

24 SEPTEMBER 2018

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## **TNG SECURES STRATEGIC \$10M INVESTMENT FROM LEADING INDIAN IRON-ORE MINING CONGLOMERATE, THE VIMSON GROUP, AND LAUNCHES SPP.**

***VIMSON ALSO TO CONSIDER IRON ORE OFFTAKE; TNG TO OFFER SPP TO SHAREHOLDERS***

Australian strategic metals company TNG Limited (ASX: **TNG**, “TNG” or “the Company” is pleased to advise that it has executed a binding subscription agreement with leading Indian mining conglomerate the Vimson Group, through its Singapore-based, wholly owned subsidiary, V. M. Salgaocar & Bro. (Singapore) Pte. Ltd., for a strategic investment into TNG of approximately \$10M (before costs).

The strategic investment comes as TNG continues to move towards development of its flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory. and represents a significant vote of confidence both in the project and the Company’s financing and development strategy.

After showing extensive interest in TNG, the Vimson Group proposed a strategic investment into the company in line with their own strategic growth and diversification objectives. In addition to the investment, TNG has agreed to enter into discussions with the Vimson Group for potential offtake of 100% of its high purity iron ore products that it plans to produce using its TIVAN Process at Mount Peake.

The Vimson Group is a family-owned Indian conglomerate with extensive interests in mineral resources, financial services, real estate development, healthcare and sports. Its head office is in Goa, India with other offices in Mumbai, Delhi, Bengaluru, and Singapore. The Vimson Group has been in the business of mining, processing and transporting iron ore from its fully integrated supply chain in India since 1952 and has been supplying leading Japanese, Korean and Chinese companies including Nippon Steel and POSCO. More information can be found at [www.vimsongroup.com](http://www.vimsongroup.com).

The investment will take place in two tranches with the first tranche of \$9.75 million scheduled to complete on 5 October 2018 and the second tranche of \$0.25 million to complete following TNG’s Annual General Meeting in November (subject to receipt of shareholder approval for the second tranche).

Under the subscription agreement, the Vimson Group will acquire TNG fully paid ordinary shares (**Shares**) at a subscription price of \$0.104, which represents a 20% discount to the 15 trading day volume weighted average (VWAP) price of the Shares prior to 18 September 2018 (of \$0.129). The first tranche of 93,757,203 Shares will be issued under TNG’s existing ASX Listing Rule 7.1 capacity and is not subject to shareholder approval. Following completion of the first tranche subscription, V. M. Salgaocar & Bro. (Singapore) Pte. Ltd. will have an interest in TNG of approximately 10.13%. The second tranche of 2,396,644 Shares will be issued subject to shareholder approval under ASX Listing Rule 7.1. If the second tranche subscription is approved and completed, V. M. Salgaocar & Bro. (Singapore) Pte. Ltd. will have an interest in TNG of approximately 10.36% (ignoring the dilution which will arise from further issues of Shares between now and then, including under the proposed SPP outlined below).

To allow other shareholders to participate in TNG’s capital raising on terms which are as close as possible to the subscription agreement, TNG is pleased to announce that it is offering eligible shareholders the opportunity to participate in a Share Purchase Plan (**SPP**) to acquire up to approximately \$15,000 worth of Shares at an issue price of \$0.109 per Share (**SPP Price**) without paying brokerage or other transaction costs. The SPP Price is the minimum

price at which TNG may offer Shares under an SPP without falling outside of ASX Listing Rule 7.2 Exception 15. The SPP Price represents a 20% discount to the volume weighted average market price of Shares over the 5 trading days before announcement of the SPP (of \$0.136).

The SPP is not underwritten and will be capped at a total amount of \$5 million (before costs). Further details regarding the SPP are set out below.

Funds raised under the subscription agreement and the SPP will be used to progress the final engineering design and permitting required before TNG makes a final investment decision for the Mount Peake Project.. The strategic investment by the Vimson Group follows a number of important milestones for the project, including approval for a Native Title Mining Agreement (expected to lead to the signing of a final agreement and issue of a Mining Licence) and a number of senior appointments to the Company's senior management and development team.

Commenting on the strategic Investment, TNG's Managing Director, Mr Paul Burton, said: *"We are very pleased to have secured a strategic investment from the Vimson Group, a leader in the Indian resources sector with similar values and growth strategies to TNG, and we welcome them to our register."*

*"With a project of the scale and complexity of Mount Peake, it has always been part of the financing strategy to create an opportunity for a strategic investment of this nature that may lead to an offtake and could assist with securing part of the project equity finance in the future."*

*TNG is also pleased to be able to offer other eligible shareholders an opportunity to invest via the SPP at the minimum price allowed within ASX requirements".*

Commenting on the strategic investment Director of V. M. Salgaocar & Bro. (Singapore) Pte. Ltd., Mr Vivek Salgaocar, said: *"Over the last few months, we have gotten to know and have been impressed with the senior management and leadership of TNG and are excited at the prospect of the Mount Peake Vanadium-Titanium-Iron Project, and TNG's proprietary TIVAN Technology. The opportunity fits in with our plans for strategic global investments in mineral resources, and we look forward to a mutually beneficial, long-term relationship."*

#### Details of SPP

Participation in the SPP is entirely optional and is available exclusively to shareholders who were registered as holders of Shares at 5.00pm (AWST) on 21 September 2018.

The offer of Shares under the SPP is made in accordance with ASIC Class Order [CO 09/425] and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act 2001 (Cth).

Eligible Shareholders will be able to participate in the SPP by choosing one of the following levels of participation:

| Number of Shares applied for | Amount payable for that parcel |
|------------------------------|--------------------------------|
| 9,175                        | \$1,000                        |
| 18,349                       | \$2,000                        |
| 45,872                       | \$5,000                        |
| 91,744                       | \$10,000                       |
| 137,615                      | \$15,000                       |

The SPP is non-renounceable. This means that Eligible Shareholders who do not take up their entitlement to participate in the SPP will not be able to transfer or receive any value for those entitlements. The issue of Shares under the SPP is not subject to shareholder approval.

The SPP offer is intended to be open from 1 October 2018 to 19 October 2018. However, TNG reserves the right to alter these dates at its discretion.

Full details of the SPP will be set out in the offer documentation to be released to ASX and mailed to Eligible Shareholders on or about 1 October 2018. Questions relating to the SPP should be directed to the Company Secretary, Mr Simon Robertson, on + 61 (0) 8 9327 0900.

Paul E Burton  
**Managing Director**

24 September 2018

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#### **Important notice**

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#### **Production Targets and Financial Information**

Information in relation to the Mount Peake Definitive Feasibility, including production targets and financial information, included in this report is extracted from an ASX Announcement dated 20 November 2017, (see ASX Announcement – 20 November 2017, "[Updated Feasibility Study Results](#)", [www.tngltd.com.au](http://www.tngltd.com.au) and [www.asx.com.au](http://www.asx.com.au)). The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement released on 20 November 2017 continue to apply and have not materially changed.

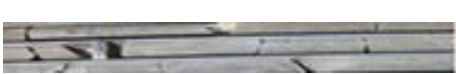
#### **Forward-Looking Statements**

This announcement has been prepared by TNG Ltd. This announcement is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained.

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