

TNG Share Purchase Plan

Not for release or distribution in the United States

3 October 2018

Dear Shareholder

Offer to participate in the TNG Share Purchase Plan

The Directors of TNG Limited (ASX: TNG) (**TNG**) are pleased to offer you the opportunity to participate in the TNG Share Purchase Plan (**SPP**).

The SPP offers eligible shareholders an opportunity to purchase further shares in TNG (**New Shares**) for an application price of A\$1,000, A\$2,000, A\$5,000, A\$10,000 or A\$15,000 at a discount and free from brokerage and transaction costs.

The offer price for the New Shares will be A\$0.109 per New Share. This represents a 20% discount to the volume weighted average price of TNG shares for the five trading day period up to and including 21 September 2018 (the trading day prior to the announcement of the SPP) of A\$0.136.

The SPP is not underwritten and will be capped at a total amount of A\$5 million (before costs). A scale-back policy will be applied if valid applications exceed A\$5 million. TNG reserves absolute discretion regarding the amount raised under the SPP and the exercise of its right to scale-back applications. Should a scale-back happen, you may be allocated New Shares to a value which is less than the parcel of New Shares you applied for and the difference will be refunded to you.

Funds raised under 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 and for general working capital.

Participation in the SPP is entirely optional and open to shareholders who were holders of fully paid ordinary shares in TNG as at 5pm Australian Western Standard Time (**AWST**) on 21 September 2018 and whose registered address is in Australia or New Zealand.

The SPP will open on (and the SPP offer documents will be despatched to eligible shareholders) by 3 October 2018 and will remain open until 5pm AWST on 23 October 2018. As soon as practicable after the close of the SPP, TNG will make an ASX announcement as to the outcome of the SPP and the number of New Shares to be issued.

The offer of New Shares is made under an SPP Offer Booklet and an application form (both enclosed). To apply for a parcel of New Shares, please follow the instructions on pages 2 and 3 of the SPP Offer Booklet, and on the Application Form.

These documents are important and should be read thoroughly in conjunction with the publicly available information relating to TNG. If you are unsure about whether to participate, please contact your professional adviser. If you require further information, please contact the Company Secretary (contact details are in the enclosed instructions).

On behalf of the Board, I invite you to consider this opportunity to increase your investment in TNG.

Yours sincerely



Paul Burton
Managing Director
TNG Limited



Key Dates*

Date (and time if relevant)	Event
5pm AWST, Friday, 21 September 2018	Record Date The date and time at which TNG determines who is eligible to participate in the SPP.
Wednesday, 3 October 2018	Opening Date
5pm AWST, Tuesday, 23 October 2018	Closing Date Application Forms together with payment by cheque or money order must be received by this time and date. NOTE: BPAY payments must be received by 3pm AWST, Tuesday, 23 October 2018 (which is when the BPAY system closes on the Closing Date).
Monday, 29 October 2018	Issue Date The date on which the New Shares are expected to be issued and any scale back of the New Shares is announced.
Thursday, 1 November 2018	Trading Date The date on which the New Shares are expected to begin trading.
Thursday, 1 November 2018	Despatch Date Transaction confirmations / holding statements will be sent to shareholders on or around this date.

* TNG may change any of the Key Dates at its discretion (even if the offer has opened or applications have been received).

Instructions

The SPP opens on Wednesday, 3 October 2018 and under the offer you may apply for a parcel of New Shares as set out in the table below. Fractional entitlements to New Shares have in all cases been rounded up.

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

To apply and pay for your New Shares, you have two options:

Option 1: BPAY®¹

You can make a payment by BPAY® if you have an Australian bank account enabled for this purpose. BPAY® customers must follow the instructions on page 5 and in the Application Form and must use the customer reference number shown on the Application Form which is required to identify your holding. If paying by BPAY®, you do not need to return your Application Form. See page 5 for further information.

¹ ® Registered to BPAY Pty Ltd ABN 69 079 137 518.



Option 2: Application Form and cheque, bank draft or money order

You can complete the Application Form and return it to Computershare Investor Services Pty Limited (**Share Registry**), GPO BOX 505, Melbourne, Victoria 3001 Australia together with a cheque, bank draft or money order, in accordance with the instructions on the Application Form.

Cheques, bank draft and money orders must be made payable to "TNG Limited" in Australian dollars and drawn on an Australian bank for the correct amount. TNG will not accept payment by cash.

Timing

All payments by cheques, bank draft and money orders and Application Forms must be received before 5pm AWST, Tuesday, 23 October 2018. You cannot withdraw or cancel your application or BPAY® payment once you have sent it in. BPAY® payments must be received by 4pm AWST, Tuesday, 23 October 2018 (which is when the BPAY® system closes on the Closing Date).

Questions

If you have any questions, please contact TNG's Company Secretary any time between 9am and 5pm (WST) Monday to Friday on +61 8 9327 0900.

No offer outside Australia and New Zealand

This document may not be released or distributed in the United States or any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any country other than Australia and New Zealand. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.



Terms and Conditions

IMPORTANT NOTICE: The market price of TNG shares may rise or fall from now to when the New Shares are issued to you under the SPP. Therefore, if you apply for and we allot to you New Shares under the SPP, the offer price for those New Shares may be more than, or less than, the market price of TNG shares you could buy at that time. By completing and returning the Application Form or making a BPAY payment, you acknowledge this risk. We encourage you to contact your professional adviser regarding whether to participate in the SPP and how much to contribute.

Offer timetable

- (a) The offer timetable is set out in the Key Dates above and is included in these Terms and Conditions.
- (b) Payment by BPAY®, Application Forms, cheques, bank draft and money orders may not be processed and may not be valid if they have not been received by or on behalf of TNG by the time and date specified for the Closing Date. You must allow adequate time for Application Forms and cheques, bank draft or money orders forwarded by post to be received by the Share Registry. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.
- (c) TNG expects to send a transaction confirmation or holding statement to you on or around the Despatch Date.
- (d) TNG expects that the New Shares will be issued under the SPP on the Issue Date and will commence trading on ASX on the Trading Date. You must confirm your holding before trading in any New Shares you believe have been issued to you under the SPP.
- (e) At any time, TNG can change the Closing Date, the Issue Date, the Trading Date and the Despatch Date (even if the offer has opened, or BPAY® payments and Application Forms have been received) by lodging a revised timetable with ASX.

Eligible Shareholders

You are an eligible shareholder and may participate in the SPP if you were a registered holder of TNG ordinary shares with a registered address in Australia or New Zealand as at 5pm AWST on Friday, 21 September 2018, unless you hold TNG shares on behalf of another person who resides outside Australia or New Zealand (in which case you will not be

eligible to participate in respect of the shares of that person) (**Eligible Shareholder**).

For New Zealand shareholders, you must still be a shareholder at the date of this offer, that is, Wednesday, 3 October 2018.

TNG has determined that it is not practical for holders of TNG shares with registered addresses in other countries to participate.

- **Holders receiving more than one offer:** If you are the only registered holder of TNG shares, but you receive more than one offer under the SPP (due to multiple registered holdings), you may only contribute a maximum of A\$15,000 in applying for New Shares.
- **Joint Holders:** If 2 or more persons are recorded in the register of members of TNG as jointly holding TNG shares, they are considered to be a single registered holder for the purpose of the SPP and they are entitled to participate in the SPP in respect of that single holding only. If as joint holders you receive more than one offer under the SPP due to multiple identical holdings, you may still only contribute a maximum of A\$15,000 in applying for New Shares.
- **Custodians, trustees and nominees:** If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] (**Custodian**), and hold TNG shares on behalf of one or more persons (each a **Participating Beneficiary**), or on behalf of a "downstream custodian" within the definition of ASIC Class Order [CO 09/425] who holds the beneficial interest in TNG shares on behalf of a Participating Beneficiary, you may apply for up to a maximum of A\$15,000 worth of New Shares for each Participating Beneficiary, subject to providing TNG with a Custodian Certificate in accordance with paragraph (d) of "Significance of applying for New Shares" below. If you are not a Custodian, the rules for multiple single holdings apply and you may only contribute a maximum of A\$15,000 in



applying for New Shares. You are not eligible to participate on behalf of a person who resides outside Australia and New Zealand.

Participation is optional

Participation in the SPP is entirely optional. If you are an Eligible Shareholder, you can choose whether or not to participate.

How much can you invest?

- (a) If you are an Eligible Shareholder, you may apply to buy a parcel of New Shares by contributing a set amount of either A\$1,000, A\$2,000, A\$5,000, A\$10,000 or A\$15,000.
- (b) This parcel may be subject to a scaleback and rounding. The SPP will be capped at a total amount raised of A\$5 million (before costs). TNG reserves absolute discretion regarding the amount raised under the SPP and exercise of its right to accept additional funds or to scaleback applications.
- (c) Unless you are applying as a Custodian, the maximum amount of A\$15,000 applies even if you receive more than one Application Form or if you hold shares in TNG in more than one capacity (for example, if you are both a sole and joint holder of shares in TNG - see "Eligible Shareholders" above) and irrespective of the number of TNG shares you hold on the Record Date. We can reject any application for New Shares if we believe you have not complied with this condition.

How to apply for New Shares

If you would like to participate in the SPP, you have two options:

Option 1: BPAY

Provided you are not a Custodian, you can make a payment by BPAY® if you have an Australian bank account enabled for this purpose. BPAY® customers must use the customer reference number shown on the Application Form which is required to identify your holding. If paying by BPAY®, you do not need to return your Application Form.

IMPORTANT NOTE: By using this BPAY® facility to apply for New Shares, you represent

that the total of the application price for the following does not exceed A\$15,000:

- (a) the New Shares the subject of this application;
- (b) any other shares applied for under this SPP, or shares or interests in the class issued under a similar arrangement in the 12 months before this application;
- (c) any other shares or interests in the class which you have instructed a custodian to acquire on your behalf under this SPP; and
- (d) any other shares or interests in the class issued to a custodian under an arrangement similar to this SPP in the 12 months before this application as a result of you instructing the custodian or another custodian, which resulted in you holding a beneficial interest in the shares or interests.

Payment by BPAY® may not be processed and may not be valid if it has not been received by TNG by the time and date specified for the Closing Date. You should be aware that the BPAY® system closes at 4pm AWST and your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Option 2: Application Form and cheque, bank draft or money order

You must complete an Application Form and return it with a cheque, bank draft or money order in accordance with the instructions on the Application Form.

Cheques, bank draft and money orders must be payable to "TNG Limited", in Australian dollars and drawn on an Australian bank for the correct amount. TNG will not accept payment by cash.

Application Forms, cheques, bank draft and money orders may not be processed and may not be valid if they have not been received by or on behalf of TNG by the time and date specified for the Closing Date. You must allow adequate time for Application Forms and cheques, bank draft or money orders forwarded by post to be received by the Share Registry.



TNG's discretion regarding applications

TNG may accept or reject applications for New Shares under the SPP, including if:

- (a) an Application Form is incorrectly completed, incomplete or otherwise determined by TNG to be invalid;
- (b) you are a Custodian, and we are not satisfied with your certification for any reason;
- (c) a cheque is dishonoured or has not been completed correctly;
- (d) the correct amount corresponding to your application is not provided with the Application Form or BPAY® payment;
- (e) a BPAY® payment is not received or is incomplete or invalid;
- (f) unless you are applying as a Custodian, an applicant appears to be contributing more than A\$15,000 under the SPP;
- (g) an application is received after the time and date specified as the Closing Date. TNG has a discretion whether or not to accept late BPAY® payments, Application Forms and cheques, bank draft or money orders; or
- (h) TNG believes you are not an Eligible Shareholder,

and TNG must reject applications if required to do so under ASIC Class Order [CO 09/425].

TNG reserves the right to return your cheque, bank draft or money order or refund your BPAY® payment and not allot you any New Shares.

Offer price

The offer price for the New Shares is A\$0.109. This represents a 20% discount to the volume weighted average price of TNG shares for the five trading day period up to and including 21 September 2018 (the trading day prior to the announcement of the SPP) of A\$0.136, and is the maximum allowable discount under the ASX Listing Rules.

Applications may be scaled back

- (a) TNG reserves the right to determine the amount it raises through the SPP, including the right to scale back applications (**Scaleback**). At this stage the maximum amount raised under the SPP will be capped at a total amount of A\$5 million (before costs), though TNG reserves the right to change this cap at its discretion by announcement to ASX.
- (b) If there is a Scaleback you may not receive all the New Shares for which you have applied. Each applicant will be treated equally and scaled back on a pro rata basis. If a Scaleback produces a fractional number when applied to your parcel, the number of New Shares you will be issued will be rounded down.
- (c) TNG will refund to you by direct credit deposit to your nominated bank account (where you have given your nomination to the Share Registry) or by cheque, the difference between your application money and the total offer price for the New Shares issued to you.

No other participation costs

No brokerage, commission or other participation costs are payable by you to acquire New Shares under the SPP.

No interest

No interest will be paid on any application money returned to you.

You cannot transfer your rights under this SPP

Your rights under this offer are personal to you and non-renounceable. This means you cannot transfer your right to purchase New Shares under this SPP to anyone else.

Equal ranking

New Shares issued under the SPP will, at the time of issue, rank equally with existing fully paid ordinary shares in TNG quoted on ASX, with the same voting rights, dividend rights and other entitlements.



Significance of applying for New Shares

If you apply to participate in the SPP:

- (a) you agree that once you have sent in your application or made your BPAY® payment, you cannot withdraw or cancel your application and your application is unconditional;
- (b) you confirm that you are an Eligible Shareholder and that you are lawfully permitted to accept the offer under the SPP and participate in the SPP in accordance with these Terms and Conditions and any applicable laws;
- (c) you certify that, even if you have received more than one offer under the SPP or received offers in more than one capacity, the total of the application price for the following does not exceed \$15,000:
- the New Shares the subject of this application;
 - any other shares applied for under this SPP, or shares or interests in the class issued under a similar arrangement in the 12 months before this application;
 - any other shares or interests in the class which you have instructed a Custodian to acquire on your behalf under this SPP; and
 - any other shares or interests in the class issued to a Custodian under an arrangement similar to this SPP in the 12 months before this application as a result of you instructing the Custodian or another custodian, which resulted in you holding a beneficial interest in the shares or interests;
- (d) if you are a Custodian and are applying for New Shares with a total application price exceeding A\$15,000, subject to you providing a notice in writing to TNG certifying the matters required by ASIC Class Order [CO 09/425] condition 9 (**Custodian Certificate**). Custodians should request a pro forma Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate or if you would like further information on how to apply, you should contact the Share Registry;
- (e) you agree to these Terms and Conditions and you agree not to do anything which would be contrary to the spirit, intention or purpose of the SPP;
- (f) you agree to be bound by the Constitution of TNG;
- (g) you authorise TNG (and its officers or agents) to correct any error or omission in your Application Form and to complete the Application Form by inserting missing details if TNG elects to do so;
- (h) you agree that TNG may determine that your Application Form is valid and in accordance with these Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;
- (i) you agree that your application is only effective when received by, or on behalf of, TNG and not when posted;
- (j) you accept the risk associated with any refund that may be sent to you by direct credit to your account as nominated to the Share Registry or cheque to your address shown on TNG's register;
- (k) you agree that you are responsible for any dishonour fees or other costs which TNG may incur if your cheque for payment is dishonoured;
- (l) you agree that TNG and the Share Registry have not provided you with investment or financial product advice, and that they have no obligation to provide advice to you about your decision to apply for and be issued New Shares; and
- (m) you agree that TNG is not liable for any exercise of its discretions referred to in these Terms and Conditions.

Notice to shareholders in New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of TNG with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct Act 2013 (New Zealand)* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand)*.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (New Zealand)*. This document is not a product disclosure statement, an investment statement or prospectus or other disclosure document under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement, an investment statement or prospectus or other disclosure document under New Zealand law is required to contain.

No US offer

If you apply to participate in the SPP or instruct a custodian to do so on your behalf, you acknowledge and agree that:

- (a) the New Shares have not, and will not be, registered under the *US Securities Act of 1933*, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia and New Zealand;
- (b) you must not send copies of these Terms and Conditions or any other material relating to the SPP to any person in the United States or elsewhere outside Australia and New Zealand;
- (c) you must not submit an Application Form or make payment by BPAY® for any person resident outside Australia or New Zealand; and
- (d) if you do not comply with these restrictions, it may result in violations of applicable securities laws.

Withdrawal, waiver, suspension and termination

TNG reserves the right to withdraw the offer at any time up to the Issue Date.

TNG reserves the right at any time to:

- (a) waive compliance with any provision of these Terms and Conditions;
- (b) amend or vary these Terms and Conditions; and
- (c) suspend or terminate the SPP.

Any amendment, variation, suspension or termination is binding on all Eligible Shareholders even if TNG does not notify you of the event.

Settling disputes

TNG may settle, in any manner it sees fit, any difficulties, anomalies or disputes which may arise in connection with the operation of the SPP whether generally or in relation to any participant or any application for New Shares. TNG's decision is conclusive and binding on all participants and other persons to whom the determination relates. These rights may be exercised by TNG's Board or any delegate of the Board.

Governing Law

These Terms and Conditions are governed by the laws in force in Western Australia. By accepting this offer, you submit to the non-exclusive jurisdiction of the courts in Western Australia.

No underwriting

The SPP is not underwritten.

Interpretation

The term "these Terms and Conditions" includes terms and conditions in the Application Form, Instructions and Key Dates. The Application Form forms part of this offer document.

Risk factors

This section discusses some of the key risks associated with an investment in shares in TNG. A number of risks and uncertainties, which are both specific to TNG and of a more general nature, may adversely affect the operating and financial performance or position of TNG, in turn affecting the value of TNG shares and the value of an investment in TNG.

The risks and uncertainties described below are not an exhaustive list of the risks facing TNG or associated with an investment in TNG. Additional risks and uncertainties may also become important factors that adversely affect TNG's operating and financial performance or position.

This document is not financial product advice and has been prepared without taking into account your investment objectives or personal circumstances. Before investing in TNG shares, you should consider whether an investment in TNG shares is suitable for you. Potential investors should consider publicly available information on TNG (such as that available on the websites of TNG and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

TNG specific risks

Capital requirements and impact on operations

TNG's operations, including the development of the Mount Peake Project and continued exploration of its other projects, will require substantial expenditures. Successful development of TNG's projects will require significant additional amounts of capital in due course. In particular, the pre-production capital expenditure estimate for development of the Mount Peake Project is A\$853 million, which will need to be raised through a mixture of debt and equity financing if the Mount Peake Project is to be developed.

The funds raised through the SPP, even if fully subscribed, together with cash reserves and the proceeds of the \$10 million investment announced to ASX on 24 September 2018 may not be sufficient to successfully achieve all the objectives of TNG's business strategy.

There is no assurance that TNG will be successful in raising additional capital under

the SPP or in the future, as and when it is required in order to fully finance and develop TNG's projects.

Failure to obtain additional funding may cause TNG to postpone any development plans, forfeit rights to some or all of its projects or reduce its operating structures, including staff and overhead levels, which may delay or suspend TNG's business strategy and could have a material adverse effect on TNG's activities.

Any additional equity financing may be dilutive to TNG's existing shareholders and any debt financing, if available, may involve restrictive covenants which limit TNG's operations and business strategy.

Mount Peake Project

TNG's flagship Mount Peake Project is a Vanadium – Titanium – Iron deposit located on pastoral lease land, 230km north-west of Alice Springs in the Northern Territory, close to existing road, rail and gas infrastructure.

In November 2017, TNG completed an update to its July 2015 Definitive Feasibility Study and financial model. The updated Feasibility Study and financial model confirmed that the Mount Peake Project could generate a pre-tax internal rate of return of 44% based on a pre-production capital cost of A\$853 million and a total estimated life of mine net cash flow of A\$11.7 billion, a pre-tax NPV_{8%} of A\$4.7 billion and a reduced capital payback period of three years.

On 9 March 2017, TNG announced it had signed a project facilitation agreement (PFA) with the Government of the Northern Territory. The PFA reflects the NT Government's in-principle support for the site which will be used to develop and operate the TIVAN™ Refinery.

As announced to ASX on 25 January 2018, the Northern Territory Environment Protection Authority has provided an approved Assessment Report for the Mount Peake Project which completes the Environmental Impact Assessment process for the project.

On 11 May 2018, then Federal Minister for Environment and Energy, the Honourable Josh Frydenberg, granted environmental approval for the mine site component of the Mount Peake Project, subject to implementation conditions.



As announced to ASX on 1 August 2018, TNG has received in-principle approval for a landmark Native Title Mining Agreement covering its flagship Mount Peake Project and an acknowledgement that the native title holders are in support of the project. While it is expected that this agreement will be executed by all parties once final procedural details have been completed, TNG cannot guarantee that this agreement will be executed, or confirm the timing of execution of this agreement. The grant of TNG's Mount Peake mining lease is subject to execution of the Native Title Mining Agreement.

TNG is continuing to evaluate the project financing for, and the development of, the Mount Peake Project, and to obtain the necessary regulatory approvals and permits. There is no guarantee that TNG will secure project financing or receive all regulatory approvals required for the development of the Mount Peake Project.

Agreements

TNG has entered into several memoranda of understanding, heads of agreement and letters of intent with various parties in respect of off-take, development, operations and marketing commitments, potential applications for TNG's products (including in vanadium redox batteries) and strategic supply agreements. Some of these agreements are binding for LOM, while others are non-binding and preliminary in nature. There is no guarantee that legally binding contractual arrangements will eventuate from these preliminary agreements. There is also a risk that these arrangements may result in binding agreements on terms that are less favourable to TNG than anticipated.

TNG is in advanced discussions with leading distribution groups for the offtake, distribution, marketing and sales of 100% of its future titanium pigment production. However there is no guarantee that legally binding contractual arrangements will eventuate.

TIVAN® Metallurgical Process

TNG has developed a metallurgical process for the recovery of high purity vanadium from the Mount Peake Project. Patents for this process have now been approved in both United States of America and Russia after being granted in Australia, and the process is registered with the trademark name of TIVAN. Patent approvals for China, Vietnam, South Africa, the

European Union and Canada are currently in progress.

In February 2018, TNG announced that, together with its technical consultants METS, SMS and CSIRO, it had confirmed a potential TiO₂ pigment process for the Mount Peake Project. The new process, which is based on the conventional TiO₂ sulphate route, has the potential to directly use the Company's TIVAN®-produced feedstock for the production of a high-grade TiO₂ pigment without any further upgrading treatment process. This process has the potential to further improve the economics of TNG's Mount Peake Project while at the same time reducing the technical complexity and environmental impact of the project. However, there is no guarantee that the estimated cost savings, or any further improvements, will be realised.

As announced to ASX on 26 September 2018, TNG has signed a heads of agreement with German technology provider TiCons group for the supply of a titanium pigment process package. However there is no guarantee that the package will be delivered or that a binding contract with acceptable deliverables will be received.

TNG has signed a heads of agreement with BBI Group Pty Limited (**BBI**), a subsidiary of the diversified New Zealand-based conglomerate Todd Corporation, to evaluate the application of the TIVAN® process on BBI's Balla Balla project in Western Australia and assess potential commercial options. However, there is no guarantee that legally binding contractual arrangements will eventuate.

TIVAN® Processing Facility EIS

The TIVAN® downstream processing plant is proposed to be located on an area within the Middle Arm Peninsula of Darwin Harbour. An environmental impact statement (**EIS**) is being developed, and TNG has appointed Animal Plant Mineral Pty Ltd as consultant for the EIS. Work is progressing on the EIS, and TNG is continuing to liaise with regulators in respect of the EIS, however there can be no guarantee that the finding of the EIS will be positive.

Intellectual property

TNG regards its patents, copyrights, trademarks, trade secrets and similar intellectual property (including that relating to the TIVAN® process) as important. TNG relies on patent, trademark and copyright law, trade



secret protection and duties of confidence with third parties to protect its intellectual property rights. While TNG will use all reasonable endeavours to protect these rights, the steps that TNG takes to protect its intellectual property rights may be inadequate. The unauthorised use or disclosure of its proprietary technology and systems may have adverse effects on the future operation and financial performance of TNG.

Environmental and Cultural

The locations of some of TNG's projects are considered by TNG to be culturally and environmentally sensitive.

There is a substantial level of regulation and restriction on the ability of mining companies to have access to land in Australia. *The Native Title Act 1993* (Cth) gives statutory recognition of claims of native title. See further details in paragraph below.

TNG's operations will also be subject to environmental regulation. See paragraph below.

Reliance on key personnel

TNG is reliant on its management. The loss of one or more of these individuals could adversely affect TNG.

In addition, TNG's ability to achieve its business goals effectively will require it to continue to implement and improve its management systems and to recruit and train new employees and consultants. Although TNG expects to be able to do so in the future, there can be no assurance that TNG will be able to attract and retain skilled and experienced personnel and consultants.

Joint venture parties, contractors and agents

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which TNG may be or become a party; or insolvency or other managerial failure by any of the contractors used by TNG in any of its activities; or insolvency or other managerial failure by any of the other service providers used by TNG for any activity.

Exploration, development, mining and processing risks

Mineral exploration, project development and mining by their nature contain elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (a) the discovery and/or acquisition of economically recoverable ore resources;
- (a) successful conclusions to bankable feasibility studies;
- (b) access to adequate capital for project development;
- (c) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (d) securing and maintaining title to tenements;
- (e) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (f) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants;
- (g) native title risks (see also below); and
- (h) adverse weather conditions which, over a prolonged period can adversely affect exploration and mining operations and the timing of revenues; and
- (i) operational and technical risks arising once production commences.

Whether or not income will result from development of tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its



nature contain elements of significant risk such as:

- (a) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (b) developing an economic process route to produce a metal and/or concentrate; and
- (c) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

Native title

As announced to ASX on 1 August 2018, TNG has received in-principle approval for a landmark Native Title Mining Agreement covering its flagship Mount Peake Project and an acknowledgement that the native title holders are in support of the project. It is expected that this agreement will be executed by all parties once final procedural details have been completed. However, until the Native Title Mining Agreement is executed, the Northern Territory Government will not be in a position to proceed with the grant of the Mount Peake mineral lease and related ancillary mineral leases.

In addition to its negotiations relating to the Mount Peake Native Title Mining Agreement, TNG may, from time to time, need to negotiate with other native title claimants for access rights to its tenements and/or holders in the event of mining. There may be significant delays and costs associated with these negotiations and to reach agreement acceptable to all relevant parties.

Environmental management

TNG's operations are and will be subject to environmental regulation. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance and assessments of proposed projects. Environmental regulations could impact on the viability of TNG's projects. TNG may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it was not responsible.

Title

All mining tenements which TNG may acquire either by application, sale and purchase or farm-in are regulated by the applicable state mining legislation.

There is no guarantee that applications will be granted as applied for (although TNG has no reason to believe that tenements will not be granted in due course). Various conditions may also be imposed as a condition of grant. In addition the relevant minister may need to consent to any transfer of tenement to TNG.

Renewal of titles is made by way of application to the relevant department. There is no guarantee that a renewal will be automatically granted other than in accordance with the applicable state mining legislation. In addition, the relevant department may impose conditions on any renewal, including relinquishment of ground.

Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when made may change significantly when new information becomes available. In addition, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should TNG encounter mineralisation or formations different from those predicted by past sampling and drilling, resource estimates may have to be adjusted and this may affect the viability of future operations.

General risks

Share market

Share market conditions may affect the price at which TNG's shares trade regardless of operating performance. Share market conditions are affected by many factors, such as:

- (i) general economic outlook;
- (ii) movements in, or outlook in, interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity prices;



- (v) changes in investor sentiment towards particular market sectors; and
- (vi) the demand for, and supply of, capital.

Shareholders should recognise that the price of TNG shares may fall as well as rise. Many factors will affect the price of TNG shares including local and international stock markets, movements in interest rates, economic conditions and investor sentiment generally. In addition, the commencement of, or escalation in, any war, armed conflict, hostilities between nations, civil unrest or terrorist activities may affect the price of TNG shares.

Commodity prices

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence and have an effect on the economic viability of individual projects in which TNG has an interest.

Economic factors

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. TNG's future possible revenues and share prices can be affected by these factors, which are beyond the control of TNG and its Directors.

Government policy

Industry profitability can be affected by changes in government, both within Australia and externally, which are not within the control of TNG. TNG's activities are subject to extensive laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities upon the environment and upon interests of native and/or indigenous peoples. Permits from a variety of regulatory authorities are required for many aspects of mine operation and reclamation. There is no assurance that permits will be obtained when sought or that unfavourable conditions will not be imposed. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of TNG's tenements, the extent of which cannot be predicted.

Speculative investment

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by TNG or by investors in TNG. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of TNG and the value of the New Shares offered under this SPP. Potential investors should consider that an investment in TNG is speculative and should consult their professional adviser before deciding whether to apply for New Shares pursuant to this SPP.

Directory

Registered Office

TNG Limited
Suite 20 22 Railway Road Subiaco, WA 6008,
Australia
Telephone: +61 8 9327 0900
Facsimile: +61 8 9327 0901

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria 3067

Legal Advisers

Johnson Winter & Slattery
Level 4
167 St Georges Terrace
Perth, WA 6000, Australia
Telephone: +61 8 6216 7222
Facsimile: +61 8 6216 7200



For all enquiries:

Phone:
 (within Australia) +61 8 9327 0900

Web:
 www.tngltd.com.au

TNG

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Share Purchase Plan Application Form

Your payment must be received by 5:00pm (AWST) Tuesday 23 October 2018

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of TNG Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for TNG Limited shares on the terms of the Share Purchase Plan (SPP).

In addition, by making payment you certify that the aggregate of the application price paid by you for:

- the New Shares the subject of the payment slip overleaf;
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the payment;
- any other shares or interests in the class which you have instructed a custodian to acquire on your behalf under this SPP; and
- any other shares or interests in the class issued to a custodian under an arrangement similar to this SPP in the 12 months before this application as a result of you instructing the custodian or another custodian, which resulted in you holding a beneficial interest in the shares or interests,

does not exceed \$15,000.

TNG Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by TNG Limited will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. TNG Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where TNG Limited does not notify you of that event.

Step 1: Registration Name & Offer Details

Details of the shareholding and the Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

Your payment must correspond to one of the options detailed overleaf. You may choose one option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "TNG Limited" and cross "Not Negotiable". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name:MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details:Record date:5.00pm (AWST) Friday 21 September 2018

Minimum value
available to purchase:\$1,000

Maximum value
available to purchase:\$15,000

STEP 2

Make Your Payment

 Biller Code: 288423
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your payment from your cheque or savings account.

Pay by Mail:

 Make your cheque, bank draft or money order payable to "TNG Limited" and cross "Not Negotiable".
Return your cheque with the below payment slip to:
Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Lodgement of Acceptance
If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 3:00pm (AWST) Tuesday 23 October 2018. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor TNG Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.
If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AWST) Tuesday 23 October 2018. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor TNG Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice
The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

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Purchase Details for TNG Limited (choose one option)

☐ \$1,000 (9,175 Shares) OR ☐ \$2,000 (18,349 Shares) OR ☐ \$5,000 (45,872 Shares)

☐ \$10,000 (91,744 Shares) OR ☐ \$15,000 (137,615 Shares)



Entitlement No: 12345678

Payment must be received by 5:00pm (AWST) Tuesday 23 October 2018

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Contact Details

Contact Name

Daytime Telephone

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$