



TECHNOLOGY
METALS AUSTRALIA LIMITED

ASX Announcement

23 September 2021

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Directors

Michael Fry:
Chairman

Ian Prentice:
Managing Director

Sonu Cheema:
Director and Company Secretary

Issued Capital

150,178,057 ("TMT") Fully Paid
Ordinary Shares

6,313,167 Unquoted Options
exercisable at \$0.25 on or before 15
June 2022

12,350,000 Unquoted Director and
Employee Options at various
exercise prices and expiry dates

2,650,000 Performance Rights

ASX Code: TMT

FRA Code: TN6



Resource Capital Fund VII L.P. Secured as Cornerstone Shareholder as Part of \$20M Placement

HIGHLIGHTS

- Resource Capital Fund VII L.P. ("RCF VII"), a fund managed by RCF Management L.L.C. commits to ~18% stake in TMT via \$13.50m Placement at \$0.375 per share to become cornerstone shareholder.
- Firm commitments for a further \$6.50m at \$0.375 per share secured from a number of high quality institutional investors plus existing and new strategic investors.
- The total Placement of \$20m will be completed in two tranches.
- Placement and investment by RCF VII coincide with a strategic review to integrate the Yarrabubba deposit into the Gabanintha high purity vanadium project ("GVP").
- The much higher V₂O₅ content of the Yarrabubba concentrate has potential to materially impact the processing efficiency and improve economic returns compared to the 2019 GVP DFS.
- The strategic review focuses on an acceleration of the development of GVP in line with the recent increase in vanadium price and to support the rapidly emerging Vanadium Redox Flow Battery market.
- Placement means TMT is funded through DFS and Front-end Engineering and Design ("FEED") stages targeting project development from H2 calendar year 2022.

Technology Metals Australia Limited (ASX: **TMT**) ("**Technology Metals**" or the "**Company**") is pleased to announce that it has executed a binding subscription agreement with RCF VII for an equity investment of \$13.50m at \$0.375 per share whereby RCF VII will become a cornerstone ~18% shareholder in TMT.

In addition to the RCF VII subscription, firm commitments from existing and new strategic and institutional investors have been secured to raise an additional \$6.50m at \$0.375 per share.

The total Placement size is \$20m (before costs) and will be completed in two tranches, via the issue of 53,333,333 new fully paid ordinary shares in TMT ("**New Shares**") at \$0.375 per New Share ("**Placement**").

TMT Managing Director, Ian Prentice, commented: *"we are extremely pleased to have secured the support of Resource Capital Funds, a highly regarded mining alternative investment firm. The investment from RCF VII further endorses the high-quality nature of our vanadium assets and provides us with a platform to focus on the integration of the Yarrabubba deposit into the development of the high quality Gabanintha Vanadium Project. The progression of testwork at Yarrabubba has confirmed that the high grade concentrate from this deposit is a game-changer for TMT. We look forward to working with RCF as we advance towards potential financing and development.*

In addition, we are pleased to welcome a number of new institutional shareholders to our register as part of the Placement and also acknowledge the support received from existing TMT investors, which ensured that demand for the raising was strong."

Martin Valdes, Head of RCF VII, commented: *"we are excited to support TMT in advancing the Gabanintha Vanadium Project towards development, and integrating the Yarrabubba deposit into the development strategy."*

A summary of the RCF VII subscription agreement can be read in Appendix A.

Resource Capital Funds

Resource Capital Funds ("RCF") is a group of commonly managed private equity funds, established in 1998 with a mining sector specific investment mandate spanning all hard mineral commodities and geographic regions. Since inception, RCF has supported 203 mining companies, with projects located in 51 countries and across 32 commodities. Further information about RCF can be found on its website (www.resourcecapitalfunds.com).

RCF has a strong team of investment professionals, with wide ranging industry and technical expertise and a demonstrated history of investments in mining globally. RCF's track record is based on its ability to pick technically and commercially compelling assets and support management to achieve desired outcomes whilst remaining throughout a source of patient capital. RCF aims to partner with companies to build strong, successful and sustainable businesses and in doing so strives to earn superior returns for all shareholders.

Placement details

Tranche 1 of the Placement will raise approximately \$13.6 million from the issue of ~36.4 million shares at a price of \$0.375 per share (Tranche One Placement). The Tranche One Placement will utilise the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A, with 21,434,209 shares to be issued under Listing Rule 7.1 and 14,922,806 shares to be issued under Listing Rule 7.1A. Settlement of the Tranche 1 Placement is expected to occur on or around Monday, 4 October 2021.

Tranche 2 of the Placement will raise approximately \$6.4 million from the issue of ~17.0 million shares at a price of \$0.375 per share (Tranche Two Placement), subject to shareholder approval to be sought during November.

The Placement issue price of \$0.375 per share represents a discount of 11.9% to the 15 day VWAP of \$0.426 per share and a 6.3% discount to TMT's last close price of \$0.40 per share on 20 September 2021.

Syndicate and advisers

Sternship Advisers and Blackbird Capital Partners acted as Financial Adviser to TMT in relation to the RCF VII Placement. Bridge Street Capital Partners and Ashanti Capital acted as Joint Lead Managers in relation to the balance of the Placement.

Strategy update and use of funds

With the support of RCF VII as a cornerstone investor, TMT will now be in a position where it can fully evaluate development of a large, longer life Gabanintha high purity vanadium project (GVP) to incorporate the rapidly emerging Yarrabubba deposit. While the high grade Yarrabubba deposit provides scope to direct sell high grade iron- vanadium concentrate it also offers the opportunity for processing that high grade concentrate through the GVP vanadium plant with potential for significant improvements in project operating efficiency and productivity.

Testwork on the Yarrabubba concentrate shows the V₂O₅ content is typically 25% higher than the GVP concentrate feed grades to the roasting kiln. Critically it is expected that the GVP process flow sheet, as defined in the 2019 GVP DFS (ASX August 2019), will not require any material changes to incorporate feed from Yarrabubba. It is however envisaged that additional pilot scale testwork will be completed to integrate the Yarrabubba deposit into an updated GVP DFS.

The strategic review was also driven in part by the significant increase in interest in the global uptake of Vanadium Redox Flow Batteries as a green energy storage solution as well as the recent increases in the V₂O₅ pricing from around US\$5.00/lb in early 2020 to over US\$9.00/lb in recent months. TMT sees the emerging battery market as a critical long term driver of the Vanadium market and continues to engage with strategic participants in this sector of the vanadium industry.

Funds raised from the placement will be applied to the integration of Yarrabubba into an updated GVP DFS, progression to FEED studies and development of the GVP implementation model based on a positive DFS outcome and commencement of early works / ordering of long lead items with the aim of achieving FID for GVP in H2 2022.

Timetable

An indicative timetable for completion of the Placement is shown in the table below:

Event	Indicative Date
Resumption of trading on ASX	Thursday 23 September 2021
Settlement of Tranche One Placement	Monday 4 October 2021
Allotment of Tranche One Placement Shares	Tuesday 5 October 2021
General Meeting to Approve Tranche Two	Mid November
Settlement of Tranche Two Placement	Mid November
Allotment of Tranche Two Placement Shares	Mid November

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

- ENDS -

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 (VRFB) market.

The Project consists of nine granted tenements and four applications divided between the Gabanintha Vanadium Project (11 tenements) and the Yarrabubba Project (2 tenements). Vanadium mineralisation is hosted by a north west – south east trending layered mafic igneous unit with a distinct magnetic signature. A key differentiation between Gabanintha and a number of other vanadium 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.

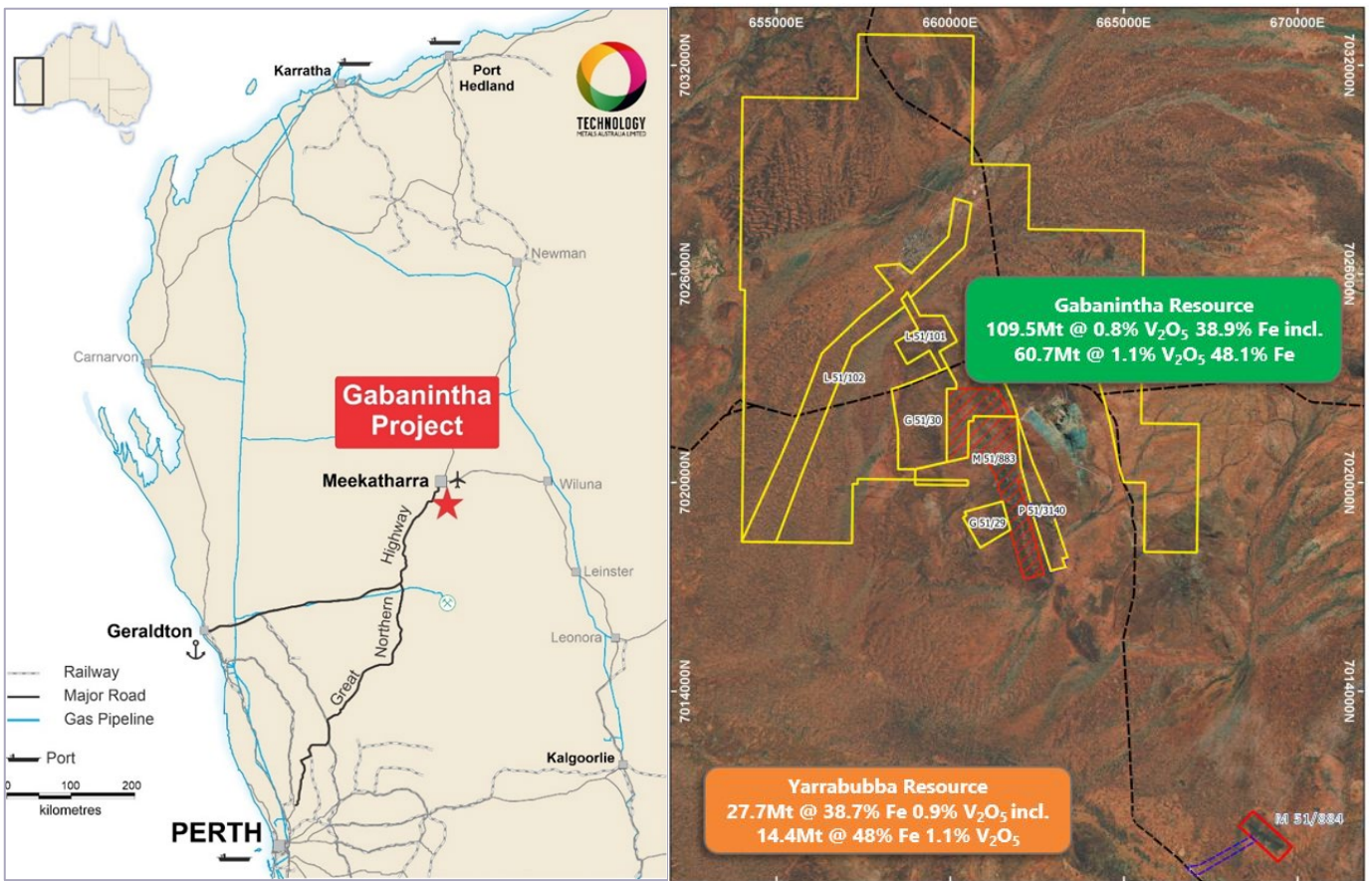


Figure 5: GVP and Yarrabubba Location and Tenure

Data from the Company's 2017 and 2018 drilling programs, including 111 RC holes and 53 HQ and PQ diamond holes at the Gabanintha Project and 31 RC holes and 4 PQ sized diamond holes completed in late 2018 at the Yarrabubba Project, 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 combined Projects. 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	150.2m
Unquoted Options (\$0.20 – 10/05/23 expiry) ¹	8.00m
Unquoted Options (\$0.50 – 01/01/24 expiry) ²	4.35m
Unquoted Options (\$0.25 – 15/06/22 expiry)	6.313m
Class B Performance Rights ³	1.325m
Class C Performance Rights ⁴	1.325m

- Director and employee options – 3.875m vested on grant of the mining licences, 4.125 million vest on Gabanintha FID
- Employee options – 3.925million vest and subject to the Company making a final investment decision (FID) for the Yarrabubba Project prior to 30 October 2023 and 0.425 million vest subject to the Company achieving first commercial production from the Yarrabubba Project prior to 30 October 2023.
- Each Class B Performance Right is a right to receive one fully paid ordinary share in TMT, subject to the terms of the employee incentive scheme and subject to the Company making a final investment decision (FID) for the Yarrabubba Project prior to 30 October 2023.
- Each Class C Performance Right is a right to receive one fully paid ordinary share in TMT, subject to the terms of the employee incentive scheme and subject to the Company achieving first commercial production from the Yarrabubba Project prior to 30 October 2023.

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 Aaron Meakin is a Principal Consultant of CSA Global Pty Ltd and is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Mr Aaron Meakin has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**). Mr Aaron Meakin consent to the disclosure of the information in this announcement 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 an employee of CSA Global Pty Ltd. Mr Grosso takes overall responsibility for the Report as Competent Person. Mr Grosso is a Member 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, Daniel Grosso 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 Yarrabubba project is based on and fairly represents, information and supporting documentation compiled by Mr Brett Morgan of METS Engineering Group Pty Ltd. Mr Morgan is a Member 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, Brett Morgan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix A: Summary of the RCF VII subscription agreement

RCF VII has agreed to subscribe for shares in Technology Metals Australia on the terms and conditions set out in share subscription agreement, the key terms of which are summarised below.

Subscriber	Resource Capital Fund VII L.P.
Subscription Amount	A\$13.5 million
T1 Subscription Shares	24,540,984
T2 Subscription Shares	11,459,016
Subscription Price	A\$0.375 per Share
T1 Subscription Amount	Approximately A\$9.2 million
T2 Subscription Amount	Approximately A\$4.3 million
Conditions Precedent to T2 Subscription	Completion of T1 Subscription and TMT shareholder approval of T2.
Board Rights	Following Completion of the T1 Subscription Shares and provided the Subscriber holds at least 10.0% of TMT's shares (or such lesser amount that results from involuntary dilution), the Subscriber may from time to time nominate a director to the Board of TMT.
Information and access rights	<p>The Subscriber will be entitled to at least 2 site visits a year.</p> <p>At the Subscriber's election, quarterly operating and financial reports in a form and substance reasonably acceptable to RCF VII prior to construction commencement. Monthly reporting thereafter.</p>
Participation Rights	The Subscriber is to be given a reasonable opportunity to participate in certain future equity offers, and other financing arrangements while it holds at least 10.0% of TMT's shares (or such lesser amount that results from involuntary dilution).
Warranties	Customary representations and warranties for the transactions contemplated.