



TECHNOLOGY
METALS AUSTRALIA LIMITED

ASX Announcement

21 October 2020

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Directors

Michael Fry:
Chairman

Ian Prentice:
Managing Director

Sonu Cheema:
Director and Company Secretary

Issued Capital

123,000,000 ("TMT") Fully Paid
Ordinary Shares

8,250,000 – Unquoted Director and
Employee Options exercisable at
\$0.20 on or before 10 May 2023

9,599,834 – Unquoted Options –
various exercise prices and dates

ASX Code: TMT

FRA Code: TN6



GAS DELIVERY CERTAINTY FOR THE GABANINTHA VANADIUM PROJECT

HIGHLIGHTS

- Gas transportation agreement (MOU) executed with APA Group (ASX: APA).
- MOU contemplates APA investigating the development of a new ~152km gas pipeline to supply the GVP.
- APA's proposed greenfields pipeline provides a more cost-effective and efficient energy supply solution for the project than originally included in the DFS.
- Location of new gas pipeline enhances opportunity to secure gas supply from the rapidly emerging Perth Basin.
- TMT has agreed to an exclusivity period on negotiation of gas transportation services for the term of the MOU.
- The parties will now proceed to negotiate the transaction documents, with APA progressing any initial works in support of the new gas pipeline.

BACKGROUND

Technology Metals Australia Limited (ASX: **TMT**) ("**Technology Metals**" or the "**Company**") is pleased to announce that it has entered into a non-binding Memorandum of Understanding ("**MOU**") with APA Group ("**APA**") under which TMT and APA have agreed a commercial framework to investigate the provision of gas transportation services along a new gas pipeline ("**New Pipeline**") to be developed by APA from the south to supply gas to the Gabanintha Vanadium Project ("**Project**" or "**GVP**"). In return TMT would enter into a take or pay tariff over an agreed period linked to the life of the Project.

The proposed New Pipeline is shorter than the gas pipeline contemplated in the Definitive Feasibility Study ("**DFS**") on the development of the GVP and is therefore expected to deliver material operating cost savings from lower gas transportation charges than those included in the DFS. TMT and APA have agreed to an exclusivity period on negotiation of the gas transportation services for the term of the MOU during which they will negotiate and endeavour to agree the transaction documents.

Managing Director Ian Prentice commented: "We are very pleased to have entered into this agreement with APA on the development of a proposed new gas pipeline; providing low risk delivery of gas to the Project, cost reductions compared to the DFS as well as the opportunity to source gas from the significantly closer emerging Perth basin gas fields. APA is a leading Australian energy infrastructure business with 20 years' experience in building, owning and operating gas pipelines. We will be working together to develop a reliable energy solution for the GVP. This represents another key milestone as we progress the development of this lowest cost quartile, large scale, long-life world-class vanadium project".

The DFS for the GVP proposes to use natural gas as the heating energy in the roasting kiln and other parts of the process circuit and for electricity generation. The GVP's expected maximum and average daily consumption of natural gas is 10.67 and 6.28 Terajoules respectively.

The proposed New Pipeline, which is designed to come from a point to the east of Mt Magnet and extend approximately 152km north to the GVP (see Figure 1), is less than half the length of the gas pipeline proposed in the DFS. This is expected to result in lower gas transportation charges than included in the DFS, thereby delivering reduced operating costs compared to those contemplated in the DFS.

The location of the proposed New Pipeline will also enhance the opportunity for TMT to secure cost competitive gas supply from the rapidly emerging Perth Basin, with potential to further reduce gas transportation charges for the Project.

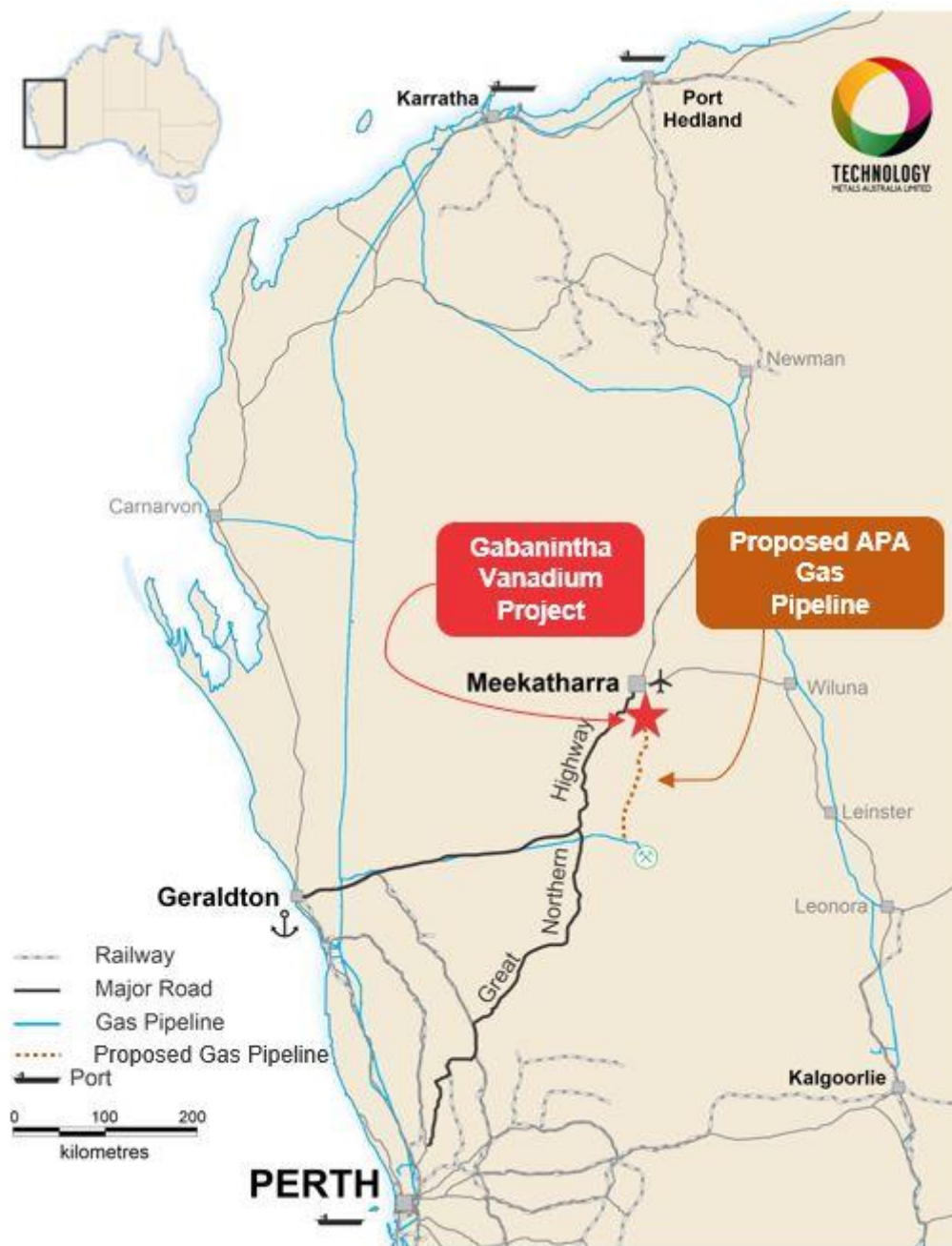


Figure 1: Gabanintha Vanadium Project Location and Proposed Gas Infrastructure

The key terms included in the non-binding MOU are:

- agree a commercial framework for provision of gas transportation services and an initial work plan to finalise and execute the transaction documents,
- a term of the earlier of two (2) years or the parties entering into transaction documents,
- the transaction documents will include a Gas Transportation Agreement, a Development Agreement under which APA will design and construct the proposed New Pipeline and any necessary Access Licences required for the route of the proposed New Pipeline,
- indicative tariff(s) based on maximum gas transportation of 10.7TJ/day and either a 15 year or 20 year term,
- an exclusivity period during the term of the MOU in which TMT must not negotiate or enter into an agreement with any third party in relation to the proposed gas transportation services, and
- conditions precedent customary for an agreement of this nature including completion of due diligence into the proposed transaction, approval of respective Board of Directors and any third party consents.

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 likely 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's**”). VRFB's 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. VRB's 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 VRB's 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.

This announcement has been authorised by the Board of Technology Metals Australia Limited.

For, and on behalf of, the Board of the Company,

Ian Prentice

Managing Director

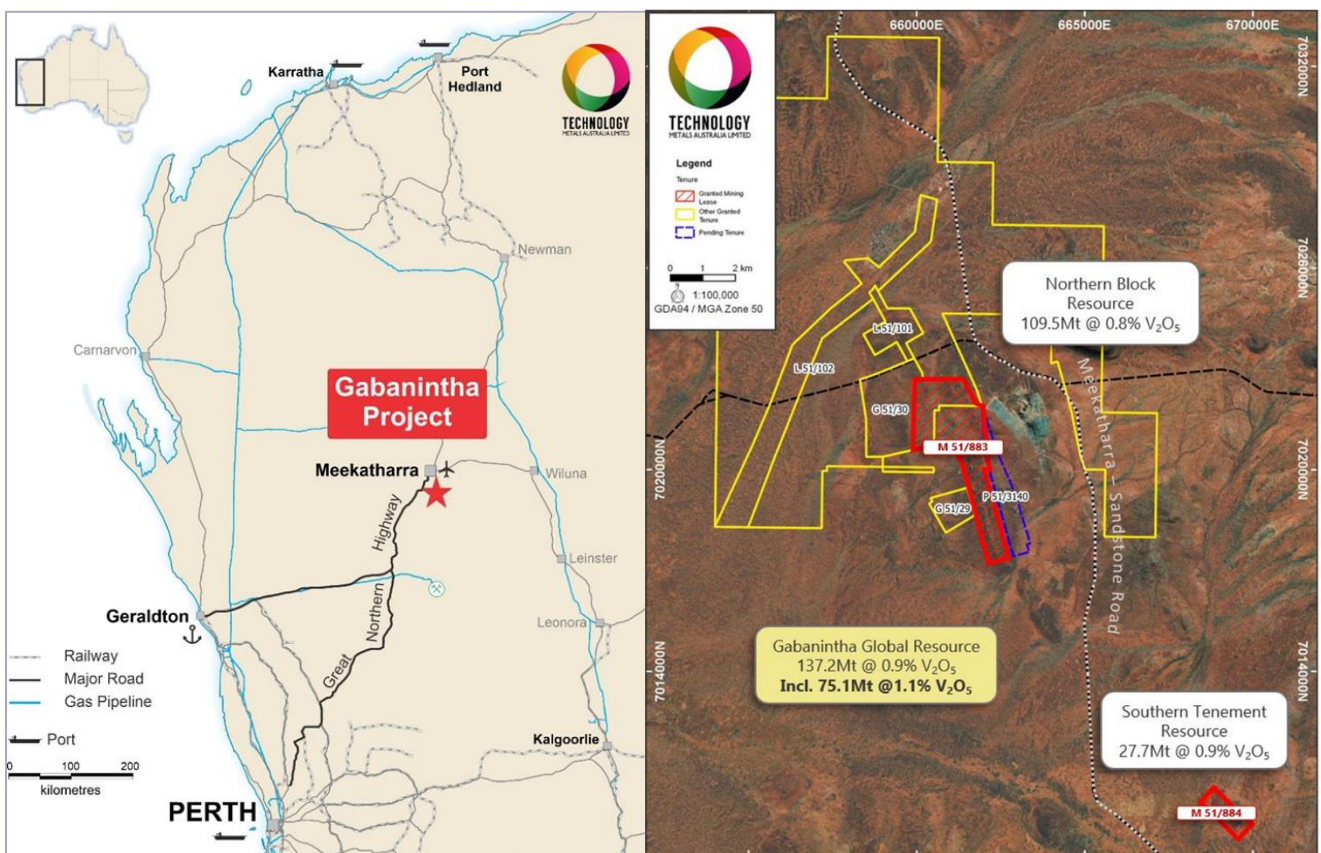
Technology Metals Australia Limited

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About Technology Metals Australia Limited

Technology Metals Australia Limited (ASX: TMT) was incorporated on 20 May 2016 for the primary purpose of identifying exploration projects in Australia and overseas with the aim of discovering commercially significant mineral deposits. The Company's primary exploration focus has been on the Gabanintha Vanadium Project located 40 km south east of Meekatharra in the mid-west region of Western Australia with the aim to develop this project to potentially supply high-quality V_2O_5 flake product to both the steel market and the emerging vanadium redox battery (VRB) market.

The Project consists of eleven granted tenements and three applications (including two Mining Leases) divided between the Northern Block of Tenements (12 tenements) and the Southern Tenement (2 tenements). Vanadium mineralisation is hosted by a north west – south east trending layered mafic igneous unit with a distinct magnetic signature. Mineralisation at Gabanintha is similar to the Windimurra Vanadium Deposit, located 270km to the south, and the Barrambie Vanadium-Titanium Deposit, located 155km to the south east. The key difference between Gabanintha and these deposits is the consistent presence of the high-grade massive vanadium – titanium – magnetite basal unit, which results in an overall higher grade for the Gabanintha Vanadium Project.



GVP Location and Tenure

Data from the Company's 2017 and 2018 drilling programs, including 111 RC holes and 53 HQ and PQ diamond holes at the Northern Block and 31 RC holes and 4 PQ sized diamond holes completed in late 2018 at the Southern Tenement, has been used by independent geological consultants CSA Global to generate a global Inferred and Indicated Mineral Resource estimate, reported in accordance with the JORC Code 2012 edition, for the Project. The Resource estimate confirms the position of the Gabanintha Vanadium Project as one of the highest grade vanadium projects in the world.

Global Mineral Resource estimate for the Gabanintha Vanadium Project as at 29 June 2020.

Material Type	Classification	Mt	V ₂ O ₅ %	Fe%	Al ₂ O ₃ %	SiO ₂ %	TiO ₂ %	LOI%	P%	S%
Massive Magnetite	Measured (North)	1.2	1	44.7	6.2	10.4	11.4	0	0.009	0.2
	Indicated (North)	18.5	1.1	49.1	5.2	5.8	12.9	-0.1	0.007	0.2
	Indicated (South)	7.3	1.1	49.2	5.1	5.8	12.6	-0.6	0.004	0.3
	Total Indicated	25.8	1.1	49.1	5.1	5.8	12.8	-0.3	0.007	0.2
	Inferred (North)	41	1.1	47.7	5.6	7.1	12.6	0.3	0.008	0.2
	Inferred (South)	7.1	1.1	46.9	5.6	7.4	12.1	0.5	0.005	0.3
	Total Inferred	48.1	1.1	47.6	5.6	7.2	12.5	0.3	0.008	0.2
Massive Global	75.1	1.1	48.1	5.5	6.8	12.6	0.1	0.007	0.2	
Disseminated / Banded Magnetite	Indicated (North)	10.3	0.6	28.6	13.1	25.5	7.5	3	0.03	0.2
	Indicated (South)	2.3	0.7	33.1	9.5	20.6	8.5	2.3	0.014	0.3
	Total Indicated	12.6	0.6	29.5	12.5	24.6	7.7	2.8	0.027	0.2
	Inferred (North)	38.5	0.5	27.1	12.7	27.4	6.9	3.3	0.027	0.2
	Inferred (South)	11	0.6	27.7	13	25.9	7	2.7	0.015	0.3
	Total Inferred	49.5	0.5	27.2	12.8	27.1	6.9	3.2	0.024	0.2
Diss / Band Global	62.1	0.6	27.7	12.7	26.6	7.1	3.1	0.025	0.2	
Combined	Global Combined	137.2	0.9	38.9	8.7	15.7	10.1	1.5	0.015	0.2

*Note: The Mineral Resources were estimated within constraining wireframe solids using a nominal 0.9% V₂O₅% lower cut-off grade for the massive magnetite zones and using a nominal 0.4% V₂O₅% lower cut-off grade for the banded and disseminated mineralisation zones. The Mineral Resources are quoted from all classified blocks within these wireframe solids above a lower cut-off grade of 0.4% V₂O₅%. Differences may occur due to rounding.

Data from the global Mineral Resource estimate and the 2019 DFS on the GVP were used by independent consultants CSA Global to generate a Proven and Probable Ore Reserve estimate based on the Measured and Indicated Mineral Resource of 39.6 Mt at 0.9% V₂O₅ located within the Northern Block of tenements and the Southern Tenement at Gabanintha.

Ore Reserve Estimate as at 15 September 2020

Reserve Category	Tonnes (Mt)	Grade V ₂ O ₅ %	Contained V ₂ O ₅ Tonnes (Mt)
Proven	1.1	0.96	0.01
Probable	37.9	0.90	0.34
Total	39.0	0.90	0.26

- Note: Includes allowance for mining recovery (98% for massive magnetite ore and 95% for banded and disseminated ore) and mining dilution applied as a 1 metre dilution skin; resulting in a North Pit dilution for massive magnetite ore of 13% at 0.45% V₂O₅, and North Pit dilution for banded and disseminated ore of 29% at 0.0% V₂O₅; a Central Pit dilution for massive magnetite ore of 10% at 0.46% V₂O₅, and Central Pit dilution for banded and disseminated ore of 20% at 0.0% V₂O₅; a Southern Pit dilution for massive magnetite ore of 12% at 0.49% V₂O₅, and Southern Pit dilution for banded and disseminated ore of 15% at 0.21% V₂O₅)
- Rounding errors may occur

Capital Structure	
Fully Paid Ordinary Shares on Issue	123.0m
Unquoted Options (\$0.20 – 10/05/23 expiry)	8.25m
Unquoted Options (\$0.35 – 12/01/21 expiry)	2.75m
Unquoted Options (\$0.25 – 15/06/22 expiry)	6.850m

* - Director and employee options – 50% vest on grant of mining licence, 50% vest on Gabanintha FID

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.

Competent Persons Statement

*The information in this report that relates to Exploration Results are based on information compiled by Mr John McDougall. Mr McDougall is the Company's Exploration Manager and a member of the Australian Institute of Geoscientists. Mr McDougall has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this report and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("**JORC Code**"). Mr McDougall consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

*The information in this report that relates to Mineral Resources is based on information compiled by Mr Aaron Meakin. Mr Meakin is a Principal Consultant with CSA Global and a Member of the Australian Institute of Geoscientists. Mr Meakin has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this report and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("**JORC Code**"). Mr Meakin consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

The information that relates to Ore Reserves is based on information compiled by Mr Daniel Grosso and reviewed by Mr Karl van Olden, both employees of CSA Global Pty Ltd. Mr van Olden takes overall responsibility for the Report as Competent Person. Mr van Olden is a Fellow of The Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Person in terms of the JORC (2012 Edition). The Competent Person, Karl van Olden has reviewed the Ore Reserve statement and given permission for the publication of this information in the form and context within which it appears.

The information in this report that relates to the Processing and Metallurgy for the Gabanintha project is based on and fairly represents, information and supporting documentation compiled by Mr Brett Morgan and reviewed by Mr Damian Connelly, both employees of METS Engineering Group Pty Ltd. Mr Connelly takes overall responsibility for the Report as Competent Person. Mr Connelly is a Fellow of The Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Competent Person, Damian Connelly consents to the inclusion in the report of the matters based on his information in the form and context in which it appears