

QUARTERLY ACTIVITIES REPORT

FOR THE THREE MONTHS ENDED 31 DECEMBER 2023

HIGHLIGHTS

Scheme of arrangement under which Australian Vanadium Limited will acquire 100% of the shares in Technology Metals approved by its shareholders post the end of the quarter

The Scheme of arrangement was approved at a court hearing on 19 January 2024 and became effective on 22 January 2024

Technology Metals shareholders to hold approximately 42% of the merged entity

Environmental approval pathways progressing for Gabanintha development envelope

Closing cash of \$11.9 million on hand as at 31 December 2023

24 January 2024

Technology Metals Australia Limited (ASX: TMT) (Technology Metals, or the Company), is pleased to provide an update on activities for the quarter ended 31 December 2023.

Following the end of the quarter, the resolution presented to TMT shareholders relating to the scheme of arrangement (Scheme), under which Australian Vanadium Limited (ASX: AVL) (AVL) proposed to acquire all the shares in the Company for the amended consideration of 14 new AVL shares for every 1 TMT share held by TMT shareholders (the Scheme Resolution), was passed by the requisite majorities of TMT shareholders at the scheme meeting held on 16 January 2024. The Scheme became effective on 22 January 2024, following the court hearing held on 19 January 2024.

The merged entity can further the opportunity for operational and corporate synergies by creating an integrated project, with the potential to become the leading Australian vanadium developer with a world-class asset of scale. The combination will incorporate both TMT's and AVL's development work to date with the joint Technical Working Group established on announcement of the Scheme assessing the optimal development and processing pathway. Importantly, the Scheme allows TMT shareholders to retain an interest in the combined entity.

TMT's Managing Director, Ian Prentice, commented:

"The start of 2024 brings the successful completion of the proposed merger with Australian Vanadium Limited, which will create the largest Australian vanadium developer with a world-class asset of scale in the Tier-1 mining jurisdiction of Western Australia.

"This is a significant outcome as the world continues to look to vanadium as a key commodity in the world's transition to net zero, as demonstrated in its continued inclusion in several countries' Critical Minerals Lists.

"TMT shareholders retain an ongoing interest in this single integrated project and enjoy the benefits of the consolidation of best-in-class technical work and assets.

"I want to take this opportunity to thank all our people, project partners, the community, and our supportive shareholders for continuing on this journey with us as we undertake this corporate transition. The future for vanadium remains bright as the world advances its decarbonisation commitments."

Corporate

On 25 September 2023, the Company announced that it had entered into a binding Scheme Implementation Deed with Australian Vanadium Limited (**AVL**) under which the two companies proposed to merge via a scheme of arrangement (**Scheme**).

Under the terms of the Scheme, AVL was to acquire 100% of the fully paid ordinary shares of TMT with each shareholder of TMT to receive 12 fully paid ordinary AVL shares for each 1 fully paid ordinary TMT share held at the Scheme record date (**Original Scheme Consideration**).

On 4 December 2023, the Supreme Court of Western Australia made orders approving the despatch of the Scheme Booklet and ordered that a meeting of TMT shareholders be convened at 10:00am (AWST) on 16 January 2024 (**Scheme Meeting**) to consider and, if thought fit, approve the Scheme (refer to the Scheme booklet available at www.tmtlimited.com.au). The Scheme booklet provided all information required to be given to TMT shareholders, including the basis for the TMT Board's unanimous recommendation, reasons for and against the Scheme, the Independent Expert's report, details of the Scheme and notice of the Scheme meeting.

On 12 December 2023, the total consideration offered under the Scheme was increased to 14 new AVL shares for every 1 TMT share (**Revised Scheme Consideration**) and AVL confirmed that the Revised Scheme Consideration is its best and final proposal subject to no competing proposal for TMT emerging. The Scheme Implementation Deed and the Scheme have been amended to reflect the Revised Scheme Consideration. On 21 December 2023, a supplementary Scheme booklet together with a supplementary Independent Expert's report was released with additional information.

Based on the Revised Scheme Consideration TMT shareholders will hold approximately 42% of the merged group upon implementation of the Scheme, gaining exposure to the unique opportunity to realise operational and corporate synergies through creating an integrated project.

At the Scheme Meeting held on 16 January 2024, voting on two resolutions were conducted by a poll. The first resolution (**Amending Resolution**) was to agree to the amendments to the Scheme, specifically the Revised Scheme Consideration. The Scheme Resolution (**Scheme Resolution**) was to agree to the scheme of arrangement proposed between TMT and its shareholders as amended by the Amending Resolution.

The Poll Results were as follows:

Resolutions	Poll Results	
	Votes	
	For	Against
1 Amending Resolution <i>That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between TMT and the holders of its ordinary shares as contained in and more particularly described in the Scheme Booklet (as amended by the Supplementary Scheme Booklet dated 20 December 2023) of which the Notice of Scheme Meeting forms part, is agreed to (with or without alterations or conditions as approved by the Court to which TMT and AVL agree), and TMT is authorised, subject to the terms of the Scheme Implementation Deed to agree to such alterations or conditions, and subject to approval by the Court, to implement the Scheme with any such alterations or conditions.</i>	Securities 158,107,426 (97.43%)	Securities 4,178,143 (2.57%)
	Holders 319 (91.67%)	Holders 27 (7.76%)
2 Scheme Resolution <i>That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between TMT and the holders of its ordinary shares as contained in and more particularly described in this Scheme Booklet of which the Notice of Scheme Meeting forms part, is agreed to (with or without alterations or conditions as approved by the Court to which TMT and AVL agree), and TMT is authorised, subject to the terms of the Scheme Implementation Deed to agree to such alterations or conditions, and subject to approval by the Court, to implement the Scheme with any such alterations or conditions.</i>	Securities 157,294,668 (97.36%)	Securities 4,268,353 (2.64%)
	Holders 307 (88.22%)	Holders 26 (7.47%)

On 19 January 2024, the Supreme Court of Western Australia (**Court**) made orders approving the scheme of arrangement.

On 22 January 2024, TMT lodged with the Australian Securities and Investments Commission a copy of the orders of the Court approving the scheme of arrangement and the Scheme became effective. TMT shares were suspended from trading on ASX at close of trading that same day.

TMT shareholders who hold TMT shares at the Scheme record date (being, 4:00pm (AWST) on Wednesday, 24 January 2024) will, on 1 February 2024, receive 14 new AVL shares for every 1 TMT share in accordance with the terms of the Scheme.

The key dates for the remaining steps of the Scheme are set out below:

Key Dates	Date*
Implementation Date	1 February 2024
TMT removed from official list of ASX (with effect from close of business)	2 February 2024
New AVL shares commence trading on ASX on a normal settlement basis	2 February 2024

Environmental Permitting

During the quarter, the Environmental Review Document (**ERD**) for the Gabanintha development envelope was publicly released to the EPA website, together with the full complement of appendices. Company representatives also had an opportunity to present to the EPA Board late in the quarter.

Traditional Owner Engagement

The Yugunga-Nya (**YN**) People, represented by the Yugunga-Nya Native Title Aboriginal Corporation (**YN PBC**), hold non-exclusive native title over lands including the Murchison Technology Metals Project (MTMP) area, which incorporates the Gabanintha and Yarrabubba projects. Technology Metals has worked constructively with the YN People and YN PBC to enable informed consultation and engagement regarding the proposed development of the Project.

During this quarter, the Company undertook additional heritage consultation surveys and an ethnobotany assessment of the proposed project area with YN representatives to inform the drafting of the Cultural Heritage Management Plan (**CHMP**).



Figure 1 TMT and Yugunga-Nya representatives undertaking on-country consultation. Source: Technology Metals

Shares and Cash

As at 22 January 2024, the Top 20 shareholders held 59.54% of the fully paid ordinary shares in the Company. The Company had cash on hand of \$11.9 million as at 31 December 2023.

In accordance with Section 6 disclosure in the Appendix 5B, payments to related parties of the entity during the December quarter included payments for directors' fees and other key management personnel (KMP) salaries and wages of \$318K, none of which capitalised as part of MTMP exploration and evaluation expenditure¹.

Net outflows of \$944K were used in operating activities during the December quarter (refer Items 1.2(d) and (e), 1.4 of the Appendix 5B) and related to expenditure on corporate consulting and legal fees, marketing and investor relations, balance of KMP and staff salaries not capitalised to the MTMP, rent, occupancy and travel expenses, net of interest on cash at bank. In addition, \$696K was spent on transaction costs incurred in relation to the Scheme (refer Item 1.8 of the Appendix 5B). Net outflows of \$1,853K used in investing activities during the December quarter (refer Item 2.1(d) of the Appendix 5B) related to continued work on the MTMP, including SRK's ITE report, continued metallurgical test work, progressing heritage negotiations, consultations and survey planning with traditional owners, advancing project finance and offtake discussions².

Marketing and Promotions

During the December quarter, Company representatives participated in the TZ Minerals International Pty Ltd (TZMI) 17th Annual Congress 2023 in Singapore. TZMI is a global, independent consulting and publishing company which specialises in all aspects of the mineral sands, titanium dioxide and coatings industries. Company representatives engaged in meetings with prospective ilmenite customers, noting continued strong interest in the market for the Company's ilmenite product.

¹ ASX Listing Rule 5.3.5

² ASX Listing Rule 5.3.1, 5.3.2

Top 20 Shareholders

The Top 20 Shareholders as at 22 January 2024 were:

Position	Holder Name	Holding	% IC
1	CITICORP NOMINEES PTY LIMITED	49,079,246	19.30%
2	BNP PARIBAS NOMS PTY LTD	22,091,799	8.69%
3	STANDARD PASTORAL COMPANY PTY LTD	14,000,000	5.51%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,008,208	4.72%
5	RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	6,800,000	2.67%
6	DR ADEL WAGDI AWISS MORSI	6,695,000	2.63%
7	STATION NOMINEES PTY LTD <STATION SUPER FUND A/C>	5,000,000	1.97%
8	MR COLIN DAVID ILES	4,629,878	1.82%
9	ATASA HOLDINGS PTY LTD <TS3A FAMILY A/C>	4,343,995	1.71%
10	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	3,939,429	1.55%
11	MS GISELLE LLOYD	2,993,557	1.18%
12	KHAZANAH PTY LTD	2,734,594	1.08%
13	UBS NOMINEES PTY LTD	2,315,526	0.91%
14	RETZOS FAMILY PTY LTD <RETZOS FAMILY S/FUND A/C>	2,310,000	0.91%
15	MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY <THE DALY FAMILY SUPER A/C>	2,306,227	0.91%
16	ASHANTI INVESTMENT FUND PTY LTD <ASHANTI INVESTMENT FUND A/C>	2,287,143	0.90%
17	PERRIWINKLE INVESTMENTS PTY LTD	2,149,316	0.85%
18	DR JAMES LEONG	2,049,858	0.81%
19	SHAYDEN NOMINEES PTY LTD	1,964,866	0.77%
20	MR JACOB EDWARDS & MRS CATHY EDWARDS	1,698,928	0.67%
Total		151,397,570	59.54%

Tenements

The tenement status as at 31 December 2023 is as follows³.

Location	Tenement	Interest acquired or disposed of during the quarter	Economic interest
Gabarintha Project (WA)	E51/1510	Nil	100%
Gabarintha Project (WA)	E51/1818	Nil	100%
Gabarintha Project (WA)	E51/2056	Application	100%
Gabarintha Project (WA)	E51/2117	Application	100%
Gabarintha Project (WA)	G51/29	Nil	100%
Gabarintha Project (WA)	G51/30	Nil	100%
Gabarintha Project (WA)	G51/31	Nil	100%
Gabarintha Project (WA)	G51/32	Application	100%
Gabarintha Project (WA)	L51/101	Nil	100%
Gabarintha Project (WA)	L51/102	Nil	100%
Gabarintha Project (WA)	L51/117	Nil	100%
Gabarintha Project (WA)	L51/121	Nil	100%
Gabarintha Project (WA)	L51/125	Application	100%
Gabarintha Project (WA)	L51/134	Application	100%
Gabarintha Project (WA)	L51/135	Application	100%
Gabarintha Project (WA)	M51/883	Nil	100%
Gabarintha Project (WA)	P51/2930	Expired	0%
Gabarintha Project (WA)	P51/3140	Nil	100%
Yarrabubba Project (WA)	G51/34	Application	100%
Yarrabubba Project (WA)	L51/123	Application	100%
Yarrabubba Project (WA)	L51/128	Application	100%
Yarrabubba Project (WA)	L51/129	Application	100%
Yarrabubba Project (WA)	M51/884	Nil	100%

AUTHORISED FOR RELEASE ON THE ASX BY THE COMPANY'S BOARD OF DIRECTORS

For further information:

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³ ASX Listing Rule 5.3.3

Forward-Looking Statements

This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Technology Metal Australia Limited's planned exploration programs, corporate activities, and any, and all, statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should" and similar expressions are forward-looking statements. Technology Metal Australia Limited believes that it has a reasonable basis for its forward-looking statements; however, forward-looking statements involve risks and uncertainties, and no assurance can be given that actual future results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

About Vanadium

Vanadium is a hard, silvery grey, ductile and malleable speciality metal with a resistance to corrosion, good structural strength and stability against alkalis, acids and salt water. The elemental metal is rarely found in nature. The main use of vanadium is in the steel industry where it is primarily used in metal alloys such as rebar and structural steel, high-speed tools, titanium alloys and aircraft. The addition of a small amount of vanadium can increase steel strength by up to 100% and reduces weight by up to 30%. Vanadium high-carbon steel alloys contain in the order of 0.15 to 0.25% vanadium while high-speed tool steels, used in surgical instruments and speciality tools, contain in the range of 1 to 5% vanadium content. Global economic growth and increased intensity of use of vanadium in steel in developing countries will drive near term growth in vanadium demand.

An emerging and very significant use for vanadium is the rapidly developing energy storage (battery) sector with the expanding use and increasing penetration of the vanadium redox flow batteries (VRFB). These batteries are a rechargeable flow battery that uses vanadium in different oxidation states to store energy, using the unique ability of vanadium to exist in solution in four different oxidation states. Vanadium batteries provide an efficient storage and re-supply solution for renewable energy – being able to time-shift large amounts of previously generated energy for later use – ideally suited to micro-grid to large scale energy storage solutions (grid stabilisation).

Some of the unique advantages of vanadium batteries are:

- a lifespan of 20 years with very high cycle life (up to 20,000 cycles) and no capacity loss,
- rapid recharge and discharge,
- easily scalable into large MW applications,
- excellent long-term charge retention,
- improved safety (non-flammable) compared to Li-ion batteries, and
- can discharge to 100% with no damage.

Global economic growth and increased intensity of use of vanadium in steel in developing countries will drive near term growth in vanadium demand.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Technology Metals Australia Limited

ABN

64 612 531 389

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to Date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(462)	(686)
	(e) administration and corporate costs	(512)	(1,141)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	83	199
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	1,404
1.8	Other	(696)	(696)
1.9	Net cash from / (used in) operating activities	(1,587)	(920)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(16)
	(d) exploration & evaluation	(1,906)	(3,678)
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to Date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,906)	(3,694)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities) ¹	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15,343	16,464
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,587)	(920)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,906)	(3,694)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to Date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	11,850	11,850

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,680	5,246
5.2	Call deposits	8,170	10,097
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11,850	15,343

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	318
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	-		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,587)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,906)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,493)
8.4	Cash and cash equivalents at quarter end (item 4.6)	11,850
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	11,850
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.39
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not Applicable	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not Applicable	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Not Applicable	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 January 2024

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.