



14 Sep 2019

Weekend West, Perth

Author: Stuart McKinnon • Section: Business News • Article type : News Item
Classification : Capital City Daily • Audience : 205,782 • Page: 139
Printed Size: 326.00cm² • Region: WA • Market: Australia • ASR: AUD 9,191
Words: 485 • Item ID: 1171954132

isentia.mediaportal

Licensed by Copyright Agency. You may only copy or communicate this work with a licence.

back

Ambitious plan not a pipe dream, says TNG chief executive

SPINIFEX

STUART MCKINNON



TNG boss Paul Burton remains resolutely confident the company's ambitious Mt Peake project in the Northern Territory is achievable despite its big budget, complexity and multiple moving parts.

The company wants to establish a mine at Mt Peake 230km north of Alice Springs that will produce a magnetite concentrate. The material will then be railed 1100km north to Darwin, processed into three product streams including titanium dioxide pigment, vanadium pentoxide and a high-grade iron oxide and shipped to customers overseas.

TNG plans to process the

concentrate using its patented TIVAN hydro-extraction process designed in conjunction with its German metallurgical plant supplier and development partner, SMS Group.

The Mt Peake deposit is a 160 million tonne flat-lying ore body under 15m of sand cover.

An optimised development study for Mt Peake this week suggested it could generate \$12.2 billion in free cashflow over a 37-year mine life based on a 2 million tonne per annum operation.

But its eye-watering \$824 million budget and

untried processing method has caused some in the local investment community to be sceptical. Burton (pictured)

readily admits the project would not stack up without a nearby railway line and gas pipeline at Mt Peake.

"And without upgrading to these high-value products, it wouldn't fly either," he said.

Mt Peake is no direct shipping ore starter project. It's been conceived and planned as an integrated development that takes a daring but essential, plunge into downstream processing.

It has been

almost 10 years in the making, having had various iterations since its first feasibility study four years ago.

Burton said the company had seen so many other projects with seemingly fantastic economics fall over because of funding or ramp-up difficulties.

"So we've been very cautious because it's a unique project in the sense that we are doing the value-add in country as opposed to sending the product offshore," he said.

Besides the direct revenue from its products, TNG is also hopeful that its trademarked TIVAN process, once proved, could be licensed to other developers for a fee and/or royalty stream. It is also working with Japan's Sumitomo on developing vanadium redox batteries, which Burton says could be

leased to remote communities to provide a cheaper source of power than diesel generators.

Next year is emerging as a critical period for TNG as Mt Peake moves from concept phase to funding and

development.

The company has key offtake agreements in place, has mandated German development bank KfW to come up with the bulk of project debt funding and begun hiring key staff to make the project happen. It expects SMS to have a front-end engineering and design study with a fixed price contract for the project by the end of the year, with a final investment decision expected before the end of 2020.

TNG has 1.1 billion shares on issue for a market cap of about \$100 million and \$22 million in the bank.

