



TECHNOLOGY
METALS AUSTRALIA LIMITED

2021

ANNUAL REPORT

For the financial year ended 30 June 2021



ABN 64 612 531 389

CORPORATE DIRECTORY

ABN 64 612 531 389

DIRECTORS

Mr Michael Fry (Non-executive Chairman)

Mr Ian Prentice (Managing Director)

Mr Sonu Cheema (Non-executive Director)

COMPANY SECRETARY

Mr Sonu Cheema

REGISTERED OFFICE

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Subiaco, WA 6008

PRINCIPAL PLACE OF BUSINESS

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Unit 9, 628-630 Newcastle Street
Leederville, WA 6007

BANKERS

National Australia Bank Ltd

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West Perth, WA 6005

AUDITORS

HLB Mann Judd (WA Partnership)

Level 4, 130 Stirling Street
Perth, WA 6000

SECURITIES EXCHANGE LISTING

Technology Metals Australia Limited shares
are listed on the Australian Securities
Exchange (ASX: TMT)



CONTENTS

Chairman's Letter	2
Directors' Report	4
Corporate Governance Statement	20
Auditor's Independence Declaration	21
Statement of Comprehensive Income	22
Statement of Financial Position	23
Statement of Changes In Equity	24
Statement of Cash Flows	25
Notes to the Financial Statements	26
Directors' Declaration	48
Independent Auditor's Report	49
Additional Securities Exchange Information	53



CHAIRMAN'S LETTER

Dear fellow shareholder,

It is a pleasure to present you with the 2021 Annual Report for Technology Metals Australia Limited, a year in which we have made significant progress in advancing the Company's vanadium assets in the Murchison region of Western Australia.

The vanadium sector has seen significant volatility during the reporting period. The price of vanadium pentoxide (98% minimum, Europe) started the reporting period at US\$5.30/lb before falling to a low of US\$5.00/lb in November 2020. From this point, there was a steady increase in the price with the price at the end of the reporting period at US\$8.90/lb, an increase of 68% over the year. Post the end of the reporting period, the price gains continued.

The Company's Murchison Technology Metals Project consists of the Gabanintha Vanadium Project and the Yarrabubba Iron Vanadium Project, located just to the south of Gabanintha. The projects have been grouped together

under the Murchison Technology Metals Project umbrella to better convey the fact the projects are interrelated due to the likely overlapping and/or sharing of key infrastructure.

At the start of the reporting period, with vanadium prices drifting towards US\$5.00/lb, the Company increased its focus from Gabanintha towards the nearby Yarrabubba Iron Vanadium Project. Whilst Yarrabubba is smaller than Gabanintha, the lower capital cost and revenue from iron ore makes it an attractive near-term development proposition.

Studies are continuing for Yarrabubba, however the rebound in the vanadium price has once again highlighted the strong economic potential of Gabanintha. With a Definitive Feasibility Study completed and lowest quartile operating costs, the project is a nationally significant project. Gabanintha's robust economics of A\$663m NPV₈ were based on a long-term average of US\$8.78/lb V₂O₅, with prices well above this level at the time of writing this report.



With shifting prices, outlooks and two projects with promising economics, the Company is assessing the best way forward in terms of staging development.

All the exploration and studies for the Murchison Technology Metals Project have been undertaken with a strong emphasis on our environmental, social and governance responsibilities. We take our social license to operate seriously and are pleased to report no Lost Time Injuries for the reporting period.

A key part of our ESG plans is the investigation of downstream processing of our vanadium product into electrolytes and vanadium redox flow batteries (VRFBs) that can be produced in

Australia for use in Australian conditions. VRFBs are an increasingly important battery solution for renewable energy back-up and storage, particularly in remote locations.

The next twelve months is looking bright for your company as we complete the studies for Yarrabubba, progress permitting for Gabanintha and decide on the optimal development strategy.

Michael Fry
Chairman

DIRECTORS' REPORT

The directors of Technology Metals Australia Limited (**ASX: TMT**) (**Company** or **Technology Metals**) submit herewith the Annual Report of the Company and the entities it controlled during the period ("the Group") for the year ended 30 June 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Michael Fry
Non-Executive Chairman
Appointed 20 May 2016

Mr Fry holds a Bachelor of Commerce degree from the University of Western Australia, is a Fellow of the Financial Services Institute of Australasia, and is a past member of the Australian Securities Exchange. Mr Fry has extensive corporate and commercial experience, financial and capital market knowledge and a background in corporate treasury management.

Mr Fry is currently Non-Executive Chairman of ASX-listed Brookside Energy Limited, with a focus on oil and gas exploration and production onshore mid-continent region of USA.

In the 3 years immediately before the end of the financial year, Mr Fry served as a Director of the following listed companies:

Brookside Energy Limited (Present)
Challenger Energy Limited (Resigned 3 July 2019)
Norwest Energy NL (Resigned 28 November 2018)

Mr Ian Prentice
Managing Director
Appointed 20 May 2016

Mr Prentice has extensive global resource industry and equity capital markets experience, with a proven track record of high-quality corporate management and technical excellence. His broad ranging 30 year-plus career extends from exploration and operational roles across a variety of commodities to the listing and management of ASX-listed resource companies. Mr Prentice has served as a Director for a number of ASX-listed resource companies, with activities ranging from exploration and project acquisition in Asia and Africa through to gold production in Australia.

Mr Prentice has broad experience in identifying and reviewing resource projects for potential acquisition. Mr Prentice is a Member of the Australasian Institute of Mining and Metallurgy and holds a Bachelor of Science (Geology) from the University of Western Australia.

In the 3 years immediately before the end of the financial year, Mr Prentice also served as a Director of the following listed companies:

No other directorships

Mr Sonu Cheema
Non-Executive Director and Company Secretary
Appointed 20 May 2016

Mr Cheema holds the position of Accountant for Cicero Corporate Services Pty Ltd and has over 12 years' experience working with public and private companies in Australia and abroad. Roles and responsibilities held by Mr Cheema include completion and preparation of management and ASX financial reports, investor relations, initial public offers, mergers and acquisitions, management of capital raising activities and auditor liaison. Currently, Mr Cheema is also Company Secretary for eMetals Limited (ASX: EMT), Silver City Minerals Limited (ASX: SCI), Avira Resources Limited (ASX: AVW), Comet Resources Limited (ASX:CRL) and Yojee Limited

DIRECTORS' REPORT

(ASX: YOJ). Mr Cheema has completed a Bachelor of Commerce majoring in Accounting at Curtin University and is a member of CPA Australia.

In the 3 years immediately before the end of the financial year, Mr Cheema also served as a Director of the following listed companies:

Avira Resources Limited (Appointed 17 March 2020)

Silver City Minerals Limited (Appointed 29 May 2020)

Interests in the shares, options and convertible notes of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the Directors as at the date of this report.

Directors	Fully paid ordinary shares Number	Share options Number
Michael Fry	300,000	3,000,000
Ian Prentice	667,712	6,000,000
Sonu Cheema	162,857	1,000,000

Shares under option or issued on exercise of options

At the date of this report, unissued Ordinary shares or interests of the Company under option are:

Date options granted	Number of shares under option	Exercise price of option	Expiry date of option
23 April 2021	3,500,000	\$0.50	1 January 2024
19 February 2021	300,000	\$0.50	1 January 2024
29 January 2021	550,000	\$0.50	1 January 2024
4 May 2020	8,000,000	\$0.20	10 May 2023
15 June 2020	6,313,167	\$0.25	15 June 2022

Principal Activities

The principal activities of the entities within the Group during financial year ending 30 June 2021 were mineral exploration which includes:

- The flagship Gabanintha Vanadium Project located 40km southeast 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 flow battery (VRFB) market; and
- The Company also initiated & advanced work on the Yarrabubba Iron-Vanadium Project ("Yarrabubba") demonstrating the potential to produce a premium high-grade iron ore product (with vanadium credits) and a titanium by-product. Yarrabubba is a significant stand-alone development project, which also provides an opportunity to implement a staged, cost effective development of the Company's Projects.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

The Company has identified the potential to produce a premium high-grade iron-vanadium product from the Yarrabubba Iron-Vanadium Project ("Yarrabubba"), providing an opportunity to progress a staged, cost effective development of the Company's Projects.

Activities completed during the period included progressing metallurgical testwork to further develop the understanding of the product streams potentially available from Yarrabubba (high grade iron-vanadium concentrate and a high quality titanium concentrate), commencement of a diamond drilling program designed to generate a bulk sample for pilot scale testwork, collect additional geotechnical data to support open pit design / Ore Reserve estimation work and to infill the Mineral Resource, and evaluation of logistics scenarios for transport of Yarrabubba products to market.

YARRABUBBA IRON-VANADIUM PROJECT

The Yarrabubba Iron-Vanadium Project, located on granted Mining Lease M51/884, hosts an Indicated and Inferred Mineral Resource estimate (**MRE**) of 27.7Mt at 38.7% Fe and 0.9% V₂O₅ including high-grade massive mineralisation zone of 14.4Mt at 48.1% Fe and 1.1% V₂O₅ (ASX Announcement 1 July 2020).

The Indicated Mineral Resource component of 9.6Mt at 45.3% Fe and 1.0% V₂O₅ consists of only fresh mineralisation, which commences from 10 to 15m below surface. Predominantly transitional material and minor oxide above these depths is classified as Inferred due to limited metallurgical data from these shallow zones.

Metallurgical testwork using Low Intensity Magnetic Separation (**LIMS**) on two fresh massive magnetite composite samples from PQ diamond drillhole material (300kg of MASFR1 and 90kg of MASFR2) delivered a product containing up to 64.3% Fe and 1.65% V₂O₅ for MASFR1 and up to 62.6% Fe and 1.56% V₂O₅ for MASFR2 at a 125 micron grind size following staged milling². Mass recoveries for these samples were 65.4% and 71.3% with very low levels of deleterious elements, generating a premium high grade, high purity iron-vanadium concentrate.

Earlier sighter metallurgical testwork, consisting of LIMS on seven (7) representative composite samples, generated a weighted average grade of 62.8% Fe and 1.66% V₂O₅ with an overall mass recovery of 49.6% at a grind size of 75 microns³.

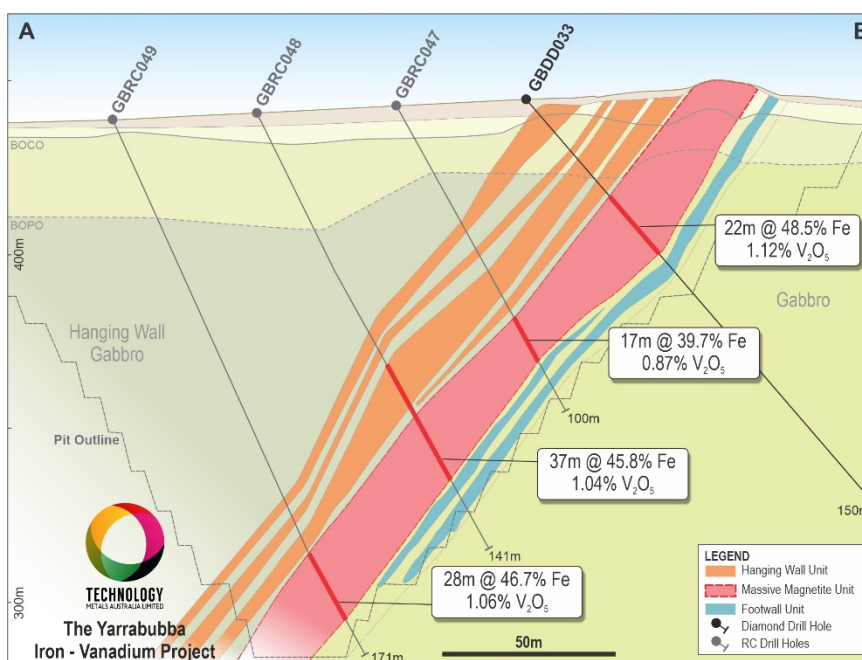


Figure 1: Yarrabubba cross section highlighting broad massive magnetite zone and shallow oxidation

² ASX Announcement 3 February 2021 - PREMIUM HIGH-GRADE IRON - VANADIUM PRODUCT CONFIRMED

³ ASX Announcement 11 November 2020 - REPRESENTATIVE TESTWORK CONFIRMS PREMIUM YARRABUBBA PRODUCT

DIRECTORS' REPORT

Non-magnetic tails from the larger scale LIMS testwork program on the MASFR1 and MASFR2 composites were collected from each cycle of the staged milling for gravity separation testwork to further assess the potential to generate a titanium by-product. The following composite samples were generated for this testwork:

- Composite 1 – a blend of MASFR1 and MASFR2 tails at a P80 500-micron grind,
- Composite 2 – a blend of MASFR1 and MASFR2 tails at a P80 125-micron grind.

Each of the non-magnetic tails streams were deslimed via wet screening at 38 microns to remove the ultra-fine fraction material prior to compositing and initial gravity separation. The gravity separation testwork was conducted via "tabling" of the concentrates.

Composite 1 and Composite 2 were passed over a rougher table prior to the rougher concentrate being passed over a cleaner table (see Figure 2). Table 1 below summarises the assay results of the gravity concentrates from the cleaner table for these composites, indicating TiO₂ grades of around 44.5% at mass recoveries ranging from 34% to 48%.

Table Composite	Mass Rec (%)	TiO ₂		Fe		S		SiO ₂		Al ₂ O ₃	
		Grade (%)	Dist'n (%)	Grade (%)	Dist'n (%)	Grade (%)	Dist'n (%)	Grade (%)	Dist'n (%)	Grade (%)	Dist'n (%)
Composite 1	34.0	44.56*	72.8	35.34	47.1	1.175	48.1	0.053	1.4	1.61	5.0
Composite 2	48.0	44.57*	82.2	36.2	64.9	1.125	76.9	0.37	2.1	1.48	7.8

Table 1: Cleaner table concentrate assays – Composite 1 and Composite 2



Figure 2: Gravity Separation Table – Dark, heavy material concentrated to left containing titanium feed

DIRECTORS' REPORT

The cleaner table concentrates from Composite 1 and Composite 2 were upgraded by being passed through Wet High Intensity Magnetic Separation (**WHIMS**) at a range of Gauss settings between 2,000G and 10,000G for sighter testwork. Based on the sighter testwork, it was decided to undertake a double pass WHIMS at 8,000G as the final cleaner testwork for Composite 2, the blend of MASFR1 and MASFR2 tails at a P80 125-micron grind.

From this work, an indicative specification has been defined for the Yarrabubba titanium by-product (**YIP1**) containing 46 to 47% TiO₂, very low levels of Fe₂O₃, Nb₂O₃, P₂O₅ and U+Th but elevated Cr₂O₃ and V₂O₅ (see Table 2).

Composition	Units	Indicative Product Specification
TiO ₂	%	46.0 – 47.0
FeO	%	> 45
Fe ₂ O ₃	%	< 3
FeO:Fe ₂ O ₃		15
Al ₂ O ₃	%	1.1 – 1.7
CaO	%	0.05 – 0.10
Cr ₂ O ₃	%	0.08 – 0.14
MgO	%	1.7 – 2.3
MnO	%	0.7 – 1.1
Nb ₂ O ₅	ppm	< 5
P ₂ O ₅	%	< 0.01
SiO ₂	%	0.3 – 0.5
V ₂ O ₅	%	0.40 – 0.55
U + Th	ppm	< 1

Table 2: Indicative Yarrabubba Ilmenite Product (YIP1) Specifications – Composite 1 and Composite 2

TZMI Ilmenite Product Quality Assessment

During the reporting period, the Company engaged TZMI to undertake a product quality review of the planned Yarrabubba titanium by-product, including benchmarking to current commercially available titanium products, and advise on target markets as well as achievable pricing.

Based on the indicative specifications detailed in Table 2, TZMI determined that the YIP1 ilmenite product has a titanium content typical of hard rock ilmenite deposits and falls within the typical range of commercial sulfate ilmenite for sulfate pigment manufacture. It indicated that the Fe₂O₃, P₂O₅, SiO₂ and U+Th contents are generally well below comparable products and would be considered favourably by some customers, particularly the very low Fe₂O₃.

TZMI noted the elevated Cr₂O₃ and V₂O₅ content, which somewhat offset the low levels of other impurities, indicating that YIP1 would be suitable as a blending feedstock for sulfate pigment manufacture, complementing ilmenite feedstock with elevated Fe₂O₃.

TZMI indicates that most sulfate pigment producers do not rely on a single feedstock product, rather taking in a blend of feedstocks, providing an opportunity for YIP1 to be an attractive blend feedstock due its low levels of generally common deleterious elements.

On this basis, TZMI estimates that YIP1 will achieve a price of US\$140 to US\$180/tonne FOB (real 2020 dollars) in the medium term, taking into consideration the elevated Cr₂O₃ and V₂O₅ content that may be present, offset by the very low Fe₂O₃.

DIRECTORS' REPORT

TZMI believes that the saleability of the YIP1 product will not be an issue for indicative volumes of 150,000 to 250,000tpa, with global consumption of sulfate ilmenite into the sulfate pigment market in 2020 estimated at 3.6 million TiO_2 units (or approximately 7.5 million tonnes).

Metallurgical Testwork Flowsheet and Mass Balance

Figure 3 shows the Yarrabubba metallurgical testwork flowsheet from Feed Ore through to Final Iron Vanadium Product and the titanium separation testwork based on the P80 125 micron grind size tails stream (the equivalent of Composite 2) through to Coarse Titanium Product. The mass balance table, based on the high grade, high yielding fresh massive magnetite ore, shows an indicative high-grade iron-vanadium product at a 75 micron grind size (column 2) and a final coarse titanium byproduct (column 6).

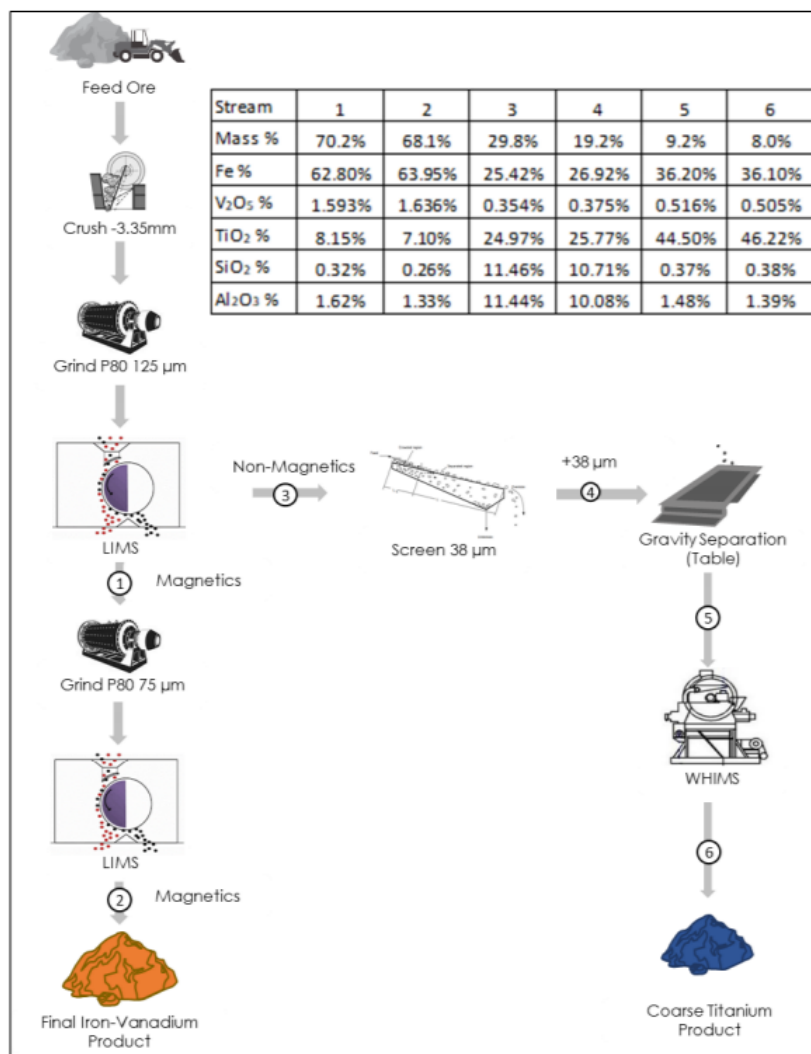


Figure 3: Yarrabubba metallurgical testwork flowsheet and mass balance

Yarrabubba Simple Flowsheet

Design concept work progressed based on a target final iron ore (+vanadium) grind size of 75 to 90 microns, utilising a simple indicative CMB flowsheet consisting of primary crushing feeding a primary milling stage, with the magnetic product then fed into a secondary milling stage for final grinding to the target 75 to 90 micron grind size. More details of the indicative CMB flowsheet will be provided as the work progresses, however it is expected that the simple indicative CMB flowsheet will provide both capital and operating cost benefits to the Project.

DIRECTORS' REPORT

The key geometallurgical characteristics of the Yarrabubba ore of high in-situ iron grades, very high mass recoveries and a shallow oxidation profile differentiate this project from the majority of magnetite deposits and enable applying a simpler (low risk) CMB flowsheet to deliver a very high-quality final iron (+vanadium) product.

Non-magnetic tailings will be removed at each stage of grinding for gravity separation to produce a titanium product which is expected to be consistent with the indicative Yarrabubba Ilmenite Product (YIP1) specifications⁴.

Testwork is continuing to optimise the Yarrabubba titanium by-product and refine the flowsheet for the titanium separation circuit, including investigating flotation to remove base metals (cobalt, copper and nickel) from the non-magnetic tails stream.

Pilot Scale Metallurgical Testwork Program

Metallurgical testwork has progressed to the project defining pilot scale stage, utilising bulk samples generated from the diamond drilling campaign completed in early 2021.

The initial stages of this program involve a comprehensive program of Davis Tube Recovery (**DTR**) testwork throughout the Yarrabubba orebody; with the results from this work (mass recoveries, Fe grades and recoveries, V₂O₅ grades and recoveries) to inform an updated resource model as well as assist in variability assessment and selection of final representative bulk samples for pilot scale processing.

The pilot scale testwork will be based on three representative 1 to 2 tonne composite samples from the north, central and south portions of the Yarrabubba orebody. This program is designed to confirm that the process flowsheet is fit for purpose at larger scale as well as generate bulk samples of high grade, high purity iron (+vanadium) concentrate for final stages of customer engagement.

The non magnetic tailings from the processed representative composite samples will be subject to pilot scale testwork based on the proposed ilmenite recovery circuit, expected to consist of standard gravity separation via spirals, with scope for sulphide flotation and final magnetic separation, to generate a titanium product expected to be consistent with the indicative Yarrabubba Ilmenite Product (YIP1) specifications⁴.

RC Drilling Program

The Yarrabubba Mineral Resource infill and extension reverse circulation (**RC**) drilling program was completed successfully in late June, with all samples dispatched to the laboratory.

This program was designed, in conjunction with the previously completed comprehensive diamond drilling program, to convert Inferred Mineral Resources to Indicated Mineral Resource category as well as expand the overall Mineral Resource. Due to workstream backlogs experienced in Western Australian mineral laboratories as a result of increased exploration activity and COVID-19 restrictions, final results from this program are expected by late August.

Work on the Yarrabubba Mineral Resource estimation update will commence prior to the receipt of the RC assays, with an updated Yarrabubba MRE expected towards the end of the current quarter. The new Yarrabubba MRE will be used to update the open pit mining model to generate a revised open pit Ore Reserve and provide a detailed mining schedule / cost model to be incorporated in to the Yarrabubba Definitive Feasibility Study (**DFS**) processing schedule and financial model.

The RC drilling program also included drilling to inform the necessary dewatering parameters for the Yarrabubba open pit development. Data from this work is being compiled and assessed by the Company's hydrogeological consultants.

⁴ ASX Announcement 13 April 2021 - TITANIUM PRODUCT CONFIRMED

DIRECTORS' REPORT

Yarrabubba Definitive Feasibility Study Status

The DFS in support of the Yarrabubba development is progressing well, with metallurgical testwork advancing to the pilot stage, all drilling completed in support of the Mineral Resource/Ore Reserve upgrade completed, environmental studies proceeding in line with schedule and customer engagement making good progress.

Work streams being performed by third parties, such as laboratories, however are experiencing some delays due to extreme levels of activity across the mining and exploration industry and COVID-19 restrictions. These third-party delays are starting to have an impact on data flow and have resulted in the timing of some of the DFS workstreams being impacted.

Irrespective of these impacts, the Company remains focused on the delivery of the Yarrabubba DFS during the December quarter.

Market Engagement – Yarrabubba

Technology Metals is progressing engagement with a broad range of counterparties in regards to product offtake, technical collaboration, project development and funding. Yarrabubba is a major breakthrough for the Company, providing two product streams – the high grade, high purity iron (+vanadium) concentrate and the titanium by-product – and delivering potential for a low risk, lower entry cost project that is complementary to, and expected to reduce funding and implementation risk for, Gabarinta.

Engagement with Sinosteel is progressing with regard to potential for long term offtake of the high-grade, high purity iron (+vanadium) concentrate, supported by the high level of technical collaboration that has taken place between the Company's technical team and Sinosteel Equipment & Engineering Co., Ltd (**MECC**). Early stage discussions have also been held with other potential end users that have approached the Company with high levels of interest in the high grade, high purity iron (+vanadium) concentrate product.

There is clear recognition of the unique characteristics of the Yarrabubba orebody that enable the delivery of the premium quality Yarrabubba High Grade Iron-Vanadium product when compared to the products generated from similar styles of orebodies in China.

The Company is also progressing opportunities with potential end-users of the YIP1 titanium byproduct, as assessed by TZMI, a global, independent consulting and publishing company with extensive experience in the mineral sands, titanium dioxide and coatings industries. TZMI's assessment of the YIP1 ilmenite product indicates that China would be the preferential market for the product, with a range of potential end-users demonstrating a high level of interest in the product. A representative sample of YIP1 is expected to be provided to a range of prospective customers in the September quarter to facilitate the commencement of discussions regarding product offtake.

Ongoing work in support of Yarrabubba development

The key activities underway or planned in the subsequent period include:

- Receipt of assay data from the recently completed RC drilling campaign to be incorporated in to the updated MRE;
- MRE update incorporating RC and diamond drilling data to include an expanded Measured and Indicated component;
- Mine design, open pit scheduling and reserve estimation;
- Pilot scale metallurgical testwork on bulk samples (~6 tonnes) from the diamond drilling campaign completed in early 2021;
- Generate samples for customer engagement;
- Engineering design based on the optimal CMB flowsheet; and
- Studies to support environmental submissions specific to Yarrabubba to enable the progression of Mining Approvals.

DIRECTORS' REPORT

GABANINTHA VANADIUM PROJECT (GVP)

The Company referred the GVP to the WA Environmental Protection Authority (**EPA**) in November 2018, with the EPA determining that the GVP will undergo a formal environmental impact assessment with no public comment period. A range of environmental field surveys were completed between 2017 and 2020 designed to address the key environmental factors in relation to the development of the GVP. The compilation of all the data collected and preparation of a final draft Environmental Review Document (**ERD**) was completed early this year, with a final draft of the ERD submitted to the EPA in early March 2021.

Feedback from the EPA and other decision-making authorities (**DMA's**) on the final draft ERD had been received, with the Company and its environmental consultants having completed a review of the feedback and participated in a constructive consultation process with both the EPA and the key DMA's.

Based on the feedback received and the consultation process, an updated ERD addressing the matters raised is being prepared and is to be submitted for formal review in the September quarter.

MARKET ENGAGEMENT

The Company continues to target diversity of geography and end-user for its product offtake strategy, with a focus on maximising the application of the high purity GVP vanadium pentoxide product. Discussions have focused on potential offtake partners in China, Japan, South Korea, India and Europe, delivering outcomes ranging from an executed binding offtake agreement, memorandums of understanding / letters of intent through to high levels of due diligence across the range of proposed products.

During the June quarter, the Company and CNMNC agreed to a 12-month extension on the binding vanadium pentoxide Offtake Agreement (**Agreement**) that was executed in April 2020, such that the satisfaction or waiver of the conditions precedent has now been extended to at least 30 June 2022. The Agreement covers a minimum annual quantity of V_2O_5 to be purchased of 2,000 Tpa on a take or pay basis with an agreed pricing structure and an initial three-year term, with an option to extend for a further three years. CNMNC's vanadium alloy production business, CNMC Ningxia Orient Group Special Materials Co., Ltd., produces vanadium nitrogen alloys (**VN**) and ferrovanadium (**FeV**) for use in the Chinese steel industry.

The Company has progressed discussions with LE System Co., Ltd (**LES**) a leading Japanese VRFB R&D company with strong relationships with the Japanese Government, with a focus on the opportunity to jointly produce electrolyte for the VRFB market in Western Australia using LES' proprietary processing technology. This opportunity has scope to establish a significant downstream value add industry designed to target what TMT sees as the rapidly emerging stationary storage battery market opportunities in Australia. This further enhances the significant economic and social benefits for the Mid-West region of Western Australia, the State and the Nation that the development of Gabanintha is expected to generate over a long period of time.

Productive dialogue has been maintained with all its existing counterparties with a focus on continuing to develop these relationships as the project development progresses. Whilst the COVID-19 pandemic invoked international travel restrictions have provided some challenges to this dialogue all parties have shown a commitment to the continued development of these relationships. Site visits and in-person meetings with all these groups will progress as soon as travel restrictions allow.

The Company continues to engage with a range of groups with a shared long-term view of the vanadium industry, a recognition of the high purity GVP vanadium product and highly competitive lowest quartile cash operating costs of the GVP as well as the staged development strategy that will see the delivery of the premium Yarrabubba High Grade Iron-Vanadium and titanium products as a lower cost pathway to delivery of this Tier 1 world class project.

DIRECTORS' REPORT

PROJECT DEVELOPMENT PARTNER ENGAGEMENT

Technology Metals continues to work closely with the Northern Australia Infrastructure Facility (**NAIF**), the Western Australian Government's Lead Agency team and other Government agencies as it progresses the development of its projects; Yarrabubba to be a producer of high-grade, high-purity iron ore (with vanadium credits) and a titanium by-product, as the first stage leading to Gabanintha to be a producer of vanadium, a critical mineral with a vital role to play in the efficient and effective deployment of renewable energy.

Engagement with NAIF is now focused on developing a funding strategy for the Yarrabubba Iron-Vanadium Project, which is the subject of the current Feasibility Study. It is expected that the level of engagement will increase in the current reporting period as more details become available on the scope and timing of the project and its associated infrastructure.

The Western Australian Government's North-East Asian based representatives of the Department of Jobs, Tourism, Science and Innovation continue to support the Company and its corporate advisors on a number of fronts in the Japanese and South Korean markets, facilitating relationships with a range of parties working towards mutually beneficial commercial outcomes.

The emergence of Yarrabubba is a major breakthrough for the Company, delivering potential for a low risk, lower entry cost project that is complementary to, and expected to reduce funding and implementation risk for, Gabanintha. As such Yarrabubba is being viewed favourably by prospective Project financiers and strategic partners and forms a very important component in the Company's overall funding strategy.

The development of the Company's projects will have a long and meaningful impact on the economic and social development of the Mid-West and broader region, as well as at the State and National level. Ongoing engagement with these Government agencies and other stakeholders is an important part of the Companies development strategy.

VANADIUM MARKET COMMENTARY

The vanadium market has been strengthening consistently over the course of 2021 as global economies have been progressively emerging from COVID-19 restrictions and stimulus spending has begun to drive increased demand for vanadium. Figure 4 shows the relative vanadium pentoxide price performance over the past 18-month period, covering the beginnings of the COVID-19 pandemic and the gradual emergence from the pandemic induced economic downturns.

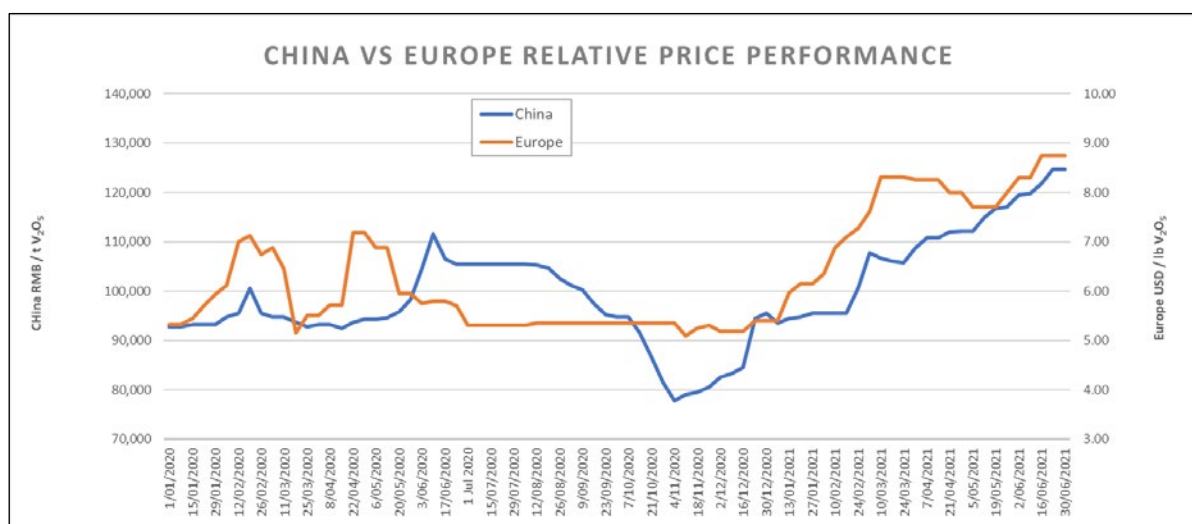


Figure 4: Vanadium Pentoxide Price – China vs Europe – 1 January 2020 to 30 June 2021

DIRECTORS' REPORT

The European V₂O₅ price was relatively stable in the low to mid US\$5/lb range for the second half of calendar 2020, however it has shown consistent improvement in the first half of calendar year 2021, finishing the period at US\$8.75/lb. The Chinese V₂O₅ price has mirrored this improvement, reflecting a balancing of the supply – demand fundamentals of the vanadium market.

Chinese domestic demand has consistently exceeded domestic supply, driven by the continued growth in steel production and the intensity of use of vanadium in Chinese finished steel products, particularly rebar, and rapidly increasing consumption in vanadium redox flow batteries. Supply was supplemented with imports over the course of 2020 and in to early 2021, however these imports declined as ex-China economies began to emerge from the COVID-19 pandemic.

This set of circumstances has resulted in the consistent improvement in global vanadium prices, which is expected to continue for some time reflecting the limited potential for supply side response without the development of new vanadium mining projects, such as Yarrabubba and GVP.

The Company is ideally placed to respond to this demand driven market, with a DFS completed on the Tier 1 high grade, low cost, large scale, long life GVP and a DFS nearing completion on the high grade, high purity iron (+vanadium) concentrate plus titanium by-product Yarrabubba.

NORTHERN EL EXPLORATION JOINT VENTURE

The Company has an exploration joint venture (**JV**) over the northern EL 51/1818 (**Tenement**) with CU2 (WA) Pty Ltd (**CU2**), whereby CU2 can earn up to an 80% interest in the base and precious metals (**Minerals**) identified in the Tenement. CU2 has been acquired by Peak Minerals Limited (ASX: PUA) (**PUA**), which is now conducting exploration activities under the JV.

During the reporting period, PUA completed multiple on ground activities on E51/1818 as part of its systematic targeting of the area for magmatic copper style mineralisation, including a ground gravity survey, field reconnaissance and 1 RC drillhole. The ground gravity survey was completed in April, with a total of 1,520 stations collected covering approximately 80% of the tenement. In May, a field reconnaissance program was completed to field validate historic targets and anomalism, with 14 rock chips samples collected and sent for multi-element analysis. Results are pending.

At the end of May, 1 RC drill hole was completed to the north of the Tal Val prospect to test the lithology present at an untested malachite gossan. The hole was drilled to 250m with 4m composites taken through the entire hole except where copper values exceeded 1000ppm from the pXRF and then 1m samples were collected. Samples are at ALS Laboratories and awaiting analysis.

The JV has no impact on the Company's rights in regards to minerals discovered and/or developed on any of its other tenure, including the Gabanintha and Yarrabubba mining leases, with TMT's activities in relation to the northern Miscellaneous Licences having priority over PUA's exploration activities.

PUA has consolidated a significant land package in the region and is progressing a regional base and precious metals exploration strategy.

TENEMENTS

All tenure required for the infrastructure at Gabanintha to support the development of the Yarrabubba Iron-Vanadium Project is in place, including Mining Lease M51/883 (granted for an initial 21 years from 28 August 2020) Miscellaneous Licences for the bore field and camp and General Purpose Leases for mining infrastructure. The Company applied for an additional Miscellaneous Licence (L51/117) in support of bore field infrastructure and a General Purpose Lease (G51/31) for mining infrastructure and a future solar farm (see Table 3 and Figure 5).

Mining Lease M51/884, which covers the Yarrabubba Iron-Vanadium Project, was granted on 28 August 2020 for an initial 21 years. The Company applied for a Miscellaneous Licence, L51/113, for the haulage corridor connecting the Yarrabubba Mining Lease with the Meekatharra – Sandstone Road, to replace the earlier application, L51/108, which was subject to an objection. The new application was designed to address the objections raised, after consultation with the objecting party, however the new application has now had an objection lodged.

DIRECTORS' REPORT

The Company is working through processes and procedures required to resolve the objection, including standard regulatory processes, however there is a risk that the grant of Miscellaneous Licence L51/113 may be delayed sufficiently to impact on the proposed timing of the mining approvals required for the Yarrabubba Iron-Vanadium Project.

LOCATION	TENEMENT	INTEREST ACQUIRED OR DISPOSED OF DURING THE QUARTER	ECONOMIC INTEREST
Gabanintha Project (WA)	E51/1818	Nil	100%
Gabanintha Project (WA)	E51/1510	Nil	100%
Gabanintha Project (WA)	G51/29	Nil	100%
Gabanintha Project (WA)	G51/30	Nil	100%
Gabanintha Project (WA)	L51/101	Nil	100%
Gabanintha Project (WA)	L51/102	Nil	100%
Gabanintha Project (WA)	M51/883	Nil	100%
Gabanintha Project (WA)	P51/2930	Nil	100%
Gabanintha Project (WA)	P51/3140	Nil	100%
Gabanintha Project (WA)	G51/31	Application	100%
Gabanintha Project (WA)	L51/117	Application	100%
Gabanintha Project (WA)	E51/2056	Application	100%
Yarrabubba Project (WA)	M51/884	Nil	100%
Yarrabubba Project (WA)	L51/113	Application	100%

Table 3: Tenement schedule & status

ASX Listing Rules Compliance

In preparing the Annual Report for the period ended 30 June 2021 and subsequent, the Company has relied on the following ASX announcements.

ASX Announcement	23/9/21	TMT INVESTOR PRESENTATION
ASX Announcement	23/9/21	RCF VII CORNERSTONES \$20M PLACEMENT
ASX Announcement	16/9/21	DRILLING CONFIRMS THICKENING OF MASSIVE MAGNETITE ZONES
ASX Announcement	1/7/21	YARRABUBBA DFS ON TRACK IN SUPPORT OF STAGED GVP STRATEGY
ASX Announcement	4/5/21	YARRABUBBA HIGH GRADE IRON ORE PROJECT UPDATE
ASX Announcement	13/4/21	TITANIUM PRODUCT CONFIRMED
ASX Announcement	3/2/21	PREMIUM HIGH-GRADE IRON - VANADIUM PRODUCT CONFIRMED
ASX Announcement	22/1/21	YARRABUBBA AND GABANINTHA PROJECT UPDATE
ASX Announcement	3/12/20	TESTWORK CONFIRMS RECOVERY OF YARRABUBBA TITANIUM PRODUCT
ASX Announcement	11/11/20	REPRESENTATIVE TESTWORK CONFIRMS PREMIUM YARRABUBBA PRODUCT
ASX Announcement	26/10/20	YARRABUBBA PREMIUM IRON - VANADIUM CONCENTRATE
ASX Announcement	21/10/20	GAS DELIVERY CERTAINTY FOR THE GABANINTHA VANADIUM PROJECT
ASX Announcement	16/9/20	32% INCREASE TO ORE RESERVE DELIVERS 22.5 YEAR LIFE OF MINE
ASX Announcement	1/9/20	GABANINTHA VANADIUM PROJECT MINING LEASES GRANTED
ASX Announcement	1/7/20	MAIDEN SOUTHERN TENEMENT INDICATED MINERAL RESOURCE
ASX Announcement	30/4/20	EXCELLENT DRILLING AND MET RESULTS AT SOUTHERN TENEMENT

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.

DIRECTORS' REPORT

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 and Gabanintha projects 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 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, 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. Pursuant to LR-5-19-1 production target and financial forecast: Refer ASX Release - 21 August 2019 for full details of the DFS: Financial Metrics at long term historical average price of US\$8.78/lb V2O5. Pursuant to LR-5-19-2 production target and financial forecast: The material assumptions as per the ASX release on 21 August 2019 continue to apply and have not materially changed.

Significant changes in the state of affairs

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or in the financial statements.

Significant events after balance date

On 23 September 2021, TMT announced that it had 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 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.

There have not been any other significant changes in the state of affairs during the year ended 30 June 2021 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Group.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Therefore, this information has not been presented in this report.

Environmental legislation

The Company is subject to significant environmental and monitoring requirements in respect of its natural resources exploration activities. The directors are not aware of any significant breaches of these requirements during the year.

Dividends

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

DIRECTORS' REPORT

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Remuneration report

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Technology Metals Australia Limited for the financial year ended 30 June 2021. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Key Management Personnel

The Directors and other key management personnel of the Group during or since the end of the financial year were:

Directors	
Michael Fry	Chairman (Non-executive)
Ian Prentice	Executive Director
Sonu Cheema	Non-executive Director and Company Secretary

The named persons held their current positions for the whole of the financial period and since the end of financial year.

Remuneration philosophy

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

At this point in the Company's development, the Board does not believe it is appropriate to link director and executive officers' remuneration with Company financial performance but rather project milestones.

Remuneration Committee

The Remuneration Committee of the board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors, the CEO and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive Director and executive remuneration is separate and distinct. The Board is satisfied that the recommendations were made free from undue influence from any members of key management personnel.

DIRECTORS' REPORT

Non-executive Director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. There has not been any use of remuneration consultants during the year ended 30 June 2021.

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. The Group's constitution states that an aggregate remuneration of \$250,000 per period can be paid to the non-executive directors. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external stakeholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a director of the Group. The current fee for non-executive directors is \$40,000 per annum and \$80,000 per annum for the non-executive chairman. An additional fee is also paid for each Board Committee on which a Director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by Directors who serve on one or more sub committees.

Senior manager and executive Director remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary. Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. The fixed remuneration component is detailed in Key Management Personnel remuneration for the year ended 30 June 2021 table.

Employment Contracts

Effective 20 December 2016, the Group entered into an executive director service agreement with Mr Prentice (Managing Director Agreement). Under the Executive Director Agreement, Mr Prentice is engaged to provide services to the Group in the capacity of Executive Director, based in Perth, Western Australia. Mr Prentice is to be paid remuneration of \$180,000 per annum. Effective from 1 January 2021, the Board approved to increase Mr Prentice's remuneration from \$180,000 to \$240,000. The Managing Director Agreement can be terminated by three month's written notice from the Company, while Mr Prentice can terminate by providing one months' written notice.

Remuneration of Key Management Personnel

	Short-term employee benefits	Share- based payments			
	Salary & fees	Share options	Performance Rights	Total	Options Related
30 June 2021	\$	\$		\$	%
Non-executive Directors					
Michael Fry	63,333	45,978	-	109,311	42%
Sonu Cheema	24,000	18,317	-	42,317	43%
Executive Director					
Ian Prentice	225,000	91,949	-	316,949	29%
	312,333	156,244	-	468,577	-
	Short-term employee benefits	Share-based payments			
	Salary & fees	Share options	Performance Rights	Total	Options Related
30 June 2020	\$	\$		\$	%
Non-executive Directors					
Michael Fry	60,000	2,917	-	62,917	4.6%
Sonu Cheema	35,997	729	-	36,726	2.0%
Executive Director					
Ian Prentice	180,000	5,835	-	185,835	3.1%
	275,997	9,481	-	285,478	-

DIRECTORS' REPORT

No member of key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position. No cash bonuses were granted as compensation during the current financial year. Payments to key management personnel are processed within the relevant month.

Key management personnel equity holdings

Fully paid ordinary shares

	Balance at beginning of period Number	Granted as compensation Number	Received on exercise of options Number	Net change other Number(i)	Balance at end of period Number	Balance held nominally Number
30 June 2021						
Directors						
Michael Fry	200,000	-	-	100,000	300,000	-
Sonu Cheema	120,000	-	-	42,857	162,857	-
Executives						
Ian Prentice	581,998	-	-	85,714	667,712	-
	901,998	-	-	228,571	1,130,569	-

- (i) Change in number of securities from director participation in Placement following shareholder approval and on market purchase of securities in accordance with the Company share trading policy.

Share options

	Balance at beginning of period Number	Granted as compensation Number	Share Options expired Number	Balance at end of period Number	Vested and exercisable Number	Options vested during the period Number
30 June 2021						
Directors						
Michael Fry	2,000,000 ^(i,ii)	1,000,000 ⁽ⁱⁱⁱ⁾	-	3,000,000	1,000,000	-
Sonu Cheema	500,000 ^(i,ii)	500,000 ⁽ⁱⁱⁱ⁾	-	1,000,000	250,000	-
Executives						
Ian Prentice	4,000,000 ^(i,ii)	2,000,000 ⁽ⁱⁱⁱ⁾	-	6,000,000	2,000,000	-
	6,500,000	3,500,000	-	10,000,000	3,250,000	-

- (i) Class A Incentive Options: Class A Incentive Options vested upon grant of mining licence M51/883 (Gabanintha Project) to the Company (Class A Milestone). Granted in prior year.
- (ii) Class B Incentive Options: Each Class B Incentive Option will be exercisable if, at any time within the three (3) year period following the Issue Date, the Company progresses to a final investment decision for the development of a vanadium plant at its Gabanintha Project (Class B Milestone). Granted in prior year.
- (iii) Class C Incentive Options: Class C Incentive Options vest, 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 (Class C Milestone). Granted on 16 April 2021 at the general meeting of shareholders. Refer to Note 13 for further details. The fair value of the options granted to KPM was \$608,268 or \$0.1738 per option. The options has not vested at balance date.

All share options issued to key management personnel were made in accordance with the provisions of the employee share option plan.

Other transactions with key management personnel

On 10 October 2016, the Group entered into an agreement with Cicero Group Pty Ltd (an entity in which Mr Cheema is shareholder and director) (**Cicero**) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent, accounting, book-keeping, company secretarial and administration services to the Company for a monthly fee of \$10,000 plus GST. Fees paid to Cicero for the period ending 30 June 2021 is \$120,000 (exc. GST).

END OF REMUNERATION REPORT

DIRECTORS' REPORT

Directors' Meetings

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Directors' meetings
Number of meetings held:	9
Number of meetings attended:	
Michael Fry	9
Ian Prentice	9
Sonu Cheema	9

In addition, there were 8 circular resolutions signed by the board.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-Audit Services

Details of amounts paid or payable to the auditor for services provided during the period by the auditor are outlined in Note 21 to the financial statements. No non-audit services were provided by the auditors during the 30 June 2021 or 2020 financial year.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 21 and forms part of this Directors' report for the period ended 30 June 2021.

CORPORATE GOVERNANCE STATEMENT

Technology Metals Australia Limited ("the Company") and the Board of Directors are committed to achieving the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company and its controlled entities together are referred to as the Group in this statement.

A description of the Group's main corporate governance practices is set out on the Company's website <http://www.tmtlimited.com.au/corporate-governance>. All these practices, unless otherwise stated, were in place for the entire period and comply with the ASX Corporate Governance Principles and Recommendations and are contained in the accompanying Appendix 4G for the period ended 30 June 2021.

Signed in accordance with a resolution of the Directors.



Michael Fry
Chairman

Perth, Western Australia; Dated this 27th day of September 2021

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Technology Metals Australia Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
27 September 2021



D I Buckley
Partner

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

		Consolidated Year ended 30 June 2021 \$	Consolidated Year ended 30 June 2020 \$
	Notes		
Continuing operations			
Other income	2	36,246	2,563
Administration expense		(568,089)	(1,013,688)
Director fees		(299,333)	(275,997)
Exploration expenses		(560,048)	(21,734)
Share-based payments expense	13	(714,618)	(136,793)
Interest expense		-	(29,061)
Depreciation		(23,539)	(11,798)
Loss before income tax		(2,129,381)	(1,486,508)
Income tax benefit	3	560,916	2,769,178
Net (loss)/profit for the year		(1,568,465)	1,282,670
Other comprehensive income, net of income tax		-	-
Other comprehensive (loss)/income for the year, net of income tax		-	-
Total comprehensive (loss)/income for the year		(1,568,465)	1,282,670
Basic and diluted earnings/(loss) per share (cents per share)	5	(1.14)	1.34

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

		Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
	Notes		
Assets			
Current assets			
Cash and cash equivalents	6	5,586,108	3,180,834
Trade and other receivables	7	297,975	172,561
Total current assets		5,884,083	3,353,395
Non-current assets			
Property, plant and equipment	8	-	12,707
Deferred exploration and evaluation expenditure	9	27,650,137	21,904,076
Total non-current assets		27,650,137	21,916,783
Total assets		33,534,220	25,270,178
Liabilities			
Current liabilities			
Trade and other payables	10	667,224	295,146
Total current liabilities		667,224	295,146
Total liabilities		667,224	295,146
Net assets		32,866,996	24,975,032
Equity			
Issued capital	11	34,737,881	25,765,250
Reserves	12	3,041,507	2,553,709
Accumulated losses		(4,912,392)	(3,343,927)
Total equity		32,866,996	24,975,032

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Issued capital \$	Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2019		21,547,507	2,541,250	(4,626,597)	19,462,160
Profit for the period		-	-	1,282,670	1,282,670
Other comprehensive income for the year, net of income tax		-	-	-	-
Total comprehensive income for the period		-	-	1,282,670	1,282,670
Proceeds from Shares Issued	11	4,209,468	-	-	4,209,468
Share Based Payments – Acquisition	11	124,334	-	-	124,334
Share Based Payments – Options issued to directors and consultants		-	12,459	-	12,459
Share issue costs	11	(116,059)	-	-	(116,059)
Balance at 30 June 2020		25,765,250	2,553,709	(3,343,927)	24,975,032

	Notes	Issued capital \$	Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2020		25,765,250	2,553,709	(3,343,927)	24,975,032
Profit for the period		-	-	(1,568,465)	(1,568,465)
Other comprehensive income for the year, net of income tax		-	-	-	-
Total comprehensive loss for the period		-	-	(1,568,465)	(1,568,465)
Proceeds from Shares Issued	11	8,996,153	-	-	8,996,153
Share Based Payments – Acquisition	11	90,000	-	-	90,000
Share Based Payments – Options issued to directors and consultants	12	248,000	660,298	-	908,298
Conversion of performance rights	12	172,500	(172,500)	-	-
Share issue costs	11	(534,022)	-	-	(534,022)
Balance at 30 June 2021		34,737,881	3,041,507	(4,912,392)	32,866,996

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Consolidated Year ended 30 June 2021 \$	Consolidated Year ended 30 June 2020 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,612,313)	(2,800,546)
Other income	2	36,246	2,563
Interest paid		-	(29,061)
Research and development incentive received	3	560,916	2,769,178
Net cash outflow from operating activities	6	(1,015,151)	(57,866)
Cash flows from investing activities			
Property, Plant and Equipment	8	(10,832)	-
Deferred exploration expenditure	9	(5,210,874)	(2,693,945)
Net cash outflow from investing activities		(5,221,706)	(2,693,945)
Cash flows from financing activities			
Proceeds from the issue of shares		8,996,153	4,209,468
Payments for share issue costs		(354,022)	(116,059)
Proceeds from borrowings		-	1,414,693
Repayment of borrowings		-	(1,414,693)
Net cash inflow from financing activities		8,642,131	4,093,409
Net increase in cash held		2,405,274	1,341,598
Cash and cash equivalents at beginning of period		3,180,834	1,839,236
Cash and cash equivalents at the end of the period		5,586,108	3,180,834

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with the other requirements of the law. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity registered in Australia and operating in Australia. For the purposes of preparing the annual financial report, the period has been treated as a discrete reporting period. The accounting policies below have been consistently applied to all of the years presented unless otherwise stated.

Historical cost convention

These financial statements have been prepared under the historical cost convention, and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(d).

Going concern

The financial report has been prepared on the going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The Directors recognise that the going concern of the Company is dependent upon, managing its costs and raising additional funds through future capital raisings and research & development claims. For the year ended 30 June 2021 the Company recorded a loss before income tax expense of \$1,568,465 (2020: \$1,282,670), a net operating cash outflow of \$1,015,151 (2020: \$57,866), had a net asset position of \$32,866,996 (2020: \$24,975,032).

The Directors have noted that, while the Company continues to operate at a loss, the Company has progressed its flagship Gabanintha Vanadium Project with the completion of its Definitive Feasibility Study (DFS). The Directors continue to monitor the ongoing funding requirements of the Group on a monthly basis including the monitoring of costs with a view to reducing them as required. The Directors believe that the Company can meet its financial obligations when they fall due enabling it to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis. The Company has a solid history of obtaining support from investors, including in very difficult financial markets. During the year ended 30 June 2021, the Group has successfully completed the following capital raising initiatives.

- During November 2020, the Company completed a placement of 22,857,142 fully paid ordinary shares at a price of \$0.35 per share to raise \$8.0 million before costs. The Placement was well supported by new and existing strategic and sophisticated investors, with the continued support of strategic domestic and international investors. A subsequent Share Purchase Plan ("SPP") to eligible shareholders on the same terms as the placement raised a further \$741,987, including participation from the Company's Directors.
- On 2 February 2021, 25 March 2021 and 11 May 2021, the Company received notices and monies from the exercise of options at various prices.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2021

In the year ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for the year reporting periods beginning on or after 1 July 2020.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and therefore no material change is necessary to Group accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Standards and Interpretations in issue not yet adopted applicable to 30 June 2021

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Company and effective for the year reporting periods beginning on or after 1 July 2020.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Company and therefore no material change is necessary to Group accounting policies.

(c) Statement of compliance

The financial report was authorised for issue on 27th September 2021.

The financial report complies, with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes there to, complies with International Financial Reporting Standards (IFRS).

(d) Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and consultants performing services by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by use of the Black-Scholes model, using the assumptions detailed in Note 13.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that further economic benefits are likely whether from the further exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

(f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of Directors of Technology Metals Australia Limited.

(g) Revenue recognition

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(h) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(i) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

(j) Impairment of tangible and intangible assets other than goodwill

The Directors assess at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or classes of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

(k) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An expected credit loss (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(m) Trade payables

These amounts represent liabilities for goods or services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) Employee Entitlements

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long Service Leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Based on the Group's experience of employee departures, a long service leave liability is only recognised once an employee has been employed by the Group for a period of 5 years. Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(o) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment	7 years
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The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(p) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(s) Parent entity financial information

The financial information for the parent entity, Technology Metals Australia Limited, disclosed in Note 20 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) GST

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(u) Share-Based payments

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled sharebased payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted using a Black-Scholes option pricing model.

Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(v) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: REVENUE AND EXPENSES

	Consolidated Year Ended 30 June 2021 \$	Consolidated Year Ended 30 June 2020 \$
Other income		
Finance revenue - bank interest	19,307	2,563
Rental facility on-charge	16,939	-
	36,246	2,563

NOTE 3: INCOME TAX

Income tax recognised in the statement of comprehensive income

	Consolidated Year Ended 30 June 2021 \$	Consolidated Year Ended 30 June 2020 \$
The major components of tax benefits are:		
Current tax	-	(2,769,178)
Deferred tax	-	-
	-	(2,769,178)

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated Year Ended 30 June 2021 \$	Consolidated Year Ended 30 June 2020 \$
Accounting (loss) before income tax	(2,129,381)	(1,486,508)
Income tax benefit calculated at 30%	(638,814)	(445,952)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
• Tax effect of other non-deductible expenses	214,385	41,038
• Tax effect of Non-assessable income	-	-
• Adjustment recognised in current year in relation to current tax of previous years	386,862	-
• Effect of temporary differences that would have been recognised directly in equity	(116,768)	(38,428)
• Prior year under/over	-	-
• Movement in net deferred tax assets not recognised	154,335	443,342
• Research and Development tax offset	(560,916)	(2,769,178)
Income tax (benefit)	(560,916)	(2,769,178)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 3: INCOME TAX (CONT'D)

Deferred tax assets and liabilities not recognised comprise:

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
<u>Deferred Tax Assets</u>		
Trade & other payables	6,900	6,000
Unused tax losses	6,020,902	4,110,052
Other future deductions	203,799	205,308
Net deferred tax assets	6,231,601	4,321,360
<u>Deferred Tax Liabilities</u>		
Deferred exploration and evaluation	(6,626,844)	(4,870,936)
Other assets	-	-
Net deferred tax liability	(6,626,844)	(4,870,936)

NOTE 4: SEGMENT REPORTING

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker. Due to the nature and size of the Group, the Board as a whole has been determined to be the Chief Operating Decision Maker.

The Group operates in one industry and geographical sector, being the exploration for vanadium in Western Australia.

NOTE 5: EARNINGS PER SHARE

	Consolidated 30 June 2021 Cents per share	Consolidated 30 June 2020 Cents per share
<i>Basic (loss)/earnings per share</i>		
Continuing operations	(1.14)	1.34
Total basic <i>(loss)/earnings</i> per share	(1.14)	1.34
	\$	\$
(Loss)/Profit for the period	(1,568,465)	1,282,670

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 5: EARNINGS PER SHARE (CONT'D)

Weighted average number of ordinary shares for the purposes of basic loss per share:

There are no potential ordinary shares that are considered dilutive, as a result no dilutive earnings per share has been disclosed.

30 June 2021 No.	30 June 2020 No.
137,855,548	95,997,135

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Short-term deposits

Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
5,586,108	3,180,834
-	-
5,586,108	3,180,834

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Reconciliation of loss for the year to net cash flows from operating activities

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Net (loss)/profit for the year	(1,568,465)	1,282,670
Share based payments expense	714,618	136,793
Depreciation	23,539	11,798
Change in net assets and liabilities, net of effects from acquisition and disposal of businesses		
(Increase)/decrease in assets:		
- Trade and other receivables	(125,414)	153,803
(decrease) in liabilities:		
- Trade and other payables	(59,429)	(1,642,930)
Net cash from operating activities	(1,051,151)	(57,866)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
GST recoverable	289,387	68,245
Other	8,588	104,316
	<u>297,975</u>	<u>172,561</u>

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Consolidated \$	
	Plant and equipment	Total
Balance at 1 July 2020	12,707	12,707
Additions	10,832	10,832
Depreciation	(23,539)	(23,539)
Balance at 30 June 2021	<u>-</u>	<u>-</u>
	Plant and equipment	Total
Balance at 1 July 2019	24,505	24,505
Additions	-	-
Depreciation	(11,798)	(11,798)
Balance at 30 June 2020	<u>12,707</u>	<u>12,707</u>

NOTE 9: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Balance at beginning of the period	21,904,076	19,335,131
Expenditure during the period	5,656,061	2,568,945
Ordinary shares issued for acquisition of tenements and royalty during the period	90,000	-
	<u>27,650,137</u>	<u>21,904,076</u>

The recoupment of cost carried forward in relation to the above area of interest in the exploration phase is dependent on the successful development and commercial exploitation or sale of the respective area.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 10: TRADE AND OTHER PAYABLES

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Trade payables (i)	644,224	275,146
Accruals	23,000	20,000
	<u>667,224</u>	<u>295,146</u>

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

NOTE 11: ISSUED CAPITAL

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Ordinary shares issued and fully paid	<u>34,737,881</u>	<u>25,765,250</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

	Number	\$
Movement in ordinary shares for the year ended 30 June 2021		
Balance at 1 July 2020	122,400,000	25,765,250
Shares issued for Royalty Payments on 2 September 2020	500,000	90,000
Shares issued to an advisor of the Company on 2 September 2020	100,000	18,000
Shares issued to a consultant of the Company on 26 October 2020	200,000	50,000
Options exercised on 18 November 2020	200,000	70,000
Performance Rights converted on 18 November 2020	500,000	172,500
Shares Issues as part of a placement on 3 December 2020	22,857,142	8,000,000
Shares issued to the consultant of the Company on 3 December 2020	514,285	180,000
Shares issues as part of a Share Purchase Plan on 21 December 2020	2,119,963	741,987
Options exercised on 2 February 2021	250,000	50,000
Options exercised on 25 March 2021	500,000	125,000
Options exercised on 11 May 2021	36,667	9,166
Share issue costs	-	(534,022)
Balance at end of year	<u>150,178,057</u>	<u>34,737,881</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: ISSUED CAPITAL (CONT'D)

	Number	\$
Movement in ordinary shares for the year ended 30 June 2020		
Balance at 1 July 2019	87,554,167	21,547,507
Shares issued as part placement on 6 February 2020	18,939,545	2,083,350
Shares issued to consultant on 6 February 2020	413,000	55,755
Shares issued as part director placement on 11 May 2020	543,288	59,762
Shares issued to Advisor on 11 May 2020	690,000	89,700
Shares issued as part placement on 15 June 2020	13,699,667	2,054,950
Shares issued to consultant on 15 June 2020	360,000	63,000
Shares issued to Advisor on 15 June 2020	200,333	35,058
Share issue costs	-	(223,832)
Balance at end of year	122,400,000	25,765,250

OPTIONS

	Number
Movement in options	
Unquoted Options exercisable on or before 12 January 2021:	
Balance at 1 July 2020	2,750,000
Options expired during the year	(2,550,000)
Options exercised during the year	(200,000)
Balance at 30 June 2021	-
Unquoted Options exercisable on or before 10 May 2023:	
Balance at 1 July 2020	8,250,000
Options exercised during the year	(250,000)
Balance at 30 June 2021	8,000,000
Unquoted Options exercisable on or before 1 January 2024:	
Balance at 1 July 2020	-
Options issued during the year	4,350,000
Balance at 30 June 2021	4,350,000
Unquoted Options exercisable on or before 15 June 2022:	
Balance at 1 July 2020	6,849,834 ⁽ⁱ⁾
Options issued during the year	-
Options exercised during the year	(536,667)
Balance at 30 June 2021	6,313,167
Balance at end of year	18,663,167

(i) 1 for 2 free attaching unquoted option exercisable at \$0.25 on or before 15 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: ISSUED CAPITAL (CONT'D)

PERFORMANCE RIGHTS

	Number
Movement in performance rights	
Balance at 1 July 2020	-
Granted during period	3,150,000
Performance Rights converted during period	(500,000)
Balance at 30 June 2021	<u>2,650,000</u>

During the period ended 30 June 2021, the Company issued 3,150,000 performance rights in three different classes (Class A, B & C) to technical consultants of the Company under the Incentive Plan. A total of 500,000 Class A performance rights had vested and exercised during the period. This resulted in the issue of 500,000 fully paid ordinary shares and transfer of \$172,500 to share capital. The remaining Class B and C performance rights as of 30 June 2021 remain unvested. Refer to Note 13 for details on Share-based payments.

NOTE 12: RESERVES

Nature and purpose of reserves

Share-based payments reserve

This reserve is used to record the value of equity benefits provided to employees, consultants and Directors as part of their remuneration. Refer to note 13 for further details of these plans.

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Balance at beginning of period	2,553,709	2,541,250
Issue of options to consultants and directors	219,462	12,459
Vesting of performance rights	440,836	-
Conversion of performance rights to shares	(172,500)	-
	<u>3,041,507</u>	<u>2,553,709</u>

NOTE 13: SHARE-BASED PAYMENTS

Equity based shares

The Company issued during the year ended 30 June 2021, a total of 814,285 fully paid ordinary shares to technical consultants of the Company. The total value of fully paid ordinary shares in accordance with their respective issue dates is \$248,000. In addition, the Company issued acquisition shares of \$90,000.

Share Options

The expense recognised in the statement of comprehensive income is \$714,618 comprising of vested and unvested options for the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13: SHARE-BASED PAYMENTS (CONT'D)

The following share-based payment arrangements were in place during the prior and current period:

	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$	Vesting Conditions
Unquoted Options	3,875,000	04/05/2020	10/05/2023	\$0.20	\$0.0564	(i)
Unquoted Options	4,125,000	04/05/2020	10/05/2023	\$0.20	-	(ii)
Unquoted Options	3,500,000	23/04/2021	1/01/2024	\$0.50	\$0.1738	(iii)
Unquoted Options	275,000	29/01/2021	1/01/2024	\$0.50	\$0.1816	(iii)
Unquoted Options	150,000	19/02/2021	1/01/2024	\$0.50	\$0.1586	(iii)
Unquoted Options	275,000	29/01/2021	1/01/2024	\$0.50	\$0.1816	(iv)
Unquoted Options	150,000	19/02/2021	1/01/2024	\$0.50	\$0.1586	(iv)

- (i) Class A Incentive Options: Class A Incentive Options vested upon grant of mining licence M51/883 (Gabanintha Project) to the Company (Class A Milestone).
- (ii) Class B Incentive Options: Each Class B Incentive Option will be exercisable if, at any time within the three (3) year period following the Issue Date, the Company progresses to a final investment decision for the development of a vanadium plant at its Gabanintha Project (Class B Milestone).
- (iii) Class C Incentive Options: Class C Incentive Options vest, 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 (Class C Milestone).
- (iv) Class D Incentive Options: Class D Incentive Options vest, 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 (Class D Milestone).

Number	Underlying share price \$	Exercise Price \$	Expected volatility	Expected dividends	Risk free rate	Value per option \$
3,500,000	\$0.37	\$0.50	90%	Nil	0.24	\$0.1738
550,000	\$0.37	\$0.50	90%	Nil	0.24	\$0.1816
300,000	\$0.34	\$0.50	90%	Nil	0.24	\$0.1586

The fair value of the options at grant date was determined using a Black Scholes pricing method that took into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The table above lists the inputs to the model used for valuation of the unlisted options. There has been no alteration of the terms and conditions of the above share-based payment arrangement since grant date. The fair value of the equity-settled share options granted under both the option and the loan plans is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13: SHARE-BASED PAYMENTS (CONT'D)

The following table illustrates the number (No.) and weighted average exercise prices of, and movements in, share options issued during the period:

30 June 2021		
	Number	Weighted average exercise price \$
Outstanding at the beginning of the period	11,000,000	\$0.24
Listed options granted during the period	-	-
Unlisted options granted during the period	4,350,000	\$0.50
Exercised during the period	(450,000)	\$0.27
Expired during the period	(2,550,000)	\$0.35
Outstanding at the end of period	12,350,000	\$0.31
Exercisable at the end of period	-	-

30 June 2020		
	Number	Weighted average exercise price \$
Outstanding at the beginning of the period	35,487,084	\$0.317
Listed options granted during the period	-	-
Unlisted options granted during the period	8,250,000	\$0.22
Forfeited during the period	-	-
Exercised during the period	-	-
Expired during the period	(32,737,084)	\$0.33
Outstanding at the end of period	11,000,000	\$0.24
Exercisable at the end of period	2,750,000	\$0.35

The share options outstanding at the end of the period had a weighted average exercise price of \$0.29.

The fair value of the equity-settled share options granted under both the option and the loan plans is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Performance Rights Granted During the Year

Performance Rights	Class A ⁱⁱ	Class B ⁱⁱ	Class C ⁱⁱ
Number	500,000	1,325,000	1,325,000
Grant date	6 November 2020	Various dates ⁱ	Various dates ⁱ
Expiry date	30 October 2023	30 October 2023	30 October 2023
Probability (%)	100%	100%	100%
Value per Right	\$0.35	Various values ⁱ	Various values ⁱ
Total Value	\$172,500	\$465,750	\$465,750
Charge in the year	\$172,500	\$166,500	\$101,836

ⁱ 900,000 Class B and C Performance Rights granted on 6 November 2020 at value of \$0.35 per right. 425,000 Class B and C Performance Rights granted on 29 January 2021 at value of \$0.37 per right. 425,000 Class B and C Performance Rights granted on 19 February 2021 at value of \$0.37 per right.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13: SHARE-BASED PAYMENTS (CONT'D)

ⁱⁱ Class A Performance Rights: Each Class A 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 execution of an updated consultancy agreement with the recipient.

Class B Performance Rights: 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 formal investment decision (FID) for the Yarrabubba Project prior to 30 October 2023.

Class C Performance Rights: 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 for the Yarrabubba Project prior to 30 October 2023.

NOTE 14: FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged during the financial year.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings. Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

Categories of financial instruments

	Weighted Average Interest Rate	Consolidated Balance \$
As at 30 June 2021		
<u>Financial assets</u>		
Cash and cash equivalents	0.21%	5,586,108
Other financial assets (GST receivables)	-	297,975
<u>Financial liabilities</u>		
Trade and other payables	-	667,224
As at 30 June 2020		
<u>Financial assets</u>		
Cash and cash equivalents	1.50%	3,180,834
Other financial assets (GST receivables)	-	172,561
<u>Financial liabilities</u>		
Trade and other payables	-	275,147

Financial risk management objectives

The Group is exposed to market risk (including interest rate risk and liquidity risk). The use of financial derivatives is governed by the Group's policies approved by the board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 14: FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at balance date and the stipulated change taking place at the beginning of the financial period and held constant throughout the reporting period.

A 10-basis point increase is used when reporting interest rate risk internally to management and represents management's assessment of the change in interest rates.

At balance date, if interest rates had been 10 basis points higher or lower and all other variables were held constant, the Group's:

- Profit or loss would increase/decrease by \$5,217 (2020: \$3,180)
- Net Equity would increase/decrease by \$5,217 (2020: \$3,180)

The fair value of the Group's financial assets and financial liabilities at balance date approximates their carrying amounts.

A maturity analysis of financial instruments is not presented due to the short term nature all financial instruments at balance date.

NOTE 15: COMMITMENTS AND CONTINGENCIES

Officers Remuneration Commitments

The Group entered into remuneration commitments with all the non-executive directors of the Group effective 20 December 2016, for all services rendered from this date forward. The non-executive director and non-executive chairman salaries has been set at \$40,000 and \$80,000 respectively. Remuneration of non-executive directors is reviewed annually.

Effective 20 December 2016, the Group entered into an executive director service agreement with Mr Prentice (Managing Director Agreement). Under the Executive Director Agreement, Mr Prentice is engaged to provide services to the Group in the capacity of Executive Director, based in Perth, Western Australia. Mr Prentice is to be paid remuneration of \$180,000 per annum. Effective from 1 January 2021, the Board approved to increase Mr Prentice's remuneration from \$180,000 to \$240,000. The Managing Director Agreement can be terminated by three month's written notice from the Company, while Mr Prentice can terminate by providing one months written notice.

Administration Agreement

On 10 October 2016, the Group entered into an agreement with Cicero Corporate Services Pty Ltd (an entity in which Mr Cheema is shareholder and partner) ("Cicero") defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent, book-keeping, company secretarial and administration services to the Company for a monthly fee of \$10,000 plus GST.

Tenement Related Commitments and Contingencies

In order to maintain rights of tenure of its Australian located mineral tenements, the Company is required to outlay certain amounts in respect of rent and minimum expenditure requirements set by the Western Australian State Government Mines Department. The Company's commitments to meet this minimum level of expenditure are approximately \$164,604 (2020: \$201,685) annually.

Exemption from incurring this annual level of expenditure may be granted where access to the tenement are is restricted for reasons beyond the Company's control such as where native title issues restrict the Company's ability to explore in the project area. The Company is not aware of any such restrictions to exploration in the coming year it does not anticipate seeking any exemption to reduce this annual requirement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 15: COMMITMENTS AND CONTINGENCIES (CONT'D)

	Consolidated 30 June 2021	Consolidated 30 June 2020
Commitments for exploration expenditure on Western Australian Projects	\$	\$
Not longer than 1 year	164,604	209,770
Longer than 1 year and less than 2 years	184,604	209,770
Longer than 2 year and less than 5 years	258,024	629,310
	<u>607,232</u>	<u>1,046,850</u>

NOTE 16: RELATED PARTY DISCLOSURES

Transactions with Key Management Personnel

	Consolidated 30 June 2021	Consolidated 30 June 2020
Short-term employee benefits	312,333	275,997
Other long-term benefits	-	-
Share-based payments	156,244	9,481
	<u>468,577</u>	<u>285,478</u>

Other Transactions with Key Management Personnel

On 10 October 2016, the Group entered into an agreement with Cicero Corporate Services Pty Ltd (an entity in which Mr Cheema is shareholder and director) (**Cicero**) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent, book-keeping, company secretarial and administration services to the Company for a monthly fee of \$10,000 plus GST. Fees paid to Cicero for the period ending 30 June 2021 is \$120,000 (exc. GST).

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

On 23 September 2021, TMT announced that it had 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 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.

There have not been any other significant changes in the state of affairs during the year ended 30 June 2021 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Group.

NOTE 18: CONTINGENT LIABILITIES

There were no contingencies as at 30 June 2021 (2020: \$Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 19: INTERESTS IN SUBSIDIARIES

Details of subsidiaries held are described below.

Transactions with subsidiaries

The consolidated financial statements include the financial statements of Technology Metals Australia Limited and the subsidiaries listed in the following table.

		% Equity interest	Investment
		30 June	30 June
	Country of	2021	2021
	incorporation	\$	\$
The Kop Ventures Pty Ltd	Australia	100%	3,488,235

Technology Metals Australia Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in this note. Details of transactions between the Group and other related entities are disclosed in Note 16.

NOTE 20: PARENT ENTITY DISCLOSURES

Financial position

	Year Ended	Year Ended
	30 June	30 June
	2021	2020
	\$	\$
<u>Assets</u>		
Current assets	5,883,680	3,352,993
Non-current assets	27,639,269	21,920,087
Total assets	33,522,949	25,273,080
<u>Liabilities</u>		
Current liabilities	655,953	283,324
Non-current liabilities	-	-
Total liabilities	655,953	283,324
<u>Equity</u>		
Issued capital	34,737,881	25,765,250
Reserves	3,041,507	2,553,709
Accumulated losses	(4,912,392)	(3,329,203)
Total equity	32,866,996	24,989,756

Financial performance

	Year Ended	Year Ended
	30 June	30 June
	2021	2020
	\$	\$
(Loss)/Gain for the period	(1,583,189)	1,282,670
Other comprehensive income	-	-
Total comprehensive (loss)/income	(1,583,189)	1,282,670

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 21: AUDITOR'S REMUNERATION

The auditor of Technology Metals Australia Limited is HLB Mann Judd.

	Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$
<i>Auditor of the parent entity</i>		
Audit or review of the financial statements	35,501	33,966
	35,501	33,966

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Technology Metals Australia Limited (the 'Company'):
 - a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the period then ended; and
 - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial period ended 30 June 2021.

This declaration is signed in accordance with a resolution of the board of Directors.

Michael Fry
Chairman



Dated this 27th day of September 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Technology Metals Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Technology Metals Australia Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Technology Metals Australia Limited is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of their financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company and the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Deferred exploration and evaluation expenditure Refer to Note 9 of the financial report	
In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Exploration and evaluation expenditure was determined to be a key audit matter as it is important to the users' understanding of the financial statements as a whole and was an area which involved the most audit effort and communication with those charged with governance.	Our procedures included but were not limited to the following: - Obtaining an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation; - Considering the Directors' assessment of potential indicators of impairment in addition to making our own assessment; - Obtaining evidence that the Group has current rights to tenure of its areas of interest; - Considering the nature and extent of future planned ongoing activities; - Substantiating a sample of expenditure by agreeing to supporting documentation; and - Examining the disclosures made in the annual report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Technology Metals Australia Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
27 September 2021



D I Buckley
Partner

ADDITIONAL SECURITIES EXCHANGE INFORMATION

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The shareholder information set out below was applicable as at 22 September 2021.

1. Distribution of Shareholders

Analysis of number of shareholders by size of holding:

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	75	22,272	0.01%
above 1,000 up to and including 5,000	443	1,273,603	0.85%
above 5,000 up to and including 10,000	286	2,280,316	1.52%
above 10,000 up to and including 100,000	605	22,290,529	14.84%
above 100,000	191	124,311,337	82.78%
Totals	1,600	150,178,057	100.00%

2. Twenty Largest Shareholders

The names of the twenty largest holders by account holding of ordinary shares are listed below:

Position	Holder Name	Holding	% IC
1	BNP PARIBAS NOMS PTY LTD <UOB KH P/L AC UOB KH DRP>	16,128,239	10.74%
2	GREAT SOUTHERN FLOUR MILLS PTY LTD	14,000,000	9.32%
3	COLIN DAVID ILES	5,051,189	3.36%
4	STATION NOMINEES PTY LTD <STATION SUPER FUND A/C>	5,000,000	3.33%
5	RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	4,421,396	2.94%
6	ATASA HOLDINGS PTY LTD <TS3A FAMILY A/C>	3,918,936	2.61%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,109,638	2.07%
8	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,221,753	1.48%
9	MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY <DALY FAMILY S/F TOM A/C>	1,925,513	1.28%
10	PERRIWINKLE INVESTMENTS PTY LTD	1,897,961	1.26%
11	MR DAVID JAMES HARRINGTON	1,870,000	1.25%
12	CITICORP NOMINEES PTY LIMITED	1,720,626	1.15%
13	MR JACOB EDWARDS & MRS CATHY EDWARDS	1,702,671	1.13%
14	RETZOS FAMILY PTY LTD <RETZOS FAMILY S/FUND A/C>	1,651,322	1.10%
15	MR PAUL VENDA DIVIN	1,601,142	1.07%
16	SHAYDEN NOMINEES PTY LTD	1,564,866	1.04%
17	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	1,390,770	0.93%
18	RONAY INVESTMENTS PTY LTD	1,381,310	0.92%
19	PASIAS HOLDINGS PTY LTD	1,325,811	0.88%
20	MR JOHN MOSS	1,071,720	0.71%
	Total	72,954,863	48.58%
	Total issued capital - selected security class(es)	150,178,057	100.00%

ADDITIONAL SECURITIES EXCHANGE INFORMATION

3. Securities Table

Capital Structure

ORDINARY FULLY PAID SHARES	150,178,057
Unquoted Options (\$0.20 – 10/05/23 expiry)	8,000,000
Unquoted Options (\$0.25 – 15/06/22 expiry)	6,313,167
Unquoted Options (\$0.50 – 15/06/22 expiry)	4,350,000
Performance Rights	2,650,000

4. Substantial Shareholders

As at 22 September 2021 the substantial shareholders were as follows:

Name of Shareholder	No of Shares	% of Issued Capital
BNP PARIBAS NOMS PTY LTD <UOB KH P/L AC UOB KH DRP>	16,305,792	10.86%
GREAT SOUTHERN FLOUR MILLS PTY LTD	14,000,000	9.32%

5. Voting Rights

At a general meeting of shareholders:

- (a) On a show of hands, each person who is a member or sole proxy has one vote.
- (b) On a poll, each shareholder is entitled to one vote for each fully paid share.

6. Tenement interests

LOCATION	TENEMENT	INTEREST	ECONOMIC INTEREST
Gabarintha Project (WA)	E51/1818	Nil	100%
Gabarintha Project (WA)	E51/1510	Nil	100%
Gabarintha Project (WA)	G51/29	Nil	100%
Gabarintha Project (WA)	G51/30	Nil	100%
Gabarintha Project (WA)	L51/101	Nil	100%
Gabarintha Project (WA)	L51/102	Nil	100%
Gabarintha Project (WA)	M51/883	Nil	100%
Gabarintha Project (WA)	P51/2930	Nil	100%
Gabarintha Project (WA)	P51/3140	Nil	100%
Gabarintha Project (WA)	G51/31	Application	100%
Gabarintha Project (WA)	L51/117	Application	100%
Gabarintha Project (WA)	E51/2056	Application	100%
Yarrabubba Project (WA)	M51/884	Nil	100%
Yarrabubba Project (WA)	L51/113	Application	100%



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