



TNG_{LIMITED}

MOUNT PEAKE: INITIAL SCOPING STUDY INDICATES PROJECT VIABILITY

Australian resources company TNG Limited (ASX: TNG) is pleased to report the conclusions of the initial Scoping Study completed on the Company's 100%-owned **Mount Peake Vanadium Project** in the Northern Territory.

TNG commissioned Snowden Mining Industry Consultants (Snowden) to undertake the optimisation work for the Study to assess project viability and assist in planning ongoing exploration activities at Mount Peake.

The initial study considered the viability of an open pit mining operation study using a marginal cut-off of 0.22 % vanadium pentoxide (V_2O_5), conservative V_2O_5 price of US\$8/lb, and processing of 5mt per year, with an estimated capital cost of between \$400 – 500m.

Despite the high capital cost the results demonstrated viable project economics given the parameters and assumptions of this initial study.

Metallurgical cost and recovery estimates for the Study were supplied by Mineral Engineering Technical Services (METS), who are carrying out metallurgical testwork to optimise recovery and grade on the Mount Peake ore.

The capital cost has been estimated based on information supplied by METS who are undertaking the metallurgical test work. This work is ongoing and the final processing route not yet been established.

TNG is encouraged by the results of the initial Scoping Study, particularly as this optimisation has been based on TNG's maiden Inferred Mineral Resource of **107 million tonnes at a grade of 0.32% V_2O_5 , 5.9% TiO_2 , 29% Fe**, estimated from its first round of drilling on the project. A significant portion of the Mount Peake magnetic anomaly remains untested and offers the potential to increase the initial resource and further enhance the project's economics.

The Board of TNG is pleased with the results and will now consider the optimum route to progress the Mount Peake Project to the next phase, including the possibility of introducing a joint venture partner to fund ongoing resource drilling and project feasibility work.

Yours faithfully

TNG LIMITED

Paul Burton
Exploration Director
July 29th 2009

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

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