



TECHNOLOGY
METALS AUSTRALIA LIMITED

ASX Announcement

30 April 2020

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Directors

Michael Fry:
Chairman

Ian Prentice:
Managing Director

Sonu Cheema:
Director and Company Secretary

Issued Capital

106,906,712 ("TMT") Fully Paid
Ordinary Shares

14,888,750 – Quoted Options
("TMT0") exercisable at \$0.40 on or
before 24 May 2020

6,008,334 – Unquoted Options –
various exercise prices and dates

ASX Code: TMT, TMT0

FRA Code: TN6



QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

FOR THE QUARTER ENDING 31 MARCH 2020

The Board of Technology Metals Australia Limited (ASX: **TMT**) ("**Technology Metals**" or the "**Company**") is pleased to provide an update on activities for the quarter ending 31 March 2020.

HIGHLIGHTS

- Focus on progressing the development of the high grade, low cost, large scale, long life Gabanintha Vanadium Project (GVP).
- Binding offtake agreement signed with CNMC (Ningxia) Orient Group Company Ltd (CNMNC):
 - take-or-pay offtake quantity of 2,000Tpa (4.4Mlb pa) V₂O₅
 - three year offtake term with three year option to renew
 - pricing referenced to the European and Chinese domestic V₂O₅ price
- Discussions ongoing with CNMNC's sister company NFC regarding EPC and associated funding.
- Offtake MOU with Fengyuan extended until the end of June 2020 to enable orderly progression of mutual due diligence and conversion to a binding Offtake Agreement.
- Excellent drilling and metallurgical results at Southern tenement support Mineral Resource upgrade and scope to extend GVP mine life.
- GVP assessed as a Lead Agency Project under the Department of Mines, Industry Regulation and Safety's Lead Agency Framework.
- Continuing to work with NAIF and other potential project development partners as part of the Company's strategy in securing the funding required for the development of the GVP.
- A placement to international and domestic strategic and high net worth investors raised \$2.1m before costs. A General Meeting of Shareholders to ratify the issue and approve Director participation in the placement is scheduled for 4 May 2020.
- As at the end of March 2020 the Company had cash of \$1.96 million. As at 29 April 2020 the Top 20 shareholders held 51.6% of the fully paid ordinary shares.
- Cost reductions and remote working protocols implemented in response to COVID-19 pandemic.

Chairman, Michael Fry commented: "TMT continues to make outstanding progress on a range of fronts, highlighted by the achievement of the key milestone of signing a binding Offtake Agreement with CNMNC, a high quality counterparty in the vanadium industry. The partnership with CNMNC further reinforces TMT's enviable position amongst its vanadium industry peers and our commitment to be the next primary vanadium producer in the World"

GABANINTHA VANADIUM PROJECT

During the March 2020 Quarter the Company continued to advance activities designed to progress the development of the high grade, low cost, large scale, long life Gabanintha Vanadium Project (“**Project**” or “**GVP**”). Following the release of the definitive feasibility study (“**DFS**”) on the globally significant GVP the Company has been undertaking a range of activities aimed at progressing the Project

The DFS was based on the Northern Block of tenements which host a Measured and Indicated Mineral Resource of 30.0 Mt at 0.9% V₂O₅ within the global Measured, Indicated and Inferred Mineral Resource of 131 Mt at 0.9% V₂O₅. The Proven and Probable Ore Reserve of 29.6 Mt at a diluted grade of 0.88% V₂O₅ supports an initial 16 year project life, with the GVP’s large global Mineral Resource providing clear scope to extend the mine life well beyond 20 years.

Three of the key advantages of the GVP ore body are illustrated in Figure 1:

1. high grade continuous massive vanadiferous magnetite (top section) – North Pit and Central Pit focussed around the high grade Indicated and Measured Resources, these underpin a feed grade of +1.0% V₂O₅ for the first 12 years of production in the Gabanintha DFS.
2. shallow weathering profile as illustrated by magnetic susceptibility (middle section) – a proxy for magnetite yield to magnetic concentrate – is particularly evident in the North Pit (LHS of section) – with outstanding magnetite yield in the fresh zone (with very high magnetic susceptibility - red) and very good magnetite yield in the transitional zone (high magnetic susceptibility orange).
3. vanadium recovery to concentrate (bottom section) is excellent for the majority fresh component of the Mineral Resource (Red) and very good the transitional (orange) – correlating very well with the magnetic susceptibility (middle section). These factors combine for industry leading end-to-end vanadium recovery of 77% on fresh massive ore.

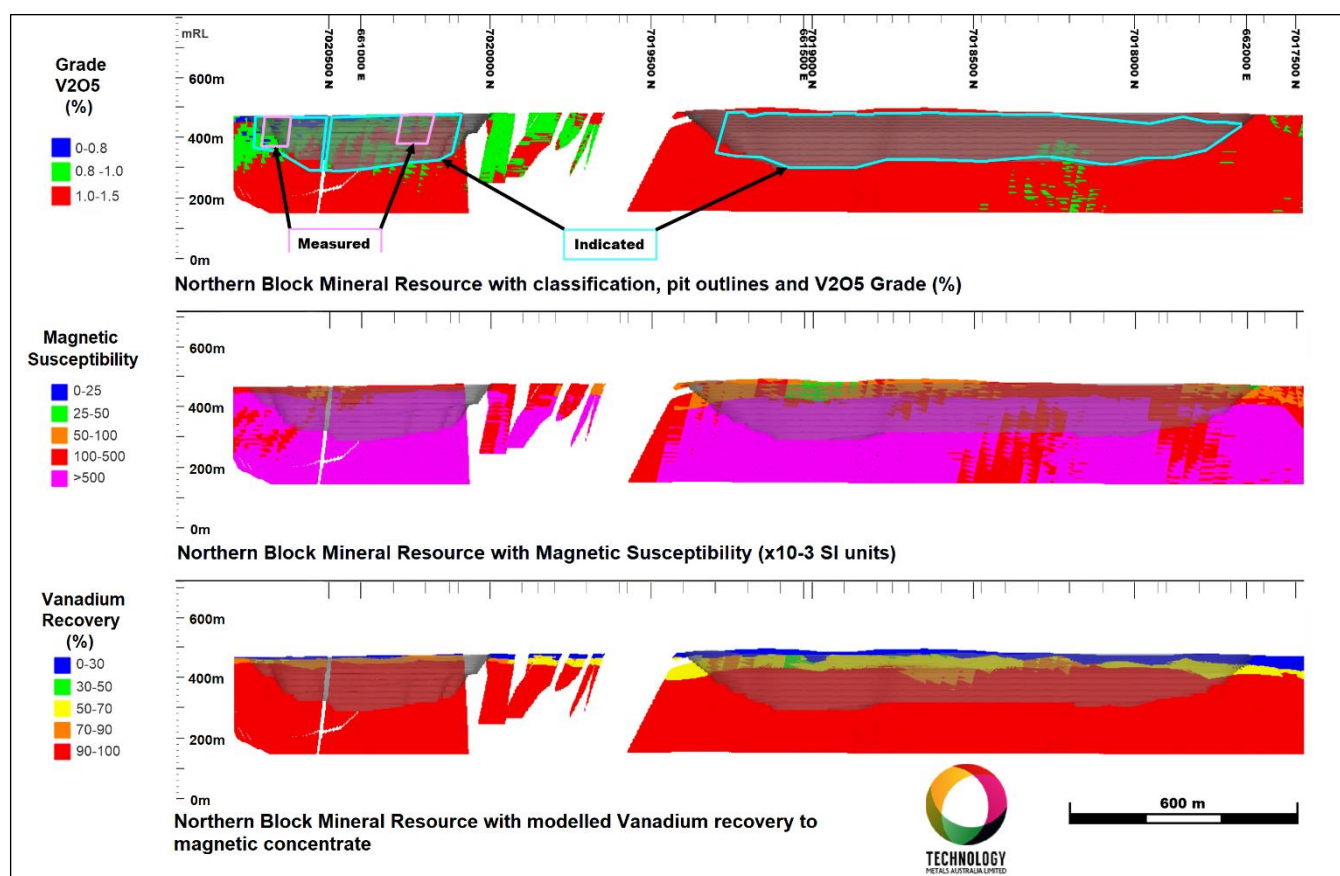


Figure 1: Northern Block Long Section – Perpendicular to Strike, View Towards 070° – Mineral Resource Grade / Classification (top), Magnetic Susceptibility (middle), V₂O₅ Recovery to Magnetic Concentrate (bottom)

VANADIUM MARKET ENGAGEMENT

The Company has been in ongoing discussions with offtake partners, equipment vendors and suppliers, strategic partners and project funding parties. The Company continues to actively pursue partnerships with groups with a shared long term view of the vanadium industry and capacity to participate at a meaningful level in the Project.

Subsequent to the end of the quarter the Company announced that it has entered into a binding vanadium pentoxide Offtake Agreement with CNMC (Ningxia) Orient Group Company Ltd. ("CNMNC") over vanadium production from its wholly owned GVP. Executing this Agreement with a high quality counterparty such as CNMNC is a strong endorsement of the Company's strategy to develop the World class large scale, low cost, long life Gabanintha Vanadium Project and underscores TMT's intention to become a high purity vanadium pentoxide producer of choice. This binding offtake Agreement is a key step in delivering certainty on volume and pricing of product sales, creating a strong foundation for GVP's financing and development (see ASX announcement dated 27 April 2020).

CNMNC's parent entity China Nonferrous Metal Mining (Group) Co., Ltd. ("CNMC"), founded in 1983, is a large-scale enterprise under the management of the State-owned Assets Supervision and Administration Commission ("SASAC") of the State Council of the People's Republic of China. Its major businesses include the development of nonferrous metal mineral resources, construction engineering, and relevant trade and technological services.

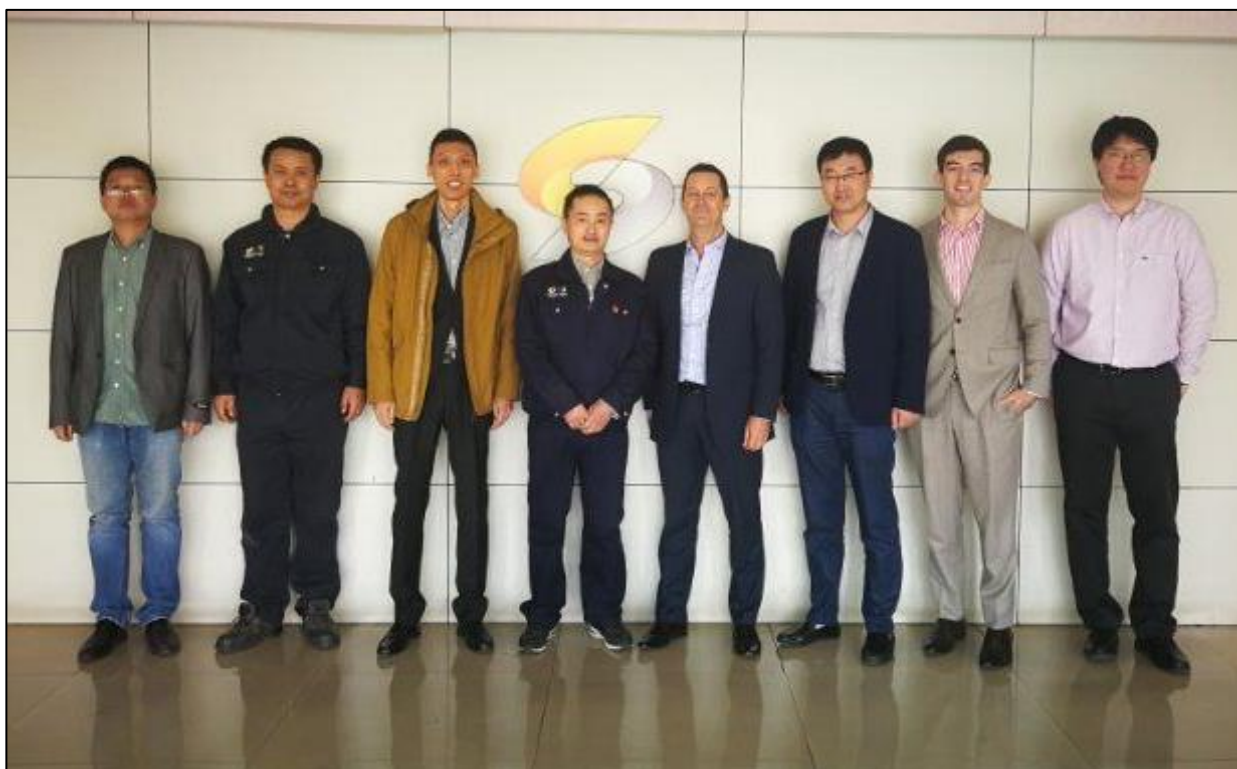


Figure 2: TMT Managing Director Ian Prentice (centre) with Mr Yi Junping, General Manager of CNMNC's Special Materials Branch, to his right and members of CNMNC's staff and TMT's advisers

CNMNC's vanadium alloy production business, is a top ten producer of vanadium alloys in China, producing both vanadium-nitrogen ("VN") and ferrovanadium ("FeV") for the Chinese domestic steel industry. In 2018 CNMNC produced about 2,000 tonnes of VN and 1,500 tonnes of FeV based on consumption of approximately 4,000 tonnes of V_2O_5 . Existing expansion plans would see VN production increasing to approximately 3,000 tonnes per annum and overall V_2O_5 consumption increasing to approximately 6,000 tonnes per annum.

CNMNC operates six (6) state of the art vanadium-nitrogen push kilns, an example of which is shown in the figure 3 (a) below. It operates a separate ferrovanadium plant as shown in figure 3 (b) and has capability to produce vanadium metal in the chambers shown in figure 3 (c).



Figure 3: CNMNC's Vanadium Production Facilities

The binding offtake Agreement includes minimum annual sales of 2,000Tpa (4.4 Mlb pa) on a take-or-pay basis, which equates to about 16% of the GVP's forecast annual average production, a three year term from commencement of production with an option to extend for a further three years and an agreed pricing structure using an Index Price mechanism referenced to the published European FOB and Chinese Domestic V_2O_5 price.

Over the course of negotiating the Agreement, CNMNC introduced the Company to its parent entity, CNMC, to discuss Project support, including scope for financing and EPC arrangements via CNMNC's sister company, China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd ("NFC"). NFC, one of China's leading international construction and engineering groups, builds, owns and operates base metal mines, processing plants and smelters around the world. Following execution of the binding offtake Agreement with CNMNC, the Company anticipates that NFC will progress a proposal regarding the provision of EPC arrangements, including undertaking relevant components of the FEED study in collaboration with other Project stakeholders, and investigation of funding solutions in support of GVP's development. Discussions on these matters are at a very early stage and may not lead to a mutually beneficial outcome, however they demonstrate the importance of further developing the Company's relationship with the CNMC group.

During the quarter the Company continued to progress discussions with regard to offtake agreements for additional quantities of V_2O_5 production from its wholly owned GVP with a range of counterparties, both in China and elsewhere in the World, including the previously announced 3,000Tpa V_2O_5 offtake MOU with Shaanxi Fengyuan Vanadium Technology Development Co., Ltd. ("Fengyuan").

Offtake discussions with Fengyuan have been progressing via teleconference rather than in person as a result of the travel restrictions imposed as part of the management of the COVID-19 pandemic, with these travel restrictions also impacting on Fengyuan's due diligence timeline. As such the Company and Fengyuan have mutually agreed to maintain the MOU in full effect until the end of June 2020 to enable the orderly progression of discussions with regard to the draft offtake agreement, and if travel restrictions permit, completion of the due diligence process.

SOUTHERN TENEMENT RESOURCE UPDATE

Work progressed during the quarter on updating the Southern Tenement Mineral Resource. The current Southern Tenement Inferred Mineral Resource of 21.5Mt at 0.9% V_2O_5 includes a high grade component of 10.4Mt at 1.1% V_2O_5 . This Mineral Resource was not included in the GVP DFS completed in August 2019. Data from the infill and depth extension drilling program completed in late 2018 is being incorporated into an updated geological model as the basis for an upgraded Mineral Resource estimate ("MRE"), which is expected to include the Southern Tenements maiden Indicated Mineral Resource category.

Results of the four diamond drill holes completed at the Southern Tenement were reported subsequent to the end of the quarter (see ASX announcement dated 30 April 2020). The diamond drilling has confirmed the presence of broad zones of high grade massive magnetite mineralisation along the strike of the Southern Tenement, with intersections of:

- 10m @ 1.16% V_2O_5 from 81 to 91m in GBDD031 (weakly deformed)
- 3.8m @ 1.16% V_2O_5 from 23.8 to 27.6m in GBDD032 (sheared)
- 22m @ 1.12% V_2O_5 from 33 to 55m in GBDD033 (structurally thickened)
- 12m @ 1.16% V_2O_5 from 28 to 40m in GBDD034 (relatively undeformed), and
- 11m @ 1.04% V_2O_5 from 102 to 113m in GBDD034 (structural repeat)

In the more structurally complex areas, the massive magnetite zone has been thickened (eg: GBDD033) and when the deep footwall was drilled in the more sheared area (GBDD034) repeats of the massive mineralisation were located.

The diamond drilling also confirmed the typically very shallow weathering profile present in the Southern Tenement, with fresh rock present from between 5-18m down hole as can be seen in the cross section in Figure 4. This weathering profile is similar to what is observed in the North Pit area of the Northern Block, where near surface ore has been demonstrated to be amenable to very high magnetic recoveries into magnetic concentrates. The presence of higher yielding fresh ore close to surface has very positive implications for operating costs, with lower mining, crushing and beneficiation costs per tonne of magnetic concentrate produced.

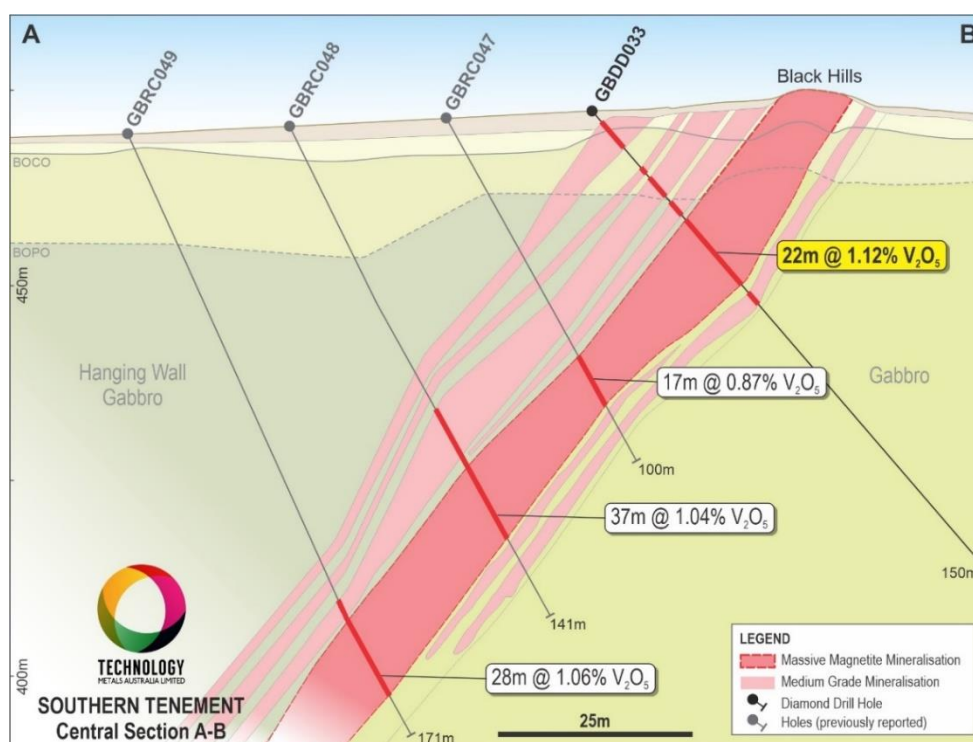


Figure 4: Cross Section A-B Highlighting Broad Massive Magnetite Zone and Shallow Oxidation

Metallurgical testwork, consisting of Davis Tube Recovery ("DTR") testing, has been completed to provide metallurgical recovery data to inform the updated Southern Tenement Mineral Resource model. DTR has proven to be an effective proxy for Low Intensity Magnetic Separation ("LIMS") results in the Central and North pits of the Northern Block.

The DTR testing was completed on 21 composite RC drill samples, with a total of 50.5kg of material tested (see ASX announcement dated 30 April 2020). The testwork was designed to assess magnetic yield and vanadium recovery to a magnetic concentrate. Key findings of the testwork are:

- High mass recovery for the massive magnetite zone,
- Excellent vanadium recovery to magnetic concentrate,
- Higher vanadium in concentrate grades than recorded in the Northern Block, especially from disseminated mineralisation
- Low silica and aluminium in concentrate

The mass recovery to a magnetic concentrate for fresh massive magnetite samples is very high, averaging 72%, with excellent vanadium recovery to concentrate averaging 92%. The average vanadium in concentrate grades of 1.48% V_2O_5 for the fresh massive magnetite samples and 1.64% V_2O_5 for hangingwall magnetite exceeds the concentrate grades recorded in the Northern Block (see Figure 5) whilst maintaining low levels of the impurities silica and aluminium. The completed DTR testwork suggests that more deformed or altered zones of vanadium mineralisation from the Southern Tenement tend to produce a higher quality magnetic concentrate.

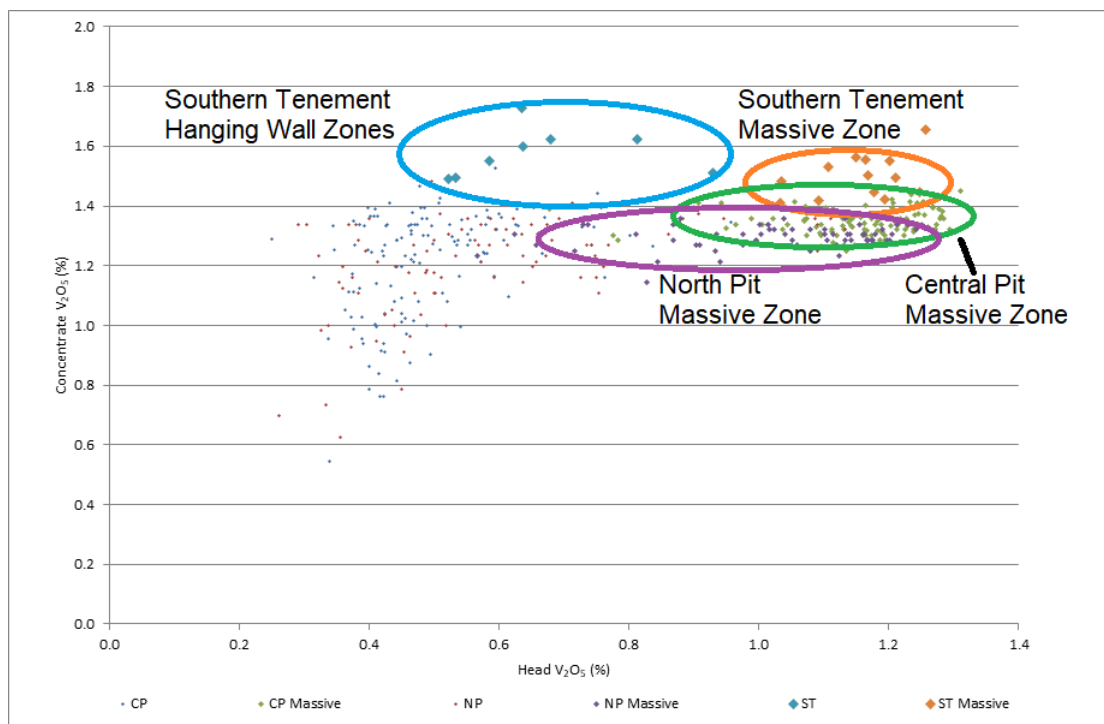


Figure 5: V_2O_5 Head Grade versus V_2O_5 Concentrate Grade – Southern Tenement versus Northern Block

The new Southern Tenement MRE will be based on an updated geological model, including previously unidentified high grade repeats in areas previously defined as being in a footwall position, thickening and attenuated intersections resulting from some late intrusions and strike slip faulting. Incorporation of the recently completed metallurgical testwork, confirming high recovery of vanadium in to a high quality magnetic concentrate, is expected to enable a portion of the updated MRE to be upgraded to the Indicated Mineral Resource category. This would in turn demonstrate the opportunity for the Southern Tenement to provide a material increase to the 16 year GVP operating life identified in the DFS, with an aim to initially extend this mine life beyond 20 years, which is expected to be viewed favourably by prospective Project financiers and strategic partners.

The updated Southern Tenement MRE, being prepared by CSA Global, is expected to be completed in the current quarter. This new MRE, combined with the geotechnical data generated from the deep diamond drill holes, is expected to enable the completion of preliminary open pit design work to assess the tenor of Mineral Resources contained within an open pit shell.

PROJECT DEVELOPMENT PARTNER ENGAGEMENT

The Company continues to advance its engagement with the Northern Australia Infrastructure Facility ("NAIF") with the aim of progressing through the Due Diligence Stage of the NAIF assessment process, culminating in the development of a formal Investment Proposal, which is a precondition for the NAIF Board to make an Investment Decision. The signing of the CNMNC binding offtake agreement plus progress on updating the Southern Tenement Mineral Resource, with the aim of extending the Project mine life beyond 20 years, are key milestones in the evaluation process.

NAIF provide loans, which may be on concessional terms, to support and encourage infrastructure development in northern Australia, however at this stage, NAIF has not made a decision to offer a loan or provide financial assistance of any sort to the Company and there is no certainty that an agreement will be reached between the parties.

During the quarter the GVP was assessed as a Western Australian Government Lead Agency Project (Lead Agency) under the Department of Mines, Industry Regulation and Safety's (DMIRS) Lead Agency Framework. Lead Agency is significant recognition of the importance of the World class GVP and is in line with the Western Australian Government's support for critical minerals projects as part of its "Future Battery Industry Strategy". Lead Agency will assist in maintaining momentum for the progression of the Project approvals pathway, with the support of a DMIRS appointed Principal Policy Officer to assist the Company with key approvals advice and in the coordination of approvals across government. All approvals and authorisations that are currently contemplated for the Project are managed by the State of Western Australia, underlining the importance of achieving State Lead Agency support.

Vanadium's strategic importance to the Australian economy has been recognised with its inclusion on the Australian Government's list of critical minerals. The importance of critical minerals to the Australian Federal Government has been further underlined with the establishment of the Critical Minerals Facilitation Office ("CMFO") at the beginning of 2020. The production of a critical mineral with a vital role to play in the efficient and effective deployment of renewable energy, the construction of a gas pipeline in to the Mid-West region, which would be expected to generate significant third party benefits, and ongoing engagement with NAIF in regard to funding support further underpin the importance of the development of the GVP.

The Company and its financial advisers are progressing the evaluation of a range of financing strategies, including engagement with prospective strategic investors. The Project funding is expected to consist of some or all of debt, JV interest, direct project investment and/or equity. A range of development opportunities for the Project, through engineering / EPC, build own operate transfer, plant and equipment procurement packages, and/or a combination of these, are being pursued by the Company and its advisers. The anticipated increase in the GVP operating life to in excess of 20 years, through the expected upgrade of the Southern Tenement Mineral Resource, is likely to be viewed favourably by prospective Project financiers and strategic partners.

Equipment vendors

The Company has maintained its engagement with vanadium industry leading kiln supplier FLSmidth Inc ("FLS") during the quarter to further evaluate process plant equipment that FLS may be able to supply to the Project, including but extending beyond the roasting kiln. FLS completed the critical pilot scale kiln roast test work for the DFS, confirming that the GVP ore is ideally suited to processing via the salt roast / water leach process flow sheet similar to what is currently operating at Largo Resources' Maracas Menchen vanadium mine in Brazil. It also confirmed the ability to produce a high purity (>99%) V₂O₅ product, which may be amenable for the premium vanadium market, at industry leading vanadium recoveries.

Discussions with FLS are at an early stage, ongoing and may not result in a materially positive outcome for the Project; however it is expected that expanding the scope of equipment to be sourced from FLS may assist in structuring the Project funding package.

Gas Supply

Technology Metals has entered into a Memorandum of Understanding (MOU) with DDG Operations Pty Limited ("DDG"), part of the Australian Gas Infrastructure Group ("AGIG"), to co-operate in the joint conduct of investigations in relation to the construction of a natural gas pipeline from the AGIG owned and operated Dampier Bunbury Natural gas Pipeline to service the GVP. The MOU contemplates that DDG would fund, build, own and operate the pipeline in return for Technology Metals, as a Foundation Customer for the new gas pipeline, entering into an annual take or pay tariff over a period to be agreed between the parties.

The parties are actively progressing discussions around the optimal development of a natural gas pipeline to meet Technology Metals requirements, as well as to provide natural gas to third party customers in the region, and the appropriate timing to complete the required FEED study to ensure development of the pipeline is complimentary to development of the GVP.

ENVIRONMENTAL APPROVALS

Following self-referral of the proposed GVP development to the WA Environmental Protection Authority ("EPA") the EPA determined that the Project will undergo a formal environmental impact assessment with no public comment period and subsequently provided the Company with the Environmental Scoping Document ("ESD"). The ESD, which included input from other key decision-making agencies, sets out the key environmental factors to be addressed in support of the Environmental Review Document ("ERD").

The Company is incorporating the matters addressed in the ESD into its workstream leading to the preparation and ultimate submission of the ERD, including the reports and data from the "spring" fauna, flora and vegetation surveys completed in late 2019 that provided complete seasonal coverage of the Project development envelope. A key component of the ERD is the definition of the water source for the Project, with work completed to date identifying a good quality water source within a paleochannel located to the north west of the processing facility covered by Miscellaneous Licence L51/102 (see Figure 6). The Company's consultants AQ2 have developed a hydrogeological understanding of the borefield area based on work completed to date and this has indicated that a further round of drilling is likely to be required to fully evaluate the system prior to the submission of the ERD. The scope and quantum of this work is being developed and will form part of the Company's future work program.

TENEMENTS

All ancillary tenure required for the development of the GVP, including Miscellaneous Licences for the bore field and camp and General Purpose Leases for mining infrastructure, are in place and the Company continues to engage with representatives of the native title claimant group in the Project area to progress the process of grant of its two Mining Lease applications; M51/883 over the Northern Block of Tenements and M51/884 over the Southern Tenement (see table 1 and Figure 6).

LOCATION	TENEMENT	INTEREST ACQUIRED OR DISPOSED OF DURING THE QUARTER	ECONOMIC INTEREST
Gabarintha Project (WA)	E51/1510-I	Nil	100%
Gabarintha Project (WA)	E51/1818	Nil	100%
Gabarintha Project (WA)	L51/101	Nil	100%
Gabarintha Project (WA)	L51/102	Nil	100%
Gabarintha Project (WA)	P51/2785-I	Nil	100%
Gabarintha Project (WA)	P51/2930	Nil	100%
Gabarintha Project (WA)	P51/2942	Nil	100%
Gabarintha Project (WA)	P51/2943	Nil	100%
Gabarintha Project (WA)	P51/2944	Nil	100%
Gabarintha Project (WA)	G51/29	Nil	100%
Gabarintha Project (WA)	G51/30	Nil	100%
Gabarintha Project (WA)	M51/883	Nil - Application	100%
Gabarintha Project (WA)	M51/884	Nil - Application	100%
Gabarintha Project (WA)	P51/3140	Nil - Application	100%

Table 1: Tenement Status as at 31 March 2020

VANADIUM MARKET COMMENTARY

During the quarter global vanadium consumption was impacted by the reduced demand resulting from the Chinese New Year holiday and the subsequent shutdown / reduced capacity of the majority of Chinese industry as a result of the COVID-19 pandemic. The impact of the COVID-19 pandemic subsequently progressed to other parts of the World, particularly Europe and North America further impacting on economic activity and industrial production. Vanadium prices, particularly in China, remained relatively stable through this period, largely reflecting the impact of the shutdowns associated with the COVID-19 pandemic on vanadium producers, but also highlighting the general tightness in market conditions that had been present toward the end of 2019.

The measured re-opening of Chinese industrial facilities toward the end of the quarter combined with the ongoing disruption of vanadium supply ex-China has seen some volatility but overall increase in the European vanadium product prices post the end of the quarter.

There remains uncertainty with regard to the medium term economic impact of the COVID-19 pandemic, however the existing tight supply-demand balance in the vanadium industry coupled with an expectation of significant stimulus packages investing in major infrastructure projects across the World would indicate that there is a positive outlook for vanadium process in the medium term.

COVID-19 RESPONSE

The Company has made appropriate changes to its working arrangements to ensure the health, safety and welfare of its team, implementing protocols to minimise the potential transmission of COVID-19, whilst ensuring business continuity during the health and economic crisis resulting from the pandemic.

TMT has also implemented a range of cost reduction measures, ranging from significant reduction in Director fees, administration costs and restructuring of consultant and adviser arrangements to preserve cash in these unprecedented times. The Company is in the fortunate position of having completed the capital intensive works associated with the GVP DFS prior to the onset of the pandemic and is now in a position to actively progress a range of activities related to the development of the GVP whilst minimising cash burn.

Shareholders and other stakeholders can rest assured that the Company continues to take significant steps toward the development of the GVP, as has been demonstrated in the content of this quarterly report, and will continue to do so whilst minimising the potential impacts of the COVID-19 pandemic.

CORPORATE

As at 29 April 2020 the Top 20 shareholders held 51.6% of the fully paid ordinary shares in the Company. The Company had cash of \$1.96 million as at 31 March 2020 following the completion of a placement of fully paid ordinary shares to new and existing high net worth investors to raise \$2.1 million, welcoming strategic domestic and international investors that offer an opportunity to deepen the Company's relationships in Asia on to the register. Individual strategic investors have had significant operational experience and investments within the rapidly emerging battery metals markets.

A General Meeting of Shareholders is scheduled for 4 May 2020 to, amongst other things, ratify the issue of the placement shares and also to approve Director participation in the placement.

In accordance with Section 6.1 disclosure in the Appendix 5B, payments of monthly and accrued Director fees totalled \$79k during the March quarter.

In accordance with Section 6.2 disclosures in the Appendix 5B, the Company engages Cicero Group Pty Ltd for accounting, administrative, registered office and company secretarial services. Mr Sonu Cheema is a Director of Cicero Group Pty Ltd.

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.

An emerging and likely very significant 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). Some of the unique advantages of VRFB's are:

- a lifespan of 20 years with very high cycle life (up to 20,000 cycles) and no capacity loss,
- rapid recharge and discharge,
- easily scalable into large MW applications,
- excellent long term charge retention,
- improved safety (non-flammable) compared to Li-ion batteries, and
- can discharge to 100% with no damage.

Global economic growth and increased intensity of use of vanadium in steel in developing countries will drive near term growth in vanadium demand.

This announcement has been authorised by the Board of Technology Metals Australia Limited.

For, and on behalf of, the Board of the Company,

Ian Prentice

Managing Director

Technology Metals Australia Limited

- ENDS -

About Technology Metals Australia Limited

Technology Metals Australia Limited (ASX: TMT) was incorporated on 20 May 2016 for the primary purpose of identifying exploration projects in Australia and overseas with the aim of discovering commercially significant mineral deposits. The Company's primary exploration focus has been on the Gabanintha Vanadium Project located 40 km south east of Meekatharra in the mid-west region of Western Australia with the aim to develop this project to potentially supply high-quality V_2O_5 flake product to both the steel market and the emerging vanadium redox battery (VRFB) market.

The Project consists of eleven granted tenements and three applications (including two Mining Leases) divided between the Northern Block of Tenements (12 tenements) and the Southern Tenement (2 tenements). Vanadium mineralisation is hosted by a north west – south east trending layered mafic igneous unit with a distinct magnetic signature. A key differentiation between Gabanintha and a number of other vanadium deposits is the consistent presence of the high-grade massive vanadium – titanium – magnetite basal unit, which results in an overall higher grade for the Gabanintha Vanadium Project.

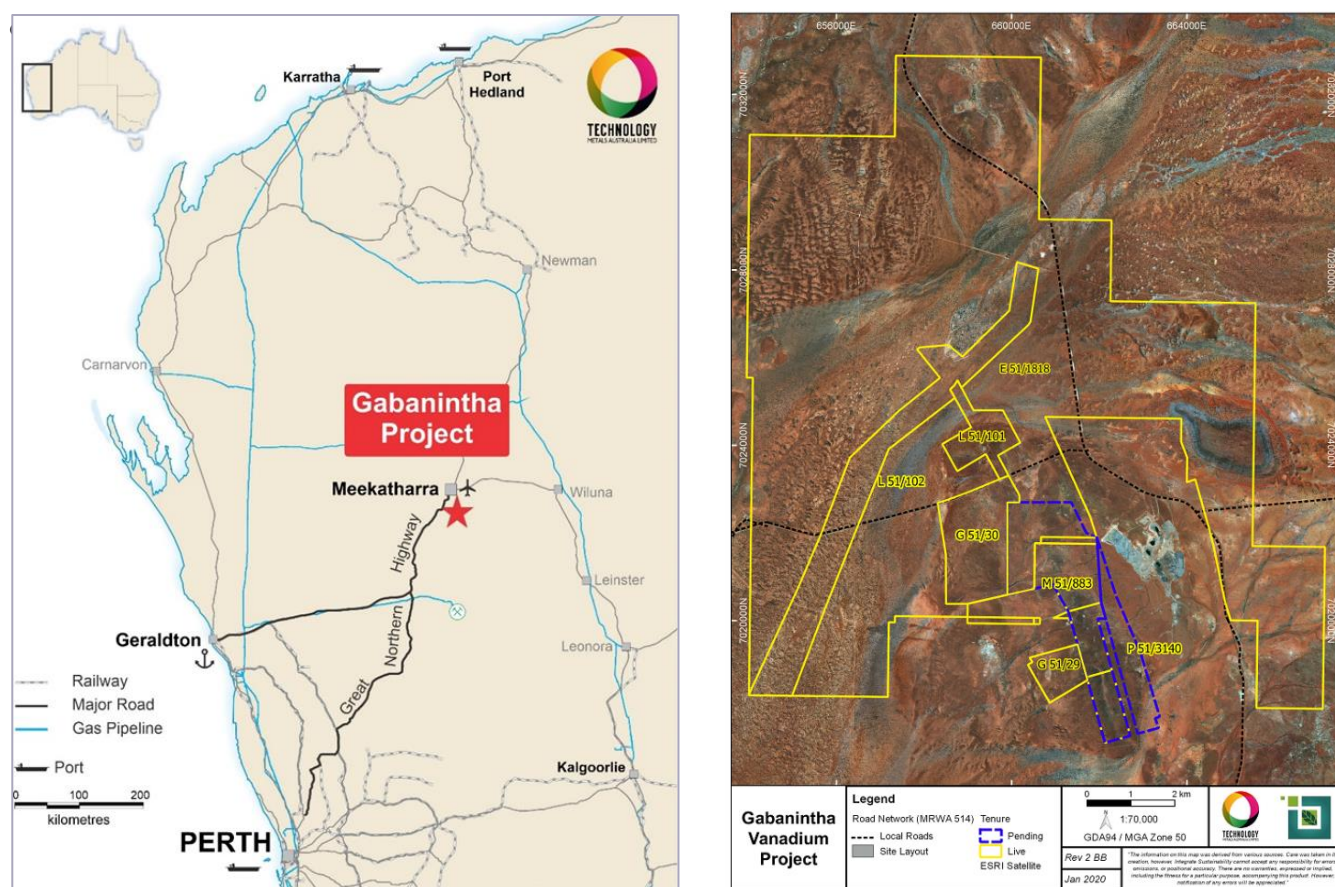


Table 2: Global Mineral Resource estimate for the Gabanintha Vanadium Project as at 27 March 2019

Material Type	Classification	Tonnage (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
	Inferred (North)	41	1.1	47.7	5.6	7.1	12.6	0.3	0.008	0.2
	Inferred (South)	10.4	1.1	49.1	4.9	5.9	12.6	-0.4	0.004	0.3
	Total Inferred	51.5	1.1	48.0	5.5	6.9	12.6	0.1	0.007	0.2
	Massive Global	71.2	1.1	48.2	5.4	6.7	12.7	0.1	0.007	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
	Inferred (North)	38.5	0.5	27.1	12.7	27.4	6.9	3.3	0.027	0.2
	Inferred (South)	11.1	0.6	30.2	11.9	23.4	7.7	2.4	0.012	0.4
	Total Inferred	49.6	0.6	27.8	12.5	26.5	7.1	3.1	0.024	0.2
	Diss / Band Global	59.9	0.6	27.9	12.6	26.4	7.2	3.1	0.025	0.2
Combined	Measured + Indicated + Inferred	131	0.9	39.0	8.7	15.7	10.1	1.4	0.015	0.2

* Note: The Mineral Resource was estimated within constraining wireframe solids using a nominal 0.9% V₂O₅ lower cut-off grade for the basal massive magnetite zone and using a nominal 0.4% V₂O₅ lower cut-off grade for the banded and disseminated mineralisation zones. The Mineral Resource is 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

Data from the global Mineral Resource and the recently completed DFS on the GVP were used by independent consultants CSA Global to generate a Proven and Probable Ore Reserve estimate based on the Measured and Indicated Mineral Resource of 30.1 Mt at 0.9% V₂O₅ located within the Northern Block of tenements at Gabanintha.

Table 3: Ore Reserve Estimate as at July 2019

Reserve Category	Tonnes (Mt)	Grade V ₂ O ₅ %	Contained V ₂ O ₅ Tonnes (Mt)
Proven	1.1	0.96	0.01
Probable	28.5	0.88	0.25
Total	29.6	0.88	0.26

- Note: Includes allowance for mining recovery (98% for massive magnetite ore and 95% for banded and disseminated ore) and mining dilution applied as a 1 metre dilution skin; resulting in a North Pit dilution for massive magnetite ore of 13% at 0.45% V₂O₅, and North Pit dilution for banded and disseminated ore of 29% at 0.0% V₂O₅; a Central Pit dilution for massive magnetite ore of 10% at 0.46% V₂O₅, and Central Pit dilution for banded and disseminated ore of 20% at 0.0% V₂O₅.)
- Rounding errors may occur

Capital Structure	
Fully Paid Ordinary Shares on Issue	106.906m
Unquoted Options (\$0.35 – 12/01/21 expiry)	2.75m
Quoted Options (\$0.40 – 24/05/20 expiry)	14.889m
Unquoted Options (\$0.40 – 24/05/20 expiry)	3.258m

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.

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.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Grant Louw. Mr Louw is a Principal Consultant with CSA Global and a Member of the Australian Institute of Geoscientists. Mr Louw has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this report and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("**JORC Code**"). Mr Louw 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 that relates to Ore Reserves is based on information compiled by Mr Daniel Grosso and reviewed by Mr Karl van Olden, both employees of CSA Global Pty Ltd. Mr van Olden takes overall responsibility for the Report as Competent Person. Mr van Olden 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, Karl van Olden 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 Gabanintha project is based on and fairly represents, information and supporting documentation compiled by Mr Brett Morgan and reviewed by Mr Damian Connelly, both employees of METS Engineering Group Pty Ltd. Mr Connelly takes overall responsibility for the Report as Competent Person. Mr Connelly 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 which he is undertaking, to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Competent Person, Damian Connelly consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Technology Metals Australia Limited

ABN

64 612 531 389

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (Refer Note 1)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(66)	(209)
	(e) administration and corporate costs	(195)	(709)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	2,928
1.8	Other (provide details if material)	84	383
1.9	Net cash from / (used in) operating activities	(177)	2,394

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (Refer Note 1)	(389)	(4,247)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(389)	(4,247)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,083	2,083
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(80)	(80)
3.5	Proceeds from borrowings	-	1,417
3.6	Repayment of borrowings	-	(1,417)
3.7	Transaction costs related to loans and borrowings	-	(28)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,003	1,975

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	524	1,839
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(177)	2,394
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(389)	(4,247)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,003	1,975

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,961	1,961

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,961	554
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,961	554

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

79

44

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

*Note: the term "facility" includes all forms of financing arrangements available to the entity.
Add notes as necessary for an understanding of the sources of finance available to the entity.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

**Total facility
amount at quarter
end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

-

-

-

-

7.5 Unused financing facilities available at quarter end

-

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

-

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(177)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(389)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(566)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	1,961
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	1,961
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.46

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: NA

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: NA

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: NA

NOTE 1: In accordance with ASX listing rule changes effective 1 December 2019 and pursuant to the ASX's new Appendix 5B format, effective 31 March 2020, the classification of exploration expenditure previously classified under section 1.2(a), Cash flows from operating activities in the Dec 2019 quarter filing year to date Appendix 5B have been reclassified to section 2.1(d), Cash flows from investing activities' under exploration costs capitalised. There is no financial impact to overall cash flows as previously lodged with ASX for the Dec 2019 quarter.

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date:30/4/20.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.