TNG LIMITED

ASX ANNOUNCEMENT

ASX CODE : TNG

REGISTERED OFFICE
TNG Limited
Level 1, 282 Rokeby Road
Subiaco, Western Australia 6008

T +61 8 9327 0900
F +61 8 9327 0901

W www.tngltd.com.au
E corporate@tngltd.com.au

ABN 12 000 817 023

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

CONTACT DETAILS
Paul Burton | +61 8 9327 0900
Nicholas Read | +61 419 929 046
Simon Robertson | +61 8 9327 0900

METALLURGICAL DIAMOND DRILLING COMPLETED AT MOUNT PEAKE FOR KEY PILOT PLANT TESTWORK

Drilling returns continuous mineralised intersections of up to 144m

Highlights

- **Program of 8 diamond drill holes completed with core extracted for metallurgical pilot plant testwork program**
- **Continuous homogeneous mineralisation intersected with grades of up to 0.6% V_2O_5, 8% TiO_2 and 26% Fe in magnetite[1]**
- **Mineralisation continuous over widths up to 144m**
- **Core shipped to laboratory to commence pilot test programme**
- **Reverse Circulation resource drilling programme to commence by early July**
- **Mount Peake Pre-Feasibility Study progressing on schedule**

Australian resources company TNG Limited (ASX: TNG) is pleased to advise that diamond drilling has now been completed at its flagship **Mount Peake Iron-Vanadium-Titanium Project** in the Northern Territory ahead of a key pilot plant testwork programme (*see Figure 1*).

Eight diamond drill holes have been completed for a total of 912m through the central part of the resource (*see Figure 2*). All diamond core has been shipped to the laboratory and will be used to provide representative samples for metallurgical and pilot plant testwork using the Company's patent pending TIVAN™ hydrometallurgical process. The test work will provide final optimisation parameters, scalability and commercialisation of the process and is expected to take approximately 26 weeks.

As previously reported to the ASX, logging of the core indicates the presence of continuous magnetite mineralisation over **down-hole widths of up to 144 metres**. The intersections are representative of true width and reflect homogeneous magnetite mineralisation (*see Table 1*). The drilling has also demonstrated the shallow nature of the overburden, which has positive implications for the future mine plan.

The HQ sized core has been photographed and logged by TNG's geologists, and magnetic and Niton[1] readings were recorded prior to the core being shipped for further metallurgical and pilot plant test work.

All drill holes have returned consistent **vanadium grades of up to 0.6% V_2O_5[1]** in magnetite, which are the highest grades achieved to date from the Project, with Titanium and Iron grades maintaining consistency with previous results (*see Table 1*).

A 2,000m Reverse Circulation (RC) resource definition drilling programme is expected to commence in July, representing the final round of drilling ahead of the Mount Peake resource update. The grade and widths reported from the drilling to date are expected to provide support for an increase in both tonnes and grade in the next JORC resource upgrade for the Project.

In addition, TNG is pleased to confirm that Pre-Feasibility work is progressing on schedule for completion in October 2011 (*see Figure 3*) with engineering, process design, hydrology, Native Title and environmental studies underway.

A progress update on this work will be provided on completion of relevant milestones.

TNG LIMITED
Paul E Burton
Managing Director
22 June 2011

Enquiries:

Paul E Burton,
Managing Director **+ 61 (0) 8 9327 0900**

Nicholas Read,
Read Corporate **+ 61 (0) 419 929 046**

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.

Hole No	Azim.	Dip	From (m)	To (m)	V_2O_5 %	Fe %	TiO_2 %	Comments
11MPDDH003	90	-60	0	13				
			13	81	0.2-0.5	11 - 19	5-10	Magnetite rich laminated olivine gabbro
11MPDDH004	90	-60	0	11				Overburden
			11	122	0.2-0.5	11-20	5-12	Magnetite rich laminated olivine gabbro
11MPDDH005	90	-60	0	14				Overburden
			14	158	0.2-0.6	17-26	7-14	Magnetite rich laminated olivine gabbro
11MPFFH006	90	-60	0	8				Overburden
			8	125	0.2-0.4	11-23	5-8	Massive coarse grained olivine gabbro and Interlayered massive and laminated olivine gabbro
11MPDDH007	90	-60	0	12				Overburden
			12	130	0.2-0.5	11-23	5-12	Massive coarse grained olivine gabbro
11MPDDH008	90	-60	0	18				Overburden
			18	130	0.2-0.6	10-24	4-13	Massive coarse grained olivine gabbro
11MPDDH009	90	-60	0	41.5				Overburden
			41.5	150	0.2-0.6	11-25	3-14	Massive coarse grained leucocratic olivine gabbro
11MPDDH010	90	-60	0	25				Overburden
			25	150	0.2-0.5	10-22	4-11	Massive coarse grained leucocratic olivine gabbro

Table 1: Summary of completed diamond drilling and Niton[1] results

[1] Niton is a field portable hand held Xray Fluorescence Analytical instrument. Values recorded may not be equivalent to laboratory generated assays but are an accurate guide.

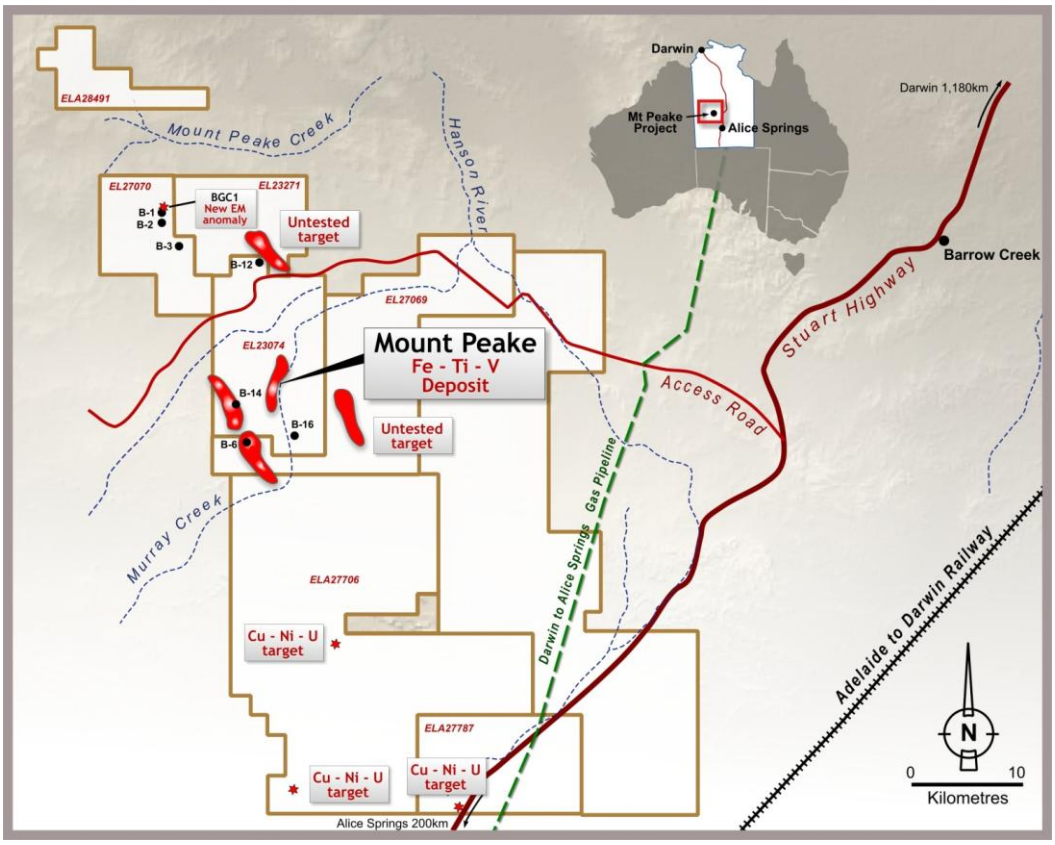

Figure 1: Mount Peake Location Map

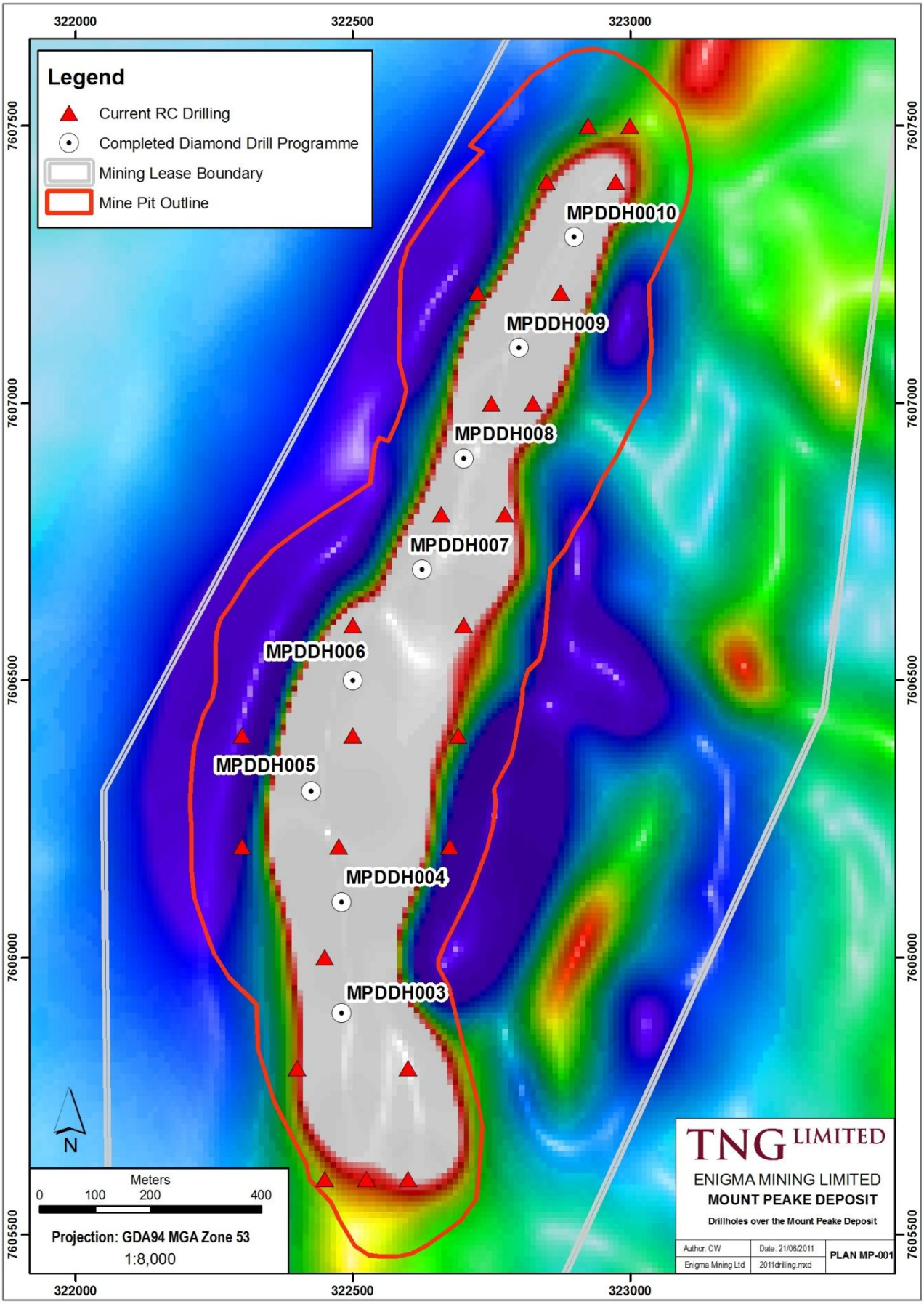

Figure 2: Mount Peake Deposit Completed Diamond Drill Holes

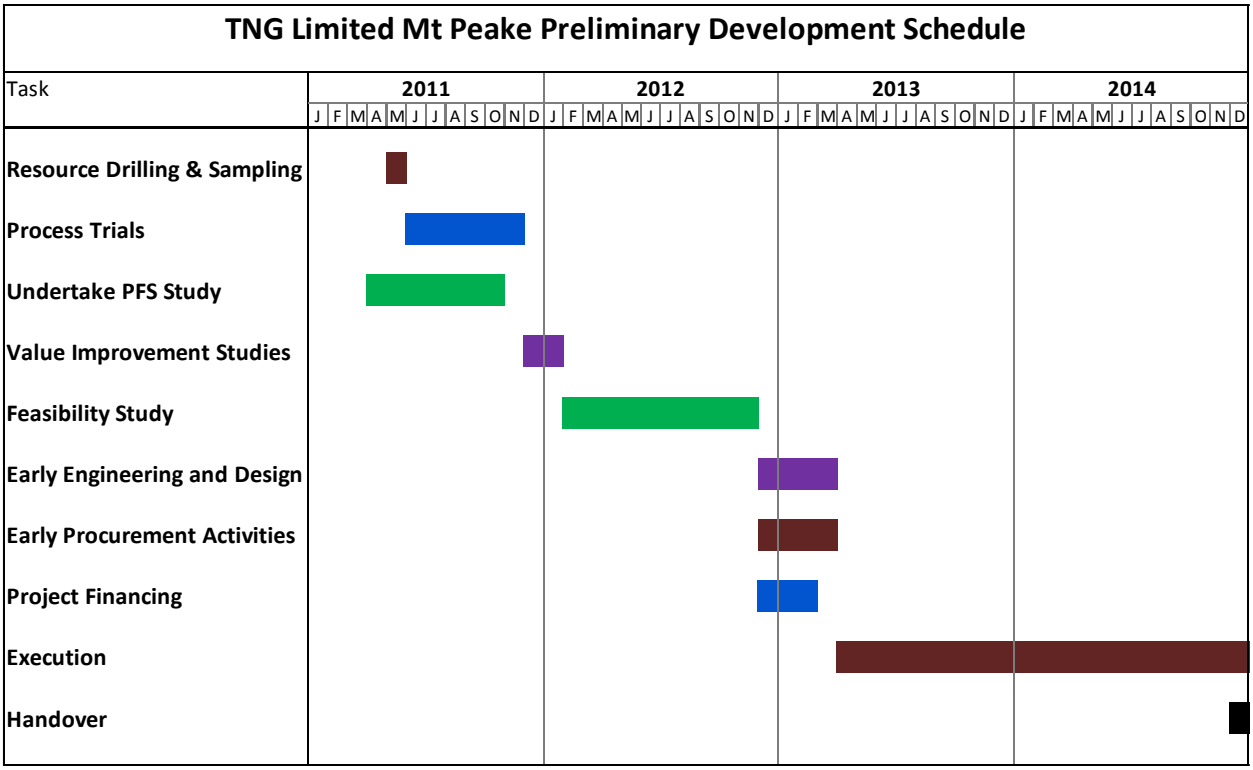

Figure 3: Mount Peake Pre-Feasibility Study Preliminary Development Schedule