

TNG LIMITED

TNG LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting will be held at
The Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western
Australia
on Monday, 28 November 2011 at 10am (WST).**

**Shareholders are urged to attend or vote by lodging the proxy form
attached to this Notice.**

TNG LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of TNG Limited ("**Company**") will be held at The Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western Australia on Monday, 28 November 2011 at 10.00am (WST) ("**Meeting**").

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Saturday 26 November 2011 at 5.00 pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Financial, Directors' and Auditors' Report

To receive the Financial Report, Directors' Report and Auditor's Report of the Company and its controlled entities for the financial year ended 30 June 2011.

2. Resolution 1 – Remuneration Report

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on this Resolution 1 if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; and
- (b) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

3. Resolution 2 – Re-election of Mr Neil Biddle as a Director

To consider, and if thought fit to, pass as an ordinary resolution with or without amendment the following:

"That Mr Neil Biddle, who retires in accordance with the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

4. Resolution 3 – Approve Placement Facility

To consider, and if thought fit, pass with or without amendment as an ordinary resolution the following:

*"That, in accordance with Listing Rule 7.1 and for all other purposes Shareholders approve and authorise the issue of up to 40 million Shares each at an issue price of not less than 80% of the average market price of Shares on the five trading days prior to the date of the issue of the Shares or, if there is a prospectus relating to the issue of the Shares, over the last five trading days prior to the date of the prospectus is signed (**Placement Facility**) on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the Placement Facility and a person who might obtain a benefit (except a benefit solely in their capacity as holders of ordinary securities) if the Resolution is passed, and any associate of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 21 October 2011
By Order of the Board



Simon Robertson
Company Secretary

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western Australia on Monday, 28 November 2011 at 10.00am (WST).

2. Financial, Directors' and Auditors Report

There is no requirement for Shareholders to approve the Annual Report (which includes the Financial, Directors' and Auditors Report).

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2011 which is online at www.tngltd.com and click on the direct link;
- (b) ask questions or make comment on the management of the Company;
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the auditor's report;
- (b) the conduct of the audit;
- (c) accounting policies by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

3. Resolution 1 – Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

The Board believes the Company's remuneration policies and structures as outlined in the Remuneration Report are appropriate relative to the size of the Company, its business and strategic investment objectives and current and emerging market practices.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act has been amended by the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act (**Director and Executive Remuneration Act**) which received the Royal Assent on 27 June 2011 and came into effect on 1 July 2011.

The Director and Executive Remuneration Act introduced new sections 250U and 250Y, among others, into the Corporations Act, giving Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that it may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman will not cast undirected votes on Resolution 1.

4. Resolution 2 – Re-election of Mr Neil Biddle

Article 6.3(b)(ii) of the Constitution requires that a Director must retire from office no later than 3 years following that Director's last election. Furthermore, Article 6.3(c) provides that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number)

Article 6.3(f) provides that a Director who retires under Article 6.3(b)(ii) and 6.3(c) is eligible for re-election.

Pursuant to these Articles, Mr Neil Biddle will retire and seek re-election.

The Board believes that Mr Biddle has performed his duties and responsibilities as a director diligently and professionally, in the best interests of all Shareholders.

The Board unanimously supports the re-election of Mr Biddle

5. Resolution 3 – Approve Placement Facility

5.1 General

Resolution 3 seeks Shareholders' approval pursuant to Listing Rule 7.1 for the Directors to allot and issue the Shares under the Placement Facility.

The effect of passing Resolution 3 will be to allow the Directors to issue the Shares during the three month period after the Meeting (or a longer period, if allowed by ASX), without using up the Company's 15% placement capacity under Listing Rule 7.1.

The Company has not yet made any agreement or arrangement to issue the Shares or the number of Shares to be issued under the Placement Facility (other than the limit of 40,000,000 Shares) and there is no certainty that it will proceed with the issue.

5.2 Specific Information Required by ASX Listing Rule 7.3

For the purposes of Listing Rule 7.3 information regarding the Placement Facility is provided as follows:

- (a) The maximum number of securities the Company may issue under the Placement Facility is 40,000,000 Shares.
- (b) The Shares under the Placement Facility will be issued no later than three months after the date of the Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of Listing Rule 7.3.2).
- (c) The Shares to be issued under the Placement Facility will be issued by the Company at an issue price of not less than 80% of the average market price for Shares on the last five days on which sales in the Shares were recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the Shares were recorded before the date the prospectus is signed.
- (d) As subscriptions to the Placement Facility have not yet been arranged, the allottees will be determined at the Directors' discretion but will be professional and sophisticated investors under the Corporations Act and will not be related parties or associates of related parties of the Company.
- (e) The Shares to be issued will be fully paid ordinary shares in the capital of the Company. The Shares will rank equally with other ordinary Shares on issue.
- (f) The funds raised will be used for working capital purposes including expenditure in respect to the Company's Mount Peake and other projects.
- (g) Allotment of the Shares to be issued under the Placement Facility will occur progressively.
- (h) A voting exclusion statement is included in the Notice.

6. Action to be taken by Shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

6.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

6.2 Voting Prohibition by Proxy Holders

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; and
- (b) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

Schedule 1 - Definitions

In this Explanatory Memorandum, Notice and Proxy Form:

Annual Report means the 2011 annual report of the Company and its controlled entities a copy of which was lodged with ASX.

Article means an article of the Constitution.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Company means TNG Limited ABN 12 000 817 023.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Explanatory Memorandum means the explanatory memorandum to the Notice.

Financial Report means the 2011 annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the Listing Rules of ASX.

Meeting has the meaning given in the introductory paragraph of this Notice.

Notice means this notice of meeting.

Placement Facility has the meaning in Resolution 3.

Proxy Form means the proxy form attached to this Notice.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time, being the time in Perth, Western Australia.

PROXY FORM

The Company Secretary
TNG Limited

By delivery:
Level 1, 282 Rokeby Road
SUBIACO WA 6008

By post:
PO Box 1126
SUBIACO WA 6904

By facsimile:
+618 9327 0901

For information on returning this proxy form please see instructions over the page.

I/We ¹ _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____

Step 1 - Appoint a Proxy to Vote on Your Behalf

The Chairman of the Meeting (mark box)

☐

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at 10am (Perth time) on Monday 28 November 2011, at the Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western Australia and at any adjournment or postponement of that Meeting.

Important for Resolution 1 – If the Chairman of the Meeting is your proxy or is appointed your proxy by default

By marking the box below, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions as set out below and in the Notice of Meeting. If you do not mark the box below, and you have not directed the Chairman of the Meeting how to vote on Resolution 1, the Chairman of the Meeting will not cast your votes on Resolution 1 and your votes on Resolution 1 will not be counted in computing the required majority if a poll is called on this Resolution. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking the box below (in which case the Chairman of the Meeting will vote in favour of Resolution 1).

The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 1.

☐

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 1 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolutions 1 are connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with ☒

Step 2 - Instructions as to Voting on Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Approval of Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Director Mr Neil Biddle as a Director	☐	☐	☐
Resolution 3	Approve Placement Facility	☐	☐	☐

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

Authorised signature/s

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date¹Insert name and address of Shareholder² Insert name and address of proxy

*Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate 'Certificate of Appointment of Representative' should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company (Level 1, 282 Rokeby Road, Subiaco WA 6008, or by post to PO Box 1126 Subiaco 6904 or Facsimile (08) 9327 0901 if faxed from within Australia or +618 9327 0901 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).