



MOUNT PEAKE PROJECT BOOSTED BY METALLURGICAL PROCESSING BREAKTHROUGH

New Hydrometallurgical Process Recovers All Three Commodities

HIGHLIGHTS

- **Testwork confirms that Mount Peake ore is amenable to recovery of all three components – vanadium, titanium and iron**
- **New hydrometallurgical process established**
- **Joint Patent Application submitted by TNG and Mineral Engineering Technical Services (“METS”)**

Australian resources company TNG Limited (ASX: **TNG**) is pleased to announce that its 100%-owned **Mount Peake Vanadium Project** in the Northern Territory (see *Figure 1*) has received a major boost following the successful development of a new metallurgical process suitable for extracting all **three key commodities** from the ore.

The new hydrometallurgical process, which has been jointly developed with TNG’s representative metallurgical consultants, Mineral Engineering Technical Services Pty Ltd (“METS”), represents a major step forward for the Mount Peake Project.

The new processing route has been successful in recovering the three principal commodities – **vanadium, titanium** and **iron** – from bulk samples of Mount Peake ore. Recent test results have returned a positive outcome, in particular in the recovery of vanadium and iron. Further optimisation tests are currently underway.

Following this success, TNG and METS advise that they have submitted a joint Patent Application to protect the invention and allow commercialisation at a later date.

The Mount Peake deposit – which currently contains a JORC Inferred Resource of 139 million tonnes (Mt) grading 0.29% vanadium (V_2O_5), titanium (TiO_2), 23.7% iron (Fe), is amenable to processing using conventional pyrometallurgy and produces smelter acceptable concentrate grades.

However, TNG and METS believe that the hydrometallurgical route may provide an alternative route for improving project economics, being cheaper and less environmentally challenging.

Test work carried out by TNG/METS has now shown the magnetic concentrate is amenable to hydrometallurgical processing, resulting in very high recoveries of vanadium (98%) and iron (83-99%) in the acid leaching.

These new test results have importantly demonstrated that the iron can be separated from the vanadium by using solvent extraction, producing high grade Iron.

This new processing route has now been proven to allow more than a single product to be generated and may therefore have a positive impact on the overall project economics, however the anticipated lower capital and operating costs and the higher recovery of the valuable products would need to be demonstrated in the further test work studies currently underway.

TNG will continue to advance the test work with METS to optimise the process prior to a decision on proceeding with a full feasibility study.

The Mount Peake project is close to existing power and transport infrastructure and has a potential Exploration Target¹ of 500-700 Mt with a grade range of 0.2% - 0.4% V₂O₅ and 25% - 35% Fe.

Yours faithfully

TNG LIMITED



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¹ The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resources.

Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Paul Burton who is a Member of The Australasian Institute of Mining and Metallurgy and a Director of TNG Limited. Paul Burton has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Paul Burton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Damian Connelly, MAAusIMM, Chartered Professional (MET), MMICA, MSME, MSAIMM was responsible for the preparation of the metallurgical test work results reported herein. Mr Connelly has sufficient experience to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of the Exploration Results, Mineral Resources and Ore Reserves". Mr Connelly consents to the inclusion in the report of the matters based on his information in the form and context in which is appears.

Forward-Looking Statements

This report contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, objectives, performance, outlook, growth, cash flow, earnings per share and shareholder value, projections, targets and expectations, mineral reserves and resources, results of exploration and related expenses, property acquisitions, mine development, mine operations, drilling activity, sampling and other data, grade and recovery levels, future production, capital costs, expenditures for environmental matters, life of mine, completion dates, and currency exchange rates. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast' and similar expressions. Persons reading this report are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

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This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. The Company disclaims any intent or obligations to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

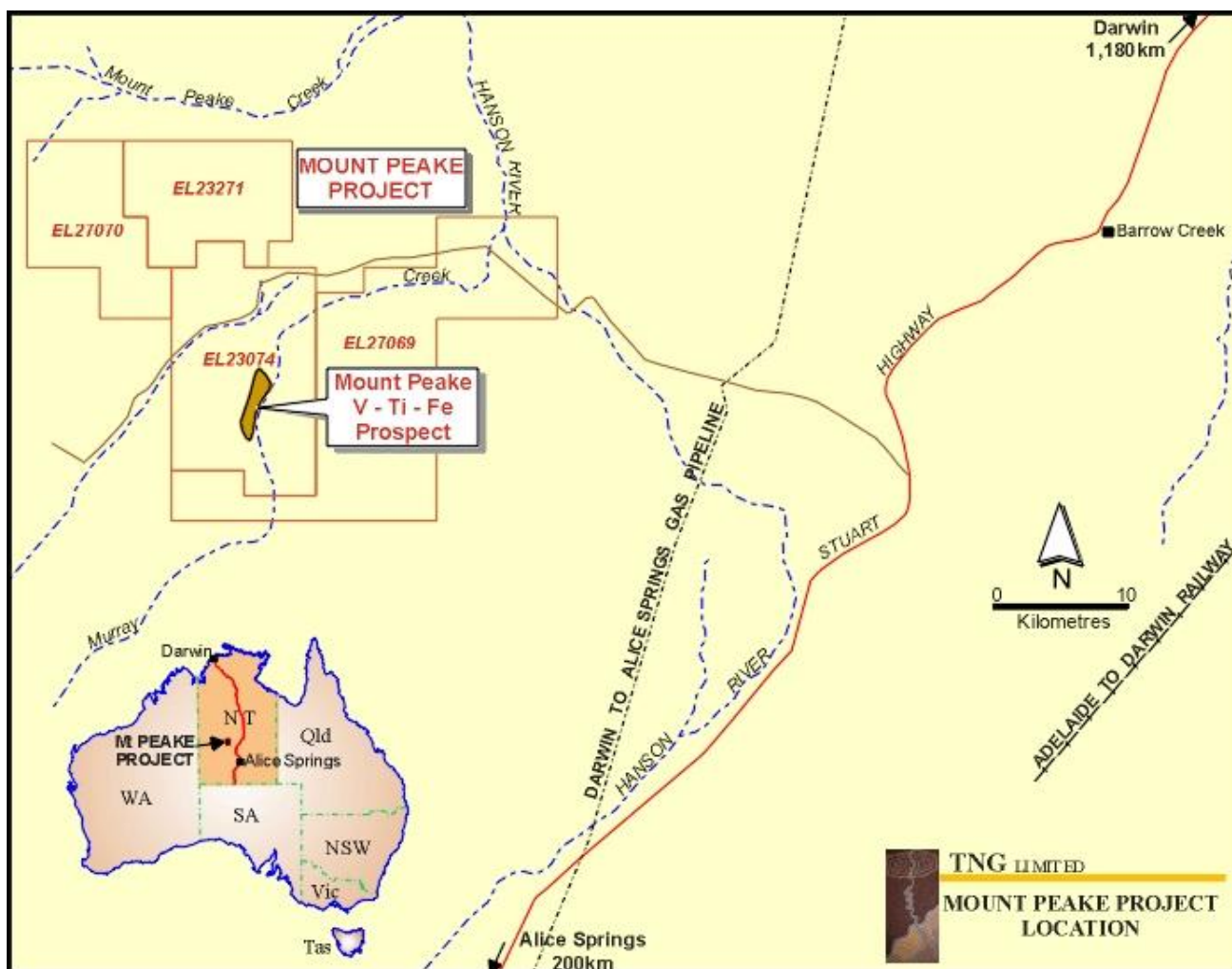


Figure 1: Project Location Map: Mount Peake Deposit.