TNG LIMITED

12 April 2022

AQUIFER EXTENSION WATER BORE DRILLING COMMENCES IN SUPPORT OF REVISED MOUNT PEAKE DEVELOPMENT

Key Points

- **Water bore drilling has commenced this week at the Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory.**
- **New bores are designed to delineate and quantify the Hanson paleochannel aquifer within a 75km distance of the planned integrated mining and processing operation at Mount Peake following the relocation of all processing operations to the Mount Peake mine site.**
- **Bore planning and assessment will be undertaken by hydrological consultants AQ2 Pty Ltd, an independent water resources consultancy based in Perth, Western Australia.**
- **This work will support an additional Water Extraction Licence Application, providing the additional process water required for the TIVAN® Processing Facility at the Mount Peake mine site.**
- **It will also provide key inputs to the technical studies for the Environmental Impact Assessment currently being progressed by TNG and its environmental consultant, Animal Plant Mineral Pty Ltd.**

Australian resource and mineral processing technology company TNG Limited (ASX: TNG) ("TNG" or the "Company") is pleased to advise that a new program of water bore drilling has commenced at its flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project ("Mount Peake Project" or "Project") in the Northern Territory.

The water bore drilling and evaluation program will provide additional information required for the groundwater modelling work being conducted by TNG's appointed hydrological consultants, AQ2 Pty Ltd ("AQ2").

TNG currently has a Water Extraction Licence Application ("WELA") submitted to the Northern Territory ("NT") Government Water Resources Division of the NT Department of Environment, Parks and Water Security ("DEPWS"). This application was to provide water for a combined mining and beneficiation plant operation at the Mount Peake mine site ("Mine Site").

The current borefield area is located along the Hanson River between Browns and Wollogalong Wells on Stirling Station, which is between 20-35km from the Mount Peake Project. The Hanson paleochannel has a source area in the Ti Tree basin to the south-east and flows approximately 400km northwards to end west of Tennant Creek under Tanami desert sands. In the area being assessed, the palaeovalley flows under the existing surface river, although the palaeovalley – and hence the aquifer – is substantially wider than the surface alluvial channel and sheetwash zones.

Following the decision to locate the TIVAN® Processing Facility ("TPF") near the mining operation and the incorporation of a waste-water treatment and recycling plant that reduces the TPF's water demand requirement, additional water requirement for a fully integrated mining and processing operation is now being outlined and modelled to allow for the sustainable water extraction to feed the TPF.

This round of aquifer drill testing will extend beyond this area and is expected to source sufficient water from within a 75km distance from the Project, going both upstream (to the south-east) and downstream (to the north).

Most bores will be approximately 60-70 metres deep, as the aquifer sits above an unconformity surface at 30-70 metres depth below ground level.

AQ2 will be involved in the supervision and assessment of the drilling and pump testing for the program. Initial exploration bores will be cased to provide long-term monitoring stations, while several bores will be drilled and cased at a larger diameter as potential production bores and will undergo extended pump testing to better define the aquifer.

Based on information obtained over the next few weeks, AQ2 will update and expand the groundwater modelling that has been completed over the last few years, and provide a report to support a second Water Extraction Licence Application encompassing the entire planned mining and processing operation of the Mount Peake Project.

Detailed evaluation of the long-term sustainability of the aquifer is a normal requirement for long life mine projects such as the Mount Peake Project, which has an initial life-of-mine of 40 years.

The information from the drilling program will also support and inform the Environmental Impact Assessment report, which is currently being progressed by TNG and its environmental consultant, Animal Plant Mineral Pty Ltd.

MANAGEMENT COMMENT

TNG's Managing Director and CEO, Mr Paul Burton, said: *"The new water bore drilling program will provide critical information that will allow us to establish a sustainable source of process water to support the fully-integrated mining and processing operation at Mount Peake. As a long-life, world-scale project with an initial mine life of 40 years, Mount Peake requires meticulous planning in every aspect of its execution.*

"Securing sustainable water resources in an environmentally responsible manner is a crucial part of our overall development plan, and this drilling program will help us to tick a very important box to ensure we can deliver a high-quality project that also meets all of our ESG commitments."

Authorised by:

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About TNG

TNG is a mineral resource and 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 Status from the Australian Federal Government and the Northern Territory Government.

TNG is also advancing a green energy strategy with the dual objective of offsetting carbon emissions from its planned future operations and generating new business opportunities in the alternative energy market to create additional shareholder value, with a focus on green hydrogen and vanadium redox flow batteries.

Forward-Looking Statements

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