

ASX ANNOUNCEMENT

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PROJECTS

Mount Peake: Fe-V-Ti
Manbarrum: Zn-Pb-Ag
East Rover: Cu-Au

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TNG EXPANDS NT COPPER PORTFOLIO AFTER SECURING KEY NEW EXPLORATION PROJECTS

TWO NEW LICENCES SECURED WITH HISTORIC RESULTS TO 30% Cu

Highlights

- TNG secures new Northern Territory exploration acreage prospective for copper mineralisation.
- Two new Exploration Licences with historical surface rock chip results grading up to 30% Cu.
- Tenements include historical mine and numerous known occurrences of copper mineralisation.
- Exploration will be aimed at large-tonnage, sedimentary-hosted copper deposits.
- Virtually no modern exploration since work undertaken by companies such as MIM, BHP and CRA in the 1970s.

Australian resources company TNG Limited (ASX: **TNG**) is pleased to announce that it has further expanded its Northern Territory copper exploration portfolio after securing **two new Exploration Licences** covering both historic copper mines and numerous known occurrences of copper mineralisation including grades from historic surface rock chip samples of **up to 30% Cu**.

The new EL's, which cover a total area over 650km², were explored for base metals in the 1970s by companies Mt Isa Mines, BHP Minerals Pty Ltd and CRA Exploration Pty Ltd, returning numerous anomalous results over a widespread area.

Exploration will be aimed at large-scale sedimentary-hosted copper deposits similar to Mount Isa and Gunpowder in Queensland and the large copper deposits of Zambia and the Democratic Republic of Congo.

No modern exploration for copper has been undertaken since the 1970s, with TNG identifying the prospects through its own in-house research work.

The new projects represent a significant addition to TNG's Northern Territory minerals portfolio (Figures 1,2), providing an exciting new target for copper exploration alongside its flagship 100%-owned **Mount Peake Project**, where significant high-grade copper mineralisation was discovered in early-stage reconnaissance exploration last year.

The Company plans to accelerate its copper exploration activities this year, alongside its plans to rapidly progress the Mount Peake Vanadium Project and its newly-developed hydrometallurgical process for titanomagnetite vanadium ores.

McArthur – EL 27711

The McArthur River tenement, which is located approximately 50km south of McArthur township along the Tablelands Highway, covers part of the prospective McArthur Basin geology 65km SW of the McArthur Zinc mine. The licence has two major copper targets – **Kilgour Crossing** and **Donkey Yard**, both of which have been explored intermittently over the past 50 years.



The tenement includes numerous other prospective copper targets identified from previous stream sampling results and prospective geology (Figure 3).

Mineralisation is hosted by the Mallapunyah formation, in two dolomitic and variably bituminous intervals informally termed the 'upper' and 'lower' **copper beds**, which are 1m to 150mm thick, respectively. **Chalcocite** and **chalcopyrite** are present in the 'lower copper bed' along its **strike length of 500m**. Copper mineralisation in the lower copper bed 5km north of the Kilgour crossing prospect comprised about equal quantities of chalcocite and **bornite**.

Previous exploration by companies including Carpentaria Exploration, Australian Geophysicals, Aberfoyle and Mount Isa Mines returned significant results from surface rock chip sampling including grades **of up to 2.0% Cu** at Donkey Yard and **up to 1.9% Cu** at Kilgour Crossing.

TNG is planning to commence exploration activities with a thorough rock chip sampling program at Kilgour Crossing and Donkey Yard, as well as at over six other previously identified geophysical targets and two copper occurrences identified by the Northern Territory Geological Survey (NTGS).

Black Springs EL 28503

The Black Springs tenement is located 4km south of McArthur EL 27711 securing southern extensions of the prospective McArthur stratigraphy.

Yah Yah – EL 28509

The Yah Yah tenement, which is located approximately 50km south-west of the McArthur township, contains the historical Yah Yah **copper mine**, which was discovered in the 1900s and produced some 40 tonnes of hand-picked, high-grade copper (20-30% Cu) ore prior to 1912.

Yah Yah and the surrounding area were explored by Carpentaria Exploration in the late 1960s, CRA Exploration Pty Ltd in the 1980s and 1990s and BHP Minerals Pty Ltd in the 1990s. The old workings are focused on a narrow (less than one metre thick) brecciated zone across an exposed strike length of about 100 metres. No significant work or drilling has been carried out to define the extent of this mineralisation or structure.

A grab sample collected from a Yah Yah waste dump by CRA Exploration **assayed 30.4% Cu**. In addition, BHP completed a soil survey which returned best results of up to 562ppm Cu coming from a 300m wide zone over the old structure.

TNG plans to complete a thorough rock chip sampling program over the Yah Yah region in order to confirm the scope and tenor of mineralisation, and will potentially also conduct a VTEM survey to map the host rock.

TNG's CEO, Mr Paul Burton, said the new tenements represented an exciting addition to the Company's exploration portfolio in the Northern Territory.

"These new tenements contain a number of highly prospective copper exploration targets in a region that is relatively underexplored, but has demonstrated geological potential to host significant copper mineralisation," Mr Burton said.

"We are looking forward to commencing our initial exploration program later this year, in parallel with additional work planned at Mount Peake to test the new copper discovery announced last year," he added.

The Company has applied for further Exploration Licences in the McArthur region, and will advise the market if they are secured.

TNG LIMITED

Paul E Burton

Director & CEO

20 January 2011

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Paul Burton who is a Member of The Australasian Institute of Mining and Metallurgy, an employee and 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.

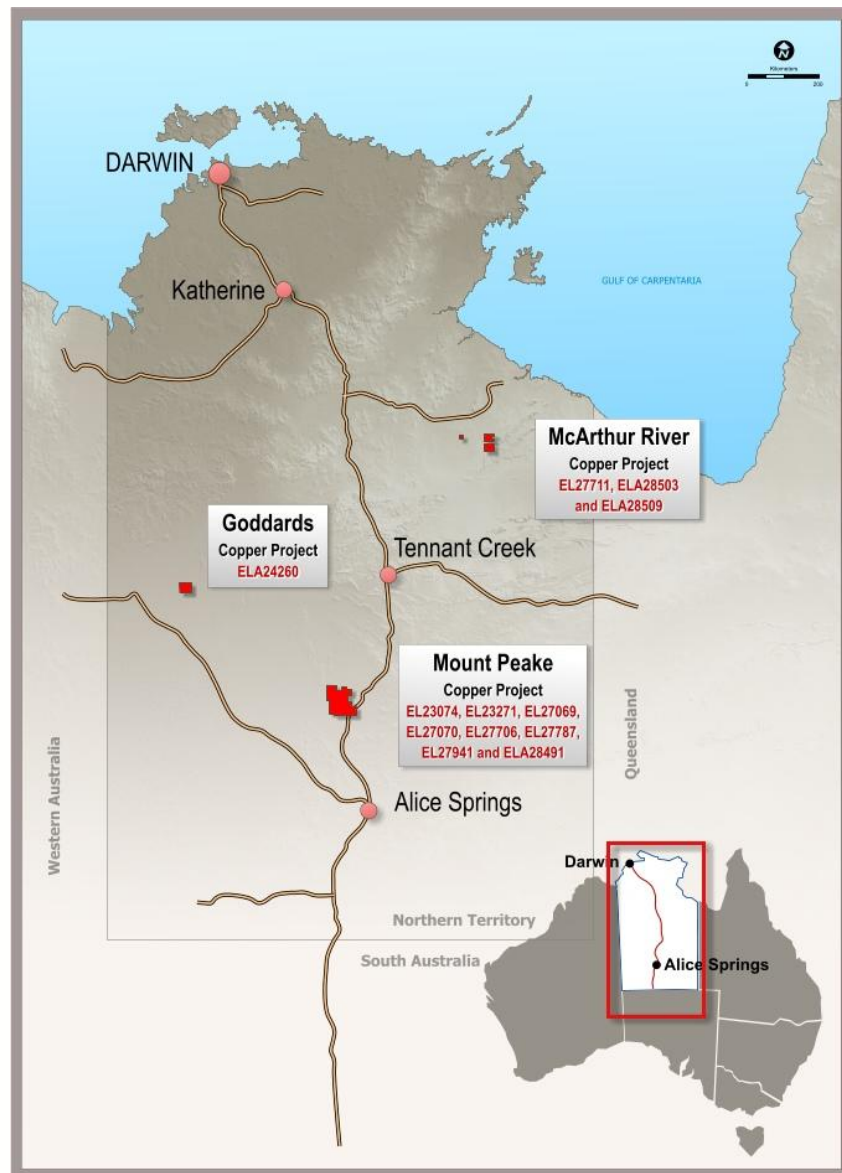


Figure 1: Location Map; TNG Copper Exploration Licences NT

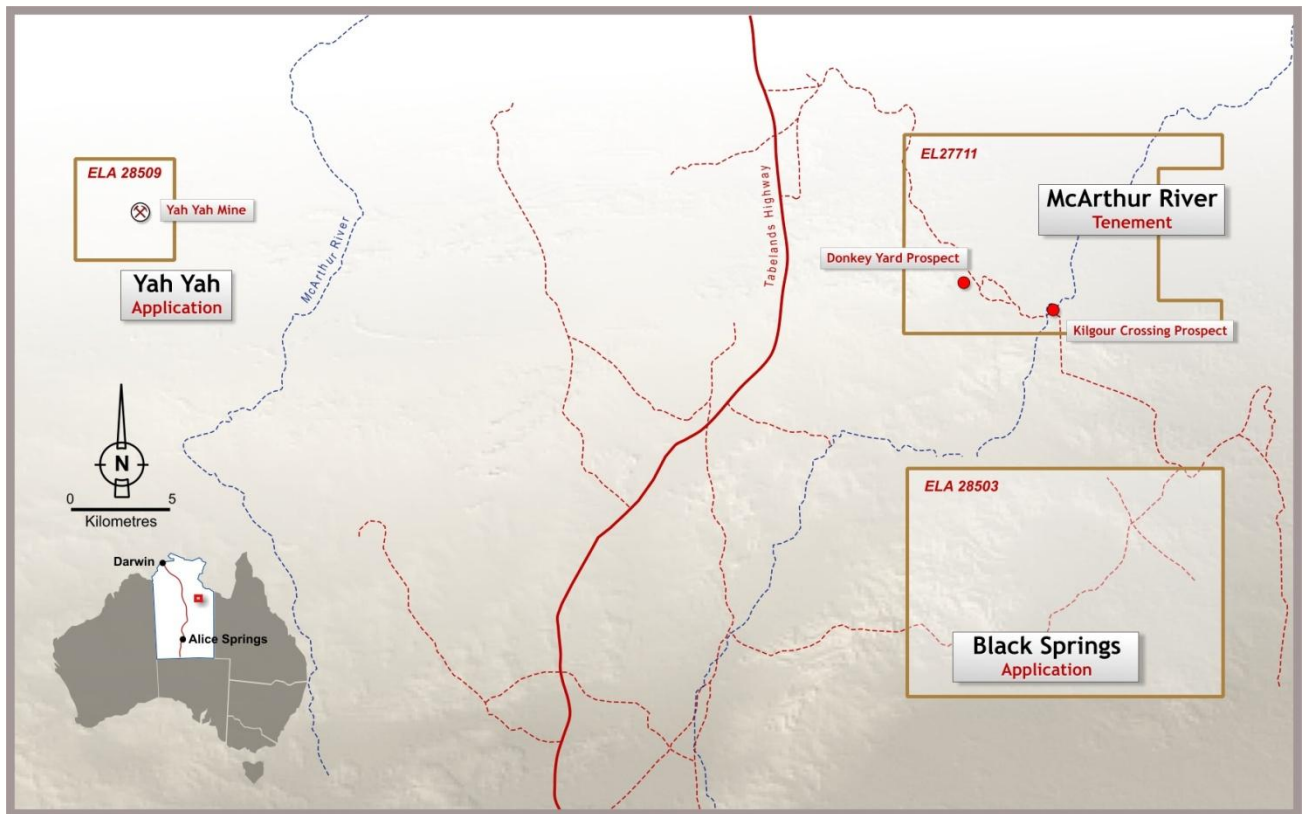


Figure 2: New McArthur Licences

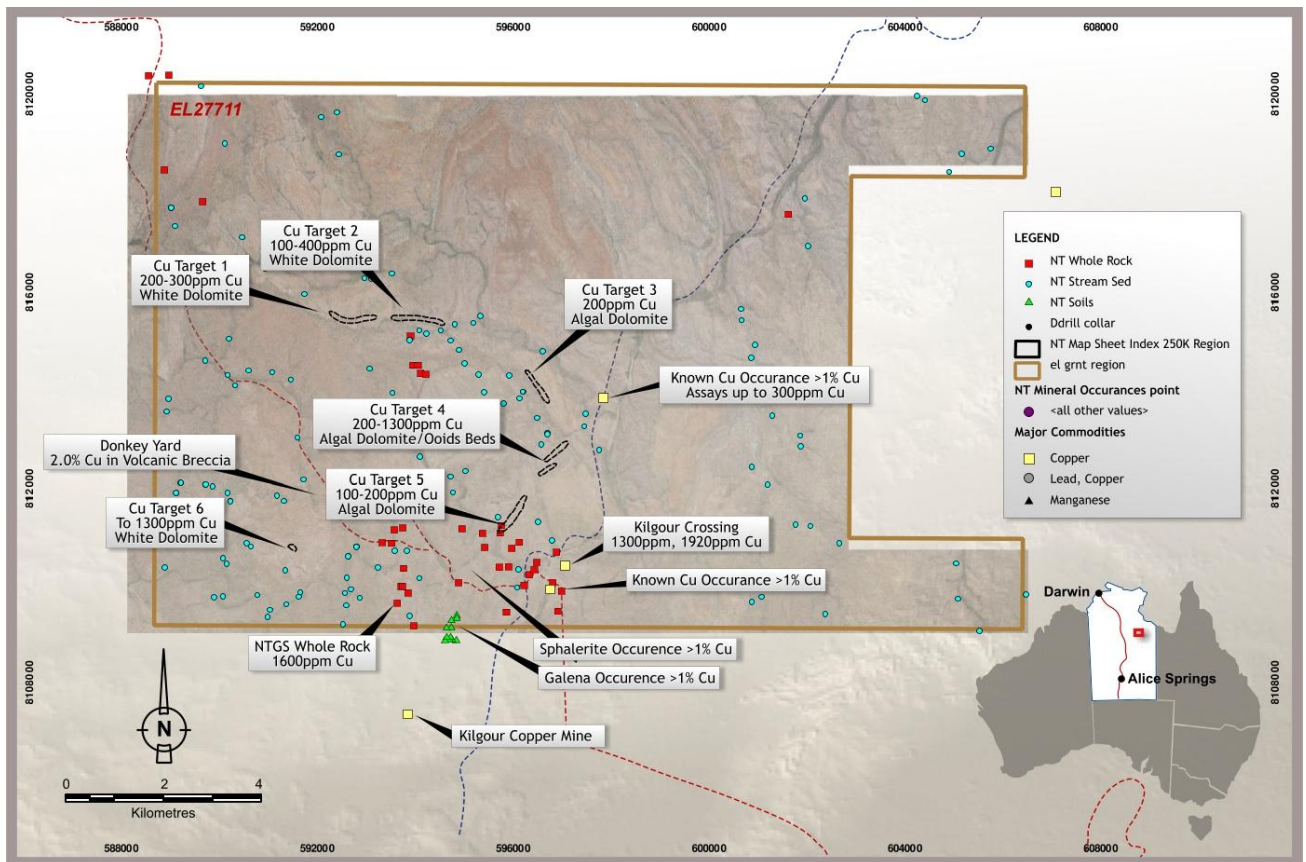


Figure 3: McArthur EL27711 Previous Exploration results