

More backers for Tawana and Bald Hill

NEAR term lithium concentrate producer Tawana Resources has received the A\$25 million backing of Chinese-German firms said to be lithium and electric motor specialists.

Michael Quinn | 20 Oct 2017 | 9:39



Bald Hill is Australia's next lithium operation in waiting.

The funding from Jiangte Special Electric Motor Co, which comprises \$20 million in equity and \$5 million in debt, means Tawana is now all set to begin production next quarter.

The equity was priced at 35c per share, a 5.4% premium to Tawana's recent trading levels.

Tawana also said it had renegotiated a lower repayment rate for the repayment of a \$12.5 million pre-payment by offtaker Burwill Commodity – from 20% per shipment to 15% – the result of which means increased cashflow will be heading Tawana's way.

Burwill has a downstream lithium joint venture with Jiangte, with the Chinese company described as a "veteran special electric motor manufacturing company ... (that) has been actively participating in the development of the new energy – lithium battery industry in recent years".

Jiangte owns Weier Antriebe und Energietechnik, a German company said to be an electric motor specialist formed in 1945.

Tawana owns 50% of Bald Hill, with its interest being earned from Singapore listed Alliance Mineral Assets in return for funding development of the venture – with processing infrastructure previously established at Bald Hill for a tantalum mining venture.

Tawana and Alliance executed offtake agreement in April for the supply of lithium concentrate over a five-year term with pricing for 2018 and 2019 of US\$880/t (FOB Esperance) for 6% Li₂O.

Bald Hill is 50km south east of Kambalda.

Shares in Tawana were up 8% to 39c in midday trade, capitalising the company at \$172 million.

The stock is up about 1800% from 18 months ago.

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