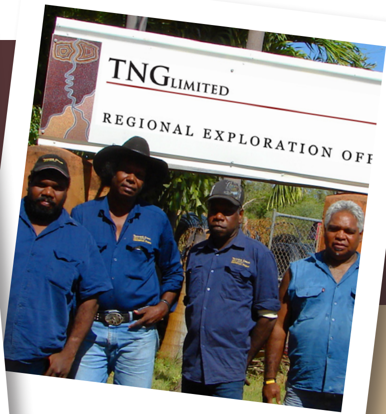
TNG LIMITED

QUARTERLY REPORT

JUNE 2010



HIGHLIGHTS

New hydrometallurgical process established for treatment of Mount Peake ore.

A Joint Patent Application by TNG and Mineral Engineering Technical Services ("METS") has been submitted.

Detailed re-assessment of Airbourne electomagnetics delineates 35 potential sulphide targets at Mount Peake.

Updated Scoping Study commissioned at Mount Peake to incorporate hydrometallurgical processing for the recovery of all three components – vanadium, titanium and iron.

Binding contract signed to sell Manbarrum Project to China's Teng Fei Mining for USD$8.5 million. Initial payment of US$4.5 million has not been received. TNG has served default notice on TFM.

SUMMARY

The Company's 100 percent owned Mount Peake project remained the focus of the exploration strategy during this quarter, with metallurgical testwork continuing under management by metallurgical consultants METS, and several priority geophysical targets delineated for drilling as part of the broader Nickel / Copper exploration programme.

In addition, Joint Venture and investment discussions continued with several Asian resource companies with a view to developing Mount Peake.

TNG LIMITED PO Box 1126 Subiaco Western Australia 6904 | T +61 8 9327 0900 | F +61 8 9327 0901
www.tngltd.com.au | corporate@tngltd.com.au | Contact: Paul Burton, Director & CEO

TNG OPERATIONS

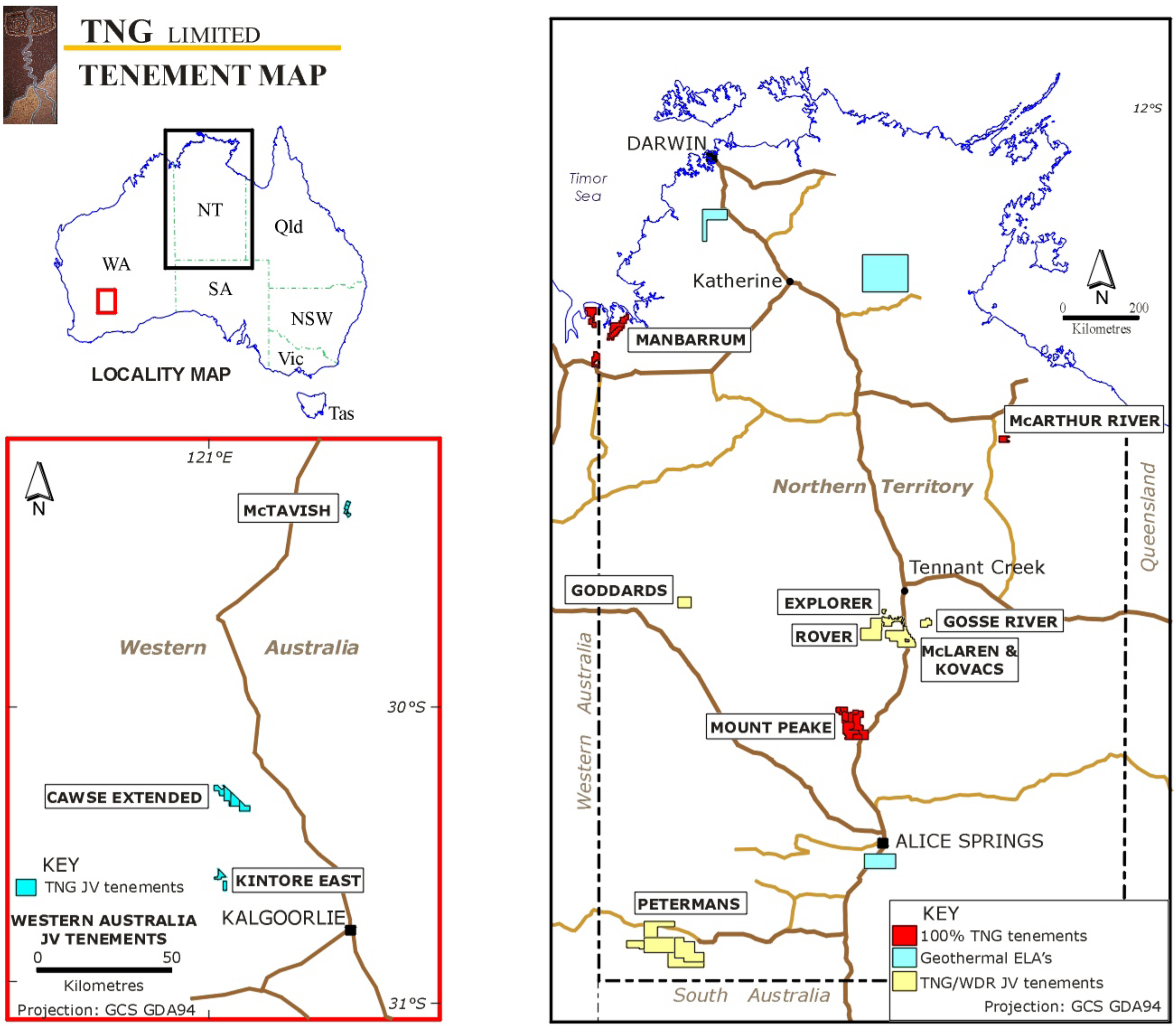


Figure 1: TNG Limited Tenement Map

PROJECTS

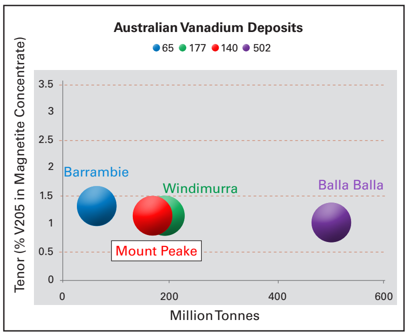
MOUNT PEAKE PROJECT IRON–VANADIUM–TITANIUM TNG 100%

The Mount Peake project is located close to existing power and transport infrastructure in the centre of the Northern Territory. The area under licence covers a highly prospective, but poorly explored area of the Western Arunta geological province.

TNG has defined a JORC resource of 140Mt @ 0.3% V_20_5, 5.3% TiO_2 and 24% Fe, with a potential Exploration Target[1] of 500-700Mt with a grade range of 0.2% - 0.4% V_20_5 and 25%-35% Fe.

Based on this current resource the project is well positioned for economic assessment compared to other Australian Vanadium deposits (Figure 2).

Figure 2: Australian Vanadium Deposits



The area is also highly prospective for Nickel, Copper and Platinum group minerals and several priority geophysical targets have been delineated under the company's "Stirling Deeps" (see below) program.

Metallurgical Test Work and Patent Application

TNG has commissioned Mineral Engineering Technical Services Pty Ltd ("METS") to design and manage the metallurgical testwork programme.

METS has in-depth experience with Vanadium deposits, particularly with Australian projects, and is well suited to evaluate the Mount Peake mineralisation.

Drilling at Mount Peake

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

The new hydrometallurgical process represents a major step forward for the Mount Peake Project

A joint Patent Application to protect the invention and allow commercialisation at a later date has been submitted

Results of all metallurgical testwork has demonstrated the amenability of the host rock, a magnetite olivine pyroxenite, to produce a high grade Vanadium concentrate over 1% V_2O_5.

Optimising has improved both grade and recovery of V_20_5, Fe and $Ti0_2$ while also successfully reducing the $Si0_2$ and Al_20_3 components to acceptable commercial levels.

Further testwork carried out by TNG/METS has shown that the magnetic concentrate is amenable to hydrometallurgical processing, resulting in very high recoveries of vanadium (98%) and iron (83-99%) in the acid leaching.

Importantly, these new test results have demonstrated that the iron can be separated from the vanadium by using solvent extraction, producing high-grade iron in addition to vanadium and may therefore have a positive impact on the overall project economics. However the anticipated lower capital and operating costs and the higher recovery would need to be demonstrated in further test work.

The new hydrometallurgical process represents a major step forward for the Mount Peake Project and TNG and METS have submitted a joint Patent Application to protect the invention and allow commercialisation at a later date.

Further optimisation tests are underway. TNG will continue to advance the test work with METS to optimise the process prior to a decision on whether to proceed with a full feasibility study.

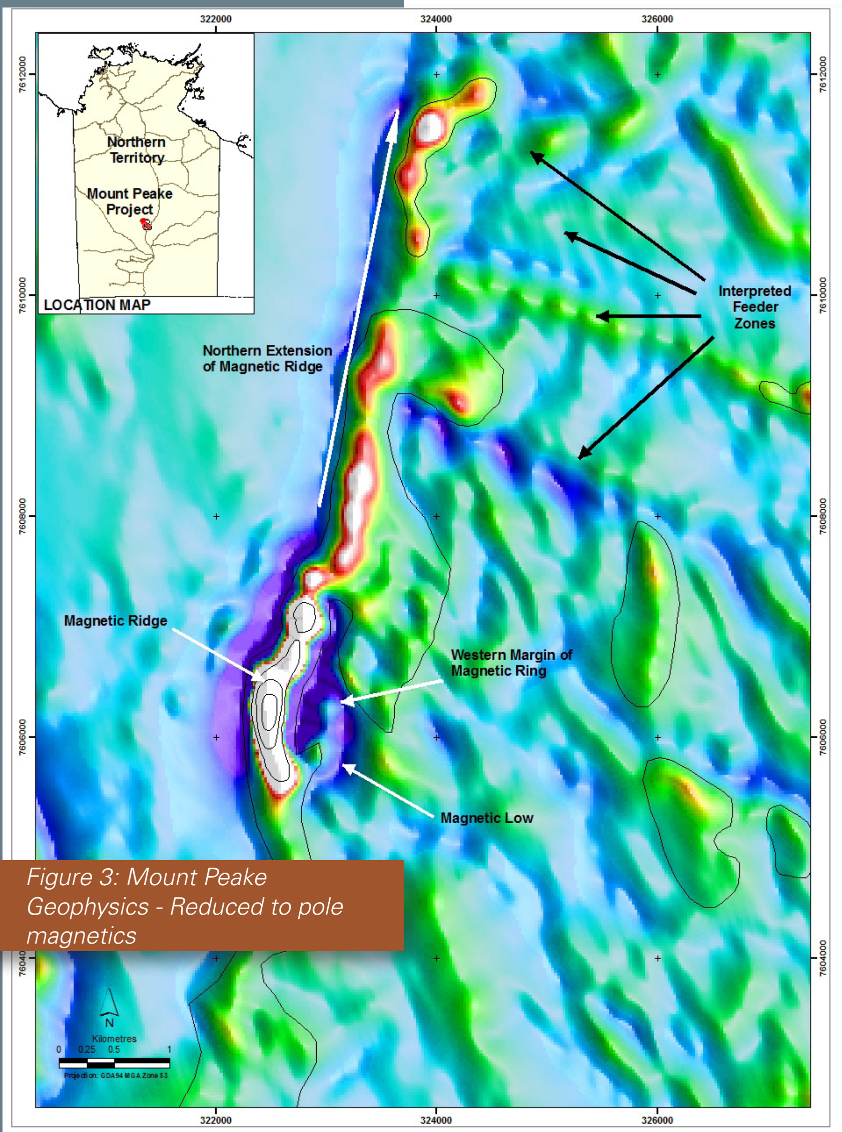


Figure 3: Mount Peake Geophysics - Reduced to pole magnetics

NICKEL, COPPER, PGM "STIRLING DEEPS" PROJECT

As part of TNG's nickel-copper exploration strategy a complete review of both airborne magnetic and electromagnetic data over the Mount Peake licence area has been completed resulting in a new magnetic model for the project area.

Magnetic Model

The northern extension of the 9km linear magnetic anomaly present at Mount Peake is interpreted to contain magmatic feeder zones. This is not dissimilar to other mineralised linear zones where magmatic feeder zones in containing Pd, Pt, Au, Cu and Ni, also coincide. Assessment of the linear northern extension of the magnetic anomaly at Mount Peake has delineated several priority targets within the interpreted feeder zones (see Figure 3) that may represent focus of sulphide accumulation. These will be tested in the next drilling programme.

Airborne GEOTEM

Detailed assessment of the airborne Electro-Magnetics has been completed, 35 late-time, intermediate to strong conductive features identified for further work.

PROJECTS

Two anomalies coinciding in the area are interpreted to be potential feeder zones. These will be drill tested in the programme scheduled to commence in August.

Anomaly BGC1

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

Geochemical & Geophysical Review

TNG has engaged Dr. Nigel Brand of Geochemical Services Pty Ltd to review and assess TNG's geo-chemical data from the Mount Peake project area with a view to selecting prospective areas for nickel-copper and platinum group mineralisation.

Dr. Brand is a highly respected geochemist and experienced nickel explorer and was formerly part of the highly successful Jubilee Mines exploration team.

TNG has also been successful in engaging the Geophysical expertise of Mr. Ben Jones who was also part of the Jubilee exploration team and more recently held the position of Chief Exploration Geophysicist with Xstrata Nickel Australasia before join-ing Southern Geoscience Consultants.

Mr. Jones has been involved in the current review of the data and target selection.

MANBARRUM PROJECT ZINC-LEAD-SILVER, IRON-ORE TNG 100%.

The Manbarrum Project was sold to Teng Fei Mining Ltd (TFM) under a binding contract to acquire the Manbarrum tenements for a consid-eration of USD$8.5 million provided for TNG to retain a 2% net smelter return.

The initial payment on the sale of US$4.5 million was not received by the due date of 10 June, and TNG has served a default notice on TFM requiring the default to be remedied by 27th July 2010.

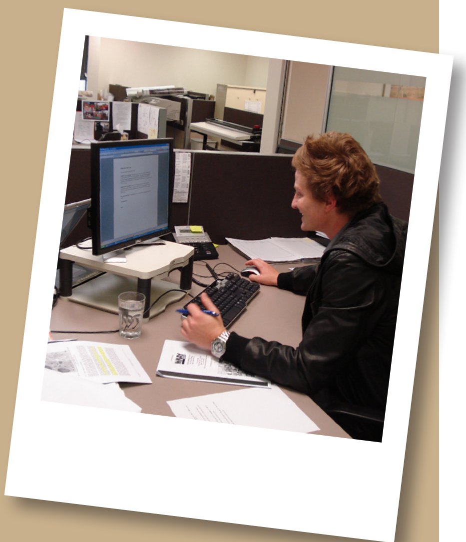
OUR PEOPLE
SAMUEL MOYLE

SAM MOYLE HAS BEEN AN EXPLORATION GEOLOGIST WITH TNG SINCE FEBRUARY 1ST 2010.

TNG would like to welcome Sam Moyle to our team. Sam graduated with a Bachelor of Science - Mineral Exploration Mining Geology from Curtin University, he is a Graduate Member AusIMM and a member of the Association of Applied Geochemists.

Sam has had a varied experience so far in his time as a geologist with TNG, working in several projects across a number of minerals including Iron ore, base metals and gold.

Most recently Sam has been an integral member of the team assessing new exploration ground and will be involved in the new Scoping Study on the Mount Peake project. We appreciate his enthusiasm for the company's projects and welcome him into the company.



The matter is currently in the hands of TNG's lawyers. TNG is unable to comment on the outcome at this time. The Company is progressing with the Mineral Licence Application (MLA) over the Sandy Creek Deposit.

JOINT VENTURE PROJECTS

TNG holds an interest in other tenement groups. However, under the terms of the Joint Venture, the Company does not contribute towards exploration expenditure.

WESTERN DESERT RESOURCES LTD. (WDR) JOINT VENTURE

TNG 100%, (WDR initially earning 51% with scope to earn up to 80%)

During the quarter, WDR completed three holes (ERRC002, ERRC005 and ERRC006) to their planned depths with a diamond drill rig (Figure 4).

The lithologies intersected in these drillholes were a mixture of volcanics, volcaniclastics and igneous rocks which are probably from the Flynn Subgroup which overlies the prospective Warramunga Formation.

The rocks intersected in the drillholes contained zones of magnetite enrichment which explained the target magnetic anomalies.

Composite sampling at 3m intervals was undertaken on the first 100m of the original RC percussion holes.

Table 1: Phosphate values

Hole Number	From m	To m	Width m	P_2O_5 % (>1%)	Depth of Cambrian
ERRC001				No values >1%	24m
ERRC002	82	91	3	1.72	108m
	102	107	5	1.61	
ERRC003				No values >1%	44m
ERRC004	46	58	12	1.81	99m
	82	91	9	1.74	
ERRC005	70	79	9	1.55	117m
	88	104	16	2.58	
includes	97	104	7	4.53	
ERRC006				No values >1%	12m
ERRC007				No values >1%	36m

(Source: WDR)

Assaying for phosphate (P_2O_5) gave the results as shown in table 1 above.

The best intersection was found in hole ERRC005 with 7m at 4.5% P_2O_5 from a downhole depth of 97m.

Further work is warranted to determine if shallower phosphate mineralisation occurs within the project.

McTavish Project
TNG 30%, Barminco 70%

No work undertaken.

Kintore East Joint Venture
TNG 20%, La Mancha 80%

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

OTHER OPPORTUNITIES

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

MINING PROJECTS

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

The Cawse laterite nickel operation has been placed on indefinite care and maintenance by Norilsk Nickel Australia.

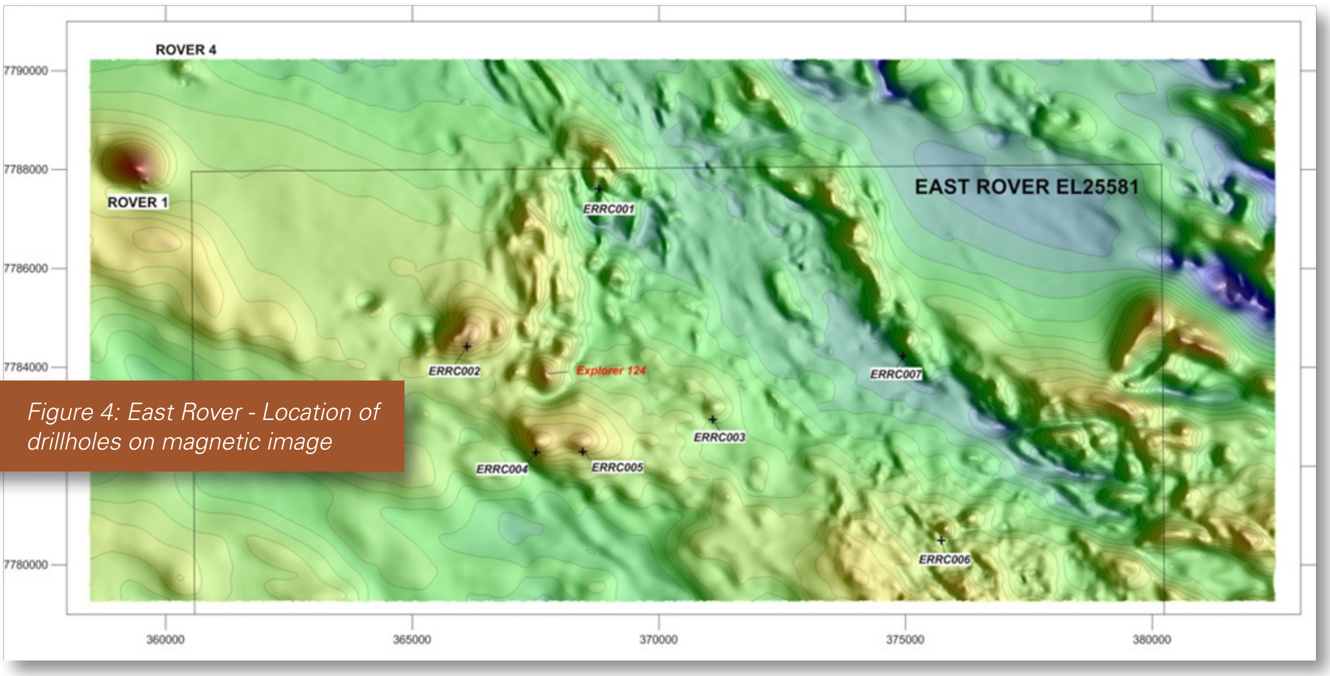


Figure 4: East Rover - Location of drillholes on magnetic image

(Source: WDR)

CORPORATE

DAVIS SAMUEL

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

CORPORATE

At Quarter end, the Company had cash, investments and receivables totalling in excess of $3,800,602 million.

TNG LIMITED

Paul E Burton
Director & CEO

22nd July 2010

Competent Person's Statement

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

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

Forward-Looking Statements

This report contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, objectives, performance, outlook, growth, cash flow, earnings per share and shareholder value, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses, property acquisitions, mine development, mine operations, drilling activity, sampling and other data, grade and recovery levels, future production, capital costs, expenditures for environmental matters, life of mine, completion dates, and currency exchange rates. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast' and similar expressions. Persons reading this report are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Information Form.

This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

Exploration Target

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

TENEMENT SCHEDULE

Project	Tenement ID	Holder	Operator	Date Applied	Status	Area Km²
Manbarrum (NT)	A 24518	TNG 100%	TNG (NT)	15/12/04	Granted	16.85
Manbarrum (NT)	A 26581	TNG 100%	TNG (NT)	14/01/08	Granted	14.65
Manbarrum (NT)	EL 24395	TNG 100%	TNG (NT)	08/09/04	Granted	200.5
Manbarrum (NT)	EL 25470	TNG 100%	TNG (NT)	13/07/06	Granted	199.3
Manbarrum (NT)	EL 25646	TNG 100%	TNG (NT)	16/10/06	Granted	129.3
Manbarrum (NT)	ML(A) 27357	TNG 100%	TNG (NT)	15/05/09	Pending	2.04
Manbarrum (WA)	EL 80/3772	TNG 100%	TNG (NT)	16/10/06	Granted	402
Manbarrum (WA)	EL 80/3816	TNG 100%	TNG (NT)	30/11/06	Granted	224
Mount Peake (NT)	EL 23271	Enigma 100%	TNG (NT)	20/07/01	Granted	95.9
Mount Peake (NT)	EL 23074	Enigma 100%	TNG (NT)	02/03/01	Granted	169.2
Mount Peake (NT)	EL 27069	Enigma 100%	TNG (NT)	01/12/08	Granted	245.9
Mount Peake (NT)	EL 27070	Enigma 100%	TNG (NT)	01/12/08	Granted	89.46
Mount Peake (NT)	ELA 27706	Enigma 100%	TNG (NT)	07/10/09	Pending	579.58
Mount Peake (NT)	ELA 27787	Enigma 100%	TNG (NT)	16/11/09	Pending	139.19
Mount Peake (NT)	ELA 27941	Enigma 100%	TNG (NT)	15/02/10	Pending	660.82
McAurthur River (NT)	ELA 27711	Enigma 100%	Enigma	14/10/09	Pending	170.77
Warramunga (NT)	MLC 647	TNG 100%	WDR	23/03/70	Granted	0.08
Warramunga (NT)	EL 24471	TNG 100%	WDR	23/11/04	Granted	454.95
Warramunga (NT)	EL 25581	TNG 100%	WDR	06/09/06	Granted	1170
Warramunga (NT)	ELA 25582	TNG 100%	WDR	06/09/06	Moratorium	1207
Warramunga (NT)	ELA 25587	TNG 100%	WDR	11/09/06	Pending	248.2
Tanami East (NT)	ELA 24260	TNG 100%	WDR	15/04/04	Pending	462.3
Petermans (NT)	ELA 25562	TNG100%	WDR	23/08/06	Pending	942.15
Petermans (NT)	ELA 25564	TNG 100%	WDR	23/08/06	Pending	1546.49
Petermans (NT)	ELA 26382	TNG 100%	WDR	16/08/07	Pending	406.4
Petermans (NT)	ELA 26383	TNG 100%	WDR	16/08/07	Pending	1300
Petermans (NT)	ELA 26384	TNG 100%	WDR	16/08/07	Pending	909.51
Geothermal (NT)	GEP 27825	TNG Energy 100%	TNG (NT)	01/12/09	Pending	409
Geothermal (NT)	GEP 27826	TNG Energy 100%	TNG (NT)	01/12/09	Pending	1602
Geothermal (NT)	GEP 27827	TNG Energy 100%	TNG (NT)	01/12/09	Pending	1125
Geothermal (NT)	GEP 27828	TNG Energy 100%	TNG (NT)	01/12/09	Pending	5905
Cawse Ext. (WA)	M 24/547	TNG 20%	Norilsk	02/02/96	Granted	8.6
Cawse Ext. (WA)	M 24/548	TNG 20%	Norilsk	02/02/96	Granted	8.6
Cawse Ext. (WA)	M 24/549	TNG 20%	Norilsk	02/02/96	Granted	8.6
Cawse Ext. (WA)	M 24/550	TNG 20%	Norilsk	02/02/96	Granted	8.6
McTavish JV (WA)	M 40/119	Enigma 10.1%	FMR	31/12/93	Granted	1.5
McTavish JV (WA)	M 40/157	Enigma 10.1%	FMR	18/01/95	Granted	0.3

TENEMENT SCHEDULE

Project	Tenement ID	Holder	Operator	Date Applied	Status	Area Km²
McTavish JV (WA)	M 40/77	Enigma 10.1%	Nex Metals	13/06/88	Granted	1.2
McTavish JV (WA)	P 40/1193	Enigma 10.1%	FMR	02/02/07	Granted	1.71
McTavish JV (WA)	P 40/1194	Enigma 10.1%	FMR	02/02/07	Granted	1.82
Kintore East JV (WA)	P 16/2370	TNG 17.55%	LMRA	20/12/06	Granted	1.83
Kintore East JV (WA)	P 16/2371	TNG 17.55%	LMRA	20/12/06	Granted	1.2
Kintore East JV (WA)	P 16/2372	TNG 17.55%	LMRA	20/12/06	Granted	1.5
Kintore East JV (WA)	P 16/2373	TNG 17.55%	LMRA	20/12/06	Granted	1.21
Kintore East JV (WA)	P 16/2374	TNG 17.55%	LMRA	20/12/06	Granted	2
Kintore East JV (WA)	P 16/2459	TNG 17.55%	LMRA	20/12/06	Granted	2

Mount Peake Project Drill Core

CONTACT INFORMATION

DIRECTORS

John W Barr | Chairman

Paul Burton | Director & CEO

Neil Biddle | Non-Executive Director

Eddie Fry | Non-Executive Director

COMPANY SECRETARY

Simon Robertson

SHARE REGISTRY

Computer Share Investor Services Pty Ltd

Level 2, 45 St Georges Terrace

Perth WA 6000

Telephone: 08 9323 2000

Facsimile: 08 9323 2033

CONTACT

PO Box 1126

Subiaco WA 6904

Telephone: 08 9327 0900

Facsimile: 08 9327 0901

Email: corporate@tngltd.com.au

Web: www.tngltd.com.au

SHAREHOLDER ENQUIRIES

Paul Burton

Simon Robertson

AUSTRALIAN STOCK EXCHANGE LISTING

Shares | TNG

FRANKFURT STOCK EXCHANGE LISTING

Shares | A0B60K

MAJOR SHAREHOLDERS

6.28%	CBH Resources Limited
4.73%	RAB Special Situations (Master) Fund Ltd
3.99%	ANZ Nominees
3.77%	J W Barr
2.73%	N Biddle
7.68%	Total Directors Holdings

CAPITAL STRUCTURE - JULY 2010

Type of Security	Exercise Date	Class	Number	Exercise Price
Shares		fully paid ordinary	258,055,076	
Options	31.08.11	(unlisted)	500,000	$0.15
Options	31.12.11	(unlisted)	1,800,000	$0.32
Options	15.12.12	(unlisted)	13,000,000	$0.15