

EKF Issues Financing Letter of Interest

Danish Export Credit Agency Indicates Support for MTMP

HIGHLIGHTS

EKF Denmark's Export Credit Agency has issued a Letter of Interest including high level terms for potential Danish ECA financing support for the development of the MTMP.

EKF supports Danish businesses and the export of equipment around the world, and has extensive and positive experience working with FLSmidth, a key equipment supplier for the MTMP.

The EKF Letter of Interest contemplates support of around A\$150 million subject to, among others, customary due diligence, satisfactory documentation and approvals.

The EKF Letter of Interest is a significant step in the Company's funding strategy with discussions ongoing across a range of Government and commercial sources of finance and funding support.

18 January 2023

Advanced vanadium developer, Technology Metals Australia Limited (ASX: **TMT**) (**Technology Metals**, or **the Company**) is pleased to announce that it has received a Letter of Interest (**LoI**) from EKF Denmark's Export Credit Agency (**EKF**) with regard to potential financing support for the Murchison Technology Metals Project (**MTMP**). Technology Metals is progressing the development of the MTMP in Western Australia to produce high purity vanadium pentoxide (V_2O_5) and a high value ilmenite by-product.

Technology Metals and EKF have had positive and strong engagement over a number of years as the Company has progressed the development of the MTMP, with this LoI from EKF marking a significant milestone in the progression of this relationship. The EKF LoI contemplates financing support of around A\$150 million subject to, among others, sufficient Danish economic interest in the MTMP, approvals, satisfactory documentation and customary due diligence.

EKF support Danish exporters, such as Technology Metals' key equipment supplier FLSmidth, in their exports around the world, having had extensive and positive experience with FLSmidth on projects worldwide for more than 90 years. The Company is progressing discussions with FLSmidth regarding the supply of various key equipment items, including the roasting kiln section, required for the development of the MTMP.

As the Danish ECA, financing support from EKF is backed by the Danish state and as such can be considered to carry a AAA rating. EKF has been involved in the financing of a significant number of transactions and projects all over the world, giving EKF extensive experience within the field of export and project finance.

TMT's Managing Director, Ian Prentice, commented:

"Our engagement with EKF has been very positive and constructive over a number of years and we are very pleased to have progressed the relationship to receive this Letter of Interest for financing support for the MTMP. This is, an exciting and significant milestone alongside our partnership with FLSmidth, which places TMT in a strong position to progress the development of the MTMP.

The TMT team is undertaking considerable work in progressing the MTMP funding strategy, including engagement with a range of institutions and also importantly progressing implementation of the Company's holistic ESG action plan in collaboration with WSP Golder, whilst maintaining a clear focus on the timely development of the MTMP and the supply of high purity vanadium pentoxide to play an important role in the global transition towards net zero".

FLSmidth's APAC Region President, Tamer Eid, commented

"FLSmidth has been proud to partner and collaborate with Technology Metals on this project since early 2018 starting with the salt roast leach testwork, through to Front End Engineering and Design (FEED) for the pyro processing technology and major equipment selection reviews for the concentrator and leach circuit.

"The pyro-processing technology is one of FLSmidth's strategic focus areas in the efforts of reducing the energy consumption in mining and by that supporting a more sustainable path for the industry.

"We are also very happy to be working again with EKF on this who has expressed interest in supporting Technology Metals with their financing arrangements for key items from FLSmidth and look forward to continuing to work with Technology Metals on the development of MTMP."

EKF Indicative Terms

EKF has provided non-binding indicative terms based on expected Danish content from the involvement of FLSmidth as a key equipment supplier to the MTMP. FLSmidth is a Danish engineering company, with almost 10,100 employees worldwide, and is a leading supplier of production facilities, equipment and service solutions to the mining and cement industries. FLSmidth has demonstrated world leading expertise in rotary roasting kilns, offering advanced, custom tailored rotary kiln solutions, with recent experience in the design, installation and support of roasting kilns for vanadium operations.

As outlined in the EKF LoI, EKF's participation requirements include:

- Sufficient Danish economic interest
- Acceptable credit risk in the opinion of EKF
- The transaction must comply with the OECD Arrangement on Officially Supported Export Credits
- Completion of normal and customary project due diligence including, but not limited to, environmental and social matters
- Satisfactory documentation and security package

EKF works alongside commercial banks arranging and structuring transactions and also has a very good track record of co-operation with other Export Credit Agencies or Development Finance Institutions. This approach is consistent with the Company's debt funding strategy.

TMT's ESG Approach

The Company's ESG approach is an important factor in engagement with government funding agencies, commercial banks, strategic investors and institutional financiers. Technology Metals, alongside its consultants WSP Golder, is implementing a holistic ESG action plan to guide the development and long-term operation of the MTMP to ensure the sustained success of the Project and the engagement with, and support of, all stakeholders.

This engagement includes working with the Traditional Owners on heritage and environmental matters and ensuring that the MTMP provides long-term benefits to the community through employment, contracting and training opportunities.

Progression of the environmental approvals process is a significant factor in the MTMP Implementation Phase, with the Company maintaining its collaborative approach with the WA Environmental Protection Authority (EPA) as it prepares updates to the Environmental Review Document (ERD), consistent with the Company's ESG philosophy.

MTMP Overview

The high-grade MTMP, located 50km south of Meekatharra in Western Australia, consists of the Gabanintha and Yarrabubba deposits located on granted Mining Leases. The MTMP is being developed to be a stable, secure, long term supplier of critical minerals, with targeted average vanadium production of ~12,500 tpa (27.5 Mlbs pa) V₂O₅ over an initial 25 year mine life as well as production of a highly sought after titanium (ilmenite) by-product whilst mining and processing ore from Yarrabubba.

A recent Mineral Resource Estimate (MRE) upgrade delivered a global MRE for the MTMP of 153.7Mt at 0.8% V₂O₅, inclusive of a Measured and Indicated MRE of 63.2Mt at 0.9% V₂O₅, which is expected to support an increase on the current 25 year mine life.

AUTHORISED FOR RELEASE ON THE ASX BY THE COMPANY'S BOARD OF DIRECTORS

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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.

About Technology Metals Australia

Technology Metals Australia Limited (ASX:TMT) is an ASX-listed company focused on the exploration and development of its flagship, 100 per cent owned Murchison Technology Metals Project (MTMP) located 50km southeast of Meekatharra in the mid-west region of Western Australia. The MTMP is one of the highest-grade vanadium projects in the world and will have lowest quartile operating costs once developed.

The Company has finalised an Integration Study for the MTMP, bringing in high-grade ore from the satellite Yarrabubba deposit into the central processing hub at Gabanintha. The Integration Study completion has facilitated the progression of the Implementation Phase of the MTMP.

About Vanadium

Vanadium is a hard, silvery grey, ductile and malleable speciality metal with a resistance to corrosion, good structural strength and stability against alkalis, acids and salt water. The elemental metal is rarely found in nature. The main use of vanadium is in the steel industry where it is primarily used in metal alloys such as rebar and structural steel, high-speed tools, titanium alloys and aircraft. The addition of a small amount of vanadium can increase steel strength by up to 100% and reduces weight by up to 30%. Vanadium high-carbon steel alloys contain in the order of 0.15 to 0.25% vanadium while high-speed tool steels, used in surgical instruments and speciality tools, contain in the range of 1 to 5% vanadium content. Global economic growth and increased intensity of use of vanadium in steel in developing countries will drive near term growth in vanadium demand.

A very significant emerging use for vanadium is the rapidly developing energy storage (battery) sector with the expanding use and increasing penetration of the vanadium redox flow batteries (VRFB's). VRFB's are a rechargeable flow battery that uses vanadium in different oxidation states to store energy, using the unique ability of vanadium to exist in solution in four different oxidation states. VRFB's provide an efficient storage and re-supply solution for renewable energy – being able to time-shift large amounts of previously generated energy for later use – ideally suited to micro-grid to large scale energy storage solutions (grid stabilisation).

Competent Person's 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 Matthew Clark. Mr Clark is a Senior Resource Geologist of CSA Global Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Clark 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 Clark consents 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 Ross Cheyne of Orelogy who takes overall responsibility for the Report as Competent Person. Mr Cheyne is a Fellow of The Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Person in terms of the JORC (2012 Edition). The Competent Person, Ross Cheyne 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 Murchison Technology Metals project is based on and fairly represents, information and supporting documentation compiled by Mr Brett Morgan, a full-time employee of Technology Metals Australia. Mr Morgan is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Person in terms of the JORC (2012 Edition). The Competent Person, Brett Morgan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.