

# Vanadium surge opens window for Windimurra

■ Stuart McKinnon

Indonesian billionaire Anthoni Salim looks set to finally enjoy a big payday from his long-held investment in Atlantic, owner of the cursed Windimurra vanadium project near Mt Magnet.

One of his private companies, Droxford International, is expected to give the nod next week for a \$127 million refurbishment of the plant, with front-end engineering and design to begin this year ahead of construction in April.

Windimurra is expected to be back in production in the first half of 2020, producing 7750 tonnes of vanadium pentoxide a year over an initial 25-year minelife.

A feasibility study has presented a robust case for the

project, prompting Atlantic's board to vote in favour of a restart. At nameplate capacity, Windimurra is expected to deliver annual revenues of \$180 million and underlying earnings of \$50 to \$60 million based on a vanadium price of \$US8 a pound.

However, vanadium pentoxide is trading at more than \$US18/lb, meaning the feasibility study figures could more than double if prices hold up.

Most of the \$127 million capital costs will be spent rebuilding the front-end crushing and milling section of the plant.

Atlantic expects Windimurra will have a peak construction workforce of 100 and employ as many as 150 in production.

Atlantic executive director Tony Veitch said the company could fund the project itself,



A ferrovanadium pour at Atlantic's Windimurra operations.

though several parties had made offers, including offtake deals.

The price of vanadium has nearly trebled in the past 18 months on growing demand and restricted supply.

China has mandated higher vanadium use in rebar (construction steel) to increase its strength, while local inefficient production has been shuttered by stringent pollution controls in the country.

Demand is also being stoked by the commodity's growing use in the aerospace industry and in

vanadium flow batteries that store renewable energy.

"There's a perfect opportunity to redevelop the project to meet the new demand that is emerging," Mr Veitch said.

Atlantic will benefit from \$700 million in historic investment in Windimurra, which has failed three times under previous owners.

It originally entered production in 2000 under Xstrata and partner Precious Metals Australia, but was closed three years later because of falling

vanadium prices, a rising Aussie dollar and production problems.

Rebadged as Windimurra Vanadium, PMA regained control of the asset in 2005 and spent more than \$100 million rebuilding it, only to collapse in 2009 short of completion.

The former ASX-listed Atlantic finished the task but a fire in 2014 again halted operations.

Atlantic collapsed but re-emerged in 2016 as a private entity under the control of Mr Salim. He was a major shareholder and creditor of the former entity.

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