



30 June 2023

Chairman's Letter

Dear Shareholders and Stakeholders

Late last year [I wrote to introduce myself](#) as Executive Chairman, and to confirm that the Board had identified a path for Tivan Limited ("Tivan" or the "Company") to move forward as a going concern. We established ourselves firmly on that path through the first half of this year, in a period of transformative change branded as 'Reset, Review, Renew'. In so doing, we have successfully navigated through a very challenging period for the Company and set in place foundations for durable growth in the years and decades ahead.

Purpose by design

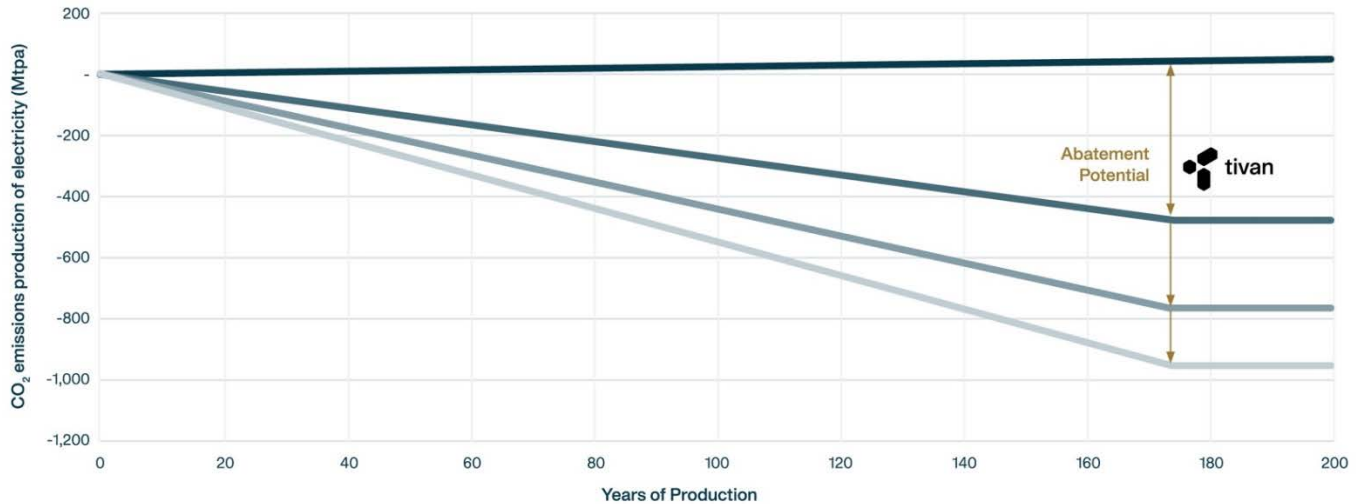
I won't here revisit the extensive disclosures and presentations provided to shareholders by Tivan year to date. I am satisfied we have achieved the threshold I set last year, namely that 'the Company's policy henceforth is to communicate on a timely and forthright basis'. I am also confident that the substantive achievements of the Change campaign and the period of 'Reset, Review, Renew' will stand the test of time.

Instead, I am writing on a forward looking basis, seeking to provide shareholders with some deeper insights into topics of high relevance, and in some areas responding to questions that have been raised on a recurrent basis.

First though, please allow me to emphasise one aspect of the Change that warrants amplification, as it goes to the broader journey ahead for the critical minerals sector in Australia.

Highly engaged shareholders will have noted that in our [Investor Materials](#) and [Investor Briefing](#) of 12 April 2023 that we went to lengths to articulate a highly differentiated mission for Tivan. Specifically, this involved pivoting Tivan aggressively in favor of producing vanadium at scale, and in so doing, facilitating a downstream value chain based on sovereign capabilities, most notably in vanadium redox flow batteries ("VRFB"). By providing Tivan with this 'purpose by design' the Company is now aligned with the dominant macro thematic of our era: the energy transition. We additionally have a unique opportunity to contribute, given the durable competitive advantages we have in three key areas: resource, technology and community.

This aspect of our transformation is important as companies prosper when pursuing a well-defined mission. A mission provides a corporate identity which stakeholders can meaningfully engage with, which employees, both existing and prospective, can be inspired by, and which project financiers are able to facilitate. In startup alley the most common refrain you will hear is 'what is the difficult problem you are seeking to solve?' Tivan is now firmly directed at solving the most important and pressing problem we face as a society: climate change | Net Zero Emissions (Figure 1). This will provide Tivan with untold resilience as we navigate the challenges ahead.



Footnotes:

- 1) Carbon intensity of Electricity production taken as: 1kg/kWh for Coal, 0.8kg/kWh for Oil, 0.5kg/kWh for Gas and 0.05kg/kWh for Renewables
- 2) Assuming an annual production of V2O5 at 25ktpa, which is equivalent to 167 MLpa of Vanadium Electrolyte.
- 3) No lifecycle degradation in VRFB ability to charge/discharge power has been considered

- CO2 emissions from power output from Renewables
- Equivalent emissions from power output by Gas
- Equivalent emissions from power output by Oil
- Equivalent emissions from power output by Coal

Figure 1: Speewah's CO2 abatement potential exceeds Australia's entire carbon footprint

Turning the page

As we turned the page on 'Reset, Review, Renew' our priorities changed at Tivan. This helps to explain why the rapidity of hard-hitting ASX headlines has ebbed over the past couple of months.

Prior to Tivan's disclosure on 12 April, we were not in a position to communicate our story in a holistic manner. We were still negotiating the 'fourth and final' finding of the Review, and we were bringing together comprehensive investor materials to ensure that public markets were 'cleansed'. Beyond this point most of my time has been allocated to introducing Tivan to new parties. I have logged hundreds of in person meetings across all parts of Australia and in nearby Singapore, Hong Kong and New Zealand. Digital engagement has been global and ongoing, and I will be following up with trips to Japan and the US, and possibly the Middle East, later this year.

Many of these meetings have been with prospective investors, ranging from small and nimble, to some of the largest and most sophisticated in the world. Investors are heterogeneous in their methods, motivations and timeframes, and it is important to adopt a systematic and rigorous approach as we commence the journey toward project finance. I am pleased to report an overwhelmingly positive response to Tivan, and deep engagement with the pathways we have ahead. As I mentioned at the General Meeting in January, capital raising is a fundamentally necessary part of the pathway to project delivery, and often a binding constraint. A critical role of management is to promote scalable access to global capital markets, and to manage funding efficiently, specifically by ensuring the return on capital significantly



exceeds the cost of capital. This is how durable shareholder value accrues, manifested initially through share price appreciation, and later, through the payment of dividends.

The balance of my time has been focused on project facilitation, broadly defined. This involves extensive and ongoing engagement with Tivan's myriad of stakeholders and partners, all of whom were naturally keen to be updated on the transformative changes that took place. Here I am pleased to confirm Tivan has excelled. Beyond the shock at the speed and audacity of execution, there is genuine appreciation for the Change and strong recognition of our decisive and dynamic approach. We are transferring much of this momentum into deep preparatory work for our Pilot Plant, which remains the crucial bridging step enroute to project delivery, and a major focus for the second half.

Tivan has also spent a lot of time on country through the first half around Speewah and in central Australia as well. In the Kimberley we are laying important foundations with community, and especially with Traditional Owners, living up to our ethos of early, inclusive and genuine engagement. We have important dialogues in place now and we have already commenced an active program of community works that has been warmly welcomed. In central Australia we established good standing early on and we have maintained this throughout the difficult process of 'truth-telling' at Mount Peake. I am sincerely grateful to the Central Land Council and Stirling Station for receiving me with goodwill and as a friend, and for encouraging me to hold tight to my strong historical ties to Alice Springs.

Looking forward, I am deeply engaged on many dealflows across multiple firmwide portfolios. These are commercial-in-confidence matters, many of which will have far-reaching consequences for Tivan, including in the important area of EPC/EPCM. Good governance dictates that extensive due diligence is pursued as a consequence, which takes time. It is also of fundamental importance that competitive tension is introduced and maintained through to negotiated outcomes. Many of these negotiations are highly complex as they involve multiple parties dynamically assessing contingent options across northern Australia. Naturally this involves deep and ongoing dialogues with governments, including in Darwin, Perth and Canberra. Shareholders can be assured that Tivan is very much at the top table and that our team is maintaining a ferocious pace in advancing the best interests of the Company.

I also confirm that Tivan continues to engage in extensive knowledge sharing with CSIRO in the area of vanadiferous titanomagnetite mineral processing. Consistent with [our announcement in April](#), we are working towards formalising this collaboration in the third quarter, with each party bearing independent costs. This is a very important initiative for Australia. The broad aim is consistent with our published critical paths (Figure 2) which yield three commercial grade products. To achieve this, we are aiming to firmly establish the superiority of the TIVAN+ technology versus the 'salt roast' method for vanadium recovery, both in terms of commerciality and sustainability. Tivan will provide further updates at the appropriate time.

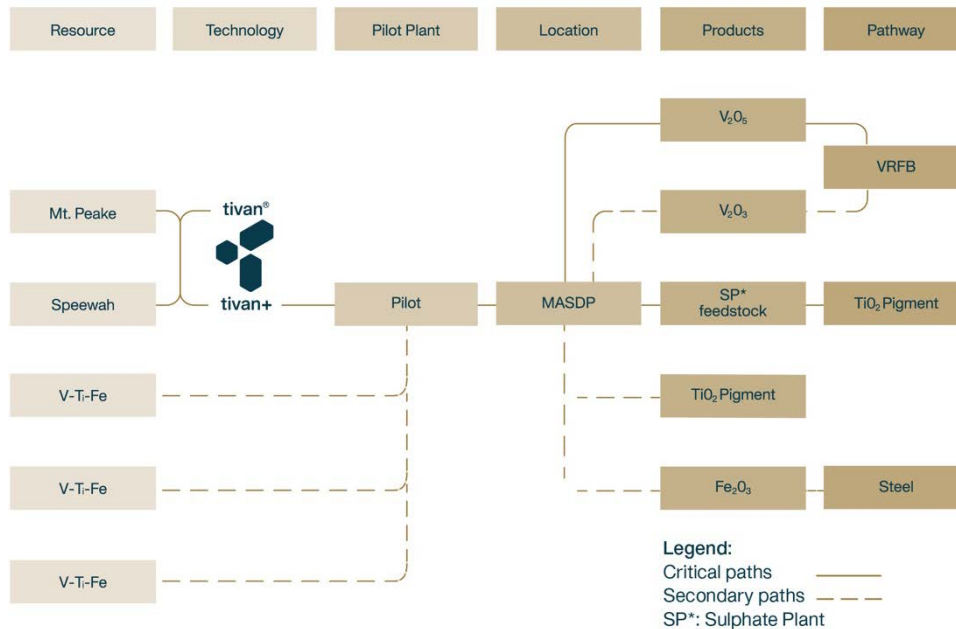


Figure 2: Critical paths

Advocacy for Tivan & VRFB

As part of the new era, I committed to raising the profile of the Company. This has been achieved, with Tivan featuring in over a hundred media articles in the first half, along with various multi-media engagements. My priority here has been 'hard to get' media coverage, with an aversion to pay for play outlets, which are of dubious value. An instructive example is the [long form essay](#) I contributed to the ASPI strategist ahead of the Darwin Dialogue in April. I have also prioritised building relationships across the left-right media spectrum that exists in Australia. For reference I view my former colleagues at the Australian Financial Review as centrist.

Raising our corporate profile is mission critical. It consolidates the extensive work we have done in forming Tivan's brand and identity. It helps to establish credibility and trust with our stakeholders. And it meaningfully broadens the base of potential commercial partners and new investors as well. I make no apologies for some of our media content pushing the boundaries. A measure of controversy is conducive to raising our profile and in firmly establishing our corporate ethos and values in the public domain. It is important throughout that Tivan remains a constructive influence, consistent with the bedrock vision we provided in our widely read submission to the [Critical Minerals Strategy refresh](#) in February.

From March onward I consciously integrated our vanadium pathway into Tivan's media footprint, enabling us to credibly introduce the important concept of circularity (Figure 3). I reiterate that Tivan is not looking to move downstream into the production of vanadium electrolyte or VRFB. We do however have a crucially important role to play in facilitating the downstream including, in time, developing the commodity market infrastructure to support a shift away from bilateral



offtakes and current pricing mechanisms. I can confirm I have commenced discussions with GLX Digital, who were instrumental in building Pilbara Minerals' BMX platform, on this topic. The extensive global network of full-stack developers I have previously collaborated with are also engaged. Ultimately the pricing of vanadium will need to become more transparent and more digital if the sector is to achieve scale and successfully transition in its leadership from the East to the West.

Highly engaged shareholders will also be aware that I have been increasingly vocal in support of VRFB as the preferred technology for medium duration grid storage. This includes various high profile media articles and a [long form Podcast](#) in June. Tivan is also now active with select industry bodies and forums in the emerging battery sector and we will continue to promote the progress that is being made downstream on a local and global basis.

Further, with our Technical Advisory Group ("TAG"), we were delighted and privileged to have Professor Maria Skyllas-Kazacos join Tivan. As the inventor of VRFB, Maria holds unique prestige in the vanadium sector and is already making significant contributions with her technical knowledge and extensive local and global networks. We were delighted as well to welcome Mr Stéphane LeBlanc and Mr Simon Flowers to our TAG initiative. Stéphane and Simon have also integrated seamlessly and have immense value to add to Tivan in the areas of project and Pilot Plant facilitation as we move forward.

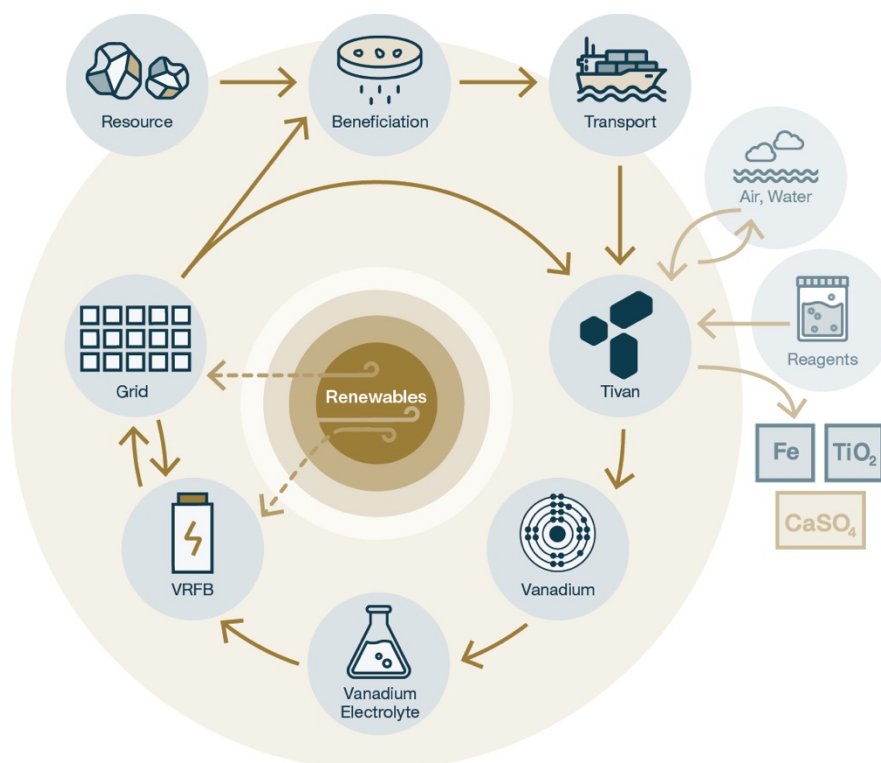


Figure 3: Tivan's life cycle



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Asserting ourselves at MASDP

Over the past month Tivan has adopted a more assertive stance in respect of the Middle Arm Sustainable Development Precinct (“MASDP”) at Darwin. This was also a carefully considered and strategic initiative, building on nearly six months of deep engagement with stakeholders across the Northern Territory and Canberra. The timing was a function the ownership of our strategic partner, Sun Cable, being clarified, and prior to the Northern Territory government announcing the initial proponents that joined Tivan at MASDP.

Tivan is highly supportive of MASDP and recognises the important role it has to play in providing common use infrastructure that is proximate to Darwin, and contributing to much needed sustainable development in the Territory. On publicly available timelines, Tivan will be the first major project to break ground at MASDP. As such, we have important interests in how the Precinct is shaped and the sequence which is pursued. We have also earned the strong support of the community via our extensive stakeholder engagement program. This is reflected in our decision to relocate corporate headquarters to Darwin and many local initiatives, including our far-reaching Memorandum of Understanding with Charles Darwin University.

I confirm that we are engaged in ongoing and constructive dialogues with many parties regarding MASDP, including several of the major proponents, where we are focused on commercial synergies. At the same time, MASDP has not yet adequately earned a social licence to proceed. Much work will need to be done by the Northern Territory government to address the legitimate concerns held by local stakeholders, including the Larrakia Development Corporation. An important step is the upcoming MASDP Strategic Environment Assessment (“SEA”), that will provide 30-60 days for public engagement. This will be an important barometer to gauge community sentiment.

In this context it is important to emphasise that Tivan’s plans at MASDP involve utilising existing infrastructure as much as possible, including the existing deep water Port of Darwin at East Arm. We are of course committed to adhering strictly to the various environmental requirements. We also retain the right to participate in the SEA process, or forge ahead with our own Environment Impact Statement, building on previous work that was done. The decisions we reach will depend upon progress made by the Northern Territory and Federal governments, including the sequencing of the Precinct, its subsidisation and the community reaction to the disturbance proposed to Darwin Harbour.

For shareholders of Tivan the most important takeout is that we have earned a very strong social licence to operate across northern Australia and that we will retain optionality in respect of project definition in the year ahead. While MASDP offers Tivan many durable advantages, it needs to earn the support of the community if it is to proceed. Meanwhile all options remain on the table at Tivan.

Digital transformation

A final area to emphasise is that Tivan continues to forge ahead with digital transformation. This is already evident in our extensive use of multi-media, including our [recently upgraded website](#). I have started to use [Twitter](#) on a regular basis as a means of direct and timely engagement with shareholders, and counter-balancing the echo chamber effect of online trading platforms. For shareholders looking to follow developments at Tivan on a high frequency basis, please follow along there.

Our collaboration with Earth AI at the Sandover Lithium Project, deploying cutting edge low-impact exploration techniques, is a further substantive example of digital adoption. Internally we have migrated various IT systems to enhance firmwide productivity and we will continue to explore further tools and enhancements. My summary view of the junior resources sector in Australia is that it remains well behind in the use of digital technologies and that opportunities abound for meaningful innovation and value-add.

The second half

As we turn the half year, I extend thanks on behalf of the Board to long standing shareholders for their patience and understanding as we worked our way through the Change. I reiterate my conviction in the opportunity we now have to build a company of durable value and profound national significance. This conviction is reflected in my accumulating a further 3.5 million shares of Tivan in on-market transactions over the past two months.

While I do not want to commence a commentary on the share price, I acknowledge that the past couple of weeks have been dominated by tax-loss selling related to the outperformance of Tivan versus peers over the past year. This dynamic is expected to abate as we move into the new fiscal year, with 'dry powder' set to be deployed. I further confirm that the extensive cost-cutting drive I have led since December created meaningful runway for Tivan. This facilitated the extensive investor engagement of recent months, with a capital raise now expected in the third quarter.

I would like to also highlight the sustained outperformance of the team at Tivan through this period. As I said at the AGM last year, people work with me, not for me, and that is reflected in the harmonious firm culture we have established. The team is also now battle-hardened and approaching the challenges ahead with resolve and positivity. Most encouragingly, the 'talent density' we have at Tivan is off the chart and that augurs well for the future.

It follows that shareholders can be assured that the achievements of the first half are merely a precursor. They reflect, most of all, the principles of hard work, integrity and resilience, that are now part of the DNA at Tivan. With our foundational advantages established, Tivan is ideally placed to leverage the tailwinds that continue to intensify in the critical minerals sector in Australia, and globally.

Onward,

Grant

Executive Chairman, Tivan Limited



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This announcement has been approved by the Board of the Company.

Inquiries:

Tony Bevan

Company Secretary: + 61 8 9327 0900

Email: corporate@tivan.com.au

Elena Madden

True North Strategic Communication (Darwin): + 61 8 8981 6445

Email: elena@truenorthcomm.com.au

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