TNG LIMITED

ASX ANNOUNCEMENT

ASX CODE: TNG

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

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TNG COMPLETES MAJOR INVESTMENT MILESTONE WITH CHINESE AND BOOSTS CASH TO $11M

INVESTMENT TO PROGRESS EVALUATION OF MOUNT PEAKE STRATEGIC METALS PROJECT AND ADVANCE OTHER PROJECTS

Key Points:

- **Completes final stage of overall $13.4M transaction with China's ECE and Aosu Investment & Development Co Pty Ltd**
- **$6.8M investment completed at 11 cents per share by Ao-Zhong International Mineral Resources Pty Ltd, a subsidiary of China's ECE**
- **ECE is one of China's leading explorers and resource developers while Aosu is a privately owned industrial and high-technology group**
- **Experienced ECE executive Mr Jianrong XU appointed to TNG Board**

Australian resources company TNG Limited (ASX: TNG) is pleased to advise that it has further strengthened its cash position to over **$11 million** and cemented the foundations for its growth after completing the final stage of its previously announced **$13.4 million** transaction with two key strategic Chinese companies.

The overall transaction has resulted in the introduction to the Company's register of Ao-Zhong International Mineral Resources Pty Ltd ("Ao-Zhong"), a subsidiary of the Jiangsu Eastern China Non-Ferrous Metals Investment Holding Co. Ltd ("ECE"), and a privately owned Chinese industrial and high-technology company, Aosu Investment and Development Co Pty Ltd ("Aosu") – with a combined cornerstone holding of approximately 30 per cent.

The second and final stage of the transaction was completed today with Ao-Zhong subscribing for 62,249,812 TNG shares at 11 cents per share – which is a significant premium to the current share price – raising a total of **$6.8 million** (before costs).

The Ao-Zhong investment follows approval from Australia's Foreign Investment Review Board ("FIRB") for the transaction and Ao-Zhong obtaining all necessary waivers, consents and approvals from the Department of Commerce of Jiangsu Province, Jiangsu Development & Reform Commission and the State Administration of Foreign Exchange Jiangsu Branch.

The first stage of the transaction was completed on 18 January 2012, under which Aosu subscribed for 59,808,643 shares at 11 cents per share, resulting in a cash injection of **$6.6 million** (before costs).

The overall $13.4 million transaction with ECE was approved by shareholders at a general meeting of the Company on 21 December 2011.

Completion of Ao-Zhong's subscription provides continued funding to enable progression of TNG's flagship Mount Peake Iron-Vanadium-Titanium Project and commercialisation of the TIVAN™ hydrometallurgical process; the funds will also underpin continued activity at the Company's other projects.

Under the terms of the Subscription Agreement (which was varied by way of a variation deed dated 18 January 2012), TNG is also pleased to announce the appointment of **Mr Jianrong XU** as a non-executive director, effective from completion of the investment by Ao-Zhong. Under the terms of the Subscription Agreement Jianrong XU will be appointed as the new Chairman of the Company at the first board meeting following completion.

Mr Xu is Deputy Director General of East China Mineral Exploration & Development Bureau ("ECMED"). Mr Xu obtained his BA in geophysics from Central South University in 1983 and has worked with ECMED since graduating. He had been working in Team 814 of ECMED for almost 24 years and successively held the post of head of geophysics prospecting team, project manager, deputy director and director. In January 2007, he was appointed as Deputy Director General of ECMED.

Mr Xu is also the current General Manager of ECE, Deputy Managing Director of Jiangsu Geophysical Society, the Chairman of HK ECE, Hong Kong East China Non-Ferrous International, Mineral Development Co Ltd, Namibia East China Non-ferrous Investment Pty Ltd and other ECMED wholly owned subsidiaries. Mr Xu is also a director of AIM-listed company, China Africa Resources Plc.

Further information about Mr Xu and ECE was set out in the Notice of Meeting released to ASX on 21 November 2011.

The Directors of TNG welcome the appointment of Mr Xu to the Board, which supports the Company's future development and strategic plans.

The completion of the ECE transaction marks a significant milestone for TNG, as it continues to progress feasibility and development activities at its flagship Mount Peake project. The Company recently took a key step towards confirming the commercial potential of the TIVAN™ hydrometallurgical process, which will underpin Mount Peake, after receiving outstanding analytical results from a continuous-run pilot plant testwork program.

TNG's Managing Director, Mr Paul Burton, said he was delighted the transaction had been completed and welcomed Ao-Zhong and Aosu as strategic cornerstone shareholders in the Company, saying TNG looked forward to working with both groups towards the successful development of the Company's Mount Peake Project, and evaluation of other projects in its portfolio.

"*The completion of this transaction marks a major milestone for TNG and provides significant working capital, primarily to underpin the continued evaluation and development of the Mount Peake Project, but also to support the continued development of our other assets*," Mr Burton said.

"This puts TNG, in the current uncertain market environment, in an exceptionally strong position to press ahead with our strategic plans for the Company's continued growth which includes commercialisation of the TIVAN™ process, advancing our flagship Mount Peake Project to the next stage, and bringing forward exploration of our other exciting exploration assets, including our highly prospective copper tenements in the Northern Territory.

"*TNG is now in a unique position as a junior explorer with the support of two key strategic Chinese companies providing a foundation for continued growth – with State Owned Enterprise ECE's vast experience spanning the fields of mineral exploration, resource evaluation and mining, together with privately owned Aosu, a high-technology industrial company and potential end-user of the strategic metals we could produce. We look forward to the involvement of both groups in TNG's future."*

TNG LIMITED

Paul E Burton
Managing Director

25th May 2012

About ECE

ECE is a subsidiary of the East China Mineral Exploration & Development Bureau, which is a major Chinese mineral exploration, development and mining group, based in Nanjing that has been set up since 1955. It has over 5,000 employees and is one of the few organisations authorised by the Chinese Government to carry out geological exploration and scientific research in major State classified projects.

ECE has discovered more than 160 ore deposits in China with a potential value of in excess of $10 billion.

About Aosu

Aosu is part of the Wanlong group of companies ("Wanlong Group"), consisting of Suzhou Wanlong Electric Group Co. Ltd ("Wanlong"), which is the holder of 51% of the issued capital of Aosu, and Suzhou Beijia Investment Co Ltd ("Beijia"), which is the holder of the remaining 49% of the issued capital of Aosu.

Wanlong is a high and new tech enterprise that specialises in the 'Distribution Network Automatic Managing System', 'Automatic Systematic Solution of Motor Controlling' and Intelligent Apparatus, Meters and Components.

Beijia is a private company established on 12 August 2011 which focuses on investments in many fields such as computers, software and auxiliary equipment, office equipment, metal materials and products, mechanical and electrical equipment and accessories, machinery and equipment and accessories, instrumentation, communications equipment and related products, and environmental protection equipment sales.

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