

Technology Metals Australia Ltd

13:18 24 Jun 2020

Technology Metals strengthens alliance with world-leading kiln manufacturer FLSMIDTH

Technology Metals Australia Ltd (ASX:TMT) has signified its determination to develop the Gabanintha Vanadium Project (GVP) in WA through a strengthened alliance with leading kiln manufacturer FLSMIDTH, also reducing project risk.

The Danish company with almost 11,700 employees worldwide has been selected by TMT under a binding Notice of Award (NoA) as preferred supplier of the key roasting kiln section for the Gabanintha processing plant.

Proposed contract value of \$50 million

This proposed supply contract is valued at approximately A\$50 million (ex GST).

As well as the proposed contract, the alliance opens up the opportunity for TMT to access European debt funding with the support of a sovereign credit rating.

This comes by way of discussions with Danish Export Credit agency, EKF, to assess if equipment supplied by FLSMIDTH under the agreement qualifies for export credit agency financing support.

Shares higher

TMT shares have risen as much as 18% to 20 cents and are up from 6.1 cents at close on March 23.

Managing director Ian Prentice said: "We are very pleased to have further developed our relationship with FLSMIDTH through to this Notice of Award for what is the key operating component of the Gabanintha processing plant.

"Formalising this relationship with the world's leading supplier of rotary kilns enables the company to leverage off FLSMIDTH's expertise as well as pursue the opportunity to access support from the Danish export credit agency, EKF, as a major step in implementing the company's project financing strategy."

Strong relationship

Technology Metals has a strong working relationship with FLSMIDTH on the back of the successful pilot-scale test-work completed during the GVP DFS.

The company is also engaged in discussions with FLSMIDTH on supply of the crushing, milling and magnetic separation section of the Gabanintha processing plant.

FLSMIDTH is a leading supplier of production facilities, equipment and service solutions to the mining and cement industries and has demonstrated world-leading expertise in rotary roasting kilns.

Price: 0.34

Market Cap: \$41.82 m

1 Year Share Price Graph



Share Information

Code: TMT

Listing: ASX

52 week High Low
0.36 0.059

Sector: General mining & base metals

Website: www.tmtlimited.com.au

Company Synopsis:

Technology Metals Australia (ASX:TMT) is listed on the Australian Securities Exchange.

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It offers advanced, custom-tailored rotary kiln solutions, with recent experience in the design, installation and support of roasting kilns for vanadium operations.

Debt funding opportunity

Equipment from FLSMIDTH qualifies for export credit agency financing support through EKF, subject to EKF board approval and thorough due diligence.

EKF and FLSMIDTH have co-operated for more than 90 years with projects all over the world and as a result, FLSMIDTH is one of EKF's highly valued customers.

TMT will actively pursue the opportunity to access this funding support, which is a very important first step in the process of implementing its project financing strategy and the pathway to development of the GVP as the world's next large-scale, low-cost, long-life primary vanadium mine.

Previous test-work

The pilot-scale salt roasting test-work was carried out on a bulk sample of Gabanintha magnetic concentrate at the FLSMIDTH facility in Pennsylvania, USA.

This rotary kiln work, utilising a 9.8-metres long by 0.9 metres in diameter rotary kiln, enabled continuous processing of the magnetic concentrate to provide measurement of key processing factors such as salt dosage, vanadium solubility, recovery and residence times.

Data generated from the test-work was used by FLSMIDTH to assist in engineering design, sizing and cost estimate studies for the 'roasting' section of the processing circuit for inclusion in the DFS.

Supply proposal

The supply proposal under the NoA contemplates the completion of a front-end engineering and design (FEED) study and supply of the required equipment for the complete roasting kiln section of the processing plant.

Commencement of the FEED study is subject to written instruction from the company to proceed and is envisaged to be completed within 26 weeks.

FLSMIDTH shall proceed, subject to written approval from the company, to progress long lead procurement activities in relation to the equipment.

No fees are due to be paid by TMT until a decision is made to move forward.

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