

ASX ANNOUNCEMENT

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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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DRILLING EXPANDS STRATEGIC METALS RESOURCE POTENTIAL AT MOUNT PEAKE

NEW DRILLING SUPPORTS EXPLORATION TARGET OF 500-700Mt¹

Key Points:

- **Wide intersections up to 206m received from RC drilling**
- **Consistent assay grades with existing Mount Peake Resource**
- **Underlines the potential of Mount Peake Project Area (MPPA) as a world-class iron-vanadium-titanium region**

Australian resources company TNG Limited (ASX: TNG) is pleased to advise that a recently completed regional drilling program at its flagship **Mount Peake Iron-Vanadium-Titanium Project** in the Northern Territory has confirmed the potential to further increase the Company's resource inventory in the region.

The reverse-circulation (RC) drilling programme was aimed at confirming the presence of additional magnetite-gabbro - the host to the iron-vanadium-titanium mineralisation at the Mount Peake deposit - within very large magnetic features around the existing Mount Peake deposit. Confirmation of additional magnetite-gabbro could significantly expand the resource potential in the Mount MPPA where TNG holds over 2000km² of prospective ground.

Three large magnetic zones and one isolated magnetic anomaly were identified from geophysics and fieldwork to have the potential for new vanadium- and titanium-bearing magnetite zones (*see Figure 1*).

Two of these magnetic zones are now confirmed as large magnetite-rich gabbro bodies while one drill hole intersected a large granitic body in the southern anomaly. The northern anomaly drill holes intersected gneissic bodies (*see Tables 1 and 2 attached*).

Four drill holes intersected significant true widths of magnetite-rich gabbro:

Hole No.	From (m)	To (m)	Intersection (m)	Dip	Azimuth
12MPBFRC001	2	206	204	-60°	060°
12MPBFRC002	50	198	148	-60°	060°
12MPBFRC003	23	198	175	-60°	060°
12MPBBERC001	64	180	116	-55°	180°

Table 1: Significant Intersections in Magnetite-gabbro.

Drillhole 12MPBBERC001 is of particular interest as this anomaly formed part of a relatively subdued magnetic feature. The presence of magnetite gabbro in this region significantly enhances the Company's understanding of the geology of the area and the potential for large magnetic gabbro bodies to be present even in relatively low magnetic areas.

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

Assay results from these holes have produced grades consistent with those noted at the Mount Peake deposit (Table 2) and provide further encouragement that higher mineralised grades may exist within the magnetic features. Further drilling will be required to substantiate this but as mineralisation has been identified in this preliminary phase the potential is encouraging. It also provides encouragement to further assess untested magnetic features in the MPPA.

Hole No.	From (m)	To (m)	Length (m)	Grade Fe ₂ O ₃ (%)	Grade V ₂ O ₅ (%)	Grade TiO ₂ (%)
12MPNRC003	48	72	24	23.36	0.20	3.00
	104	108	4	23.82	0.17	3.16
12MPBBERC001	130	164	34	21.94	0.20	4.63
Incl.	145	152	7		0.25	5.36
Incl.	159	164	5		0.30	4.60

Table 2: Significant analytical results, (XRF).

The company concludes that these results open up the potential in the MPPA for a substantial increase to the current Mount Peake JORC Indicated and Inferred Resource of **160Mt @ 0.3% V₂O₅, 5% TiO₂ and 23% Fe (Indicated 110Mt @ 0.29% V₂O₅, 5.3% TiO₂ and 23% Fe; Inferred 48Mt @ 0.24% V₂O₅, 4.5% TiO₂ and 21% Fe).**

The updated resource model compiled by Snowden Mining Consultants (published on 12th October 2011) revealed that the Mount Peake deposit itself remains open to the east. This together with the latest encouraging drilling results provides further support for the Company's Exploration Target¹ for the Mount Peake Project Area (MPPA) of 500-700Mt with a grade range of 0.2-0.4% V₂O₅, 20-40% Fe₂O₃, 4-6% TiO₂.

Further drilling to substantiate the resource potential in the MPPA leading to additional JORC estimates will be carried out during the next diamond drilling programme, that will be included in forthcoming programmes to test the copper prospects the recently acquired Mount Hardy Copper Field and Wallabana Copper project all of which fall into the broad MPPA.

All further work will be assessed following completion of the current Pre-Feasibility Study.

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COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results and Exploration Targets are based on information compiled by Mr Paul Burton, B.Sc, M.Sc, is also a Member of The Australasian Institute of Mining and Metallurgy , and an employee and Director of TNG Limited. Mr 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'. Mr 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 Lynn Olssen who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of Snowden Mining Industry Consultants Pty Ltd. Lynn Olssen 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'. Lynn Olssen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

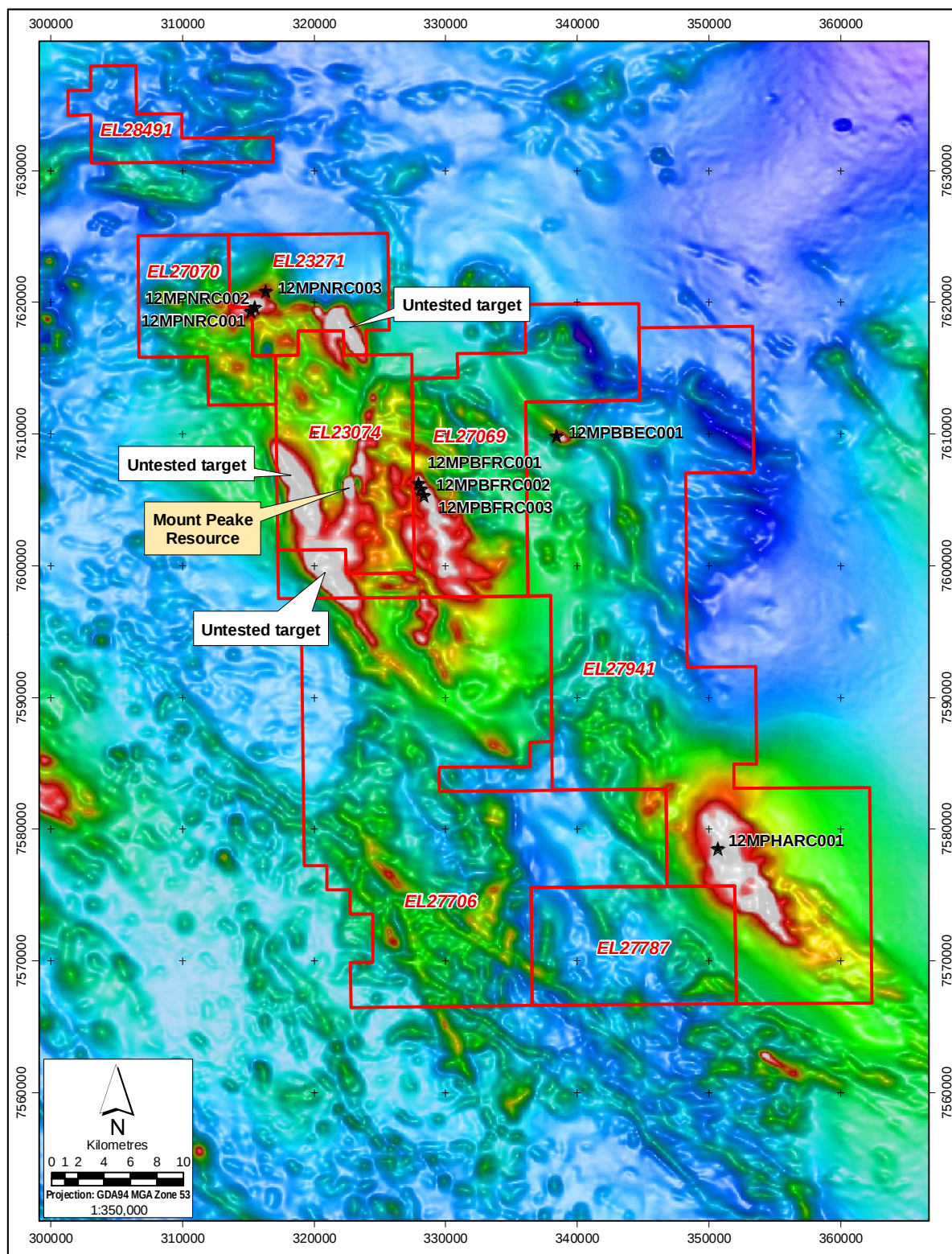


Figure 1: RC drill hole locations at Mount Peake