

ASX ANNOUNCEMENT

31 July 2012

ASX CODE: TNG

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DIRECTORS

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Rex Turkington
Wang Zhigang

COMPANY SECRETARY

Simon Robertson

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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WESTERN DESERT RESOURCES COMMENCES DRILLING FOR GOLD AT ROVER JV PROJECT

TNG Limited (ASX: **TNG**) is pleased to advise that Western Desert Resources Limited (WDR) has announced that drilling is underway on the Rover JV Project near Tennant Creek.

A copy of the announcement made by WDR is attached.

TNG LIMITED

Paul E Burton
Managing Director
31 July 2012

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Western Desert Resources, a diversified resources business with a portfolio of quality mineral exploration assets in the Northern Territory.

Western Desert Resources' business is built on the exploration of its substantial portfolio of iron ore, gold, base metals and uranium projects in the world-class mining provinces of Australia and will continue to grow through the generation and acquisition of new opportunities and resources.

FAST FACTS

ASX Code	WDR
Issued Shares	235m
Market Cap	A\$161M

DIRECTORS

Rick Allert	Chairman
Norm Gardner	MD
Mick Ashton	Director
Graham Bubner	Director
David Cloke	Director
Phillip Lockyer	Director
Scott Perrin	Director

COMPANY HIGHLIGHTS

Iron Ore

- Roper Bar & Mountain Creek projects (NT)
- Hematitic iron ore
- Total Inferred, Indicated & Measured Mineral Resource estimates of 402Mt @ 40% Fe including DSO of 32.1Mt @ 56.8% Fe
- Low Impurities
- Mine development underway
- Proximity to coast and markets

Gold / Copper

- East Rover Project near Tennant Creek (NT)

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WESTERN DESERT COMMENCES DRILLING FOR GOLD AT TENNANT CREEK

Key Points:

- Drilling operations commenced on the historic BIF Hill gold prospect 60 km from Tennant Creek
- Tennant Creek and Rover goldfields host numerous high-grade world class gold-copper deposits.
- New survey data collected by WDR indicates drilling by previous explorers missed ironstone target.

The Directors of Western Desert Resources Limited (ASX: WDR) are pleased to advise that drilling is underway on the Rover JV Project near Tennant Creek. Four diamond drillholes will test the BIF Hill gold-copper prospect. Drilling commenced last week and is expected to be completed in August.

The Rover JV is a joint venture between WDR and Tennant Creek Gold Pty Ltd, a subsidiary of TNG Ltd (ASX:TNG). It comprises two granted exploration licences and two applications in the Tennant Creek area. Subsequent to the formation of the JV in 2008, WDR has earned an 80% interest in the project. Under the terms of the JV, TNG's 20% interest is free carried until the successful completion of a Bankable Feasibility Study.

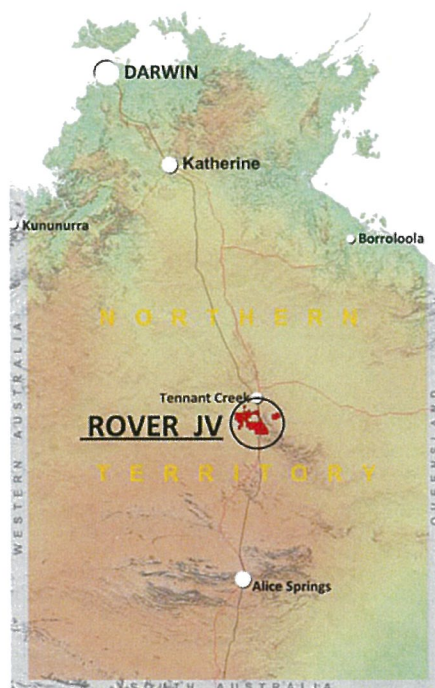


Figure 1. Rover JV project location map.

Gold was discovered in Tennant Creek in the 1930's. Since production commenced, over 170 tonnes of gold has been produced from an area of 4,000 square kilometres constituting the Tennant Creek Goldfield. It is Australia's largest Proterozoic-aged gold province and has produced several world class orebodies, including Warrego, Juno and White Devil. The known orebodies, carrying up to 46 tonnes of contained gold, are hosted by ironstones. Primary ironstone bodies are usually magnetic and those buried at depth were discovered by drilling magnetic anomalies. The gold is often associated with bismuth and copper. To illustrate the target being sought at BIF Hill, Table 1 shows production figures of eight ironstones that were mined in the Tennant Creek Goldfield.

Table 1. Production figures of selected Tennant Creek gold deposits.

Orebody	Contained Gold (tonnes)	Ore (tonnes)	Grade (g/t gold)
Warrego	46.0	7,000,000	6.6
Nobles Nob	39.0	2,000,000	19.5
White Devil	31.1	1,500,000	20
Peko	12.9	3,700,000	3.5
Orlando	6.0	680,000	8.8
Juno	25.3	450,000	56.1
Explorer	3.5	184,000	19
Eldorado	3.3	146,000	22.7

The Rover field parallels the Tennant Creek field and hosts gold and copper bearing ironstones under cover; refer Figure 2. Deposits have been discovered here by Westgold Resources Limited (Rover 1) and Adelaide Resources Limited (Rover 4). The Rover 1 deposit contains over 1.2 million ozs of gold equivalent.

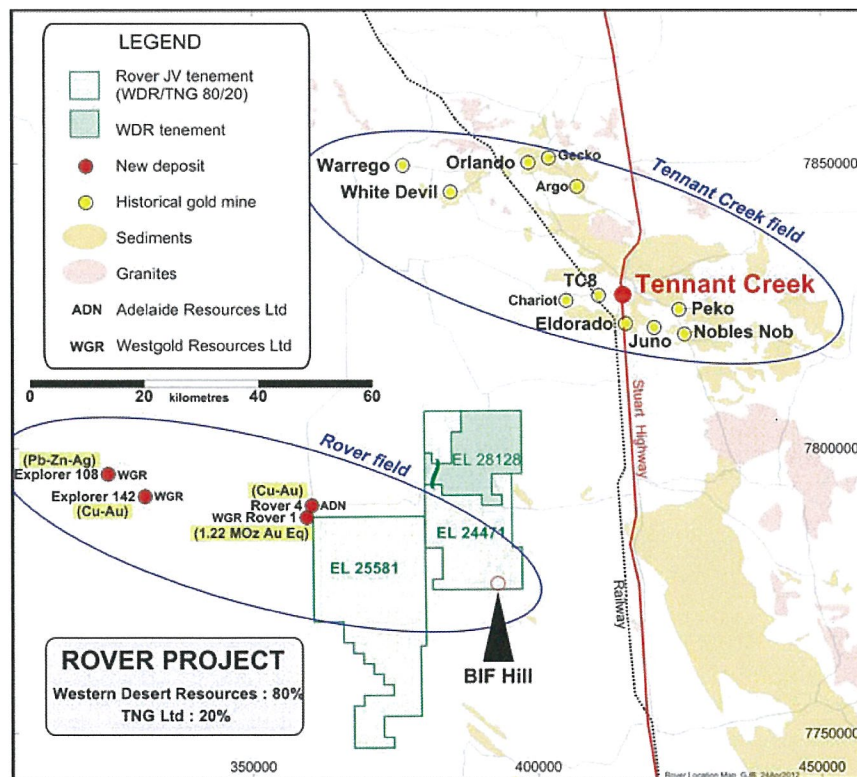


Figure 2. Rover JV Project and BIF Hill prospect location plan.

The BIF Hill prospect comprises an isolated outcrop of Banded Iron Formation (BIF) and sediments. In 1973 Peko and Australian Development Limited (ADL) drilled three relatively shallow diamond holes to a maximum vertical depth of 120 metres. Drillhole locations are plotted in Figure 3. Gold intersections reported from two of these holes are summarized in Table 2.

Table 2. Summary of gold intersections reported from historical drilling at BIF Hill.

Drillhole	Total length	Downhole depth from	Downhole depth to	Interval	Au g/t
DDH426	113	75.0	76.2	1.2	0.60
DDH428	128	3.0	18.2	15.2	1.00
DDH428	128	64.6	65.8	1.2	2.80
SHDH95	73	6.1	15.2	9.1	0.31

The prospect was briefly explored in the 1980's. No further work has been carried out at BIF Hill for the past 25 years. In respect of the intensity of exploration in the Tennant Creek and Rover fields since that time, the presence of gold at shallow depths and the 1.2 metre intersection @ 2.8 gram/tonne makes BIF Hill a highly prospective target.

In 2011 WDR completed a ground gravity survey at BIF Hill; refer Figure 3. Gravity surveys over known gold-copper deposits display a positive response. The historical drilling at BIF Hill focused on the outcrop area, whereas the new data suggests the main ironstone target is located at depth to the northeast.

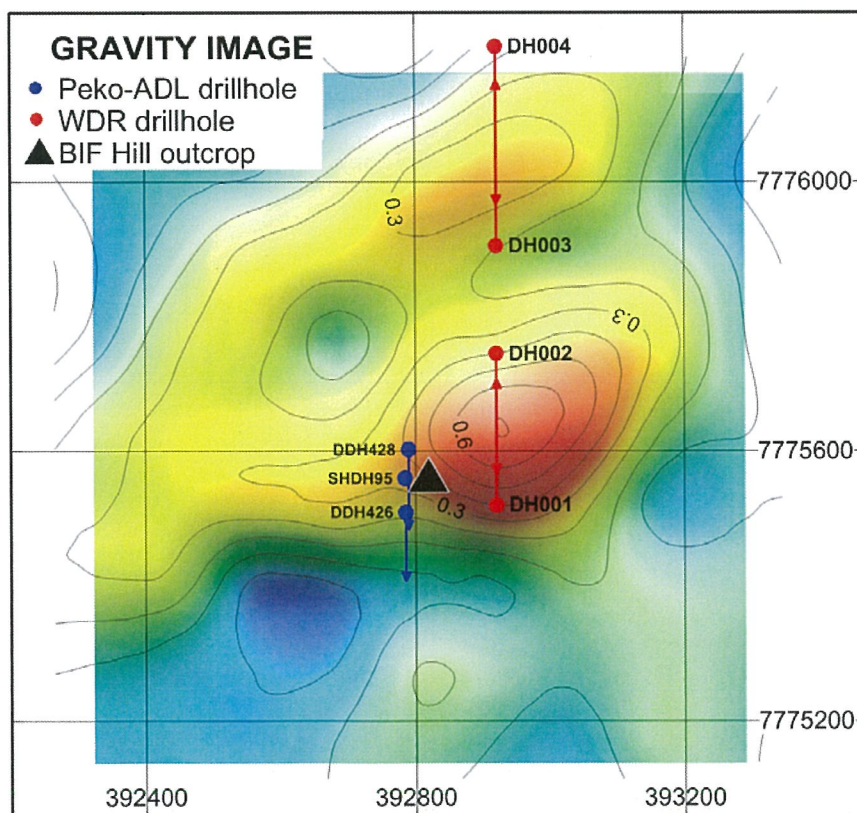


Figure 3. BIF Hill prospect showing historical and current drillholes on gravity image.

WDR has planned two deep diamond holes, to a vertical depth of 300 metres, to test for mineralization in the ironstone. The gravity survey also identified a feature interpreted to represent another ironstone under cover to the north. Two diamond holes to a vertical depth of 360 metres are planned to investigate this anomaly.

The current drilling represents the first phase of a substantial drilling program on EL's 24471 and EL25581 as follow-up of detailed ground and airborne geophysical surveys.

Western Desert Resources Managing Director Norm Gardner said "Western Desert has retained an interest in the world class Tennant Creek area since company formation in 2007. Whilst the company focuses on development of the iron ore deposits at Roper Bar, the Rover field is one of a small number of other projects that provide exposure to commodities such as copper-gold, lead-zinc and rare earths. Some of the Tennant Creek prospects have not been investigated since the initial thrust of exploration in the area the 1970's, and BIF Hill represents an excellent opportunity for a new-age discovery".

For further information please contact:

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 Managing Director
 Western Desert Resources
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Background

The Rover JV is Western Desert's priority tenement group for gold-copper-bismuth exploration. Exploration work has included ground and airborne geophysics, and drilling.

The company's flagship project is development of the Roper Bar iron ore deposits, which is due to commence production in mid-2013.

JORC Mineral Resource Estimates from WDR's Roper Bar Project (30% Fe cut-off)

DEPOSIT AREA	Classification	Mt	Fe %	SiO ₂ %	P %	Al ₂ O ₃ %	LOI %	Published
Area D	Inferred	90.7	37.2	31.5	0.008	3.2	9.6	Oct-09
Area D (north)	Inferred	116.5	40.3	26.3	0.002	2.2	11.0	Feb-11
Area E (south)	Inferred	17.5	36.1	30.8	0.003	2.4	12.4	Jun-12
Area E (south)	Indicated	75.8	38.7	29.9	0.005	2.6	9.9	Jun-12
Area E (east)**	Inferred	27.6	41.0	26.3	0.004	1.8	10.2	Jun-12
Area E (east)**	Indicated	15.6	41.2	26.3	0.004	1.9	10.0	Jun-12
Area E (east)**	Measured	28.3	42.2	26.4	0.004	2.0	8.9	Jun-12
Area F *	Inferred	5.5	46.6	22.7	0.006	2.7	6.1	Feb-12
Area F *	Indicated	24.6	49.3	22.0	0.006	3.2	2.6	Feb-12
TOTAL		402	40.0	28.0	0.005	2.5	9.7	

* Includes DSO grade of 15.5Mt @ 59.5% Fe, 9.6% SiO₂, 2.2% Al₂O₃, 0.01% P and 2.1% LOI

** Includes DSO grade of 16.6Mt @ 54.2% Fe, 15.9% SiO₂, 1.2% Al₂O₃, 0.01% P and 4.0% LOI

Competent Person's Statements

The information in this report that relates to Mineral Resources is based on information compiled by Sharron Sylvester who is a full-time employee of AMC Consultants Pty Ltd and a Member of the Australian Institute of Geoscientists and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC code). Sharron Sylvester consents to the inclusion of this information in the form and context in which they occur.