

**HD** TNG gets \$5 million for Mt Peake

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Subiaco-based metals explorer TNG has secured \$5 million through a placement to fund the definitive feasibility study on the company's Mount Peake vanadium-titanium-iron project in the Northern Territory.

The company received commitments of 50 million new shares at an issue price of 10 cents per share, with the offer including a one-for-four free attaching listed option.

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The placement share price is more than double that of its previous raising.

TNG raised around \$700,000 in February at 4.5 cents under the same terms as its placement and share purchase plan completed last October, when it raised \$3.5 million.

The share price peaked over the past 12 months at 34 cents in July, after it announced an investment, strategic co-operation, off-take and finance deal with Hyundai Steel Co.

TNG shares were down slightly today at 10.5 cents at close of trade.

The capital raising adds to the company's existing \$3 million cash reserves, with a further \$1.2 million expected next month from research and development tax incentive refund claims.

TNG announced throughout the year various stages of agreements with strategic partners including WOOLIN, POSCO, Global Pacific Partners and Hyundai Steel Co., which the company said it would aim to finalise over the coming months.

The partnerships will contribute to financing, development and long-term off-take for the Mount Peake project.

TNG adopted a cost-cutting strategy in August last year that saw a 10 to 20 per cent reduction in fees and salaries for directors, management and staff, as well as staff reductions in Western Australia and Northern Territory.

Earlier this month the company announced managing director Paul Burton's renewed contract terms, under which his base salary of \$360,000 remained unchanged.

However, the company introduced an incentive bonus of cash or shares, based on market capitalisation equivalent to 15 per cent of base salary when the market cap reaches trigger points set by the board.

Under the terms of the incentive, Mr Burton's base salary would increase if the market cap remains above a trigger point for a period of at least three months.

Mr Burton said the strategy going forward would see all expenditure focused on the Mount Peake project, with the company's base metal assets to be spun-off into its 100 per cent owned Todd River Resources next year.

"With this structure in place, TNG's aim is to become a substantial Australian Strategic metals house with a world-class asset in Mount Peake, while retaining a significant shareholding in Todd River

Resources, which will become one of the largest base metal companies operating in the Northern Territory," he said.

The placement was managed by **Hong Kong**-based Reorient Financial Markets for its offshore investors and Melbourne-based Calibre Investments for the Australian offering, and is not subject to shareholder approval.

**CO**        inste : Hyundai Steel Company

**IN**        i22 : Primary Metals | i221 : Iron/Steel/Ferroalloys | ibasicm : Basic Materials/Resources | isteel : Steel Production

**RE**        austr : Australia | nterry : Northern Territory | waustr : Western Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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