

TNG stays on virtual course

It is only recently that TNG Ltd managing director Paul Burton has come to appreciate the value of all the ink he has stamped in his passport over many years of overseas business travel.

Despite being grounded in Perth for the foreseeable future, Burton remains as optimistic as ever of bedding down the funds required to develop the Mount Peake vanadium-titanium-iron project in the Northern Territory into one of Australia's pre-eminent strategic metals operations.

While face-to-face meetings with potential financiers, including TNG's senior debt advisors KfW IPEX-Bank GmbH, are likely off the agenda until the emergence of a vaccine for COVID-19, Burton and his team have continued their negotiations with European counterparties by virtual means.

All of this, according to Burton, has only been possible because of regular visits to Europe by the TNG crew in the preceding decade.

"I must admit there were times where I could see people were becoming quite critical of us spending too much time overseas, but looking back I think if we had not put that time in and worn out that leather on the ground in Europe and seen everybody, things would have just come to a standstill," Burton told **Paydirt**.

"These negotiations don't need a physical face-to-face meeting anymore. We're quite comfortable now with what we can progress on the video screen and I see that as advantage, having done all that groundwork in the past.

"Project finance is still going to be a challenge, but we've been doing some good work during this forced lockdown and it's enabled a different sort of approach to some different companies. We've had a lot of meetings on [Microsoft] Teams, a lot of meetings with Europeans late into the evenings for their time.



Paul Burton

"Doing presentations at 8pm or 9pm in the evening has become the norm, but it's all positive. We're getting good airtime and a good response from people and I'm hoping that there will be something that we can announce in the near future on that front."

Last month, TNG confirmed the appointment of KPMG Corporate Finance as its financial advisor.

Burton said the company had not been adversely impacted by the various COVID-19 shutdowns around the world with most of TNG's work able to be completed by staff and contractors working from home, particularly during the early stages of the global pandemic.

However, he is looking forward to seeing international and interstate borders being reopened for travellers – albeit at a time when safe to do so – with German-based engineers yet to complete their due diligence of the project for FEED study purposes.

"It's probably added a few months to overall completion, but [our engineering partners] SMS Group were able to operate at pretty much around 80-90% efficiency with the work that's going on with our FEED," Burton said.

"We did readjust the areas for them to focus on in the various front-end loading stages and I think that was a very pragmatic move by us to ensure we got critical items completed for the cash expenditure that we were outlaying, but overall it's kept us on a good track to completion."

The lockdown period also saw TNG finalise a binding life-of-mine offtake agreement with India's VIMSON Group for all future iron products to be produced from Mount Peake, about 235km north of Alice Springs.

TNG now has binding offtake agreements in place for all but 40% of the proposed vanadium pentoxide output. The company is currently in exclusive talks with Singaporean firm Gunvor Group over this unallocated production stream.

"We recently agreed to a 90-day extension so there's still another couple of months to run on that one," Burton said.

"I think they've perhaps been more affected than us with their ability to close agreements, but we don't see any issues. We do have other interested parties as well, it's certainly a commodity in demand, so we're not concerned about it."

Burton also expects the company to have finalised and submitted the paperwork required for an environmental permit – one of only two regulatory approvals, alongside the mining management plan – for its proposed TIVAN processing refinery in Darwin by year's end.

TNG submitted a draft EIS to Northern Territory regulators at the end of 2019 and has since been asked to address a number of comments in relation to that document. It is a similar scenario for the mining management plan concerning the proposed Mount Peake development.

"We don't see any major issues," Burton said. "Any concerns that have been raised, or areas for us to address, we have come up with very elegant and novel ways to mitigate any concerns from the community and various stakeholders there. They will be announced as we bed them down, and we'll be very clear about our intentions.

"We were advised recently that there will be a crown lease arrangement [for the TIVAN refinery] so I'm satisfied that's going to be beneficial for us and we'll get it on acceptable terms once the NT Government comes out of their own 'lockdown' from the election [held in mid-August with the incumbent Labor Government being retained]."

– Michael Washbourne



TNG is set to produce an eclectic mix of vanadium, titanium and iron products from its Mount Peake project in the Northern Territory