

LETTER TO SHAREHOLDERS IN RESPONSE TO SECTION 249D NOTICE

Letter to shareholders from TNG Directors, Messrs Paul Burton, John Elkington, Simon Morten and Elizabeth Henson

Dear TNG Limited shareholder

As you are likely aware, TNG Limited (“TNG” or the “Company”) has received a request pursuant to section 249D of the *Corporations Act 2001* (Cth) (“Corporations Act”) (“Notice”) from five of the Company’s more than 5,800 shareholders – Mr Bruno Dimasi, Mr David Noel Thackray, Mr Warren William Brown and Mrs Marilyn Helena Brown as trustees for WWB Investments P/L S/F A/C, Mr Paul Brown and Mr Grant Francis Wilson (the “Requisitioning Shareholders”) – that TNG put to its shareholders for their consideration resolutions that the Managing Director and CEO, Mr Paul Burton, and Non-Executive Chairman, Mr John Elkington, be removed from the Board, along with any new directors appointed after 18 July 2022 (that is, Non-Executive Director Ms Elizabeth Henson), and that Mr Grant Wilson and Dr Anthony Robinson (together, the “Requisitioning Proposed Directors”) be appointed to the Board¹.

The Board is preparing a Notice of Meeting to convene a shareholders’ meeting as required by section 249D of the Corporations Act. In that notice, the Board will set out its reasons as to why it considers that removal of three of its four directors is not in the best interests of the Company. The Notice of Meeting is proposed to be despatched by no later than 10 August 2022. However, in the meantime, we believe it is appropriate to inform shareholders that we have considered the information put forward by the Requisitioning Shareholders and will be recommending that shareholders vote **against** all resolutions proposed.

The Board considers that the depth of experience, knowledge and stakeholder relationships brought to the Company by Mr Burton and Mr Elkington cannot easily be replaced. The Board considers that handing control of the Company’s Board to Mr Wilson and Dr Robinson would disrupt TNG’s recent momentum and cause unknown consequences for TNG.

Notwithstanding the section 249D action, the Board is continuing to focus its attention on continuing activities with a view to progressing development of the Mount Peake Project. A number of important milestones have been achieved in recent weeks, including securing conditional finance support from three government backed financial institutions in Australia, Germany and Korea totalling up to A\$800 million, and the appointment of experienced international director Ms Elizabeth Henson to the TNG Board.

Refer to ASX announcements:

- 8 July 2022: [TNG Receives EFA Support for \\$300M for Mount Peake Project](#)
- 19 July 2022: [Mount Peake Project Finance Update](#)
- 29 July 2022: [Appointment of International Director Strengthens TNG Board](#)
- 1 August 2022: [TNG receives A\\$200M backing from K-SURE](#)

The Board is keen to continue this momentum and will continue to progress all aspects of the Mount Peake Project as quickly as possible in the best interests of the Company and all shareholders.

¹ See ASX announcement dated 22 July 2022.

Inaccurate statements by Mr Grant Wilson

The Board refers to an article published in the *Australian Financial Review* newspaper on Saturday, 30 July 2022, and to information published by Mr Wilson.

The Board would like to clarify certain statements made by Mr Wilson which are factually inaccurate or have the potential to mislead shareholders and other stakeholders:

- (a) Mr Wilson has stated that Mr Paul Burton (TNG's Managing Director & CEO) and Mr John Elkington (TNG's Chairman) have refused to engage with Mr Wilson². Saturday's *Australian Financial Review* 30 July 2022 article also stated that Mr Burton had declined to meet with Mr Wilson. This is incorrect. The Company has attempted to engage. In response to Mr Wilson's request (through his lawyers) for a meeting last Friday "with a view to an expedited and peaceable transition in management of the Company", TNG responded (through the Company's lawyers) that while Mr Burton and Mr Elkington were unavailable to meet at short notice last Friday, they were available this week and willing to hear what Mr Wilson has to say, and to seek to address any legitimate concerns that Mr Wilson wishes to raise with the Company.

The Company's response also made very clear that the Board considers that a transition in management of the Company to Mr Wilson would not be in the best interests of the Company. Mr Burton and Mr Elkington remain willing to meet and to hear Mr Wilson's points of view regarding the management of the Company.

- (b) Mr Wilson has taken to publicly describing himself as the "Proposed Chair of TNG Limited" including at a speaking engagement at the Australian Workers' Union's 2022 conference where he is purportedly appearing in his "capacity as the Proposed Chair of TNG Limited"³. The Company is also aware that Mr Wilson has contacted other stakeholders stating the same.

To be clear, Mr Wilson has never held any role with, or acted as an advisor to, TNG. His only involvement with TNG is as a minority shareholder. Mr Wilson does not represent, or have any right to represent, TNG in any discussions regarding the Mount Peake Project or the business of TNG.

While the Board respects the rights of shareholders to seek to remove and replace directors, the Board believes that all shareholders should have the opportunity to consider and vote on the necessary resolutions before a Requisitioning Shareholder holds himself out as having any connection with, or right to speak on behalf of, the Company.

We will soon despatch our Notice of Meeting and we encourage all shareholders to contact us if they have any questions or require further information in order to decide how to vote on the resolutions in due course.

Authorised by the TNG Board of Directors:

Paul E Burton

Managing Director and CEO

3 August 2022

² <https://tng249.com.au/tpost/f330a1glu1-tng-change-of-management-update-6>

³ <https://tng249.com.au/tpost/97oci6m101-tng-change-of-management-update-11>

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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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