

TNG LIMITED

TNG LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting will be held at
The Celtic Club, 48 Ord Street, West Perth, Western Australia
at 4:00pm (WST) on 21 November 2012.**

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

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9327 0900.

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 (the "**Company**") will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Wednesday, 21 November 2012 at 4:00pm (WST) (the "**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 Monday, 19 November 2012 at 4:00pm (WST).

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

AGENDA

ORDINARY BUSINESS

Part A – Financial and Other Reports

Financial and Other Reports

To receive and consider the financial report for the year ended 30 June 2012 and the related Directors' Report, Directors' Declaration and Auditors' Report.

Resolution 1 – Adopt Remuneration Report

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

"That the Remuneration Report of the Company for the financial year ended 30 June 2012 be adopted."

Under the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion statement

To the extent required by section 250R of the Corporations Act, a vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Company's key management personnel details of whose remuneration are included in the Remuneration Report or a closely related party of such a member. However, a person (the "voter") may cast a vote as a proxy where the vote is not cast on behalf of such a member or a closely related party of such a member and the voter is either:

- (a) appointed as a proxy by writing that specifies how the proxy is to vote on Resolution 1; or*
- (b) the chair of the meeting and the appointment of the chair as proxy does not specify how the proxy is to vote on Resolution 1 and expressly authorises the chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the key management personnel.*

Part B – Re-election of Directors

Resolution 2 – Re-election of Mr Rex Turkington

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

“That Mr Rex Turkington, who, having been appointed by the Board as a director since the last annual general meeting, retires in accordance with Article 6.3(i) of the Constitution and, being eligible, offers himself for election, be re-elected as a Director.”

Resolution 3 – Re-election of Mr Zhigang Wang

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

“That Mr Zhigang Wang, who, having been appointed by the Board as a director since the last annual general meeting, retires in accordance with Article 6.3(i) of the Constitution and, being eligible, offers himself for election, be re-elected as a Director.”

Resolution 4 – Re-election of Mr Jianrong Xu

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

“That Mr Jianrong Xu, who, having been appointed by the Board as a director since the last annual general meeting, retires in accordance with Article 6.3(i) of the Constitution and, being eligible, offers himself for election, be re-elected as a Director.”

Resolution 5 – Re-election of Mr Stuart Crow

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

“That Mr Stuart Crow, who retires in accordance with Article 6.3(c) of the Constitution and, being eligible, offers himself for election, be re-elected as a Director.”

SPECIAL BUSINESS

Part C – Approval of the TNG Incentive Plans

Resolution 6 – Approval of the TNG Employee Share Plan

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

“That, for the purposes of ASX Listing Rule 7.2 exception 9, sections 259B(2) and 260C(4) of the Corporations Act and for all other purposes, the TNG Employee Share Plan, and future issues to Eligible Employees under that plan from the date of this Meeting for the next 3 years, as described in the Explanatory Memorandum, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Directors (except one who is ineligible to participate in any incentive scheme in relation to the Company) and any associates of such Directors. 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.*

Also, to the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 if the person is either a member of the Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on Resolution 6. However, the proxy may vote if the proxy is the chair of the meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

Resolution 7 – Approval of the TNG Non-Executive Director and Consultant Share Plan and financial assistance thereunder

To consider and, if thought fit, to pass the following resolution as a special resolution

“That, for the purposes of ASX Listing Rule 7.2 exception 9, and section 260B of the Corporations Act, and for all other purposes:

- (a) future issues to Eligible Entities under the TNG Non-Executive Director and Consultant Share Plan from the date of this Meeting for the next 3 years, as described in the Explanatory Memorandum, be approved; and
- (b) the provision of financial assistance to Eligible Entities under the TNG Non-Executive Director and Consultant Share Plan, as described in the Explanatory Memorandum, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Directors (except one who is ineligible to participate in any incentive scheme in relation to the Company) and any associates of such Directors. 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.*

Eligible Entities and their associates must not vote on this Resolution.

Also, to the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 7 if the person is either a member of the Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on Resolution 7. However, the proxy may vote if the proxy is the chair of the meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

Resolution 8 – Approval of the TNG Employee Option Plan

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

“That, for the purposes of ASX Listing Rule 7.2 exception 9 and for all other purposes, future issues to Eligible Employees under the TNG Employee Option Plan from the date of this Meeting for the next 3 years, as described in the Explanatory Memorandum, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Directors (except one who is ineligible to participate in any incentive scheme in relation to the Company) and any associates of such Directors. 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.*

Also, to the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 8 if the person is either a member of the Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on Resolution 8. However, the proxy may vote if the proxy is the chair of the meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

Resolution 9 – Approval of the TNG Non-Executive Director and Consultant Option Plan

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

“That, for the purposes of ASX Listing Rule 7.2 exception 9 and for all other purposes, future issues to Eligible Entities under the TNG Non-Executive Director and Consultant Option Plan from the date of this Meeting for the next 3 years, as described in the Explanatory Memorandum, be approved.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Directors (except one who is ineligible to participate in any incentive scheme in relation to the Company) and any associates of such Directors. 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.*

Also, to the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 9 if the person is either a member of the Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on Resolution 9. However, the proxy may vote if the proxy is the chair of the meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

Part D – Issue of securities to directors under the TNG Incentive Plans

Resolution 10 – Approval of issue of Shares and Loan to Mr Paul Burton

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

“That, conditional upon Resolution 6 being approved, for the purposes of ASX Listing Rule 10.14, section 208(1) of the Corporations Act and for all other purposes, approval is given for:

- (a) the issue and allotment to Mr Paul Burton of 6,000,000 Shares under the TNG Employee Share Plan, as described in the Explanatory Memorandum; and
- (b) the provision of a Loan to Mr Paul Burton to assist him to acquire 6,000,000 Shares under the TNG Employee Share Plan, as described in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of a Director. 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.*

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Paul Burton or his associates.

Also, to the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 10 if the person is either a member of the Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on Resolution 10. However, the proxy may vote if the proxy is the chair of the meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

Resolution 11 – Approval of issue of Shares and Loan to Mr Neil Biddle

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, conditional upon Resolution 7 being approved, for the purposes of ASX Listing Rule 10.14, and sections 208(1) and 260B of the Corporations Act, and for all other purposes, approval is given for:

- (a) the issue and allotment to Mr Neil Biddle of 2,000,000 Shares under the TNG Non-Executive Director and Consultant Share Plan, as described in the Explanatory Memorandum; and
- (b) the provision of a Loan to Mr Neil Biddle to assist him to acquire 2,000,000 Shares under the TNG Employee Share Plan, as described in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of a Director. 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.*

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Neil Biddle or his associates.

Mr Neil Biddle and his associates must not vote on this Resolution.

Also, to the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 11 if the person is either a member of the Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on Resolution 11. However, the proxy may vote if the proxy is the chair of the meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

Resolution 12 – Approval of issue of Shares and Loan to Mr Stuart Crow

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, conditional upon Resolution 7 being approved, for the purposes of ASX Listing Rule 10.14, and sections 208(1) and 260B of the Corporations Act, and for all other purposes, approval is given for:

- (a) the issue and allotment to Mr Stuart Crow of 2,000,000 Shares under the TNG Non-Executive Director and Consultant Share Plan, as described in the Explanatory Memorandum; and
- (b) the provision of a Loan to Mr Stuart Crow to assist him to acquire 2,000,000 Shares under the TNG Employee Share Plan, as described in the Explanatory Memorandum.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of a Director. 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.*

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Stuart Crow or his associates.

Mr Stuart Crow and his associates must not vote on this Resolution.

Also, to the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 12 if the person is either a member of the Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on Resolution 12. However, the proxy may vote if the proxy is the chair of the meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

Resolution 13 – Approval of issue of Shares and Loan to Mr Rex Turkington

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That, conditional upon Resolution 7 being approved, for the purposes of ASX Listing Rule 10.14, and sections 208(1) and 260B of the Corporations Act, and for all other purposes, approval is given for:

- (a) the issue and allotment to Mr Rex Turkington of 2,000,000 Shares under the TNG Non-Executive Director and Consultant Share Plan, as described in the Explanatory Memorandum; and

- (b) the provision of a Loan to Mr Rex Turkington to assist him to acquire 2,000,000 Shares under the TNG Employee Share Plan, as described in the Explanatory Memorandum”

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of a Director. 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.*

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Rex Turkington or his associates.

Mr Rex Turkington and his associates must not vote on this Resolution.

Also, to the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 13 if the person is either a member of the Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on Resolution 13. However, the proxy may vote if the proxy is the chair of the meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

Resolution 14 – Approval of grant of Options to Mr Zhigang Wang

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

"That, conditional upon Resolution 9 being approved, for the purposes of ASX Listing Rule 10.14, section 208(1) of the Corporations Act and for all other purposes, approval is given for the issue and allotment to Mr Zhigang Wang or his nominee of 2,000,000 Options under the TNG Non-Executive Director and Consultant Option Plan, as described in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of a Director. 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.*

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Zhigang Wang or his associates.

Also, to the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 14 if the person is either a member of the Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on Resolution 14. However, the proxy may vote if the proxy is the chair of the meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

Resolution 15 – Approval of grant of Options to Mr Jianrong Xu

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

"That, conditional upon Resolution 9 being approved, for the purposes of ASX Listing Rule 10.14, section 208(1) of the Corporations Act and for all other purposes, approval is given for the issue and allotment to Mr Jianrong Xu or his nominee of 2,000,000 Options under the TNG Non-Executive Director and Consultant Option Plan, as described in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of a Director. 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.*

A vote on this Resolution must not be cast (in any capacity) by or on behalf of Mr Jianrong Xu or his associates.

Also, to the extent required by section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 15 if the person is either a member of the Company's key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on Resolution 15. However, the proxy may vote if the proxy is the chair of the meeting and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's key management personnel.

Part E – 10% Placement Facility

Resolution 16 – Approval of 10% Placement Facility under Listing Rule 7.1A

To consider and, if thought fit, to pass the following as a special resolution:

“That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of (or entry into agreements to issue) Equity Securities representing up to 10% of the issued capital of the Company (calculated in accordance with the formula prescribed in Listing Rule 7.1A.2) on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement

The Company will disregard any votes cast on this Resolution 16 by a person who may participate in the 10% Placement Facility (as defined in the Explanatory Memorandum) and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of shares, if this Resolution 16 is passed, and by any associates of such 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 the directions on the Proxy Form; or*
- (b) *it is cast by the Chairman 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.*

OTHER BUSINESS

To consider any other business which may properly be brought before the meeting in accordance with the Company's Constitution.

BY ORDER OF THE BOARD



Paul Burton
Managing Director

Dated 16 October 2012

EXPLANATORY MEMORANDUM

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 Celtic Club, 48 Ord Street, West Perth, Western Australia on Wednesday, 21 November 2012 at 4:00pm (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

This Explanatory Memorandum includes information to assist Shareholders in deciding how to vote on each of the Resolutions contained in the Notice.

Part A – Financial and Other Reports

Resolution 1 – Adopt Remuneration Report

The Corporations Act requires listed companies to put a Remuneration Report relating to director and executive remuneration for each financial year to a resolution of members at their annual general meeting. The Remuneration Report is included in the Directors' Report of the Company's Annual Report.

Under section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on the Resolution are voted against adoption of the Remuneration Report at the meeting and then again at the 2013 Annual General Meeting, the Company will be required to put to Shareholders a resolution at the 2013 Annual General Meeting proposing the calling of a further general meeting to consider the election of directors of the Company ("**Spill Resolution**").

If more than 50% of Shareholders vote in favour of a Spill Resolution, the Company would be required to convene a further general meeting ("**Spill Meeting**") within 90 days of the 2013 Annual General Meeting. All of the Directors who were in office when the 2013 Directors' Report was approved by the Directors, other than the Managing Director, would cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved would be the Directors of the Company.

In summary, the Remuneration Report:

- (a) explains the Board's policy for determining the nature and amount of remuneration of the key management personnel (broadly meaning those persons with the authority and responsibility for planning, directing and controlling the activities of the Company) of the Company;
- (b) explains the relationship between the Board's remuneration policy and the Company's performance;
- (c) details and explains any performance conditions applicable to the remuneration of key management personnel; and
- (d) sets out remuneration details for the key management personnel (including the value of any options or security granted to those persons).

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

Key management personnel details of whose remuneration are included in the Remuneration Report and their closely related parties are prohibited from voting on Resolution 1, except in the circumstances described in the voting exclusion statement set out in the Notice.

Part B – Re-election of Directors

Article 6.2(b) of the Company's Constitution provides that the Directors may appoint any person as a Director and Article 6.3(j) provides that (unless a Director appointed under Article 6.2(b) has already been re-elected at a general meeting of the Company) that Director must retire at the next annual general meeting, and is eligible for re-election at that meeting.

Article 6.3(c) provides that, if the Company has three or more Directors, one third of the Directors (rounded down to the nearest whole number and excluding the managing director), must retire at each annual general meeting.

Mr Jianrong Xu, Mr Zhigang Wang and Mr Rex Turkington were all appointed as Non-Executive Directors under Article 6.2(b) since the last annual general meeting. Their appointments have not previously been ratified by Shareholders and, accordingly, they will retire at the Meeting and seek re-election for the purposes of Article 6.3(j) of the Company's Constitution.

Mr Stuart Crow, having been appointed as a Non-Executive Director by Shareholders at the general meeting held on 8 June 2011, is retiring by rotation and offering himself for re-election in accordance with Article 6.3(c).

Resolution 2 – Re-election of Mr Rex Turkington

Resolution 2 seeks the re-election of Mr Rex Turkington as a Non-executive Director of the Company. Mr Turkington was appointed as a Non-executive Director of the Company on 29 November 2011.

Mr Turkington is a highly experienced corporate advisor and economist who has worked extensively in the financial services and stockbroking industry in Australia, specialising in the exploration and mining sectors. He has extensive experience with equities, derivatives, foreign exchange and commodities, and has participated in numerous corporate initial public offerings and capital raisings for listed exploration and mining companies.

Mr Turkington is currently the Director of an Australian corporate advisory company, offering corporate finance and investor relations advice to listed companies. He holds a first class Honours degree in economics, and is an Associate of the Securities Institute of Australia.

Being eligible, Mr Turkington offers himself for re-election as a Director.

The Board (other than Mr Turkington, who abstained) unanimously recommends that Shareholders vote in favour of this Resolution.

Resolution 3 – Re-election of Mr Zhigang Wang

Resolution 3 seeks the re-election of Mr Zhigang Wang as a Non-executive Director of the Company. Mr Wang was appointed on 18 January 2012 in accordance with the terms of the Subscription Agreement dated 7 November 2011 (and varied as announced on 18 January 2012) relating to Aosu Investment and Development Co Pty Ltd's ("Aosu") investment in the Company (that was approved by the Shareholders of the Company at a general meeting of the Company held on 21 December 2011).

Mr Wang is Chairman of Aosu which is part of the Wanlong Group of companies ("Wanlong Group") comprising Suzhou Wanlong Electric Group Co. Ltd ("Wanlong") and Suzhou Beijia Investment Co Ltd. ("Beijia"). Wanlong holds 51% of the issued capital of Aosu and Beijia holds the remaining 49%. Mr Wang is also the director of the Technology Management Department of Wanlong and is a director of Beijia.

Mr Wang completed his bachelors' degree in Electrical Engineering and Automation from Shanghai Electric Power University in 2007. He has gained significant professional experience with major industrial groups in China prior to joining Wanlong and Beijia.

Being eligible, Mr Wang offers himself for re-election as a Director.

The Board (other than Mr Wang, who abstained) unanimously recommends that Shareholders vote in favour of this Resolution.

Resolution 4 – Re-election of Mr Jianrong Xu

Resolution 4 seeks the re-election of Mr Jianrong Xu as a Non-executive Chairman of the Company. Mr Xu was appointed on 24 May 2012 in accordance with the terms of the Subscription Agreement dated 7 November 2011 (and varied as announced on 18 January 2012) relating to the investment by Jiangsu Eastern China Non-Ferrous Metals Investment Holding Co. Ltd (“ECE”) in the Company (that was approved by the Shareholders of the Company at a general meeting of the Company held on 21 December 2011).

Mr Xu obtained his BA in geophysics from Central South University in 1983.

Mr Xu has been the Deputy Director-General of East China Mineral Exploration and Development Bureau (“ECMED”) since January 2007. He is also the Deputy Managing Director of the Jiangsu Geophysical Society and 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 China Africa Resources Plc.

Being eligible, Mr Xu offers himself for re-election as a Director.

The Board (other than Mr Xu, who abstained) unanimously recommends that Shareholders vote in favour of this Resolution.

Resolution 5 – Re-election of Mr Stuart Crow

Resolution 5 seeks the re-election of Mr Stuart Crow as a Non-executive Director of the Company. Mr Crow was first appointed as a Non-Executive Director of the Company by the Directors on 24 February 2011 under Article 6.2(b) and, subsequently, by Shareholders on 8 June 2011 at a general meeting of the Company. Mr Crow is required to retire in accordance with Article 6.3(c) of the Company's Constitution.

Mr Crow has more than 25 years of experience in all aspects of corporate finance and investor relations in Australia and international markets, and has owned and operated his own businesses in these areas for the last 13 years. He brings extensive working knowledge of capital markets to the Board.

Being eligible, Mr Crow offers himself for re-election as a Director.

The Board (other than Mr Crow, who abstained) unanimously recommends that Shareholders vote in favour of this Resolution.

Part C – Approval of the TNG Incentive Plans

TNG Incentive Plans

The Board of the Company encourages equity holdings in the Company by its directors, employees and consultants to align their interests with those of the Company's Shareholders.

Consistent with this philosophy, the Company proposes to introduce a suite of four incentive plans (known collectively as the “**TNG Incentive Plans**”) as an initiative for creating a stronger link between the performance and reward of directors, employees and consultants, and increasing shareholder value by enabling such persons to have a greater involvement with, and share in, the future growth and profitability of the Company.

The four proposed TNG Incentive Plans are as follows:

(a) TNG Employee Share Plan

The Company has decided to adopt a employee share plan known as the TNG Employee Share Plan as a means of retaining and incentivising its employees. In addition, the TNG Employee Share Plan will be used as part of the remuneration for the Managing Director.

The ASX Corporate Governance Council Principles recommend that executive remuneration packages involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the company's circumstance and goals. Accordingly, Mr Paul Burton, the Managing Director of the Company, will be eligible to participate in the TNG Employee Share Plan.

Under the terms of the TNG Employee Share Plan (which has been designed so that the Company may take advantage of the disclosure relief afforded by ASIC Class Order [CO 03/184]), the Board may from time to time (in its absolute discretion) determine that full time and part time employees of the Company (or a Group Company) (including the Managing Director) ("**Eligible Employees**") may participate in the TNG Employee Share Plan. In such circumstances, the Company will make an offer to issue Shares to such Eligible Employees.

In making such a determination the Board will consider:

- (a) the seniority of the Eligible Employee and the position the Eligible Employee occupies in the relevant Group Company;
- (b) the Eligible Employee's length of service with the Group;
- (c) the record of employment of the Eligible Employee with the Group;
- (d) the potential contribution of the Eligible Employee to the growth and profitability of the Group; and
- (e) any other matters which the Board considers relevant.

In order to fund the acquisition of Shares, the Company may offer Eligible Employees (including the Managing Director) an interest free loan (the "**Loan**") to be used to subscribe for Shares pursuant to the terms of the TNG Employee Share Plan. The Loan will be non-recourse except against the plan Shares to which the Loan relates. Further details of the Loan terms under the plan are set out in paragraph 4 of Schedule 2 of this Explanatory Memorandum.

The issue price for Shares issued under the TNG Employee Share Plan will be determined by the Board in its absolute discretion, which may be a nominal or nil amount, except that where a Loan is offered in relation to Shares, the issue price must be equal to the volume weighted average actual price at which Shares were traded on the ASX over the 5 trading days up to and including (i) the date the offer was accepted; or (ii) if earlier, the date on which the Eligible Employee accepted their employment contract where it includes an entitlement to receive, or to be offered, Shares under the TNG Employee Share Plan.

The Shares issued under the TNG Employee Share Plan cannot be sold, transferred, assigned, charged or otherwise encumbered until certain restriction conditions are satisfied (unless waived by the Board). The performance conditions vary for each Eligible Employee who has been offered Shares under the TNG Employee Share Plan and will be set out in the terms of their offer letters.

A more detailed summary of the terms of the TNG Employee Share Plan is set out in Schedule 2 of this Explanatory Memorandum.

(b) TNG Non-executive Director and Consultant Share Plan

To ensure that the Company has appropriate mechanisms to continue to attract and retain the services of directors, consultants and contractors of a high calibre, the Company has chosen to adopt a share plan (in addition to the TNG Employee Share Plan) for Non-Executive Directors and eligible consultants and contractors known as the TNG Non-executive Director and Consultant Share Plan.

Under the terms of the TNG Non-executive Director and Consultant Share Plan, Non-Executive Directors of the Company (or a Group Company) and certain consultants or contractors of the Company (or a Group Company) ("**Eligible Entities**"), will be entitled to participate in the TNG Non-executive Director and Consultant Share Plan.

The TNG Non-executive Director and Consultant Share Plan does not fall within the terms of ASIC Class Order [CO 03/184] (which provides relief from the need for a prospectus for an offer of securities in certain circumstances). While Non-Executive Directors will fall within the “senior manager” exemption in section 708(12) of the Corporations Act, consultants and contractors will only be able to be issued shares under the TNG Non-executive Director and Consultant Share Plan without a prospectus if the issues fall within one of the other prospectus exemptions in section 708 of the Corporations Act. Further, issues of Shares under the TNG Non-executive Director and Consultant Share Plan will need to be followed by the issue by the Company of a cleansing notice under section 708A of the Corporations Act to facilitate secondary trading in such Shares.

Under the terms of the TNG Non-executive Director and Consultant Share Plan, the Board may offer Shares to Eligible Entities having regard to:

- (a) the office held by, or services provided by, the Eligible Entity to the relevant Group Company;
- (b) the length of office or service of the Eligible Entity with the Group;
- (c) the potential contribution of the Eligible Entity to the growth and profitability of the Group; and
- (d) any other matters which the Board considers relevant.

Like the TNG Employee Share Plan, in order to fund the acquisition of Shares the Company may offer Eligible Entities an interest free Loan to be used to subscribe for Shares pursuant to the terms of the TNG Non-executive Director and Consultant Share Plan. The Loan will be non-recourse except against the plan Shares to which the Loan relates. Further details of the Loan terms under the plan are set out in paragraph 4 of Schedule 3 of this Explanatory Memorandum.

The issue price for Shares issued under the TNG Non-executive Director and Consultant Share Plan will be determined by the Board in its absolute discretion, which may be a nominal or nil amount, except that where a Loan is offered in relation to Shares, the issue price must be equal to the volume weighted average actual price at which Shares were traded on the ASX over the 5 trading days up to and including (i) the date the offer was accepted; or (ii) if earlier, the date on which the Eligible Entity accepted their employment contract where it includes an entitlement to receive, or to be offered, Shares under the TNG Non-executive Director and Consultant Share Plan.

The Shares issued under the TNG Non-executive Director and Consultant Share Plan cannot be sold, transferred, assigned, charged or otherwise encumbered until certain restriction conditions are satisfied (unless waived by the Board). The performance conditions vary for each Eligible Entity who has been offered Shares under the TNG Non-executive Director and Consultant Share Plan and will be set out in the terms of their offer letters.

In addition to providing for the issue of Shares to valued consultants and contractors, the TNG Non-Executive Director and Consultant Share Plan will be used as part of the remuneration for Non-Executive Directors. Although the use of share plans for Non-Executive Directors is not recommended by the ASX Corporate Governance Council Principles and Recommendations, the Company considers that it is appropriate (and consistent with market practice for some junior resources companies) for Non-Executive Directors to participate in the TNG Non-executive Director and Consultant Share Plan in order to attract the highest calibre of professionals to the Company.

Accordingly, the Board has concluded that the current Non-Executive Directors of the Company (being Mr Neil Biddle, Mr Stuart Crow, Mr Rex Turkington, Mr Zhigang Wang and Mr Jianrong Xu) are eligible to participate in the TNG Non-executive Director and Consultant Share Plan, although not all of these Non-Executive Directors will participate immediately.

A more detailed summary of the terms of the TNG Non-executive Director and Consultant Share Plan is set out in Schedule 3 of this Explanatory Memorandum.

(c) TNG Employee Option Plan

The Directors consider that the granting of Options can be a cost effective and efficient form of remuneration for the Company's employees and may in some circumstances be preferable to alternative forms of incentives such as cash bonuses or increased remuneration. Accordingly, in addition to the two share plans detailed above, the Company has also decided to adopt an employee option plan known as the

TNG Employee Option Plan to allow the Company to increase the range of potential incentives available to its employees and to strengthen links between the Company and its employees.

Under the terms of the TNG Employee Option Plan (which, like the TNG Employee Share Plan, has been designed so that the Company may take advantage of the disclosure relief afforded by ASIC Class Order [CO 03/184]), the Board may offer Options to Eligible Employees (who include full time and part time employees of the Company (or a Group Company) (including Executive Directors) as described in section (a) of Part C above). In making the determination to grant Options, the Board will take into consideration the same factors as it is required to take into account in considering whether to issue Shares to Eligible Employees under the terms of the TNG Employee Share Scheme detailed in section (a) of Part C above.

Any options issued under the TNG Employee Option Plan will be issued for nil consideration.

A more detailed summary of the terms of the TNG Employee Option Plan is set out in Schedule 4 of this Explanatory Memorandum.

(d) TNG Non-Executive Director and Consultant Option Plan

In order to maintain flexibility in the manner in which the Company is able to attract and retain the services of high calibre Directors, consultants and contractors, in addition to the Non-Executive Director and Consultant Share Plan, the Board has decided to adopt an option plan for Non-Executive Directors and eligible consultants and contractors known as the TNG Non-Executive Director and Consultant Option Plan.

Under the terms of the TNG Non-Executive Director and Consultant Option Plan, Eligible Entities (who include Non-Executive Directors and eligible consultants and contractors, as described in section (b) of Part C above in relation to the TNG Non-executive Director and Consultant Share Plan) will be entitled to participate.

Like the TNG Non-Executive Director and Consultant Share Plan, the TNG Non-Executive Director and Consultant Option Plan does not fall within the terms of ASIC Class Order [CO 03/184] (which provides relief from the need for a prospectus for an offer of securities in certain circumstances). While Non-Executive Directors will fall within the “senior manager” exemption in section 708(12) of the Corporations Act, consultants and contractors will only be able to be issued shares under the TNG Non-Executive Director and Consultant Option Plan without a prospectus if the issues fall within one of the other prospectus exemptions in section 708 of the Corporations Act. Further, issues of Shares under the TNG Non-Executive Director and Consultant Option Plan will need to be followed by the issue by the Company of a cleansing notice under section 708A of the Corporations Act to facilitate secondary trading in such Shares.

Under the terms of the TNG Non-Executive Director and Consultant Option Plan, the Board may offer Shares to Eligible Entities by taking into consideration the same factors that it is required to take into account in considering whether to issue shares to Eligible Entities under the terms of the TNG Non-Executive Director and Consultant Share Plan as described in section (b) of Part C above.

Any Options issued under the TNG Non-executive Director and Consultant Option Plan will be issued for nil consideration.

A more detailed summary of the terms of the TNG Non-Executive Director and Consultant Option Plan is set out in Schedule 5 of this Explanatory Memorandum.

Overview of Listing Rule and Corporations Act approvals sought

The Board is seeking a number of Shareholder approvals under the Listing Rules and certain sections of the Corporations Act in relation to the TNG Incentive Plans in Resolutions 6 to 9. Further details of the Shareholder approvals sought are set out below.

(a) Shareholder approval for the issue of securities under employee incentive schemes - Listing Rule 7.2, exception 9

The Board is seeking Shareholder approval for the issue of Shares and Options to Eligible Employees and Eligible Entities (as applicable) under the terms of each of the TNG Incentive Plans for the purposes of Listing Rule 7.2, exception 9(b) (as an exception to Listing Rule 7.1) in Resolutions 6, 7, 8 and 9.

Listing Rule 7.1 provides that the Company must not issue or agree to issue more than 15% of its issued capital in any rolling 12 month period without shareholder approval. One of the exceptions to Listing Rule 7.1 provided for in Listing Rule 7.2, exception 9(b), is that securities (including options) issued under an employee incentive scheme will not be taken into account when calculating the 15% limit, provided that the company's shareholders have approved the scheme within 3 years before the date of issue of the securities.

Resolutions 6, 7, 8 and 9 seek Shareholder approval for the issue of securities to Eligible Employees and Eligible Entities (as applicable) under the terms of the TNG Incentive Plans so that the Company retains the ability to issue up to a full 15% of its issued capital without having to deduct from this 15% Shares and Options issued pursuant to the TNG Incentive Plans. The Board believes this will provide the Company with additional flexibility to raise capital as and when appropriate.

In order to take advantage of the exemption from Listing Rule 7.1 and allow the Company greater flexibility to issue securities, the Board unanimously recommends that Shareholders approve Resolutions 6, 7, 8 and 9 for the issue of Shares and Options under each of the TNG Incentive Plans.

All of the information required to be included in this Explanatory Memorandum for the purposes of Listing Rule 7.2 exception 9 in relation to each of the TNG Incentive Plans is set out below. A summary of the terms of each of the TNG Incentive Plans is set out in Schedules 2 to 5 of this Explanatory Memorandum.

(b) Exemption for security over shares - section 259B(2) of the Corporations Act

Under the terms of the TNG Employee Share Scheme, the Company will have a lien over any Shares in respect of which a Loan amount is outstanding and will be entitled to sell those Shares in accordance with the terms of the TNG Employee Share Scheme in order to recover any amounts owed under a Loan.

Section 259B(1) of the Corporations Act prohibits a company from taking security over its own shares, except as permitted by section 259B(2). Section 259B(2) states that a company may take security over shares in itself under an employee share scheme that has been approved by a resolution passed at a general meeting of the company. Accordingly, the Board is seeking Shareholder approval for the purposes of section 259B(2) in Resolution 6.

(c) Financial Assistance - Part 2J.3 of the Corporations Act

The provision of a Loan to Eligible Employees and Eligible Entities (as applicable) to fund the acquisition of Shares issued under the terms of the TNG Employee Share Plan and the TNG Non-Executive Director and Consultant Share Plan will constitute 'financial assistance' for the purposes of Part 2J.3 of the Corporations Act.

Section 260A of the Corporations Act states that a company may financially assist a person to acquire shares in the company only if:

- (i) giving the assistance does not materially prejudice the interests of the company or its shareholders or the company's ability to pay its creditors;
- (ii) the assistance is approved by the shareholders under section 260B; or
- (iii) the assistance is exempt under section 260C.

Section 260C(4) provides that financial assistance is exempt from section 260A if it is given under an 'employee share scheme' that has been approved by a resolution passed at a general meeting of the company. The TNG Employee Share Scheme falls within the definition of an 'employee share scheme' for the purposes of the Corporations Act. Accordingly, the Board is seeking Shareholder approval of the TNG Employee Share Plan under section 260C(4) as an exemption from section 260A of the Corporations Act in Resolution 6.

Given the TNG Non-executive Director and Consultant Share Plan provides for the offer of Shares to consultants, contractors and Non-Executive Directors of the Company it does not fall within the definition of an 'employee share scheme' for the purposes of the Corporations Act and the exemption in section 260C(4) of the Corporations Act will not apply. Accordingly, in order to provide a Loan (as a form of financial assistance) to Eligible Entities to acquire Shares under the terms of the TNG Non-Executive Director and Consultant Share Plan the Board is seeking Shareholder approval under section 260B(1) of the Corporations Act in Resolution 7.

All of the information that is material to the decision on how to vote on Resolution 6 for the purpose of section 260C(4) of the Corporations Act and Resolution 7 for purpose of section 260B of the Corporations Act is set out below.

Resolution 6 – Approval of TNG Employee Share Plan

For the reasons described above, Resolution 6 seeks the approval of Shareholders for the adoption of the TNG Employee Share Plan for the purposes of sections 259B and 260C of the Corporations Act and the issue of Shares to Eligible Employees from time to time under the TNG Share Plan for the purposes of Listing Rule 7.2, exception 9.

Resolution 6 is an ordinary resolution.

Information required for the purposes of Listing Rule 7.2

The following information is provided for the purposes of Listing Rule 7.2, exception 9 in relation to the TNG Employee Share Plan:

- (i) a summary of the terms of the TNG Employee Share Plan is set out in Schedule 2 of this Explanatory Memorandum.
- (ii) no Shares have been issued to, or for the benefit of, Eligible Employees under the TNG Employee Share Plan to date.

A full copy of the terms of the TNG Employee Share Plan may be sent to members on request.

Directors recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

Resolution 7 – Approval of the TNG Non-Executive Director and Consultant Share Plan

For the reasons described above, Resolution 7 seeks the approval of Shareholders for the issue of Shares to Eligible Entities from time to time under the terms of the TNG Non-executive Director and Consultant Share Plan for the purposes of Listing Rule 7.2, exception 9 and the provision of financial assistance by the Company through the provision of a Loan to Eligible Entities for the purpose of acquiring Shares under the terms of the TNG Non-Executive Director and Consultant Share Plan for the purposes of section 260B of the Corporations Act.

Resolution 7 is a special resolution and requires the approval of at least 75% of the votes cast by Shareholders in person or by proxy.

Information required for the purposes of Listing Rule 7.2

The following information is provided for the purposes of Listing Rule 7.2, exception 9 in relation to the TNG Non-Executive Director and Consultant Share Plan:

- (i) a summary of the terms of the TNG Non-Executive Director and Consultant Share Plan is set out in Schedule 3 of this Explanatory Memorandum.
- (ii) no Shares have been issued to, or for the benefit of, Eligible Entities under the TNG Non-executive Director and Consultant Share Plan to date.

Information required for the purposes of section s 260B(4) of the Corporations Act

The Board considers that the provision of a Loan to assist Eligible Entities to acquire Shares under the TNG Non-Executive Director and Consultant Share Plan is in the Company's interests as it aligns the interests of Eligible Entities (including Non-Executive Directors) with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, providing a Loan to support the issue of the Shares provides cost effective consideration to Eligible Entities in respect of their roles at the Company.

A summary of the terms of the TNG Non-Executive Director and Consultant Share Plan, including the terms of a Loan, are set out in Schedule 3 of this Explanatory Memorandum (see, in particular, paragraph 4). A

full copy of the terms of the Non-Executive Director and Consultant Share Plan will be sent to members on request.

Directors recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

Resolution 8 – Approval of the TNG Employee Option Plan

Resolution 8 seeks approval of Shareholders for the issue of Options to Eligible Employees from time to time under the terms of the TNG Employee Option Plan for the purposes of Listing Rule 7.2, exception 9.

Resolution 8 is an ordinary resolution.

Like those Shares issued under the TNG Employee Share Plan, the Company wishes to exempt issues of Options under the TNG Employee Option Plan (which constitute 'equity securities' for the purposes of Listing Rule 7.1) from contributing towards the rolling annual limit of 15% of issued equity securities prescribed by Listing Rule 7.1. This limit otherwise applies to all new issues of equity securities (including Options) made without Shareholder approval.

Information required for the purposes of Listing Rule 7.2

The following information is provided for the purposes of Listing Rule 7.2, exception 9 in relation to the TNG Employee Option Plan:

- (i) a summary of the terms of the TNG Employee Option Plan is set out in Schedule 4 of this Explanatory Memorandum.
- (ii) no Options have been granted to, or for the benefit of, Eligible Employees under the TNG Employee Option Plan to date.

A full copy of the terms of the TNG Employee Option Plan will be sent to members on request.

Directors recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

Resolution 9 – Approval of the TNG Non-executive Director and Consultant Option Plan

Resolution 9 seeks approval of Shareholders for the issue of Options to Eligible Entities from time to time under the terms of the TNG Non-Executive Director and Consultant Option Plan for the purposes of Listing Rule 7.2, exception 9.

Resolution 9 is an ordinary resolution.

Information required for the purposes of Listing Rule 7.2

The following information is provided for the purposes of Listing Rule 7.2, exception 9 in relation to the TNG Non-Executive Director and Consultant Option Plan:

- (i) a summary of the terms of the TNG Non-executive Director and Consultant Option Plan is set out in Schedule 5 of this Explanatory Memorandum.
- (ii) no Options have been granted to, or for the benefit of, any Eligible Entities under the TNG Non-Executive Director and Consultant Option Plan to date.

A full copy of the terms of the TNG Non-executive Director and Consultant Option Plan will be sent to members on request.

Directors recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution.

Part D – Issue of securities to directors under the TNG Incentive Plans

Overview of Listing Rules and approvals sought

(a) *Issue of securities to related parties - Listing Rules 10.11 and 10.14*

Listing Rule 10.11 requires a listed entity to obtain shareholder approval for the issue of securities to related parties, which includes a director of the Company.

Listing Rule 10.12, exception 4 provides that approval under Listing Rule 10.11 is not required where securities are to be issued to a person under an employee incentive scheme that has been approved under Listing Rule 10.14. Listing Rule 10.14 requires a listed entity to obtain shareholder approval for the issue of securities (including options) under an 'employee incentive scheme' to certain parties, including a director, or an associate of a director, of the company.

Accordingly, the Company is seeking Shareholder approval under Listing Rule 10.14 before issuing Shares to Mr Paul Burton under the TNG Employee Share Plan, or before issuing any Shares or granting any Options to any of the Non-Executive Directors under the terms of the TNG Non- Executive Director and Consultant Share Plan or the TNG Non-Executive Director and Consultant Option Plan. Resolutions 10, 11, 12, 13, 14 and 15 seek Shareholder approval for the Company to issue Shares or Options (as applicable) to each of the Company's Directors for the purposes of section 10.14 of the Listing Rules.

All of the information that is required to be provided to Shareholders under Listing Rule 10.15 in order to obtain Shareholder approval under Listing Rule 10.14 for Resolutions 10, 11, 12, 13, 14 and 15 is set out below.

(b) *Financial Benefit - Part 2E.1 of the Corporations Act*

The provision of a Loan to Eligible Employees and Eligible Entities (as applicable) to fund the acquisition of Shares issued under the terms of the TNG Employee Share Plan and the TNG Non-Executive Director and Consultant Share Plan will constitute the giving of a financial benefit for the purposes of Part 2E.1 of the Corporations Act.

Section 208(1) of the Corporations Act states that for a public company to give a financial benefit to a related party of the public company (which includes its directors):

- (i) the public company must (i) obtain the approval of the public company's shareholders; and (ii) give the benefit within 15 months after the approval; or
- (ii) the giving of the benefit must fall within an exception set out in sections 210 to 216.

The arm's length and reasonable remuneration exceptions to the requirement for Shareholder approval contained in section 210 and 211 of the Corporations Act may well apply, however, the Directors consider that it is prudent to seek Shareholder approval for the purposes of section 208 in any event.

All of the information that is material to the decision on how to vote on Resolutions 10, 11, 12, 13, 14 and 15 for the purposes of section 208(1) of the Corporations Act is set out below in respect of the relevant Resolutions.

(c) *Financial Assistance - Part 2J.3 of the Corporations Act*

As discussed above, the provision of a Loan to Eligible Employees and Eligible Entities to fund the acquisition of Shares issued under the terms of the TNG Employee Share Plan and the TNG Non-Executive Director and Consultant Share Plan will constitute 'financial assistance' for the purposes of Part 2J.3 of the Corporations Act.

Please refer to Part C, Overview of Listing Rules and approvals sought, paragraph (c) above for further details in relation to sections 260A and 260B, and the exemption contained in section 260C(4), of the Corporations Act.

All of the information that is material to the decision on how to vote on Resolutions 11, 12 and 13 for purposes of section 260B of the Corporations Act is set out below and elsewhere in this Explanatory Memorandum.

Resolution 10 – Approval of issue of Shares and Loan to Mr Paul Burton

Resolution 10 seeks Shareholder approval under Listing Rule 10.14 and section 208(1) of the Corporations Act for the proposed issue of 6,000,000 Shares to Mr Paul Burton under the TNG Employee Share Plan, and for the proposed Loan to Mr Burton to assist him to acquire such Shares under the TNG Employee Share Plan.

Mr Burton, as the Managing Director of the Company, is entitled to participate in the TNG Employee Share Plan. The Board considers that the issue of Shares to Mr Burton under the TNG Employee Share Plan and the provision of the Loan to Mr Burton to assist him to acquire Shares under the TNG Employee Share Plan is in the Company's interests as it aligns the interests of Mr Burton as the Managing Director with the interests of the Company's Shareholders.

The Shares issued to Mr Burton cannot be sold, transferred, assigned, charged or otherwise encumbered until the restriction conditions (or performance hurdles) set out in paragraph (b)(5) below are satisfied (unless waived by the Board).

Resolution 10 is an ordinary resolution.

(a) Information required by Listing Rule 10.15

Listing Rule 10.15 sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under Listing Rule 10.14. The following information is provided in accordance with Listing Rule 10.15:

- (i) Subject to Resolution 10 being passed, the person to acquire Shares under the TNG Employee Share Plan is Mr Burton, the Managing Director of the Company.
- (ii) Subject to Resolution 10 being passed, Mr Burton will acquire 6,000,000 Shares under the TNG Employee Share Plan.
- (iii) The issue price payable by Mr Burton for the 6,000,000 Shares will be equal to the volume weighted average actual price at which Shares were traded on the ASX over the 5 trading days up to and including the date on which Mr Burton accepted his employment contract where it included an entitlement to receive, or to be offered, Shares under the TNG Employee Share Plan (being 15 August 2011). Based on this calculation, the issue price is \$0.0847.
- (iv) No Shares have been issued under the TNG Employee Share Plan to date.
- (v) Mr Burton, as the Managing Director of the Company, is the only Director entitled to participate in the TNG Employee Share Plan.
- (vi) A voting exclusion statement in respect of Resolution 10 is set out in the Notice.
- (vii) Subject to Resolution 10 being passed, at the time of the issue of the 6,000,000 Shares to Mr Burton under the TNG Employee Share Plan, Mr Burton will be entitled to an interest free Loan of \$508,200 (being the total amount due and payable in respect of the 6,000,000 Shares) with a term of 5 years to fund the acquisition of the Shares. Further details of the terms of the Loan to be provided to Mr Burton will be as set out in paragraph 4 of Schedule 2 (*Loan*) of this Explanatory Memorandum.
- (viii) It is proposed that Mr Burton will be issued the 6,000,000 Shares in the Company as soon as practicable after (and in any event within 12 months after) the date of the Meeting.

(b) Information required for the purposes of Chapter 2E of the Corporations Act

Section 219 of the Corporations Act sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under section 208(1). The following information is provided in accordance with section 219 and corresponding ASIC policy:

- (i) Subject to Resolution 10 being passed, the financial benefit would be given to Mr Burton, the Managing Director of the Company.
- (ii) There are two financial benefits being provided to Mr Burton. The nature of the financial benefits are as follows:
 - (a) issuing Mr Burton 6,000,000 Shares at an issue price of \$0.0847 per Share under the TNG Employee Share Plan (see Schedule 2 for the terms and conditions of this plan). The share price as at 16 October 2012 was \$0.115; and
 - (b) providing Mr Burton with a non-recourse, interest free Loan of \$508,200 (being the total amount due and payable in respect of the 6,000,000 Shares) for a term of 5 years. Further details of the terms of the Loan are set out in paragraph 4 of Schedule 2 (*Loan*) to assist him to acquire the Shares.
- (iii) The total value of the Shares is \$508,200 (based on the volume weighted average actual price at which Shares were traded on the ASX over the 5 trading days to and including 15 August 2011), or \$690,000 (based on the market value of the Shares as at 16 October 2012), and the total value of the Loan is \$508,200. The value of the financial benefits being provided are:
 - (a) as at a particular point in time, the amount by which the value of the 6,000,000 Shares issued to Mr Burton exceeds the value of the Loan; and
 - (b) the lost opportunity cost to the Company of providing the Loan to Mr Burton on an interest free basis. The value of this loss is based on the lost opportunity cost to the Company, which if the Company held the value of the Loan in cash, would be the value that the Company would earn from holding the value of the Loan in a term deposit bank account for the term of the Loan. On this basis, the value of the lost opportunity cost is the value of the Loan multiplied by an interest rate of 4.80% (which is the interest rate available from the Company's bank on cash term deposits equal to the value of the Loan as at the date of this Notice) multiplied by the term of the Loan. Therefore, the lost opportunity cost of providing the Loan to Mr Burton is $\$508,200 \times 4.80\% \times 5 = \$121,968$.
- (iv) The number of Shares to be issued was determined in accordance with Mr Burton's entitlement to receive such Shares under his Employment Services Agreement dated 15 August 2011 and the issue price was determined in accordance with the terms and conditions of the plan as set out in Schedule 2.
- (v) The Shares issued to Mr Burton remain at risk and cannot be sold, transferred, assigned, charged or otherwise encumbered by Mr Burton until Mr Burton has remained an Eligible Employee (as defined in the TNG Employee Share Plan) for 12 months after the date the plan Shares are issued to him (unless this requirement is waived by the Board).

Mr Burton's Employment Services Agreement envisaged that he would be issued incentive securities shortly after being appointed as the Managing Director. However, as a result of (among other things) the advancement of the Mount Peake project to pre-feasibility study stage (including increasing resource size to over 100Mt) and the negotiations which commenced with Jiangsu Eastern China Non-Ferrous Metals Investment Holding Co. Ltd ("**ECE**") (which resulted in an investment in the Company in May 2012) since his appointment such an issue of incentive securities to Mr Burton has not yet occurred. Consequently, the restriction conditions in respect of the incentive securities that had previously been envisaged for Mr Burton have already been satisfied and are therefore no longer included as a performance hurdle. In particular, the Board considers that the condition that Mr Burton introduce a major new investor into the Company that subscribes for capital in the Company and enters into other arrangements with the Company that are likely to ensure the development of a major project by the Company has been satisfied by the introduction of ECE and Aosu Investment and Development Co Pty Ltd to the Company.

Accordingly, the restriction condition relating to Mr Burton remaining an Eligible Employee for 12 months as described above is the only outstanding restriction condition in respect of the proposed issue of 6,000,000 Shares.

- (vi) Mr Burton's total remuneration package from the Company for the previous financial year and the proposed remuneration for the current financial year are set out below:

Type of remuneration	Amount	
	FY 12	FY13
Director's fees and superannuation	\$366, 519	\$337,900
Shares ¹	-	\$270 000
Total	\$366, 519	\$607,900

¹ Independent accounting firm BDO Corporate Finance Pty Ltd has valued the Shares as a put option using a binomial option pricing model as this method captures the value of the Shares after taking into account their outstanding debt obligations. It also used the Black Scholes option pricing model to validate the valuation prices calculated by the binomial option pricing model. Its valuation was based on the following assumptions:

Underlying Security Value	\$0.10
Exercise Price	\$0.0847
Valuation Date	2 October 2012
Expiration Date	2 October 2017
Life of the Options	5.00 years
Volatility	85%
Risk free rate	2.42%
Number of options	6,000,000
Valuation per option	\$0.045
Valuation per Tranche	\$270,000

(vii) Mr Burton held the following securities in the Company as at the date of this Notice:

Type of security	Number	% ¹
Shares	750 000	0.18
Options	7 500 000	1.75

¹ Based on 406,861,517 Shares outstanding per the latest Appendix 3B dated 2 August 2012 and, in the case of Options only, based on the fully diluted number of Shares outstanding assuming all Options granted to Mr Burton are exercised.

(viii) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.14	27 September 2012
Lowest	\$0.065	14 January 2012
Last	\$0.115	16 October 2012

- (ix) If the 6,000,000 Shares are issued to Mr Burton, this will increase the number of Shares on issue from 406,861,517 to 412,861,517 (assuming that no other Shares are issued and no Options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.45%.
- (x) The Board considers that the issue of Shares to Mr Burton under the TNG Employee Share Plan is in the Company's interests as it aligns the interests of Mr Burton as an Executive Director with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, the issue of the Shares provides cost effective consideration to Mr Burton in his role as Managing Director.
- (xi) The Directors do not make any recommendation to Shareholders in respect of Resolution 10 since this Resolution concerns a Director's remuneration and, as such, there may be a conflict of interest.
- (xii) Mr Burton has a material personal interest in the outcome of Resolution 10 since he will receive 6,000,000 Shares under the TNG Employee Share Plan if this Resolution is approved by Shareholders. In accordance with the voting exclusion statements set out in the Notice with respect to Resolution 10, Mr Burton will be excluded from voting on this Resolution at the Meeting.
- (xiii) The Board and the Company are not aware of any other information (other than the information set out in this Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolution.

Resolution 11 – Approval of issue of Shares and Loan to Mr Neil Biddle

Resolution 11 seeks Shareholder approval under Listing Rule 10.14 and sections 208(1) and 260B of the Corporations Act for the proposed issue of 2,000,000 Shares to Mr Neil Biddle under the TNG Non-Executive and Consultant Share Plan, and for the proposed Loan to Mr Biddle to assist him to acquire such Shares under the TNG Non-Executive and Consultant Share Plan.

Mr Biddle, as a Non-Executive Director of the Company, is entitled to participate in the TNG Non-Executive and Consultant Share Plan. The Board considers that the issue of Shares to Mr Biddle under the TNG Non-Executive and Consultant Share Plan and the provision of the Loan to Mr Biddle to assist him to acquire Shares under the TNG Non-Executive and Consultant Share Plan is in the Company's interests as it aligns the interests of Mr Biddle as a Non-Executive Director with the interests of the Company's Shareholders.

Resolution 11 is a special resolution and requires the approval of at least 75% of the votes cast by Shareholders in person or by proxy.

(a) Information required by Listing Rule 10.15

Listing Rule 10.15 sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under Listing Rule 10.14. The following information is provided in accordance with Listing Rule 10.15:

- (i) Subject to Resolution 11 being passed, the person to acquire Shares under the TNG Non-Executive and Consultant Share Plan is Mr Biddle, a Non-Executive Director of the Company.
- (ii) Subject to Resolution 11 being passed, Mr Biddle will acquire 2,000,000 Shares under the TNG Non-Executive and Consultant Share Plan.
- (iii) The issue price payable by Mr Biddle for the 2,000,000 Shares will be equal to the volume weighted average actual price at which Shares are traded on the ASX over the 5 trading days up to and including the date the offer is accepted by Mr Biddle.
- (iv) No Shares have been issued under the TNG Non-Executive and Consultant Share Plan to date.
- (v) The following Directors, being all the Non-Executive Directors of the Company, are entitled to participate in the TNG Non-Executive and Consultant Share Plan:
 - Mr Neil Biddle;
 - Mr Stuart Crow;
 - Mr Rex Turkington;
 - Mr Zhigang Wang; and
 - Mr Jianrong Xu.
- (vi) A voting exclusion statement in respect of Resolution 11 is set out in the Notice.
- (vii) Subject to Resolution 11 being passed, at the time of the issue of the 2,000,000 Shares to Mr Biddle under the TNG Non-Executive and Consultant Share Plan, Mr Biddle will be entitled to an interest free Loan to fund the acquisition of the Shares equal to the total amount due and payable in respect of the 2,000,000 Shares. Assuming the issue price for the Shares is equal to the market price of the Shares on 16 October 2012 of \$0.115, the value the Loan would be \$230,000. The Loan has a term of 5 years. Further details of the terms of the Loan to be provided to Mr Biddle will be as set out in paragraph 4 of Schedule 3 (*Loan*) of this Explanatory Memorandum.
- (viii) It is proposed that Mr Biddle will be issued the 2,000,000 Shares in the Company as soon as practicable after (and in any event within 12 months after) the date of the Meeting.

(b) Information required for the purposes of Chapter 2E of the Corporations Act

Section 219 of the Corporations Act sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under section 208(1). The following information is provided in accordance with section 219 and corresponding ASIC policy:

- (i) Subject to Resolution 11 being passed, the financial benefit would be given to Mr Biddle, a Non-Executive Director of the Company.
- (ii) There are two financial benefits being provided to Mr Biddle. The nature of the financial benefits are as follows:
- (a) issuing Mr Biddle 2,000,000 Shares at an issue price equal to the volume weighted average actual price at which Shares are traded on the ASX over the 5 trading days up to and including the date the offer is accepted by Mr Biddle under the TNG Non-Executive and Consultant Share Plan (see Schedule 3 for the terms and conditions of this plan). The share price as at 16 October 2012 was \$0.115; and
 - (b) providing Mr Biddle with a non-recourse, interest free Loan equal to the total amount due and payable in respect of the 2,000,000 Shares to fund the acquisition of the Shares. Assuming the issue price for the Shares is equal to the market price of the Shares on 16 October 2012 of \$0.115, the value the Loan would be \$230,000. The Loan has a term of 5 years. Further details of the terms of the Loan to be provided to Mr Biddle will be as set out in paragraph 4 of Schedule 3 (Loan) of this Explanatory Memorandum.
- (iii) Assuming the issue price of the Shares is equal to the market price as at 16 October 2012 of \$0.115, the total value of the Shares is \$230,000 and the corresponding total value of the Loan is \$230,000. The value of the financial benefits being provided are:
- (a) as at a particular point in time, the amount by which the value of the 2,000,000 Shares issued to Mr Biddle exceeds the value of the Loan; and
 - (b) the lost opportunity cost to the Company of providing the Loan to Mr Biddle on an interest free basis. The value of this loss is based on the lost opportunity cost to the Company, which if the Company held the value of the Loan in cash, would be the value that the Company would earn from holding the value of the Loan in a term deposit bank account for the term of the Loan. On this basis, the value of the lost opportunity cost is the value of the Loan multiplied by an interest rate of 4.80% (which is the interest rate available from the Company's bank on cash term deposits equal to the value of the Loan as at the date of this Notice) multiplied by the term of the Loan. Therefore, the lost opportunity cost of providing the Loan to Mr Biddle is $\$230,000 \times 4.80\% \times 5 = \$55,200$.
- (iv) The number of Shares to be issued was determined having regard to Mr Biddle's performance, current market conditions and other remuneration he is due to receive under his terms of engagement and the issue price was determined in accordance with the terms and conditions of the plan as set out in Schedule 3.
- (v) The Shares issued to Mr Biddle remain at risk and cannot be sold, transferred, assigned, charged or otherwise encumbered by Mr Biddle until Mr Biddle has remained an Eligible Entity (as defined in the TNG Non-Executive and Consultant Share Plan) for 12 months after the date the plan Shares are issued to him (unless this requirement is waived by the Board).
- (vi) Mr Biddle's total remuneration package from the Company for the previous financial year and the estimated remuneration for the current financial year are set out below:

Type of remuneration	Amount	
	FY 12	FY13
Director's fees	\$ 60 000	\$60 000
Consulting Fees ²	\$480 000	-
Shares ¹	-	\$112,000
Total	\$540 000	\$172,000

¹ Independent accounting firm BDO Corporate Finance Pty Ltd has valued the Shares as a put option using a binomial option pricing model as this method captures the value of the Shares after taking into account their outstanding debt obligations. It also used the Black Scholes option pricing model to validate the valuation prices calculated by the binomial option pricing model. Its valuation was based on the following assumptions:

Underlying Security Value	\$0.100
Exercise Price	\$0.100
Valuation Date	2 October 2012
Expiration Date	2 October 2012
Life of the Options	5.00 years
Volatility	85%
Risk free rate	2.42%
Number of options	2,000,000
Valuation per option	\$0.056
Valuation per Tranche	\$112,000

¹ Mr Biddle may receive consulting fees for additional services based on a rate of \$1,500 per day.

- (ii) Mr Biddle held the following securities in the Company as at the date of this Notice:

Type of security	Number	% ¹
Shares	6 633 340	1.63
Options	2 000 000	0.46

¹ Based on 406,861,517 Shares outstanding per the latest Appendix 3B dated 2 August 2012 and, in the case of Options only, based on the fully diluted number of Shares outstanding assuming all Options granted to Mr Biddle are exercised.

- (iii) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.14	27 September 2012
Lowest	\$0.065	14 January 2012
Last	\$0.115	16 October 2012

- (iv) If the 2,000,000 Shares are issued to Mr Biddle, this will increase the number of Shares on issue from 406,861,517 to 408,861,517 (assuming that no other Shares are issued and no Options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.49%.
- (v) The Board considers that the issue of Shares to Mr Biddle under the TNG Non-Executive and Consultant Share Plan is in the Company's interests as it aligns the interests of Mr Biddle as a Non-Executive Director with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, the issue of the Shares provides cost effective consideration to Mr Biddle in his role as a Non-Executive Director.
- (vi) The Board acknowledges the issue of Shares is not consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations since the issue of Shares is being made to a Non-Executive Director. However, the Board considers the issue of Shares to Mr Biddle reasonable in the circumstances (and consistent with market practice for some junior resources companies) in order to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves.
- (vii) The Directors do not make any recommendation to Shareholders in respect of Resolution 11 since this Resolution concerns a Director's remuneration and, as such, there may be a conflict of interest.
- (viii) Mr Biddle has a material personal interest in the outcome of Resolution 11 since he will receive 2,000,000 Shares under the TNG Non-Executive and Consultant Share Plan if this Resolution is approved by Shareholders. In accordance with the voting exclusion statements set out in the Notice with respect to Resolution 11, Mr Biddle will be excluded from voting on this Resolution at the Meeting.
- (ix) The Board and the Company are not aware of any other information (other than the information set out in this Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolution.

(c) Information required for the purposes of section s 260B(4) of the Corporations Act

The Board considers that the provision of a Loan to assist Mr Biddle to acquire Shares under the TNG Non-Executive Director and Consultant Share Plan is in the Company's interests as it aligns the interests of Mr Biddle with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, providing a Loan to support the issue of the Shares provides cost effective consideration to Mr Biddle in his role as a Non-Executive Director of the Company.

A summary of the terms of the TNG Non-Executive Director and Consultant Share Plan, including the terms of the Loan, is set out in Schedule 3 of this Explanatory Memorandum (see, in particular, paragraph 4).

Resolution 12 – Approval of issue of Shares and Loan to Mr Stuart Crow

Resolution 12 seeks Shareholder approval under Listing Rule 10.14 and sections 208(1) and 260B of the Corporations Act for the proposed issue of 2,000,000 Shares to Mr Stuart Crow under the TNG Non-Executive and Consultant Share Plan, and for the proposed Loan to Mr Crow to assist him to acquire such Shares under the TNG Non-Executive and Consultant Share Plan.

Mr Crow, as a Non-Executive Director of the Company, is entitled to participate in the TNG Non-Executive and Consultant Share Plan. The Board considers that the issue of Shares to Mr Crow under the TNG Non-Executive and Consultant Share Plan and the provision of the Loan to Mr Crow to assist him to acquire Shares under the TNG Non-Executive and Consultant Share Plan is in the Company's interests as it aligns the interests of Mr Crow as a Non-Executive Director with the interests of the Company's Shareholders.

Resolution 12 is a special resolution and requires the approval of at least 75% of the votes cast by Shareholders in person or by proxy.

(a) Information required by Listing Rule 10.15

Listing Rule 10.15 sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under Listing Rule 10.14. The following information is provided in accordance with Listing Rule 10.15:

- (i) Subject to Resolution 12 being passed, the person to acquire Shares under the TNG Non-Executive and Consultant Share Plan is Mr Crow, a Non-Executive Director of the Company.
- (ii) Subject to Resolution 12 being passed, Mr Crow will acquire 2,000,000 Shares under the TNG Non-Executive and Consultant Share Plan.
- (iii) The issue price payable by Mr Crow for the 2,000,000 Shares will be equal to the volume weighted average actual price at which Shares are traded on the ASX over the 5 trading days up to and including the date the offer is accepted by Mr Crow.
- (iv) No Shares have been issued to under the TNG Non-Executive and Consultant Share Plan to date.
- (v) The following Directors, being all the Non-Executive Directors of the Company, are entitled to participate in the TNG Non-Executive and Consultant Share Plan:
 - Mr Neil Biddle;
 - Mr Stuart Crow;
 - Mr Rex Turkington;
 - Mr Zhigang Wang; and
 - Mr Jianrong Xu.
- (vi) A voting exclusion statement in respect of Resolution 12 is set out in the Notice.
- (vii) Subject to Resolution 12 being passed, at the time of the issue of the 2,000,000 Shares to Mr Crow under the TNG Non-Executive and Consultant Share Plan, Mr Crow will be entitled to an interest free Loan to fund the acquisition of the Shares equal to the total amount due and payable in respect of the 2,000,000 Shares. Assuming the issue price for the Shares is equal to the market price of the Shares on 16 October 2012 of \$0.115, the value the Loan would be \$230,000.

The Loan has a term of 5 years. Further details of the terms of the Loan to be provided to Mr Crow will be as set out in paragraph 4 of Schedule 3 (*Loan*) of this Explanatory Memorandum.

- (viii) It is proposed that Mr Crow will be issued the 2,000,000 Shares in the Company as soon as practicable after (and in any event within 12 months after) the date of the Meeting.

(b) Information required for the purposes of Chapter 2E of the Corporations Act

Section 219 of the Corporations Act sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under section 208(1). The following information is provided in accordance with section 219 and corresponding ASIC policy:

- (i) Subject to Resolution 12 being passed, the financial benefit would be given to Mr Crow, a Non-Executive Director of the Company.
- (ii) There are two financial benefits being provided to Mr Crow. The nature of the financial benefits are as follows:
 - (a) issuing Mr Crow 2,000,000 Shares at an issue price equal to the volume weighted average actual price at which Shares are traded on the ASX over the 5 trading days up to and including the date the offer is accepted by Mr Crow under the TNG Non-Executive and Consultant Share Plan (see Schedule 3 for the terms and conditions of this plan). The share price as at 16 October 2012 was \$0.115; and
 - (b) providing Mr Crow with a non-recourse, interest free Loan equal to the total amount due and payable in respect of the 2,000,000 Shares to fund the acquisition of the Shares. Assuming the issue price for the Shares is equal to the market price of the Shares on 16 October 2012 of \$0.115, the value the Loan would be \$230,000. The Loan has a term of 5 years. Further details of the terms of the Loan to be provided to Mr Crow will be as set out in paragraph 4 of Schedule 3 (*Loan*) of this Explanatory Memorandum.
- (iii) Assuming the issue price of the Shares is equal to the market price as at 16 October 2012 of \$0.115, the total value of the Shares is \$230,000 and the corresponding total value of the Loan is \$230,000. The value of the financial benefits being provided are:
 - (a) as at a particular point in time, is the amount by which the value of the 2,000,000 Shares issued to Mr Crow exceeds the value of the Loan; and
 - (b) the lost opportunity cost to the Company of providing the Loan to Mr Crow on an interest free basis. The value of this loss is based on the lost opportunity cost to the Company, which if the Company held the value of the Loan in cash, would be the value that the Company would earn from holding the value of the Loan in a term deposit bank account for the term of the Loan. On this basis, the value of the lost opportunity cost is the value of the Loan multiplied by an interest rate of 4.80% (which is the interest rate available from the Company's bank on cash term deposits equal to the value of the Loan as at the date of this Notice) multiplied by the term of the Loan. Therefore, the lost opportunity cost of providing the Loan to Mr Crow is $\$230,000 \times 4.80\% \times 5 = \$55,200$.
- (iv) The number of Shares to be issued was determined having regard to Mr Crow's performance, current market conditions and other remuneration he is due to receive under his terms of engagement, employment agreement and the issue price was determined in accordance with the terms and conditions of the plan as set out in Schedule 3.
- (v) The Shares issued to Mr Crow remain at risk and cannot be sold, transferred, assigned, charged or otherwise encumbered by Mr Crow until Mr Crow has remained an Eligible Entity (as defined in the TNG Non-Executive and Consultant Share Plan) for 12 months after the date the plan Shares are issued to him (unless this requirement is waived by the Board).
- (vi) Mr Crow's total remuneration package from the Company for the previous financial year and the estimated remuneration for the current financial year are set out below:

Type of remuneration	Amount	
	FY 12	FY13
Director's fees	\$60 000	\$60,000
Consulting Fees ²	\$18 000	-
Shares ¹	-	\$112,000
Total	\$78,000	\$172,000

¹ Independent accounting firm BDO Corporate Finance Pty Ltd has valued the Shares as a put option using a binomial option pricing model as this method captures the value of the Shares after taking into account their outstanding debt obligations. It also used the Black Scholes option pricing model to validate the valuation prices calculated by the binomial option pricing model. Its valuation was based on the following assumptions:

Underlying Security Value	\$0.1000
Exercise Price	\$0.100
Valuation Date	2 October 2012
Expiration Date	2 October 2017
Life of the Options	5.00 years
Volatility	85%
Risk free rate	2.42%
Number of options	2,000,000
Valuation per option	\$0.056
Valuation per Tranche	\$112,000

¹ Mr Crow may receive consulting fees for additional services based on a rate of \$1,500 per day.

Mr Crow held the following securities in the Company as at the date of this Notice:

Type of security	Number	% ¹
Shares	402 205	0.01
Options	4,000,000	0.95

¹ Based on 406,861,517 Shares outstanding per the latest Appendix 3B dated 2 August 2012 and, in the case of Options only, based on the fully diluted number of Shares outstanding assuming all Options granted to Mr Crow are exercised.

- (vii) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.14	27 September 2012
Lowest	\$0.065	14 January 2012
Last	\$0.115	16 October 2012

- (viii) If the 2,000,000 Shares are issued to Mr Crow, this will increase the number of Shares on issue from 406,861,517 to 408,861,517 (assuming that no other Shares are issued and no Options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.49%.
- (ix) The Board considers that the issue of Shares to Mr Crow under the TNG Non-Executive and Consultant Share Plan is in the Company's interests as it aligns the interests of Mr Crow as a Non-Executive Director with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, the issue of the Shares provides cost effective consideration to Mr Crow in his role as a Non-Executive Director.
- (x) The Board acknowledges the issue of Shares is not consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations since the issue of Shares is being made to a Non-Executive Director. However, the Board considers the issue of Shares to Mr Crow reasonable in the circumstances (and consistent with market practice for some junior resources companies) in order to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves.
- (xi) The Directors do not make any recommendation to Shareholders in respect of Resolution 12 since this Resolution concerns a Director's remuneration and, as such, there may be a conflict of interest.
- (xii) Mr Crow has a material personal interest in the outcome of Resolution 12 since he will receive 2,000,000 Shares under the TNG Non-Executive and Consultant Share Plan if this Resolution is

approved by Shareholders. In accordance with the voting exclusion statements set out in the Notice with respect to Resolution 12, Mr Crow will be excluded from voting on this Resolution at the Meeting.

- (xiii) The Board and the Company are not aware of any other information (other than the information set out in this Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolution.

(c) Information required for the purposes of section s 260B(4) of the Corporations Act

The Board considers that the provision of a Loan to assist Mr Crow to acquire Shares under the TNG Non-Executive Director and Consultant Share Plan is in the Company's interests as it aligns the interests of Mr Crow with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, providing a Loan to support the issue of the Shares provides cost effective consideration to Mr Crow in his role as a Non-Executive Director of the Company.

A summary of the terms of the TNG Non-Executive Director and Consultant Share Plan, including the terms of the Loan, is set out in Schedule 3 of this Explanatory Memorandum (see, in particular, paragraph 4).

Resolution 13 – Approval of issue of Shares to Mr Rex Turkington

Resolution 13 seeks Shareholder approval under Listing Rule 10.14 and sections 208(1) and 260B of the Corporations Act for the proposed issue of 2,000,000 Shares to Mr Rex Turkington under the TNG Non-Executive and Consultant Share Plan, and for the proposed Loan to Mr Turkington to assist him to acquire such Shares under the TNG Non-Executive and Consultant Share Plan.

Mr Turkington, as a Non-Executive Director of the Company, is entitled to participate in the TNG Non-Executive and Consultant Share Plan. The Board considers that the issue of Shares to Mr Turkington under the TNG Non-Executive and Consultant Share Plan and the provision of the Loan to Mr Turkington to assist him to acquire Shares under the TNG Non-Executive and Consultant Share Plan is in the Company's interests as it aligns the interests of Mr Turkington as a Non-Executive Director with the interests of the Company's Shareholders.

Resolution 13 is a special resolution and requires the approval of at least 75% of the votes cast by Shareholders in person or by proxy.

(a) Information required by Listing Rule 10.15

Listing Rule 10.15 sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under Listing Rule 10.14. The following information is provided in accordance with Listing Rule 10.15:

- (i) Subject to Resolution 13 being passed, the person to acquire Shares under the TNG Non-Executive and Consultant Share Plan is Mr Turkington, a Non-Executive Director of the Company.
- (ii) Subject to Resolution 13 being passed, Mr Turkington will acquire 2,000,000 Shares under the TNG Non-Executive and Consultant Share Plan.
- (iii) The issue price payable by Mr Turkington for the 2,000,000 Shares will be equal to the volume weighted average actual price at which Shares are traded on the ASX over the 5 trading days up to and including the date the offer is accepted by Mr Turkington.
- (iv) No Shares have been issued under the TNG Non-Executive and Consultant Share Plan to date.
- (v) The following Directors, being all the Non-Executive Directors of the Company, are entitled to participate in the TNG Non-Executive and Consultant Share Plan:
 - Mr Neil Biddle;
 - Mr Stuart Crow;
 - Mr Rex Turkington;
 - Mr Zhigang Wang; and
 - Mr Jianrong Xu.

- (vi) A voting exclusion statement in respect of Resolution 13 is set out in the Notice.
- (vii) Subject to Resolution 13 being passed, at the time of the issue of the 2,000,000 Shares to Mr Turkington under the TNG Non-Executive and Consultant Share Plan, Mr Turkington will be entitled to an interest free Loan to fund the acquisition of the Shares equal to the total amount due and payable in respect of the 2,000,000 Shares. Assuming the issue price for the Shares is equal to the market price of the Shares on 16 October 2012 of \$0.115, the value the Loan would be \$230,000. The Loan has a term of 5 years. Further details of the terms of the Loan to be provided to Mr Turkington will be as set out in paragraph 4 of Schedule 3 (*Loan*) of this Explanatory Memorandum.
- (viii) Details of any Shares issued under the TNG Non-Executive and Consultant Share Plan will be published in each annual report of the Company relating to a period in which Shares have been issued, and the annual report will note that approval for the issue of the Shares was obtained under Listing Rule 10.14. Any additional persons who become entitled to participate in the TNG Non-Executive and Consultant Share Plan after Resolution 13 is approved (if such Resolution is approved) and who were not named in the Notice will not participate until approval is obtained under Listing Rule 10.14.
- (ix) It is proposed that Mr Turkington will be issued the 2,000,000 Shares in the Company as soon as practicable after (and in any event within 12 months after) the date of the Meeting.

(b) Information required for the purposes of Chapter 2E of the Corporations Act

Section 219 of the Corporations Act sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under section 208(1). The following information is provided in accordance with section 219 and corresponding ASIC policy:

- (i) Subject to Resolution 13 being passed, the financial benefit would be given to Mr Turkington, a Non-Executive Director of the Company.
- (ii) There are two financial benefits being provided to Mr Turkington. The nature of the financial benefits are as follows:
 - (a) issuing Mr Turkington 2,000,000 Shares at an issue price equal to the volume weighted average actual price at which Shares are traded on the ASX over the 5 trading days up to and including the date the offer is accepted by Mr Turkington under the TNG Non-Executive and Consultant Share Plan (see Schedule 3 for the terms and conditions of this plan). The share price as at 16 October 2012 was \$0.115; and
 - (b) providing Mr Turkington with a non-recourse, interest free Loan equal to the total amount due and payable in respect of the 2,000,000 Shares to fund the acquisition of the Shares. Assuming the issue price for the Shares is equal to the market price of the Shares on 16 October 2012 of \$0.115, the value the Loan would be \$230,000. The Loan has a term of 5 years. Further details of the terms of the Loan to be provided to Mr Turkington will be as set out in paragraph 4 of Schedule 3 (*Loan*) of this Explanatory Memorandum.
- (iii) Assuming the issue price of the Shares is equal to the market price as at 16 October 2012 of \$0.115, the total value of the Shares is \$230,000 and the corresponding total value of the Loan is \$230,000. The value of the financial benefits being provided are:
 - (a) as at a particular point in time, the amount by which the value of the 2,000,000 Shares exceeds the value of the Loan; and
 - (b) the lost opportunity cost to the Company of providing the Loan to Mr Turkington on an interest free basis. The value of this loss is based on the lost opportunity cost to the Company, which if the Company held the value of the Loan in cash, would be the value that the Company would earn from holding the value of the Loan in a term deposit bank account for the term of the Loan. On this basis, the value of the lost opportunity cost is the value of the Loan multiplied by an interest rate of 4.80% (which is the interest rate available from the Company's bank on cash term deposits equal to the value of the Loan as at the date of this Notice) multiplied by the term of the Loan. Therefore, the lost

opportunity cost of providing the Loan to Mr Turkington is $\$230,000 \times 4.80\% \times 5 = \$55,200$.

- (iv) The number of Shares to be issued was determined having regard to Mr Turkington's performance, current market conditions and other remuneration he is due to receive under his employment agreement and the issue price was determined in accordance with the terms and conditions of the plan as set out in Schedule 3.
- (v) The Shares issued to Mr Turkington remain at risk and cannot be sold, transferred, assigned, charged or otherwise encumbered by Mr Turkington until Mr Turkington has remained an Eligible Entity (as defined in the TNG Non-Executive and Consultant Share Plan) for 12 months after the date the plan Shares are issued to him (unless this requirement is waived by the Board).
- (vi) Mr Turkington's total remuneration package from the Company for the previous financial year and the proposed remuneration for the current financial year are set out below:

Type of remuneration	Amount	
	FY 12	FY13
Director's fees	\$ 35 692	\$60,000
Consulting Fees ²	\$55 004	-
Shares ¹	-	\$112,000
Total	\$90 696	\$172,000

¹ Independent accounting firm BDO Corporate Finance Pty Ltd has valued the Shares as a put option using a binomial option pricing model as this method captures the value of the Shares after taking into account their outstanding debt obligations. It also used the Black Scholes option pricing model to validate the valuation prices calculated by the binomial option pricing model. Its valuation was based on the following assumptions:

Underlying Security Value	\$0.1000
Exercise Price	\$0.100
Valuation Date	2 October 2012
Expiration Date	2 October 2012
Life of the Options	5.00 years
Volatility	85%
Risk free rate	2.42%
Number of options	2,000,000
Valuation per option	\$0.056
Valuation per Tranche	\$112,000

¹ Mr Turkington may receive consulting fees for additional services based on a rate of \$1,500 per day.

- (vii) Mr Turkington held the following securities in the Company as at the date of this Notice:

Type of security	Number	% ¹
Shares	1 288 000	0.31
Options	-	N/A

¹ Based on 406,861,517 Shares outstanding per the latest Appendix 3B dated 2 August 2012 and, in the case of Options only, based on the fully diluted number of Shares outstanding assuming all Options granted to Mr Turkington are exercised.

- (viii) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.14	27 September 2012
Lowest	\$0.065	14 January 2012
Last	\$0.115	16 October 2012

- (ix) If the 2,000,000 Shares are issued to Mr Turkington, this will increase the number of Shares on issue from 406,861,517 to 408,861,51 (assuming that no other Shares are issued and no Options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.49%.
- (x) The Board considers that the issue of Shares to Mr Turkington under the TNG Non-Executive and Consultant Share Plan is in the Company's interests as it aligns the interests of Mr Turkington as

a Non-Executive Director with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, the issue of the Shares provides cost effective consideration to Mr Turkington in his role as a Non-Executive Director.

- (xi) The Board acknowledges the issue of Shares is not consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations since the issue of Shares is being made to a Non-Executive Director. However, the Board considers the issue of Shares to Mr Turkington reasonable in the circumstances (and consistent with market practice for some junior resources companies) in order to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves.
- (xii) The Directors do not make any recommendation to Shareholders in respect of Resolution 13 since this Resolution concerns a Director's remuneration and, as such, there may be a conflict of interest.
- (xiii) Mr Turkington has a material personal interest in the outcome of Resolution 13 since he will receive 2,000,000 Shares under the TNG Non-Executive and Consultant Share Plan if this Resolution is approved by Shareholders. In accordance with the voting exclusion statements set out in the Notice with respect to Resolution 13, Mr Turkington will be excluded from voting on this Resolution at the Meeting.
- (xiv) The Board and the Company are not aware of any other information (other than the information set out in this Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolution.

(c) Information required for the purposes of section s 260B(4) of the Corporations Act

The Board considers that the provision of a Loan to assist Mr Turkington to acquire Shares under the TNG Non-Executive Director and Consultant Share Plan is in the Company's interests as it aligns the interests of Mr Turkington with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, providing a Loan to support the issue of the Shares provides cost effective consideration to Mr Turkington in his role as a Non-Executive Director of the Company.

A summary of the terms of the TNG Non-Executive Director and Consultant Share Plan, including the terms of the Loan, is set out in Schedule 3 of this Explanatory Memorandum (see, in particular, paragraph 4).

Resolution 14 – Approval of issue of Options to Mr Zhigang Wang

Resolution 14 seeks Shareholder approval under Listing Rule 10.14 and section 208(1) of the Corporations Act for the proposed issue of 2,000,000 Options to Mr Zhigang Wang under the TNG Non-Executive and Consultant Option Plan.

The exercise price of the Options will be 1.5 times the five day volume weighted average price of the Company's Shares up to and including the date of the Meeting and the Options will expire three years after the Options are granted if not previously exercised. If the Options were granted on 16 October 2012, the last practicable date before finalisation of this Notice, the exercise price would have been \$0.178.

Mr Wang, as a Non-Executive Director of the Company, is entitled to participate in the TNG Non-Executive and Consultant Option Plan. The Board considers that the issue of Options to Mr Wang under the TNG Non-Executive and Consultant Option Plan is in the Company's interests as it aligns the interests of Mr Wang as a Non-Executive Director with the interests of the Company's Shareholders.

As the Company is not seeking Shareholder approval under item 7 section 611 of the Corporations Act for the future increase in Mr Wang's voting power upon exercise of the Options under Item 7 of section 611, Mr Zhigang Wang may only exercise the 2,000,000 Options granted to him if the 3% creep exception provided for in item 9 of section 611 of the Corporations Act (or another exception) is available.

Resolution 14 is an ordinary resolution.

(a) Information required by Listing Rule 10.15

Listing Rule 10.15 sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under Listing Rule 10.14. The following information is provided in accordance with Listing Rule 10.15:

- (i) Subject to Resolution 14 being passed, the person to acquire Options under the TNG Non-Executive and Consultant Option Plan is Mr Wang, a Non-Executive Director of the Company.
- (ii) Subject to Resolution 14 being passed, Mr Wang will acquire 2,000,000 Options under the TNG Non-Executive and Consultant Option Plan.
- (iii) The 2,000,000 Options will be issued to Mr Wang for nil consideration (in line with the terms of the TNG Non-Executive and Consultant Option Plan, which are summarised in Schedule 5 of this Explanatory Memorandum).
- (iv) No Options have been issued under the TNG Non-Executive and Consultant Option Plan to date.
- (v) The following Directors, being all the Non-Executive Directors of the Company, are entitled to participate in the TNG Non-Executive and Consultant Option Plan:
 - Mr Neil Biddle;
 - Mr Stuart Crow;
 - Mr Rex Turkington;
 - Mr Zhigang Wang; and
 - Mr Jianrong Xu.
- (vi) A voting exclusion statement in respect of Resolution 14 is set out in the Notice.
- (vii) No loan will be provided in relation to the acquisition of the Options.
- (viii) It is proposed that Mr Wang will be issued the 2,000,000 Options as soon as practicable after (and in any event within 12 months after) the date of the Meeting.

(b) Information required for the purposes of Chapter 2E of the Corporations Act

Section 219 of the Corporations Act sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under section 208(1). The following information is provided in accordance with section 219 and corresponding ASIC policy:

- (i) Subject to Resolution 14 being passed, the financial benefit would be given to Mr Wang, a Non-Executive Director of the Company.
- (ii) The nature of the financial benefit is granting Mr Wang 2,000,000 Options for nil cash consideration under the TNG Non-Executive and Consultant Option Plan (see Schedule 5 for the terms and conditions of this plan). The current share price (as at the date of this Notice) is \$0.115.
- (iii) Independent accounting firm BDO Corporate Finance Pty Ltd has determined that the total value of the Options is \$92,000 using a binomial option pricing model (its valuation was also validated using a Black-Scholes pricing model). Its valuation was based on the following assumptions:

Underlying Security Value	\$0.1000
Exercise Price	\$0.150
Valuation Date	2 October 2012
Expiration Date	2 October 2015
Life of the Options	3.00 years
Volatility	85%
Risk free rate	2.42%
Number of options	2,000,000
Valuation per option	\$0.046
Valuation per Tranche	\$92,000

- (iv) The number of Options to be granted was determined having regard to Mr Wang's performance, current market conditions and other remuneration he is due to receive under his terms of engagement and the issue price was determined in accordance with the terms and conditions of the plan as set out in Schedule 5.
- (v) Mr Wang's total remuneration package from the Company for the previous financial year and the estimated remuneration for the current financial year are set out below:

Type of remuneration	Amount	
	FY 12 ²	FY13
Director's fees	\$27 308	\$60 000
Options ¹	-	\$92,000
Total	\$27 308	\$152,000

¹ Refer Section (b) (iii) above for valuation assumptions.

² Mr Wang's remuneration for FY12 was not in respect of a full financial year as Mr Wang was only appointed as a director on 18 January 2012.

- (vi) Mr Wang held the following securities in the Company as at the date of this Notice:

Type of security	Number	% ¹
Shares	59 808 643	14.7
Options	-	N/A

¹ Based on 406,861,517 Shares outstanding per the latest Appendix 3B dated 2 August 2012 and, in the case of Options only, based on the fully diluted number of Shares outstanding assuming all Options granted to Mr Wang are exercised.

- (vii) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.14	27 September 2012
Lowest	\$0.065	14 January 2012
Last	\$0.115	16 October 2012

- (viii) If the 2,000,000 Options are granted to Mr Wang and are subsequently exercised, a total of 2,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 406,861,517 to 408,861,517 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.49%.

The market price for the Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.

- (ix) The Board considers that the grant of Options to Mr Wang under the TNG Non-Executive and Consultant Option Plan is in the Company's interests as it aligns the interests of Mr Wang as a Non-Executive Director with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, the grant of the Options provides cost effective consideration to Mr Wang in his role as a Non-Executive Director. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options to Mr Wang on the terms proposed.
- (x) The Board acknowledges the grant of Options is not consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations since the grant of Options is being made to a Non-Executive Director. However, the Board considers the grant of Options to Mr Wang reasonable in the circumstances (and consistent with market practice for some junior resources companies) in order to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves.
- (xi) The Directors do not make any recommendation to Shareholders in respect of Resolution 14 since this Resolution concerns a Director's remuneration and, as such, there may be a conflict of interest.

- (xii) Mr Wang has a material personal interest in the outcome of Resolution 14 since he will receive 2,000,000 Options under the TNG Non-Executive and Consultant Option Plan if this Resolution is approved by Shareholders. In accordance with the voting exclusion statements set out in the Notice with respect to Resolution 14, Mr Wang will be excluded from voting on this Resolution at the Meeting.
- (xiii) The Board and the Company are not aware of any other information (other than the information set out in this Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolution.

Resolution 15 – Approval of issue of Options to Mr Jianrong Xu

Resolution 15 seeks Shareholder approval under Listing Rule 10.14 and section 208(1) of the Corporations Act for the proposed issue of 2,000,000 Options to Mr Jianrong Xu under the TNG Non-Executive and Consultant Option Plan.

The exercise price of the Options will be 1.5 times the five day volume weighted average price of the Company's Shares up to and including the date of the Meeting and the Options will expire three years after the Options are granted if not previously exercised. If the Options were granted on 16 October 2012, the last practicable date before finalisation of this Notice, the exercise price would have been \$0.178.

Mr Xu, as a Non-Executive Director of the Company, is entitled to participate in the TNG Non-Executive and Consultant Option Plan. The Board considers that the issue of Options to Mr Xu under the TNG Non-Executive and Consultant Option Plan is in the Company's interests as it aligns the interests of Mr Xu as a Non-Executive Director with the interests of the Company's Shareholders.

Resolution 15 is an ordinary resolution.

(a) Information required by Listing Rule 10.15

Listing Rule 10.15 sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under Listing Rule 10.14. The following information is provided in accordance with Listing Rule 10.15:

- (i) Subject to Resolution 15 being passed, the person to acquire Options under the TNG Non-Executive and Consultant Option Plan is Mr Xu, a Non-Executive Director of the Company.
- (ii) Subject to Resolution 15 being passed, Mr Xu will acquire 2,000,000 Options under the TNG Non-Executive and Consultant Option Plan.
- (iii) The 2,000,000 Options will be issued to Mr Xu for nil consideration (in line with the terms of the TNG Non-Executive and Consultant Option Plan, which are summarised in Schedule 5 of this Explanatory Memorandum).
- (iv) No Options have been issued under the TNG Non-Executive and Consultant Option Plan to date.
- (v) The following Directors, being all the Non-Executive Directors of the Company, are entitled to participate in the TNG Non-Executive and Consultant Option Plan:
 - Mr Neil Biddle;
 - Mr Stuart Crow;
 - Mr Rex Turkington;
 - Mr Zhigang Wang; and
 - Mr Jianrong Xu.
- (vi) A voting exclusion statement in respect of Resolution 15 is set out in the Notice.
- (vii) No loan will be provided in relation to the acquisition of the Options.
- (viii) It is proposed that Mr Xu will be issued the 2,000,000 Options as soon as practicable after (and in any event within 12 months after) the date of the Meeting.

(b) Information required for the purposes of Chapter 2E of the Corporations Act

Section 219 of the Corporations Act sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under section 208(1). The following information is provided in accordance with section 219 and corresponding ASIC policy:

- (i) Subject to Resolution 15 being passed, the financial benefit would be given to Mr Xu, a Non-Executive Director of the Company.
- (ii) The nature of the financial benefit is granting Mr Xu 2,000,000 Options for nil cash consideration under the TNG Non-Executive and Consultant Option Plan (see Schedule 5 for the terms and conditions of this plan). The current share price (as at the date of this Notice) is \$0.115.
- (iii) Independent accounting firm BDO Corporate Finance Pty Ltd has determined that the total value of the Options is \$92,000 using a binomial option pricing model (its valuation was also validated using a Black-Scholes pricing model). Its valuation was based on the following assumptions:

Underlying Security Value	\$0.1000
Exercise Price	\$0.150
Valuation Date	2 October 2012
Expiration Date	2 October 2015
Life of the Options	3.00 years
Volatility	85%
Risk free rate	2.42%
Number of options	2,000,000
Valuation per option	\$0.046
Valuation per Tranche	\$92,000

- (iv) The number of Options to be granted was determined having regard to Mr Xu's performance, current market conditions and other remuneration he is due to receive under his terms of engagement and the issue price was determined in accordance with the terms and conditions of the plan as set out in Schedule 5.
- (v) Mr Xu's total remuneration package from the Company for the previous financial year and the proposed remuneration for the current financial year are set out below:

Type of remuneration	Amount	
	FY 12 ²	FY13
Director's fees	-	\$60 000
Options ¹	-	\$92,000
Total	-	\$152,000

¹ Refer Section (b) (iii) above for valuation assumptions.

² Mr Xu's remuneration for FY12 was not in respect of a full financial year as Mr Xu was only appointed as a director on 24 May 2012.

- (vi) Mr Xu held the following securities in the Company as at the date of this Notice:

Type of security	Number	%
Shares	-	N/A
Options	-	N/A

The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.14	27 September 2012
Lowest	\$0.065	14 January 2012
Last	\$0.115	16 October 2012

- (vii) If the 2,000,000 Options are granted to Mr Xu and are subsequently exercised, a total of 2,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 406,861,517 to 408,861,517 (assuming that no other Options are exercised and no other

Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.49%.

The market price for the Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.

- (viii) The Board considers that the grant of Options to Mr Xu under the TNG Non-Executive and Consultant Option Plan is in the Company's interests as it aligns the interests of Mr Xu as a Non-Executive Director with the interests of the Company's Shareholders in order to maximise Shareholder value. Further, the grant of the Options provides cost effective consideration to Mr Xu in his role as a Non-Executive Director. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options to Mr Xu on the terms proposed.
- (ix) The Board acknowledges the grant of Options is not consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations since the grant of Options is being made to a Non-Executive Director. However, the Board considers the grant of Options to Mr Xu reasonable in the circumstances (and consistent with market practice for some junior resources companies) in order to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves.
- (x) The Directors do not make any recommendation to Shareholders in respect of Resolution 15 since this Resolution concerns a Director's remuneration and, as such, there may be a conflict of interest.
- (xi) Mr Xu has a material personal interest in the outcome of Resolution 15 since he will receive 2,000,000 Options under the TNG Non-Executive and Consultant Option Plan if this Resolution is approved by Shareholders. In accordance with the voting exclusion statements set out in the Notice with respect to Resolution 15, Mr Xu will be excluded from voting on this Resolution at the Meeting.
- (xii) The Board and the Company are not aware of any other information (other than the information set out in this Explanatory Memorandum) that would be reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolution.

Part E – 10% Placement Facility

Resolution 16 – Approval of the 10% Placement Facility under Listing Rule 7.1A

Listing Rule 7.1A enables eligible entities to issue (or agree to issue) Equity Securities representing up to 10% of their issued share capital through placements for up to 12 months after their annual general meetings ("**10% Placement Facility**"). A 10% Placement Facility is in addition to an eligible entity's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue (or agree to issue) Equity Securities under a 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see paragraph (c) (Formula for calculating 10% Placement Facility) below).

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting (which requires the approval of 75% of the votes cast by Shareholders present and eligible to vote on the Resolution).

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue only one class of quoted Equity Securities, being fully paid ordinary shares (the Company also has options on issue, however, these are unlisted).

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the period of approval, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

where:

- A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:
- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
 - (iii) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval pursuant to Listing Rule 7.1 or ratification pursuant to Listing Rule 7.4;
 - (iv) less the number of fully paid ordinary securities cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rules 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

As mentioned above, the ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 406,861,517 shares and therefore has capacity to issue:

- (i) 61,029,227 Equity Securities under Listing Rule 7.1; and

- (ii) subject to Shareholder approval being obtained under Resolution 16 at the meeting, 40,686,151 Shares under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue (or entry into an agreement to issue) of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to paragraph (c) (Formula for calculating 10% Placement Facility) above).

(e) Minimum issue price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price (“VWAP”) of Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 trading days of the date in paragraph (i), the date on which the Equity Securities are issued.

(f) 10% placement period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained to the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the “10% Placement Period”).

Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided in relation to the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than the amount described in paragraph (e) (Minimum issue price) above.
- (b) If Resolution 16 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders’ economic interest may be diluted if the Equity Securities are issued at a discount. Further, the existing Shareholders’ voting power in the Company will be diluted by up to 9.1%. There is a risk that:
 - (i) the market price for the Company’s Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the approval at the annual general meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company’s Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities and also on the Company’s share price post issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current share price and the current number of ordinary securities for variable “A” calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice (see paragraph (c) (Formula for calculating 10% Placement Facility) above).

The table also shows:

- (i) two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro-rata entitlement offer or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved by Shareholders at future Shareholder meetings; and
- (ii) two examples where the issue price of ordinary securities has changed – in one example it has decreased by 50% and in another it has increased by 50% against the current share price (which, for the purposes of this table, is \$0.115 as at 16 October 2012).

Variable ‘A’ in Listing Rule 7.1A.2		Dilution		
		Assuming 50% decrease in issue price	Issue price	50% increase in issue price
Current Variable A 406,861,517 Shares on issue	Number of shares that could be issued under 10% Placement Facility	40,686,151 Shares	40,686,151 Shares	40,686,151 Shares
	Funds that could be raised	\$2,339,454	\$4,678,907	\$7,018,361
50% increase in current Variable A Assuming 610,292,275 Shares on issue	Number of shares that could be issued under 10% Placement Facility	61,029,227 Shares	61,029,227 Shares	61,029,227 Shares
	Funds that could be raised	\$3,509,181	\$7,018,361	\$10,527,542
100% increase in current Variable A Assuming 813,723,034 Shares	Number of shares that could be issued under 10% Placement Facility	81,327,303 Shares	81,327,303 Shares	81,327,303 Shares
	Funds that could be raised	\$4,676,320	\$9,352,640	\$14,028,960

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) In each case, an issue of the maximum number of shares under the 10% Placement Facility would dilute the Shareholders as at the date immediately prior to the issue by up to 9.1%. For example, based on the current number of shares, existing Shareholders would have 406,861,517 votes out of a total post-issue number of shares of 447,547,668 shares, representing 90.9% of the post-issue total number of shares (or a dilution of 9.1%).
 - (iii) The table does not show the economic dilution that may be caused to a particular Shareholder’s shareholding by reason of placements under the 10% Placement Facility.
 - (iv) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (v) The issue of Equity Securities under the 10% Placement Facility consists only of shares (since this is the only class of listed securities the Company has on issue at the date of this Notice).
 - (vi) The base issue price is assumed to be \$0.115, being the closing price of the shares on ASX on 16 October 2012.
 - (vii) The issue price is assumed to be the current share price as at 16 October 2012 (rather than being based on the 15 trading day VWAP).
 - (viii) No options are exercised before the issue of Equity Securities under the 10% Placement Facility.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 16 for the issue of Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

- (d) The Company may seek to issue Equity Securities under the 10% Placement Facility for the following purposes:
- (i) non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards acquisitions of new assets or investments (including expenses associated with such acquisitions or repayment of debt drawn down to fund such acquisitions), for capital expenditure on the Company's current assets for continued exploration and development of its current projects and/or for general working capital.

The Company may issue such Equity Securities for non-cash consideration.

The Company will comply with its disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities under the 10% Placement Facility.

- (e) The Company's allocation policy for issues of new shares under the 10% Placement Facility is dependent on the prevailing market conditions at the time of any proposed issue. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to, without limitation, the following factors:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing Shareholders can participate and other forms of equity and debt financing;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (f) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.
- (i) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
 - (ii) A voting exclusion statement is included in the Notice.

Action to be taken by Shareholders

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

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.

Schedule 1 - Definitions

In this Explanatory Memorandum, Notice and Proxy Form:

Article means an article of the Constitution.

Associates has the same meaning as in the Corporations Act.

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

Auditors' Report means the auditors' report included in the annual report for the year ended 30 June 2012

Board means the board of Directors.

Chairman means the person appointed to the chair of the Meeting convened by this Notice.

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' Declaration means the directors' declaration included in the annual report for the year ended 30 June 2012

Directors' Report means the directors' report included in the annual report for the year ended 30 June 2012

Eligible Employee means:

- (a) an Executive Director of a Group Company; or
- (b) a full-time or part-time employee of a Group Company.

Eligible Entity means:

- (a) a non-executive director of a Group Company; or
- (b) a consultant or contractor of the Group Company whom an offer of Shares can be made without disclosure because of section 708 of the Corporations Act (such as a consultant or contractor who is a "sophisticated" or "professional investor" or to whom an offer falls within section 708(1) of the Corporations Act),

but excludes full and part time employees of Group Companies.

Equity Securities has the same meaning as in the Listing Rules.

Executive Director means a director of a Group Company holding salaried employment or office as defined in the TNG Employee Option Plan and the TNG Employee Share Plan.

Explanatory Memorandum means the explanatory memorandum to the Notice.

Group Company means the Company or any of its Subsidiaries.

Loan means the loan granted to Eligible Employees or Eligible Entities (as applicable) under the TNG Employee Share Plan or the TNG Non-Executive and Consultant Share Plan (as applicable).

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.

Option means an option issued (or to be issued, as applicable) under the TNG Employee Option Plan or the TNG Non-Executive Director and Consultant Option Plan (as applicable) to subscribe for and be allotted Shares.

Proxy Form means the proxy form attached to this Notice.

Relevant Interest has the same meaning as that given in sections 608 and 609 of the Corporations Act.

Remuneration Report means the remuneration report included in the annual report for the year ended 30 June 2012

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.

Subsidiary has the meaning given to it by section 46 of the Corporations Act.

TNG Employee Share Plan means the employee and Executive Director share plan under which Eligible Employees may be issued Shares, at the determination of the Board.

TNG Employee Option Plan means the employee and Executive Director share plan under which Eligible Employees may be issued Options, at the determination of the Board.

TNG Incentive Plans means collectively, the TNG Employee Share Plan, the TNG Non-executive Director and Consultant Share Plan, the TNG Employee Option Plan and the TNG Non-executive Director and Consultant Option Plan.

TNG Non-executive Director and Consultant Share Plan means the Non-Executive Director and consultant share plan under which Eligible Entities may be issued Shares, at the determination of the Board.

TNG Non-executive Director and Consultant Option Plan means the Non-Executive Director and consultant share plan under which Eligible Entities may be issued Options, at the determination of the Board.

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

Schedule 2 – Summary of TNG Employee Share Plan

A summary of the key terms of the TNG Employee Share Plan are set out below.

1. Entitlement to Participate

The Board may from time to time determine that an Eligible Employee (being an Executive Director of a Group Company or a full or part time employee of a Group Company, but excluding any of their Associates) may participate in the plan and the extent of that participation. In making that determination, the Board must consider:

- (i) the seniority of the Eligible Employee and the position the Eligible Employee occupies with the relevant Group Company;
- (ii) the length of service of the Eligible Employee with the Group;
- (iii) the record of employment of the Eligible Employee with the Group;
- (iv) the potential contribution of the Eligible Employee to the growth and profitability of the Group; and
- (v) any other matters which the Board considers relevant.

2. Offer

The Company may, in its absolute discretion, make an offer to issue Shares pursuant to the plan (the “**Plan Shares**”) to any Eligible Employee (including an Eligible Employee who has previously received an Offer) upon such terms as the Board may determine.

3. Issue Price

The issue price of the Plan Shares offered will be determined by the Board in its absolute discretion and may be a nominal or nil amount. However, where a Loan is offered in relation to the Plan Shares, the issue price must be equal to the volume weighted average actual price at which Shares were traded on the ASX over the 5 trading days up to and including (i) the date the offer was accepted; or (ii) if earlier, the date on which the Eligible Employee accepted their employment contract where it includes an entitlement to receive, or to be offered, Plan Shares.

4. Loan

The Company may, in its absolute discretion, grant a Loan to an Eligible Employee for the purpose of purchasing Plan Shares under an offer.

Where the Company decides to offer a Loan to an Eligible Employee to acquire Plan Shares, the offer for the Plan Shares must include:

- (i) the maximum amount of the Loan (which must not exceed the Share Payment in respect of the Plan Shares offered); and
- (ii) the Loan repayment date.

Where an Eligible Employee lodges an acceptance form agreement to a Loan, and the Company accepts that acceptance form:

- (i) a loan agreement is deemed to arise between the Company and the Eligible Employee on the terms and conditions set out in this paragraph 4 (*Loan*);
- (ii) the Company is deemed to loan the amount agreed in the acceptance form (the “**Loan Amount**”) to the Eligible Employee at the time the Company issues the Plan Shares; and

- (iii) the Eligible Employee is deemed to direct the Company to apply the entire Loan Amount towards paying the Share Payment in full or in part in respect of the Plan Shares being acquired under the offer.

Interest

The Loan will be interest free unless the Company and the Eligible Employee agree otherwise or the offer specifies otherwise.

Cash dividends

An Eligible Employee who accepts an offer and acquires Plan Shares under the plan (a “**Participant**”) is deemed to have irrevocably directed the Company to apply any cash dividends in respect of the Plan Shares held by the Participant to repayment of any outstanding Loan Amount under the Participant’s Loan. Any surplus of the cash dividend after repayment of the Loan will be paid to the Participant.

Repayment

The Loan will be repayable in full on the loan repayment date specified in the offer unless earlier repayment is otherwise required under the plan.

A Participant may repay all or part of its Loan at any time prior to the loan repayment date.

The Company will have a lien over the Plan Shares in respect of which a Loan Amount is outstanding and the Company will be entitled to sell those Plan Shares in accordance with the terms of this plan.

The Loan will become repayable in full where:

- (i) the Participant ceases to be an Eligible Employee for any reason;
- (ii) the Participant suffers an Event of Insolvency (defined as where (a) a person is, or is deemed to be, insolvent, or is declared bankrupt; or (b) a liquidator, provisional liquidator, receiver, manager or administrator is appointed in respect of the person or any of the person’s assets);
- (iii) the Participant breaches any condition of the Loan or the plan; or
- (iv) a restriction condition (being a condition set out in an offer that must be satisfied (unless waived by the Board in its absolute discretion) before the Plan Shares can be sold, transferred, assigned, charged or otherwise encumbered (“**Restriction Condition**”)) in relation to the Plan Shares subject of the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived),

and, in such circumstances and where:

- (i) a Restriction Condition in relation to the Plan Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Plan Shares must be sold and the sale proceeds applied to repay the Loan in accordance with paragraph 9 (*Unfulfilled Restriction Condition*) below;
- (ii) all Restriction Conditions in relation to the Plan Shares have either been satisfied or are waived, the Company must promptly by written notice advise the Participant of the Loan Amount outstanding (if any) and that outstanding Loan Amount is due and payable. Where a Participant fails to repay the outstanding Loan Amount within 30 days of the date of written notice from the Company (or such later date as approved by the Board), the Company must sell the Plan Shares and apply the sale proceeds in accordance with paragraph 9 (*Unfulfilled Restriction Condition*) below (except where the sale proceeds exceed the outstanding Loan Amount the Company must pay the remainder, less any amount necessary to cover the reasonable expenses associated with selling the Plan Shares, to the Participant).

A Participant may not transfer or otherwise deal with a Plan Share until the Loan Amount in respect of that Plan Share has been repaid in full.

Limited Recourse Loan

A Loan will be non-recourse except against the Plan Shares held by the Participant to which the Loan relates.

In the event the sale proceeds from the sale of Plan Shares are less than any outstanding Loan Amount, the Sale Proceeds will be deemed to have satisfied the outstanding Loan Amount in relation to those Plan Shares in full and the Participant will have no further liability to the Company in respect of the Loan and the Company will have no further recourse to the Participant in relation to the Loan.

5. Rights Attaching to Plan Shares

A Participant will, from and including the Issue Date, be the legal owner of the Plan Shares allotted and issued under the plan and will be entitled to dividends (subject to the paragraph 4 (*Cash dividends*) above) and to exercise voting rights attached to the Plan Shares.

Each Plan Share will be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

6. Restrictions on Dealing in Plan Shares

The Plan Shares will be quoted on ASX. However, except as otherwise provided in this plan, a Participant may not sell, transfer, assign, mortgage, charge or otherwise encumber a Plan Share until the end of any applicable Restriction Period (where 'Restriction Period' is defined as the period commencing on the date of issue of the Plan Share and ending on the later of:

- (i) the date all Restriction Conditions that apply to that Plan Share (if any) are satisfied or waived by the Board; and
- (ii) the date any Loan in relation to the Plan Shares is repaid in full or otherwise discharged under this plan.)

7. Dealing with Plan Shares after Restriction Period

Following expiry of the Restriction Period, a Participant may deal with its Plan Shares as it sees fit, subject to compliance with any securities trading policy applying to Eligible Employees and to compliance with legal requirements including the "insider trading" rules.

8. Hedging

Participants are prohibited from entering into transactions in financial products issued over the Company's securities by third parties which operate to limit the economic risk relating to their unvested entitlements under the plan.

9. Unfulfilled Restriction Condition

Sale of Plan Shares

Where a Restriction Condition in relation to Plan Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the Restriction Condition is waived by the Board:

- (i) arrange to sell the Plan Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the volume weighted average price at which Shares were traded on the ASX on the 10 trading days before the sale date; and
- (ii) apply the sale proceeds in the following priority:
 - first, to pay the Company any outstanding Loan Amount (if any) in relation to the Plan Shares (subject to paragraph 4 (*Limited Recourse Loan*)) and the Company's reasonable costs in selling the Shares;

second, to the extent the sale proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant. The Participant acknowledges that the Company is not liable to repay the Participant any cash consideration or Loan Amount repayments except to the extent covered by the remaining sale proceeds;

third, to settle any tax liability that the Participant may have solely in respect of the sale of the Plan Shares or dividends received and applied against the Loan (provided the Participant can demonstrate how that tax liability arises); and

lastly, any remainder to the Company to cover its costs of managing the plan.

Ceasing Employment before Restriction Conditions satisfied

Where the person who was initially offered the Plan Shares ceases to be an Eligible Employee and, at that time, there are Restriction Conditions in relation to those Plan Shares that are unsatisfied or are incapable of satisfaction in the opinion of the Board (and they are not waived), the Company must, subject to the Corporations Act and the ASX Listing Rules, sell the Plan Shares in accordance with paragraph 9 (*Sale of Plan Shares*) of this Plan.

10. Exceptions to Dealings and Sale

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Where:

- (i) the Participant dies; or
- (ii) the Eligible Employee to whom the offer was originally made ceases to be employed as a result of:
 - (A) bona fide retirement from the workforce (unless the retirement happens within six (6) months of the date of the issue of the Plan Shares);
 - (B) bona fide redundancy; or
 - (C) total and permanent disability,

the Board may in its sole and absolute discretion elect to waive any of the Restriction Conditions applying to the Participant's Plan Shares and (provided any Loan has been repaid) permit the Participant (or their personal legal representative) to sell, transfer, assign, mortgage, charge or otherwise encumber the Participant's Plan Shares.

11. Capital Reorganisation

If there is any reorganisation of the issued capital of the Company (including any subdivision, consolidation, reduction, return or cancellation), the number of Plan Shares will be adjusted by the Board accordingly in line with the Corporations Act and the Listing Rules.

12. Bonus and Rights Issues

Subject to the plan, a Participant, upon allotment of Plan Shares, will enjoy all rights attaching to Shares of the Company including the right to participate in bonus issues and rights issues in respect of the Plan Shares.

13. Takeover, Scheme or Winding Up

The Board may, in its absolute discretion and subject to such conditions as it sees fit, waive a Restriction Condition applying to a Plan Share where:

- (i) **(Takeover):** a Takeover Bid for the Company's issued Shares is made and the bidder obtains voting power (as defined in the Corporations Act) in the Company of 50% or more and the

takeover offers are made or declared unconditional (which includes where the takeover offers are unconditional other than for the happening of the events or circumstances set out in section 652C(l) and (2) of the Corporations Act or the condition set out in section 625(3) of the Corporations Act);

- (ii) **(Compromise or Arrangement):** a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (iii) **(other control transaction):** an event or transaction by which an entity obtains or is to obtain voting power (as defined in the Corporations Act) in the Company of 50% or more is approved or accepted by a majority of members of the Company; or
- (iv) **(Winding Up):** the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.

14. Limit on number of Plan Shares

The Company must take reasonable steps to ensure that the number of Plan Shares offered by the Company under this Plan when aggregated with:

- (i) the number of Shares issued during the previous 5 years under the plan (or any other employee share plan extended only to Eligible Employees); and
- (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee share scheme (as defined in the Corporations Act) of the Company were to be exercised or accepted,

but disregarding any offer made, or option acquired or share issued by way of or as a result of:

- (i) the making of an offer or invitation to a person situated at the time of receipt of the offer or invitation outside Australia; or
- (ii) an “excluded offer” or “excluded invitation” (each as defined in the Corporations Law as in force prior to the commencement of Schedule 1 to the Corporate Law Economic Reform Program Act (1999)); or
- (iii) an offer which did not need disclosure because of section 708 of the Corporations Act; or
- (iv) an offer made under a disclosure document,

does not exceed 5% of the total number of Shares on issue at the time of an offer.

15. Alterations to the Plan

- (i) Subject to paragraphs (ii) and (iii) below (and to the Listing Rules and all applicable laws), the Board may at any time by written instrument amend all or any of the terms and conditions, including this paragraph.
- (ii) Any amendment to the terms and conditions must not materially reduce the rights of any Participant in respect of their Plan Shares held at the date of the amendment, unless the amendment is introduced primarily:
 - (A) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or similar plans;
 - (B) to correct any manifest error or mistake;
 - (C) to take into consideration possible adverse tax implications in respect of the plan arising from, amongst others, changes to tax legislation and/or changes in the interpretation of tax legislation by a court of competent jurisdiction;

- (D) for the purpose of enabling the Participants generally (but not necessarily each Participant) to receive a more favourable taxation treatment in respect of their participation in the plan; or
 - (E) to enable the plan or any member of the Group to comply with the constitution of a Group Company, the Corporations Act or the Listing Rules.
- (iii) Subject to paragraph (ii) above, any amendment made under paragraph (i) above may be given retrospective effect as specified in the written instrument by which the amendment is made.

16. Governing Law

The terms and conditions of this plan shall be governed by and construed in accordance with the laws for the time being in force in Western Australia.

Schedule 3 – Summary of TNG Non-Executive Director and Consultant Share Plan

A summary of the key terms of the TNG Non-Executive Director and Consultant Plan are set out below.

1. Entitlement to Participate

The Board may from time to time determine that an Eligible Entity (being a Non-Executive Director of a Group Company, or a consultant or contractor of the Group Company to whom an offer of Shares can be made without disclosure because of section 708 of the Corporations Act (such as a consultant or contractor who is a “sophisticated” or “professional” investor or to whom an offer falls within section 708(1) of the Corporations Act), but excluding any of their Associates and any full and part time employees of Group Companies) may participate in the plan and the extent of that participation. In making that determination, the Board must consider:

- (i) the office held by, or services provided by, the Eligible Entity to the relevant Group Company;
- (ii) the length of office or service of the Eligible Entity with the Group;
- (iii) the potential contribution of the Eligible Entity to the growth and profitability of the Group; and
- (iv) any other matters which the Board considers relevant.

2. Offer

The Company may, in its absolute discretion, make an offer to issue Shares pursuant to the plan (the “**Plan Shares**”) to any Eligible Entity (including an Eligible Entity who has previously received an Offer) upon such terms as the Board may determine.

3. Issue Price

The issue price of the Plan Shares offered will be determined by the Board in its absolute discretion and may be a nominal or nil amount. However, where a Loan is offered in relation to the Plan Shares, the issue price must be equal to the volume weighted average actual price at which Shares were traded on the ASX over the 5 trading days up to and including (i) the date the offer was accepted; or (ii) if earlier, the date on which the Eligible Entity accepted their employment contract where it includes an entitlement to receive, or to be offered, Plan Shares.

4. Loan

The Company may, in its absolute discretion, grant a Loan to an Eligible Entity for the purpose of purchasing Plan Shares under an offer.

Where the Company decides to offer a Loan to an Eligible Entity to acquire Plan Shares, the offer for the Plan Shares must include:

- (i) the maximum amount of the Loan (which must not exceed the Share Payment in respect of the Plan Shares offered); and
- (ii) the Loan repayment date.

Where an Eligible Entity lodges an acceptance form agreement to a Loan, and the Company accepts that acceptance form:

- (i) a loan agreement is deemed to arise between the Company and the Eligible Entity on the terms and conditions set out in this paragraph 4 (*Loan*);
- (ii) the Company is deemed to loan the amount agreed in the acceptance form (the “**Loan Amount**”) to the Eligible Entity at the time the Company issues the Plan Shares; and

- (iii) the Eligible Entity is deemed to direct the Company to apply the entire Loan Amount towards paying the Share Payment in full or in part in respect of the Plan Shares being acquired under the offer.

Interest

The Loan will be interest free unless the Company and the Eligible Entity agree otherwise or the offer specifies otherwise.

Cash dividends

An Eligible Entity who accepts an offer and acquires Plan Shares under the plan (a “Participant”) is deemed to have irrevocably directed the Company to apply any cash dividends in respect of the Plan Shares held by the Participant to repayment of any outstanding Loan Amount under the Participant’s Loan. Any surplus of the cash dividend after repayment of the Loan will be paid to the Participant.

Repayment

The Loan will be repayable in full on the loan repayment date specified in the offer unless earlier repayment is otherwise required under the plan.

A Participant may repay all or part of its Loan at any time prior to the loan repayment date.

The Loan will become repayable in full where:

- (i) the Participant ceases to be an Eligible Entity for any reason;
- (ii) the Participant suffers an Event of Insolvency (defined as where (a) a person is, or is deemed to be, insolvent, or is declared bankrupt; or (b) a liquidator, provisional liquidator, receiver, manager or administrator is appointed in respect of the person or any of the person’s assets);
- (iii) the Participant breaches any condition of the Loan or the plan; or
- (iv) a Restriction Condition in relation to the Plan Shares subject of the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived),

and, in such circumstances and where:

- (i) a Restriction Condition in relation to the Plan Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Plan Shares must be sold by the Participant and the sale proceeds applied to repay the Loan in accordance with paragraph 9 (*Unfulfilled Restriction Condition*) below;
- (ii) all Restriction Conditions in relation to the Plan Shares have either been satisfied or are waived, the Company must promptly by written notice advise the Participant of the Loan Amount outstanding (if any) and that outstanding Loan Amount is due and payable. Where a Participant fails to repay the outstanding Loan Amount within 30 days of the date of written notice from the Participant (or such later date as approved by the Board), the Company must sell the Plan Shares and apply the sale proceeds in accordance with paragraph 9 (*Unfulfilled Restriction Condition*) below (except where the sale proceeds exceed the outstanding Loan Amount the Participant may keep the remainder).

A Participant may not transfer or otherwise deal with a Plan Share until the Loan Amount in respect of that Plan Share has been repaid in full unless they are selling the Plan Shares in accordance with paragraph (ii) above.

Limited Recourse Loan

A Loan will be non-recourse except for the Participant’s obligation under paragraph (ii) directly above.

In the event the sale proceeds from the sale of Plan Shares are less than any outstanding Loan Amount, the Sale Proceeds will be deemed to have satisfied the outstanding Loan Amount in relation to those Plan Shares in full and the Participant will have no further liability to the Company in respect of the Loan.

5. Rights Attaching to Plan Shares

A Participant will, from and including the Issue Date, be the legal owner of the Plan Shares allotted and issued under the plan and will be entitled to dividends (subject to the paragraph 5 (*Cash dividends*) above) and to exercise voting rights attached to the Plan Shares.

Each Plan Share will be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

6. Restrictions on Dealing in Plan Shares

The Plan Shares will be quoted on ASX. However, except as otherwise provided in this plan, a Participant may not sell, transfer, assign, mortgage, charge or otherwise encumber a Plan Share until the end of any applicable Restriction Period (where 'Restriction Period' is defined as the period commencing on the date of issue of the Plan Share and ending on the later of:

- (i) the date all Restriction Conditions that apply to that Plan Share (if any) are satisfied or waived by the Board; and
- (ii) the date any Loan in relation to the Plan Shares is repaid in full or otherwise discharged under this plan.)

7. Dealing with Plan Shares after Restriction Period

Following expiry of the Restriction Period, a Participant may deal with its Plan Shares as it sees fit, subject to compliance with any securities trading policy applying to Eligible Entities and to compliance with legal requirements including the "insider trading" rules.

8. Hedging

Participants are prohibited from entering into transactions in financial products issued over the Company's securities by third parties which operate to limit the economic risk relating to their unvested entitlements under the plan.

9. Unfulfilled Restriction Condition

Sale of Plan Shares

Where a Restriction Condition in relation to Plan Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Participant must, unless the Restriction Condition is waived by the Board:

- (i) arrange to sell the Plan Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the volume weighted average price at which Shares were traded on the ASX on the 10 trading days before the sale date; and
- (ii) apply the sale proceeds in the following priority:
 - first, to pay the Company any outstanding Loan Amount (if any) in relation to the Plan Shares (subject to paragraph 4 (*Limited Recourse Loan*));
 - second, to the extent the sale proceeds are sufficient, the Participant may keep an amount equal to any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant. The Participant acknowledges that the Company is not liable to repay the Participant any cash consideration or Loan Amount repayments;
 - third, to settle any tax liability that the Participant may have solely in respect of the sale of the Plan Shares or dividends received and applied against the Loan (provided the Participant can demonstrate how that tax liability arises); and

lastly, any remainder to be paid by the Participant to the Company to cover its costs of managing the plan.

Ceasing Engagement before Restriction Conditions satisfied

Where the person who was initially offered the Plan Shares ceases to be a non-executive director, consultant or contractor of a Group Entity and, at that time, there are Restriction Conditions in relation to those Plan Shares that are unsatisfied or are incapable of satisfaction in the opinion of the Board (and they are not waived), the Company must, subject to the Corporations Act and the ASX Listing Rules, sell the Plan Shares in accordance with paragraph 9 (*Sale of Plan Shares*) of this Plan.

10. Exceptions to Dealings and Sale

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Where:

- (i) the Participant dies; or
- (ii) the Eligible Entity to whom the offer was originally made ceases to be a non-executive director, consultant or contractor of a Group Entity as a result of:
 - (A) bona fide retirement from the workforce (unless the retirement happens within six (6) months of the date of the issue of the Plan Shares); or
 - (B) total and permanent disability,

the Board may in its sole and absolute discretion elect to waive any of the Restriction Conditions applying to the Participant's Plan Shares and (provided any Loan has been repaid) permit the Participant (or their personal legal representative) to sell, transfer, assign, mortgage, charge or otherwise encumber the Participant's Plan Shares.

11. Capital Reorganisation

If there is any reorganisation of the issued capital of the Company (including any subdivision, consolidation, reduction, return or cancellation), the number of Plan Shares will be adjusted by the Board accordingly in line with the Corporations Act and the Listing Rules.

12. Bonus and Rights Issues

Subject to the plan, a Participant, upon allotment of Plan Shares, will enjoy all rights attaching to Shares of the Company including the right to participate in bonus issues and rights issues in respect of the Plan Shares.

13. Takeover, Scheme or Winding Up

The Board may, in its absolute discretion and subject to such conditions as it sees fit, waive a Restriction Condition applying to a Plan Share where:

- (i) **(Takeover)**: a Takeover Bid for the Company's issued Shares is made and the bidder obtains voting power (as defined in the Corporations Act) in the Company of 50% or more and the takeover offers are made or declared unconditional (which includes where the takeover offers are unconditional other than for the happening of the events or circumstances set out in section 652C(1) and (2) of the Corporations Act or the condition set out in section 625(3) of the Corporations Act);
- (ii) **(Compromise or Arrangement)**: a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;

- (iii) **(other control transaction)**: an event or transaction by which an entity obtains or is to obtain voting power (as defined in the Corporations Act) in the Company of 50% or more is approved or accepted by a majority of members of the Company; or
- (iv) **(Winding Up)**: the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.

14. Alterations to the Plan

- (i) Subject to paragraphs (ii) and (iii) below (and to the Listing Rules and all applicable laws), the Board may at any time by written instrument amend all or any of the terms and conditions, including this paragraph.
- (ii) Any amendment to the terms and conditions must not materially reduce the rights of any Participant in respect of their Plan Shares held at the date of the amendment, unless the amendment is introduced primarily:
 - (A) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or similar plans;
 - (B) to correct any manifest error or mistake;
 - (C) to take into consideration possible adverse tax implications in respect of the plan arising from, amongst others, changes to tax legislation and/or changes in the interpretation of tax legislation by a court of competent jurisdiction;
 - (D) for the purpose of enabling the Participants generally (but not necessarily each Participant) to receive a more favourable taxation treatment in respect of their participation in the plan; or
 - (E) to enable the plan or any member of the Group to comply with the constitution of a Group Company, the Corporations Act or the Listing Rules.
- (iii) Subject to paragraph (ii) above, any amendment made under paragraph (i) above may be given retrospective effect as specified in the written instrument by which the amendment is made.

15. Governing Law

The terms and conditions of this plan shall be governed by and construed in accordance with the laws for the time being in force in Western Australia.

Schedule 4 - Summary of TNG Employee Option Plan

A summary of the key terms of the TNG Employee Option Plan are set out below.

1. Entitlement to Participate

The Board may offer Options to Eligible Employees (being an Executive Director of a Group Company or a full or part time employee of a Group Company) having regard to:

- (i) the seniority of the Eligible Employee and the position the Eligible Employee occupies with the relevant Group Company;
- (ii) the length of service of the Eligible Employee with the Group;
- (iii) the record of employment of the Eligible Employee with the Group;
- (iv) the potential contribution of the Eligible Employee to the growth and profitability of the Group; and
- (v) any other matters which the Board considers relevant.

2. Offer

Options must be issued on the terms of these terms and conditions and each Eligible Employee or an Associate (where "Associate" is defined as a nominee of an Eligible Employee, which nominee is an "associate" of the Eligible Entity within the meaning given to that term in the *Income Tax Assessment Act 1936* (Cth)) who accepts an offer and acquires an Option issued under the plan (a "Participant") will be taken to have agreed to be bound by these terms and conditions on acceptance of any offer of Options.

3. Issue Price

No amount is payable on the issue of Options.

4. Maximum Number of Options

Options may not be offered or issued under this plan if, immediately following the offer or issue, the aggregate of:

- (i) the number of Shares to be received on exercise of those Options;
- (ii) the number of Shares that would be issued upon acceptance or exercise of any outstanding offer or option under any Eligible Employee incentive scheme; and
- (iii) the number of Shares issued during the previous five years pursuant to the plan or any other Eligible Employee incentive scheme extended only to Eligible Employees,

but disregarding any Options acquired or Shares issued by way of or as a result of:

- (i) the making of an offer or invitation to a person situated at the time of receipt of the offer or invitation outside Australia;
- (ii) an "excluded offer" or "excluded invitation" (each as defined in the Corporations Law as in force prior to the commencement of Schedule 1 to the Corporate Law Economic Reform Program Act (1999));
- (iii) an offer which did not need disclosure because of Section 708 of the Corporations Act;
- (iv) an offer that did not require the giving of a Product Disclosure Statement because of section 1012D; or

- (v) an offer made under a disclosure document,

would exceed 5% of the total number of Shares on issue at the time of the offer.

5. Option Terms

Entitlement

Subject to these terms and conditions:

- (i) each Option entitles the holder to subscribe for and be allotted one Share at an exercise price per Option to be determined by the Board at the time it resolves to make offers of Options, having regard to such matters as the Board considers appropriate (but which exercise price will not be less than the market value of a Share at that time).
- (ii) the Company must allot Shares on exercise of Options in accordance with the Listing Rules.

Shares to rank *pari passu*

Shares issued on the exercise of Options will rank *pari passu* with all existing Shares from the date of issue and will be entitled to those dividends which have a record date for determining entitlements after the date of issue.

Exercise of Options

- (i) An Option is exercisable by the holder lodging a notice of exercise of Option and application for Shares, together with the exercise price for each Share to be issued on exercise and the relevant Option certificate, with the Company Secretary.
- (ii) Except as authorised or approved by the Board, Options may not be exercised during periods during which Eligible Employees are not permitted to trade in the Company's securities pursuant to the Company's securities trading policy from time to time.
- (iii) Options may only be exercised by a Participant at the times and in the numbers set by the Board at the time of offer of the Options, provided that:
 - (A) the Board may stipulate that Options may only be exercised if the Company (or a business division) or the Participant (or the relevant Eligible Employee where the Participant is an Associate of the Eligible Employee) achieves stipulated performance benchmarks; and
 - (B) the Board may determine (at any time) that some or all Options are exercisable immediately if:
 - (1) **(Takeover)**: a Takeover Bid for the Company's issued Shares is made and the bidder obtains voting power (as defined in the Corporations Act) in the Company of 50% or more and the takeover offers are made or declared unconditional (which includes where the takeover offers are unconditional other than for the happening of the events or circumstances set out in section 652C(l) and (2) of the Corporations Act or the condition set out in section 625(3) of the Corporations Act);
 - (2) **(Compromise or Arrangement)**: a court approves under section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
 - (3) **(other control transaction)**: an event or transaction by which an entity obtains or is to obtain voting power (as defined in the Corporations Act) in the Company of 50% or more is approved or accepted by a majority of members of the Company; or

- (4) **(Winding Up):** the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.

Transfer

Options may not be transferred.

Quotation of Options

Options will not be quoted on ASX.

Quotation of Shares

The Company will make an application to ASX for official quotation of Shares issued on the exercise of Options, if other Shares of the Company are listed at that time.

Future issues of Shares

A Participant may only participate in new issues of securities to Shareholders if the Option has been exercised, if that is permitted by its terms, and the Shares allotted in respect of the Option before the record date for determining entitlements to the issue.

Bonus issue

If the Company makes a bonus issue of Shares or other securities pro rata to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted in respect of an Option before the record date for determining entitlements to the bonus issue then the number of securities over which the Option is exercisable will be increased by the number of securities which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.

Rights issue

If the Company makes an offer of Shares pro rata to all or substantially all shareholders in accordance with the ASX Listing Rules (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) for a subscription price which is less than the market price (defined below as “P”) and no Shares have been allotted in respect of an Option before the record date for determining entitlements to the pro rata issue then the exercise price per Option will be reduced according to the following formula:

$$O^1 = O - \frac{E(P - (S + D))}{N + 1}$$

where:

O^1 = the new exercise price of each Option;

O = the old exercise price of each Option;

E = the number of underlying securities into which one Option is exercisable;

P = the average market price of Shares (weighted by reference to volume) sold in the ordinary course of trading on the ASX during the five trading days before the ex rights date or ex entitlements date;

S = the subscription price (application money plus calls) for new Shares issued under the pro rata issue;

D = any dividends due but not yet paid on existing Shares (except those to be issued under the pro rata issue); and

N = the number of Shares required to be held to receive a right to one new Share.

The number of Shares which the Participant is entitled to subscribe for on exercise of the Option will not change.

Reorganisations

In the event of any reorganisation of the capital of the Company, the rights of an Option holder will be changed to the extent necessary to comply with the Listing Rules applying to such reorganisation at the time of the reorganisation.

Advice

The Company must give notice to each Participant of any adjustment to the number of Shares which the Participant is entitled to subscribe for or be issued on exercise of an Option or the exercise price per Share in accordance with the Listing Rules.

Dividends and rights to vote

An Option carries no right to a dividend and no right to a vote.

Hedging

Participants (and the relevant Eligible Employee where the Participant is an Associate of the Eligible Employee) are prohibited from entering into transactions in financial products issued over the Company's securities by third parties which operate to limit the economic risk relating to their unvested entitlements under the plan.

6. Overriding Restrictions on Issue and Exercise

Notwithstanding any of these terms and conditions or the terms of any Option, no Option may be offered, issued or exercised if to do so:

- (i) would contravene the Corporations Act or the Listing Rules; or
- (ii) would contravene the local laws or customs of an Eligible Employee's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

7. Alterations to the Plan

- (i) Subject to paragraphs (ii) and (iii) below (and to the Listing Rules and all applicable laws), the Board may at any time by written instrument amend all or any of the terms and conditions, including this paragraph.
- (ii) Any amendment to the terms and conditions must not materially reduce the rights of any Participant in respect of their Options held at the date of the amendment, unless the amendment is introduced primarily:
 - (A) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or similar plans;
 - (B) to correct any manifest error or mistake;
 - (C) to take into consideration possible adverse tax implications in respect of the plan arising from, amongst others, changes to tax legislation and/or changes in the interpretation of tax legislation by a court of competent jurisdiction;
 - (D) for the purpose of enabling the Participants generally (but not necessarily each Participant) to receive a more favourable taxation treatment in respect of their participation in the plan; or

- (E) to enable the plan or any member of the Group to comply with the constitution of a Group Company, the Corporations Act or the Listing Rules.
- (iii) Subject to paragraph (ii) above, any amendment made under paragraph (i) above may be given retrospective effect as specified in the written instrument by which the amendment is made.

8. Governing Law

The terms and conditions of this plan shall be governed by and construed in accordance with the laws for the time being in force in Western Australia.

Schedule 5 - Summary of TNG Non-Executive Director and Consultant Option Plan

A summary of the key terms of the TNG Non-Executive Director and Consultant Option Plan are set out below.

1. Entitlement to Participate

The Board may offer Options to Eligible Entities (being a Non-Executive Director of a Group Company, or a consultant or contractor of the Group Company to whom an offer of Shares can be made without disclosure because of section 708 of the Corporations Act (such as a consultant or contractor who is a “sophisticated” or “professional” investor or to whom an offer falls within section 708(1) of the Corporations Act), but excluding full and part time employees of Group Companies) having regard to:

- (i) the office held by, or services provided by, the Eligible Entity to the relevant Group Company;
- (ii) the length of office or service of the Eligible Entity with the Group;
- (iii) the potential contribution of the Eligible Entity to the growth and profitability of the Group; and
- (iv) any other matters which the Board considers relevant.

2. Offer

Options must be issued on the terms of these terms and conditions and each Eligible Entity or an Associate (where “Associate” is defined as a nominee of an Eligible Entity, which nominee is an “associate” of the Eligible Entity within the meaning given to that term in the *Income Tax Assessment Act 1936* (Cth)) who accepts an offer and acquires an Option issued under the plan (a “Participant”) will be taken to have agreed to be bound by these terms and conditions on acceptance of any offer of Options.

3. Issue Price

No amount is payable on the issue of Options.

4. Option Terms

Entitlement

Subject to these terms and conditions:

- (i) each Option entitles the holder to subscribe for and be allotted one Share at an exercise price per Option to be determined by the Board at the time it resolves to make offers of Options, having regard to such matters as the Board considers appropriate (but which exercise price will not be less than the market value of a Share at that time); and
- (ii) the Company must allot Shares on exercise of Options in accordance with the Listing Rules.

Shares to rank *pari passu*

Shares issued on the exercise of Options will rank *pari passu* with all existing Shares from the date of issue and will be entitled to those dividends which have a record date for determining entitlements after the date of issue.

Exercise of Options

- (i) An Option is exercisable by the holder lodging a notice of exercise of Option and application for Shares, together with the exercise price for each Share to be issued on exercise and the relevant Option certificate, with the Company Secretary.
- (ii) Except as authorised or approved by the Board, Options may not be exercised during periods during which Eligible Entities are not permitted to trade in the Company’s securities pursuant to the Company’s securities trading policy from time to time.

- (iii) Options may only be exercised by a Participant at the times and in the numbers set by the Board at the time of offer of the Options, provided that:
- (A) the Board may stipulate that Options may only be exercised if the Company (or a business division) or the Participant (or the relevant Eligible Entity) achieves stipulated performance benchmarks; and
 - (B) the Board may determine (at any time) that some or all Options are exercisable immediately if:
 - (1) **(Takeover)**: a Takeover Bid for the Company's issued Shares is made and the bidder obtains voting power (as defined in the Corporations Act) in the Company of 50% or more and the takeover offers are made or declared unconditional (which includes where the takeover offers are unconditional other than for the happening of the events or circumstances set out in section 652C(l) and (2) of the Corporations Act or the condition set out in section 625(3) of the Corporations Act);
 - (2) **(Compromise or Arrangement)**: a court approves under section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
 - (3) **(other control transaction)**: an event or transaction by which an entity obtains or is to obtain voting power (as defined in the Corporations Act) in the Company of 50% or more is approved or accepted by a majority of members of the Company; or
 - (4) **(Winding Up)**: the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company.

Transfer

Options may not be transferred.

Quotation of Options

Options will not be quoted on ASX.

Quotation of Shares

The Company will make an application to ASX for official quotation of Shares issued on the exercise of Options, if other Shares of the Company are listed at that time.

Future issues of Shares

A Participant may only participate in new issues of securities to Shareholders if the Option has been exercised, if that is permitted by its terms, and the Shares allotted in respect of the Option before the record date for determining entitlements to the issue.

Bonus issue

If the Company makes a bonus issue of Shares or other securities pro rata to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted in respect of an Option before the record date for determining entitlements to the bonus issue then the number of securities over which the Option is exercisable will be increased by the number of securities which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.

Rights issue

If the Company makes an offer of Shares pro rata to all or substantially all shareholders in accordance with the ASX Listing Rules (other than a bonus issue or an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) for a subscription price which is less than the market price (defined below as “P”) and no Shares have been allotted in respect of an Option before the record date for determining entitlements to the pro rata issue then the exercise price per Option will be reduced according to the following formula:

$$O^1 = O - \frac{E(P - (S + D))}{N + 1}$$

where:

O^1 = the new exercise price of each Option;

O = the old exercise price of each Option;

E = the number of underlying securities into which one Option is exercisable;

P = the average market price of Shares (weighted by reference to volume) sold in the ordinary course of trading on the ASX during the five trading days before the ex rights date or ex entitlements date;

S = the subscription price (application money plus calls) for new Shares issued under the pro rata issue;

D = any dividends due but not yet paid on existing Shares (except those to be issued under the pro rata issue); and

N = the number of Shares required to be held to receive a right to one new Share.

The number of Shares which the Participant is entitled to subscribe for on exercise of the Option will not change.

Reorganisations

In the event of any reorganisation of the capital of the Company, the rights of an Option holder will be changed to the extent necessary to comply with the Listing Rules applying to such reorganisation at the time of the reorganisation.

Advice

The Company must give notice to each Participant of any adjustment to the number of Shares which the Participant is entitled to subscribe for or be issued on exercise of an Option or the exercise price per Share in accordance with the Listing Rules.

Dividends and rights to vote

An Option carries no right to a dividend and no right to a vote.

Hedging

Participants (and the relevant Eligible Entity where the Participant is an Associate of the Eligible Entity) are prohibited from entering into transactions in financial products issued over the Company's securities by third parties which operate to limit the economic risk relating to their unvested entitlements under the plan.

5. Overriding Restrictions on Issue and Exercise

Notwithstanding any of these terms and conditions or the terms of any Option, no Option may be offered, issued or exercised if to do so:

- (i) would contravene the Corporations Act or the Listing Rules; or

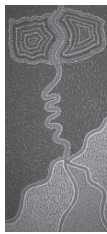
- (ii) would contravene the local laws or customs of an Eligible Entity's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

6. Alterations to the Plan

- (i) Subject to paragraphs (ii) and (iii) below (and to the Listing Rules and all applicable laws), the Board may at any time by written instrument amend all or any of the terms and conditions, including this paragraph.
- (ii) Any amendment to the terms and conditions must not materially reduce the rights of any Participant in respect of their Options held at the date of the amendment, unless the amendment is introduced primarily:
 - (A) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or similar plans;
 - (B) to correct any manifest error or mistake;
 - (C) to take into consideration possible adverse tax implications in respect of the plan arising from, amongst others, changes to tax legislation and/or changes in the interpretation of tax legislation by a court of competent jurisdiction;
 - (D) for the purpose of enabling the Participants generally (but not necessarily each Participant) to receive a more favourable taxation treatment in respect of their participation in the plan; or
 - (E) to enable the plan or any member of the Group to comply with the constitution of a Group Company, the Corporations Act or the Listing Rules.
- (iii) Subject to paragraph (ii) above, any amendment made under paragraph (i) above may be given retrospective effect as specified in the written instrument by which the amendment is made.

7. Governing Law

The terms and conditions of this plan shall be governed by and construed in accordance with the laws for the time being in force in Western Australia.



TNGLIMITED
ABN 12 000 817 023

000001 000 TNG
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 4:00pm (WST) Monday 19 November 2012

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View the annual report, 24 hours a day, 7 days a week:

www.tngltd.com.au

Review and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of TNG Limited hereby appoint

☐

the Chairman
of the Meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and 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 TNG Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia, on Wednesday, 21 November 2012 at 4:00pm (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1 and 6-15 (except where I/we have indicated a different voting intention below) even though Items 1 and 6-15 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: For Items 6-15, this express authority is also subject to you marking the box in the section below.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1 and 6-15 by marking the appropriate box in step 2 below. The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

Important for Items 6-15: If the Chairman of the Meeting is (or becomes) your proxy and you do not wish to direct the Chairman how to vote on Items 6-15 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Items 6-15, the Chairman of the Meeting will not cast your votes on Items 6-15 and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 6-15 of business.

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I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Items 6-15 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
1	Adopt Remuneration Report	☐	☐	☐	9	Approve Non-Executive Director Option Plan	☐	☐	☐
2	Re-elect Mr Rex Turkington	☐	☐	☐	10	Approve issue of Shares and Loan to Mr Paul Burton	☐	☐	☐
3	Re-elect Mr Zhigang Wang	☐	☐	☐	11	Approve issue of Shares and Loan to Mr Neil Biddle	☐	☐	☐
4	Re-elect Mr Jianrong Xu	☐	☐	☐	12	Approve issue of Shares and Loan to Mr Stuart Crow	☐	☐	☐
5	Re-elect Mr Stuart Crow	☐	☐	☐	13	Approve issue of Shares and Loan to Mr Rex Turkington	☐	☐	☐
6	Approve TNG Employee Share Plan	☐	☐	☐	14	Approve grant of Options to Mr Zhigang Wang	☐	☐	☐
7	Approve Non-Executive Director Share Plan	☐	☐	☐	15	Approve grant of Options to Mr Jianrong Xu	☐	☐	☐
8	Approve TNG Employee Option Plan	☐	☐	☐	16	Approve 10% Placement Facility	☐	☐	☐

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

_____ / _____ / _____

Date

TNG

999999A

Computershare +