



TECHNOLOGY
METALS AUSTRALIA LIMITED

ABN 64 612 531 389

Interim Financial Report
31 December 2021

CONTENTS

DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	8
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	9
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	10
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	12
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	13
DIRECTORS' DECLARATION	20
INDEPENDENT AUDITOR'S REVIEW REPORT	21

DIRECTORS' REPORT

The directors of Technology Metals Australia Limited (**ASX: TMT**) (**Company** or **Technology Metals**) submit herewith the interim financial report of the Company and the entities it controlled during the period ("the Group") for the half year ended 31 December 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 half year and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Mr Michael Fry

Non-Executive Chairman

Appointed 20 May 2016

Michael 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.

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.

Mrs Jacqueline Murray

Non-Executive Director

Appointed 13 October 2021

Following the investment by Resources Capital Fund (**RCF**) during the September quarter of 2021, the Company had appointed RCF partner, Mrs Jacqueline Murray to the Board as a Non-Executive Director.

Mrs Murray joined RCF in 2012 after working in business analysis and improvement roles with BHP Billiton. Prior to this she worked in various geotechnical engineering roles in underground and open pit operations within BHP Billiton and WMC Resources. Mrs Murray holds an MBA from Melbourne Business School and a Bachelor of Geological Engineering from RMIT University. She is a graduate of the Australian Institute of Company Directors and currently serves on the Board of Directors of Alliance Mining Commodities and Khoemacau Copper Mining. Mrs Murray stood for re-election at the Company's Annual General Meeting in November and was re-elected with 99.98% support.

Mr Sonu Cheema

Non-Executive Director and Company Secretary

Appointed 20 May 2016

Mr Cheema holds a Bachelor of Commerce majoring in Accounting at Curtin University and is a member of CPA Australia. Mr Cheema is a Partner of Cicero Corporate Services Pty Ltd and has over 10 years' experience working with public and private companies in Australia and abroad. Currently Mr Cheema is also Company Secretary for eMetals Limited (ASX: EMT), Avira Resources Limited (ASX: AVW), Silver City Minerals Limited (ASX: SCI), and Yojee Limited (ASX: YOJ).

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS

The Company progressed the Murchison Technology Metals Project (**MTMP**), comprising the Gabanintha and Yarrabubba Projects, during the reporting period. The MTMP is located to the southeast of Meekatharra in the Murchison Region of Western Australia.

The Gabanintha Vanadium Project has been subject of a Definitive Feasibility Study (**DFS**), with the results announced in August 2019.

During the reporting period, the Company advanced work on the Yarrabubba Project (**Yarrabubba**). Whilst activities at the beginning of the reporting period focused on the development of Yarrabubba as a standalone iron-vanadium concentrate project, analysis during the period identified the potential benefits of integrating Yarrabubba feedstock early in the life of the MTMP to complement and further enhance the economics of the Gabanintha high purity vanadium project (**GVP**).

Yarrabubba's higher vanadium in concentrate grades (compared to Gabanintha), along with scope to generate a titanium by-product, indicate the potential to reduce operating costs in the early years of the project and materially increase the projects operating life, lowering the implementation risk of the full MTMP development. Analysis showed that the 'vanadium' product strategy for Yarrabubba is expected to enhance processing efficiencies and produce a better economic outcome than the 'iron-vanadium' strategy.

Importantly, the strategic review highlighted the opportunity to bring forward the delivery of vanadium production for the integrated MTMP, supporting growth in vanadium consumption and the rapidly emerging Vanadium Redox Flow Battery (**VRFB**) industry.

The integration strategy to combine Yarrabubba and the GVP and advancement of the development of the MTMP ore is supported by new cornerstone investor, RCF VII, which contributed A\$13.5 million towards a A\$20 million capital raise during the period.

The Company's focus for the remainder of the reporting period was progressing the MTMP Integration Study, incorporating metallurgical testwork to confirm the performance of Yarrabubba concentrates through the GVP roast – leach circuit and commencing open pit mine scheduling to optimise the sequencing of ore sources across the MTMP.

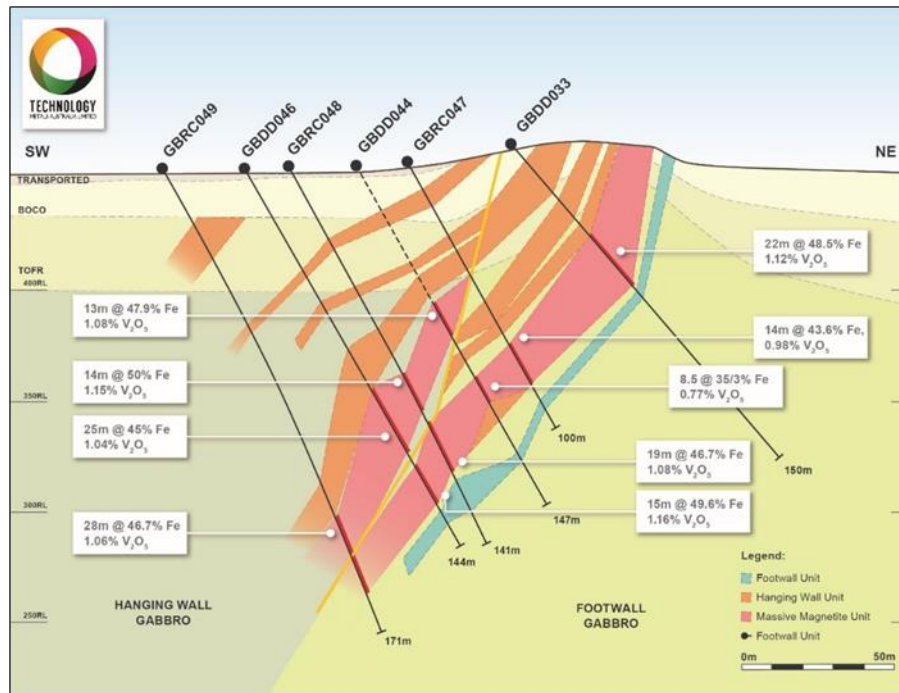
The main components of the Integration Study are:

- Updated Yarrabubba Mineral Resource estimate (completed)
- Yarrabubba metallurgical testwork
- Process plant design optimisation
- Yarrabubba open pit mine design assessment
- Yarrabubba Ore Reserve update

Results of infill Mineral Resource drilling completed at Yarrabubba in the previous period were received during the reporting period. This drilling was designed to both expand the Mineral Resource estimate as well as increase the confidence of the Inferred components to Indicated category. Drilling in the south-east of Yarrabubba identified thickening of the orebody with results including:

- GBRC145: 24m @ 1.13% V₂O₅, 50.2% Fe and 12.8% TiO₂ from 176m
- GBDD057: 26.5m @ 1.06% V₂O₅, 46.6% Fe and 12.1% TiO₂ from 21.5m
- GBDD046: 67m @ 0.81% V₂O₅, 36.6% Fe and 9.4% TiO₂ from 69m
 - including 25m @ 1.04% V₂O₅, 45.4% Fe and 11.8% TiO₂ from 84m,
 - and 15m @ 1.16% V₂O₅, 49.6% Fe and 13% TiO₂ from 114m.

The drilling results were used to update the Mineral Resource estimate for Yarrabubba during the reporting period, delivering a 32% increase to the Mineral Resource estimate to 36.6Mt at 0.8% V₂O₅. The updated resource estimate includes an Indicated Mineral Resource Estimate of 20.2Mt at 0.9% V₂O₅, representing a 110% increase on the previous maiden Indicated Mineral Resource Estimate, and a high-grade component of 19Mt at 1.1% V₂O₅.



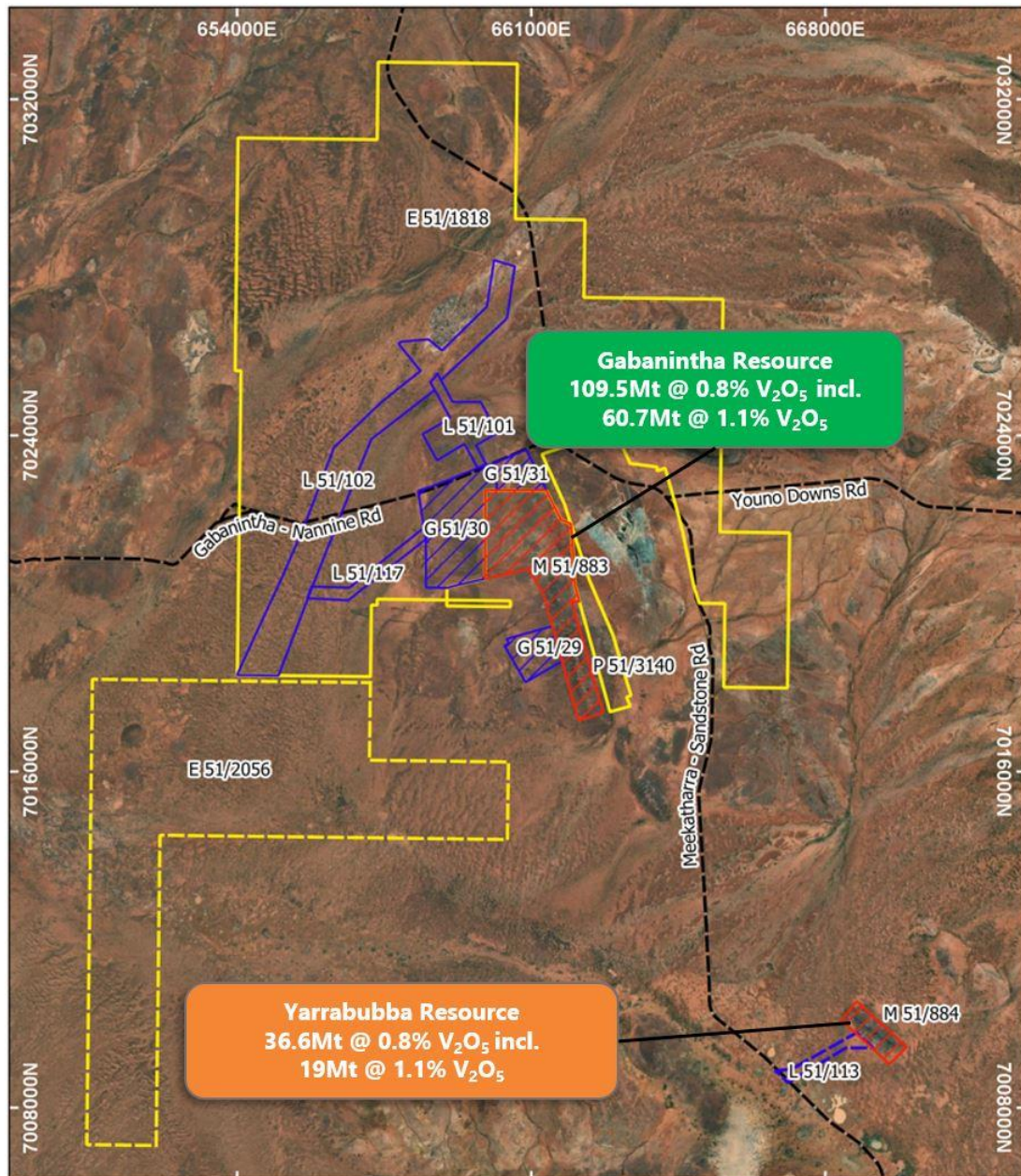
The update to the Yarrabubba Mineral Resource estimate delivered an increased Global Mineral Resource Estimate for the MTMP of 146.2Mt at 0.9% V₂O₅, which includes a high-grade component to 79.8Mt at 1.1% V₂O₅.

Significantly the Global Measured and Indicated Mineral Resource Estimate for the MTMP increased by 27% to 50.2Mt at 0.9% V₂O₅. Material classified as Measured and Indicated within the Global Mineral Resource Estimate for the MTMP only includes fresh mineralisation, with oxide mineralisation either allocated to the Inferred Mineral Resource category or being unclassified (i.e. not included in the Mineral Resource Estimate) based on assessment of metallurgical recovery factors.

Table 1: Global Mineral Resource estimate for the MTMP as at 10 November 2021

Material Type	Classification	Mt	V ₂ O ₅ %	Fe%	Al ₂ O ₃ %	SiO ₂ %	TiO ₂ %	LOI%	P%	S%
Massive Magnetite	Measured (North)	1.2	1.0	44.7	6.2	10.4	11.4	0.0	0.009	0.2
	Indicated (North)	18.5	1.1	49.1	5.2	5.8	12.9	-0.1	0.007	0.2
	Indicated (South)	12.0	1.1	48.2	5.4	7.4	12.5	1.8	0.010	0.3
	Total Indicated	30.6	1.1	48.8	5.3	6.4	12.7	0.6	0.008	0.2
	Inferred (North)	41.0	1.1	47.7	5.6	7.1	12.6	0.3	0.008	0.2
	Inferred (South)	7.0	1.1	47.4	5.7	8.3	12.3	2.1	0.010	0.3
	Total Inferred	48.1	1.1	47.7	5.6	7.3	12.6	0.5	0.008	0.2
	Massive Global	79.8	1.1	48.1	5.5	7.0	12.6	0.6	0.008	0.2
Disseminated / Banded Magnetite	Indicated (North)	10.3	0.6	28.6	13.1	25.5	7.5	3.0	0.030	0.2
	Indicated (South)	8.1	0.6	28.5	12.0	25.2	7.3	2.4	0.018	0.2
	Total Indicated	18.4	0.6	28.6	12.6	25.4	7.4	2.7	0.025	0.2
	Inferred (North)	38.5	0.5	27.1	12.7	27.4	6.9	3.3	0.027	0.2
	Inferred (South)	9.4	0.5	26.6	13.3	27.1	6.9	2.4	0.014	0.3
	Total Inferred	47.9	0.5	27.0	12.8	27.4	6.9	3.1	0.025	0.2
	Diss / Band Global	66.3	0.5	27.4	12.8	26.8	7.0	3.0	0.025	0.2
Combined	Global Combined	146.2	0.8	38.7	8.8	16.0	10.1	1.7	0.016	0.2

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



Work is underway to update the Yarrabubba Ore Reserve estimate to be integrated into an expanded Global Ore Reserve estimate for the MTMP.

The MTMP Integration Study is on track for completion in mid 2022.

A decision around WA Environmental Protection Authority (**EPA**) environmental approval for the development of processing and supporting infrastructure at the GVP is also expected in mid 2022. The Company referred the GVP to the 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 have been completed between 2017 and 2021 to address the key environmental factors in relation to the development of the GVP, with a compilation of the data collected and preparation of a draft Environmental Review Document (**ERD**) completed early in 2021.

Feedback on the draft ERD was received at the beginning of the period with the Company and its environmental consultants updating and revising the ERD over the course of the period to address this feedback and incorporate new data. The Company submitted the revised ERD to the EPA subsequent to the end of the period.

The Company is targeting a project development decision in the second half of 2022.

TENEMENTS

All tenure required for the development of the GVP, 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 associated with the GVP (see Table 1) is in place.

During the period General Purpose Lease G51/31, for a future solar farm and mining infrastructure, and Miscellaneous Licence L51/117, in support of bore field infrastructure, were granted. E51/2056 covering the southern extension of the Gabanintha bore field, remains pending. TMT management continues to engage with representatives of the native title holders in the Project area, with discussions to date having been very productive and the Company expects to achieve a mutually beneficial outcome, laying the foundation for a long and rewarding operating relationship in the region.

Table 2: Tenement Status as at 7 March 2022

LOCATION	TENEMENT	INTEREST ACQUIRED OR DISPOSED	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	Granted	100%
Gabanintha Project (WA)	L51/117	Granted	100%
Gabanintha Project (WA)	E51/2056	Application	100%
Yarrabubba Project (WA)	M51/884	Nil	100%
Yarrabubba Project (WA)	L51/113	Application	100%

Miscellaneous Licence L51/113 at Yarrabubba, an application designed to replace an earlier application L51/108 as a haulage corridor connecting the Yarrabubba Mining Lease (M51/884) with the Meekatharra – Sandstone Road, is subject to an objection. The Company continues to work with the objector to resolve the objection as well as continuing with standard regulatory processes.

Corporate

As a key component of the timely progression of the development of the MTMP Mr David English, a mining project delivery professional, had been appointed to the newly created role of Chief Operating Officer. David was previously engaged by the Company as Project Director to support the GVP DFS, with his return to the Company as COO ensuring the knowledge he gained from his earlier involvement will be fully utilised as the MTMP Integration Study progresses.

David brings a wealth of project development and operational experience gained from nearly 40 years working in the mining industry including some of Western Australia's major recent project developments.

His experience includes:

- Project Manager for IGO Limited's Nova Nickel Project including, overseeing the project's Definitive Feasibility Study, environmental approvals and ultimately delivery of construction safely, on-time and on-budget;
- Project Manager for Sandfire Resources' DeGrussa Project, overseeing the design, construction, commissioning and handover of all processing and infrastructure facilities;
- General Manager Operations at the Windimurra Vanadium Project from February 2008 until February 2010, involved in the process of re-developing the project, including environmental approvals and permitting,

commissioning and project ramp up;

- Project Consultant to the Oz Minerals' West Musgrave Project;
- Project Director for the Covalent Lithium feasibility study;
- Project development and operations leadership roles in various commodities including iron ore, gold, nickel, copper, vanadium, lithium and lead.

David's track record of project delivery combined with his experience at the Windimurra Vanadium Project will be invaluable as it is applied to the timely progression of the MTMP Integration Study and subsequent design and implementation of the project development strategy.

David commenced in his role as COO in early January 2022.

Appointment of Jacqueline Murray to the Board

Following the investment by Resources Capital Fund (RCF) during the September quarter, the Company has appointed RCF partner, Mrs Jacqueline Murray to the Board as a Non-Executive Director. Mrs Murray joined RCF in 2012 after working in business analysis and improvement roles with BHP Billiton. Prior to this she worked in various geotechnical engineering roles in underground and open pit operations within BHP Billiton and WMC Resources. Mrs. Murray holds an MBA from Melbourne Business School and a Bachelor of Geological Engineering from RMIT University. She is a graduate of the Australian Institute of Company Directors and currently serves on the Board of Directors of Alliance Mining Commodities and Khoemacau Copper Mining. Mrs Murray stood for re-election at the Company's Annual General Meeting in November and was re-elected with 99.98% support.

Competent Persons Statement

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

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.

Significant events after balance date

On 21 January 2022, TMT announced that it had mutually agreed with LE System Co., Ltd (LES), a leading Japanese electrolyte R&D company, to extend and expand the MOU executed in March 2021. The expanded MOU provides the framework for TMT and LES to jointly undertake a Feasibility Study into the development of vanadium electrolyte production capacity in Australia, utilising vanadium product from the Murchison Technology Metals Project (MTMP) and LES' proprietary vanadium electrolyte technology. LES will provide technical support and collaboration under a technology licensing agreement.

There have not been any other significant changes in the state of affairs during the half year ended 31 December 2021 that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Group.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Group with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 8 and forms part of this Directors' report for the half year ended 31 December 2021. This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Michael Fry

Chairman

15 March 2022

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Technology Metals Australia Limited for the half-year ended 31 December 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
15 March 2022



D I Buckley
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2021

		CONSOLIDATED 31 December 2021	CONSOLIDATED 31 December 2020
	Notes	\$	\$
Continuing operations			
Other income	2(a)	14,289	5,343
Administration expenses	2(b)	(451,972)	(335,812)
Director fees		(180,708)	(125,000)
Exploration expenses		(313,652)	(457,834)
Share-based payments	7	(662,846)	(459,348)
Depreciation		(607)	-
Loss before income tax		(1,595,496)	(1,372,651)
Income tax benefit (R&D tax rebate)		-	560,916
Net loss for the period		(1,595,496)	(811,735)
Other comprehensive income, net of income tax		-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the period		(1,595,496)	(811,735)
Basic and diluted (loss) per share (cents per share)		(0.95)	(0.64)

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		CONSOLIDATED	CONSOLIDATED
		31 December	30 June
		2021	2021
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents		21,699,265	5,586,108
Trade and other receivables		211,098	297,975
Total current assets		21,910,363	5,884,083
Non-current assets			
Property, plant and equipment		38,691	-
Deferred exploration and evaluation expenditure	4	29,357,504	27,650,137
Total non-current assets		29,396,195	27,650,137
Total assets		51,306,558	33,534,220
Liabilities			
Current liabilities			
Trade and other payables		297,269	667,224
Total current liabilities		297,269	667,224
Total liabilities		297,269	667,224
Net assets		51,009,289	32,866,996
Equity			
Issued capital	5	53,812,824	34,737,881
Reserves	6	3,704,353	3,041,507
Accumulated Losses		(6,507,888)	(4,912,392)
Total Equity		51,009,289	32,866,996

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Issued capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2020	25,765,250	2,553,709	(3,343,927)	24,975,032
Loss for the period	-	-	(811,735)	(811,735)
Other comprehensive income for the period, net of income tax	-	-	-	-
Total comprehensive loss for the period	-	-	(811,735)	(811,735)
Proceeds from Shares Issued	8,902,387	-	-	8,902,387
Share Based Payments	420,100	39,248	-	459,348
Share issue costs	(358,742)	-	-	(358,742)
Balance at 31 December 2020	34,728,995	2,592,957	(4,155,662)	33,166,290

	Issued capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2021	34,737,881	3,041,507	(4,912,392)	32,866,996
Loss for the period	-	-	(1,595,496)	(1,595,496)
Other comprehensive income for the period, net of income tax	-	-	-	-
Total comprehensive loss for the period	-	-	(1,595,496)	(1,595,496)
Proceeds from Shares Issued	20,037,500	-	-	20,037,500
Share Based Payments	-	662,846	-	662,846
Share issue costs	(962,557)	-	-	(962,557)
Balance at 31 December 2021	53,812,824	3,704,353	(6,507,888)	51,009,289

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	CONSOLIDATED 31 December 2021 \$	CONSOLIDATED 31 December 2020 \$
Cash flows from operating activities		
Payments to suppliers and employees	(696,410)	(909,138)
Interest received	6,289	5,343
Research and development incentive received	-	560,915
Net cash outflow from operating activities	(690,121)	(342,879)
Cash flows from investing activities		
Property, Plant and Equipment	(35,390)	(10,831)
Deferred exploration expenditure	(2,138,520)	(1,746,483)
Net cash outflow from investing activities	(2,173,910)	(1,757,314)
Cash flows from financing activities		
Proceeds from the issue of shares net of costs	18,977,188	8,394,025
Net cash inflow from financing activities	18,977,188	8,394,025
Net increase in cash held	16,113,157	6,293,832
Cash and cash equivalents at the beginning of the period	5,586,108	3,180,834
Cash and cash equivalents at the end of the period	21,699,265	9,474,666

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

This financial report is to be read in conjunction with the annual financial statements for the year ended 30 June 2021 and any public announcements made by Technology Metals Australia Limited during the interim reporting period in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and the ASX listing rules.

Accounting policies and methods of compilation

The accounting policies and methods of compilation adopted are consistent with those of the previous financial year, and corresponding interim reporting period, except for the impact of the new and revised Standards and Interpretations effective 1 July 2021 as disclosed below. These accounting policies are consistent with the Australian Accounting Standards and with International Financial Reporting Standards.

Basis of preparation

For the purposes of preparing the interim financial report, the half year has been treated as a discrete reporting period.

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.

Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the keys sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2021.

Going concern

This financial information has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

Adoption of new and revised standards

In, the half year ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half year reporting periods beginning on or after 1 July 2021.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of new and revised standards (continued)

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to the Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half year ended 31 December 2021. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change necessary to the Group's accounting policies.

NOTE 2: REVENUE AND EXPENSES

	CONSOLIDATED December 2021 \$	CONSOLIDATED December 2020 \$
(a) Other income		
Finance revenue - bank interest	6,289	5,343
Equipment hire income	8,000	-
Total	<u>14,289</u>	<u>5,343</u>
(b) Administration expense		
Legal fees	125,486	58,933
Marketing	124,849	81,872
Audit fees	-	31,480
Professional fees	74,222	54,000
Other administrative expenses	127,415	109,525
Total	<u>451,972</u>	<u>335,810</u>

NOTE 3: 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 4: DEFERRED EXPLORATION AND EVALUATION

	Consolidated 6 months to 31 December 2021 \$	Consolidated 12 months to 30 June 2021 \$
Balance at beginning of the period	27,650,137	21,904,076
Expenditure during the period	1,707,367	5,656,061
Ordinary shares issued for acquisition of tenements and royalty during the period	-	90,000
	<u>29,357,504</u>	<u>27,650,137</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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 5: EQUITY

ISSUED CAPITAL

Ordinary shares issued and fully paid

	Consolidated As at 31 December 2021 <i>Number</i>	Consolidated As at 31 December 2021 \$	Consolidated As at 30 June 2021 <i>Number</i>	Consolidated As at 30 June 2021 \$
(i) Movement in ordinary shares				
Balance at beginning of the period	150,178,057	34,737,881	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 a 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
Shares issued as part of a placement on 5 October 2021	36,357,014	13,633,880		
Options exercised on 26 Nov 2021	150,000	37,500	-	-
Shares issued as part of a placement on 26 November 2021	16,976,319	6,366,120	-	-
Share issue costs	-	(962,557)	-	(534,022)
Balance at end of period	203,661,390	53,812,824	150,178,057	34,737,881

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 5: EQUITY (continued)

OPTIONS

	Consolidated 6 months to 31 December 2021 Number	Consolidated As at 30 June 2021 Number
Movement in options		
Options exercisable on or before 12 January 2021		
Balance at start of period	-	2,750,000
Options expired during period	-	(2,550,000)
Options exercised during period	-	(200,000)
Balance at end of period	-	-
Options exercisable on or before 10 May 2023		
Balance at start of period	8,000,000	8,250,000
Options exercised during period	-	(250,000)
Balance at end of period	8,000,000	8,000,000
Unquoted Options exercisable on or before 15 June 2022		
Balance at start of period	6,313,167	6,849,834 ⁽ⁱ⁾
Exercised during period	(150,000)	(536,667)
Balance at end of period	6,163,167	6,313,167
Unquoted Options exercisable on or before 1 January 2024		
Balance at start of period	4,350,000	-
Options issued during period	-	4,350,000
Balance at end of period	4,350,000	4,350,000
Unquoted Options exercisable on or before 30 June 2025		
Balance at start of period	-	-
Options issued during period	2,000,000	-
Balance at end of period	2,000,000	-
Balance at end of period	20,513,167	18,663,167

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 5: EQUITY (continued)

PERFORMANCE RIGHTS

	Consolidated 6 months to 31 December 2021 Number	Consolidated As at 30 June 2021 Number
Movement in performance rights		
Balance at start of period	2,650,000	-
Granted during period	1,000,000	3,150,000
Performance Rights converted during period	-	(500,000)
Balance at end of period	3,650,000	2,650,000
Balance at end of period	3,650,000	2,650,000

During the period ended 31 December 2021, the Company issued 1,000,000 performance rights in Class B and D to the Managing Director of the Company under the Incentive Plan and in accordance with shareholder approval at the Annual General Meeting held in November 2021. The remaining Class B, C and D performance rights as at 31 December 2021 remain unvested.

NOTE 6: RESERVES

Nature and purpose of reserves

Share-based payments reserve

This reserve is used to record the value of equity benefits provided to consultants, employees and Directors as part of their remuneration.

	Consolidated 6 months to 31 December 2021 \$	Consolidated As at 30 June 2021 \$
Balance at the beginning of the period	3,041,507	2,553,709
Vesting of options during period	449,232	219,462
Vesting of performance rights during period	213,614	440,836
Conversion of performance rights to shares	-	(172,500)
	3,704,353	3,041,507

NOTE 7: SHARE-BASED PAYMENTS

Share Options granted during the Half-year

The contractual life of each option granted expires on 30 June 2025.

	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$	Vesting Conditions
Unquoted Options	2,000,000	19/11/2021	30/06/2025	\$0.60	\$0.1088	(i)

(i) Class E Incentive Options: Class E Incentive Options vest, vest upon first production at Murchison Technology Metals Project (MTMP). Option Exercise Price of \$0.60 per Option and an Expiry Date of 30 June 2025. (Class E Milestone).

Number	Underlying share price \$	Exercise Price \$	Expected volatility	Risk free rate	Value per option \$
2,000,000	\$0.35	\$0.60	62.35%	0.95%	\$0.1088

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 7: SHARE-BASED PAYMENTS (CONT'D)

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.

The incentive options were issued to Director Ian Prentice.

Performance Rights Granted During the Half Year

Performance Rights	Class B ⁱ	Class D ⁱ
Number	500,000	500,000
Grant date	19 November 2021	19 November 2021
Expiry date	30 October 2023	30 June 2025
Probability (%)	100%	100%
Value per Right	Various values ⁱ	Various values ⁱ
Total Value	\$175,000	\$175,000
Charge in the year	\$175,000	\$175,000

ⁱ Class B Performance Rights: are an existing class of performance rights which had been issued by the Company and vest upon final investment decision (FID) on the Yarrabubba Vanadium Project. The Yarrabubba Vanadium Project and the Gabanintha Vanadium Project (GVP) collectively form the flagship Murchison Technology Metals Project (MTMP). Development of the MTMP enables the Company to accelerate the delivery of vanadium to market benefiting from all of the GVP Definitive Feasibility Study (DFS) and the integration study for the Yarrabubba Vanadium Project. As a result, FID on MTMP captures and consolidates both GVP and the Yarrabubba Vanadium Project, therefore satisfying the vesting condition for Class B Performance Rights prior to 30 October 2023.

ⁱⁱ Class D Performance Rights: Each Class D 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 production at MTMP prior to 30 June 2025. The rights were valued on the closing price of TMT on grant date being the Company's AGM on 19 November 2021. The performance rights were issued to Director Ian Prentice.

NOTE 8: FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The group has a number of financial assets or financial liabilities which are not measured at fair value in the statement of financial position. The carrying amounts of trade and other receivables and trade and other payables are considered to be a reasonable approximation of their fair value.

NOTE 9: COMMITMENTS AND CONTINGENCIES

There has been no change in commitments and contingencies since the last annual reporting date.

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

On 21 January 2022, TMT announced that it had mutually agreed with LE System Co., Ltd (LES) of Fukuoka, Japan, to extend and expand the MOU executed in March 2021. The expanded MOU provides the framework for TMT and LES to jointly undertake a Feasibility Study into the development of vanadium electrolyte production capacity in Australia, utilising vanadium product from the Murchison Technology Metals Project (MTMP) and LES' proprietary vanadium electrolyte technology. LES will provide technical support and collaboration under a technology licensing agreement.

There have not been any other significant changes in the state of affairs during the year ended 31 December 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.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

NOTE 11: RELATED PARTY DISCLOSURES

Transactions with Key Management Personnel

	CONSOLIDATED 31 December 2021 \$	CONSOLIDATED 31 December 2020 \$
Short-term employee benefits	180,708	125,000
Share-based payments	321,301	30,358
	<hr/> 502,009	<hr/> 155,358

DIRECTORS' DECLARATION

In the opinion of the Directors of Technology Metals Australia Limited ('the company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half year then ended; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Michael Fry
Chairman

15 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Technology Metals Australia Limited

Report on the Condensed Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of Technology Metals Australia Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Technology Metals Australia Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 March 2022



D I Buckley
Partner