



**TECHNOLOGY**  
METALS AUSTRALIA LIMITED



**VANADIUM**

***SAFER. LONGER. GREENER. STRONGER***

**SCHEME WEBINAR**

**8 DECEMBER 2023**

**ASX:TMT**





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## 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.

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.

Refer to ASX Releases on 5 August 2022 for full details of global Murchison Technology Metals Project Ore Reserve, and Yarrabubba Vanadium and Ilmenite Ore Reserves.

*Shareholders are advised to read the Scheme Booklet in full, including all advantages and disadvantages and the expert's report, and seek their own individual advice (investment, tax, or legal) if they so choose or require.*

*To develop a Western Australian primary vanadium mining and downstream processing operation that will contribute to Australia and the world's path to decarbonisation through vanadium's role in long duration energy storage.*

# BACKGROUND TO THE SCHEME



- On 11 August 2023, AVL submitted a confidential non-binding indicative offer (**NBIO**) to the TMT Board through which AVL would acquire all the shares in TMT for consideration of 10.27 AVL shares for every TMT share held.
- At the time, the TMT Board had a strong view that the NBIO was not attractive to TMT shareholders in that form. After a period of extensive negotiations and focused due diligence, the TMT Board was able to secure materially improved terms from AVL.
- On 25 September 2023, TMT announced it had entered into a Scheme Implementation Deed with AVL under which AVL would acquire all of the issued shares in TMT by way of a court approved Scheme of Arrangement for consideration of **12 AVL shares for every one TMT share held (Scheme)**.
- If the Scheme is implemented, TMT Shareholders will hold approximately 38% of the Merged Group.
- Major shareholders of TMT (representing approximately 26% of issued capital on an undiluted basis) have provided written voting intention statements in support of the Scheme.
- TMT has also received written correspondence from TMT Shareholders (representing approximately 16.93% of the issued capital, in aggregate, on an undiluted basis) that they intend to vote against the Scheme in the absence of a Superior Proposal

- TMT Directors unanimously **recommend that TMT Shareholders vote in favour of the Scheme** in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of TMT Shareholders.<sup>1</sup>
- The Independent Expert has concluded that the Scheme is **not fair but reasonable** and **in the best interests of TMT shareholders**.
- Independent Expert Report is available for consideration in the Scheme Booklet.
- Each Director **intends to vote** all the TMT Shares held or controlled by them **in favour of the Scheme** (representing 1.3% of TMT Shares), subject to the same qualifications in the Directors' recommendation to shareholders.

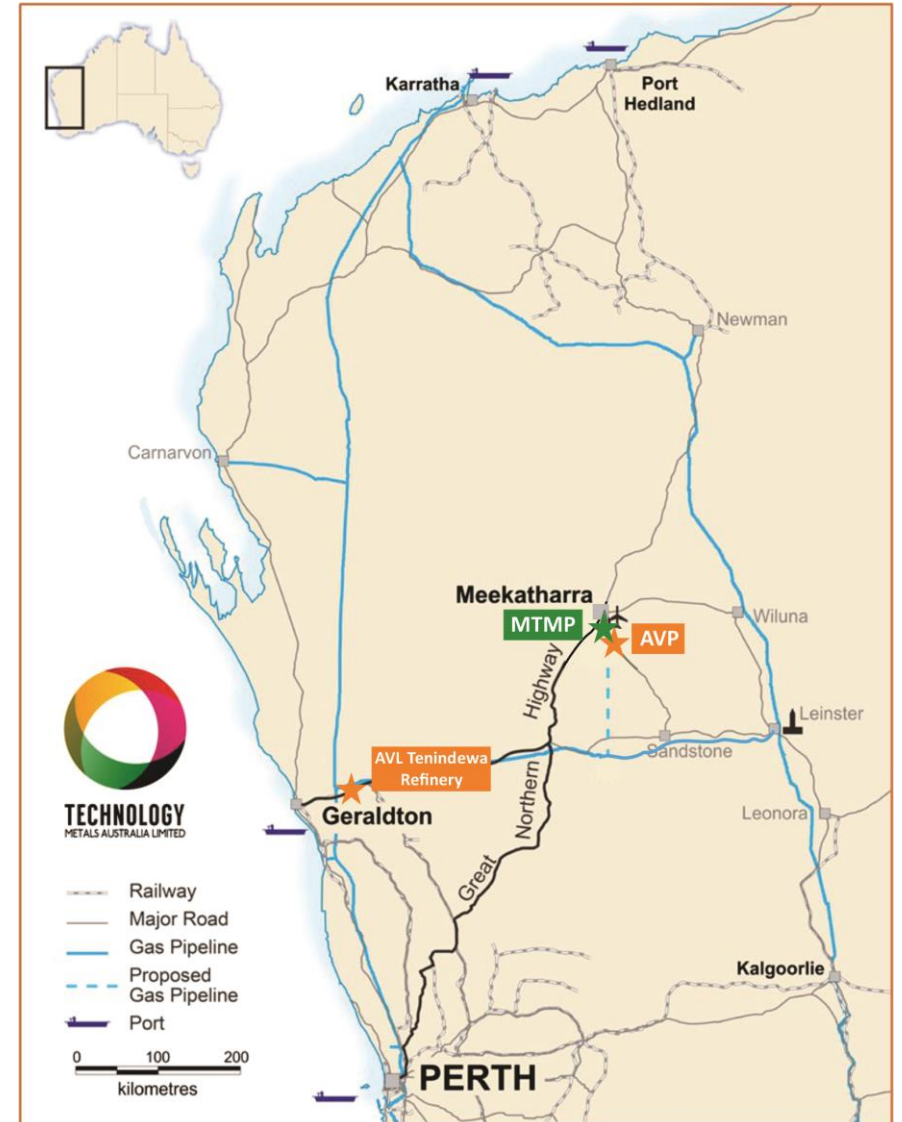
<sup>[1]</sup>In relation to the recommendation of the Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11 of the Scheme Booklet.

- In forming its unanimous recommendation to vote in favour of the Scheme, the TMT Board considered **past market sounding processes** undertaken with various financial advisers, including Argonaut PCF and Sternship Advisers.
- The process involved contacting a number of credible corporate, industry and strategic parties in the last 12 months to **discuss a range of transaction structures** including, but not limited to, project joint venture, asset and corporate level transactions.
- The market sounding processes **did not result in any proposals**, with the feedback received from these market soundings indicating that credible parties would have **a greater interest in pursuing a corporate or financial transaction following consolidation of the orebody**.

# KEY BENEFITS OF THE SCHEME

## Logical Consolidation of Two Adjacent Projects

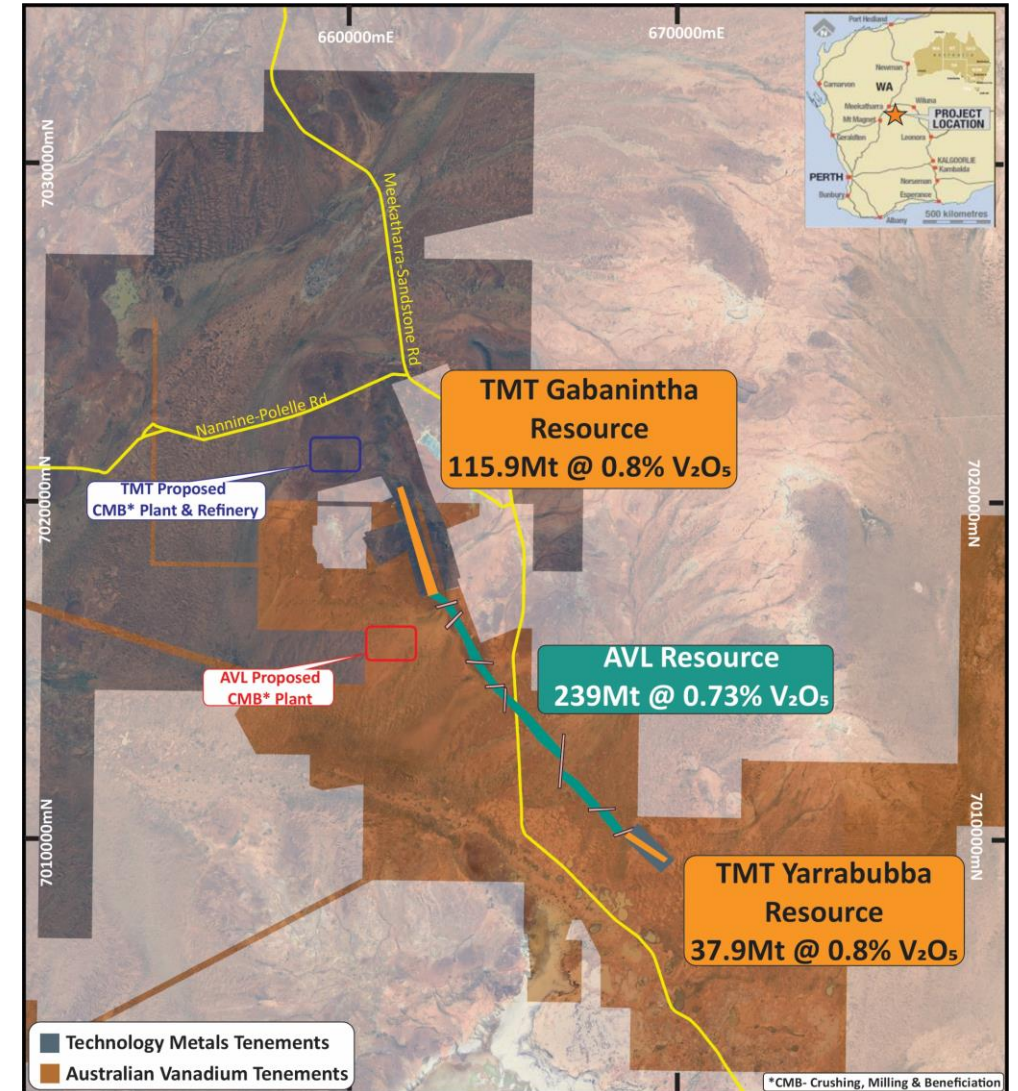
- The integrated project will contain one of the **largest and highest-grade vanadium deposits globally** with the current Mineral Resource Estimates:
  - TMT's Global Mineral Resource of 153.7Mt @ 0.8% V<sub>2</sub>O<sub>5</sub>
  - AVL's Global Mineral Resource of 239.0Mt @ 0.73% V<sub>2</sub>O<sub>5</sub>
- Opportunities exist for **optimisation of mine and processing** schedules (including ore blending opportunities)
- Optimisation of **project infrastructure and capital costs**
- Optimisation of Yarrabubba Mineral Resource and Ore Reserve
- TMT and AVL Technical Working Group considering the optimal development approach for the Merged Group





## Alleviation of Tenure Constraints

- TMT's project is adjacent to AVL's project and share a **contiguous orebody**
- TMT's **Yarrabubba** tenure is surrounded by AVL tenements
- While TMT has investigated pathways and held informal discussions with several parties in the region to acquire additional tenure adjacent to the Yarrabubba deposit to optimise the mining schedule, **no outcome has been achieved to date**
- Successful completion of the Scheme will immediately **resolve tenure issues** at Yarrabubba



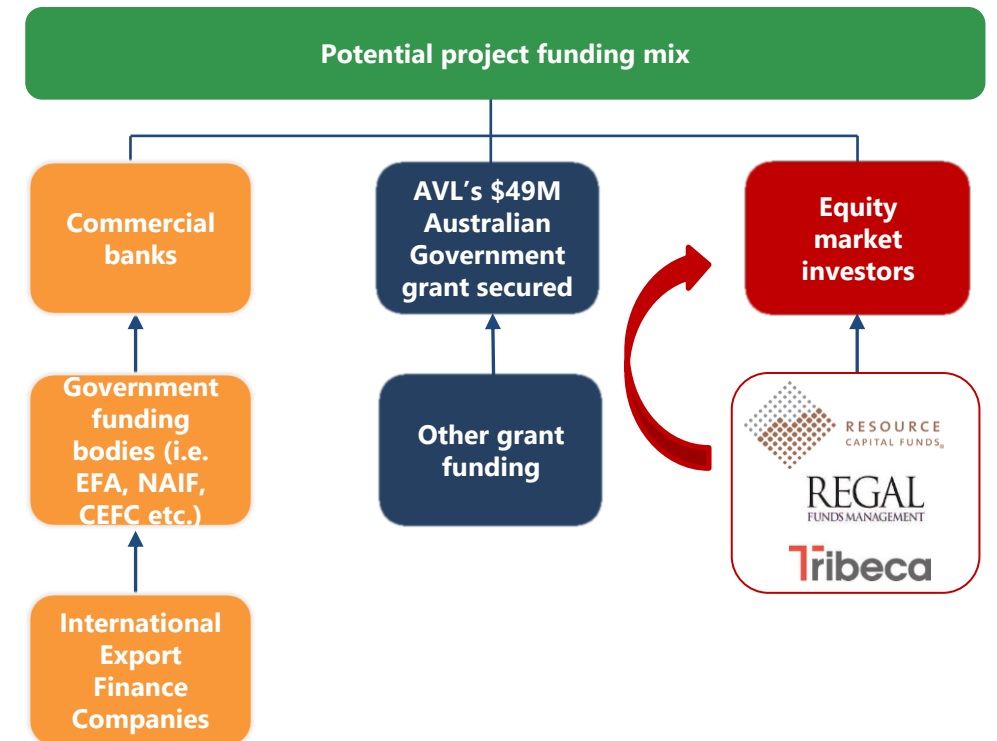
# KEY BENEFITS OF THE SCHEME

## The Merged Group is expected to have access to a larger pool of capital

- TMT considers the Merged Group will have significantly enhanced prospects of securing future development funding support from institutional investors, strategic investors, debt providers and/or government agencies
- **Expected continued financial support of its major shareholders,** including RCF, who support the Scheme
- Exposure to benefits of AVL's **\$49 million Government grant**

In the event the Scheme does not proceed, and TMT remains a standalone entity:

- TMT is expected to require future funding in the form of equity capital during 1H 2024 to support working capital and advance the MTMP on a standalone basis
- RCF and other institutional shareholders, may no longer be willing to contribute to further equity funding initiatives in the event the Scheme does not proceed, and TMT remains a standalone entity



## Strengthen Financial Position with Greater Scale, Liquidity and Capital Markets Profile

- On a pro forma basis, the Merged Group will have a market capitalisation of **approximately \$186 million** as at the Last Practicable Date; and cash position of approximately **\$55.2 million** (as at 30 June 2023) and remains debt free
- If the Scheme is approved and implemented, TMT Shareholders will continue to retain an indirect interest in TMT's business and assets through a **~38% shareholding in the Merged Group**
- Continued exposure to the **increased scale and financial capability** offered by the Merged Group
- Additional liquidity as the Merged Group is likely to satisfy a greater number of minimum investment thresholds for fund managers and qualify for broader research coverage, potentially **attracting a larger pool of investors**
- Potential for **share price re-rating** over time

## Streamlining of Project Development

- In light of current inflationary environment, the Merged Group will benefit from **streamlined capital infrastructure costs**, removal of competition for resources between the two projects, and **improved negotiating position** in relation to infrastructure, equipment and labour
- Streamlining of **permitting and approvals process** may minimise the assessment of the overall cumulative environmental impact of two standalone projects
- Improved negotiation position with **offtake partners** for vanadium and ilmenite products
- Removal of duplicated corporate overheads

# KEY BENEFITS OF THE SCHEME



## The Scheme Consideration represents a premium for your Shares

- Under the Scheme and subject to the Scheme becoming Effective, TMT Shareholders registered on the Record Date will receive twelve (12) New AVL Shares for every one (1) TMT Share held.
- Represented a material premium to the trading prices of TMT Shares on the Last Practicable Date:
  - 25.5% to the closing TMT Share price of \$0.22 per TMT Share on 1 December 2023
- Represented a material premium to the trading prices of TMT Shares prior to the Announcement Date
  - 26.7% to the 30-day TMT VWAP of \$0.279 per TMT Share up to and including 22 September 2023, being the last trading day before the Announcement Date.
- TMT Shareholders may be eligible for CGT rollover relief
- If the Scheme is not implemented and no Superior Proposal emerges, it is possible the price of TMT Shares may fall from current levels (\$0.220 per TMT Share as at market close on the Last Practicable Date).
- As at the date of the Scheme Booklet, the TMT Board was not aware of any Superior Proposal and has no basis to believe that a Superior Proposal is likely to emerge.



## Collaboration of Skillsets

- Merged Group will be led by a **proven and industry-leading Board and senior management team**, with Mr. Graham Arvidson remaining as CEO of AVL and Mr. Ian Prentice joining the executive team as Executive Integration
- Ms. Joanne Gaines will join the AVL Board of Directors – deep experience in **stakeholder engagement** across both the private and public sectors
- **Technical Working Group** established with key personnel from TMT and AVL. Discussions underway include consolidated mine planning, processing plant and flow sheet scenarios, environmental and heritage approvals, and related project interfaces
- **Integration Committee** formed with senior management team from TMT and AVL to discuss organisational processes and transition

# REASONS YOU MAY VOTE AGAINST THE SCHEME



## **Disagreement with unanimous recommendation of the TMT Directors**

- You may disagree with the unanimous recommendation of your TMT Directors and the conclusion of the Independent Expert, who has concluded the Scheme is in the best interests of TMT Shareholders, in the absence of a Superior Proposal.

## **Dilution of your shares**

- Following implementation of the Scheme, TMT Shareholders will hold approximately 38% of the issued share capital of AVL. Accordingly, TMT Shareholders will have a reduced entitlement to any potential proceeds which may be generated by TMT's existing project. You may wish TMT to remain a standalone entity because you specifically invested in TMT to seek exposure to a company with the specific characteristics of TMT.

## **Possibility of Superior Proposal**

- You may believe that there is a possibility a Superior Proposal for TMT could emerge in the foreseeable future. However, since the announcement of the execution of the Scheme Implementation Deed on 25 September 2023, and up to the date of the Scheme Booklet, no Superior Proposal has been received.

## **Changing risk profile**

- The risk profile and risk of investment for TMT Shareholders will change and you may consider the risk profile and risk of investment of AVL, which will include risks relating to both the AVL and the TMT businesses, to be a disadvantage relative to that of TMT as a standalone entity.

## **Tax implications**

- If the Scheme is implemented, this may trigger taxation implications for you than would have otherwise been the case. You should carefully read the taxation considerations outlined in Section 7 of the Scheme Booklet and seek professional taxation advice with respect to individual taxation situations.

## **Uncertain monetary value of scrip consideration**

- The Scheme Consideration is not certain and the exact monetary value you receive for your TMT Shares may move adversely from the market value of the Scheme Consideration on the date of the release of the Scheme Booklet or the Scheme Meeting.

## Q&A Session



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