

TNG EXTENDS MANDATE AGREEMENT WITH KfW IPEX-BANK

Extension further reinforces KfW's commitment to the financing of the Mount Peake Project

Australian resource and mineral processing technology company TNG Limited (ASX: TNG) ("TNG" or the "Company") is pleased to advise that it has further extended the term of the debt financing mandate ("Mandate") with its exclusive senior debt advisor and arranger, Germany's KfW IPEX-Bank GmbH ("KfW"), to 11 December 2021.

KfW has been appointed to lead a debt raise of up to US\$600 million to underpin the development and construction of the Company's 100%-owned Mount Peake Vanadium-Titanium-Iron Project ("Project") in the Northern Territory.

KfW is a specialised solution provider in export and project financing, with a proven track record for undertaking complex project financings worldwide.

Under the Mandate, KfW is responsible for structuring, coordinating, leading, arranging and managing syndication for the targeted debt raising to underpin the Project's financing package. KfW will also advise TNG on how to maximise, to the greatest extent possible, cover instruments available from export credit agencies.

KfW has been working closely with TNG on the proposed financing structure and due diligence requirements. During the due diligence process, adequate levels of contingency, working capital, debt service reserve amounts and project owner's costs will be fully evaluated as part of the capital requirements.

The final capital requirements and funding structure for the Project will be confirmed with KfW following completion of the Front-End Engineering and Design ("FEED") study, currently being undertaken by SMS group and now in its final stages.

However, the financing process has been impacted this year by COVID-19 related interruptions, including delays to the progression of the due diligence process for the debt structuring.

The Company and KfW have therefore agreed to an extension to the term of the Mandate of 12 months to 11 December 2021.

During this period, the Company expects to finalise the FEED study and EPC process, non-process infrastructure works, approvals processes and financing due diligence, allowing it to confirm the funding structure and make a Final Investment Decision (FID) for the Project, subject to any further delays outside of the Company's control.

KfW will continue to work in conjunction with the KPMG Corporate Finance team (see ASX announcement dated 2 September 2020) to achieve these key milestones.

Management Comment

Commenting on the extension of the Mandate with KfW, TNG's Managing Director & CEO, Mr Paul Burton, said:

"We are very pleased to confirm KfW IPEX-Bank's ongoing commitment to the financing of the Mount Peake Project given the significant challenges and interruptions that have occurred due to the COVID-19 pandemic during 2020.

"Having the involvement of one of the leading export and project financing banks worldwide as our key financing partner provides us with a secure platform for our finance structure in 2021 and we look forward to continuing a successful working relationship with KfW in the years ahead."

Authorised by:

Paul E Burton
Managing Director & CEO

14 December 2020

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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.

About KFW IPEX-Bank

Within KfW Group, KfW IPEX-Bank is responsible for international project and export finance. It offers medium and long-term financing to support key export industries, to develop economic and social infrastructure, to fund environmental and climate protection projects and to secure the supply of raw materials. KfW IPEX-Bank operates as a legally independent group subsidiary and is represented in the most important economic and financial centres across the globe.

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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