

UPDATE ON TNG LOAN FUNDED SHARES

The Board of TNG Limited (ASX: TNG) (“TNG” or the “Company”) provides an update on the loan funded shares (“Loan Shares”) that were previously issued by the Company under the TNG Employee Share Plan and TNG Non-Executive Director and Consultant Share Plan (together referred to as the “Plans”).

By way of background:

Under the Plans, the Company offered to provide interest free loans to eligible employees, directors and consultants of the Company (“Participants”) to acquire Loan Shares in the Company. The loan amount was provided to Participants on the basis that it was repayable to the Company on a pre-determined repayment date, unless earlier repayment was otherwise required under the terms and conditions of the Plans (including, for example, where a Participant ceased to be an eligible participant under the relevant Plan). In certain circumstances, if the loan was not repaid, the Company is entitled to arrange to sell the Loan Shares and apply the sale proceeds towards the repayment of the loan amount. The loans are limited recourse, meaning if the Loan Shares are sold the proceeds will be taken to repay the loan in full even if the sale proceeds are less than the value of the loan.

Holders of Loan Shares are entitled to any dividends declared (to be first applied to loan repayment), to voting rights, and to the right to participate in any bonus issues and rights issues.

A total of eight (8) million of these Loan Shares remain on issue, summarised as follows:

Number	Issue Date	Plan	Price	Loan Amount	Repayment Date
4 million	27 November 2014	Employee	14.3c	\$572,000	27 November 2023
2 million	27 November 2014	NED/Consultant	8.7c	\$174,000	27 November 2023
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The 4 million Loan Shares noted above as issued under the TNG Employee Share Plan are held by the Company’s former Managing Director and CEO, Mr Paul Burton. Upon Mr Burton’s departure, notice was provided to Mr Burton to repay the loan for these Loan Shares (ie, \$572,000) pursuant to the terms of the TNG Employee Share Plan.

As the loan amount has not been repaid by Mr Burton in the time required, pursuant to the terms of the TNG Employee Share Plan, the Company will now make arrangements to sell the 4 million Loan Shares in the months ahead in a considered manner so as not to adversely impact trading activity in TNG shares.

With respect to the other 4 million Loan Shares issued under the TNG Non-Executive Director and Consultant Share Plan (made up of the two separate holdings described in the table above), TNG is currently reviewing their status with legal counsel and will provide an update in due course.

The Board of TNG Limited also advises that it has resolved to terminate both the TNG Employee Share Plan and the TNG Non-Executive Director and Consultant Share Plan following repayment of the outstanding loans relating to the Loan Shares, and confirms that no further issues of Loan Shares will be made by the Company under these Plans.

Comment from Executive Chairman

Mr Grant Wilson commented:

“At the General Meeting later today shareholders will vote to rename TNG Limited.

As we turn the page, it is entirely appropriate that one of most egregious examples of the misalignment that existed between previous management and shareholders is terminated. The Loan Shares were designed to provide management with upside exposure to the share price and participatory voting rights, without the attendant risks that are faced by ordinary shareholders. They do not belong in the new era.”

This announcement is authorised by the Board of the Company.

Inquiries:

Tony Bevan
Company Secretary + 61 (0) 8 9327 0900

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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.