

9 June 2020

UPDATE ON BINDING TERMS FOR LIFE-OF-MINE PRINCIPAL MARKETING AGREEMENT WITH GUNVOR (SINGAPORE) FOR VANADIUM PENTOXIDE

Australian resource and mineral processing technology company TNG Limited (ASX: TNG) (“TNG” or the “Company”) is pleased to provide an update on the Binding Term Sheet previously signed with the major global commodity trader GUNVOR (Singapore) (“GUNVOR”) for high-purity vanadium pentoxide to be produced from the Company’s flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project (“Project”) in the Northern Territory, Australia.

The Binding Term Sheet is for a Life-of-Mine Principal Marketing Agreement with GUNVOR (the “Agreement”) for potential off-take of 40% of the vanadium pentoxide production intended to be produced from the Project, to be purchased on an FOB basis and marketed and distributed globally for a fixed commission (see ASX announcement dated 11 December 2019 for further details).

The Agreement was due to be completed by 10 June 2020, being six months from the date of the Binding Term Sheet. Measures taken by both companies in response to the COVID-19 pandemic have impacted the progression of the Agreement, and the parties have mutually agreed to extend the completion date for the Agreement by an additional three months to nine months from the date of the Binding Term Sheet.

The Binding Term Sheet with GUNVOR complements the existing off-take agreement for the balance of 60% of the proposed vanadium pentoxide production executed with Korea’s WOJIN (see ASX announcement dated 7 September 2015 for further details). TNG intends to produce approximately 6,000tpa of vanadium pentoxide from its TIVAN® Processing Facility, to be located in Darwin in the Northern Territory – one of three high-value downstream products planned to be produced by the fully integrated Mount Peake Project for export to a global customer base.

Management Comment

Commenting on the status of the Binding Term Sheet, TNG’s Managing Director & CEO, Mr Paul Burton, said:

“The Company continues to take a pragmatic approach to its continuing operations to effectively manage the impact of the COVID-19 pandemic. Both TNG and GUNVOR remain committed to completing and executing the Principal Marketing Agreement. We look forward to building a strong and mutually beneficial long term relationship with GUNVOR.”

Authorised by:

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About TNG

TNG is a Perth based resource and mineral processing technology company focussing on building a world-scale strategic metals business based on its flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory. Located 235km north of Alice Springs, Mount Peake will be a long-life project producing a suite of high-quality, high-purity strategic products for global markets including vanadium pentoxide, titanium dioxide pigment and iron ore fines. The project, which is expected to be a top-10 global producer, has received Major Project Facilitation status from the Northern Territory Government.

Vanadium is a highly strategic metal which is used as an alloy in steel. It is also in strong demand for use in energy storage, with vanadium redox batteries used to store electricity generated by solar and wind power, and lithium-vanadium ion batteries used to power hybrid cars.

About GUNVOR

Founded in 2000, Gunvor Group is one of the world's largest independent commodities trading houses by turnover, creating logistics solutions that safely and efficiently move physical energy and bulk materials from where they are sourced and stored to where they are demanded most. With strategic investments in industrial infrastructure—refineries, pipelines, storage, terminals, mining and upstream—Gunvor further generates sustainable value across the global supply chain for its customers. In 2019, Gunvor generated US \$75 billion in revenue moving more than 198 million MT of physical commodities.

More information can be found at www.GunvorGroup.com or @Gunvor.

Forward-Looking Statements

This announcement has been prepared by TNG Limited. 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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