.0
E80/3772 (WA)	TNG 100%	16/10/06	-	- Awaiting clearance	402.8
E80/3816 (WA)	TNG 100%	30/11/06	-	- Awaiting clearance	224.0

Table 3: TNG Tenements, Manbarrum Project

- **Mount Peake Project: Nickel –Iron–Titanium-Vanadium, TNG 100%**

The Mount Peake project comprises EL's 23074, 23271 and is located in the Arunta Geological Province, 80 kilometres north east of Alice Springs. Airborne magnetic and electromagnetic surveys have indicated possible ultramafic intrusion hosted nickel targets.

During the quarter TNG announced a potential significant new Magnetite-Titanium-Vanadium Prospect following preliminary test work of drill core from diamond hole ARD02. The drill core was drilled by TNG's former joint venture partner, Discovery Nickel, on a prominent magnetic feature (Figure 4a). The core was not cut or sampled, by Discovery Nickel.

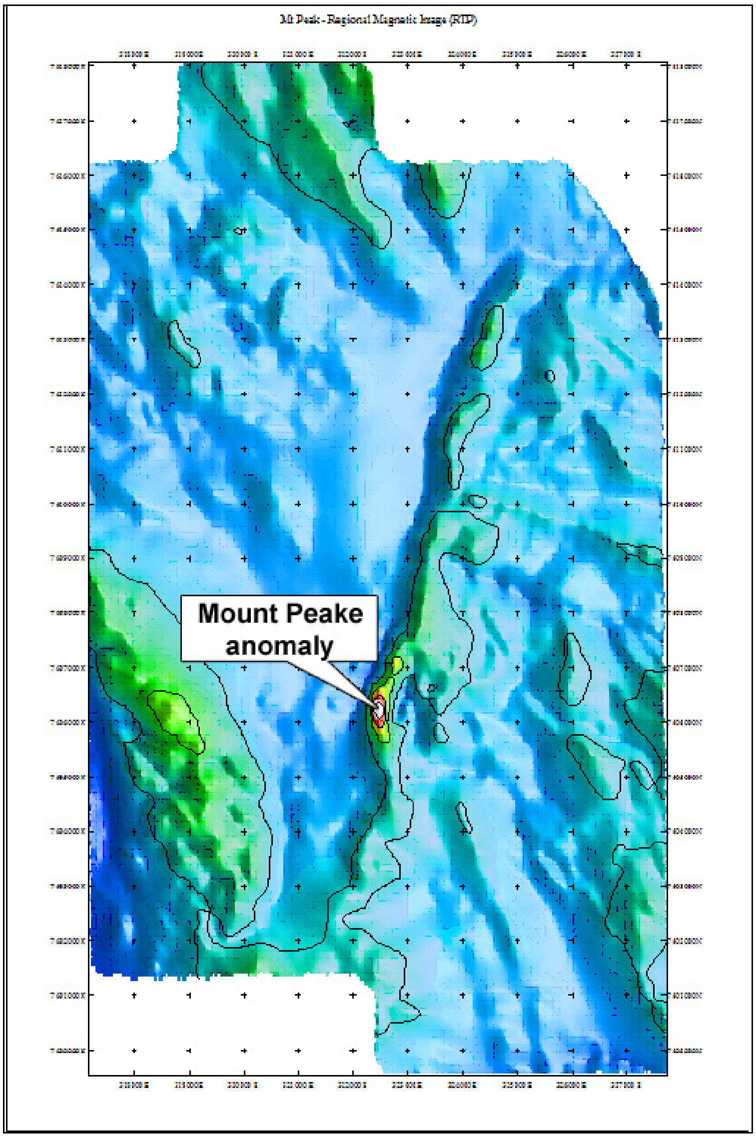

Figure 4a: Regional RTP magnetic intensity image with 500nT magnetic contours **(starting at 2000nT)**

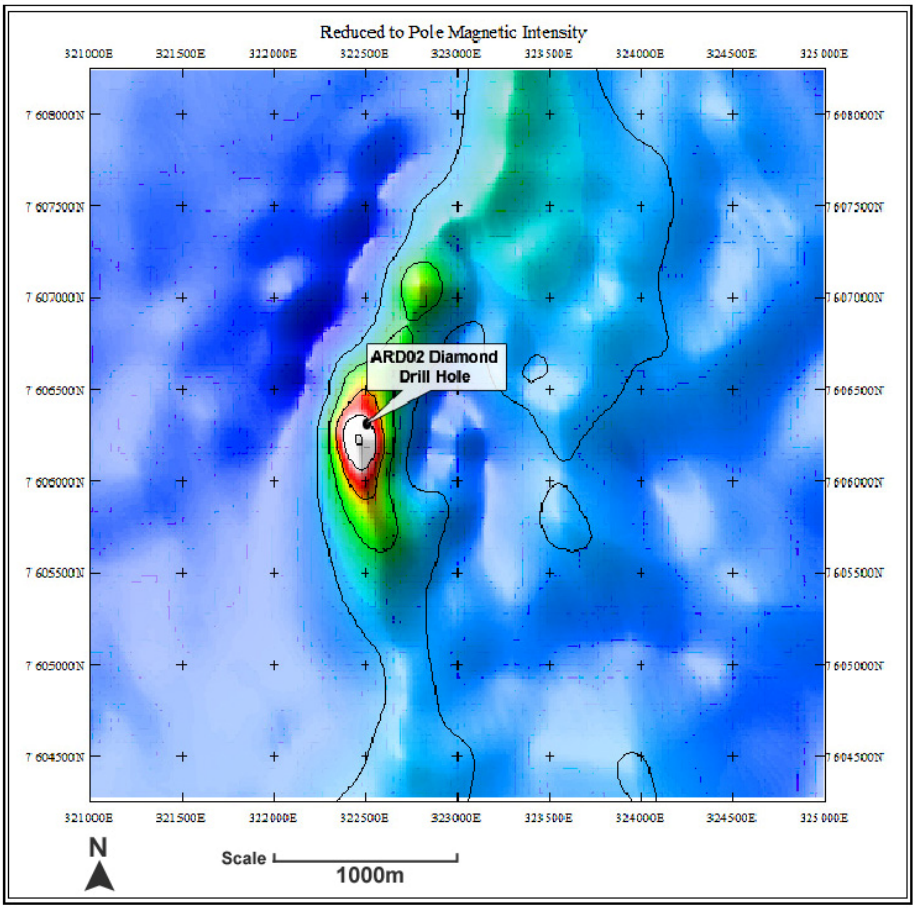

Figure 4b: Detailed zoom of the Mt Peak magnetic anomaly. The image is reduced to pole (RTP) magnetic Intensity. The contours are 500nT contours starting at 2000nT

Laboratory assays of the core have given the following results:

MPARDO2 - 9.81% TiO_2, 0.59% V_2O_5, 34.5% Fe (drill core from 34m depth)

MP0001 - 8.90% TiO_2, 0.55% V_2O_5, 31.2% Fe (surface drill spoil ARD02)

The magnetite mineralisation occurs over 100m thickness and has the potential to develop as a significant new exploration target for the Company. In addition, the Project is strategically located close to existing infrastructure including the Stuart Highway, 60km to the east, and the new gas pipeline just 20km to the east.

The remainder of the core has now been cut, sampled and submitted for assay and Davis Tube Recovery (DTR) test work, in order to determine the recovery of Iron (Fe), Vanadium Pentoxide ($V_2 0_5$), and Titanium Oxide (TiO_2) from magnetic concentrates. Results are awaited.

Subject to positive results from the assay results and DTR test work, the Company intends to further evaluate the potential of this area to host both magnetite-vanadium-titanium mineralisation and hematite mineralisation.

The area also remains highly prospective for Nickel Sulphide mineralisation.

The exploration licences have been renewed for a period of 2 years following successful submission by TNG to DPIFM.

JOINT VENTURE PROJECTS

Western Desert Resources Ltd. (WDR) Joint Venture

TNG 100%, WDR earning in to 51%

WDR has planned two diamond drill holes on Explorer EL 24471 to target a classical Tennant Creek style magnetic anomaly which will be tested at depth for gold and copper mineralisation.

In addition WDR is progressing with preparations for exploration at ELA 25581. This licence is adjacent to Westgold Resources Ltd, Rover 1 project where they have recently reported significant intersections including 65.75m at 11.0 g/t Au, 0.75% Cu and 0.09% Co at the Rover 1 project. Rover 1 is located close to the northwest corner of ELA 25581 and is included in the Rover joint venture with TNG Ltd. Negotiations are currently at an advanced stage with the Traditional Owners of the land for access to this exploration licence. There are a number of high-priority targets within the tenement which have the potential to contain similar mineralisation to that found at Rover 1.

McTavish Joint Venture:

TNG 30%, Barminco 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.

Barminco have advised that work over the next reporting period is expected to focus on exploratory activities. As tenements M40/77, 119 and 157 are no longer under plaint more in depth exploration, specifically of tenements P40/1001, 1002, is considered viable.

Kintore East Joint Venture:

TNG 23.95%, Mines and Resources Australia Ltd 76.05%

The reversion of the Mining Leases occurred in mid April 2008 and has lead to the granting of tenements P16/2370 – P16/2374.

MRA have advised that a compilation and review of all historical data will be completed followed by target generation and ranking prior to drilling scheduled for early 2009.

A heritage survey has been planned and will take place in the next quarter. The project area is covered by a single Native Title claim held by the Widji People.

Other Tenements and Opportunities

TNG continues to review JV opportunities.

MINING PROJECTS

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

The Cawse Extended Project is a joint venture between Norilsk Nickel Cawse Pty Ltd and TNG. The project consists of 4 mining leases located in the Eastern Goldfields region of Western Australia, approximately 60 kilometres north-west of Kalgoorlie (Figure 1).

The company has held meetings with Norilsk on the future project plans. An update on the resource and commencement of mining is awaited from Norilsk.

CORPORATE

Opes Prime

According to share trading records received from the TNG Share Registry, the Opes Prime Receivers have completed the sale of 16,587,937 TNG shares.

Rights Issue

TNG is undertaking a non-renounceable pro rata offer of shares to its shareholders.

The pro rata offer is on the basis of 1 share for every 4 shares held at the record date each at an issue price of $0.06. The Offer is being underwritten by Kirke Securities Limited.

The timetable for the Offer is:

Lodgement of Appendix 3B and 708AA Notice	Friday 4 July 2008
Notice to Shareholders	Tuesday 8 July 2008
Existing Shares quoted on an "ex" basis	Wednesday 9 July 2008
Record Date	Tuesday 15 July 2008
Rights Issue Offer Document and Entitlement and Acceptance Form despatched to Eligible Shareholders	Friday 18 July 2008
Closing Date	Tuesday 12 August 2008
Anticipated date for the issue of the New Shares and despatch of holding statements	Friday 15 August 2008
Commencement of trading of the New Shares	Monday 18 August 2008

EGM

A General Meeting of shareholders has been called for 11 August 2008 to consider:

1. Authorise Execution of Underwriting Agreement
2. Authorise Directors to Sub-Underwrite Rights Issue

3. Approve placement Facility
4. Appoint Mr Paul Burton as Director
5. Section 195 Approval

The meeting documents have now been dispatched to all shareholders.

Davis Samuel

TNG is a party to proceedings instituted by the Commonwealth of Australia (Commonwealth) in the Supreme Court of the Australian Capital Territory in which the Commonwealth claims that it is entitled to a constructive trust over shares held by TNG in Kanowna Lights NL (now Peninsula Minerals Limited). The Commonwealth has claimed that as constructive trustee, TNG is liable to account for the highest market value at which the shares could have been sold and interest on that market value.

The Commonwealth claims that it is entitled to an amount of $2,146,687.29 representing a claim of $1,274,400 for value of the Kanowna Lights NL shares and interest thereon since 23 October 2000.

TNG has issued cross-claims against several parties in the proceedings.

TNG is also vigorously defending the Commonwealth claims. It is not possible to predict the likely outcome of the matter or the timing of an outcome.

Any adverse finding made against TNG which cannot be successfully recovered from cross claims made against other parties may result in TNG being liable to pay up to the amount claimed by the Commonwealth. TNG may also be liable for costs of the proceedings if awarded against it, as well as its own legal costs.

The court proceedings commenced in June 2008.

The matter has now been adjourned, and is scheduled to recommence in late August 2008. It is currently listed for an additional five weeks of hearing.

TNG LIMITED

John W Barr
Chairman

24 July 2008

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

TNG LIMITED

Directors

John W Barr	Chairman
Neil Biddle	Managing Director
Michael Bowen	Non Executive Director
Terry Smith	Non Executive Director
Eddie Fry	Non Executive Director

Company Secretary

John W Barr

Shareholder Enquiries

John W Barr

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Australian Stock Exchange Listing

Shares	TNG

European Stock Exchange Listings

Frankfurt	A0B60K
Berlin	A0B60K
Munich	A0B60K
Stuttgart	A0B60K

Major Shareholders – 21 July 2008

RAB Special Situations (Master) Fund Ltd	12.47%
CBH Resources Limited	8.40%
ANZ Nominees	5.04%
JW Barr	3.88%
N Biddle	3.71%
TOTAL DIRECTORS HOLDINGS	13.00%

Capital Structure – 21 July 2008

Ordinary Shares			192,683,315	
Options:	01.11.09	(unlisted)	200,000	$0.75
Options:	31.03.10	(unlisted)	14,000,000	$0.49
Options:	31.12.11	(unlisted)	5,100,000	$0.32