

SE News Stories; Commodities
HD **TNG and Woojin sign offtake deal for Mt. Peak**

BY Marnie Hobson

WC 406 words

PD 31 March 2014

SN Platts Metals Daily

SC METLSDLY

VOL ISSN: 2325-0658, Volume 3, Issue 63

LA English

CY © 2014 McGraw-Hill, Inc.

LP

Australia's TNG has signed a non-binding memorandum of understanding with South Korea's Woojin Industrial that will include the **purchase** and marketing of future offtake from TNG's Mount Peake vanadium-titanium-**iron ore** project in Australia's Northern Territory.

The deal will also allow TNG to raise direct or third-party financing to underpin the development of Mount Peake, the **company** said in a statement. Mount Peake is at an advanced feasibility study stage and the **company** told Platts it was likely to be operational in 2016. Mount Peake will consist of a mine and a processing plant that will use TNG's own TIVAN processing technology.

TD

The agreement with ferrovanadium producer Woojin allows TNG to provide samples of its vanadium pentoxide for potential future offtake agreements. It also includes the potential for TNG to add a Woojin ferrovanadium plant to its TIVAN plant, which is expected to be developed in Malaysia, TNG said.

TNG recently said it was considering developing its TIVAN processing plant in Malaysia rather than Australia, due to lower startup and operational costs. The plant is expected to produce 110,000 mt/year of vanadium pentoxide as well as 290,000 mt/year of titanium dioxide.

TNG developed the TIVAN process for the treatment of magnetite-hosted vanadium ores, citing lower costs compared with conventional pyrometallurgical processing.

TNG intends to produce magnetite **ore** at Mount Peake that would then be railed to Darwin port and exported to the east coast of Malaysia to be processed at the TIVAN plant.

"A degree of uncertainty exists regarding long-term competitive [natural] gas pricing in the Northern Territory, so we believed it would be prudent for TNG to look at all options, including an offshore location for the TIVAN processing plant," the **company** said recently.

Malaysia's east coast hosts large-scale chemical and heavy industry, with several associated industries including steel mills and titanium dioxide processing.

The Mount Peake mine is scheduled to start production in 2015-2016 at a rate of 2.5 **million** mt/year before increasing to 5 **million** mt/year by year four, the spokesman said.

Woojin is based in Seoul and supplies ferrovanadium to south Asian and European steel mills, and also has offtake agreements with Glencore and Evraz. It operates four plants in South Korea and two in **China**.

Marnie Hobson

CO srscor : TNG Limited

IN i211 : Metal Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

RE malay : Malaysia | skorea : South Korea | austr : Australia | nterry : Northern Territory | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia | seasiaz : Southeast Asia

IPD Contracts

PUB The McGraw-Hill Companies, Inc.

AN Document METLSDLY20140428ea3v0000I