

Technology Metals Australia Ltd

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Technology Metals Australia signs vanadium offtake MoU with Chinese rare metal manufacturer

Technology Metals Australia Ltd (ASX:TMT) has executed a memorandum of understanding (MoU) with CNMC Ningxia Orient Group Company Ltd to establish a binding vanadium offtake agreement in relation to the Gabanintha Vanadium Project.

CNMNC, based in Shizuishan, China, produces vanadium nitrogen alloys and ferrovandium for use in the Chinese steel industry.

TMT and CNMNC have agreed to use their best endeavours to negotiate a definitive and binding offtake agreement for the supply and purchase of vanadium pentoxide (V2O5) product that TMT intends to produce from Gabanintha.

READ: Technology Metals Australia aims for Gabanintha DFS completion in mid-2019, engaging in financing activities

TMT managing director Ian Prentice said: "We are very excited to have entered into this agreement with CNMNC, a China Nonferrous Metal Mining (Group) company, as a key step in establishing a strong and supportive customer base for the development of the high quality globally significant Gabanintha Vanadium Project.

"The very high purity of the Gabanintha vanadium pentoxide (V2O5) product provides a clear competitive advantage for the project".

READ: Technology Metals Australia upgrades vanadium resource ahead of DFS

Key terms that have been defined and agreed upon in the MoU are:

- Initial minimum annual quantity of V2O5 to be purchased of 2,000 tpa (tonnes per annum) on a take-or-pay basis;
- CNMNC to purchase such quantity of product that is available, up to 2,000 tpa, during the ramp-up and commissioning phase of the project;
- Pricing to be negotiated based on the Metal Bulletin V2O5 Pricing Index incorporating a floor and ceiling price structure;
- Sales to be based on FOB at Port of Fremantle or similar;
- Minimum term of three years with an option to renew for an additional three years; and
- Consideration for CNMNC to refer TMT to its parent entity, CNMNC, to discuss additional project support, including scope for financing and/or EPC

Price: 0.073

Market Cap: \$7.8 m

1 Year Share Price Graph



April 2019 September 2019 March 2020

Share Information

Code: TMT

Listing: ASX

52 week High Low
0.27 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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arrangements.

The next steps to progress towards finalising the agreement include due diligence to be completed by both parties in conjunction with the progression of the Gabanintha DFS and further refinement and agreement of the key offtake terms.

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