



TECHNOLOGY METALS AUSTRALIA LIMITED

ASX Announcement

20 July 2017

ACN: 612 531 389

T: 08 6489 1600

F: 08 6489 1601

E: investors@tmtlimited.com.au

Suite 9, 330 Churchill Avenue,

Subiaco WA 6008

www.tmtlimited.com.au

Directors

Michael Fry:

Chairman

Ian Prentice:

Executive Director

Sonu Cheema:

Director and Company Secretary

Issued Capital

21,300,001 ("TMT") Fully Paid Ordinary Shares

13,800,000 Fully Paid Ordinary Shares classified as restricted securities

15,000,000 Unquoted Options exercisable at \$0.25 on or before 31 December 2019 classified as restricted securities

10,000,000 Class B Performance Shares classified as restricted securities

ASX Code: TMT

FRA Code: TN6

DRILLING RESUMES AT GABANINTHA VANADIUM PROJECT

- ~8,000M RC DRILLING PROGRAM COMMENCED ON 19 JULY 2017.
- PROGRAM TO CONSIST OF RESOURCE INFILL AND EXTENSIONAL DRILLING IN THE NORTHERN BLOCK AND INITIAL DRILL TESTING OF THE SOUTHERN TENEMENT.
- LIMITED HISTORICAL DRILLING IN THE SOUTHERN TENEMENT RETURNED INTERSECTIONS OF UP TO 25M AT 1.08% V₂O₅.
- DIAMOND DRILLING TO PROVIDE SAMPLES FOR ADVANCED METALLURGICAL TESTWORK EXPECTED TO COMMENCE IN AUGUST 2017.
- MAIDEN INFERRED RESOURCE OF 62.8MT AT 0.8% V₂O₅. INCLUDING A HIGH GRADE COMPONENT OF 29.5MT AT 1.1% V₂O₅ PREVIOUSLY REPORTED AT NORTHERN BLOCK.
- PROGRAM DESIGNED TO INCREASE THE CONFIDENCE LEVEL AND RESOURCE SIZE IN THE NORTHERN BLOCK AND HAS SCOPE TO DELIVER AN INTIAL RESOURCE FOR THE SOUTHERN TENEMENT.

BACKGROUND

Technology Metals Australia Limited (ASX: TMT) ("**Technology Metals**" or the "**Company**") is pleased to announce the resumption of drilling at its Gabanintha Vanadium Project ("**Project**"). The program, which commenced on 19 July 2017, is expected to consist of up to 8,000m of RC drilling and up to 1,200m of diamond drilling. Drilling has been designed to infill and extend the previously announced maiden Inferred Resource¹ ("**Resource**") on the Northern Block of tenements at the Project and complete initial drill testing of the Southern Tenement (see Figure 1).

The Resource estimation, reported in accordance with the JORC Code 2012, was completed by independent geological consultants CSA Global and was based on data from the Company's initial 36 hole (for 3,128m) RC drilling program completed on the Northern Block of tenements. The maiden Inferred Resource consists of an overall resource of 62.8Mt at 0.8% V₂O₅ and 9.7% TiO₂ and included an **outstanding high grade component of 29.5Mt at 1.1% V₂O₅ and 12.6% TiO₂** contained in the highly continuous and consistently mineralised massive magnetite basal zone within the mineralised layered mafic igneous unit. The high grade nature of this portion of the resource **confirms the position of the Project as one of the highest grade vanadium projects in the world.**

¹ – Technology Metals Australia – ASX Announcement dated 13 June 2017, Maiden Inferred Resource Defined at Gabanintha Including High Grade Component of 29.5Mt at 1.1% V₂O₅. Ian Prentice.

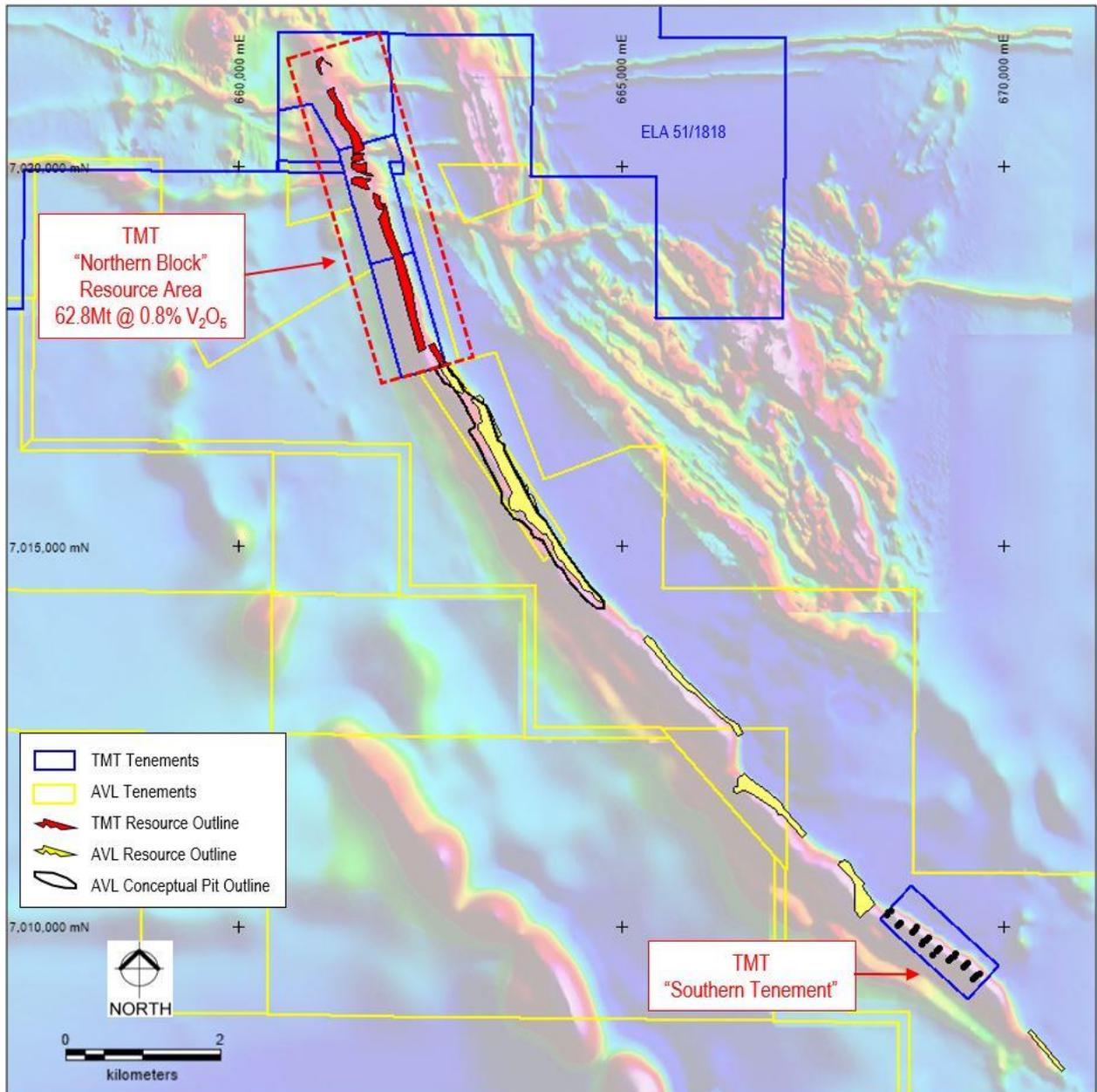


Figure 1: TMT Gabanintha Vanadium Project Mineral Resource Layout and Southern Tenement

The Company has designed the resource infill and extensional drilling in the Northern Block of tenements in consultation with its independent geological consultants, CSA Global, to enhance the confidence level / category of the maiden Inferred Resource as well as increase the overall resource estimate in this portion of the Project. RC drilling will range in down hole depth from 40m to 190m with line spacing infilled from the current 400m to between 200m and 100m. Mineralisation in the Northern Block of tenements remains open at depth and potentially along strike in the north, providing significant opportunity to extend and add to the Resource.

A diamond drilling program, consisting of up to 14 holes for 1,200m within the Northern Block of tenements, is expected to commence in August 2017. This drilling has been designed to provide representative samples within the Resource for detailed metallurgical testwork as well as provide detailed geological data relating to the various mineralised lodes and surrounding host rocks.

This infill and extensional drilling in the Northern Block of tenements has scope to expand the thick high grade resource in the northern zone as well as enhance confidence in the continuity of the medium grade lodes up dip from the massive magnetite basal zone.

In addition, initial RC drilling will be completed on the Southern Tenement (see Figures 1 & 2) as part of the current program. The drilling will target approximately 1.5km of strike of outcropping ironstone, where historical drilling² has returned up to 25m at 1.08% V₂O₅, that is interpreted to represent the same massive magnetite zone intersected in the Northern Block of tenements.

Historic drilling on this tenement by Intermin Resources NL (“Intermin”) and Australian Vanadium Limited (“AVL”) has intersected the layered mafic igneous unit down dip of the outcropping ironstone. There is no assay data available for the AVL drilling, however the Intermin drilling intersected high grade vanadium mineralisation within the layered mafic igneous unit (see Figure 2). Hole depths for this drilling will range from 40m up to 160m with line spacing down to approximately 200m.

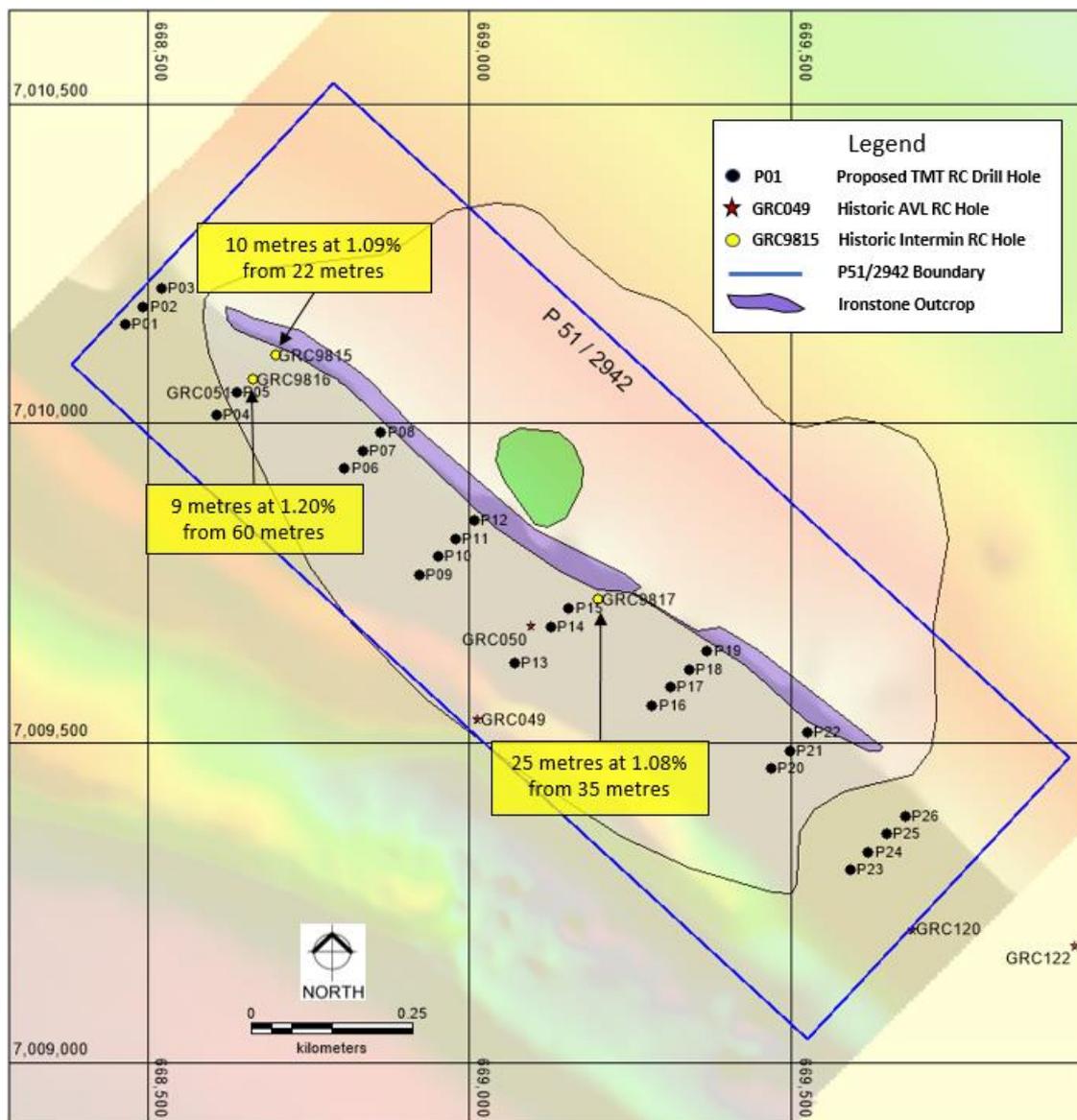


Figure 2: Southern Tenement Proposed Drilling

Given the geological similarities between the Southern Tenement and the Northern Block of tenements and the results of previous drilling confirming the presence of broad zones of high grade vanadium mineralisation within the layered mafic igneous unit the Company believes that this drilling has scope to deliver an initial resource estimate for this tenement.

2 – Technology Metals Australia – ASX Announcement dated 21 December 2016, Drilling to Commence on Gabanintha Vanadium Project in First Quarter of 2017. Ian Prentice.

The drilling program is expected to extend over a period of two to three months with samples analysed in batches at an independent certified commercial laboratory to provide detailed assay data. The Company will collate and interpret the assay and geological data as it is received and will endeavour to release this information to the market on completion of various stages of the program.

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 emerging energy storage (battery) sector with the expanding use and increasing penetration of the vanadium redox batteries (VRB's). VRB'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.

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

Ian Prentice
Executive Director
Technology Metals Australia Limited

Jane Morgan
Investor & Media Relations
jm@janemorganmanagement.com.au
+ 61 (0) 405 555 618

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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 is on the Gabanintha Vanadium Project located 40km south east of Meekatharra in the mid-west region of Western Australia with the aim to develop this project to potentially supply high-quality V₂O₅ flake product to both the steel market and the emerging vanadium redox battery (VRB) market.

The Project, which consists of five granted tenements and one exploration licence application, is on strike from, and covers the same geological sequence as, Australian Vanadium Limited's (ASX: AVL) Gabanintha Vanadium project. 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 Barambie 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 is expected to result in an overall higher grade for the Gabanintha Vanadium Project.

The Company will also review the potential for economic mineralisation of various other commodities at Gabanintha and intends to seek, evaluate, review and if appropriate acquire interests in additional resource based projects with a focus on technology and precious metals.

Capital Structure

The delivery of the maiden Inferred Resource estimate in June 2017 satisfied the performance hurdle for the Class A Performance Shares, which resulted in the issue of 10 million fully paid ordinary shares, escrowed until 21 December 2018, and 10 million Class B Performance Shares. The Class B Performance Shares convert in to 10 million fully paid ordinary shares on achievement of an indicated resource of 20 Million tonnes at greater than 0.8% V₂O₅ on or before 31 December 2019. The Class B Performance Shares and any fully paid ordinary shares issued on conversion of the Performance Shares are subject to restriction until 21 December 2018

Capital Structure	
Tradeable Fully Paid Ordinary Shares	21.3m
Escrowed Fully paid Ordinary Shares ¹	13.8m
Fully Paid Ordinary Shares on Issue	35.1m
Unquoted Options ² (\$0.25 – 31/12/19 expiry)	15.0m
Class B Performance Shares ³	10.0m

1 – 1.3 million fully paid ordinary shares will be tradeable from 21 September 2017 and 12.5 million fully paid ordinary shares will be tradeable from 21 December 2018.

2 – 1.3 million unquoted options are subject to restriction until 21 September 2017 and 13.7 million unquoted options are subject to restriction until 21 December 2018.

3 – Convert in to 10 million fully paid ordinary shares on achievement of an indicated resource of 20 Million tonnes at greater than 0.8% V₂O₅ on or before 31 December 2019. The Performance Shares and any fully paid ordinary shares issued on conversion of the Performance Shares are subject to restriction until 21 December 2018.

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 its forward-looking statements are reasonable; 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 Ian Prentice. Mr Prentice is a Director of the Company and a member of the Australian Institute of Mining and Metallurgy. Mr Prentice 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 Prentice 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 are based on information compiled by Mr Galen White. Mr White is a Principal Consultant with CSA Global and a Fellow of the Australian Institute of Mining and Metallurgy. Mr White 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 White consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.