



**TECHNOLOGY**  
METALS AUSTRALIA LIMITED

**ASX Announcement**

**17 December 2019**

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**Directors**

Michael Fry:  
**Chairman**

Ian Prentice:  
**Managing Director**

Sonu Cheema:  
**Director and Company Secretary**

**Issued Capital**

87,554,167 ("TMT") Fully Paid  
Ordinary Shares

14,888,750 – Quoted Options  
("TMT0") exercisable at \$0.40 on or  
before 24 May 2020

20,598,334 – Unquoted Options –  
various exercise prices and dates

**ASX Code: TMT, TMT0**

**FRA Code: TN6**



# GABANINTHA VANADIUM PROJECT DEVELOPMENT STATUS UPDATE

Technology Metals Australia Limited (ASX: **TMT**) ("**Technology Metals**" or the "**Company**") is pleased to provide this update in regard to activities in support of the progression of development of the high grade, low cost, large scale, long life Gabanintha Vanadium Project ("**Project**" or "**GVP**").

Following the delivery of the very high quality DFS on the development of the globally significant GVP in August 2019 the Company has been in ongoing discussions with offtake partners, equipment vendors and suppliers, strategic partners and project funding parties as well progressing Project environmental and permitting activities.

These activities have delivered offtake MOU's with two counterparties covering 40% of the proposed annual average GVP production; 2,000Tpa V<sub>2</sub>O<sub>5</sub> with CNMC (Ningxia) Orient Group Co., Ltd. ("**CNMNC**") and 3,000Tpa V<sub>2</sub>O<sub>5</sub> with Shaanxi Fengyuan Vanadium Technology Development Co., Ltd. ("**Fengyuan**"), and progressed discussions relating to financial support of the Project with the Northern Australia Infrastructure Facility ("**NAIF**") to the Due Diligence Stage of the NAIF assessment process.

As previously disclosed the offtake MOU between the Company and CNMNC has been extended to enable the orderly progression through to a binding offtake Agreement. Discussions regarding the conversion of the offtake MOU to a binding Offtake Agreement are now in the latter stages of negotiation and documentation, with investors to be updated as this matter is progressed.

Fengyuan are undertaking due diligence on TMT and the GVP in conjunction with reviewing an initial draft offtake agreement. The due diligence process is expected to include a GVP site visit, which is likely to take place in the New Year. As such TMT has proposed to maintain the MOU in full effect until the end of March 2020 to enable the orderly completion of the mutual due diligence process.

**Managing Director Ian Prentice commented:** "We are very pleased with progress made in advancing the development of GVP following the delivery of the very high quality DFS in August 2019, in what has been a challenging vanadium market. We believe that the tightness in the vanadium supply - demand balance is starting to have an impact, which should see a recovery in the V<sub>2</sub>O<sub>5</sub> price leading in to 2020. This timing is very complimentary for the development of the globally significant large scale, low cost, long life GVP and as we conclude negotiations towards binding offtake agreements".

## **ABOUT CHINA NONFERROUS METAL MINING (GROUP) CO., LTD**

CNMNC, a controlled subsidiary of China Nonferrous Metal Mining (Group) Co., Ltd. ("**CNMC**"), is a top ten producer of vanadium alloys in China, producing both vanadium-nitrogen and ferrovandium alloys for the domestic steel industry. CNMNC was established in 1965 and has more than 3,200 employees. It was restructured in 2003 with registered capital of RMB 2.3 billion. CNMNC is engaged in research, development and production of vanadium, tantalum, niobium, and high-tech alloy products, and has won more than 100 national, provincial and ministerial level scientific and technological awards in mainland China.

In 2018 CNMNC produced approximately 2,000 tonnes of VN and 1,500 tonnes of FeV based on consumption of approximately 5,000 tonnes of V<sub>2</sub>O<sub>5</sub>. Existing expansion plans would see VN production increasing to approximately 3,000 tonnes per annum and overall V<sub>2</sub>O<sub>5</sub> consumption increasing to approximately 6,000 tonnes per annum.

## **ABOUT SHAANXI FENGYUAN VANADIUM TECHNOLOGY DEVELOPMENT CO., LTD**

Shaanxi Fengyuan Vanadium Technology Development Co., Ltd is ranked amongst the top three (3) VN producers in China, with a production capacity of 10,000 tonnes of VN per annum, requiring approximately 14,300 tonnes per annum of V<sub>2</sub>O<sub>5</sub> feedstock. Fengyuan produced 5,000 tonnes VN in 2018 based on consumption of approximately 7,200 tonnes of V<sub>2</sub>O<sub>5</sub>. Fengyuan utilises the World's most advanced VN alloy production technology and in 2014 was recognised as high and new technology enterprise (HNTE) in China.

Fengyuan is majority owned by Shaanxi Yongheng Vanadium Group (Yongheng), a high tech private enterprise focused on vanadium smelting, purchase and sale of vanadium products, vanadium industry technology research development and production of vanadium refined chemical products. Yongheng was established in 1998 and is located in the High-Tech Development Zone of Shanyang County, Shaanxi Province, Peoples Republic of China. Yongheng was one of the earliest companies to enter into the Chinese vanadium industry.

## **ABOUT NAIF**

NAIF was established on 1 July 2016 by the Northern Australia Infrastructure Facility Act 2016 (NAIF Act) and is a corporate Commonwealth entity. The objective of the NAIF Act is to provide financial assistance to the States of Queensland, Western Australia and the Northern Territory for the construction of infrastructure to benefit northern Australia. Further information on the NAIF is available on the NAIF website [www.naif.gov.au](http://www.naif.gov.au).

NAIF is a A\$5 billion facility set up as an initiative of the Australian Federal Government to provide loans, which may be on concessional terms, to support and encourage infrastructure development in northern Australia.

*For, and on behalf of, the Board of the Company, and authorised for release by:*

Ian Prentice

**Managing Director**

**Technology Metals Australia Limited**

Shareholders and other interested parties can speak to Mr Sonu Cheema if they have any queries in relation to this announcement: +618 6489 1600

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