Early Warning System

DFC-2020-TECHMETLIMITED

TECHMET LIMITED

Quick Facts

Countries	Brazil
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	A
Borrower	TechMet Limited
Sectors	Finance, Mining
Investment Type(s)	Equity
Investment Amount (USD)	$ 25.00 million
Project Cost (USD)	$ 80.00 million

Project Description

DFC will make a $25 million investment (the “DFC Investment”) for the purchase of 13,960 ordinary shares of TechMet. TechMet is an investment platform that holds interests in companies that mine and process various metals critical to technology applications including energy, transportation, and defense. It currently holds equity positions in several technology metal assets. The DFC Investment will contribute a portion of TechMet’s $80 million second round capital raise (“Round 2 Raise”). TechMet will use the DFC Investment proceeds solely for a downstream investment in its Brazilian Nickel subsidiary to support the development and operation of an open pit nickel and cobalt mine in northeastern Brazil (“the Project”).

DEVELOPMENTAL OBJECTIVES

This Project is expected to have a highly developmental impact through an investment in the development a nickel and cobalt mine in Northeastern Brazil. Due to the COVID-19 pandemic, the IMF estimates that the economy of Brazil is expected to contract by 9.1 percent in 2020, with a slow recovery expected in 2021. The Project, located in one of the least developed portions of the country, will lead to significant impacts through local income, taxes and fees to both the local and federal government, and significant initial and on-going local procurement. The Project Company expects to be an important source of formal employment in the local economy in rural Piauí state, including hundreds of new permanent and construction jobs. With newer technology and improved design, the project’s heap leaching mining process will provide demonstration effects in the country for the mining of nickel and cobalt while expecting to use other natural resources less intensively, including fresh water. At the national level, the Project will increase nickel and cobalt exports, supporting foreign exchange earnings and helping to support a stressed trade balance.

Investment Description

- US International Development Finance Corporation (DFC)

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Brazilian Nickel	Subsidiary	Mining
-	-	-	-	TechMet Limited	Investor	Mining

Contact Information

ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: https://www.dfc.gov/foia

ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: https://www.dfc.gov/who-we-are/office-accountability

Bank Documents

- Project Disclosure [Original Source]