



TECHNOLOGY
METALS AUSTRALIA LIMITED

ABN 64 612 531 389

and its Controlled Entities

Interim Condensed Consolidated Financial Report

31 December 2023

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Corporate Information

ABN 64 612 531 389

Directors

Mr Michael Fry (Non-executive Chairman)

Mr Ian Prentice (Managing Director)

Dr Carmen Letton (Non-executive Director)

Ms Joanne Gaines (Non-executive Director)

Company secretary

Mr Sonu Cheema

Registered Office & Principal Place of Business

Suite 9, 330 Churchill Avenue

Subiaco, WA 6008

Share Register

Automatic Registry Services

Level 2/267 St Georges Terrace

Perth, WA 6000

P: 1300 288 664 (within Australia)

P: +61 (0) 2 9698 5414 (International)

Technology Metals Australia Limited shares are listed on the Australian Securities Exchange (ASX: TMT)

Competent Person's Statement

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 information in this report in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Ross Cheyne of Oreology Consulting Pty Ltd 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 Code (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.

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. Unless otherwise indicated, all figures presented in this document are unaudited. This document does not contain any forecasts of profitability or loss.

Directors' Report

The directors present their report of Technology Metals Australia Limited (TMT or the **Company**) for the half-year ended 31 December 2023.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr Michael Fry Non-Executive Chairman

Mr Ian Prentice Managing Director

Dr Carmen Letton Non-Executive Director

Ms Joanne Gaines Non-Executive Director

Review and Results of Operations

Results

Consolidated net loss after tax for the half-year ended 31 December 2023 was \$2,338,000 (31 December 2022: net loss of \$2,505,000).

The Company's focus during the period was the progression of the Implementation Phase of the Murchison Technology Metals Project (**MTMP**), formalisation of its Environmental, Social and Governance (**ESG**) strategy, and the proposed Scheme of Arrangement with Australian Vanadium Limited, under which the two companies propose to merge to create the largest Australian vanadium developer with a world-class asset of scale.

Murchison Technology Metals Project

The MTMP is located 50km south of Meekatharra in Western Australia and comprises the Gabanintha and Yarrabubba deposits. The MTMP aims to be a long term, low-cost stable producer of high purity vanadium, a critical mineral with a vital role to play in the efficient and effective deployment of renewable energy and the reduction of emissions.

Environmental Permitting

The Company has referred the Project to the WA Environmental Protection Authority (**EPA**), with an updated Environmental Review Document (**ERD**) submitted early in the period to address queries previously raised by the EPA. A further detailed review of this updated ERD was undertaken by EPA Services and other relevant government agencies, and later in the period, the ERD for the Gabanintha development envelope was publicly released to the EPA website, together with the full complement of appendices. Company representatives were also provided with an opportunity to present the Project to the EPA Board in December 2023.

It is understood that an EPA draft assessment report with draft conditions will be considered by the EPA Board. The Company will continue to collaborate with the EPA in accordance with the assessment process.

Traditional Owner Engagement

TMT continues to engage constructively with the Yugunga-Nya Native Title Aboriginal Corporation (**YN PBC**) and the broader Yugunga-Nya cultural community who have non-exclusive native title over lands including the MTMP area.

During the half-year, TMT held a series of briefing sessions for the YN community members in Meekatharra, Geraldton, and Perth, providing an opportunity for consultation and direct engagement. The Company has also continued to engage with the Yugunga-Nya on heritage protection and the development of a Cultural Heritage Management Plan (**CHMP**). This involved on-country cultural heritage consultations and ethnobotany

Directors' Report (continued)

assessment of the proposed project area with YN knowledge holders and representatives. The co-design of a CHMP with the Yugunga-Nya is a key step in establishing the long-term respectful management of culture and heritage and a very important component of the long-term success of the Project to deliver benefits to all stakeholders.

Tenements

As at 31 December 2023, the Group held interests in the following tenements:

Location	Tenement	Interest acquired or disposed of during the period	Economic interest
Gabanintha Project (WA)	E51/1510	Nil	100%
Gabanintha Project (WA)	E51/1818	Nil	100%
Gabanintha Project (WA)	E51/2056	Application	100%
Gabanintha Project (WA)	E51/2117	Application	100%
Gabanintha Project (WA)	G51/29	Nil	100%
Gabanintha Project (WA)	G51/30	Nil	100%
Gabanintha Project (WA)	G51/31	Nil	100%
Gabanintha Project (WA)	G51/32	Application	100%
Gabanintha Project (WA)	L51/101	Nil	100%
Gabanintha Project (WA)	L51/102	Nil	100%
Gabanintha Project (WA)	L51/117	Nil	100%
Gabanintha Project (WA)	L51/121	Nil	100%
Gabanintha Project (WA)	L51/125	Application	100%
Gabanintha Project (WA)	L51/134	Application	100%
Gabanintha Project (WA)	L51/135	Application	100%
Gabanintha Project (WA)	M51/883	Nil	100%
Gabanintha Project (WA)	P51/2930	Expired	0%
Gabanintha Project (WA)	P51/3140	Nil	100%
Yarrabubba Project (WA)	G51/34	Application	100%
Yarrabubba Project (WA)	L51/123	Application	100%
Yarrabubba Project (WA)	L51/128	Application	100%
Yarrabubba Project (WA)	L51/129	Application	100%
Yarrabubba Project (WA)	M51/884	Nil	100%

Corporate

On 25 September 2023, the Company announced that it had entered into a binding Scheme Implementation Deed with Australian Vanadium Limited (**AVL**) under which the two companies propose to merge via a scheme of arrangement (**Scheme**).

Under the terms of the Scheme announced on this date, AVL was to acquire 100% of the fully paid ordinary shares of TMT with each shareholder of TMT to receive 12 fully paid ordinary AVL shares for each TMT share held at the Scheme record date (**Original Scheme Consideration**). Subsequently, on 12 December 2023, AVL increased the total consideration offered under the Scheme to 14 AVL shares for every 1 TMT share (**Revised Scheme Consideration**). The Scheme Implementation Deed and the Scheme have been amended to reflect the Revised Scheme Consideration.

Directors' Report (continued)

Based on the Revised Scheme Consideration, if the Scheme is implemented, TMT shareholders will hold approximately 42% of the merged group, gaining greater exposure to the unique opportunity to realise operational and corporate synergies through creating a single integrated project.

AVL confirmed the Revised Scheme Consideration is its best and final proposal as to consideration under the Scheme and AVL will not increase the consideration further, subject to no competing proposal for TMT emerging.

On 4 December 2023, TMT sought Court approval to convene a meeting of TMT shareholders to approve the Scheme to be held on 16 January 2024. A scheme booklet reflecting the Original Scheme Consideration containing notice of the Scheme meeting and information relating to the Scheme, including the basis for the TMT board's unanimous recommendation, Independent Expert's Report and details of the Scheme was circulated to all TMT Shareholders on 12 December 2023. A supplementary scheme booklet reflecting the Revised Scheme Consideration, updated Independent Expert's Report and details of the Scheme was circulated to all TMT Shareholders on 28 December 2023.

Events After Balance Date

On 1 January 2024, 5,375,000 TMT Class C Options expired without vesting.

On 16 January 2024, the following resolutions related to the scheme of arrangement, under which AVL proposed to acquire all the shares of TMT on issue were passed on a poll by the requisite majorities of TMT shareholders at the Scheme Meeting:

- The resolution set out in the supplementary scheme booklet dated 20 December 2023 to amend the Scheme Resolution (defined below), so as to take into account the increase in the consideration offered under the Scheme from 12 new AVL shares for every 1 TMT share to 14 new AVL shares for every 1 TMT share on the record date (**Amending Resolution**); and
- The resolution to approve the Scheme (as set out in the Notice of Scheme Meeting in Appendix 4 of the Scheme Booklet dated 5 December 2023) (**Scheme Resolution**), as amended by the Amending Resolution.

For the Amending Resolution and Scheme Resolution to have been approved, it was necessary for both of the following voting thresholds to be met:

1. At least 75% of the total number of votes cast on the resolutions by shareholders entitled to vote on the Amending Resolution and Scheme Resolution; and
2. A majority in number (more than 50%) of the members who were present and voting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative.

The first and second thresholds were met and the Scheme was approved by TMT shareholders. In summary:

- 158,107,426 votes (97.43% of the votes) cast by TMT shareholders were in favour of the Amending Resolution and 157,294,668 votes (97.36% of the votes) cast by TMT shareholders were in favour of the Scheme Resolution; and
- 91.67% of TMT shareholders present and voting (in person or proxy, attorney or in the case of a corporation its duly appointed corporate representative) voted in favour of the Amending Resolution and 88.22% of TMT shareholders present and voting (in person or proxy, attorney or in the case of a corporation its duly appointed corporate representative) voted in favour of the Scheme Resolution.

On 19 January 2024, the Supreme Court of Western Australia (**Court**) made orders approving the scheme of arrangement.

On 22 January 2024, TMT lodged with the Australian Securities and Investments Commission a copy of the orders of the Court approving the scheme of arrangement and the Scheme became Effective. TMT shares were suspended from trading on ASX at close of trading that same day.

Directors' Report (continued)

Upon the Scheme becoming Effective, and in accordance with the Scheme Implementation Deed, the following events were triggered:

- Under the terms of the Employee Securities Incentive Plan, the Scheme is a "special circumstance" which accelerated the vesting of outstanding performance rights. The only performance rights outstanding at the Effective Date were 2,925,000 Class D Performance Rights issued to directors, other KMP, employees and consultants, which were immediately vested and exercised into 2,925,000 fully paid ordinary shares;
- Under the terms of the Gabanintha Royalty Settlement Deed signed in September 2018 which saw the Company acquire the 1.5% net profits interest over the tenements that cover the proposed North Pit and associated infrastructure, the Scheme constitutes a "change of control" and the outstanding 1,000,000 milestone shares were caused to be issued; and
- Under the terms of the Option Cancellation Deeds entered into between TMT and AVL and each TMT Class E option holder as described in the scheme booklet dated 5 December 2023, all conditions were satisfied to require the cancellation of 5,425,000 Class E Options with effect on and from the Implementation Date. Each option holder will receive consideration in the form of a fixed number of AVL shares.

The total number of fully paid ordinary shares on issue increased to 258,210,984 shares as a result of the above events and, at the date of this report, there are no outstanding TMT options or performance rights on issue.

The share-based payments expense that will be recognised in subsequent reporting periods for each of the above events is described below:

	Share-based Payments Expense \$'000
Accelerated vesting of Class D Performance Rights	1,276
Issue of 1,000,000 milestone shares under the Gabanintha Royalty Settlement Deed (capitalised to deferred exploration and evaluation expenditure)	260
Cancellation of Class E Options	975

TMT shareholders who hold TMT Shares at the Scheme record date (being, 4:00pm (AWST) on Wednesday, 24 January 2024) will receive 14 new AVL shares for every 1 TMT Share held on 1 February 2024, in accordance with the terms of the Scheme.

The key dates for the remaining steps of the Scheme are set out below:

Key Dates	Date*
Implementation Date	1 February 2024
TMT removed from official list of ASX (with effect from close of business)	2 February 2024
New AVL Shares commence trading on ASX on a normal settlement basis	2 February 2024

There have been no other events subsequent to balance date that would significantly affect the amounts reported in the interim condensed consolidated financial statements as at and for the half-year ended 31 December 2023.

Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on the following page and forms part of the Directors' Report for the half-year ended 31 December 2023.

Rounding

The Company is of a kind referred to in ASIC Class Order 2016/191 and in accordance with that Class Order, amounts in the Financial Statements and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.



Directors' Report (continued)

Signed in accordance with a resolution of the directors.

Michael Fry
Chairman

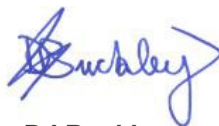
Perth, 31 January 2024

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the interim condensed consolidated financial report of Technology Metals Australia Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
31 January 2024



D I Buckley
Partner

hlb.com.au

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

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

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

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Interim Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2023

	Note	31 December 2023 \$'000	31 December 2022 \$'000
<i>Continuing operations</i>			
Other income – equipment hire income		-	33
Administrative expenses	4	(2,528)	(2,523)
Exploration and evaluation expenditure		(61)	(58)
Finance income – interest revenue		251	43
Loss before income tax		(2,338)	(2,505)
Income tax benefit		-	-
Net loss for the period		(2,338)	(2,505)
Other comprehensive income, net of income tax		-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the period		(2,338)	(2,505)
Basic and diluted loss per share (cents per share)		(0.92)	(1.19)

The accompanying notes form part of these financial statements.

Interim Condensed Consolidated Balance Sheet

As at 31 December 2023

	Note	31 December 2023 \$'000	30 June 2023 \$'000
<i>Current assets</i>			
Cash and cash equivalents		11,850	16,464
Trade and other receivables		941	2,308
Other current assets		168	101
Total current assets		12,959	18,873
<i>Non-current assets</i>			
Property, plant and equipment		17	4
Deferred exploration and evaluation expenditure	5	42,337	38,145
Total non-current assets		42,354	38,149
Total assets		55,313	57,022
<i>Current liabilities</i>			
Trade and other payables		1,808	1,179
Total current liabilities		1,808	1,179
Total liabilities		1,808	1,179
Net assets		53,505	55,843
<i>Equity</i>			
Issued capital	6	66,741	66,741
Reserves		2,790	2,790
Accumulated losses		(16,026)	(13,688)
Total equity		53,505	55,843

The accompanying notes form part of these financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

	Note	Issued capital	Reserves	Accumulated Losses	Total Equity
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022		55,329	3,814	(11,754)	47,389
Loss for the period		-	-	(2,505)	(2,505)
Other comprehensive income for the period, net of income tax		-	-	-	-
Total comprehensive loss for the period		-	-	(2,505)	(2,505)
<i>Transactions with owners:</i>					
Share-based payments		-	933	-	933
Balance at 31 December 2022		55,329	4,747	(14,259)	45,817

	Note	Issued capital	Reserves	Accumulated Losses	Total Equity
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023		66,741	2,790	(13,688)	55,843
Loss for the period		-	-	(2,338)	(2,338)
Other comprehensive income for the period, net of income tax		-	-	-	-
Total comprehensive loss for the period		-	-	(2,338)	(2,338)
<i>Transactions with owners:</i>					
Balance at 31 December 2023		66,741	2,790	(16,026)	53,505

The accompanying notes form part of these financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2023

	Note	31 December 2023 \$'000	31 December 2022 \$'000
<i>Cash flows from operating activities</i>			
Payments to suppliers and employees		(1,827)	(1,662)
Payments for Scheme related costs		(696)	-
Other income		-	250
Interest received		199	43
Net cash used in operating activities		(2,324)	(1,369)
<i>Cash flows from investing activities</i>			
Payments for property, plant and equipment		(16)	(7)
Research and development incentive received		1,404	-
Payments for deferred exploration and evaluation expenditure		(3,678)	(5,259)
Net cash outflow from investing activities		(2,290)	(5,266)
<i>Cash flows from financing activities</i>			
Net cash inflow from financing activities		-	-
Net decrease in cash held		(4,614)	(6,635)
Cash and cash equivalents at 1 July		16,464	18,600
Cash and cash equivalents at 31 December		11,850	11,965

The accompanying notes form part of these financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the half-year ended 31 December 2023

NOTE 1: CORPORATE INFORMATION

The interim condensed consolidated financial statements of Technology Metals Australia Limited and its subsidiaries (collectively, the **Group**) for the six months ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 31 January 2024.

Technology Metals Australia Limited (the **Company**) is a for-profit company, limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded. The registered office is located at Suite 9, 330 Churchill Ave, Subiaco in Western Australia. The Group is principally engaged in the exploration and development of vanadium resources in Western Australia.

NOTE 2: BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

The interim condensed consolidated financial statements for the six months ended 31 December 2023 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 30 June 2023, and any public announcements made by the Company during the half-year ended 31 December 2023 in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

The interim condensed consolidated financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2019/191. The Company is an entity to which the class order applies.

(b) Going concern

The interim financial statements have been prepared on the going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The directors recognise that the ability of the Company to continue as a going concern is dependent upon managing its costs and when the need arises, raising additional funds through alternate sources.

As disclosed in note 8, subsequent to 31 December 2023, the proposed scheme of arrangement with Australian Vanadium Limited (AVL) became legally effective and will be implemented on 1 February 2024. Final decisions about the future commercial operating plan and management organisation for the merged AVL and TMT group, including decisions about any changes to the way the TMT and AVL businesses are conducted, will be made by AVL following the completion of a detailed post-acquisition review.

For the half-year ended 31 December 2023 the Company recorded a loss before income tax expense of \$2,338,000 (2022: \$2,505,000), a net operating cash outflow of \$2,324,000 (2022: \$1,369,000), had a net asset position of \$53,505,000 (30 June 2023: \$55,843,000).

(c) Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023, except for the adoption of new standards effective as of 1 July 2023 disclosed below.

Notes to the Interim Financial Statements (continued)

NOTE 2: BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(d) New standards, interpretations and amendments adopted by the Group

The Group has adopted the following new and revised accounting standards, amendments and interpretations as of 1 July 2023:

- AASB 2021-2 Amendments to AASs – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of these new and revised standards did not have a material impact on the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

NOTE 3: SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports that are regularly reviewed by the chief operating decision maker (**CODM**) in assessing performance and determining the allocation of resources. Due to the nature and size of the Group, the Board as a whole has been determined to be the CODM.

The Group operates in one industry and geographical sector, being the exploration for and development of vanadium resources in Western Australia.

NOTE 4: EXPENSES

	Note	31 December 2023 \$'000	31 December 2022 \$'000
<i>(a) Administrative expenses</i>			
Directors' fees		90	93
Personnel costs		710	330
Consulting and professional fees		217	546
Scheme related transaction costs		918	-
Share-based payments expense		-	933
Corporate, marketing and investor relations costs		357	362
Travel and accommodation		97	126
Rent and occupancy costs		65	52
Other expenses		74	81
		2,528	2,523

Notes to the Interim Financial Statements (continued)

NOTE 5: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Note	6 months to 31 December 2023 \$'000	12 months to 30 June 2023 \$'000
<i>Area of Interest: Murchison Technology Metals Project</i>			
Balance at beginning of the period		38,145	29,344
Expenditure during the period		4,192	10,785
Research and development tax incentive refund		-	(1,404)
Transfer of security deposit for Early Works Agreement to receivables		-	(580)
Balance at end of the period		42,337	38,145

The ultimate recoupment of costs carried forward is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective area of interest at an amount at least equivalent to the carrying value.

NOTE 6: ISSUED CAPITAL

	Note	6 months to 31 December 2023
<i>Ordinary shares, issued and fully paid</i>		<i>Number</i> <i>\$'000</i>
On issue at 1 July 2023 & 31 December 2023		254,285,984 66,741

NOTE 7: COMMITMENTS AND CONTINGENCIES

(a) Commitments

There have been no significant changes to the commitments disclosed in the most recent financial report.

(b) Contingent liabilities

As disclosed in the financial statements for the year ended 30 June 2023, the Group previously entered into an Early Works Agreement (EWA) with APA Operations Pty Ltd (APA Operations) for the provision of certain early works by APA Operations in respect of the proposed development of the Gabanintha Gas Pipeline. These works will ultimately allow the Group and APA Operations to negotiate a development agreement and gas transportation agreement (Project Documents) to supply the MTMP with gas from the commencement of operations.

The EWA includes a requirement for the Group to reimburse APA Operations for all costs incurred and committed to in connection with the early works where the parties have not executed the Project Documents by the Backstop Date. The EWA required the Group to provide a cash backed security deposit of \$580,000 for the potential reimbursement of these costs. Where Project Documents are executed, the early works costs are rolled up into the future tariffs payable and are not reimbursable, and the security deposit funds are released to the Group.

During the half year ended 31 December 2023, the Group and APA agreed to extend the Backstop Date from 31 January 2024 to 1 April 2024, to allow the Group and APA time to assess the impact of proposed merger with Australian Vanadium Limited on the EWA and proposed development of the Gabanintha Gas Pipeline. At 31 December 2023, APA Operations had incurred total EWA costs of \$1,074,000 (30 June 2023: \$775,000) which the Group would be required to reimburse if Project Documents are not executed by the Backstop Date. Payment of the first \$580,000 of costs incurred would be funded through return of the security deposit noted above.

At reporting date, the board of directors' judgement is that it is only possible, but not probable, that the Group will be required to reimburse APA Operations for the EWA costs. Accordingly, no provision for any liability has been made in these financial statements.

There were no other significant changes to the contingencies disclosed in the most recent financial report.

Notes to the Interim Financial Statements (continued)

NOTE 8: SUBSEQUENT EVENTS

On 1 January 2024, 5,375,000 TMT Class C Options expired without vesting.

On 16 January 2024, the Company announced that the requisite majorities of its shareholders had voted in favour of the proposed scheme of arrangement with Australian Vanadium Limited (AVL) under which AVL proposed to acquire all the shares of TMT (Scheme) and on 19 January 2024, the Company further announced that the Supreme Court of Western Australia (Court) had made orders approving the Scheme.

The Company lodged an office copy of the Court's orders with the Australian Securities and Investments Commission on Monday, 22 January 2024, at which time the Scheme became legally effective. TMT's shares were suspended from trading on ASX at close of trading on Monday, 22 January 2024.

Upon the Scheme becoming effective, and in accordance with the Scheme Implementation Deed, the following events were triggered:

- Under the terms of the Employee Securities Incentive Plan, the Scheme is a "special circumstance" which accelerated the vesting of outstanding performance rights. The only performance rights outstanding at the Effective Date were 2,925,000 Class D Performance Rights issued to directors, other KMP, employees and consultants, which were immediately vested and exercised into 2,925,000 fully paid ordinary shares;
- Under the terms of the Gabanintha Royalty Settlement Deed signed in September 2018 which saw the Company acquire the 1.5% net profits interest over the tenements that cover the proposed North Pit and associated infrastructure, the Scheme constitutes a "change of control" and the outstanding 1,000,000 milestone shares were caused to be issued; and
- Under the terms of the Option Cancellation Deeds entered into between TMT and AVL and each TMT Class E option holder as described in the scheme booklet dated 5 December 2023, all conditions were satisfied to require the cancellation of 5,425,000 Class E Options with effect on and from the Implementation Date. Each option holder will receive consideration in the form of a fixed number of AVL shares.

The total number of fully paid ordinary shares on issue increased to 258,210,984 shares as a result of the above events and, at the date of this report, there are no outstanding TMT options or performance rights on issue.

The share-based payments expense that will be recognised in subsequent reporting periods for each of the above events is described below:

	Share-based Payments Expense \$'000
Accelerated vesting of Class D Performance Rights	1,276
Issue of 1,000,000 milestone shares under the Gabanintha Royalty Settlement Deed (capitalised to deferred exploration and evaluation expenditure)	260
Cancellation of Class E Options	975

The key remaining dates expected for the Scheme are set out below.

Key Dates	Date*
Implementation Date	1 February 2024
TMT removed from official list of ASX (with effect from close of business)	2 February 2024
New AVL Shares commence trading on ASX on a normal settlement basis	2 February 2024

Upon implementation of the Scheme on 1 February 2024, the "continuity of ownership" test related to carried forward tax losses will be failed, and the Group will need to demonstrate satisfaction of the "similar business test" to utilise these losses in the future. No assessment has been performed over the availability of tax losses at the date of this report.

There have been no other events subsequent to balance date that would significantly affect the amounts reported in the interim condensed consolidated financial statements as at and for the half-year ended 31 December 2023.

Directors' Declaration

In accordance with a resolution of the directors of Technology Metals Australia Limited, I state that:

In the opinion of the directors:

- (a) the interim condensed financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the six months ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Michael Fry
Chairman

Perth, 31 January 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Technology Metals Australia Limited

Report on the Interim Condensed Consolidated Financial Report

Conclusion

We have reviewed the interim financial report of Technology Metals Australia Limited ("the Company") and its controlled entities ("the Group"), which comprises the interim condensed consolidated balance sheet as at 31 December 2023, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the interim condensed financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim condensed financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

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

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the interim condensed financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim condensed financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

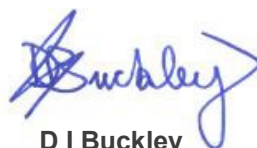
Independence

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
31 January 2024



D I Buckley
Partner