TNG LIMITED

30% INCREASE IN RESOURCE AT MOUNT PEAKE

HIGHLIGHTS

- **Updated Inferred Resource of 139Mt grading 0.29 % V_2O_5 and 5.3 % TiO_2 at a 0.1 % V_2O_5 cut-off**

- **Metallurgical testwork continuing to determine optimal process route**

- **Resource remains open along strike to the north and south.**

- **Significant Exploration Target[1] of 500 – 700Mt with a grade range of 0.2% - 0.4% V_2O_5.**

Diversified metals group TNG Limited (ASX: **TNG**) is pleased to report a substantial upgrade in the Mineral Resource estimate for its 100%-owned **Mount Peake Vanadium Project** in the Northern Territory based on additional exploration drilling undertaken at the end of 2009.

The updated Inferred Resource of 139 million tonnes (Mt) grading 0.29% vanadium (V_2O_5), titanium (TiO_2), 23.7% iron (Fe), 32.5% silica (SiO_2) and 8.2% alumina (Al_2O_3) represents a 30% increase from the previous resource estimate of 107Mt and improved concentrate grades.

The estimate has been completed by Snowden Mining Industry Consultants Pty Ltd ("Snowden") and is reported using a V_2O_5 cut-off of 0.1 % together with the estimated DTR concentrate recovery and grades shown in Table 1. Technical notes on the estimate are appended to this release (appendix 1). The resource has been reported in accordance with the 2004 JORC Code. Table 2 reports the resource at a range of cut-offs.

[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.*

Table 1: February 2010 Mount Peake Inferred Resource at a 0.1 % V_2O_5 cut-off grade

Category	Tonnes (Mt)		Head grades				
			V_2O_5 %	TiO_2 %	Fe %	SiO_2 %	Al_2O_3 %
Inferred	139		0.29	5.3	23.7	32.5	8.2
		DTR	Concentrate grades				
		Mass Recovery %	V_2O_5 %	TiO_2 %	Fe %	SiO_2 %	Al_2O_3 %
		18.2	1.19	14.7	54.1	3.5	2.6

Table 2: February 2010 Mount Peake Inferred Mineral Resource – grade tonnage report

Cut-off grade V_2O_5 (%)	Tonnes (Mt)	Density (tm^{-3})	V_2O_5 (%)	TiO_2 (%)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)
0.10	139	3.0	0.29	5.3	23.7	32.5	8.2
0.15	123	3.0	0.31	5.7	24.6	31.7	7.7
0.20	100	2.9	0.34	6.2	25.7	30.5	7.2
0.25	82	3.0	0.36	6.6	26.6	29.8	6.9
0.30	64	3.0	0.39	7.1	27.6	28.8	6.6
0.35	42	3.1	0.42	7.6	29.0	27.6	6.3
0.40	25	3.1	0.45	8.2	30.3	26.7	6.0

Snowden has incorporated the results of recent metallurgical testwork into the estimate for the first time to provide an estimate of concentrate recovery and grade. This has improved on the previous results that were incorporated in the initial Scoping Study carried out by Snowden which resulted in a positive assessment of the potential economics of the Mount Peake Project.

Metallurgical testwork is continuing to optimise the processing options and this will determine TNG's approach to the continued development of the Mount Peake Project.

The Mount Peake resource **remains open along strike to the north and south** and Snowden is confident that the resource will be further increased as TNG undertakes more drilling over the aeromagnetic anomaly which is coincident with the resource.

Drilling in the northern magnetic lobe of Mount Peake has confirmed this is also a gabbro host with a vanadium-rich magnetite zone. Assay results and metallurgical testwork is underway to assess this zone prior to resource calculation. Geophysical modelling of the other magnetic data surrounding the Mount Peake resource (Figure 2) indicates support for other potential magnetite-rich zones based on the Mount Peake magnetic signature of the current resource and samples of outcropping gabbro. The company considers this represents an Exploration Target[1] at Mount Peake of 500-700 Mt with a grade range of 0.2% - 0.4% V_2O_5 and 25% - 35% Fe.

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Yours faithfully
TNG LIMITED

Paul Burton
Director & CEO
03 March 2010

Competent Person's Statement
The information in this report that relates to Exploration Results and Exploration Targets 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.

The information in this report that relates to Mineral Resources is based on information compiled by Michael Andrew who is a Member of The Australasian Institute of Mining and Metallurgy and a full time employee of Snowden Mining Industry Consultants Pty Ltd. Michael Andrew 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'. Michael Andrew consents to the inclusion in the report of the matters based on his information in the form and context in which it 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.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Information Form.

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.
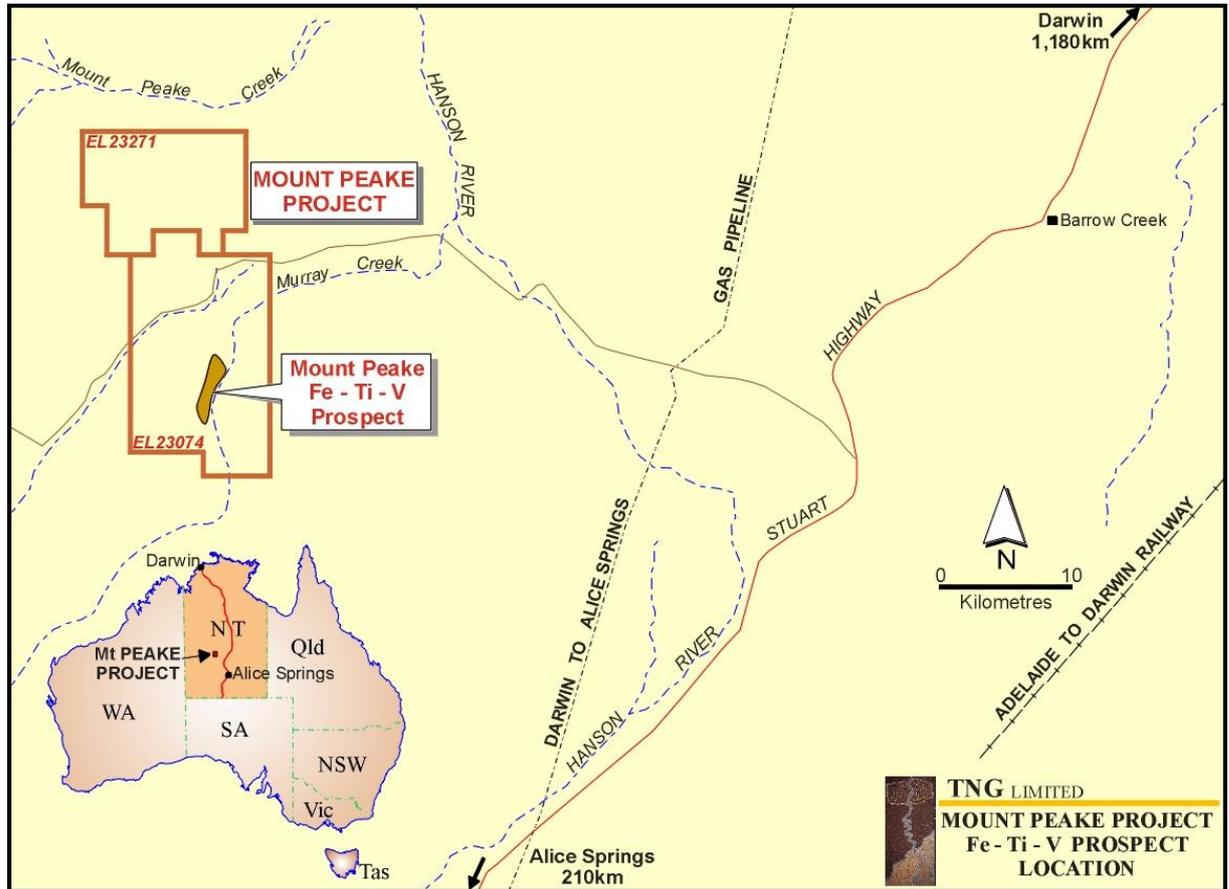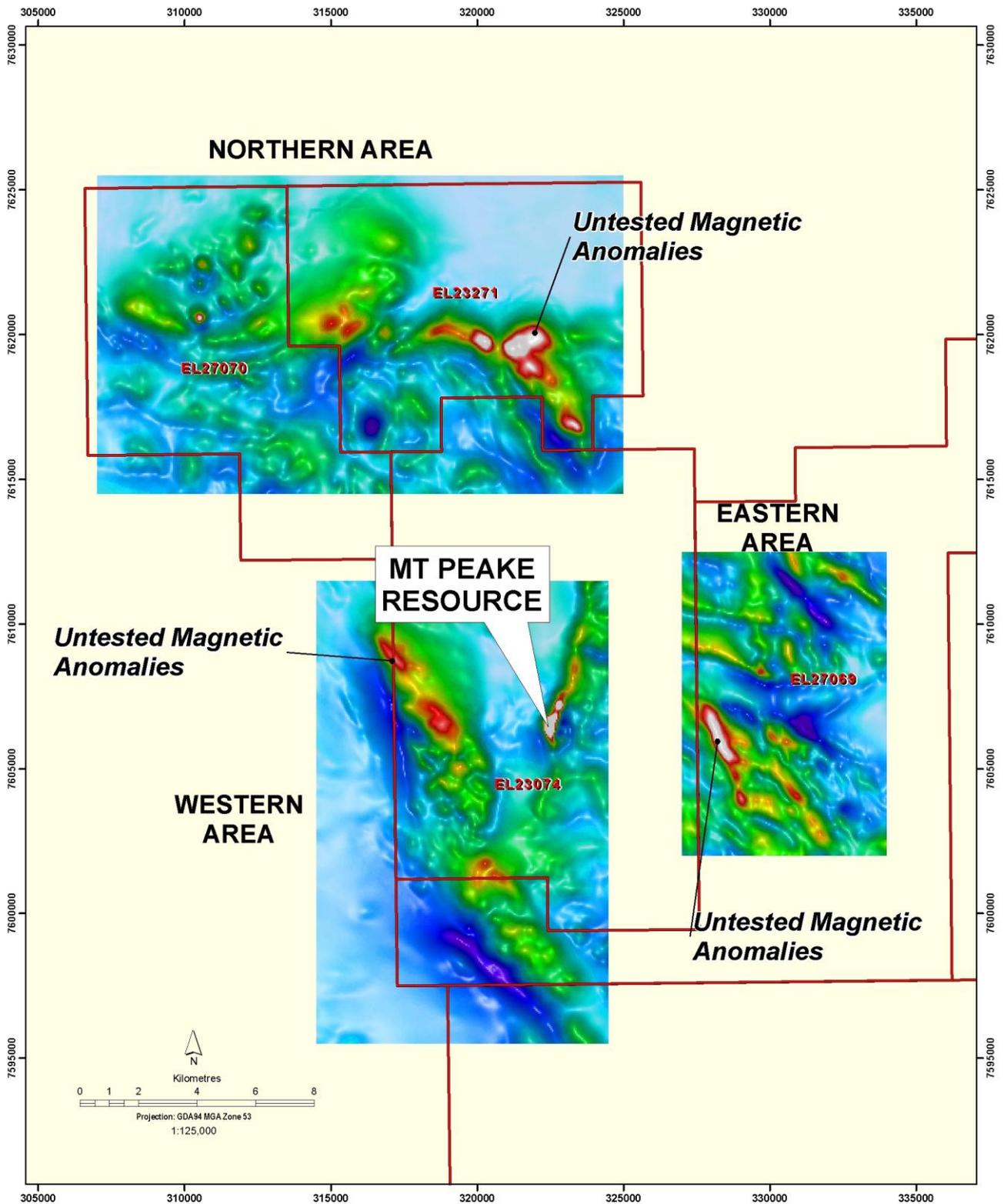
Figure 1: Project Location plan

Figure 2: Exploration Target[1], magnetic data.

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APPENDIX 1:

Technical notes on the resource estimate

Snowden Mining Industry Consultants (Snowden) has completed a resource estimate for the Mt Peake project in the Northern Territory for TNG Limited (TNG). Table 1above lists the February 2010 Mt Peake Mineral Resource at a 0.1 V_2O_5 % cut-off grade. Table 2 above lists the February 2010 Mt Peake Mineral Resource at a range of V_2O_5 % cut-off grades.

TNG supplied the data files used for the resource modelling and estimation, which included the drillhole data for; collar, survey, geological logging, magnetic susceptibility, head assays, mass recovery and concentrate assays. Snowden completed basic data validation checks on the data and reported the issues found to TNG for resolution. Topography elevation data and an image of magnetics for the project area were also provided. The central area of the resource (600 m of strike length) is now defined by drilling on four cross sections at 200 m line spacing, with two drillholes per cross section.

Snowden reviewed the available assay QA/QC data, which consisted of field duplicate data. Standards and blanks were not used, as the program was considered by TNG to be preliminary exploration. The results were reviewed graphically, and the majority of duplicate pairs show a good comparison of results which indicates reasonable splitting practices.

Snowden generated surfaces representing the oxidation horizons, base of transported (or top of pyroxentite), and a solid of the mineralisation based on geological logging, assays and the position of the magnetic anomaly. These wireframes were used to flag the drillholes and create a 3D block model of the project area.

The flagged drillholes were composited to 1 m intervals and summary statistics were completed on the composites. Domains were reviewed for appropriateness for estimation. The transitional domains had too few samples for estimation and were combined with the oxide domains. Trends were observed in the drillhole assay data with elevation. Correlations between elements were reviewed and strong correlations were observed in the oxide and fresh mineralised domains between all assays to be estimated.

A block model was created using a parent cell size of 50 mE by 100 mN by 10 mRL. Sub-celling was set to produce a minimum subcell size of 10 mE by 20 mN by 2 mRL. Grades for V_2O_5, TiO_2, Fe, SiO_2, Al_2O_3 and mass recovery values were estimated into the model using ordinary kriging, with a restricted vertical search in order to reproduce the vertical assay trends. Hard boundaries were applied to the zones in the estimate. Estimates of mass recovery multiplied by the concentrate grades were made using ordinary kriging with the same search parameters as were used for the head assays. The concentrate grades were then back calculated for each block by dividing the estimated (mass recovery x concentrate grade) by the estimated mass recovery.

No density measurements have been completed on the Mt Peake drillholes. The density values applied to the block model are assumed densities, sourced from literature, 1.86 tm^{-3} and 3.17 tm^{-3} for oxidised and fresh material respectively.

Model validation was carried out by visual comparison of the drillhole grades with the block grades; by comparing the global mean input and output grades by zone; and by viewing grade trend plots by easting, northing and elevation perspectives. The three techniques showed a reasonable comparison of input sample grades with block grades, although the grade trend plots show divergences due to the low number of data and lack of data in the east west direction.

The Resource has been classified as Inferred in accordance with the criteria set out in Table 1 of the JORC Code (2004). The sample methods, assay quality and sample spacing together with confidence in the geological interpretation have been considered in application of the resource category to the block model.

Approximately 10 % of the resource has been extrapolated.