

DARWIN TIVAN® PROCESSING FACILITY EIS: FURTHER UPDATE ON NT EPA'S DIRECTION ON EIS SUPPLEMENT

Key Points

- On 20 May 2021, TNG received a “Direction to Provide Additional Information” (“Direction”) on the Supplement to the Draft Environment Impact Statement (“EIS Supplement”) for the Company’s TIVAN® Processing Facility (“DPF”) from the Northern Territory Environment Protection Authority (“NT EPA”).
- The Direction requires TNG to provide additional information on 23 matters based on submissions from the NT Government agencies and the Environment Centre NT.
- The Aboriginal Areas Protection Authority (AAPA), Amateur Fishermen’s Association of the Northern Territory (AFANT) and Paspaley Pearling Company had no further queries or requests for additional information.
- The proposed DPF is being assessed under “Transitional Arrangements” due to the new *Environment Protection Act 2019* (“EP Act”), which took effect on 28 June 2020.
- Guidelines supporting the new EP Act are still being developed by the NT Government and have been retrospectively applied by the NT EPA subsequent to the EIS Supplement in January 2021 (including revised Ambient Air National Environment Protection Measure issued in April 2021).
- On 25 May 2021, TNG’s Chairman and Managing Director met with NT EPA’s senior representatives to discuss the EIS Supplement outcome and the NT EPA’s Direction.
- TNG’s senior management team together with its environmental consultants, Animal Plant Mineral (“APM”), have carried out an initial review of the Direction as well as outcomes from the meeting with the NT EPA, and estimate that a substantial amount of additional work will need to be undertaken.
- The timeframe required to complete this body of additional work will be established in the coming weeks subject to confirmation by technical consultants for specific tasks and finalisation by APM, in consultation with the NT EPA.
- In parallel, TNG is considering its options in terms of the development of the TIVAN® Processing Facility given the extensive amount of work that has already been completed and the advanced nature of the FEED Study, which is currently being finalised.

Further to its announcement of 20 May 2021, TNG Limited (ASX: TNG) (“TNG” or the “Company”) provides the following update on the “*Direction to Provide Additional Information*” (“Direction”) on the Supplement to the Draft Environment Impact Statement (“EIS Supplement”) for the Company’s TIVAN® Processing Facility (“DPF”) received from the Northern Territory Environment Protection Authority (“NT EPA”).

The EIS Supplement was submitted to the NT EPA on 1 February 2021. Following the public review period, which ended on 19 April 2021, and the subsequent examination of the EIS Supplement, the NT EPA has asked TNG to provide additional information under clause 14(2)(a) of the *Environmental Assessment Administrative Procedures 1984*. The Direction requires TNG to provide additional information on 23 matters based on submissions from the NT Government agencies and the Environment Centre NT and details instructions for the Company’s response.

TNG notes that various matters raised in this current Direction are new and were not previously required or raised at the Draft EIS stage. For reference, a summary of the additional information requested is provided in Table 1 below, together with commentary on each item from the TNG and its consultants.

Table 1. Summary List of Additional Information Requested in Relation to the Final Environmental Impact Statement

| Item | Comment Summary | TNG/APM Comment |
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| 1. Land suitability, site selection and justification | | |
| 1.1 <u>Site selection and justification process</u> | Justification required for the Project to continue being sited in Middle Arm | Unexpected new request as the site location was offered to TNG and reserved by the NT Government in 2015. |
| 2. Terrestrial ecosystems | | |
| 2.1 <u>Wildlife corridor</u> | Issues raised regarding access corridor location impacts. | Unexpected new request not previously raised in the Draft EIS comments. |
| 2.2 <u>Residual fauna impacts</u> | Requirement for offset conditions related to Black-footed Tree Rat and Bare-rumped Sheathailed Rat. | Unexpected new request not raised as an issue in the Draft EIS comments. |
| 2.3 <u>Clearing</u> | Request for a variation of clearing requirements. | New request based on Project updates presented in the Supplement. |
| 3. Air quality | | |
| 3.1 <u>Application of management hierarchies</u> | Additional content required to demonstrate that best available technology is proposed to reduce air emissions. | Unexpected level of content not previously requested as part of the Draft EIS comments. |
| 3.2 <u>Benchmarking of emissions</u> | Benchmarking of emission controls is required, based on NSW, Victorian and European reference documents. | Unexpected new request. Benchmarking against suggested standards was not raised in Draft EIS comments. |
| 3.3 <u>Application of revised Ambient Air National Environment Protection Measure (NEPM) criteria</u> | Air Quality assessment to be updated to address revised Ambient Air NEPM criteria. | Unexpected request. The Supplement was submitted in January 2021. The revised NEPM was released in April 2021. |
| 3.4 <u>Receiving air environment and cumulative impacts</u> | Additional cumulative impact assessment required. | Unexpected level of content requested. The methodology for cumulative impacts and datasets used for air quality modelling was used for the Draft EIS; however, this was not raised as an issue in the Draft EIS comments. |
| 3.5 <u>Verification of emissions</u> | Additional information on emission and modelling methodology is required, based on final plant design. | Additional information requested. The level of content being requested was not raised in Draft EIS comments. It is considered to be a result of Project updates in the Supplement and increased detail requested resulting from the Transitional Arrangements for the new legislation. |

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| 3.6 <u>Revised AQA to include receptors</u> | Additional sensitive receptors required to be included in the revised Air Quality Assessment. | Unexpected new request. TNG was advised prior to submission of the Supplement that the Weddell development was not proceeding and therefore it was removed as a sensitive receptor. The comments on the Draft EIS did not request any additional sensitive receptors be included for the Supplement. |
| 3.7 <u>Assessment of emissions variability including start-up, shutdown and upset condition emissions</u> | Additional content required on unplanned shutdown/process upset/scrubber failure/filter blockage events. | Additional information requested to that provided in the Supplement. |
| 3.8 <u>Third party review comments and recommendations</u> | Third party review comments to be addressed in revised Air Quality Assessment. | Reasonable request for future revised Air Quality Assessments. |
| 3.9 <u>Independent review of revised AQA</u> | Independent review of revised Air Quality Assessment required. | A third-party review was undertaken for the Supplement. Therefore, a third-party review of any updates to the Air Quality Assessment is an expected request. |
| 3.10 <u>Potential impacts on aircraft operating at the Darwin International Airport (DIA)/Royal Australian Air Force (RAAF) Base Darwin</u> | Consultation required with the Civil Aviation Safety Authority and Department of Defence. | TNG intend to consult with these Agencies as part of the Project development; however, it is unexpected to be required to include this level of detail in EIS documents. |
| 4. Atmospheric processes | | |
| 4.1 <u>Greenhouse gas emissions</u> | Greenhouse Gas Management Plan required. Inclusion of power station required in updated greenhouse gas assessment. | Unexpected new request. TNG has made a commitment to complete a Greenhouse Gas Management Plan during the early operational phase of the Project. It was not requested through the Draft EIS comments that the Greenhouse Gas Management Plan be submitted in the Supplement. |
| 5. Inland water environmental quality | | |
| 5.1 <u>Contingency water management during unplanned events or emergencies</u> | Additional information requested on process water management during foreseeable unplanned shutdowns or emergency events. | Additional information requested as a result of Project updates presented in the Supplement. |
| 6. Community and economy | | |
| 6.1 <u>Traffic impacts</u> | A revised Traffic Impact Assessment is required. | Additional information requested as a result of impacts arising from Project updates presented in the Supplement. For some points raised, the level of detail being required at the EIS stage is unforeseen. |
| 6.2 <u>Noise impacts</u> | A revised Noise Impact Assessment is required to include additional sensitive | Unexpected new request. New sensitive receptors are being identified as part of the Supplement comments that were not identified in the Draft EIS |

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| | receptors, cumulative impacts and further detail on noise levels and methodology | comments. In addition, no comments were raised in the Draft EIS on cumulative impact assessment or the noise criteria established for the assessment. |
| 6.3 <u>Alternative workforce accommodation</u> | Information on workforce accommodation options as an alternative to Bladin Village is required. | Unexpected new request. The use of Bladin Village as an option for workforce accommodation has been included in the Draft EIS, the Supplement and in NT Government discussions. Issues with the use of this Village had not been raised with TNG until receipt of the Supplement comments. |
| 6.4 <u>Visual impact</u> | Detailed Visual Impact Assessment required. | Additional information requested as a result of Project updates presented in the Supplement. |
| 7. Whole of environment | | |
| 7.1 <u>Waste Management</u> | Additional information on waste management and disposal is required. | Additional information requested as a result of Project updates presented in the Supplement. |
| 7.2 <u>Water demand</u> | Additional information required for water demand, particularly in the early stages of the Project. | New information requested as a result of Project updates presented in the Supplement; a waste water recycling plant was introduced by TNG to the DPF in direct response to the comments to the Draft EIS relating to water discharge into Darwin Harbour and magnitude of the annual operational water requirement, resulting in a material reduction in annual water demand. |
| 7.3 <u>Receiving environment monitoring program (REMP)</u> | A conceptual REMP is required to be provided. | Unexpected new request. A REMP was not requested in the Draft EIS comment. |

TNG's proposed DPF is being assessed under "Transitional Arrangements" by the NT EPA due to the new *Environment Protection Act 2019* ("EP Act"), which came into effect on 28 June 2020.

In addition, guidelines supporting the new EP Act are still being developed by the NT Government and have been retrospectively applied by the NT EPA subsequent to the EIS Supplement in January 2021 (including revised Ambient Air National Environment Protection Measure issued in April 2021).

TNG and its environmental consultants, Animal Plant Mineral ("APM"), have worked closely with the NT EPA to address all comments made on the Draft EIS, holding regular calls and meetings. A series of meetings were also held with specific NT Government departments following receipt of the Draft EIS comments to discuss the matters raised in further detail and TNG's proposed approach for addressing the comments in the EIS Supplement.

TNG has proactively addressed the community and government comments in the EIS Supplement, including feedback relating to water requirement and wastewater discharge previously raised as part of the Draft EIS review.

The novel incorporation of a waste water recycling plant to the DPF was made in direct response to the concerns of discharge in to Darwin Harbour and the amount of water usage, and was presented to the NT EPA Board in December 2020 in preparation for the submission of the EIS Supplement. The Company understood at that time that this solved the major concern raised in the EIS draft and all other matters were also addressed to the detail requested.

Importantly, the Company and its consultants were satisfied with the level of the responses provided in the EIS Supplement due to its continuous engagement with the NT EPA, changes to the DPF to address stakeholders concerns and ongoing engineering and design works.

TNG's Chair, John Elkington, and Managing Director & CEO, Paul Burton, held a meeting with the senior representatives of the NT EPA on Tuesday, 25 May 2021, to discuss the EIS Supplement outcome and the NT EPA's Direction.

The Company's senior management and project team together with APM have completed an initial review of the comments and the additional work that will need to be undertaken, which includes further seasonally dependant biological surveys and significant new air quality modelling.

The timeframe required to complete this significant body of additional work will be established in the coming weeks, subject to confirmation by independent consultants for specific tasks and finalisation by APM, in consultation with the NT EPA. A background to the Environment Impact Assessment process being undertaken by the NT EPA for the DPF as well as the body of work completed by TNG for the EIS are provided in Appendix 1.

Management Comment

Commenting on the latest developments, Mr Burton said: *"TNG has undertaken a vast amount of work for both the Draft EIS and the Supplement to the Draft EIS, including more than 40 technical reports, assessments, management plans and policies.*

"TNG and APM are currently engaging with NT EPA representatives to establish further clarification and resolution on the comments provided, and to work through with them cooperatively to achieve a positive and realistic outcome.

"Our team is working to evaluate all options to ensure we achieve an expeditious final permitting resolution in a timeframe that matches the stage of development of the Mount Peake Project, for which the FEED Study is being finalised in preparation for project financing discussions.

"We will provide further updates on these deliberations in the near future, however given the scale and importance of the Mount Peake Project to the Northern Territory we remain confident that we can achieve a resolution that ensures the responsible development of this world-scale project for the benefit of all stakeholders."

Authorised on behalf of the Board by:

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About TNG

TNG is 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.

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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APPENDIX 1

Background

The DPF EIS has been developed to address the requirements of the Terms of Reference (“TOR”) received from the NT EPA, in accordance with the NT EPA *General Guidance for Proponents Preparing an Environmental Impact Statement*.

The EIS for the DPF is a major component of the Mount Peake Project and has been produced separately to the environmental approvals already received in early 2018 for the Mount Peake Mine Site and Beneficiation Plant (see ASX announcements dated 15 May 2018 and 25 January 2018).

The DPF requires assessment under the *Northern Territory Environmental Assessment Act 1982* (“EA Act 1982”) and is a controlled action under the *Environment Protection and Biodiversity Conservation Act 1999*.

At the time the proposed DPF was referred to the NT EPA in 2015, the process for environmental impact assessment was legislated under the EA Act and supporting *Environmental Assessment Administrative Procedures 1984* (“EAAP”).

The EP Act replaced the EA Act 1982 on 28 June 2020, which resulted in the DPF proposal being required to transition into the new 2020 assessment system. The NT EPA has prepared a policy to assist proponents required to transition into the new system called *Managing the transition of existing environmental impact assessment processes after commencement of the Environment Protection Act 2019*.

TNG submitted the Draft EIS in late 2019 (see ASX Announcement dated 30 October 2019). Following a detailed review by the NT EPA and receipt of public submissions and comments from NT Government agencies, the Company subsequently received a “Direction to Prepare a Supplement to the Draft EIS” (see ASX announcement dated 16 April 2020).

TNG completed the EIS Supplement, with expanded detailed work already undertaken for the Draft EIS submission and also undertook additional technical studies to inform the development of the Supplement, following comments and subsequent requirements received from the NT EPA and in accordance with their requirements and Direction.

Draft EIS and EIS Supplement Body of Work

TNG, APM and a large number of specialist technical consultants have prepared a significant body of work for both the Draft EIS and the Supplement to the Draft EIS at significant cost, including 26 technical reports, assessments and/or studies; and, 17 management plans and/or policies covering the following areas/matters:

- Air Quality;
- Benthic Habitats and Communities;
- Biological Impact;
- Biodiversity;
- Biting Insects Management;
- Economic and Social Impact;
- Emergency Response;
- Environmental Management;
- Fauna Impact;
- Fire Management;
- Greenhouse Gas Emission;
- Groundwater Impact;
- Hydrogeology;
- Marine Environmental Quality;
- Marine and Coastal Impact;
- Noise Impact;
- Project Risk Assessment;
- Rehabilitation;
- Soils;
- Stakeholder and Community Engagement;
- Stormwater;
- Traffic Impact; and
- Waste Characterisation.

This extensive body of work is consistent with the Company’s overarching statement and commitment to the NT to manage the construction, development and operation of the Mount Peake Project in a socially acceptable and environmentally responsible manner and to the highest possible standard.