



Técnicas Reunidas has been awarded its 6th contract in Canada for a new Titanium Dioxide Plant

Argex Canada Inc., a wholly-owned subsidiary Argex Titanium Inc., has awarded Tecnicas Reunidas an Engineering, Procurement and Construction (EPC) contract for Argex's first industrial scale 50,000 tonne per annum Titanium Dioxide (TiO₂) plant, which will be located in Salaberry-de-Valleyfield, Quebec, Canada.

The EPC Contract will be performed in two phases. The first phase is the front end engineering design completion (FEED/FEL3) work and the second phase will be for the Detailed Design and Construction portion of the Project. The FEED/FEL3 will be undertaken at TR's headquarters in Madrid based on Argex's basic design process package for an expected cost of USD 10 million.

Upon completion of the Initial phase, the parties will agree on a guaranteed target contract price ("GTCP") for later conversion under mutual agreement for a guaranteed target contract price for the Engineering Procurement and Construction.

The GTCP will be based on a 50/50 shared cost savings/overrun approach between Argex Canada and TR. The GTCP's expected value will be determined during the Initial Period but the overall value of the EPC Contract (including the FEED/FEL3 portion) is currently estimated at approximately USD 200 million.

Now that the EPC contract is signed, engineering works are expected to commence when Argex receives the financing for project of which Argex recently announced that it had completed the technical due diligence, an important step towards financial close.

"The finalization of the EPC Contract represents an important step in the realization of our Project", stated Richard Poulin, Executive Vice President of Argex, "Tecnicas Reunidas' deep experience in similar projects and TR's know-how acquired from its own in-house solvent extraction technology facility represent an important value-added to the construction of our Valleyfield facility."

Argex Titanium Inc. has developed an advanced chemical process for the volume production of high grade titanium dioxide (TiO₂) for use in high quality paint, plastics, cosmetics and other applications. The company's unique proprietary process takes relatively inexpensive and plentiful source material from a variety of potential vendors, and produces TiO₂ along with other valuable by-products. Argex's process provides a significant cost and environmental advantage over current legacy TiO₂ production methods. The company's primary near term goal is to rapidly advance toward a 50,000 ton per annum production module as a first step in its goal to transform the 5.2 million ton per annum TiO₂.



TECNICAS REUNIDAS

Técnicas Reunidas is one of the leading international engineering and construction companies for oil and gas production, refining and petrochemicals and power generation projects for a broad spectrum of customers throughout the world. Since 1960, TR has designed and built more than 1000 industrial plants worldwide in more than 50 countries.