

## Scheme Booklet registered with ASIC

5 December 2023

Advanced vanadium developer, Technology Metals Australia Limited (ASX: **TMT**) (**Technology Metals**, or **the Company**), refers to its ASX announcements:

- released on 25 September 2023 in relation to the execution of the Scheme Implementation Deed with Australian Vanadium Limited (ASX: **AVL**) (**AVL**) under which AVL and TMT have agreed to merge via a proposed Scheme of Arrangement (**Scheme**), under which AVL will acquire 100% of the TMT Shares on issue for consideration of 12 New AVL Shares for every 1 TMT Share held by TMT shareholders (**TMT Shareholders**) on the Record Date (**Scheme Consideration**); and
- released on 4 December 2023 in relation to the orders made by the Supreme Court of Western Australia (**Court**) that TMT convene a meeting of TMT Shareholders to consider and vote on the Scheme (**Scheme Meeting**) and approving the dispatch of an explanatory statement providing information about the Scheme, together with the notice of Scheme Meeting (together, the **Scheme Booklet**), to TMT Shareholders.

TMT is pleased to announce the registration of the Scheme Booklet with the Australian Securities and Investment Commission (**ASIC**).

### SCHEME BOOKLET

TMT confirms that ASIC has today registered the Scheme Booklet. A copy of the Scheme Booklet is attached to this announcement and will also be made available on TMT's website at <https://www.tmtlimited.com.au/>.

For details of how you will receive the Scheme Booklet, please refer to TMT's previous announcement made on 4 December 2023.

The Scheme Booklet is an important document and requires your immediate attention. You should read the Scheme Booklet, including the materials accompanying it, carefully in full before making a decision about how to vote at the Scheme Meeting. If you are in doubt as to what you should do, you should consult your independent financial, legal, taxation or other professional adviser immediately.

If you require further information or have questions in relation to the Scheme, please contact the TMT Shareholder Information Line on 08 9321 8533 between 8:30 am and 5:00 pm (AWST).

### INDEPENDENT EXPERT'S REPORT

The Scheme Booklet includes a copy of the independent expert's report prepared by BDO Corporate Finance WA Pty Limited (**Independent Expert**), which concludes that the Scheme is not fair but reasonable and in the best interests of TMT shareholders, in the absence of a Superior Proposal. The Independent Expert's conclusion should be read in context with the full Independent Expert's Report and the Scheme Booklet.

### TMT BOARD RECOMMENDATION

The TMT Board continues to 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 interest of TMT shareholders.

Subject to those same qualifications, each TMT director intends to vote all TMT Shares they control in favour of the Scheme. As at the date of this announcement, the TMT Board collectively holds 1.3% of TMT Shares.

### SCHEME MEETING

The Scheme Meeting will be held on 10:00am (AWST) on Tuesday, 16 January 2024 at level 3, 88 William Street, Perth WA 6000. The persons eligible to vote at the Scheme Meeting are those who are registered as shareholders of TMT on 10:00am (AWST) on Sunday, 14 January 2024.

Further information on how to participate in and vote at the Scheme Meeting is set out in the Scheme Booklet.

These dates are indicative only and, among other things, are subject to the Court approval process, ASX approval and the satisfaction or, where applicable, waiver of the conditions set out in Section 8.2 of the Scheme Booklet. TMT reserves the right to vary the times and dates set out above subject to the approval of such variation by AVL, the Court and ASIC where required. Any changes to the above times will be announced to ASX and notified on the TMT's website at: <https://www.tmtlimited.com.au/>. TMT will continue to update TMT Shareholders as to any material developments in relation to the Scheme as the timetable progresses.

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

For further information:

**Ian Prentice**  
Managing Director  
[investors@tmtlimited.com.au](mailto:investors@tmtlimited.com.au)  
+61 8 6489 1600



**TECHNOLOGY**  
METALS AUSTRALIA LIMITED

# SCHEME BOOKLET

In relation to the recommended scheme of arrangement to the effect proposed merger of **Australian Vanadium Limited** ACN 116 221 740 with **Technology Metals Australia Limited** ACN 612 531 389

**YOUR DIRECTORS UNANIMOUSLY RECOMMEND<sup>1</sup> YOU**

# VOTE IN FAVOUR

**IN THE ABSENCE OF A SUPERIOR PROPOSAL AND SUBJECT TO THE INDEPENDENT EXPERT CONTINUING TO CONCLUDE THE SCHEME IS IN THE BEST INTERESTS OF TMT SHAREHOLDERS**

This is an important document and requires your immediate attention. You should read this document in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser immediately.

If you require further information or have questions in relation to the Scheme, please contact the TMT Shareholder Information Line on 08 9321 8533, Monday to Friday between 8:30am and 5:00pm (AWST).



<sup>1</sup> In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

# Important Notices

## Date of this Scheme Booklet

This Scheme Booklet is dated 5 December 2023.

## Defined terms and interpretation

Capitalised terms used in this Scheme Booklet (other than in the Independent Expert's Report (including the Independent Technical Specialist's Report) contained in Appendix 1) are either defined in brackets when first used or are defined in the Glossary in Section 10. The Glossary also sets out some rules of interpretation which apply to this Scheme Booklet. The Independent Expert's Report and the Independent Technical Specialist's Report contain their own defined terms which are sometimes different from those set out in the Glossary in Section 10.

## Nature of this Scheme Booklet

This Scheme Booklet includes the Explanatory Statement for the Scheme required by section 412(1) of the Corporations Act. The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which it will be implemented (if approved). This Scheme Booklet provides all information required to be given to TMT Shareholders or that is otherwise material to the making of a decision in relation to the Scheme, being information within the knowledge of any Director which has not previously been disclosed to TMT Shareholders.

This Scheme Booklet is important. You should read this Scheme Booklet carefully before making a decision about how to vote on the Scheme Resolution to be considered at the Scheme Meeting.

## No investment advice

This Scheme Booklet does not constitute financial product advice and has been prepared without reference to individual investment objectives, financial situation, taxation position or particular needs of any TMT Shareholder or any other person. It is important you read this Scheme Booklet before making any decision, including a decision on whether or not to vote in favour of the Scheme. This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to AVL Shares, TMT Shares or any other securities. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional adviser.

Each TMT Shareholder's tax position is different. Therefore, TMT Shareholders are urged to seek their own independent tax advice regarding the specific tax consequences of the Scheme, including the application and effect of income tax and other tax laws to their particular circumstances.

A summary of the Australian income tax, stamp duty and GST consequences of the Scheme for TMT Shareholders is set out in Section 7. However, TMT Shareholders should not solely rely on the summary in Section 7 in substitution for specific advice on their own affairs from a registered tax agent.

## Responsibility statement

The TMT Information has been prepared by TMT and is the responsibility of TMT. To the maximum extent permitted by law, neither AVL nor any of its Related Bodies Corporate, nor any of their respective directors, officers or advisors is responsible for the accuracy or completeness of the TMT information contained in this Scheme Booklet and disclaim any liability in this regard.

The AVL Information has been prepared by AVL and is the responsibility of AVL. To the maximum extent permitted by law, neither TMT nor any of its Related Bodies Corporate, nor any of their respective directors, officers or advisors is responsible for the accuracy or completeness of any AVL Information contained in this Scheme Booklet and disclaim any liability in this regard.

BDO Corporate Finance (WA) Pty Ltd has prepared, and is responsible for, the Independent Expert's Report contained in Appendix 1 of this Scheme Booklet. To the maximum extent permitted by law, none of TMT, AVL, their respective Related Bodies Corporate or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Expert's Report and disclaim any liability in this regard.

Valuation and Resource Management Pty Ltd has prepared, and is responsible for, the Independent Technical Specialist's Report contained in Appendix 1 to the Independent Expert's Report. To the maximum extent permitted by law, none of TMT, AVL, their respective Related Bodies Corporate or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Technical Specialist's Report and disclaim any liability in this regard.

## Role of ASIC

A copy of this Scheme Booklet has been lodged with, and registered by, ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with section 411(2)(b) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court on the Second Court Date.

## Role of ASX

A copy of this Scheme Booklet has been lodged with ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

## Important notice associated with the Court order under section 411(1) of the Corporations Act

The fact that, under section 411(1) of the Corporations Act, the Court has ordered a meeting be convened and has approved the Explanatory Statement required to accompany the Notice of Scheme Meeting does not mean the Court:

- has formed any view as to the merits of the proposed Scheme or as to how you should vote (on this matter, you must reach your own decision); or
- has prepared, or is responsible for the content of, this Scheme Booklet.

## Notice to TMT Shareholders in Ineligible Jurisdictions

This Scheme Booklet complies with Australian disclosure requirements. These disclosure requirements may be different to those in other countries. It is important TMT Shareholders who are not Australian resident taxpayers or who are liable for tax outside Australia seek specific tax advice in relation to the Australian and overseas tax consequences of the Scheme.



Restrictions in the Ineligible Jurisdictions may make it impractical or unlawful for AVL Shares to be issued under the Scheme to, or received under the Scheme by, TMT Shareholders in those jurisdictions. A TMT Shareholder whose address shown in the TMT Register is in a jurisdiction outside Australia, New Zealand, Singapore and the United States will be an Ineligible Overseas Shareholder for the purposes of the Scheme. TMT Shareholders recorded on the TMT Register as having an address within an Ineligible Jurisdiction should refer to Sections 2.7 and 2.9 for further information.

This Scheme Booklet and the Scheme do not constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the AVL Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available, shareholders of TMT whose addresses are shown in the register on the Record Date as being in the following jurisdictions will be entitled to receive this Scheme Booklet and have AVL Shares issued to them under the Scheme subject to any qualifications set out below in respect of that jurisdiction:

- Australia;
- New Zealand;
- Singapore;
- United States; and
- any other person or jurisdiction in respect of which AVL reasonably believes that it is not prohibited and not unduly onerous or impractical to issue AVL Shares to a TMT shareholder with a registered address in such jurisdiction.

Nominees and custodians who hold TMT shares on behalf of a beneficial owner resident outside Australia, New Zealand, Singapore and the United States may not forward this Scheme Booklet (or any accompanying document) to anyone outside these countries without the consent of TMT.

#### **Notice to TMT Shareholders in New Zealand**

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of AVL Shares under the Scheme is being made to existing shareholders of TMT in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

#### **Notice to TMT Shareholders in Singapore**

This Scheme Booklet and any other document relating to the Scheme have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore and the Scheme is not regulated by any financial supervisory authority in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act 2001 (the "SFA") will not apply.

This Scheme Booklet and any other document relating to the Scheme may not be made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part 13 of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise

pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to AVL Shares being subsequently offered for sale to any other party in Singapore. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

This Scheme Booklet is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person. Any investment referred to in this Scheme Booklet may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investment.

Neither TMT nor AVL is in the business of dealing in securities or holds itself out, or purports to hold itself out, to be doing so. As such, TMT and AVL are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

#### **Notice to TMT Shareholders in United States**

TMT and AVL intend to rely on an exemption from the registration requirements of the US Securities Act of 1933 provided by Section 3(a)(10) thereof in connection with the consummation of the Scheme and the issuance of AVL Shares. Approval of the Scheme by an Australian court will be relied upon by TMT and AVL for purposes of qualifying for the Section 3(a)(10) exemption.

US shareholders of TMT should note that the Scheme is made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of ASX. The Scheme is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws since TMT and AVL are located in Australia and most of their respective officers and directors reside outside the United States. You may not be able to sue TMT, AVL or their respective officers or directors in Australia for violations of the US securities laws. It may be difficult to compel TMT and its affiliates to subject themselves to a US court's judgment.

You should be aware that AVL may purchase securities otherwise than under the Scheme, such as in open market or privately negotiated purchases.

This Scheme Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of this Scheme Booklet. Any representation to the contrary is a criminal offence.

The AVL Shares to be issued pursuant to the Scheme have not been, and will not be, registered under the US Securities Act or the securities laws of any US state or other jurisdiction. The Scheme is not being made in any US state or other jurisdiction where it is not legally permitted to do so.

#### **Forward looking statements**

Certain statements in this Scheme Booklet relate to the future, including forward looking statements and information (forward looking statements). The forward looking statements in this Scheme Booklet, including statements relating to the Merged Group and the transactions contemplated by the Scheme Implementation Deed, are not based on historical facts, but rather reflect the current views and expectations of TMT or, in

relation to the AVL Information, AVL concerning future events and circumstances. These statements may generally be identified by the use of forward looking verbs such as "aim", "anticipate", "believe", "estimate", "expect", "foresee", "intend" or "plan", qualifiers such as "may", "should", "likely" or "potential", or similar words. Similarly, statements that describe the expectations, goals, objectives, plans, targets, estimates of Ore Reserves and Mineral Resources, production targets or guidance and future costs of AVL, TMT or the Merged Group or potential synergies are, or may be, forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements of TMT, AVL or the Merged Group to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which TMT, AVL and the Merged Group will operate in the future, including the price of commodities, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, customer risks, commodity price volatility, discrepancies between actual and estimated costs or production, Ore Reserves and Mineral Resources being inaccurate or changing over time, mining operational and development risk, litigation risks, regulatory restrictions (including environmental regulatory restrictions and liability), activities by governmental authorities (including changes in taxation), delays or inability to reach agreements or receive requisite approvals, currency fluctuations, mineral exploration, the global economic climate, dilution, share price volatility, competition, loss of key directors and employees, additional funding requirements and defective title to mineral claims or property. As a result, TMT's actual results of operations and earnings and those of AVL and the Merged Group following implementation of the Scheme, as well as the actual advantages and disadvantages of the Scheme, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved. See Section 6 for a (non-exhaustive) discussion of potential risk factors underlying, and other information relevant to, the forward looking statements and information. Forward looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them. All forward looking statements should be read in light of such risks and uncertainties.

You should note the historical performance of TMT and AVL is no assurance of their, nor the Merged Group's future financial performance. None of TMT, AVL and their respective directors, or any other person, gives any representation, assurance or guarantee the occurrence of the events expressed or implied in any forward looking statements and information in this Scheme Booklet will actually occur.

The forward looking statements in this Scheme Booklet reflect views and expectations held only at the date of this Scheme Booklet. TMT believes all forward looking statements included in the TMT Information have been made on a reasonable basis and AVL believes all forward looking statements included in the AVL Information have been made on a reasonable basis. However, none of TMT, AVL nor their respective directors nor any other person gives any representation, assurance or guarantee that any outcome, performance or results expressed or implied by any forward looking statements in this Scheme Booklet will actually occur. TMT Shareholders should therefore treat all

forward looking statements with caution and not place undue reliance on them.

Subject to any continuing obligations under law or the Listing Rules, TMT, AVL and their respective directors disclaim any obligation to revise or update, after the date of this Scheme Booklet, any forward looking statements to reflect any change in views, expectations or assumptions on which those statements are based.

### JORC Code compliance statements

This Scheme Booklet contains estimates of Mineral Resources and Ore Reserves of TMT. TMT confirms that it is not aware of any new information or data that materially affects, in respect of the Mineral Resources of the TMT Group, that information extracted from the report entitled "MTMP Global Mineral Resource Upgrade" released on 7 November 2022 and in respect of the Ore Reserves of the TMT Group is extracted from the report entitled "MTMP Life Increases to 25 Years and Maiden Ilmenite Reserve" released on 5 August 2022. All material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates continue to apply and have not materially changed.

The information in this Scheme Booklet that relates to exploration results and Mineral Resource and Ore Reserve estimates for the Australian Vanadium Project is extracted from the announcement entitled 'Bankable Feasibility Study for the Australian Vanadium Project' released to the ASX on 6 April 2022 which is available on AVL's website ([www.australianvanadium.com.au](http://www.australianvanadium.com.au)). AVL confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed. AVL confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original market announcement.

The information in this Scheme Booklet that relates to exploration results for the Coates Project is extracted from the announcement entitled 'Drill Results at Coates Nickel-Copper-PGE Project Confirm Prospectivity' released to the ASX on 15 September 2022 which is available on AVL's website ([www.australianvanadium.com.au](http://www.australianvanadium.com.au)). AVL confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. AVL confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original market announcement.

The information in this Scheme Booklet that relates to exploration results and Mineral Resource estimates for the Nowthanna Hill Uranium & Vanadium Project is extracted from the announcement entitled 'Nowthanna Hill Mineral Resource Estimate for Vanadium and Uranium' released to the ASX on 31 May 2019 which is available on AVL's website ([www.australianvanadium.com.au](http://www.australianvanadium.com.au)). AVL confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed. AVL confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original market announcement.

The information in this Scheme Booklet that relates to production targets, or forecast financial information derived from

a production target, in respect of the Australian Vanadium Project is extracted from the announcement entitled 'Bankable Feasibility Study for the Australian Vanadium Project' released to the ASX on 6 April 2022 which is available on AVL's website ([www.australianvanadium.com.au](http://www.australianvanadium.com.au)). AVL confirms that all material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the original market announcement continue to apply and have not materially changed.

### Notice of Second Court Hearing

On the Second Court Date, the Court will consider whether to approve the Scheme following the votes at the Scheme Meeting. Any TMT Shareholder may appear at the Court on the Second Court Date. Any TMT Shareholder who wishes to oppose the approval of the Scheme by the Court on the Second Court Date may do so by filing with the Court, and serving on TMT, a notice of appearance in the prescribed form together with any affidavit on which the TMT Shareholder proposes to rely.

### Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale.

### Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet, including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

Where the calculation of the number of New AVL Shares to be issued to Scheme Shareholders results in fractional entitlements to a New AVL Share, any fractional entitlement of:

- 0.5 or greater will be rounded up to the nearest whole number of New AVL Shares; and
- less than 0.5 will be rounded down to the nearest whole number.

### No website is part of this Scheme Booklet

TMT and AVL each maintain websites at <https://www.tmtlimited.com.au/> and <https://www.australianvanadium.com.au/> respectively. Any references in this Scheme Booklet to those or other internet sites are for information purposes only and do not form part of this Scheme Booklet.

### Implied value

All references in this Scheme Booklet to the value or implied value of the Scheme Consideration should not be taken as an indication that Scheme Shareholders will receive cash. The implied value of the Scheme Consideration is not fixed. Scheme Shareholders (other than Ineligible Overseas Shareholders and Small Parcel Shareholders) will receive AVL Shares as consideration for their TMT Shares under the Scheme. Consequently, the implied value of the Scheme Consideration will depend on the price at which AVL Shares trade on ASX after issue of the AVL Shares under the Scheme. There can be no guarantee of that price. This also applies to Ineligible Overseas Shareholders and Small Parcel Shareholders, whose Scheme Consideration will be remitted to the Sale Agent to on sell

through the Sale Facility. Any cash remitted to Ineligible Overseas Shareholders and Small Parcel Shareholders under the Scheme will depend on the market price of AVL Shares at the time of sale by the Sale Agent. Please refer to Section 6.3 for a non-exhaustive list of risk factors relevant to the Merged Group.

### Currency

All references in this Scheme Booklet to "\$", "A\$", "AUD", "Australian dollars" are to Australian currency.

### Financial data

The financial information in this Scheme Booklet is presented in an abbreviated form and does not contain all the disclosures that are usually provided for in an annual report prepared in accordance with the Corporations Act.

### Privacy and personal information

TMT and AVL will need to collect personal information to implement the Scheme. The personal information may include the names, contact details and details of shareholdings of TMT Shareholders together with contact details of individuals appointed by TMT Shareholders as proxies, body corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

TMT Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact the Share Registry if they wish to exercise those rights.

The information may be disclosed to print and mail service providers, and to TMT, AVL and their respective advisers and agents to the extent necessary to effect the Scheme. If the information outlined above is not collected, TMT may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme effectively, or at all.

TMT Shareholders who appoint an individual as their proxy, body corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

Persons are entitled, under section 173 of the Corporations Act, to inspect and copy the TMT Register. The TMT Register contains personal information about TMT Shareholders.



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# TMT Chairperson Letter

## Dear TMT Shareholder

On behalf of the Directors, I am pleased to provide you with this Scheme Booklet, which contains information about the proposed merger of Technology Metals Australia Limited (**TMT**) and Australian Vanadium Limited (**AVL**).

## 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. The TMT Board then sought to engage with AVL to investigate whether an improved proposal capable of the TMT Board's unanimous recommendation to TMT shareholders could be agreed. Following 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 twelve (12) AVL shares for every one (1) TMT share held (**Scheme**). If the Scheme is implemented, TMT Shareholders will hold approximately 38% of the Merged Group.

The purpose of this Scheme Booklet is to provide you with information about the Scheme to assist you in deciding how to vote on the Scheme at the Scheme Meeting.

## TMT Directors' recommendation<sup>1</sup>

The Independent Expert has concluded that the Scheme is not fair but reasonable and in the best interests of TMT Shareholders. As such, the Board of 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>2</sup> Subject to those same qualifications, 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<sup>3</sup>).

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<sup>1</sup>In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

<sup>2</sup>Please refer to Appendix 1, which contains the Independent Expert's Report.

<sup>3</sup>TMT Board of Directors hold or control 3,267,712 Shares, being 1.3% of TMT (on an undiluted basis).

The reasons for the unanimous recommendation by the Board<sup>4</sup> are set out in Pages 11 to 23 of this Scheme Booklet.

The TMT Directors believe the Scheme will provide TMT Shareholders with several key benefits, including:

- the Merger involves the logical combination of two adjacent projects across one orebody providing a unique opportunity to realise operational and corporate synergies by creating a single integrated project;
- the Merged Group will become the largest Australian vanadium developer<sup>5</sup> with a world-class asset of scale, located in Western Australia, a Tier-1 mining jurisdiction;
- the Merged Group will have a strengthened financial position and is expected to have significantly improved access to capital, including from government agencies, to support project development ambitions;
- the Merged Group will unlock significant mining optimisation benefits from the consolidated project, and for instance, the successful completion of the Scheme will resolve tenure issues at Yarrabubba which TMT currently faces as a standalone entity, particularly regarding waste management;
- TMT Shareholders will benefit from exposure to AVL's \$49 million Government grant which will be used to further advance the Merged Group's projects and development;
- the Merged Group will have increased scale, liquidity, capital markets profile and strategic investor appeal, driving enhanced financial flexibility and the potential for share price re-rating over time; and
- the implied value of the Scheme Consideration represents a premium to the recent trading price of TMT Shares prior to announcement of the Scheme.

You may not agree with the unanimous recommendation of the TMT Directors<sup>6</sup> and the Independent Expert's conclusion. The TMT Board also notes a number of disadvantages associated with the Scheme as outlined in Pages 17 and 21 of this Scheme Booklet, including:

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<sup>4</sup>In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

<sup>5</sup>Based on the Merged Group's pro forma market capitalisation as at the Last Practicable Date of approximately \$186 million.

<sup>6</sup>In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a

- the exposure of TMT Shareholders to TMT's asset, the MTMP, will be diluted in the Merged Group;
- the risk profile for TMT Shareholders will change as part of the Merged Group and you may consider this represents a disadvantage when compared to TMT as a standalone entity;
- a Superior Proposal for TMT may emerge in the future, if TMT were to continue as a standalone entity (although, as at the Last Practicable Date, no such proposal has emerged);
- the exact monetary value of the scrip consideration is not certain and will depend on the price at which AVL Shares trade on ASX after the Implementation Date; and
- the potential tax consequences of the Scheme may not suit your current financial position or tax circumstances.

## Additional context to the TMT Directors' recommendation<sup>7</sup>

The TMT Directors' unanimous recommendation follows an extensive decision-making process which considered the opportunities and challenges that TMT is exposed to as a standalone entity versus the other alternatives available to TMT, including the Scheme.

In addition to the benefits and disadvantages associated with the Scheme, as set out above, TMT Shareholders should also have regard to the following key points that the TMT Board carefully considered when forming its unanimous recommendation for the proposed Scheme:

- the risk of eroding project economics and therefore to shareholder value in a rapidly rising cost environment is much greater without the synergies that could be derived from the consolidation of the Merged Group;
- the TMT Board has pursued various market sounding processes over the last 12 months which involved contacting (via its financial advisers) a number of credible corporate, industry and strategic parties seeking 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;
- in contrast to the financing risks facing TMT as a standalone entity, the TMT Board has formed the view that the Merged Group will have significantly enhanced prospects of securing material future development funding from institutional investors, strategic investors, debt providers and/or government agencies. In particular, the TMT Board considers that the

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recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

<sup>7</sup>In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

Merged Group will benefit from the expected continued financial support of its major shareholders, including RCF, who support the Scheme.

- based on engagement to date, the TMT Directors have formed the view that major shareholder, Resource Capital Fund VII LP (**RCF**), along with 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;
- TMT is expected to require future funding in the form of equity capital during 1H CY24 to support working capital and to advance the MTMP on a standalone basis;
- any equity capital raising by TMT in these circumstances will likely require pricing to be at a discount to the current share price and would potentially be highly dilutive to existing TMT Shareholders, particularly those shareholders that elect not to participate; and
- should the Scheme not proceed, TMT will immediately evaluate its working capital requirements to determine an appropriate level of funding to ensure it can generally advance the project on a standalone basis.

## Independent Expert's conclusion

The Independent Expert has concluded that, in the absence of a superior proposal, the Scheme is not fair but reasonable and in the best interests of TMT Shareholders.

In the Independent Expert's opinion, the Scheme is not fair because the value of 12 shares in the Proposed Merged Entity (on a minority interest basis) is lower than the value of a share in TMT prior to the Scheme (on a controlling interest basis). However, the Independent Expert considers the Scheme to be reasonable because the advantages of approving the Scheme outweigh the disadvantages. In particular, following the implementation of the Scheme, TMT Shareholders will have an interest in an enlarged entity which will have consolidated ownership of two adjoining projects which may enable improved ability to develop the projects and easier access to capital.

The Independent Expert has noted the following respective advantages and disadvantages of the Scheme in section 2.5 of the Independent Expert's Report:

Section	Advantages	Section	Disadvantages
13.1.1.	The consolidation of two adjoining projects on the same orebody	13.2.1.	Dilution of Shareholders' interest and exposure to the MTMP
13.1.2.	The tenure issues at Yarrabubba will be resolved	13.2.2.	Change in risk profile
13.1.3.	The Proposed Merged Entity is expected to have significantly improved access to capital to support project development	13.2.3.	The value of the Scheme Consideration is not certain
13.1.4.	The Proposed Merged Entity will have a larger market presence, which may result in improved liquidity and increased ability to raise capital		
13.1.5.	Creates a group with a stronger balance sheet and access to AVL's cash reserves		



Section	Advantages	Section	Disadvantages
13.1.6.	Increased experience and broader expertise of the Board of Directors and management team of the Proposed Merged Entity		

A complete copy of the Independent Expert's Report is included at Appendix 1. You are encouraged to read the Independent Expert's Report in its entirety.

## Integration Approach and Update

A Technical Working Group was formed immediately following the announcement that TMT had entered into the Scheme Implementation Deed with AVL. The Technical Working Group, overseen by the Managing Director of TMT and Chief Executive Officer of AVL, is being managed by the respective Chief Operating Officers and brings together the strength of both companies' technical teams.

The Technical Working Group has met regularly since the Scheme announcement and is focused on facilitating and developing the integrated project optimisation strategy to bring together the best attributes of each project and ensure a seamless transition into an integrated development team on completion of the merger. The working group is ensuring all technical, economic and social factors are assessed in the integration process to capture project enhancement opportunities and the development strategy to deliver on the identified synergies. This approach is designed to ensure that the most efficient development pathway is identified prior to completion of the proposed merger to support timely development of the optimal project.

Importantly, current permitting and approvals processes are not expected to be impacted by the merger.

## TMT environmental permitting approval update

TMT continues to work collaboratively with the WA Environmental Protection Authority (**EPA**) on the environmental approval process.

During the September 2023 quarter, an updated Environmental Review Document (**ERD**) for the Gabanintha project area was submitted to the EPA, addressing the EPA's queries and feedback from government and non-government stakeholders on the previous versions of the ERD.

As at the Last Practicable Date, TMT has not been informed that the EPA Board has assessed TMT's ERD or made a recommendation to the Western Australian Minister for the Environment in regard to the environmental approval for the Gabanintha project area.

TMT notes the ERD and existing EPA approval process covers only the Gabanintha area for open pit mining, associated waste landforms, processing infrastructure and supporting non-process infrastructure, and does not include the Yarrabubba project area. Yarrabubba, as a satellite open pit mining development, will be referred to, and assessed by, the EPA separate to the Gabanintha area. It is unclear how long the EPA would take to assess an ERD for Yarrabubba and grant approval. As ore from Yarrabubba forms the majority of ore feed to TMT's processing plant over the first eight years of production, the absence of EPA approval for Yarrabubba may adversely impact TMT's ability to raise the required debt and equity funding until such approval is granted.

The ERD does however contemplate allowance for ore processing from sources outside the development envelope, such as from TMT's Yarrabubba or AVL's proposed open pit mining developments. However, Yarrabubba and AVL's proposed open pit mining developments cannot be mined until all necessary environmental approvals have been received. Yarrabubba, as a satellite open

pit mining development, will be referred to, and assessed by, the EPA separate to the Gabanintha area. AVL has applied for EPA approval for its proposed open pit mining developments.

## Major shareholder support

Major shareholders of TMT representing approximately 26% of issued capital on an undiluted basis have provided written voting intention statements.

RCF (holding or controlling 45,821,428 shares representing a 18.02% interest of the issued capital in TMT), has confirmed its intention to vote in favour of the Scheme in respect of TMT Shares currently held, in the absence of a Superior Proposal (as assessed by RCF) and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of TMT Shareholders.

Other major shareholders, being:

- Regal Funds Management (holding or controlling 12,042,858 shares representing a 4.7% interest in TMT);
- Atasa Holdings Pty Ltd (holding or controlling 4,343,995 shares representing a 1.7% interest in TMT); and
- Tribeca Investment Partners Pty Ltd (holding or controlling 3,200,000 shares representing a 1.3% interest in TMT),

have all confirmed their intention to vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of TMT Shareholders.

As at the date of this Scheme Booklet, these major shareholders have not withdrawn their voting intention statements.

## Implementation of the Scheme

Implementation of the Scheme is subject to satisfaction of a number of conditions, including TMT Shareholder and Court approval, no material adverse change, prescribed occurrence, regulated event occurring and certain other conditions summarised in Section 8.2. AVL and TMT have termination rights under the Scheme Implementation Deed in certain circumstances which are summarised in Section 8.17. Details of risks of the Scheme, risks if the Scheme does not proceed and specific and general risks relating to TMT, the Merged Group and the Scheme can be found in Section 6.

## Your Vote is Important

Your vote is important, and I encourage you to vote on the Scheme, and to vote in favour of the proposed merger. The proposed merger with AVL will deliver benefits to TMT and represents an enhanced and accelerated path forward and not a reset of the development clock. The proposed merger has strong strategic rationale, providing a unique opportunity to realise operational and corporate synergies by creating a single integrated project that TMT shareholders will retain an ongoing interest in. The combination will leverage the best of both organisations, including best in class technical work, assets and people, to create the leading force in the Australian vanadium sector.

In considering your vote I urge you to read this Scheme Booklet (including the Independent Expert's Report) carefully in full, and if required, to seek your own legal, financial, taxation or other professional advice.

This Scheme Booklet will be dispatched to TMT Shareholders shortly after its release to ASX. TMT Shareholders who have elected to receive communications electronically will receive an email where they can download this Scheme Booklet and lodge their proxy vote online. TMT Shareholders who have not made such an election will be mailed a letter which contains these instructions and hard copy proxy forms for the Scheme Meeting. This Scheme Booklet will also be available for download from <https://www.tmtlimited.com.au/>.

The TMT Board has decided to hold the Scheme Meeting as an in-person meeting. Please refer to Section 2.5 for information setting out how to participate in and vote at the Scheme Meeting. The Scheme Meeting is being arranged to ensure all TMT Shareholders can participate and have the opportunity to engage with the Board on this important decision for TMT Shareholders.

If you require further information or have questions in relation to the Scheme, please contact the TMT Shareholder Information Line on 08 9321 8533 between 8:30 am and 5:00 pm (AWST).

## Conclusion

On behalf of the TMT Board, I would like to thank you for your ongoing support of TMT. We believe that the Scheme is an exciting opportunity for TMT Shareholders. We look forward to your participation at the Scheme Meeting and encourage you to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of TMT Shareholders.

Kind regards

A handwritten signature in black ink, appearing to be 'MF' or similar, written in a cursive style.

**Michael Fry**

Non-Executive Chairperson  
Technology Metals Australia Limited

# AVL Chairperson Letter

Dear TMT shareholder

On behalf of the Board of Directors of Australian Vanadium Limited (**AVL**), we are delighted to provide the shareholders of Technology Metals Australia Limited (**TMT**) with the opportunity to participate in the proposed Scheme.

The Scheme offers an opportunity to create a leading Australian vanadium company with a world class asset located in Western Australia, a tier-1 mining jurisdiction. The combination of AVL's and TMT's position on one orebody is expected to create significant value and realise substantial synergies to be shared by both AVL and TMT shareholders. In particular, the consolidation of the two projects will release the spatial constraints that currently inhibit TMT's Yarrabubba Mineral Resource and Ore Reserve estimates and the optimised development of the deposit under TMT's ownership.

A combined AVL and TMT will be able to leverage the best of both projects, combined technical expertise and stakeholder relationships. This will better position the Merged Group to de-risk and successfully deliver an optimised vanadium project of scale and relevance at a pivotal time within the vanadium industry, as investors and governments realise the large-scale potential and applicability of long-life battery storage to achieve ambitious decarbonisation targets.

In addition, there is the potential to consolidate TMT's Yarrabubba, which is currently not referred to the WA Environmental Protection Agency, into an approvals process along with AVL's Gabanintha site (updated ERD submitted in June 2023). This may accelerate the granting of the requisite approvals, as a combined approval may minimise the assessment of the overall cumulative environmental impact of the two standalone projects.

By virtue of the Scheme, both AVL and TMT shareholders will have the opportunity to share in the value generated from the creation of the Merged Group with:

- 1 increased funding capabilities and improved access to government, export credit agencies and private sector financing;
- 2 enhanced project economics and expansion optionality resulting from the consolidation of a contiguous orebody with similar geological and metallurgical characteristics;
- 3 creation of a world-class development project with one of the highest grades of any Australian-based project and a large mineral resource supporting a long life operation;
- 4 creation of a business with the scale, liquidity and market relevance to pursue the next phase of development activities and be attractive to a broader pool of capital;
- 5 unlocking of material synergies for the Merged Group through consolidation of the orebody, operational and strategic optimisations and other corporate savings;
- 6 significant combined board and management expertise with a proven track record of delivering projects into production; and
- 7 ability to take advantage of the strengthening role of vanadium in various applications, with the potential to establish an Australian source of vanadium products for vanadium flow batteries.

The Scheme is strongly endorsed by the AVL Board, with the significant benefits of the Merged Group being reinforced by the Independent Expert, who has also concluded that the Scheme is not fair but reasonable and is in the best interests of TMT Shareholders.



AVL remains committed to its existing shareholders, as well as its future shareholders, and we are confident in our ability to bring the best of both companies' joint expertise to deliver the next phase of growth for the Merged Group. We look forward to welcoming you as a shareholder of AVL following successful implementation of the Scheme.

Yours faithfully



**Cliff Lawrenson**

Non-Executive Chair

Australian Vanadium Limited

# Recommended Next Steps

## Indicative timetable

Deadline for receipt of completed Proxy Form for the Scheme Meeting	10:00am (AWST) on Sunday, 14 January 2024
Eligibility of TMT Shareholders to vote at the Scheme Meeting	10:00am (AWST) on Sunday, 14 January 2024
Scheme Meeting	10:00am (AWST) on Tuesday, 16 January 2024
Second Court Date	Friday, 19 January 2024
Effective Date of the Scheme	Monday, 22 January 2024
Last trading of TMT Shares on ASX	Monday, 22 January 2024
Record Date	4:00pm (AWST) on Wednesday, 24 January 2024
Implementation Date	Thursday, 1 February 2024
New AVL Shares commence trading	Friday, 2 February 2024
Delisting of TMT from ASX	Friday, 2 February 2024

All stated dates and times are indicative only. The actual timetable will depend on many factors outside the control of TMT and AVL, including the Court approval process and the satisfaction or waiver of the conditions precedent to the completion of the Scheme. Any changes to the above timetable will be announced to ASX and available under TMT's profile at [www.asx.com.au](http://www.asx.com.au).

## Read the remainder of this Scheme Booklet

Read the remainder of this Scheme Booklet in full before making any decision on the Scheme.

## Consider your options

TMT Shareholders should refer to Pages 11 to 23 for further guidance on the reasons to vote in favour of or against the Scheme and Section 6 for the risk factors associated with the Scheme.

If you have any questions in relation to the Scheme or the Scheme Meeting, please contact the TMT Shareholder Information Line on 08 9321 8533 between 8:30 am and 5:00 pm (AWST) Monday to Friday or consult your legal, investment, financial, taxation or other professional adviser.

## Vote at the Scheme Meeting

Your vote is important and the TMT Directors urge you to vote at the Scheme Meeting. The Scheme affects your shareholding and your vote at the Scheme Meeting is important in determining whether the Scheme proceeds.

# Relevant Voting Considerations

## Reasons to vote in favour of the Scheme

### 1 The Merger involves the logical combination of two adjacent projects across one orebody providing an opportunity to realise operational and corporate synergies through a single integrated project.

The combination of TMT's and AVL's respective projects represents a logical consolidation of two complementary assets into a single integrated project.

The integrated project will contain one of the largest and highest-grade vanadium deposits globally with the current Mineral Resource Estimates for the project shown in Figure 1. An updated Mineral Resource Estimate for the integrated project will be prepared in line with the Technical Working Group's activities.

The combined TMT and AVL tenements are shown in Figure 1 below.

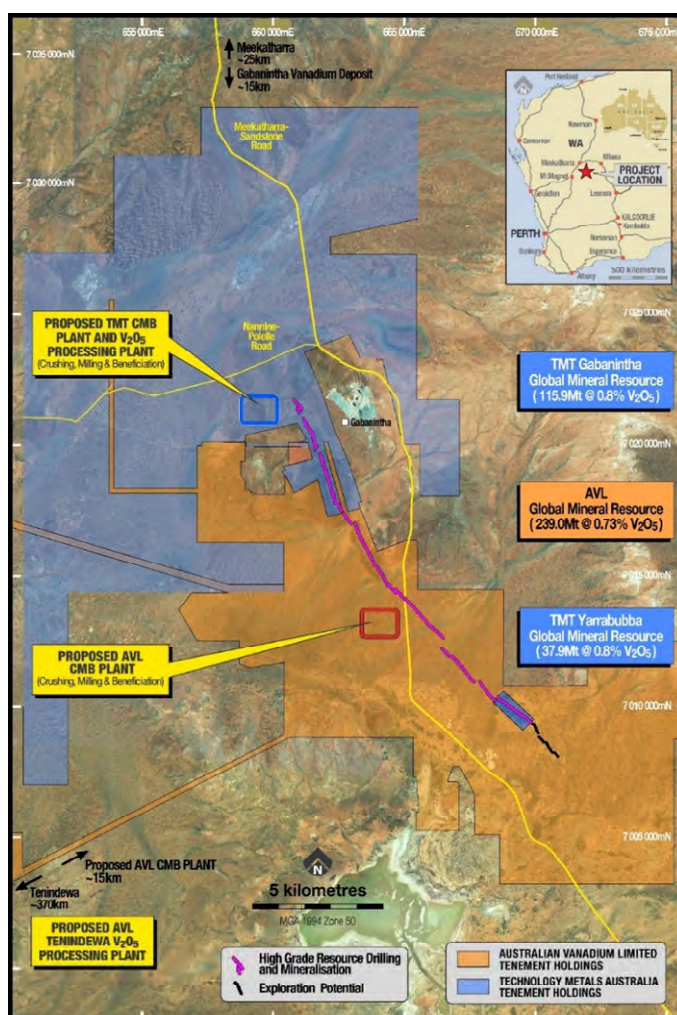


Figure 1: Combined TMT and AVL tenements

Consolidating TMT's and AVL's projects will simplify future operations and could result in several benefits including:

- optimisation of mine/processing schedules (including ore blending opportunities), project infrastructure and capital costs leading to cost synergies;
- optimisation of Yarrabubba Mineral Resource and Ore Reserve with TMT standalone tenure constraints removed (refer to Reason 2);
- streamline discussions with relevant stakeholders to obtain tenure;
- immediate exposure to the benefits of AVL's \$49 million Government grant;
- potentially unlock additional government agency funding for project development;
- consolidation of permitting, offtake and project financing processes;
- improved bargaining power in relation to infrastructure, equipment, labour and offtakers; and
- removal of duplicate corporate overheads and infrastructure.

The Scheme will result in a Merged Group led by a strengthened board and team with a proven track record of successfully financing and developing projects, along with deep experience in vanadium marketing, contracting and sales.

TMT's and AVL's key management personnel have formed a Technical Working Group to maintain a continuity of technical knowledge across the Merged Group and to consider the optimal development approach for the Merged Group. The Technical Working Group has demonstrated expertise across a range of vanadium deposits, processing technologies and environmental/regulatory regimes, potentially enabling an accelerated development pathway with optimised mining and processing.

## **2 Successful completion of the Scheme will resolve tenure issues at Yarrabubba which TMT currently faces as a standalone entity, particularly regarding waste management, and enable the Merged Group to unlock significant mining optimisation benefits from the consolidated project.**

TMT has been investigating pathways to acquire additional tenure adjacent to the Yarrabubba deposit to optimise the mining schedule for Yarrabubba.

TMT has held informal discussions with a number of parties in the region to secure additional tenure to optimise the Yarrabubba mining schedule but no outcome has been achieved to date. There is a possibility that TMT is unable to acquire additional tenure to optimise the mining schedule, which may result in TMT being unable to fully optimise the development of Yarrabubba, particularly in regard to waste management.

If TMT is able to acquire additional tenure adjacent to the Yarrabubba deposit it is expected that it will still require supporting tenure to cross existing AVL tenure and an access agreement with AVL to utilise that supporting tenure. TMT and AVL have previously agreed an access agreement to enable the haulage of ore from Yarrabubba to the proposed Gabanintha processing plant.



If the Scheme is implemented, TMT's ability to optimise the Yarrabubba development will be immediately resolved through AVL's tenure which surrounds the Yarrabubba deposit.

### **3 Your Directors unanimously recommend the Scheme in the absence of a Superior Proposal<sup>8</sup>**

Your Directors unanimously recommend you vote in favour of the Scheme and each TMT Director intends to vote in favour of the Scheme with respect to the TMT Shares they hold or control (representing 1.3% of TMT Shares<sup>9</sup>), in each case 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.

As at the date of this Scheme Booklet, the TMT Board is not aware of any Superior Proposal and has no basis to believe that a Superior Proposal is likely to emerge. The Scheme Implementation Deed entered into with AVL, permits TMT to engage with any third party that offers a Superior Proposal, subject to certain conditions in favour of AVL. A summary of the key terms of the Scheme Implementation Deed is provided in Section 8 of this Scheme Booklet.

The decision of your TMT Directors to give their recommendation in relation to the Scheme follows a focused due diligence assessment of AVL and careful consideration of the Scheme's merits, including:

- the merits and challenges of continuing to operate TMT as a standalone entity;
- the merits and strategic rationale of the Scheme;
- the support of TMT's largest shareholder, RCF, and other institutional shareholder investors for the Scheme and their expected continued support of the Merged Group;
- the lack of certainty and likely dilutionary impact of future funding options available to TMT as a standalone entity; and
- the results from TMT's market sounding processes, in particular the feedback from credible parties who expressed a greater interest in pursuing a corporate or financial transaction upon the logical combination of two adjacent projects across one orebody.

Your TMT Directors consider the reasons to vote in favour of the Scheme (including those summarised in Pages 11 to 17 of this Scheme Booklet) outweigh the potential reasons to vote against the Scheme (including those summarised in Pages 17 and 21 of this Scheme Booklet).

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<sup>8</sup> In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

<sup>9</sup>The TMT Board of Directors in aggregate hold 3,267,712 TMT Shares, being ~1.3% of TMT (on an undiluted basis).

Your TMT Directors consider the Scheme has the potential to realise greater benefits for TMT Shareholders than any other alternative currently available, including TMT continuing as a standalone entity.

#### **4 The Independent Expert, BDO, has concluded the Scheme is not fair but reasonable and in the best interests of TMT Shareholders**

The TMT Board appointed BDO as the Independent Expert to opine on whether the Scheme is in the best interests of TMT Shareholders.

The reasons why the Independent Expert reached its conclusion are set out in the Independent Expert's Report, a copy of which is contained in Appendix 1 of this Scheme Booklet. The Directors encourage you to read this report in full.

#### **5 The Merged Group is expected to have significantly improved access to capital to support future project development**

Your TMT Directors consider 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.

In particular, the TMT Board considers that the Merged Group will benefit from the expected continued financial support of its major shareholders, including RCF, who support the Scheme.

Other likely funding and corporate benefits of the Scheme include:

- TMT Shareholders gaining exposure to AVL's \$49 million Government grant which can be used to further advance the Merged Group's projects and development;
- increased scale which is expected to improve the ability to raise equity finance and secure project financing for project development on improved;
- improved access to government, export credit agencies and private sector financing; and
- increased appeal to strategic and/or corporate investors versus TMT as a standalone entity.

#### **6 The Merged Group provides greater scale, liquidity and capital markets profile, including strategic investor appeal, providing enhanced financial flexibility and the potential for share price re-rating over time**

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 and will be in a position to benefit from the increased scale and financial capability offered by the Merged Group.

The Merged Group is estimated to have a pro forma market capitalisation as at the Last Practicable Date of approximately \$186 million.

The Merged Group will have a pro forma cash position of approximately \$55.2 million<sup>10</sup> and remains debt free.

The enlarged scale of the Merged Group positions it to benefit from additional liquidity, given 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.

## **7 Since the Scheme was announced on 25 September 2023, no Superior Proposal has emerged**

The Scheme has been widely publicised since its announcement on 25 September 2023 and up until the date of this Scheme Booklet, no Superior Proposal has emerged.

As at the date of this Scheme Booklet, the TMT Board is not aware of any Superior Proposal.

If a Superior Proposal is received, this will be announced to ASX, and the TMT Directors will carefully consider the proposal and advise TMT Shareholders of their recommendation.

## **8 The Scheme Consideration represents a premium for your Shares**

Under the terms of the Scheme and subject to the Scheme becoming Effective, TMT Shareholders who are registered on the Record Date will receive twelve (12) New AVL Shares for every one (1) TMT Share held.

The Scheme Consideration represented a material premium to the trading prices of TMT Shares prior to the Announcement Date, as set out below:

- 9.8%<sup>11</sup> to the closing TMT Share price of \$0.295 per TMT Share on 22 September 2023, being the last trading day before the Announcement Date; and
- 26.7%<sup>12</sup> 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.

Based on the closing price of AVL Shares on the Last Practicable Date, the implied value of the Scheme Consideration is \$0.276 per TMT Share. The implied consideration per TMT Share will change with changes to the AVL share price.

If the Scheme is not implemented and no Superior Proposal emerges, it is possible the price of TMT Shares may fall from current levels (\$0.22 per TMT Share as at market close on the Last Practicable Date). As at the date of this Scheme Booklet, the TMT Board is not aware of any Superior Proposal and has no basis to believe that a Superior Proposal is likely to emerge.

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<sup>10</sup> Refer to Section 5.8(c) for the Pro Forma Historical Statement of Financial Position in relation to the Merged Group.

<sup>11</sup> Based on AVL and TMT's last closing prices of \$0.027 per share and \$0.295 per share respectively on 22 September 2023.

<sup>12</sup> Based on AVL and TMT's 30-day VWAPs of \$0.029 per share and \$0.279 per share respectively up to and including 22 September 2023.

## **9 The Scheme is supported by TMT's largest shareholder, RCF, and other various other TMT shareholders**

Major shareholders of TMT (representing approximately 26% of issued capital on an undiluted basis have provided written voting intention statements.

RCF (holding or controlling 45,821,428 shares representing a 18.02% interest of the issued capital in TMT), has confirmed its intention to vote in favour of the Scheme in respect of TMT Shares currently held, in the absence of a Superior Proposal (as assessed by RCF) and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of TMT Shareholders.

Other major shareholders of TMT (representing a further 8% of the issued capital in TMT) being:

- Regal Funds Management (holding or controlling 12,042,858 shares representing a 4.7% interest in TMT);
- Atasa Holdings Pty Ltd (holding or controlling 4,343,995 shares representing a 1.7% interest in TMT); and
- Tribeca Investment Partners Pty Ltd (holding or controlling 3,200,000 shares representing a 1.3% interest in TMT),

have all confirmed their intention to vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of TMT Shareholders.

As at the date of this Scheme Booklet, these major shareholders have not withdrawn their voting intention statements.

## **10 Standalone development of TMT's Murchison Technology Metals Project would require significant capital which TMT may be unable to finance**

Development of the MTMP on a standalone basis will require significant funding which TMT does not currently have.

As disclosed in TMT's ASX announcement dated 5 August 2022, an estimated \$604 million will be required in pre-production capital expenditure (excluding working capital) to develop the MTMP. In light of the inflationary cost environment in the Western Australian mining sector, the TMT Directors consider it reasonable that the previously estimated pre-production capital expenditure figure will have materially increased.

Any future equity funding is uncertain and, if available, is likely to be highly dilutive to TMT Shareholders. Any equity funding may be undertaken at a discount to the current market price and the implied value of the Scheme Consideration. Whilst progress has been made to attain future development funding, no assurances can be given that appropriate capital or funding, if and when needed, will be available on terms favourable to TMT or at all.

Based on engagement to date, the TMT Directors have formed the view that major shareholder, RCF, along with 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;

Should the Scheme not proceed, TMT will immediately evaluate its working capital requirements to determine an appropriate level of funding to continue to advance development activities at the MTMP. TMT is expected to require future funding in the form of equity capital during 1H CY24.

## 11 The price of TMT Shares may fall if the Scheme is not approved

Between 25 September 2023 and the Last Practicable Date, TMT Shares have traded in the range of \$0.210 to \$0.300 per Share. Your TMT Directors expect that if the Scheme does not proceed, the price of TMT Shares may fall, assuming no comparable or Superior Proposal emerges.

## 12 TMT Shareholders may be eligible for CGT rollover relief

The disposal of TMT Shares to AVL in accordance with the Scheme will give rise to a CGT event. The time of the CGT event should be the date the TMT Shares are disposed of, which will occur on the Implementation Date.

TMT Shareholders who make a capital gain from the disposal of their TMT Shares may be eligible to choose CGT scrip for scrip rollover relief (provided certain conditions are met). TMT intends to apply (on behalf of TMT Shareholders) for a class ruling (**Class Ruling**) from the Commissioner of Taxation, to confirm the key Australian income tax consequences of the Scheme, including whether Australian resident TMT Shareholders, who would otherwise make a capital gain on disposal of their Scheme Shares, may be eligible to obtain scrip for scrip rollover relief pursuant to Subdivision 124-M of the *Income Tax Assessment Act 1997* (Cth). A Class Ruling is not expected to be issued by the Commissioner of Taxation until after the Implementation Date. If a final Class Ruling is published by the Commissioner of Taxation, it would be available on the Australian Taxation Office's website at [www.ato.gov.au](http://www.ato.gov.au). Refer Section 7.2 for more information regarding the Class Ruling.

Refer to Section 7 for a general description of the Australian tax consequences of the Scheme.

# Reasons to vote against the Scheme

## 1 You may disagree with your Directors' unanimous recommendation or the Independent Expert's conclusion<sup>13</sup>

You may disagree with the unanimous recommendation of your TMT Directors and the conclusion of the Independent Expert, who has concluded the Scheme is not fair but

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<sup>13</sup> In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

reasonable and is in the best interests of TMT Shareholders, in the absence of a Superior Proposal. Refer to Appendix 1 for a copy of the Independent Expert's Report.

Whilst the Scheme is unanimously supported by the TMT Directors and considerable institutional shareholders (refer to reason 1 in the Relevant Voting Considerations section), at the date of this Scheme Booklet, TMT has also received written correspondence from the following TMT Shareholders (representing approximately 16.93% of the issued capital,<sup>14</sup> in aggregate, on an undiluted basis) (**Rejecting Shareholders**) that they intend to attend the Scheme Meeting to vote against the Scheme in the absence of a superior proposal:

Shareholder	TMT Shares	Percentage
David Pethard	231,351	0.09%
Ronay Investments Pty Ltd	2,167,625	0.85%
Valerie Pethard	644,581	0.25%
Pethard Tarax Limited	492,318	0.19%
Hannah Omar Pty Ltd (A Morsi Super Fund A/C)	333,000	0.13%
Adel Wagdi Awiss Morsi	6,620,000	2.6%
Khazanah Pty Ltd	2,734,594	1.08%
Sportpix Pty Ltd	1,188,032	0.47%
Mohamed Atalla	222,000	0.09%
Saba Farnaghi	400,000	0.16%
Ziad Atalla	670,000	0.26%
Sze Yuen Ong	751,536	0.3%
William Blake	251,442	0.1%
Raymond Hui	219,987	0.09%
Paul Venda Divin	1,744,017	0.69%
Susanne Renee Divin	1,123,346	0.44%
Michael Georgopoulos	345,127	0.14%
Bond Street Custodians Limited (ANH – D63385 A/C)	117,000	0.05%
Bond Street Custodians Limited (ANH – D75109 A/C)	714,285	0.28%
Bond Street Custodians Limited (ANH – D64287 A/C)	87,000	0.03%
James Leong	1,901,358	0.75%
Ahmed Gamal Ahmed Shetia	673,209	0.26%
Standard Pastoral Company Pty Ltd	14,000,000	5.51%
Andrew Mark Upcott	261,000	0.10%
TinTin Investments Pty Ltd (Ben Towell Daily Trust Account)	71,000	0.03%
Brent Edward Woodhead	116,976	0.05%
Bohdan Matthew Illich & Kelly Anne Illich <Swipor Croway AC>	310,000	0.12%

<sup>14</sup> TMT has received written correspondence from Arnaud de Tourettes on behalf of 'The Aris Superannuation Fund' who has stated it holds 476,145 TMT shares holding approximately 0.19% of the issued capital. However as The Aris Superannuation Fund does not appear to be a registered TMT shareholder as at the Last Practicable Date they are not included in the 16.93% calculation.



Shareholder	TMT Shares	Percentage
Camilla Christine Portella	106,619	0.04%
Dr David Kenneth Clarke	85,000	0.03%
David Le	174,604	0.07%
David Kim Thach Le	47,811	0.02%
David Benjamin Shaw	270,000	0.11%
Cartegra Superannuation Fund	600,000	0.24%
Guisen Kelvin Say + Wing Yi Leung <Rocky Bread Superfund A/C>	259,285	0.10%
Guy de Tourettes	360,000	0.14%
Jocelyn Elizabeth Fraser	155,689	0.06%
Lloyd Thomas Collyer	115,000	0.05%
Lachlan Braden Handford	206,226	0.08%
Lewis Alan Burgemeister	372,326	0.15%
Douglas Hugh Morrison & Malini Chelliah Navaratnam	600,000	0.24%
Peter Ross Hawkins	402,204	0.16%
Peter Rowe	44,800	0.02%
Helene Hamilton	28,169	0.01%
Rhys Theodore	115,000	0.05%
Robyn Winford Rangeley	120,000	0.05%
Tan Thien Nguyen	284,787	0.11%
Troy Anthony de Tourettes	244,377	0.10%

ASIC Regulatory Guide 25 (**RG 25**) in effect requires 'market participants' to adhere to RG 25 compliant public statements. A 'market participant' includes a substantial shareholder in a company.

The Rejecting Shareholders (other than Standard Pastoral Company Pty Ltd (**SPC**), discussed below) do not fall within the definition of 'market participant' in RG 25. The significance of this is they are not bound by the requirements of RG 25. Furthermore, it is not clear from the written correspondence received from the Rejecting Shareholders whether these TMT Shareholders intend to be bound by the content of that correspondence, particularly given the correspondence is identical in nature, contains a number of errors and was received prior to the public release of this Scheme Booklet (and the accompanying Independent Expert's Report). On this basis, TMT has concerns that there is material uncertainty regarding the relevance and reliability of these statements, and that those shareholders may well be able to resile from and vote otherwise than in accordance with those statements at any time without giving notice to TMT. As such, such statements should be viewed subject to that material caveat.

TMT notes that SPC is a 'market participant' for the purposes of RG 25 because it is a substantial shareholder in TMT. In TMT's view, it is not clear on the face of the intention statement received from SPC whether SPC intends to be bound by its statement in accordance with RG 25. Further, SPC's intention statement is not in the customary form for such statements (which would ordinarily include a reference to an intention to be bound by RG 25) and was received in circumstances similar to those mentioned above (for example, in advance of receipt of this Scheme Booklet) and is in the same form as the statements from the other Rejecting Shareholders. However, ASIC has advised TMT that, as a market

participant, SPC should be held to its intention statement in accordance with ASIC's policy in RG 25.

## **2 Dilution of exposure to TMT's assets**

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 but will, however, gain exposure to a consolidated project on the single orebody and vanadium project which is expected to provide an opportunity to realise operational and corporate synergies through an integrated and unified approach to project development.

It is possible 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.

## **3 A Superior Proposal for TMT, if it were to continue as a standalone entity, may materialise in the future**

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 this Scheme Booklet, no Superior Proposal has been received.

The TMT Board has pursued various market sounding processes over the last 12 months which involved contacting (via its financial advisers) a number of credible corporate, industry and strategic parties seeking 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 the consolidation of the contiguous orebody currently held by TMT and AVL.

If a Superior Proposal emerges, this will be announced to ASX and the TMT Directors will carefully reconsider the Scheme and advise TMT Shareholders of their recommendation (subject to the exclusivity provisions of the Scheme Implementation Deed).

Importantly, the Scheme does not prevent TMT Shareholders from benefitting from a proposal for the Merged Group in the future, if one were to emerge.

## **4 The risk profile and risk of investment for TMT Shareholders will change and you may consider the risk profile and risk of investment of the Merged Group to be disadvantageous relative to that of TMT as a standalone entity**

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.

The operations and financial performance of TMT, AVL and/or the Merged Group and the disposal of TMT Shares in exchange for New AVL Shares are subject to various risks that are summarised in section 6 of this Scheme Booklet and that may be beyond the control of TMT, AVL and/or the Merged Group.

## **5 The potential tax consequences of the Scheme may not suit your current financial position or tax circumstances**

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 and seek professional taxation advice with respect to individual taxation situations.

## **6 The exact monetary value of the scrip consideration is not certain and will depend on the price at which AVL Shares trade on ASX after the Implementation Date**

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 this Scheme Booklet or the Scheme Meeting.

Alternatively, if there is an increase in the relative price of AVL Shares, the effective value you receive for your TMT Shares may move favourably from the market value of the Scheme Consideration on the date of this Scheme Booklet or the Scheme Meeting.

In addition, the Sale Agent will be issued the TMT Shares that would otherwise be issued to Ineligible Overseas Shareholders and Small Parcel Shareholders and will sell them as soon as reasonably practicable after the Implementation Date. Although the quantum of these sales is expected to be limited, it is possible such sales may exert downward pressure on the share price of AVL during the applicable period.

## **Other relevant considerations**

### **1 The Scheme may be implemented even if you do not vote, or vote against the Scheme**

Even if you do not vote, or if you vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majority of TMT Shareholders and by the Court. If this occurs and you are a Scheme Shareholder (and not an Ineligible Overseas Shareholder or Small Parcel Shareholder), your TMT Shares will be transferred to AVL (as applicable) and you will receive the Scheme Consideration even though you did not vote on, or voted against, the Scheme.

### **2 TMT environmental permitting approval remains outstanding**

TMT continues to work collaboratively with the WA EPA on the environmental approval process.

During the September 2023 quarter, an updated ERD for the Gabanintha project area was submitted to the EPA, addressing the EPA's queries and feedback from government and non-government stakeholders on the previous versions of the ERD.

As at the Last Practicable Date, TMT has not been informed that the EPA Board has assessed TMT's ERD or made a recommendation to the Western Australian Minister for the Environment in regard to the environmental approval for the Gabanintha project area.

TMT notes the ERD and existing EPA approval process covers only the Gabanintha area for open pit mining, associated waste landforms, processing infrastructure and supporting non-process infrastructure, and does not include the Yarrabubba project area. Yarrabubba, as a satellite open pit mining development, will be referred to, and assessed by, the EPA separate to the Gabanintha area. It is unclear how long the EPA would take to assess an ERD for Yarrabubba and grant approval. As ore from Yarrabubba forms the majority of ore feed to TMT's processing plant over the first eight years of production, the absence of EPA approval for Yarrabubba is likely to adversely impact TMT's ability to raise the required debt and equity funding until such approval is granted.

The ERD does however contemplate allowance for ore processing from sources outside the development envelope, such as from Yarrabubba or AVL's proposed open pit mining developments. However, Yarrabubba cannot be mined until all necessary environmental approvals have been received.

### **3 TMT cash position and future funding requirements**

As at the Last Practicable Date, TMT had existing cash of approximately \$12.8 million and an outstanding creditor balance of approximately \$0.6 million.

Should the Scheme not proceed, TMT will immediately evaluate its working capital requirements to determine an appropriate level of funding to continue to advance development activities at the MTMP. TMT is expected to require future funding in the form of equity capital during 1H CY24.

Any future equity funding, if available, may be dilutive to TMT Shareholders and may be undertaken at lower prices than the current market price or implied value of the Scheme Consideration. Whilst progress has been made to attain future development funding, no assurances can be given that appropriate capital or funding, if and when needed, will be available on terms favourable to TMT or at all.

In addition, major shareholder, RCF, along with 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.

### **4 TMT market sounding and past strategic investor processes**

In forming its unanimous recommendation<sup>15</sup> 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.

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<sup>15</sup>In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

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.

Following broad market testing and having carefully considered the various options available to TMT, the Scheme proposal is regarded by the Board as the best outcome for TMT's Shareholders (subject to no Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of TMT Shareholders).

The feedback received from these market soundings indicated that credible parties would have a greater interest in pursuing a corporate or financial transaction following the orebody which TMT and AVL currently share being consolidated.

## 5 Costs of the Scheme

TMT has already incurred, and will incur, significant costs in respect of the proposal to implement the Scheme. These include costs incurred as a result of negotiation with AVL, retention of advisers, provision of information to AVL, facilitating AVL's access to due diligence, undertaking reciprocal due diligence on AVL, engaging with ASIC, ASX and the Court, engagement of the Independent Expert and Independent Technical Specialist and the preparation of this Scheme Booklet, the purpose of which is to provide information to shareholders to enable decision-making. If the Scheme is not implemented and no Superior Proposal emerges, TMT will not receive any material value for the costs it has incurred in connection with the Scheme. Refer to Section 9.3(d) for further information.

Under the Scheme Implementation Deed, a break fee of \$839,900 (excluding GST) may become payable by TMT to AVL, in certain circumstances. Failure by TMT Shareholders to approve the Scheme at the Scheme Meeting will not trigger an obligation to pay the break fee. Further details of the circumstances in which a break fee may become payable to AVL are in Section 8.18.

## 6 No brokerage will be payable on the transfer of your TMT Shares pursuant to the Scheme

Scheme Shareholders (including Ineligible Overseas Shareholders and Small Parcel Shareholders) will not pay brokerage fees on the disposal of their TMT Shares pursuant to the Scheme. Brokerage (and other costs) will however be deducted from the proceeds of sale by the Sale Agent of New AVL Shares that would otherwise have been issued to Ineligible Overseas Shareholders and Small Parcel Shareholders. Refer to Section 2.9 for further information.

## 7 Warranties by Scheme Shareholders

If the Scheme becomes Effective, each Scheme Shareholder will be deemed to have given certain warranties in favour of AVL, including that:

- all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) will, at the time of transfer of them to AVL in accordance with the Scheme will, as at the date of the transfer, be fully paid and free from various encumbrances and interests of third parties of any kind whether legal or otherwise, and restrictions on transfer of any kind; and
- they have full power and capacity to transfer their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) to AVL under the Scheme.

Refer to Section 8.12 for further information.

## 8 The Scheme has a number of conditions

In addition to the need to obtain TMT Shareholder and Court approval, the Scheme is subject to a number of other conditions. These conditions are outlined in Section 8.2 and are set out in full in Schedule 1 of the Scheme Implementation Deed. All these conditions need to be satisfied (or alternatively waived, in the case of certain conditions that are capable of being waived) in order for the Scheme to proceed.

Your Directors have reviewed the conditions and do not consider them to be unduly onerous or inconsistent with market practice for a transaction of this nature. As at the date of this Scheme Booklet, your Directors are not aware of any matter that would result in a breach or non-fulfilment of any of those conditions.

## 9 All or nothing outcome – Scheme

If all of the conditions and approvals for the Scheme are satisfied or waived (as applicable):

- it will bind all Scheme Shareholders, including those who do not vote on the Scheme and those who vote against it, meaning that all Scheme Shareholders will relinquish their ownership of their TMT Shares and will receive the Scheme Consideration (or, in the case of Ineligible Overseas Shareholders and Small Parcel Shareholders, receive the net proceeds of sale by the Sale Agent of New AVL Shares that would otherwise have been issued to Ineligible Overseas Shareholders and Small Parcel Shareholders); and
- TMT will become a wholly owned subsidiary of AVL and delisted from ASX.

Conversely, if all of the conditions and approvals for the Scheme are not satisfied or waived (as applicable), the status quo will be reserved, meaning that:

- Scheme Shareholders will retain their TMT Shares and will not receive the Scheme Consideration;
- the existing TMT Board and management will continue to operate TMT's business;
- the advantages of the Scheme will not be realised and equally some of the disadvantages of the Scheme will no longer be relevant, such advantages and disadvantages set out at Pages 11 to 23 of this Scheme Booklet; and
- TMT Shareholders will retain their current investment in TMT Shares and in doing so will continue to retain the benefits of that investment and continue to be exposed to the risks associated with that investment. These risks include risks specific to TMT's business as outlined in Section 6.



## Frequently Asked Questions

The following table provides brief answers to questions you may have in relation to the Scheme, but must be read in conjunction with the more detailed information included in this Scheme Booklet. You are urged to read this Scheme Booklet in its entirety.

Question	Answer	Further information
<b>Overview of the Scheme</b>		
<b>What is the Scheme?</b>	<p>The Scheme is a proposed acquisition by AVL of TMT to be implemented by way of a scheme of arrangement under Part 5.1 of the Corporations Act between TMT and TMT Shareholders under which all of the TMT Shares held by Scheme Shareholders will be transferred to AVL in consideration for the issuance by AVL of the Scheme Consideration.</p> <p>The Scheme requires the approval of both the Requisite Majority at the Scheme Meeting and the Court.</p> <p>The terms of the Scheme are set out in full in Appendix 2.</p>	Section 1 and Appendix 2
<b>What is the Scheme Consideration?</b>	If the Scheme proceeds, the Scheme Consideration, being 12.00 New AVL Shares for every one Scheme Share, will be issued to Scheme Shareholders (excluding Ineligible Overseas Shareholders and Small Parcel Shareholders).	Section 2.2
<b>What is the Directors' recommendation and how do the Directors' intend to vote?</b>	<p>Your Directors have carefully considered the advantages and disadvantages of the Scheme and unanimously recommend you vote in favour of the Scheme,<sup>16</sup> in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of TMT Shareholders.</p> <p>Your Directors intend to vote, or procure the voting, in favour of the Scheme with respect to any TMT Shares controlled or held by, or on behalf of, them, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of TMT Shareholders.</p> <p>In relation to the unanimous recommendation of your Directors<sup>17</sup>, TMT Shareholders should note that the following Directors have</p>	Section 2.11

<sup>16</sup> In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

<sup>17</sup> In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented).

Question	Answer	Further information
	<p>certain interests in the outcome of the Scheme vote which may differ from those of other TMT Shareholders if the Scheme is implemented:</p> <ul style="list-style-type: none"> <li>• Mr Ian Prentice;</li> <li>• Ms Carmen Letton; and</li> <li>• Ms Joanne Gaines.</li> </ul> <p>The other TMT Directors, excluding each of Mr Prentice, Ms Letton and Ms Gaines (as applicable), consider that the nature, scope and quantum of the contingent personal benefits that Mr Prentice, Ms Letton and Ms Gaines (as applicable) are expected to receive if the Scheme is implemented ought not preclude him or her (as applicable) from joining with the other TMT Directors in making a public voting recommendation to TMT Shareholders in relation to the Scheme in the ASX Announcement, this Scheme Booklet or in any other future ASX announcement to be made regarding the Scheme.</p> <p>A TMT Director may also change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) they should not provide or continue to maintain any recommendation because they have an interest in the Scheme that renders it inappropriate to maintain any such recommendation.</p>	
<b>What is the Independent Expert's conclusion?</b>	<p>The Independent Expert has concluded the Scheme is not fair but reasonable and in the best interests of TMT Shareholders.</p> <p>The Independent Expert's Report is set out in Appendix 1.</p>	Appendix 1
<b>Why has this Scheme Booklet been made available?</b>	<p>This Scheme Booklet has been made available to you because you are shown on the TMT Register as holding TMT Shares. TMT Shareholders are being asked to vote on a Scheme, which, if approved and the conditions to the Scheme are satisfied, will result in AVL acquiring all of the TMT Shares for the Scheme Consideration. If you have sold your TMT Shares, please disregard this Scheme Booklet.</p> <p>This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution, which needs to be passed by the Requisite Majority at the Scheme Meeting to allow the Scheme to proceed.</p>	
<b>What will be the effect of the Scheme?</b>	<p>If the Scheme is approved by the Requisite Majority and the Court:</p> <ul style="list-style-type: none"> <li>• all your TMT Shares will be transferred to AVL;</li> <li>• in exchange, you will receive the Scheme Consideration of 12.00 New AVL Shares for each TMT Share you hold (unless you are an Ineligible Overseas Shareholders or Small Parcel Shareholder); and</li> </ul>	Section 8.7

implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

Question	Answer	Further information
	<ul style="list-style-type: none"> <li>TMT will become a wholly owned subsidiary of AVL and will be removed from the official list of ASX.</li> </ul>	
<b>Are there conditions that need to be satisfied before the Scheme can proceed?</b>	<p>Implementation of the Scheme is subject to satisfaction or waiver (where applicable) of a number of conditions contained in the Scheme Implementation Deed.</p> <p>As at the date of this Scheme Booklet the conditions that must be satisfied or waived (as applicable) before the Scheme can be Implemented are set out in Section 8.2, including:</p> <ul style="list-style-type: none"> <li>Court approval of the Scheme in accordance with section 411(4)(b) of the Corporations Act; and</li> <li>approval of the Scheme by the Requisite Majority.</li> </ul>	Section 8.2
<b>What are the reasons to vote in favour of the Scheme?</b>	<p>Reasons why you should consider voting in favour of the Scheme include:</p> <ul style="list-style-type: none"> <li>the Merger involves the logical combination of two adjacent projects across one orebody providing an opportunity to realise operational and corporate synergies through a single integrated project;</li> <li>successful completion of the Scheme will resolve tenure issues at Yarrabubba which TMT currently faces as a standalone entity, particularly regarding waste management, and enable the Merged Group to unlock significant mining optimisation benefits from the consolidated project.</li> <li>your Directors unanimously recommend the Scheme in the absence of a Superior Proposal<sup>18</sup>;</li> <li>the Independent Expert has concluded the Scheme is not fair but reasonable and is in the best interests of TMT Shareholders;</li> <li>the Merged Group is expected to have significantly improved access to capital to support future project development;</li> <li>the Merged Group provides greater scale, liquidity and capital markets profile, including strategic investor appeal, providing enhanced financial flexibility and the potential for share price re-rating over time;</li> <li>since the Scheme was announced on 25 September 2023, no Superior Proposal has emerged;</li> </ul>	Pages 11 to 17 and 21 to 23

<sup>18</sup> In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

Question	Answer	Further information
	<ul style="list-style-type: none"> <li>the Scheme Consideration represents a premium for your Shares;</li> <li>the Scheme is supported by TMT's largest shareholder, RCF and various other TMT shareholders;</li> <li>standalone development of TMT's Murchison Technology Metals Project would require significant capital which TMT may be unable to finance;</li> <li>the price of TMT Shares may fall if the Scheme is not approved; and</li> <li>TMT Shareholders may be eligible for CGT rollover relief.</li> </ul> <p>Further details are set out in Section 2.12(a).</p>	
<b>What are the reasons to vote against the Scheme?</b>	<p>Reasons why you might consider voting against the Scheme include:</p> <ul style="list-style-type: none"> <li>you may disagree with your Directors' unanimous recommendation<sup>19</sup> or the Independent Expert's conclusion;</li> <li>dilution of exposure to TMT's assets;</li> <li>a Superior Proposal for TMT, if it were to continue as a standalone entity, may materialise in the future;</li> <li>the risk profile and risk of investment for TMT Shareholders will change and you may consider the risk profile and risk of investment of the Merged Group to be disadvantageous relative to that of TMT as a standalone entity;</li> <li>the potential tax consequences of the Scheme may not suit your current financial position or tax circumstances; and</li> <li>the exact monetary value of the scrip consideration is not certain and will depend on the price at which AVL Shares trade on ASX after the Implementation Date.</li> </ul> <p>Further details are set out in Section 2.12(b).</p>	Pages 17 to 20 and 21 to 23
<b>What are the risks for me if the Scheme is implemented?</b>	<p>TMT Shareholders who receive AVL Shares under the Scheme may be subject to certain risks, including but not limited to:</p> <ul style="list-style-type: none"> <li>the AVL Shares issued in connection with the Scheme may have a market value different than expected;</li> </ul>	Section 6

<sup>19</sup> In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

Question	Answer	Further information
	<ul style="list-style-type: none"> <li>the issuance of AVL Shares could adversely affect the market price of AVL Shares;</li> <li>change in risk and investment profile;</li> <li>failure to realise the benefits of the Scheme, including potential synergies;</li> <li>integration risks; and</li> <li>accounting treatment of TMT Group assets in the Merged Group.</li> </ul> <p>Refer to Section 6 for further details.</p>	
<b>If I wish to support the Scheme, what should I do?</b>	<p>Your Directors unanimously recommend you vote in favour of the Scheme at the Scheme Meeting,<sup>20</sup> in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of TMT Shareholders. If you are a registered TMT Shareholder and are unable to attend the Scheme Meeting you may be entitled to vote by proxy, corporate representative or attorney.</p> <p>See Section 1 for directions on how to vote and important voting information generally.</p>	Section 1
<b>What happens if I vote against the Scheme?</b>	<p>If, despite your Directors' unanimous recommendation<sup>21</sup> and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme at the Scheme Meeting.</p> <p>If the Scheme is approved by the Requisite Majority and by the Court, and all other conditions to the Scheme are satisfied or waived (where applicable), your TMT Shares will be transferred to AVL in consideration for AVL issuing to you or the Sale Agent on your behalf, as applicable, the Scheme Consideration. This will occur even if you voted against the Scheme at the Scheme Meeting.</p>	Section 2.12

<sup>20</sup> In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

<sup>21</sup> In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.



Question	Answer	Further information
	If the Scheme is not approved by the Requisite Majority or the Court, TMT will remain an independent company and you will remain a TMT Shareholder.	
<b>How will the Scheme be implemented?</b>	If the Scheme becomes Effective, no further action is required on the part of the Scheme Shareholders in order to implement the Scheme. Under the Scheme, TMT is given authority to effect a valid transfer of all TMT Shares to AVL and to enter the name of AVL in the TMT Register as holder of all TMT Shares. If the Scheme becomes Effective, each TMT Shareholder (other than Ineligible Overseas Shareholders and Small Parcel Shareholders) will be deemed to have agreed to become a holder of AVL Shares in accordance with the Scheme and to have accepted the AVL Shares issued to that holder under the Scheme subject to, and to be bound by, AVL's constitution.	Section 8.7
<b>What happens if the Scheme is not approved?</b>	<p>If the Scheme is not approved by the Requisite Majority or the Court, the Scheme will not be implemented.</p> <p>Further, if any of the conditions to the Scheme are not satisfied or waived (where applicable), including if the Scheme is not approved by the Requisite Majority and by the Court, the Scheme Implementation Deed may be terminated and the Scheme will not be implemented.</p> <p>The consequences of the Scheme not being implemented include:</p> <ul style="list-style-type: none"> <li>• you will retain your TMT Shares, you will not be issued the Scheme Consideration, and you will continue to be exposed to the risks associated with your investment in TMT Shares (see Section 6.5);</li> <li>• the TMT Board and management will continue to operate TMT's business;</li> <li>• the potential benefits of the Scheme (set out at Pages 11 to 23) will not be realised;</li> <li>• TMT's Share price may fall;</li> <li>• TMT will immediately evaluate its working capital requirements to determine an appropriate level of funding to generally advance the project on a standalone basis;</li> <li>• based on engagement to date, the TMT Directors have formed the view that major shareholder, RCF, along with 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;</li> <li>• TMT will continue to be exposed to tenure issues at Yarrabubba which TMT currently faces as a standalone entity, particularly in regard to waste management; and</li> <li>• TMT will have incurred significant costs and management time and resources for no outcome.</li> </ul>	Section 6.5

Question	Answer	Further information
<b>Is a Superior Proposal likely? What happens if a Superior Proposal emerges?</b>	<p>At the date of this Scheme Booklet, no Superior Proposal for TMT has emerged.</p> <p>Until the Scheme becomes Effective, there is nothing preventing third parties from making unsolicited TMT Competing Proposals.</p> <p>The Scheme Implementation Deed contains certain exclusivity arrangements. For example, it restricts certain TMT actions, obliges TMT to disclose certain information to AVL in the event a TMT Competing Proposal emerges and also gives AVL a right to match a Superior Proposal in certain circumstances.</p> <p>It is possible that, if TMT were to continue as an independent company, a Superior Proposal for TMT may materialise in the future.</p> <p>Shareholders should note that the TMT Board has pursued various market sounding processes over the last 12 months which involved contacting (via its financial advisers) a number of credible corporate, industry and strategic parties seeking 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 upon the orebody being consolidated.</p>	Section 2.10 and Section 8.3
<b>What are the tax implications of the Scheme?</b>	<p>If the Scheme becomes Effective, there will be tax consequences for TMT Shareholders which may include tax being payable on any gain on disposal of their TMT Shares.</p> <p>Section 7 provides a general description of the Australian tax consequences of the Scheme. The tax consequences of the Scheme may vary depending on the nature and characteristics of each TMT Shareholder and their individual circumstances.</p> <p>TMT intends to apply (on behalf of TMT Shareholders) for a class ruling (<b>Class Ruling</b>) from the Commissioner of Taxation, to confirm the key Australian income tax consequences of the Scheme. Refer Section 7.2 for more information regarding the Class Ruling.</p> <p>It is recommended you seek professional tax advice in regard to the tax implications associated with the Scheme.</p>	Section 7
<b>Questions about your entitlements</b>		
<b>Who is entitled to participate in the Scheme?</b>	Each person who is a TMT Shareholder as at 4:00pm (AWST) on the Record Date (expected to be 24 January 2024) will be entitled to participate in the Scheme.	Section 8.10
<b>What if I am an Ineligible Overseas Shareholder?</b>	<p>If you are a TMT Shareholder whose address shown in the TMT Register is in an Ineligible Jurisdiction or who is otherwise determined to be an Ineligible Overseas Shareholder, AVL will not issue AVL Shares to you. However, your TMT Shares will be part of the Scheme.</p> <p>The number of AVL Shares that would otherwise have been issued to you under the Scheme will be issued to the Sale Agent, who will sell those AVL Shares and remit the proceeds of such sale to AVL, net of costs. AVL will promptly remit to you your pro</p>	Section 2.7 and 2.9

Question	Answer	Further information
	<p>rata share of the net proceeds from the sale of Scheme Consideration sold through the Sale Facility.</p>	
<p><b>What if I receive a Relevant Foreign Resident Declaration Form?</b></p>	<p>Scheme Shareholders with an address outside Australia (or which AVL, as a purchaser, reasonably believes is a “relevant foreign resident”), will be provided (either together with this Scheme Booklet or separately) a Relevant Foreign Resident Declaration Form. In this declaration form, a TMT Shareholder may provide AVL with a declaration that:</p> <ul style="list-style-type: none"> <li>the registered holder of the relevant TMT Shares is an Australian tax resident (residency declaration); or</li> <li>the TMT Shares held by the registered holder are not indirect Australian real property interests (interest declaration). Please refer to Section 7 for the definition of “indirect Australian real property interest”.</li> </ul> <p>For these TMT Shareholders, unless a signed Relevant Foreign Resident Declaration Form regarding your residency or interest or a notice of variation granted by the Commissioner of Taxation to vary the withholding amount to nil is provided to AVL, if AVL believes foreign resident CGT withholding is applicable to the relevant TMT Shareholder it may be required to withhold and pay to the Commissioner of Taxation a withholding amount of 12.5% from the Scheme Consideration.</p>	<p>Section 7</p>
<p><b>What if I am a Small Parcel Shareholder?</b></p>	<p>If you are a Scheme Shareholder (other than an Ineligible Overseas Shareholder) who, based on your holding of TMT Shares on the Record Date, would, on implementation of the Scheme, be entitled to receive less than a Marketable Parcel of AVL Shares (assessed by reference to the highest closing price of AVL Shares on the ASX beginning on the date this Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date) as Scheme Consideration, then the number of AVL Shares that would otherwise have been issued to you under the Scheme will be issued to the Sale Agent, who will sell those AVL Shares and remit the proceeds of such sale to AVL, net of costs. AVL will promptly remit to you your pro rata share of the net proceeds from the sale of Scheme Consideration sold through the Sale Facility.</p>	<p>Section 2.8</p>
<p><b>What happens if the market price of AVL Shares increases or decreases?</b></p>	<p>The implied value of the Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the AVL share price.</p> <p>Irrespective of any movements in the AVL share price you (or the Sale Agent, as applicable) will receive the Scheme Consideration, being 12.00 New AVL Shares for every one Scheme Share held on the Record Date.</p>	<p>Section 2.2</p>
<p><b>How will fractional entitlements to AVL Shares be treated?</b></p>	<p>If, pursuant to the calculation of your Scheme Consideration, you would be entitled to a fraction of an AVL Share your fractional entitlement of:</p> <ul style="list-style-type: none"> <li>0.5 or more will be rounded up to the nearest whole number; and</li> <li>less than 0.5 will be rounded down to the nearest whole number.</li> </ul>	<p>Section 2.2</p>

Question	Answer	Further information
<b>What warranties do I give?</b>	<p>Under the Scheme, each Scheme Shareholder is deemed to have warranted to AVL that:</p> <ul style="list-style-type: none"> <li>all Scheme Shares (including any rights and entitlements attaching to those TMT Shares) will, at the date of the transfer of them to AVL, be fully paid and free from all mortgages, charges, security interests, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and</li> <li>they have the power and capacity to sell and to transfer their Scheme Shares, and all rights and entitlements attaching to those Scheme Shares to AVL.</li> </ul>	Section 8.12
<b>When will I be issued the Scheme Consideration?</b>	<p>If the Scheme is implemented, AVL will issue your AVL Shares to you (or in the case of an Ineligible Overseas Shareholder or a Small Parcel Shareholder, to the Sale Agent) on the Implementation Date, which is expected to be 1 February 2024. AVL will send, or procure the sending of, evidence of ownership for those AVL Shares to Scheme Shareholders (except Ineligible Overseas Shareholders and Small Parcel Shareholders) in respect of the Scheme Consideration following the Implementation Date.</p>	Section 8.12
<b>Will I have to pay brokerage fees on the disposal of my TMT Shares?</b>	<p>Scheme Shareholders (including Ineligible Overseas Shareholders and Small Parcel Shareholders) will not pay brokerage fees on the disposal of their TMT Shares pursuant to the Scheme. Brokerage (and other costs) will however be deducted from the proceeds of sale by the Sale Agent of New AVL Shares that would otherwise have been issued to Ineligible Overseas Shareholders and Small Parcel Shareholders (refer to Section 2.9 for further information).</p>	Sections 1 and 2.9
<b>When can I trade my AVL Shares?</b>	<p>Once you have received the Scheme Consideration, you can trade your AVL Shares on ASX.</p> <p>For further details, see Section 8.14.</p>	Section 8.14
<b>Questions about the Scheme Meeting and voting</b>		
<b>Who can vote?</b>	<p>If you are registered as a TMT Shareholder at 10:00am (AWST) on Sunday, 14 January 2024 you will be entitled to vote on the Scheme Resolution to be proposed at the Scheme Meeting.</p> <p>For further details, see Section 1.</p>	Section 1
<b>When and where will the Scheme Meeting be held?</b>	<p>The Scheme Meeting to approve the Scheme is scheduled to be held on Tuesday, 16 January 2024 commencing at 10:00am (AWST) at Level 3, 88 William Street, Perth WA 6000.</p> <p>TMT strongly encourages TMT Shareholders to consider lodging a directed proxy in the event they are not be able to participate in the Scheme Meeting.</p> <p>Further details of the Scheme Meeting, including how to vote are contained in Section 2.5. The Notice of Scheme Meeting is contained in Appendix 4.</p>	Section 2.5 and Appendix 4

Question	Answer	Further information
<b>What vote is required to approve the Scheme?</b>	<p>The Scheme needs to be approved by the Requisite Majority, which is:</p> <ul style="list-style-type: none"> <li>unless the Court orders otherwise, a majority in number (more than 50%) of TMT Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and</li> <li>at least 75% of the total number of votes cast on the resolution at the Scheme Meeting.</li> </ul>	Section 2.6
<b>Is voting compulsory?</b>	<p>No, voting is not compulsory. However, your vote is important. If you cannot attend the Scheme Meeting scheduled to be held on Tuesday, 16 January 2024 commencing at 10:00am (AWST) at Level 3, 88 William Street, Perth WA 6000, you should appoint a proxy to vote on your behalf.</p> <p>For further details regarding voting and appointing for the Scheme Meeting, see Section 1.</p>	Section 1
<b>Why should I vote?</b>	<p>Your vote will be important in determining whether the Scheme will proceed.</p> <p>Your Directors unanimously recommend you vote in favour of the Scheme,<sup>22</sup> in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of TMT Shareholders.</p>	Section 2.11
<b>What happens if I do not vote?</b>	<p>If you do not vote and the Scheme is approved by a Requisite Majority and the Court and becomes Effective, your TMT Shares will be transferred to AVL in consideration for AVL issuing to you (or the Sale Agent, if applicable) the Scheme Consideration for your TMT Shares.</p> <p>If the Scheme is not approved, TMT will remain an independent company and you will remain a TMT Shareholder.</p>	Section 2.12
<b>Can I attend the Court and oppose the Court approval of the Scheme?</b>	<p>If you wish to oppose approval by the Court of the Scheme at the Court hearing to be held on the Second Court Date, you may do so by filing with the Court, and serving on TMT, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on TMT at least one Business Day before the Second Court Date.</p>	Section 8.6
<b>Can I split my shares?</b>	<p>If AVL forms the opinion two or more TMT Shareholders have, before the Record Date, been a party to:</p>	Section 8.5

<sup>22</sup> In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.



Question	Answer	Further information
	<ul style="list-style-type: none"> <li>splitting a holding of TMT Shares into two or more parcels of TMT Shares whether or not it results in any change in beneficial ownership of the TMT Shares (<b>Share Splitting</b>); or</li> <li>division in an attempt to obtain unfair advantage by reference to rounding (in respect to fractional entitlements),</li> </ul> <p>AVL may give notice to such TMT Shareholders attributing the TMT Shares held by all of them to one of them (specifically identified in such notice). This notice deems the TMT Shareholder identified in such notice to be the holder of all those shares the subject of the Share Splitting.</p>	
<b>What are my options?</b>	<p>You may:</p> <ul style="list-style-type: none"> <li>vote in favour of the Scheme at the Scheme Meeting;</li> <li>vote against the Scheme at the Scheme Meeting;</li> <li>sell your TMT Shares on market at any time before the close of trading on ASX on the Effective Date; or</li> <li>do nothing.</li> </ul>	Section 2.12
<b>What if I cannot, or do not wish to, attend the Scheme Meeting?</b>	If you cannot, or do not wish to, attend the Scheme Meeting, you may appoint a proxy, corporate representative or attorney to vote on your behalf. For further details regarding voting and appointing proxies for the Scheme Meeting, see Section 1.	Section 1
<b>Questions about AVL</b>		
<b>Who is AVL?</b>	<p>Australian Vanadium Limited (<b>AVL</b>) is an Australian based company listed on the ASX (ASX:AVL). AVL also trades on the OTCQB market in the USA (ATVVF) and the Berlin, Munich, Stuttgart and Frankfurt Stock Exchanges in Germany (JT71).</p> <p>AVL is a vanadium development and exploration company currently focussed on its 100% owned Australian Vanadium Project located in Western Australia, a Tier-1 mining jurisdiction. The Australian Vanadium Project and TMT's Murchison Technology Metals Project share the same contiguous orebody.</p> <p>The Australian Vanadium Project is one of the most advanced vanadium projects globally, with a large global Mineral Resource of 239 million tonnes (<b>Mt</b>) at 0.73% V<sub>2</sub>O<sub>5</sub>, containing 1.7Mt of V<sub>2</sub>O<sub>5</sub> and was awarded Western Australian Government Lead Agency Status in 2020.</p> <p>AVL's Bankable Feasibility Study announced in April 2022 outlined compelling project economics, with a long life, high margin operation producing 11.2kt per annum V<sub>2</sub>O<sub>5</sub> over a 25-year mine life and a first quartile cost profile with C1 Cash Costs of US\$4.43/lb V<sub>2</sub>O<sub>5</sub>.</p> <p>To complete AVL's 'pit to battery' strategy, AVL is exploring downstream opportunities through its wholly owned subsidiary VSUN Energy Pty Ltd (<b>VSUN Energy</b>) and the currently under-construction electrolyte manufacturing facility.</p> <p>VSUN Energy aims to create safe and reliable renewable energy storage solutions using vanadium flow battery (<b>VFB</b>) technology, while the vanadium electrolyte facility will initially have capacity</p>	Section 4 and Section 5

Question	Answer	Further information
	<p>to produce 33MWh of vanadium electrolyte equivalent per annum. Vanadium electrolyte is a critical component in VFBs.</p> <p>See Section 4 for further information on AVL and Section 5 for further information on the Merged Group.</p>	
<b>Why does AVL wish to implement the Scheme?</b>	<p>AVL wishes to implement the Scheme as the consolidation of the two adjacent projects of AVL and TMT across the one orebody will create one of the largest and highest grade Australian based vanadium projects with a world-class asset of scale, located in a Tier 1 mining jurisdiction.</p> <p>The Scheme provides a unique opportunity to unlock material operational and strategic synergies and other corporate savings by creating an integrated project. This will provide additional flexibility to leverage the integrated assets of the Merged Group to realise the full value of the asset base. One such opportunity is being able to optimise the Yarrabubba Mineral Resource, Ore Reserve and mine schedule by developing the deposit without the existing standalone tenure constraints that TMT has in relation to Yarrabubba.</p> <p>For details regarding the benefits and rationale of the Scheme, refer to Section 5.2.</p>	Section 5.2
<b>Questions about the Merged Group</b>		
<b>What is the Merged Group?</b>	<p>If the Scheme is implemented AVL will become the parent company of the Merged Group.</p> <p>Information in relation to the Merged Group is contained in Section 5.</p>	Section 5
<b>What are AVL's intentions in relation to the Merged Group if the Scheme proceeds?</b>	<p>If the Scheme is implemented, AVL intends to combine TMT's Murchison Technology Metal Project and AVL's Australian Vanadium Project into a single integrated project.</p> <p>To this end, following announcement of the proposed merger between AVL and TMT on 25 September 2023, AVL and TMT have formed the Technical Working Group, led by the Chief Executive Officer of AVL and the Managing Director of TMT, with the purpose of assessing project enhancement opportunities as well as a pathway to deliver an optimised development strategy and synergies.</p> <p>The aim of the Technical Working Group is to deliver an unconstrained optimisation study. Work involved will comprise of resource modelling, flowsheet and infrastructure optimisation and identifying synergies and opportunities to improve the overall project on a combined basis and provide an updated definitive feasibility study encompassing this work. In conjunction, the Merged Group will also focus on finalising permitting and funding (including potential offtake) with the objective of advancing the project to development to maximise long-term shareholder value.</p> <p>Further to the above, AVL will undertake a detailed review of the combined business to determine the best way to utilise TMT employees for the benefit of the Merged Group.</p> <p>TMT Shareholders should be aware, if the Scheme proceeds, there will be various risks associated with an investment in AVL, which are described (non-exhaustively) in Section 6.</p>	Section 5.5 and Section 6

Question	Answer	Further information				
Who will the directors be?	If the Scheme is implemented, it is intended that Ms Joanne Gaines will join the AVL Board. It is expected that the Board of the Merged Group following implementation of the Scheme will, subject to the foregoing, be the existing directors of AVL.	Section 5.4				
Who will the key management personnel be?	If the Scheme is implemented, it is intended that the Managing Director of TMT, Mr Ian Prentice, will continue employment with the Merged Group with the title “Executive Integration” under an amended version of his existing executive services agreement. It is expected the key management personnel of the Merged Group following implementation of the Scheme will be the existing key management personnel of AVL.	Section 5.4				
Who will the substantial shareholders be?	<p>If the Scheme is implemented, Scheme Shareholders will own approximately 38% of AVL with AVL Shareholders owning the remaining approximately 62%.</p> <p>Based on their respective shareholdings in AVL and TMT as at the Last Practicable Date, the holders of 5% or more of the issued capital of AVL, if the Scheme is implemented would be:</p> <table><tr><th>Shareholder</th><th>Voting Power</th></tr><tr><td>Resource Capital Fund VII L.P.</td><td>18.2%</td></tr></table>	Shareholder	Voting Power	Resource Capital Fund VII L.P.	18.2%	Section 5.6
Shareholder	Voting Power					
Resource Capital Fund VII L.P.	18.2%					
General questions						
What other information is available?	<p>You should read the detailed information in relation to the Scheme provided in this Scheme Booklet.</p> <p>Further information in relation to TMT can be obtained from ASX on its website <a href="http://www.asx.com.au">www.asx.com.au</a>. Further information in relation to AVL can be obtained from ASX on its website <a href="http://www.asx.com.au">www.asx.com.au</a>.</p>					
Who can help answer my questions about the Scheme?	If you require further information or have questions in relation to the Scheme, please contact the contact the TMT Shareholder Information Line on 08 9321 8533, Monday to Friday between 8:30 am and 5:00 pm (AWST).					

# Detailed Information

## 1 Scheme Meeting Information

This Section contains information relating to voting entitlements and information on how to vote at the Scheme Meeting for TMT Shareholders.

### 1.1 Scheme Meeting

#### (a) Time and location

The Scheme Meeting to approve the Scheme is scheduled to be held at Level 3, 88 William Street, Perth WA 6000 on Tuesday, 16 January 2024 commencing at 10:00am (AWST).

The Board has decided to hold the Scheme Meeting as a physical meeting for TMT Shareholders to attend in person.

Further information about attending the Scheme Meeting can be found in the Notice of Scheme Meeting in Appendix 4.

#### (b) Requisite Majority

At the Scheme Meeting, the Scheme Resolution will be proposed to the Scheme Meeting which must be approved by:

- unless the Court orders otherwise, a majority in number (more than 50%) of TMT Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- at least 75% of the total number of votes which are cast at the Scheme Meeting,

(the **Requisite Majority**), for the Scheme to become Effective.

#### (c) Notice of Scheme Meeting

The Scheme Resolution is set out in the Notice of Scheme Meeting in Appendix 4.

### 1.2 Entitlement and ability to vote at the Scheme Meeting

If you are registered as a TMT Shareholder as at 10:00am (AWST) on Sunday, 14 January 2024, you will be entitled to vote on the Scheme Resolution at the Scheme Meeting. Voting on the Scheme Resolution will be by poll.

#### (a) Voting

TMT Shareholders entitled to vote at the Scheme Meeting can vote:

- by attending the Scheme Meeting physically;
- by appointing a proxy or attorney to attend the Scheme Meeting or, in the case of corporate shareholders, a corporate representative to attend the Scheme Meeting physically and vote on their behalf.

(b) **Appointing a proxy**

TMT Shareholders who are unable to attend the Scheme Meeting are strongly encouraged to submit their votes by proxy instead.

(c) **Online**

TMT Shareholders who have elected to receive notices of meeting electronically will receive an email with a personalised link to a website which can be used to appoint a proxy online by following the instructions on that website.

Proxy Forms can be lodged online at <https://investor.automic.com.au/#/loginsah> by following the below instructions:

Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'Meetings'. To use the online lodgement facility, TMT Shareholders who have not elected to receive notices of meetings electronically will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. TMT Shareholders who have received a personalised link will need their postcodes or, in the case of overseas shareholders, their country code.

You will be taken to have signed a Proxy Form and appointed a proxy if you submit your proxy online in accordance with the instructions on the website. Please read the instructions for online proxy submissions carefully before you lodge your proxy.

The online proxy appointment must be received by TMT by no later than 10:00am (AWST) on Sunday, 14 January 2024 to be effective.

(d) **Hard copy**

TMT Shareholders who have not elected to receive notices of meeting electronically will receive a letter which includes a hard copy of the Proxy Form.

TMT Shareholders may appoint a proxy by completing and returning the Proxy Form to TMT or the Share Registry, Automic, by either posting it in the reply-paid envelope provided (only for use in Australia) or by sending, delivering, faxing or lodging it online as follows:

(i) **Mail to:**

Automic  
GPO Box 5193  
Sydney NSW 2001

(ii) **Fax to:**

+61 2 8583 3040

(iii) **Online:**

See Online instructions above.

(iv) **Mobile device:**

Scan the QR code on your Proxy Form and follow the prompts. You will need your SRN or HIN, the allocated control number and PIN as shown on your Proxy Form.

The signed Proxy Form (and an original or certified copy of any power of attorney under which it has been signed, unless already provided) must be received by TMT or the Share Registry, Automic, by no later than 10:00am (AWST) on Sunday, 14 January 2024 (being 48 hours before the Scheme Meeting), to be effective.

For further information on proxy voting, please refer to the instructions set out in the Notice of Meeting in Appendix 4 and the Proxy Form.

**(e) Appointing a corporate representative**

A TMT Shareholder or proxy, which is a body corporate, may appoint an individual to act as its representative to vote at the Scheme Meeting. The appointment must comply with section 250D of the Corporations Act.

If a representative of a TMT Shareholder or proxy, which is a body corporate is to attend the Scheme Meeting the appropriate "Appointment of Corporate Representative" form will need to be produced prior to admission along with an original or certified copy of any power of attorney under which it is signed.

A form may be obtained from Automic at <https://investor.automic.com.au/#/support/2/sub> under FAQ's & Investor Forms, click on 'How do I appoint a Corporate Representative?.'

**(f) Appointing an attorney**

TMT Shareholders who wish to vote by attorney at the Scheme Meeting should, if they have not already presented an appropriate power of attorney to TMT, deliver to TMT's Share Registry or TMT an original or certified copy of the power of attorney by no later than 10:00am (AWST) on Sunday, 14 January 2024 (being 48 hours before the Scheme Meeting).



## 2 Key Information

The purpose of this Section 2 is to identify important issues for you to consider in relation to the Scheme.

Before deciding how to vote at the Scheme Meeting, you should carefully consider the factors discussed below and the risk factors outlined in Section 6, as well as the other information contained in this Scheme Booklet.

### 2.1 Proposed Transaction

If the Scheme is implemented, AVL will acquire all of the TMT Shares held by Scheme Shareholders by way of a scheme of arrangement and TMT will become a wholly owned subsidiary of AVL.

The Scheme is subject to, among other things, approval by the Requisite Majority at the Scheme Meeting and approval by the Court pursuant to section 411(4)(b) of the Corporations Act on the Second Court Date. For further details of the conditions, refer to Section 8.2.

If the Scheme becomes Effective, AVL will issue the Scheme Consideration to Scheme Shareholders (or to the Sale Agent for sale through the Sale Facility) on the Implementation Date, and AVL will register the registered holders of the Scheme Consideration in the AVL Share Register. AVL will send, or procure the sending of, evidence of ownership for those AVL Shares to Scheme Shareholders (except Ineligible Overseas Shareholders and Small Parcel Shareholders). TMT will request ASX remove TMT from the official list on or shortly after the Implementation Date.

On 30 November 2023, AVL executed the Deed Poll pursuant to which AVL has agreed, subject to the Scheme becoming Effective, to acquire the TMT Shares held by Scheme Shareholders for the Scheme Consideration.

### 2.2 Scheme Consideration

If the Scheme is implemented, each Scheme Shareholder (other than Ineligible Overseas Shareholders and Small Parcel Shareholders) will receive scrip consideration of 12.00 New AVL Shares for every one Scheme Share held at the Record Date.

The Scheme Consideration will be issued by AVL on the Implementation Date, which is expected to be Thursday, 1 February 2024.

At the Last Practicable Date, the implied value of the Scheme Consideration is approximately \$0.276 per TMT Share. This represents a premium of 25.5% to TMT last recorded traded price of \$0.22.

However, the implied value of the Scheme Consideration will vary with the market price of AVL Shares. The value of the Scheme Consideration may increase or decrease after the Implementation Date if the market price of AVL Shares moves.

The New AVL Shares being issued as Scheme Consideration are new fully paid ordinary shares in AVL and will rank equally in all respects with all existing AVL Shares on issue as at the Implementation Date. See Section 4.9 for more information regarding the rights attaching to the AVL Shares.

In the case of any Scheme Shares held in joint names, any Scheme Consideration will be issued to and registered in the names of the joint holders. Ineligible Overseas Shareholders and Small Parcel Shareholders will not be issued New AVL Shares under the Scheme. Instead, the New AVL Shares to which the Ineligible Overseas Shareholders and Small Parcel

Shareholders would otherwise have been entitled under the Scheme will be issued to the Sale Agent for sale by the Sale Agent on ASX or another prescribed financial market on behalf of, and at the risk of, Ineligible Overseas Shareholders and Small Parcel Shareholders under the Sale Facility. Ineligible Overseas Shareholders and Small Parcel Shareholders will ultimately receive their proportion of the net proceeds as their Scheme Consideration in lieu of New AVL Shares under the Sale Facility.

Further details of the Scheme Consideration to be received by Ineligible Overseas Shareholders and Small Parcel Shareholders under the Scheme are set out at Sections 2.7 to 2.9.

A general description of certain Australian tax considerations in relation to the Scheme can be found in Section 7.

## 2.3 Fractional Entitlements

If, pursuant to the calculation of your Scheme Consideration, you would be entitled to a fraction of an AVL Share your fractional entitlement of:

- 0.5 or more will be rounded up to the nearest whole number; and
- less than 0.5 will be rounded down to the nearest whole number.

## 2.4 Independent Expert's Report

The Independent Expert, BDO Corporate Finance (WA) Pty Ltd, has reviewed the terms of the Scheme and concluded the Scheme is not fair but reasonable and in the best interests of TMT Shareholders in the absence of a Superior Proposal.

The Independent Expert's Report is set out in Appendix 1 and should be read in its entirety, including the assumptions on which the conclusions are based.

## 2.5 Scheme Meeting

The Scheme Meeting to approve the Scheme is scheduled to be held as a physical meeting on Tuesday, 16 January 2024 commencing at 10:00am (AWST) at Level 3, 88 William Street, Perth WA 6000.

Further information about attending the Scheme Meeting can be found in the Notice of Scheme Meeting in Appendix 4.

## 2.6 Requisite Majority

At the Scheme Meeting, the Scheme Resolution will be proposed to the Scheme Meeting which must be approved by:

- unless the Court orders otherwise, a majority in number (more than 50%) of TMT Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- at least 75% of the total number of votes which are cast at the Scheme Meeting,

(the **Requisite Majority**), for the Scheme to become Effective.

The Scheme Resolution is set out in the Notice of Scheme Meeting in Appendix 4.

## 2.7 Ineligible Overseas Shareholders

Restrictions in certain foreign countries may make it impractical or unlawful for AVL Shares to be issued under the Scheme to TMT Shareholders in those countries.

Scheme Shareholders whose address is shown in the TMT Register as being in a place outside Australia, New Zealand, Singapore and the United States, are Ineligible Overseas Shareholders unless AVL has determined it is lawful and not unduly onerous or impracticable for AVL to issue such a TMT Shareholder with New AVL Shares on implementation.

AVL is under no obligation to issue and allot, and will not issue, any AVL Shares to any Ineligible Overseas Shareholder. Instead, if the Scheme becomes Effective, AVL will issue the AVL Shares to which the Ineligible Overseas Shareholder would otherwise have been entitled to the Sale Agent for sale through the Sale Facility. See Section 2.9 for further information about the Sale Facility.

## 2.8 Small Parcel Shareholders

A Scheme Shareholder (other than an Ineligible Overseas Shareholder) who, based on their holding of Scheme Shares, would on the Implementation Date be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) (**Marketable Parcel**) of New AVL Shares (assessed by reference to the highest closing price of AVL Shares on the ASX beginning on the date this Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date) as Scheme Consideration will be a Small Parcel Shareholder.

You will cease to be a Small Parcel Shareholder if you would, on implementation of the Scheme, be entitled to receive a Marketable Parcel of AVL Shares (assessed by reference to the highest closing price of AVL Shares on the ASX beginning on the date this Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date) as Scheme Consideration. If you cease to be a Small Parcel Shareholder in this way you will not need to do anything and you will receive Scheme Consideration or in the case of an Ineligible Overseas Shareholder, you will receive proceeds through the Sale Facility.

AVL is under no obligation to issue and allot, and will not issue, any AVL Shares to any Small Parcel Shareholder. Instead, if the Scheme becomes Effective, AVL will issue the AVL Shares to which the Small Parcel Shareholder would otherwise have been entitled to the Sale Agent for sale through the Sale Facility. See Section 2.9 for further information about the Sale Facility.

## 2.9 Sale Facility

As noted in Section 2.2, if you are an Ineligible Overseas Shareholder or a Small Parcel Shareholder, the Scheme Consideration that would otherwise have been issued to you will be issued to the Sale Agent for sale through the Sale Facility and you will receive a pro rata share of the net proceeds from the sale of all Scheme Consideration sold through the Sale Facility. The proceeds received by Ineligible Overseas Shareholders and Small Parcel Shareholders will be after deductions for applicable brokerage, stamp duty, currency conversion costs and other selling costs, taxes and charges (**Net Sale Proceeds**).

The Sale Facility will operate as follows:

- as soon as reasonably practicable, and in any event no more than 30 Business Days after the Implementation Date, AVL will procure that the Sale Agent, in consultation with AVL, sells or procures the sale of all the New AVL Shares allotted to it. The sales will be effected in such manner, at such price and on such other terms as the Sale

Agent determines in good faith and at the sole risk of the Ineligible Overseas Shareholders and Small Parcel Shareholders; and

- the Sale Agent will then remit the Net Sale Proceeds to AVL which will then pay, or procure the payment, to each Ineligible Overseas Shareholder and Small Parcel Shareholder for their pro rata share of the aggregate sale proceeds, based on the proportion of the number of New AVL Shares that they would have otherwise received as a portion of all New AVL Shares issued to the Sale Agent, by either (in the absolute discretion of AVL):
  - making a deposit into an account with any ADI (as defined in the *Banking Act 1959* (Cth)) in Australia notified by the relevant Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) to TMT (or the Share Registry) and recorded in the TMT Register at the Record Date; or
  - dispatching, or procuring the dispatch, to that Ineligible Overseas Shareholders or Small Parcel Shareholders (as applicable) by prepaid post to their address as it appears on the TMT Register on the Record Date (and in the case of any Scheme Shares held in joint names, a cheque in A\$ will be drawn in the name of the joint holders and sent to the holder whose name appears first in the TMT Share Register as at the Record Date.

The Sale Agent and its affiliates (**Sale Agent Group**) is a full-service financial institution engaged in various activities, which may include trading, financing, corporate advisory, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Sale Agent Group may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may, without limitation, involve or relate to assets, securities and/or instruments of AVL, and/or persons and entities with relationships with AVL. The Sale Agent Group may also communicate investment recommendations, market colour or trading ideas and/or publish or express research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. These various activities may impact the price at which AVL Shares may be sold through the Sale Facility. The Sale Agent Group has provided, and may in the future provide, financial advisory, financing services and other services to AVL and to persons and entities with relationships with AVL, for which the Sale Agent Group has received or will receive customary fees and expenses.

The Sale Agent is providing share sale execution services only, and

- is not providing services on behalf of, for or to any Ineligible Overseas Shareholder or Small Parcel Shareholder;
- is not assuming or accepting any duty or responsibility to any Ineligible Overseas Shareholder or Small Parcel Shareholder;
- has not been appointed or engaged as an agent or sub-agent of, or in respect of any, Ineligible Overseas Shareholder or Small Parcel Shareholder; or
- has not been appointed or engaged to assume or performance any duties or obligations (fiduciary or otherwise) in respect of any Ineligible Overseas Shareholder or Small Parcel Shareholder,

and to the maximum extent permitted by law, the Sale Agent Group will not be liable for any failure to sell AVL Shares under the Sale Facility at a particular price.

## 2.10 Competing Proposals

During the Exclusivity Period the Scheme Implementation Deed prohibits TMT, AVL and each of their Representatives from soliciting, inviting, encouraging or initiating any Competing Proposal with any third party in relation to (or which may reasonably be expected to lead to) a Competing Proposal, or communicate any intention to do any of these things.

There are also certain restrictions in the Scheme Implementation Deed in relation to discussions with third parties in relation to Competing Proposals, providing due diligence access and making available any non-public information (with certain exceptions relevant to the fiduciary duties of TMT Directors and AVL Directors (as applicable)).

During the Exclusivity Period, TMT must promptly (and in any event within twenty four hours) notify AVL if it, or any of its Representatives, becomes aware of:

- approach, inquiry or proposal made by a person with regards to initiating any discussions, negotiations or other communications or any intention to make such an approach or attempt to initiate any discussions, negotiations or other communications, in respect of any inquiry, expression of interest, offer, proposal, discussion or other communication in relation to an actual, proposed or potential TMT Competing Proposal;
- expression of interest, offer, proposal or other communication made to TMT or any of its Representatives in connection with, or in respect of any exploration or completion of, an actual, proposed or potential TMT Competing Proposal; or
- request for or provision by TMT or any of its Representatives of, any non-public information relating to the businesses, affairs and operations of any TMT Group Member in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a TMT Competing Proposal.

Where a TMT Competing Proposal is received which constitutes a Superior Proposal and any TMT Director is proposing to recommend, approve entry into an agreement in respect of, or as a result of which withdraw their recommendation of the Scheme, AVL has the right, but not the obligation, within five Business Days of receipt of notice of such intention, to submit an updated proposal.

As at the date of this Scheme Booklet, TMT has not received any TMT Competing Proposals.

Your Directors will carefully consider any TMT Competing Proposal received from a third party (provided it does not breach the terms of the Scheme Implementation Deed) and inform you of any material developments. However, as at the date of this Scheme Booklet your Directors are not aware of any such proposals.

## 2.11 Directors' recommendation

Your Directors believe the Scheme is in the best interests of TMT Shareholders, and they unanimously recommend TMT Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of TMT Shareholders.

Your Directors have formed their conclusion and made their recommendation on the Scheme based on the reasons set out at Pages 11 to 23 of this Scheme Booklet.

In relation to the unanimous recommendation of your Directors, TMT Shareholders should note that certain Directors have certain interests in the outcome of the Scheme vote which may differ from those of other TMT Shareholders if the Scheme is implemented, as described below.

**(a) Ian Prentice**

If the Scheme becomes Effective, Mr Prentice's 500,000 Class D TMT Performance Rights will automatically vest into TMT Shares as described in Section 8.20. It is also intended that he will be appointed as 'Executive Integration' of AVL and receive remuneration and other benefits under an amended version of Mr Prentice's existing executive services agreement as described in Section 5.4(b).

In addition, Mr Prentice's 2,000,000 Class E TMT Options will be cancelled on the Business Day prior to the Record Date and Mr Prentice will receive 4,074,074 AVL Shares. See Section 8.21 for further information on the treatment of the TMT Options in connection with the Scheme.

The other TMT Directors, excluding Mr Prentice, consider that the nature, scope and quantum of the contingent personal benefits that Mr Prentice is expected to receive if the Scheme is implemented ought not preclude him from joining with the other TMT Directors in making a public voting recommendation to TMT Shareholders in relation to the Scheme in the ASX Announcement, this Scheme Booklet or in any other future ASX announcement to be made regarding the Scheme.

**(b) Carmen Letton**

If the Scheme becomes Effective, Ms Letton's 1,000,000 Class E TMT Options will be cancelled on the Business Day prior to the Record Date and Ms Letton will receive 2,037,037 AVL Shares. See Section 8.21 for further information on the treatment of the TMT Options in connection with the Scheme.

The other TMT Directors, excluding Ms Letton, consider that the nature, scope and quantum of the contingent personal benefits that Ms Letton is expected to receive if the Scheme is implemented ought not preclude her from joining with the other TMT Directors in making a public voting recommendation to TMT Shareholders in relation to the Scheme in the ASX Announcement, this Scheme Booklet or in any other future ASX announcement to be made regarding the Scheme.

**(c) Joanne Gaines**

If the Scheme becomes Effective, it is intended that Ms Gaines will be appointed as a non-executive Director of AVL and will receive remuneration and other benefits as described in Section 5.4(a).

The other TMT Directors, excluding Ms Gaines, consider that the nature, scope and quantum of the contingent personal benefits that Ms Gaines is expected to receive if the Scheme is implemented ought not preclude her from joining with the other TMT Directors in making a public voting recommendation to TMT Shareholders in relation to the Scheme in the ASX Announcement, this Scheme Booklet or in any other future ASX announcement to be made regarding the Scheme.

A TMT Director may also change their recommendation if due to a change in fact or law occurring they reasonably determine (having obtained legal advice) they should not provide or continue to maintain any recommendation because they have an interest in the Scheme that renders it inappropriate to maintain any such recommendation.



These arrangements are disclosed throughout this Scheme Booklet to allow TMT Shareholders to consider these arrangements in the context of the Directors' recommendations that TMT Shareholders should vote in favour of the Scheme, subject to no Superior Proposal emerging and the Independent Expert continuing to conclude that the Scheme is in the best interests of TMT Shareholders. TMT Shareholders should have regard to these arrangements when considering the recommendations of Mr Prentice, Ms Letton and Ms Gaines in relation to the Scheme and, if they disagree with the basis upon which they conclude it is appropriate to make a recommendation in relation to the Scheme, may choose to discount their recommendations accordingly.

Each of the Directors will vote or procure the voting of any TMT Shares controlled or held by, or on behalf of, such Director at the time of the Scheme Meeting, in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of TMT Shareholders.

The reasons TMT Shareholders might elect to vote against the Scheme are set out at Pages 11 to 23 of this Scheme Booklet.

## 2.12 What are your options and what should you do?

You have the following four options in relation to your TMT Shares. TMT encourages you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances and seek professional advice before making any decision in relation to your TMT Shares.

### (a) **Vote in favour of the Scheme at the Scheme Meeting**

Your Directors unanimously recommend you vote in favour of the Scheme,<sup>23</sup> in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of TMT Shareholders. The reasons for your Directors' unanimous recommendation are set out at Pages 11 to 23 of this Scheme Booklet.

If you wish to support the Scheme, you can do so by voting in favour of the Scheme Resolution at the Scheme Meeting. For directions on how to vote at the Scheme Meeting, and important voting information generally, please refer to Section 1.

### (b) **Vote against the Scheme at the Scheme Meeting**

If, despite your Directors' unanimous recommendation<sup>24</sup> and the conclusion of the Independent Expert, you do not support the Scheme, you may vote against the Scheme Resolution at the Scheme Meeting.

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<sup>23</sup> In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

<sup>24</sup> In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the

However, you should note if all of the conditions to the Scheme are satisfied or waived (where applicable), the Scheme will bind all TMT Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all.

**(c) Sell your TMT Shares on ASX**

The Scheme does not preclude you from selling your TMT Shares on market for cash, if you wish, provided you do so before close of trading in TMT Shares on ASX on the Effective Date (currently expected to be Monday, 22 January 2024) when trading in TMT Shares on ASX will end.

If you are considering selling your TMT Shares on ASX you should have regard to the prevailing trading prices of TMT Shares at that time.

If you sell your TMT Shares on market for cash, you:

- will not be entitled to receive the Scheme Consideration;
- may incur a brokerage charge;
- may incur CGT; and
- will not be able to participate in a Superior Proposal, if one emerges, noting that, at the date of this Scheme Booklet, your Directors have not received notice from any third party of an intention to make any TMT Competing Proposal or Superior Proposal.

**(d) Do nothing**

If, despite your Directors' unanimous recommendation<sup>25</sup> and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the conditions to the Scheme are satisfied or waived (where applicable), the Scheme will bind all TMT Shareholders, including those who vote against the Scheme Resolution at the Scheme Meeting or those who do not vote at all.

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Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

<sup>25</sup> In relation to the recommendation of the TMT Directors in respect of the Scheme, TMT Shareholders should have regard to the interests of the TMT Directors in the outcome of the Scheme which may differ from those of other TMT Shareholders, as further disclosed in Section 2.11. In particular, Mr Prentice will receive such number of AVL Shares worth \$231,703.70 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented) and the conversion of Class D Performance Rights. Ms Letton will receive such number of AVL Shares worth \$46,851.85 as at the Last Practicable Date in connection with the cancellation of Class E TMT Options (subject to the Scheme being implemented). See Sections 8.20 and 8.21 for further information on the treatment of TMT Options and TMT Performance Rights in connection with the Scheme. Mr Prentice and Ms Gaines will receive remuneration and other benefits as described in Section 5.4 in connection to their appointments as 'Executive Integration' and non-executive Director of AVL, respectively (subject to the Scheme being implemented). Each of the Directors considers that it is appropriate for them to make a recommendation in relation to the Scheme, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Scheme or their ability to make a recommendation to TMT Shareholders.

Remember, if you want to receive the Scheme Consideration, your vote is important. If the Scheme is not approved by the Requisite Majority, you will not be entitled to receive any Scheme Consideration.

## **2.13 Dealing with your AVL Shares**

If the Scheme is implemented, all of the TMT Shares held by Scheme Shareholders at 7.00pm (AWST) on the Record Date will be transferred to AVL on the Implementation Date and in exchange, each Scheme Shareholder (other than Ineligible Overseas Shareholders and Small Parcel Shareholders) will be issued New AVL Shares. If you wish to sell the New AVL Shares issued to you, you may do so on ASX, once trading in those New AVL Shares commences.

## 3 TMT Information

### 3.1 Introduction

The information contained in this Section 3 has been prepared by TMT as at the Last Practicable Date (unless otherwise stated). The information concerning TMT, and the intentions, views and opinions contained in this Section 3 are the responsibility of TMT. AVL does not assume any responsibility for the accuracy or completeness of the information in this Section 3.

### 3.2 Overview of TMT

#### (a) Corporate Profile

TMT is a Perth-based resources company focused on the development of its vanadium asset at its primary, wholly owned Murchison Technology Metals Project (**MTMP**). TMT first listed on the ASX on 21 December 2016, under the symbol “TMT”.

The MTMP is located approximately 40km south-southeast of Meekatharra in the Mid-West region of Western Australia. The MTMP has a Global Mineral Resource Estimate (**MRE**) of 153.7Mt at 0.8% vanadium pentoxide (**V<sub>2</sub>O<sub>5</sub>**) and comprises the Gabanintha deposit and the Yarrabubba deposit. The integrated processing facility and other key non-processing infrastructure are planned to be located at Gabanintha. The Gabanintha deposit was the subject of a Definitive Feasibility Study (**DFS**) completed in August 2019, with a Proven and Probable Ore Reserve of 29.6Mt at 0.88% V<sub>2</sub>O<sub>5</sub>.

The Company continued to undertake exploration diamond drilling and metallurgical testwork on the Yarrabubba deposit throughout 2020 and 2021 and in August 2022 released the Integration Study which merged the Gabanintha and Yarrabubba deposits to form the MTMP with a Proven and Probable Ore Reserve of 44.48Mt at 0.89% V<sub>2</sub>O<sub>5</sub>. The Yarrabubba deposit also included a maiden Ilmenite Ore Reserve.

#### (b) Business Overview

The MTMP comprises the Gabanintha and Yarrabubba deposits.

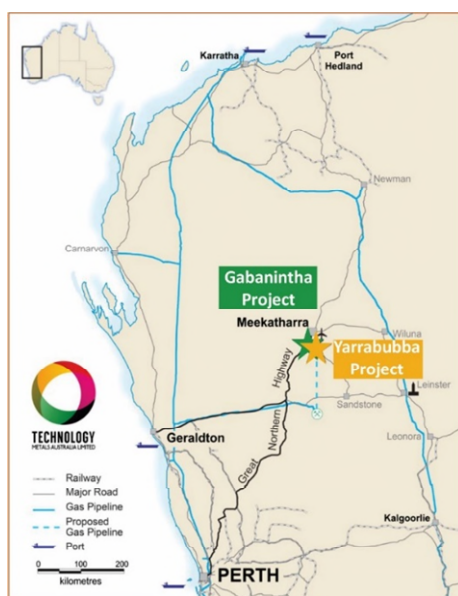


Figure 2 Locations of key assets forming the MTMP

The Gabanintha deposit contains 4.6km strike length of mineralisation within a layered gabbro.

The Yarrabubba deposit is about 20km south of the Gabanintha deposit. The mineralisation is hosted in a differentiated gabbro closely associated with a series of massive to disseminated vanadium – titanium-iron bands.

In August 2022, the Company released the Integration Study that combined the Gabanintha and Yarrabubba deposits into one integrated project, delivering a global MTMP Proven and Probable Ore Reserve Estimate of 44.48Mt @ 0.89% V<sub>2</sub>O<sub>5</sub> and extended the mine life to 25 years.

The Integration Study assessed the metallurgical properties of Yarrabubba ore with regards to its suitability to be processed through the Gabanintha process flowsheet. This work confirmed that ore from Yarrabubba is highly amenable for processing through the original Gabanintha vanadium flowsheet, with the addition of a recovery circuit to produce an ilmenite product.

During 2022 and 2023, TMT advanced the MTMP including through:

- A series of community information sessions and consultation meetings with the non-exclusive native title holders over lands including the MTMP area;
- Submission of an updated Environmental Review Document in respect of the Gabanintha Project area to the WA Environmental Protection Authority;
- Completion of a commercial competitive tender process for the MTMP processing plant and key non-process infrastructure;
- Engagement of key project partners to progress front-end engineering and design and construction readiness workstreams;
- Customer engagement and product marketing with industry participants in the steel and vanadium battery sectors; and
- Together with the Company's wholly owned subsidiary vLYTE, progression of a downstream feasibility study to produce vanadium electrolyte in Australia using vanadium produced from the MTMP.

(c) **Sustainability**

The Company's mission is for its business to make a positive difference to the local community, minimise impacts to the environment and contribute to global decarbonisation. During 2022 and 2023, the Company's activities in this arena included:

- Development of the Company's ESG strategy and action plans, which involved gap analysis against international frameworks;
- Development of decarbonisation pathways at the MTMP as set out below; and
- Enhancement of corporate governance practices, including review and update of Company policies and procedures.

**(d) Decarbonisation**

TMT has set reduction targets that align to current guidance from the WA Government's Environmental Protection Authority (EPA) and has employed methodologies from the Mineral Research Institute of Western Australia (MRIWA) to develop this decarbonisation strategy. The key steps to planning for and implementing the decarbonisation strategy are:

- Identify – TMT has developed a detailed baseline energy and emissions estimate. Following the emissions estimate, a list of potential decarbonisation projects has been developed
- Target – Ambitious yet achievable targets were considered. TMT will endeavour to exceed these targets where opportunity exists
- Plan – Based on established targets, a planning exercise was undertaken modelling anticipated carbon reductions from identified projects to schedule and prioritise the works in detailed, 5-year increments
- Implement – Implementation of the plan will be staged to achieve or exceed targets
- Monitor – The MTMP's Greenhouse Gas Management Plan (GHGMP) defines the scope and requirements for reporting. This includes conformance to any relevant policies and legislation.

TMT's decarbonisation strategy will evolve and adapt with the introduction of new technology and changing expectations. The actions nominated for the short to medium term (zero to 5 years) are reasonably well understood, however the longer-term projects are reliant on the progress of emerging and new technologies to achieve reduction targets. As the industry and equipment manufacturers progress their products and technological understanding, TMT will be enabled to refine and define what technologies will be best suited to achieve our decarbonisation strategy.

Current decarbonisation pathway opportunities identified include:

- Installation of a 12-24MW solar farm coupled with battery storage
- Roof mounted solar arrays for all accommodation buildings and walkway areas at the village
- Adoption of low carbon energy solutions for mine dewatering and water supply activities
- Transition to electric and/or non-carbon fuel options for mining fleet and other heavy mobile equipment
- Optimisation of fuel consumption through mining and haul route design and optimisation of materials handling
- Incorporation of heat loss and capture strategies and energy recovery at the processing plant.



(e) **TMT assets**

Location	Tenement	Economic interest
Gabanintha Project (WA)	E51/1510	100%
Gabanintha Project (WA)	E51/1818	100%
Gabanintha Project (WA)	E51/2056	100% - Application
Gabanintha Project (WA)	E51/2117	100% - Application
Gabanintha Project (WA)	G51/29	100%
Gabanintha Project (WA)	G51/30	100%
Gabanintha Project (WA)	G51/31	100%
Gabanintha Project (WA)	G51/32	100% - Application
Gabanintha Project (WA)	L51/101	100%
Gabanintha Project (WA)	L51/102	100%
Gabanintha Project (WA)	L51/117	100%
Gabanintha Project (WA)	L51/121	100%
Gabanintha Project (WA)	L51/125	100% - Application
Gabanintha Project (WA)	L51/134	100% - Application
Gabanintha Project (WA)	M51/883	100%
Gabanintha Project (WA)	P51/3140	100%
Yarrabubba Project (WA)	G51/34	100% - Application
Yarrabubba Project (WA)	L51/123	100% - Application
Yarrabubba Project (WA)	L51/128	100% - Application
Yarrabubba Project (WA)	L51/129	100% - Application
Yarrabubba Project (WA)	M51/884	100%

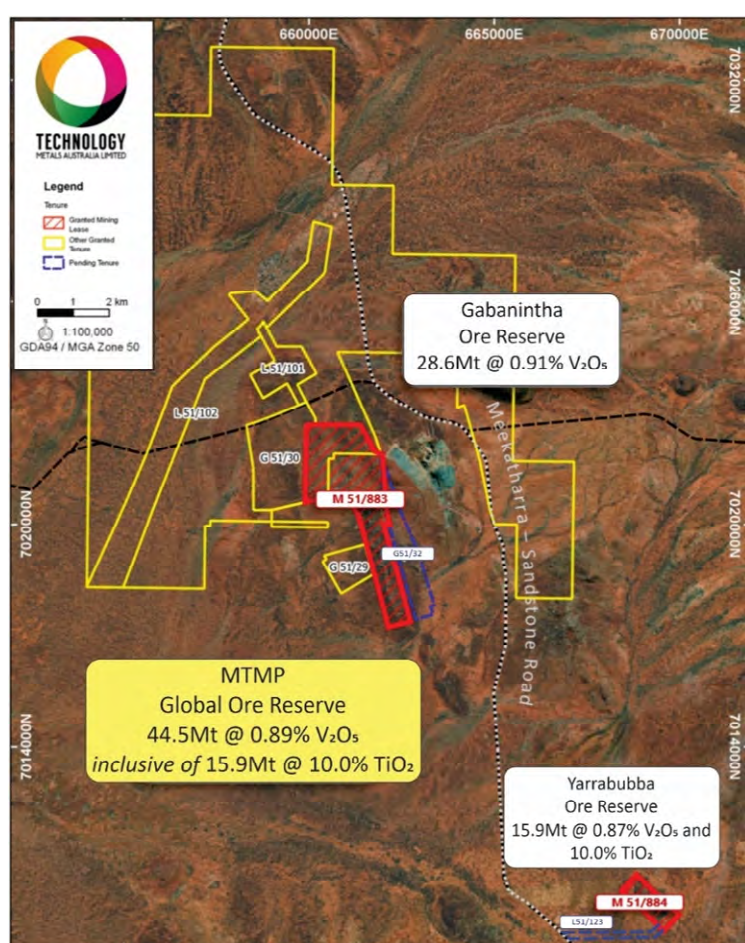
(f) **Ore Reserves and Mineral Resources**

Figure 3 Global Ore Reserve at the MTMP based on Integration Study August 2022

### MTMP– Mineral Resource Estimate

The Company reported its maiden Mineral Resource Estimate for the MTMP on 13 June 2017. The Company has since updated the Mineral Resource Estimates for the Project on 18 December 2017, 7 March 2018, 29 March 2019, 1 July 2020, 10 November 2021 and 7 November 2022.

Classification	Material	Mt	V <sub>2</sub> O <sub>5</sub> %	Fe %	Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	TiO <sub>2</sub> %	LOI %	P %	S %
Measured (Yarrabubba)	Massive	4.4	1.1	48.1	5.5	7.3	12.4	-0.4	0.01	0.3
	Disseminated	1.5	0.6	30.0	10.8	23.4	7.7	2.5	0.01	0.2
Measured (Gabanintha)	Massive	5.1	1.1	46.9	5.7	8.4	12.1	-0.2	0.01	0.3
	Disseminated	1.1	0.8	36.4	7.9	19.6	9.0	0.5	0.01	0.2
<b>Measured</b>	<b>Massive + Disseminated</b>	<b>12.1</b>	<b>1.0</b>	<b>44.3</b>	<b>6.5</b>	<b>10.9</b>	<b>11.4</b>	<b>0.1</b>	<b>0.01</b>	<b>0.2</b>
Indicated (Yarrabubba)	Massive	8.0	1.1	48.1	5.4	7.1	12.5	0.0	0.01	0.3
	Disseminated	6.9	0.6	28.4	12.5	25.2	7.2	2.6	0.02	0.3
Indicated (Gabanintha)	Massive	19.5	1.1	48.9	5.2	6.2	12.8	-0.1	0.01	0.2
	Disseminated	16.7	0.6	27.3	13.3	26.7	7.0	3.0	0.03	0.2
<b>Indicated</b>	<b>Massive + Disseminated</b>	<b>51.2</b>	<b>0.9</b>	<b>39.0</b>	<b>8.9</b>	<b>15.6</b>	<b>10.1</b>	<b>1.3</b>	<b>0.02</b>	<b>0.2</b>

Classification	Material	Mt	V <sub>2</sub> O <sub>5</sub> %	Fe %	Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	TiO <sub>2</sub> %	LOI %	P %	S %
<b>Measured + Indicated</b>	<b>Massive + Disseminated</b>	<b>63.2</b>	<b>0.9</b>	<b>40.0</b>	<b>8.4</b>	<b>14.7</b>	<b>10.4</b>	<b>1.1</b>	<b>0.02</b>	<b>0.2</b>
Inferred (Yarrabubba)	Massive	5.7	1.1	47.4	5.6	7.8	12.3	0.1	0.01	0.3
	Disseminated	11.4	0.6	27.9	12.6	25.8	7.2	2.0	0.02	0.4
Inferred (Gabanintha)	Massive	36.5	1.1	46.7	6.0	8.3	12.3	0.4	0.01	0.2
	Disseminated	36.9	0.5	26.6	12.9	27.6	6.9	3.4	0.03	0.3
<b>Inferred</b>	<b>Massive + Disseminated</b>	<b>90.5</b>	<b>0.8</b>	<b>36.2</b>	<b>9.6</b>	<b>18.3</b>	<b>9.5</b>	<b>1.8</b>	<b>0.02</b>	<b>0.2</b>
<b>Total</b>	<b>Massive + Disseminated</b>	<b>153.7</b>	<b>0.8</b>	<b>37.7</b>	<b>9.1</b>	<b>16.8</b>	<b>9.8</b>	<b>1.5</b>	<b>0.02</b>	<b>0.2</b>

## Notes:

1. Mineral Resources are reported in accordance with the JORC Code (2012 Edition).
2. Mineral Resources were estimated within constraining wireframe solids using a nominal 0.9% V<sub>2</sub>O<sub>5</sub> lower cut-off grade for the massive magnetite zones and using a nominal 0.4% V<sub>2</sub>O<sub>5</sub> lower cut-off grade for the banded and disseminated mineralisation zones.
3. Mineral Resources are quoted from all classified blocks within the wireframe solids above a lower cut-off grade of 0.4% V<sub>2</sub>O<sub>5</sub>.
4. Differences may occur due to rounding. Yarrabubba Measured and Indicated Mineral Resources are reported above an open pit optimised pit shell. Yarrabubba Inferred Resources are reported to a lower RL limit of 250 mRL. Gabanintha Measured and Indicated Mineral Resources are reported above a lower RL limit of 240 to 280 mRL that approximates the Ore Reserve pit shells. Inferred Mineral Resources are reported to a lower RL limit of 170 mRL.

## Murchison Technology Metals Project – Ore Reserve

The Company reported its maiden Ore Reserve estimate for the Murchison Technology Metals Project on 21 June 2018 as part of the Gabanintha Vanadium Project Pre-feasibility study. The Company subsequently reported an updated Ore Reserve estimate for the Gabanintha Vanadium Project on 21 August 2019 as part of the Gabanintha Vanadium Project definitive feasibility study. The Company has since updated the Ore Reserve on 16 September 2020 and most recently on finalisation of the Integration Study bringing together Gabanintha and Yarrabubba as the MTMP on 5 August 2022.

Deposit	Ex-Pit Ore				Magnetic Conc.		Non-Magnetic Conc.			Rec. V <sub>2</sub> O <sub>5</sub>	Rec. Ilmenite	Waste	Total
	Mt	V <sub>2</sub> O <sub>5</sub> %	TiO <sub>2</sub> %	Mass Yield	Mt	V <sub>2</sub> O <sub>5</sub> %	Mt	TiO <sub>2</sub> %	M lb	kt		Mt	Mt
Yarrabubba Probable	15.88	0.87%	10.0%	44.4%	7.04	1.61%	8.84	12.35%	202.7	1,132.6	110.10	125.98	
<b>Yarrabubba Total</b>	<b>15.88</b>	<b>0.87%</b>	<b>10.0%</b>	<b>44.4%</b>	<b>7.04</b>	<b>1.61%</b>	<b>8.84</b>	<b>12.35%</b>	<b>202.7</b>	<b>1,132.6</b>	<b>110.10</b>	<b>125.98</b>	
Gabanintha Proven	1.12	0.95%	-	69.8%	0.78	1.30%	0	-	18.1	-			
Gabanintha Probable	27.48	0.90%	-	57.1%	15.69	1.31%	-	-	369.4	-			
<b>Gabanintha Total</b>	<b>28.60</b>	<b>0.91%</b>	<b>10.7%</b>	<b>57.6%</b>	<b>16.47</b>	<b>1.31%</b>	<b>-</b>	<b>-</b>	<b>387.5</b>	<b>-</b>	<b>154.48</b>	<b>183.08</b>	
<b>Total</b>	<b>44.48</b>	<b>0.89%</b>	<b>10.5%</b>	<b>52.9%</b>	<b>23.52</b>	<b>1.40%</b>	<b>8.84</b>	<b>12.35%</b>	<b>590.3</b>	<b>1,132.6</b>	<b>264.58</b>	<b>309.06</b>	

The information in this Section 3, and elsewhere in this Scheme Booklet that relates to the Mineral Resources of the TMT Group is extracted from the report entitled “MTMP Global Mineral Resource Upgrade” released on 7 November 2022 and that relates to the Ore Reserves of the TMT Group is extracted from the report entitled “MTMP Life Increases to 25 Years and Maiden Ilmenite Reserve” released on 5 August 2022. These Mineral Resource and Ore Reserve statements and their accompanying explanatory notes are available to be viewed at <https://www.tmtlimited.com.au/investors/asx-announcements/>. TMT is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of the estimates of Mineral Resources or Ore Reserves of TMT Group, confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The form and context in which the competent person’s findings are presented have not been materially modified from the original market announcements.

(g) **Key contracts**

In June 2022, the TMT Group 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 TMT 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 TMT 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 31 January 2024 (**Backstop Date**). The EWA required the TMT Group to provide a cash backed security deposit of \$580,000 for the potential reimbursement of these costs.<sup>26</sup> 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 TMT Group.

At 30 June 2023, APA Operations had incurred total EWA costs of \$775,000 which the TMT 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.

### 3.3 Historical financial information

(a) **Basis of presentation of historical financial information**

The summary financial information below has been extracted from the audited financial statements contained within the annual reports for TMT for the years ended 30 June 2023, 2022 and 2021 (being the last three full financial years), all published by TMT on the ASX. The audits were undertaken by HLB Mann Judd whose opinions were unqualified.

The financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (including Australian Accounting Interpretations) (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act. The financial information also complies with

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<sup>26</sup> Refer to note 7 of the Directors Report contained in the Company’s 2023 Annual Report released on the ASX on 29 September 2023.

the recognition and measurement requirements of IFRS and Interpretations issued by the International Accounting Standards Board.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

In the interval between 30 June 2023 and the date of this Scheme Booklet, there has not arisen any item, transaction or event of a material nature likely, in the opinion of the directors of TMT, to significantly affect the operations of the consolidated entity, the result of those operations, or the state of affairs of the consolidated entity, in future financial years, other than as otherwise disclosed in the 30 June 2023 financial statements and subsequent filings on the ASX.

Copies of TMT's audited financial statements for the financial years ended 30 June 2023, 2022 and 2021 are available on the TMT website ([www.tmtlimited.com.au](http://www.tmtlimited.com.au)).

It should be noted that past financial performance is not an indicator of future performance.

(b) **Historical consolidated balance sheet**

Set out below is TMT's consolidated balance sheets as at 30 June 2023, 2022 and 2021.

	30-Jun-23 \$'000s	30-Jun-22 \$'000s	30-Jun-21 \$'000s
<b>Current Assets</b>			
Cash & cash equivalents	16,464	18,600	5,586
Trade & other receivables	2,308	517	298
Prepayments & other assets	101	25	
<b>Total Current Assets</b>	<b>18,873</b>	<b>19,142</b>	<b>5,884</b>
<b>Non-Current Assets</b>			
Plant & equipment	4	-	-
Exploration & evaluation assets	38,145	29,344	23,326
<b>Total Non-Current Assets</b>	<b>38,149</b>	<b>29,344</b>	<b>23,326</b>
<b>Total Assets</b>	<b>57,022</b>	<b>48,486</b>	<b>29,210</b>
<b>Current Liabilities</b>			
Trade & other payables	1,179	1,097	667
<b>Total Current Liabilities</b>	<b>1,179</b>	<b>1,097</b>	<b>667</b>
<b>Total Liabilities</b>	<b>1,179</b>	<b>1,097</b>	<b>667</b>
<b>Net Assets</b>	<b>55,843</b>	<b>47,389</b>	<b>28,543</b>
<b>Equity</b>			
Issued capital	66,741	55,329	34,738
Reserves	2,790	3,814	3,042
Accumulated losses	(13,688)	(11,754)	(9,237)
<b>Total Equity</b>	<b>55,843</b>	<b>47,389</b>	<b>28,543</b>

**(c) Historical consolidated statements of comprehensive income**

Set out below is TMT's consolidated statements of comprehensive income for the years ended 30 June 2023, 2022 and 2021.

	30-Jun-23	30-Jun-22	30-Jun-21
	\$'000s	\$'000s	\$'000s
Other income	53	20	17
Administrative expenses	(2,011)	(2,359)	(1,606)
Exploration & evaluation expenses	(111)	(203)	(560)
Finance income	135	25	19
<b>Profit from continuing operations before tax</b>	<b>(1,934)</b>	<b>(2,517)</b>	<b>(2,129)</b>
Income tax expense	-	-	-
<b>Net profit for the period</b>	<b>(1,934)</b>	<b>(2,517)</b>	<b>(2,129)</b>
<b>Other comprehensive income</b>			
Other comprehensive income, net of tax	-	-	-
<b>Total comprehensive income</b>	<b>(1,934)</b>	<b>(2,517)</b>	<b>(2,129)</b>

**(d) Historical consolidated statement of cash flows**

Set out below is TMT's consolidated statements of cash flows for the years ended 30 June 2023, 2022 and 2021.

	30-Jun-23	30-Jun-22	30-Jun-21
	\$'000s	\$'000s	\$'000s
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees	(2,982)	(1,560)	(1,612)
Other income	304	20	36
Interest received	116	25	-
<b>Net cash outflow from operating activities</b>	<b>(2,562)</b>	<b>(1,515)</b>	<b>1,576</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment	(7)	(44)	(11)
Research and development tax incentive refund received	-	965	561
Payments for exploration and evaluation expenditure	(10,979)	(6,983)	(5,211)
<b>Net cash outflow from investing activities</b>	<b>(10,986)</b>	<b>(6,062)</b>	<b>(4,661)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares & options	12,178	21,578	8,996
Payments for share issue costs	(766)	(987)	(354)
<b>Net cash inflow from financing activities</b>	<b>11,412</b>	<b>20,591</b>	<b>8,642</b>
<b>Net (decrease)/increase in cash held</b>	<b>(2,136)</b>	<b>13,014</b>	<b>2,405</b>
Cash and cash equivalents at beginning of period	18,600	5,586	3,181
<b>Cash and cash equivalents at the end of the period</b>	<b>16,464</b>	<b>18,600</b>	<b>5,586</b>

**(e) Material changes in TMT's financial position and financial performance**

To the knowledge of your Directors, and except as disclosed in this Scheme Booklet, the financial position and financial performance of TMT has not materially changed since 30 June 2023.



An electronic copy of the annual financial report of TMT for the year ended 30 June 2023 is available on the ASX's website [www.asx.com.au](http://www.asx.com.au) under ASX code 'TMT' or on TMT's website at [www.tmtlimited.com.au](http://www.tmtlimited.com.au)

(f) **Forecast financial information**

TMT has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. TMT has concluded that, as at the date of this Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy or market practice.

### 3.4 Directors and key management personnel

(a) **Directors of TMT**

At the date of this Scheme Booklet, the Directors are:

#### Executive Directors

Ian Prentice (Managing Director)	Mr Prentice has extensive global resource industry and equity capital markets experience, with a proven track record of high-quality corporate management and technical excellence. His broad ranging 30 year-plus career extends from exploration and operational roles across a variety of commodities to the listing and management of ASX-listed resource companies. Mr Prentice has served as a director for a number of ASX-listed resource companies, with activities ranging from exploration and project acquisition in Asia and Africa through to gold production in Australia. Mr Prentice has broad experience in identifying and reviewing resource projects for potential acquisition. Mr Prentice is a Member of the Australasian Institute of Mining and Metallurgy and holds a Bachelor of Science (Geology) from the University of Western Australia.  During the past 3 years, Mr Prentice has not served as a director of any other ASX listed company.
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#### Non-Executive Directors

Michael Fry (Chairman)	Mr Fry holds a Bachelor of Commerce degree from the University of Western Australia and is a past member of the ASX. Mr Fry has extensive corporate and commercial experience, financial and capital market knowledge and a background in corporate treasury management.  Mr Fry is currently non-executive chairman of ASX-listed Brookside Energy Limited and, during the past 3 years, has not served as a director of any other ASX listed company.
Dr Carmen Letton	Dr Letton is a mining engineer and mineral economist with 35 years of global mining experience and a diverse background in senior leadership roles in operations, business improvement and operational excellence. More recently focused on corporate and asset strategy development, she has extensive technical expertise in open pit and underground mines across multiple commodities and the many stages of asset development. Dr Letton was most recently the Head of Resource Development and Life of Asset Planning (Asset Strategy Development) at Anglo American, having previously worked at BHP Billiton, Rio Tinto, Newmont, Newcrest and a number of other international mining companies.

### Non-Executive Directors

Dr Letton is currently a director of TSX-listed CanaGold Resources Ltd, and during the past 3 years, has also served as a director on the following ASX listed entities:

Magnetite Mines Limited, non-executive director (January 2023 to present)

Joanne Gaines	<p>Ms Gaines is an experienced, highly regarded leader and strategic policy director, having previously worked as the Deputy Chief of Staff to the Premier of Western Australia. She was a leader in the development of the WA Recovery Plan in response to the COVID-19 pandemic.</p> <p>Prior to this position, Ms Gaines served as Branch Assistant Secretary for the Community and Public Sector Union/Civil Service Association for over 10 years.</p> <p>Ms Gaines is a graduate of the Australian Institute of Company Directors and holds a Bachelor of Arts from the University of Western Australia and a Post Graduate Diploma in Occupational Health and Safety from Curtin University.</p> <p>Ms Gaines is currently Chair of the Government Employees Superannuation Board (GESB) and a director of DevelopmentWA, and during the past 3 years, has also served as a director on the following ASX listed entities:</p> <p>Chalice Mining Limited, non-executive director (August 2022 to present)</p>
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### (b) Other TMT executives

At the date of this Scheme Booklet, the other executives of TMT are:

Personnel	Role
David English	Chief Operating Officer
Elisha Civil	Chief Financial Officer

If the Scheme is implemented, TMT's key management personnel will be reconstituted as described in Section 5.4.

## 3.5 Corporate structure

Name	Country of Incorporation	Equity Interest	Principal Activities
The KOP Ventures Pty Ltd	Australia	100%	Mineral exploration – holder of MTMP tenements
vLYTE Pty Ltd	Australia	100%	Development of vanadium electrolyte

### 3.6 TMT issued capital

#### (a) TMT issued securities

As at the Last Practicable Date, the total securities of TMT on issue were as follows:

- 254,285,984 TMT Shares;
- 5,375,000 Class C unlisted options each exercisable at \$0.50 and expiring on 1 January 2024;
- 5,425,000 Class E unlisted options each exercisable at \$0.60 and expiring on 30 June 2025; and
- 2,925,000 Class D unlisted performance rights expiring on 30 June 2025.

The TMT Options and TMT Performance Rights were issued under the TMT Employee Incentive Plan to TMT Directors, employees and consultants.

Each of the TMT Performance Rights have a nil exercise price and entitles the holder to receive 1 TMT Share on vesting on the vesting date.

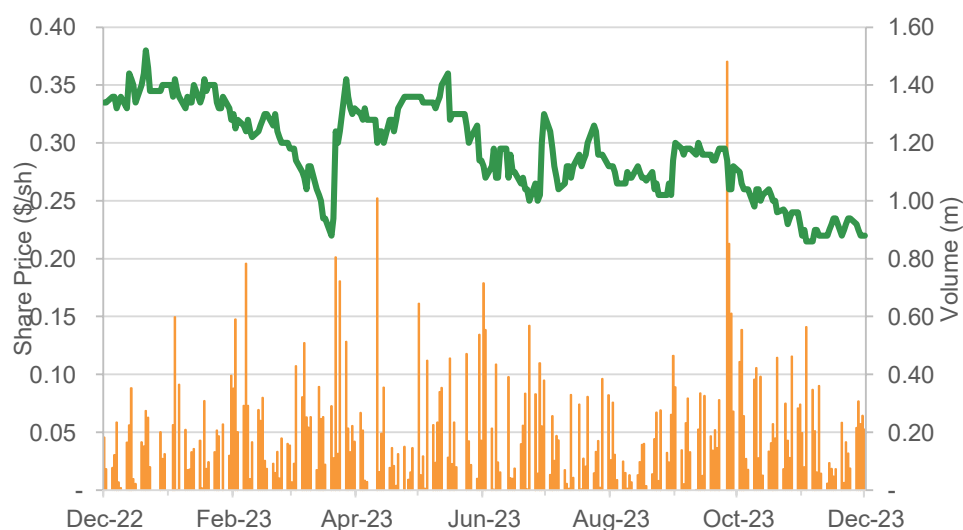
In accordance with the terms of the TMT Employee Incentive Plan in relation to TMT Performance Rights, the Board has determined that the Scheme is a 'Special Condition' as defined in the TMT Employee Incentive Plan and accordingly waived the vesting conditions.

The TMT Performance Rights will, subject to the Scheme becoming Effective, automatically convert into TMT Shares following Court approval of the Scheme. For further information please refer to Sections 8.20 and 8.21.

Subject to the Scheme becoming effective, prior to the Record Date, TMT must issue 1,000,000 TMT Shares, being the Outstanding Milestone Shares under the Gabanintha Royalty Settlement Deed, which relates to the acquisition of the 1.5% net profit interest over Gabanintha tenements E51/1510 and P51/2785. Consideration for the acquisition consisted of TMT Shares to be issued upon the satisfaction of four milestones. The first two milestones, being execution of the Gabanintha Royalty Settlement Deed (in September 2018) and grant of M51/883 (in August 2020), have been met and resulted in the issue of 1,500,000 and 500,000 TMT Shares, respectively. The remaining milestones, being a final investment decision in respect of development of the MTMP and commencement of commercial production of vanadium from M51/883, will be deemed to be satisfied upon a change in control, the definition of which includes a scheme of arrangement.

**(b) Recent TMT Share price history**

The following chart shows the closing price and corresponding daily volume traded over the last 12 months up to and including the Last Practicable Date:



Source: IRESS

At the Last Practicable Date:

- the last recorded traded price of TMT Shares was \$0.220;
- the 30 day VWAP of TMT Shares was \$0.224;
- the 60 day VWAP of TMT Shares was \$0.252;
- the 90 day VWAP of TMT Shares was \$0.258;
- in the previous three months:
  - the highest recorded traded price of TMT Shares was \$0.300 on 26 September 2023;
  - the lowest recorded traded price of TMT Shares was \$0.210 on 3 November 2023; and
- in the previous twelve months:
  - the highest recorded traded price of TMT Shares was \$0.390 on 21 December 2022; and
  - the lowest recorded traded price of TMT Shares was \$0.210 on 3 November 2023.

The last recorded traded price of TMT Shares immediately before the public announcement of the Scheme on the Announcement Date was \$0.295.

The current price of TMT Shares on ASX can be obtained from the ASX website ([www.asx.com.au](http://www.asx.com.au)) or <https://www.tmtlimited.com.au/>.

**(c) Substantial holders**

As at the Last Practicable Date, so far as known to TMT based on publicly available information, there are no substantial holders of TMT Shares, except as set out below:

Substantial Holder	TMT Shares	Voting Power
Resource Capital Fund VII LP	45,821,428	18.19% <sup>1</sup>
Standard Pastoral Company Pty Ltd	14,000,000	5.51%

Notes:

1. As at the date of this Scheme Booklet, per the Form 604 Notice of change of interests of substantial holder to TMT by RCF lodged on 6 June 2023

**(d) Top 20 Shareholders**

Based on the TMT Share Register as at the Last Practicable Date, the top 20 TMT Shareholders held approximately 59.20% of the TMT Shares, as set out in the following table:

Name	Number of TMT Shares	Percentage shareholding
1. Citicorp Nominees Pty Limited	51,671,537	20.32%
2. BNP Paribas Noms Pty Ltd <DRP>	22,113,798	8.70%
3. Standard Pastoral Company Pty Ltd	14,000,000	5.51%
4. HSBC Custody Nominees (Australia) Limited	12,043,208	4.74%
5. Retzos Executive Pty Ltd <Retzos Executive S/Fund A/C>	6,800,000	2.67%
6. Dr Adel Wagdi Awiss Morsi	6,695,000	2.63%
7. Station Nominees Pty Ltd <Station Super Fund A/C>	5,000,000	1.97%
8. Mr Colin David Iles	4,629,878	1.82%
9. Atasa Holdings Pty Ltd <Ts3a Family A/C>	4,343,995	1.71%
10. Khazanah Pty Ltd	2,734,594	1.08%
11. UBS Nominees Pty Ltd	2,422,898	0.95%
12. Retzos Family Pty Ltd <Retzos Family S/Fund Nc>	2,310,000	0.91%
13. Mr Richard Thomas Hayward Daly & Mrs Sarah Kay Daly <The Daly Family Super A/C>	2,306,227	0.91%
14. Ashanti Investment Fund Pty Ltd <Ashanti Investment Fund A/C>	2,287,143	0.90%
15. Perriwinkle Investments Pty Ltd	2,149,316	0.85%

	Name	Number of TMT Shares	Percentage shareholding
16.	Dr James Leong	2,001,358	0.79%
17.	Shayden Nominees Pty Ltd	1,964,866	0.77%
18.	Mr David James Harrington	1,750,000	0.69%
19.	BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client>	1,665,608	0.66%
20.	Mr Paul Venda Divin	1,644,012	0.65%

### 3.7 Dividends

TMT has not previously and currently does not pay dividends. The Directors do not recommend the payment of a dividend in respect of the most recently completed financial year.

### 3.8 Key Interests of TMT Directors

#### (a) Interests in TMT securities

The number, description and amount of TMT marketable securities controlled or held by, or on behalf of, each TMT Director as at the date of this Scheme Booklet are:

Director	TMT Shares	TMT Options	TMT Performance Rights
Ian Prentice	2,267,712 <sup>1</sup>	4,000,000 <sup>2</sup>	500,000 <sup>3</sup>
Michael Fry	1,000,000 <sup>4</sup>	1,000,000 <sup>5</sup>	-
Carmen Letton	-	2,000,000 <sup>6</sup>	-
Joanne Gaines	-	-	-

Notes:

- 667,712 TMT Shares held in the name of Mr Ian Prentice & Mrs Tracey Gay Prentice (I&T Prentice (2005) S/F A/C) and 1,600,000 TMT Shares held in the name of Mr Ian Prentice & Mrs Tracey Gay Prentice (I & T Prentice Family A/C).
- 2,000,000 Class C TMT Options exercisable at \$0.50 on or before 1 January 2024 and are held in the name of Mr Ian Prentice & Mrs Tracey Gay Prentice (I & T Prentice Family A/C) and 2,000,000 Class E TMT Options exercisable at \$0.60 on or before 30 June 2025 and are held in the name of Mr Ian Prentice & Mrs Tracey Gay Prentice (I & T Prentice Family A/C).
- Held in the name of Mr Ian Prentice & Mrs Tracey Gay Prentice (I & T Prentice Family A/C).
- Held in the name of Fry Super Pty Ltd (INXS Super Fund A/C).
- Class C TMT Options exercisable at \$0.50 on or before 1 January 2024 and are held directly by Mr Fry.
- 1,000,000 Class C TMT Options exercisable at \$0.50 on or before 1 January 2024 and are held directly by Ms Letton and 1,000,000 Class E TMT Options exercisable at \$0.60 on or before 30 June 2025 and are held directly by Ms Letton.

See Sections 8.20 and 8.21 for details regarding the treatment of TMT Performance Rights and TMT Options in connection with the Scheme.

Other than as follows, no TMT Director has acquired or disposed of a Relevant Interest in TMT Shares in the four month period ending on the date immediately before the date of this Scheme Booklet:



- on 30 October 2023, 500,000 Class B Performance Rights held beneficially by Mr Ian Prentice, expired without vesting.

**(b) Interests in AVL securities**

No AVL Shares or other marketable securities of AVL are currently held by, or on behalf of, any TMT Director.

No TMT Director acquired or disposed of a Relevant Interest in any AVL Shares or other marketable securities of AVL in the four month period ending on the date immediately before the date of this Scheme Booklet.

**(c) Agreements or arrangements connected with or conditional on the Scheme**

Except as set out in this Scheme Booklet there are no agreements or arrangements that are or will be made between any TMT Director and AVL, or any other person in connection with, or conditional on the outcome of the Scheme.

**(d) Interests in contracts with AVL**

Except as set out in this Scheme Booklet, none of the TMT Directors have any interest in any contract entered into by AVL.

**(e) Other termination benefits**

Except as set out in this Scheme Booklet, there are no payments or other benefits that are proposed to:

- be made or given to any director, secretary or executive officer of TMT as compensation for loss of, or as consideration for or in connection with his or her retirement from, office in TMT or in a Related Body Corporate of TMT; or
- be made or given to any director, secretary or officer of any Related Body Corporate of TMT as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that body corporate or in TMT.

**(f) Deeds of indemnity, access and insurance**

TMT has entered into deeds of indemnity, insurance and access with its Directors and various executive officers, on customary terms.

TMT pays premiums in respect of a directors and officers insurance policy for the benefit of the Directors and executive officers. TMT may, prior to 8:00 am (AWST) on the Second Court Date, enter into arrangements to secure directors and officers run-off insurance for any and all directors and executive officers of each member of the TMT Group for up to a seven year period from the Implementation Date. Clause 9.4(a) of the Scheme Implementation Deed provides various AVL undertakings in support of that insurance.

Clause 9.1(a) of the Scheme Implementation Deed also provides for certain releases by AVL of each director, officer or employee of any member of the TMT Group as is customary for transactions such as the Scheme.

(g) **Other interests of TMT Directors**

Except as disclosed in this Section 3.8 and elsewhere in this Scheme Booklet, no TMT Director has any other interest, whether as a director, member, or creditor of TMT or otherwise, which is material to the Scheme, other than in their capacity as a holder of TMT Shares, TMT Options or TMT Performance Rights.

(h) **Disclosure of interests**

Except as otherwise provided in this Scheme Booklet, no TMT Director or proposed director of TMT (together, the **TMT Interested Persons**) holds, or held at any time during the two years before the date of this Scheme Booklet any interests in:

- the formation or promotion of AVL or the Merged Group;
- property acquired or proposed to be acquired by AVL in connection with the formation or promotion of AVL or the Merged Group; or
- the offer of AVL Shares under the Scheme.

### 3.9 **Interests of certain persons in the matters to be considered at the Scheme Meeting and in material transactions**

Except as otherwise disclosed in this Scheme Booklet, no TMT Director or TMT executive officer, nor any Associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at the Scheme Meeting, except for any interest arising from the direct or indirect ownership of TMT Shares, TMT Options or TMT Performance Rights held by such TMT Directors, TMT executive officers, Associates or affiliates.

### 3.10 **TMT Directors' intentions regarding the business, assets and employees of TMT**

If the Scheme is implemented, the existing TMT Board will be reconstituted in accordance with the instructions of AVL as the only shareholder in TMT. Accordingly, it is not possible for the TMT Directors to provide a statement of their intentions regarding:

- the continuation of the business of TMT or how TMT's existing business will be conducted after the Scheme is implemented;
- any major changes to be made to the business of TMT, including any redeployment of the fixed assets of TMT; or
- the future employment of the present employees of TMT,

in each case, after the Scheme is implemented.

If the Scheme is implemented, AVL will have 100% ownership of TMT's issued shares and will control TMT.

See Section 5.5 for further information.

### 3.11 **Publicly available information**

As an ASX listed company and a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act, TMT is subject to regular reporting and disclosure requirements of the Corporations Act and Listing Rules. Broadly, these require it to announce price sensitive information to ASX as soon as it becomes aware of the information, subject to exceptions for

certain confidential information. Copies of these announcements can be obtained free of charge from TMT's website at [www.tmtlimited.com.au](http://www.tmtlimited.com.au) or by visiting the ASX website at [www.asx.com.au](http://www.asx.com.au). Further announcements concerning developments at TMT may be made and placed on these websites after the date of this Scheme Booklet.

Additionally, copies of documents lodged with ASIC in relation to TMT may be obtained from, or inspect at, an ASIC office or the ASIC website at [www.asic.gov.au](http://www.asic.gov.au). Please note, ASIC may charge a fee in respect of such services.

TMT Shareholders may obtain a copy of:

- the annual financial report of TMT for the year ended 30 June 2023 (being the annual financial report most recently lodged with ASIC before lodgement of this Scheme Booklet with ASIC);
- any half-year report lodged with ASIC by TMT since the lodgement with ASIC of the 30 June 2023 annual report for TMT referred to above and before lodgement of this Scheme Booklet with ASIC; and
- any continuous disclosure notice given to ASX by TMT since the lodgement with ASIC of the 30 June 2023 annual report for TMT referred to above and before lodgement of this Scheme Booklet with ASIC.

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Scheme Booklet.

A list of announcements made by TMT to ASX from the date of the Scheme Implementation Deed on 23 September 2023 to the Last Practicable Date, is included below.

Date	Announcement
27 November 2023	Results of Meeting
27 November 2023	Chairman's Address
15 November 2023	Transaction Update
3 November 2023	Appendix 3Y
3 November 2023	Notification of cessation of securities – TMT
27 October 2023	Notice of Annual General Meeting
26 October 2023	Quarterly Activities Report and Appendix 5B Sep 2023
9 October 2023	Date of AGM and Closing Date for Director Nominations
29 September 2023	Corporate Governance Statement
29 September 2023	Appendix 4G
29 September 2023	TMT – 30 June 2023 Annual Report

Date	Announcement
26 September 2023	Additional TMT Shareholders Support Proposed Merger with AVL
25 September 2023	Conference Call Replay
25 September 2023	Merger Presentation
25 September 2023	AVL and TMT agree A\$217 million Merger
25 September 2023	Trading Halt
25 September 2023	Pause in Trading

### 3.12 Material litigation

As at the Last Practicable Date the TMT Group is not currently subject to any material legal disputes and is not party to any material litigation proceedings.

### 3.13 Further information

For a summary of the risks associated with the Scheme, refer to Section 6. In particular, Section 6.5 outlines certain risks to TMT if the Scheme does not proceed.

## 4 AVL Information

### 4.1 Introduction

The information contained in this Section 4 has been prepared by AVL as at the Last Practicable Date (unless otherwise stated). The information in relation to AVL, and the intentions, views and opinions contained in this Section 4 are the responsibility of AVL. Additional information is included in the Independent Expert's Report attached in Appendix 1. TMT does not assume any responsibility for the accuracy or completeness of the information in this Section 4.

### 4.2 Overview of AVL

#### (a) Background

AVL is an Australian-based company listed on the ASX ('AVL'). AVL also trades on the OTCQB in the USA ('ATVVF') and the Berlin, Munich, Stuttgart and Frankfurt Stock Exchanges ('JT71').

As at the Last Practicable Date, AVL had a market capitalisation of approximately \$114 million.

As at 30 September 2023, AVL had available cash of \$32.1 million and no debt. AVL's cash balance at the end of the September quarter included proceeds of \$15.7 million (before costs) from the Placement.

AVL is also the beneficiary of a \$49 million Grant Agreement with the Commonwealth of Australia (represented by the Department of Industry, Science and Resources). Section 4.2(c) provides further detail of the Grant Agreement.

AVL's stated vision and strategy is to increase shareholder wealth through capital growth, by the development of profitable mining operations and downstream opportunities.

AVL's primary objective is to develop its 100% owned Australian Vanadium Project in Western Australia. The Australian Vanadium Project was awarded State Lead Agency Status by the Western Australian Government in April 2020 due to its importance as a battery and critical metal project.

In addition, AVL is focused on various short- and medium-term objectives, including growth in the vanadium flow battery market through its wholly owned subsidiary, VSUN Energy Pty Ltd (**VSUN Energy**), and building a vanadium electrolyte manufacturing plant in Western Australia.

#### (b) Strategy

AVL's primary focus is to advance the Australian Vanadium Project to production, and to expand its mineral exploration and development opportunities, with the objective of increasing shareholder wealth through capital growth by developing profitable mining operations and downstream opportunities. AVL's aim is to become a globally significant primary vanadium producer with a first quartile operating cost and a scalable, long-life asset.

Additionally, AVL is building a vanadium electrolyte manufacturing facility at a site in Perth, Western Australia. The facility is expected to initially have capacity to produce 2.4 million litres of vanadium electrolyte per annum, or approximately 33MWh equivalent. Vanadium electrolyte is a critical component in vanadium flow batteries

(VFBs). The electrolyte manufacturing facility uses proven electrolyte manufacturing technology licensed exclusively to AVL in Australia by U.S. Vanadium LLC and offers the opportunity for full downstream processing in Australia.

AVL's wholly owned subsidiary, VSUN Energy, is focussed on developing the Australian market for VFBs. AVL has announced various activities currently being undertaken by VSUN Energy, including:

- developing a standalone power system for IGO Limited (ASX: IGO) to trial at its Nova Nickel Operation;
- Western Australian regional energy provider Horizon Power has entered into a contract with VSUN Energy to purchase its first VFB for a long duration storage pilot in regional Western Australia; and
- developing a residential version of the VFB as an alternative to a lithium-ion solution. It is intended for the battery to have a capacity of 5kW/15kWh size, with the aim to provide enough power to be used by an average house.

AVL's ability to manufacture vanadium electrolyte from the Australian Vanadium Project, paired with the capabilities of VSUN Energy complete the Company's 'pit to battery' strategy for vanadium.

(c) **Key assets and operations**

**The Australian Vanadium Project**

The Australian Vanadium Project comprised of:

- at Gabanintha (approximately 43km south-southeast of Meekatharra, WA):
  - a proposed open cut mine of the vanadium, titanium, magnetite ore body ('**AVL Mine Site**') located on a number of tenements wholly owned by AVL. AVL's tenements cover approximately 200 square km and are situated adjacent to the Gabanintha Vanadium Project (part of TMT's MTMP) and surrounds the Yarrabubba Vanadium Project (also part of TMT's MTMP); and
  - a proposed crushing, milling and beneficiation plant to produce magnetite concentrate ('**CMB Plant**'); and
- at Tenindewa (approximately 65km east of Geraldton, WA):
  - a plant for processing the magnetite concentrate to produce high purity  $V_2O_5$  flake ('**AVL Processing Plant**'). The magnetite concentrate is proposed to be transported approximately 456km by road from the CMB Plant to the AVL Processing Plant.





Figure 4 - Location of Australian Vanadium Project

The Australian Vanadium Project is based on a proposed open cut mine of the vanadium titanium magnetite (**VTM**) orebody, with crushing, milling and beneficiation proposed to be done at the **CMB Plant**, both at the Gabanintha site. Concentrate produced at the CMB Plant is proposed to be transported to the AVL Processing Plant for final conversion to high quality vanadium pentoxide (**V<sub>2</sub>O<sub>5</sub>**) for further conversion or sale for use in steel, energy storage, catalyst, chemical and defence applications. The AVL Processing Plant location near Geraldton is a key strategic differentiator, utilising an independent water resource and the unique gas, road, rail and port infrastructure and the local workforce of the world class mining region of the Mid West of Western Australia. An initial Option Study has demonstrated the likely positive impacts on operating costs resulting from locating the AVL Processing Plant close to the Mid-West gas pipeline and the Dampier-Bunbury gas pipeline, which would require a significantly shorter gas pipeline than would have been required to the AVL Mine Site. The location also provides an independent water source, reducing the water requirement at the AVL Mine Site significantly.

The AVL Processing Plant provides the option to produce a titanium rich calcined iron ore coproduct.

The location of the AVL Processing Plant at Tenindewa also provides the potential for the AVL Processing Plant to be a future hub for processing vanadium concentrate from other mines in the Mid-West region of Western Australia.

AVL's Australian Vanadium Project and TMT's Murchison Technology Metals Project share the same contiguous orebody. However, AVL's tenements surround TMT's Yarrabubba deposit in the southern section of the Australian Vanadium Project.

AVL's Mineral Resources in the Australian Vanadium Project are estimated to consist of:

- 239 million tonnes at 0.73% V<sub>2</sub>O<sub>5</sub> containing 1,741,800 tonnes of V<sub>2</sub>O<sub>5</sub>;
- a discrete massive high-grade zone of 95.6 million tonnes at 1.07% V<sub>2</sub>O<sub>5</sub> containing 1,017,500 tonnes of V<sub>2</sub>O<sub>5</sub>;

- discrete low-grade zones of 128.5 million tonnes at 0.49% V<sub>2</sub>O<sub>5</sub> containing 625,500 tonnes of V<sub>2</sub>O<sub>5</sub>;
- combined measured and indicated mineral resources of 93.7 million tonnes at 0.75% V<sub>2</sub>O<sub>5</sub> in low and high-grade zones containing 704,800 tonnes of V<sub>2</sub>O<sub>5</sub>; and
- AVL's global Ore Reserve estimates for the Australian Vanadium Project total 30.9Mt at 1.09% V<sub>2</sub>O<sub>5</sub>.

On 30 May 2023, AVL announced the execution of a Grant Agreement with the Commonwealth of Australia (represented by the Department of Industry, Science and Resources) as part of the Modern Manufacturing Initiative – Manufacturing Collaboration Stream (**Grant Agreement**). The Grant Agreement provides up to \$49 million in funding support for AVL's Australian Vanadium Project, funding eligible activities to construct and commission a concentrator and high-purity vanadium processing facility capable of using green hydrogen as part of the extraction process. The scope of the grant encompasses support for all stages of the vanadium production value chain, from mining and concentrating to processing. The Grant Agreement has a term ending on 31 July 2026 and as at the Last Practicable Date, AVL has received \$9.8 million of the \$49 million available. AVL intends to continue to meet its obligations under the Grant Agreement and work collaboratively with the Department of Industry, Science and Resources regarding the expanded project footprint following implementation of the Scheme.

The results of the Bankable Feasibility Study (**BFS**), released in April 2022, for the Australian Vanadium Project highlights a project with a well-defined Mineral Resource base, robust economics and utilising an industry standard, low-risk method of beneficiation and refining optimised for AVL ore body. Capital and operating cost estimates have been developed to the level of accuracy of ±15% and include mine and processing circuit designs, a detailed financial model and supporting bodies of work. Technical studies, including three years of extensive piloting testwork, have supported robust processing flowsheets, de-risking the Australian Vanadium Project towards funding and delivery.

AVL has signed an Option Agreement to acquire land to locate the proposed AVL Processing Plant. The City of Greater Geraldton Council has passed a resolution to initiate a scheme amendment for the proposed AVL Processing Plant which allows for the progression of its development. In parallel to the City of Greater Geraldton scheme amendment process, AVL has submitted a development application to the Western Australian Planning Commission and AVL expects to complete all remaining primary approval processes during 2024.

AVL has received a water licence approval for the proposed AVL Processing Plant, which secured an independent water source. The water licence is expected to supply the demands of the proposed AVL processing Plant for at least 10 years.

AVL submitted its updated ERD to the WA EPA in June 2023 for the Gabanintha site. The EPA provided initial feedback in August 2023. AVL is currently working collaboratively with the EPA to address their queries and feedback. The EPA has decided not to assess the AVL Processing Plant at Tenindewa.

During the past few years, AVL has developed relationships with various potential commercial partners and has signed various non-binding documents relating to potential offtake of vanadium pentoxide and AVL's proposed titanium rich calcined

iron ore coproduct, with the following still in the process of being pursued for binding agreements:

- An offtake MOU with U.S. based U.S. Vanadium LLC (**'USV'**) for future vanadium offtake.
- A letter of intent with Shenglong Metallurgy International Pte Limited, the Hong Kong based commercial arm of Guangxi Shenglong Metallurgy Co. Ltd, for offtake of the iron titanium coproduct proposed to be produced from the AV Project.
- A letter of intent with Rizhao Steel Holding Group Co. Limited, China's largest importer of titanium bearing concentrate, for offtake of the iron titanium coproduct.
- A non-binding term sheet with Chinese company Wingsing International Limited, the commercial arm of Tianzhu Steel, for the sale of iron titanium coproducts. The term sheet is for an initial 50,000 tonnes of AVL's iron titanium coproduct per year, to be shipped from the port of Geraldton.
- A non-binding term sheet with Neometals Limited (**'Neometals'**) to explore opportunities for AVL to process vanadium concentrate from Neometals' Barrambie Project at the proposed AVL Processing Plant and to share infrastructure between both companies.
- Through subsidiary VSUN Energy, an MOU with North Harbour Clean Energy Pty Ltd for collaboration on the development and installation of VFB projects and vanadium electrolyte supply.

### Secondary assets and operations

#### (i) Coates Project – Vanadium, PGE, Nickel, Copper

The Coates vanadium deposit is situated approximately 80km northeast of Perth in the Shire of Wundowie, Western Australia.

An initial soil survey undertaken by AVL at Coates highlighted a prospective sequence of nickel, copper and platinum group elements (**PGE**) bearing rock untested by recent exploration. Copper anomalism at the project is comparable with significant soil signatures at Chalice Mining's Julimar Project. Elevated nickel and chrome were present in soils in a new PGE anomaly identified in northeast of the soil grid. Three conductors were identified by a SkyTEM Airborne Electromagnetics (**AEM**) survey at Coates, with the largest having a strike length of 1,900 metres.

2022 drilling at Coates Project by AVL was co-funded through the Western Australian Government's Exploration Incentive Scheme (**EIS**). Despite some diamond core not being drilled due to mechanical issues precluding completion before the end date for the EIS grant, the program provides a significant section of geochemical samples. Diamond core from the program is applied in the Australian Government's Commonwealth Scientific and Industrial Research Organisation (**CSIRO**) Nickel Indicator Study of the Coates Mafic Complex.

(ii) **Nowthanna Hill Uranium and Vanadium Project**

The Nowthanna Hill deposit is located 50km south of Meekatharra in Western Australia and is hosted in carnotite within silicified calcrete layers and carbonate-rich sandy clays.

Vanadium and uranium are co-mineralised at Nowthanna Hill. Using a 250 parts per million (**ppm**)  $V_2O_5$  cut-off, the project has an Inferred Mineral Resource of 3.20 million tonnes at 334ppm  $V_2O_5$  (1.0kT) on M51/771 and is not additive to the uranium Mineral Resource estimate. Using a 200ppm  $U_3O_8$  cutoff, the project has an Inferred Mineral Resource of 4.22 million tonnes at 409ppm  $U_3O_8$  (3.8Mlbs) on M51/771 and is not additive to the vanadium Mineral Resource estimate.

The Nowthanna Hill resource estimate was completed by SRK Consulting in 2019 using a database containing all historical data on AVL's tenements as well as the adjacent and surrounding data from the latest Toro Energy Limited (**Toro**) 2011 resource estimate, with Toro's permission.

**AVL tenements**

As at the Last Practicable Date, AVL has a 100% equity interest in the following mining tenements (subject to any noted interests):

Location	Tenement	Status
Australian Vanadium Project	E 51/843 <sup>+</sup>	Granted
Australian Vanadium Project	E 51/1534 <sup>+</sup>	Granted
Australian Vanadium Project	E 51/1899	Granted
Australian Vanadium Project	E 51/1943	Granted
Australian Vanadium Project	E 51/1944	Granted
Australian Vanadium Project	E 51/2067	Application
Australian Vanadium Project	L 51/116	Application
Australian Vanadium Project	L 51/119	Application
Australian Vanadium Project	L 51/130	Application
Australian Vanadium Project	L 51/131	Application
Australian Vanadium Project	L 51/132	Application
Australian Vanadium Project	L 51/133	Application
Australian Vanadium Project	M 51/878 <sup>+</sup>	Granted
Australian Vanadium Project	M 51/897 <sup>+</sup>	Application
Australian Vanadium Project	P 51/3073	Granted
Australian Vanadium Project	P 51/3074	Granted
Australian Vanadium Project	P 51/3075	Granted
Australian Vanadium Project	P 51/3076	Granted
Australian Vanadium Project	P 51/3248	Application
Australian Vanadium Project	P 51/3298	Application

Location	Tenement	Status
Nowthanna Hill Project	M 51/771	Granted
Coates Project	E 70/4924-I	Granted
Coates Project	E 70/5588	Granted
Coates Project	E 70/5589	Application

† Australian Vanadium Limited retains 100% rights in relation to V/U/Co/Cr/Ti/Li/Ta/Mn and iron ore on The Australian Vanadium Project. Bryah Resources Limited holds the Mineral Rights for all other minerals. Bryah Resources Limited holds no Mineral Rights on TMT tenure.

AVL also has 0.75% Net Smelter Return (NSR) Production Royalty on tenement E 52/3349 held by Bryah Resources Limited at Peak Hill and 0.75% NSR Production Royalty on tenement M 51/888 (Tumblegum South gold deposit) held by White Star Minerals Pty Ltd. at Gabanintha.

(d) **Ore Reserves and Mineral Resources**

**Australian Vanadium Project Global Vanadium Mineral Resource Table**

Zone	Category	Mt	V <sub>2</sub> O <sub>5</sub> %	Fe %	TiO <sub>2</sub> %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %
<b>HG</b>	Measured	11.3	1.14	43.8	13.0	9.2	7.5	3.7
	Indicated	27.5	1.10	45.4	12.5	8.5	6.5	2.9
	Inferred	56.8	1.04	44.6	11.9	9.4	6.9	3.3
	<b>Subtotal</b>	<b>95.6</b>	<b>1.07</b>	<b>44.7</b>	<b>12.2</b>	<b>9.1</b>	<b>6.8</b>	<b>3.2</b>
<b>LG</b>	Indicated	54.9	0.50	24.9	6.8	27.6	17.1	7.9
	Inferred	73.6	0.48	25.0	6.4	28.7	15.4	6.6
	<b>Subtotal</b>	<b>128.5</b>	<b>0.49</b>	<b>24.9</b>	<b>6.6</b>	<b>28.2</b>	<b>16.1</b>	<b>7.2</b>
<b>Transported</b>	Inferred	14.9	0.66	29.0	7.8	24.5	15.1	7.8
	<b>Subtotal</b>	<b>14.9</b>	<b>0.66</b>	<b>29.0</b>	<b>7.8</b>	<b>24.5</b>	<b>15.1</b>	<b>7.8</b>
<b>Total</b>	Measured	11.3	1.14	43.8	13.0	9.2	7.5	3.7
	Indicated	82.4	0.70	31.7	8.7	21.2	13.5	6.2
	Inferred	145.3	0.71	33.0	8.7	20.7	12.0	5.4
	<b>Subtotal</b>	<b>239.0</b>	<b>0.73</b>	<b>33.1</b>	<b>8.9</b>	<b>20.4</b>	<b>12.3</b>	<b>5.6</b>

Notes: Based on dry metric tonnes. Totals may not add up due to rounding.

**Ore Reserve Table**

AVL's Vanadium Deposit Ore Reserve Statement as at April 2022, at a cut-off grade of 0.7% V<sub>2</sub>O<sub>5</sub>:

Ore Reserve	Mt	V <sub>2</sub> O <sub>5</sub> %	Fe <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %	SiO <sub>2</sub> %	LOI%	V <sub>2</sub> O <sub>5</sub> produced kt	Ore Physicals	Mt
Proved	10.5	1.11	61.6	12.8	9.5	3.7	70.9	Waste	238.5
Probable	20.4	1.07	63.4	12.2	9.2	3.0	152.9	Total Material	269.4
<b>Total Ore</b>	<b>30.9</b>	<b>1.09</b>	<b>62.8</b>	<b>12.4</b>	<b>9.3</b>	<b>3.2</b>	<b>223.8</b>	Strip Ratio	7.7

Notes: Tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

The information in this Section 4.2(d) and elsewhere in this Scheme Booklet that relates to exploration results and Mineral Resource and Ore Reserve Estimates for the Australian Vanadium Project is extracted from the announcement entitled '*Bankable Feasibility Study for the Australian Vanadium Project*' released to the ASX on 6 April 2022 which is available on AVL's website ([www.australianvanadium.com.au](http://www.australianvanadium.com.au)). AVL confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed. AVL confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original market announcement.

The information in this Section 4.2(d) and elsewhere in this Scheme Booklet that relates to exploration results for the Coates Project is extracted from the announcement entitled '*Drill Results at Coates Nickel-Copper-PGE Project Confirm Prospectivity*' released to the ASX on 15 September 2022 which is available on AVL's website ([www.australianvanadium.com.au](http://www.australianvanadium.com.au)). AVL confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. AVL confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original market announcement.

The information in this Section 4.2 and elsewhere in this Scheme Booklet that relates to exploration results and Mineral Resource Estimates for the Nowthanna Hill Uranium & Vanadium Project is extracted from the announcement entitled '*Nowthanna Hill Mineral Resource Estimate for Vanadium and Uranium*' released to the ASX on 31 May 2019 which is available on AVL's website ([www.australianvanadium.com.au](http://www.australianvanadium.com.au)). AVL confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed. AVL confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original market announcement.

The information in this Scheme Booklet that relates to production targets, or forecast financial information derived from a production target, in respect of the Australian Vanadium Project is extracted from the announcement entitled '*Bankable Feasibility Study for the Australian Vanadium Project*' released to the ASX on 6 April 2022 which is available on AVL's website ([www.australianvanadium.com.au](http://www.australianvanadium.com.au)). AVL confirms that all material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the original market announcement continue to apply and have not materially changed.



### 4.3 Historical financial information

#### (a) Basis of presentation of historical financial information

The selected historical financial information presented in this Section 4.3(a) has been extracted from AVL's audited consolidated:

- statements of financial position as at 30 June 2021, 30 June 2022 and 30 June 2023;
- statements of profit or loss and other comprehensive income for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023; and
- statements of cash flows for the years ended 30 June 2021, 30 June 2022 and 30 June 2023,

(together, the **AVL Historical Financial Information**).

The AVL Historical Financial Information is presented on a standalone basis in an abbreviated form and has been prepared solely for inclusion in the Scheme Booklet. It does not reflect the impact of the Scheme nor does it contain all disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. Accordingly, AVL recommends that the following be read in conjunction with the financial statements of AVL for the respective periods, including the description of the significant accounting policies contained in those financial statements and the notes to those financial statements.

The AVL Historical Financial Information is extracted from AVL's audited consolidated financial statements for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, which have been (or are taken to have been) lodged with ASIC and are available on AVL's website at [www.australianvanadium.com.au/](http://www.australianvanadium.com.au/) and the ASX website at [www.asx.com.au](http://www.asx.com.au).

The AVL Historical Financial Information are general purpose financial statements prepared in accordance with AAS and Interpretations issued by the AASB and the Corporations Act, as appropriate for for-profit oriented entities. The AVL Historical Financial Information also complies with the IFRS and interpretations issued by the International Accounting Standards Board.

Other than as disclosed in this Scheme Booklet or in filings to ASX, including in relation to the \$15.7 million institutional placement announced on 25 September 2023, there have been no items, transactions or events that would, in the opinion of the AVL Directors, be likely to significantly affect the operations, operational results or state of affairs of the consolidated group in future financial years.

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding.

It should be noted that past financial performance is not an indicator of future performance.

#### (b) Consolidated statements of financial position

Set out in the following table is a summary of AVL's audited consolidated statements of financial position as at 30 June 2021, 30 June 2022 and 30 June 2023. This table

should be read in conjunction with the accompanying notes in AVL's Annual Reports for the years ended 30 June 2021, 30 June 2022 and 30 June 2023.

	As at 30 June 2023 \$'000	As at 30 June 2022 \$'000	As at 30 June 2021 \$'000
<b>Current assets</b>			
Cash and cash equivalents	26,874	26,444	3,496
Trade and other receivables	1,671	1,265	567
Inventories	182	–	–
<b>Total current assets</b>	<b>28,727</b>	<b>27,709</b>	<b>4,063</b>
<b>Non-current assets</b>			
Plant and equipment	1,856	620	239
Exploration and evaluation expenditure	44,731	35,627	28,502
Financial assets	296	338	664
Right-of-use assets	1,815	37	83
<b>Total non-current assets</b>	<b>48,698</b>	<b>36,622</b>	<b>29,488</b>
<b>Total assets</b>	<b>77,425</b>	<b>64,331</b>	<b>33,551</b>
<b>Current liabilities</b>			
Trade and other payables	4,867	900	1,888
Provisions	110	150	109
Lease liabilities	335	32	44
Grant liability	9,959	2,582	–
<b>Total current liabilities</b>	<b>15,272</b>	<b>3,665</b>	<b>2,041</b>
<b>Non-current liabilities</b>			
Provisions	129	134	81
Lease liabilities	1,536	–	33
<b>Total non-current liabilities</b>	<b>1,665</b>	<b>134</b>	<b>114</b>
<b>Total liabilities</b>	<b>16,936</b>	<b>3,798</b>	<b>2,155</b>
<b>Net assets</b>	<b>60,489</b>	<b>60,533</b>	<b>31,396</b>
<b>Equity</b>			
Issued capital	135,569	127,026	94,513
Reserves	(150)	1,198	(103)
Accumulated losses	(74,930)	(67,690)	(62,654)
<b>Total equity</b>	<b>60,489</b>	<b>60,533</b>	<b>31,756</b>

(c) **Consolidated statements of profit or loss and other comprehensive income**

Set out in the following table is a summary of AVL's audited consolidated statements of profit or loss and other comprehensive income for the years ended 30 June 2021, 30 June 2022 and 30 June 2023. This table should be read in conjunction with the

accompanying notes in AVL's Annual Reports for the years ended 30 June 2021, 30 June 2022 and 30 June 2023.

	Year ended 30 June 2023	Year ended 30 June 2022	Year ended 30 June 2021
	\$'000	\$'000	\$'000
Revenue from contracts with customer	31	(34)	34
Cost of sales	(25)	26	(26)
<b>Gross Profit</b>	<b>6</b>	<b>(8)</b>	<b>8</b>
Other income	377	88	127
Interest revenue	266	2	19
Exploration and evaluation impairment	(251)	(134)	(649)
Depreciation	(89)	(66)	(57)
Inventory write-down	(25)	–	–
Amortisation of lease liability	(234)	(46)	(75)
Finance costs	(86)	(9)	(23)
Share-based payments	(500)	(1,480)	(401)
Directors' fees and benefits expense	(280)	(195)	(235)
Employee benefits expense	(2,245)	(1,231)	(943)
General and administration expense	(4,179)	(1,958)	(912)
<b>Loss before income tax expense</b>	<b>(7,240)</b>	<b>(5,036)</b>	<b>(3,141)</b>
Income tax expense	–	–	–
<b>Net loss for year</b>	<b>(7,240)</b>	<b>(5,036)</b>	<b>(3,141)</b>
Other comprehensive income for the year, net of tax			
<b>Items that cannot be subsequently reclassified to profit and loss</b>			
Movement in fair value of investment classified as fair value through OCI	(200)	(326)	124
<b>Total comprehensive loss attributable to members of AVL</b>	<b>(7,440)</b>	<b>(5,363)</b>	<b>(3,017)</b>
	Cents	Cents	Cents
Basic and diluted loss per share	(0.17)	(0.15)	(0.11)

(d) **Consolidated statements of cash flows**

Set out in the following table is a summary of AVL's audited consolidated statements of cash flows for the years ended 30 June 2021, 30 June 2022 and 30 June 2023. This table should be read in conjunction with the accompanying notes in AVL's Annual Reports for the years ended 30 June 2021, 30 June 2022 and 30 June 2023.

	Year ended 30 June 2023	Year ended 30 June 2022	Year ended 30 June 2021
	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees	(7,170)	(4,490)	(3,116)
Interest received	266	2	19

	Year ended 30 June 2023 \$'000	Year ended 30 June 2022 \$'000	Year ended 30 June 2021 \$'000
Interest paid on leases	(83)	(9)	–
Net receipts from other entities	408	65	120
<b>Net cash used in operating activities</b>	<b>(6,578)</b>	<b>(4,432)</b>	<b>(2,977)</b>
<b>Cash flows from investing activities</b>			
Expenditure on mining interests	(8,209)	(7,563)	(4,835)
Receipts from Government grants	9,860	3,033	331
Receipts from Research and Development Tax Incentives	619	–	973
Payment for plant and equipment	(2,549)	(447)	(57)
Payments for investments	(71)	–	–
<b>Net cash utilised in investing activities</b>	<b>(350)</b>	<b>(4,977)</b>	<b>(3,588)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	571	29,167	5,000
Proceeds from conversion of options	6,938	5,092	–
Repayment of lease liabilities	(124)	(38)	(128)
Payment of capital raising costs	(26)	(1,864)	(353)
<b>Net cash provided by financing activities</b>	<b>7,359</b>	<b>32,356</b>	<b>4,519</b>
<b>Net increase in cash held</b>	<b>430</b>	<b>22,948</b>	<b>(2,046)</b>
Cash at the beginning of the financial year	26,444	3,496	5,542
<b>Cash at the end of the financial year</b>	<b>26,874</b>	<b>26,444</b>	<b>3,496</b>

(e) **Material changes in AVL's financial position and financial performance**

Other than as disclosed to ASX by AVL, including in relation to the \$15.7 million institutional placement announced on 25 September 2023 and AVL's quarterly report for the quarter ended 30 September 2023 (released to ASX on 27 October 2023), to the knowledge of AVL, and except as disclosed in this Section 4.3(e) or elsewhere in this Scheme Booklet, the financial position and financial performance of AVL has not materially changed since 30 June 2023.

An electronic copy of the annual financial report of AVL for the year ended 30 June 2023 is available on the ASX's website [www.asx.com.au](http://www.asx.com.au) under ASX code 'AVL' or on AVL's website at [www.australianvanadium.com.au](http://www.australianvanadium.com.au).

(f) **Forecast financial information**

AVL has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. AVL has concluded that, as at the date of this Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial

forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy or market practice.

## 4.4 Directors and key management personnel

### (a) Board of Directors

As at the date of this Scheme Booklet, the directors of AVL are:

Name	Position
Mark Clifford (Cliff) Lawrenson	Non-Executive Chairman
Daniel Clifford Harris	Non-Executive Director
Peter Richard Watson	Non-Executive Director
Miriam Erin Lyons Stanborough AM	Non-Executive Director
Anna Catherine Sudlow	Non-Executive Director

#### **Mark Clifford (Cliff) Lawrenson – Non-Executive Chair**

*BCom (Hons)*

Mr Lawrenson holds postgraduate qualifications in commerce and finance and has worked extensively in project development and investment banking around the world, including in South Africa, Australia, USA and Singapore. Mr Lawrenson is an experienced mining executive and director with deep expertise in minerals and energy sectors derived from his considerable global experience. He has a successful track record of leading strategic direction in companies and executing corporate transactions.

Mr Lawrenson's previous roles include Managing Director of Atlas Iron Ltd from January 2017 until its acquisition in 2018 by Hancock Prospecting Pty Ltd. Prior to this he led several ASX listed companies through various stages of development. Mr Lawrenson held the position of Group Chief Executive Officer of GRD Limited from 2006 to 2009 which incorporated GRD Minproc Limited, OceanaGold Limited and Global Renewables. Prior to joining GRD Ltd, Mr Lawrenson was a senior executive and vice president of CMS Energy Corporation in the USA and Singapore for seven years. An investment banking career preceded the above.

Mr Lawrenson was a non-executive chair of Caspin Resources Limited and non-executive director of Canyon Resources Limited. He is currently non-executive chair of Paladin Energy Limited and non-executive chair of Pacific Energy Pty Ltd.

#### **Daniel Clifford Harris – Non-Executive Director**

*BSc ChE*

Mr Harris brings with him a vast amount of expertise in the vanadium industry and an understanding of the resource sector from both a technical and financial perspective. Recent roles include the interim CEO and Managing Director at Atlas Iron Limited, CEO & Chief Operating Officer at Atlantic Limited Vice President & Head of Vanadium Assets at Evraz Group, Managing Director at Vametco Alloys, General Manager of

Vanadium Operations at Strategic Minerals Corporation and as an independent technical and executive consultant to GSA Environmental Limited in the United Kingdom.

Mr Harris is currently a director of ASX listed companies QEM Limited and Red Hawk Mining Limited. He is currently a non-executive director of U.S. Vanadium LLC.

**Peter Richard Watson – Non-Executive Director**

*BE (Chem-Hons), FIEAust, GAICD, DIPACC FIN M*

Mr Watson is a chemical engineer, with 40 years of experience in senior technical, project and management roles, in addition to corporate experience running ASX-listed companies. He has significant board-level experience, particularly regarding safety, governance, financial reporting, project oversight, risk management and strategy.

Mr Watson was the Managing Director and Chief Executive Officer of Sedgman Limited, an engineering, project delivery and operations company focused on the global minerals sector and listed on ASX prior to its acquisition by CIMIC Group Limited. Mr Watson was formerly a Non-Executive Director of New Century Resources Limited.

Mr Watson is currently a non-executive director of Paladin Energy Limited and Strandline Resources Limited.

**Miriam Erin Lyons Stanborough AM – Non-Executive Director**

*BA (Hons), BE (Hons), MSc, MAusIMM, GAICD*

Ms Stanborough is a chemical engineer with over 20 years of experience in the mineral processing industry across a range of commodities. She has held senior roles at Monadelphous, Iluka Resources, Alcoa and WMC Resources. Her skill base spans innovation and technology, technical development, production management, project management, business improvement and people and culture.

Ms Stanborough is currently a non-executive director of Pilbara Minerals Limited, BCI Minerals Limited, chair of the Minerals Research Institute of Western Australia (MRIWA) and a director of ChemCentre.

**Anna Catherine Sudlow – Non-Executive Director**

*BCom, CPA, MBA, GAICD*

Ms Sudlow is a corporate finance executive with experience in the mining and resources sectors across a range of commodities and jurisdictions. She holds a Bachelor of Commerce, is a Certified Practising Accountant (CPA) and holds a Master of Business Administration (MBA). Ms Sudlow has held senior roles at Woodside Energy and Paladin Energy and has experience in strategy, capital management and funding, commercial analysis, business development, risk and financial reporting and governance.

Ms Sudlow is currently the CFO of Paladin Energy Limited.

**(b) Key management personnel**

As at the date of this Scheme Booklet, AVL's key management personnel are as follows:



Name	Position
Graham Arvidson	Chief Executive Officer
Todd Richardson	Chief Operating Officer
Louis Mostert	Chief Legal and Commercial Officer, Joint Company Secretary
Tom Plant	Chief Financial Officer

Further information about the key management personnel is available on AVL's website (<https://www.australianvanadium.com.au/about-us/board-management/>).

## 4.5 Corporate structure

AVL has several subsidiary entities as set out in the table below.

Name	Country of Incorporation	Equity Interest	Principal Activities
VSUN Energy Pty Ltd	Australia	100%	Energy storage
Australian Uranium Pty Ltd	Australia	100%	Mineral exploration
Cabe Resources Pty Ltd	Australia	100%	Mineral exploration
South African Lithium Pty Ltd	South Africa	100%	Mineral exploration

Under the Scheme, TMT will become a wholly owned subsidiary of AVL, and TMT's subsidiaries will in turn become part of the AVL group.

## 4.6 Corporate governance

The AVL Board and all levels of management are fully committed to maintaining and enhancing corporate governance.

AVL's Corporate Governance Statement for the 2023 financial year outlined the key features of AVL's corporate governance framework. All of these practices, unless otherwise stated, were in place for the entire year and were reported in accordance with the 4th Edition of the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations*. The Corporate Governance Statement can be found on AVL's website (<https://www.australianvanadium.com.au/about-us/corporate-governance/>).

## 4.7 AVL's issued securities

### (a) AVL issued securities

As at the Last Practicable Date, the total securities of AVL on issue were as follows:

- 4,968,606,780 fully paid ordinary shares;
- 68,000,000 partly paid shares (each paid to 0.01 cent, 3.89 cents unpaid); and

- 106,341,667 performance rights.

The performance rights have been issued to AVL Directors and employees under the terms of AVL's Employee Securities Incentive Plan. Further information in relation to the AVL performance rights and the Employee Securities Incentive Plan can be found in Section 4.10.

(b) **Substantial holders**

As at the Last Practicable Date, so far as known to AVL based on publicly available information, there are no substantial holders of AVL Shares, except as set out below:

Substantial Holder	AVL Shares held	Voting Power
Resource Capital Fund VII L.P. (RCF)	920,048,826	18.52% <sup>1</sup>

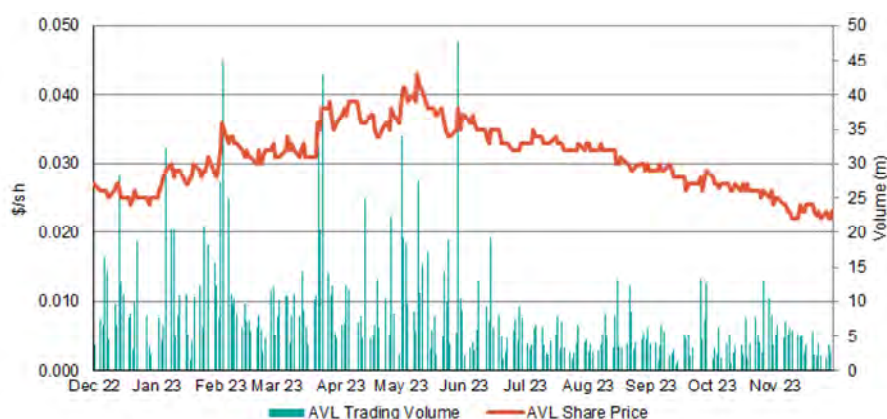
Notes:

- <sup>1</sup> The registered holder of these shares is Citicorp Nominees Pty Ltd as Australian Sub Custodian of RBC Investor Services Trust.

The shareholdings listed in this section are as disclosed to AVL by shareholders in substantial holding notices. Information regarding substantial holdings that arise, change or cease after the date of the substantial holding notices disclosed to AVL, or in respect of which the relevant announcement is not available on the ASX's website ([www.asx.com.au](http://www.asx.com.au)), is not included above.

(c) **Recent trading performance of AVL Shares**

The following chart shows the closing AVL Share price and corresponding daily volume traded on the ASX over the last 12 months up to and including the Last Practicable Date:



Source:

IRESS

At the Last Practicable Date:

- the last recorded traded price of AVL Shares was \$0.023;
- the 30 day VWAP of AVL Shares was \$0.0240;
- the 60 day VWAP of AVL Shares was \$0.0255;
- the 90 day VWAP of AVL Shares was \$0.0274;

- the highest recorded traded price of AVL Shares in the previous three months was \$0.030 on 11 September 2023;
- the lowest recorded traded price of AVL Shares in the previous three months was \$0.022 on 29 November 2023;
- the highest recorded traded price of AVL Shares in the previous 12 months was \$0.043 on 10 May 2023; and
- the lowest recorded traded price of AVL Shares in the previous 12 months was \$0.022 on 29 November 2023.

The last recorded traded price of AVL Shares immediately before public announcement of the Scheme on 25 September 2023 was \$0.027, on 22 September 2023.

The current price of AVL Shares on ASX can be obtained from the ASX website ([www.asx.com.au](http://www.asx.com.au)) or on AVL's website ([www.australianvanadium.com.au](http://www.australianvanadium.com.au)).

Information on recent AVL Share trading history has been provided in respect of AVL Shares traded on the ASX given a greater volume of trading of AVL Shares occurs on the ASX in comparison to the other exchanges on which AVL Shares trade.

## 4.8 Dividends

AVL has not paid dividends.

## 4.9 Rights and liabilities attaching to AVL Shares

### (a) Introduction

The rights and liabilities attaching to the AVL Shares which will be issued as Scheme Consideration are set out in AVL's constitution and are subject to the Corporations Act and the ASX Listing Rules.

The main rights and liabilities attaching to the AVL Shares are summarised below. This summary does not purport to be exhaustive and must be read subject to the full text of AVL's constitution, available at: <https://app.sharelinktechnologies.com/announcement/asx/01af299c11cb6b22bb626fd1c68e4eda>.

Under the Corporations Act, the AVL constitution has effect as a contract between:

- AVL and each AVL shareholder;
- AVL and each director and company secretary of AVL; and
- an AVL shareholder and each other AVL shareholder.

Accordingly, if you receive New AVL Shares pursuant to the Scheme, you are taken to receive them subject to the terms of the AVL constitution and you will be bound by the terms of the AVL constitution.

TMT shareholders should seek their own independent advice in relation to their rights and liabilities as potential holders of AVL shares in specific circumstances.

**(b) Liability of AVL shareholders**

Subject to the Corporations Act, and the terms upon which the AVL Shares are issued, AVL may make calls upon AVL shareholders in respect of any money unpaid on their shares.

**(c) Issue of further shares**

Subject to applicable law and any rights attached to a class of shares, AVL may allot and issue unissued shares and grant options over unissued shares.

**(d) Alteration of AVL share capital**

Subject to the ASX Listing Rules, AVL may convert all or any of its shares into a larger or smaller number of shares. Subject to applicable law, AVL may reduce its share capital and buy-back shares in itself.

**(e) General meetings and notices**

Each AVL Shareholder is entitled to receive at least 28 days' written notice of, and to attend and vote at, general meetings of AVL. At a general meeting, AVL Shareholders are entitled to be present in person, or by proxy, attorney or (in the case of a body corporate) by representative.

**(f) Transfer of Shares**

AVL Shares may be transferred by:

- a Proper ASTC Transfer (as defined in the Corporations Regulations) or any other method of transferring or dealing in shares introduced by ASX or operated in accordance with the ASX settlement operating rules or the ASX Listing Rules and, in such case, recognised under the Corporations Act; or
- an instrument in writing in any usual or common form or in any other form that the AVL Directors (in their absolute discretion), approve from time to time.

The AVL Board may refuse to register a transfer of shares (other than a Proper ASTC Transfer) where:

- applicable law permits AVL to do so;
- applicable law or any law relating to stamp duty requires AVL to do so; or
- the transfer is a transfer of restricted securities which is or may be in breach of the ASX Listing Rules or any escrow agreement entered into by AVL in respect of the securities.

**(g) Voting rights**

At a general meeting of AVL, subject to the constitution of AVL and any rights or restrictions attached to a class of AVL shares, on a show of hands, each AVL shareholder present has one vote, except that if the shareholder has more than one appointed proxy, then none of them may vote.

Subject to the constitution of AVL and any rights or restrictions attached to a class of AVL shares, on a poll, each shareholder has one vote for each fully paid AVL share

held and, for each partly paid AVL share held, has a fraction of the vote equal to the proportion which the amount paid or credited on that share bears to the total amounts paid and payable on that share.

**(h) Dividends**

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, AVL may pay dividends as the Directors resolve, but only out of profits. Subject to any rights or restrictions attached to a class of shares, the person entitled to a dividend on a share is entitled to the whole of the dividend (if the share is fully paid) or a proportion of the dividend (where the share is partly paid).

AVL has not paid any dividends.

**(i) Capitalisation of profits**

Subject to the ASX Listing Rules, AVL may capitalise any profits of AVL and distribute that capital to shareholders in the same proportions as the shareholders are entitled to dividends.

**(j) Appointment and retirement of Directors**

The minimum number of AVL Directors is three. The AVL Board may appoint any individual to be an AVL Director and any AVL Director so appointed automatically retires at the next annual general meeting and is eligible for re-election by that general meeting.

No AVL Director may hold office without re-election beyond the third annual general meeting following the Director's appointment or three years (whichever is longer). The ASX Listing Rules also provide for circumstances in which an election of Directors is to be held.

At each annual general meeting, if no Director is otherwise required to stand for re-election, the Director who has held their office the longest period of time since their last election to that office must retire, or if two or more Directors have held office for the same period of time since their last election, those Directors as determined by drawing lots or as otherwise agreed between those Directors must retire.

**(k) Removal of Directors**

In addition to the provisions for retirement of an AVL Director and in addition to the provisions of the Corporations Act regarding the removal of directors, the office of an AVL Director becomes vacant in certain prescribed circumstances, including if the AVL Director becomes an insolvent under administration or if the AVL Director fails to attend meetings of the AVL Directors for more than six consecutive months without the consent of the other Directors.

**(l) Remuneration of Directors**

Subject to the Corporations Act and the ASX Listing Rules, AVL may pay to the Non-Executive Directors of AVL a maximum total amount of Directors' fees determined by AVL in general meeting. The remuneration of any Executive Director of AVL must, subject to the provisions of any contract between the Director and AVL, be fixed by the AVL Board.

(m) **Indemnity**

To the extent permitted by law, AVL must indemnify each AVL Director and secretary against any liability and legal costs incurred by that person as an officer of AVL or any of its subsidiaries.

(n) **Winding up**

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, if AVL is wound up, the liquidator may, with the sanction of a special resolution:

- distribute among the shareholders the whole or any part of the property of AVL;
- decide how the distribution is to be carried out as between the shareholders or different classes of shareholders; and
- vest the assets of AVL in a trustee on trust for the shareholders entitled.

(o) **Variation of rights attaching to AVL shares**

Subject to applicable law and the terms of issue of shares in a particular class, AVL may vary or cancel rights attached to shares in that class.

(p) **Non-marketable parcels**

The constitution of AVL permits AVL to sell the shares held by a shareholder if they comprise less than a marketable parcel within the meaning of the ASX Listing Rules.

(q) **Alteration of AVL constitution**

AVL may modify or repeal its constitution, or a provision of its constitution, by special resolution.

## 4.10 AVL Employee Securities Incentive Plan

The AVL Board has established an employee incentive scheme called the “Employee Securities Incentive Plan” (**ESIP**). The objective of the ESIP is to provide AVL with a remuneration mechanism, through the issue of securities in the capital of AVL, to motivate and reward the performance of Directors, employees and qualifying contractors and consultants and to provide them with the opportunity to participate in the future growth of AVL.

The AVL Board may from time to time determine that an eligible participant may participate in the ESIP and make an invitation to that person to apply for any (or any combination of) the securities provided under the ESIP on such terms and conditions as the Board decides. A **Convertible Security** represents a right to acquire one or more AVL Shares in accordance with the ESIP (for example, an option or a performance right).

Prior to a Convertible Security granted under the ESIP being exercised, the holder:

- does not have any interest (legal, equitable or otherwise) in any AVL Share the subject of the security other than as expressly set out in the ESIP;
- is not entitled to receive notice of, vote at or attend a meeting of AVL shareholders;

- is not entitled to receive any dividends declared by AVL; and
- is not entitled to participate in any new issue of AVL Shares.

Any vesting conditions which must be satisfied before Convertible Securities can be exercised and converted to AVL Shares will be described in the invitation. If the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the AVL Board, that Convertible Security will lapse.

Convertible Securities may be forfeited in certain circumstances (for example, if the holder acts fraudulently), unless the AVL Board determines otherwise.

For more information regarding the ESIP, please refer to AVL's Notice of Annual General Meeting dated 13 October 2023, available from ASX's website or AVL's website ([www.australianvanadium.com.au](http://www.australianvanadium.com.au)).

#### 4.11 Litigation

As at the Last Practicable Date, AVL is not involved in any material legal disputes and is not a party to any material litigation.

#### 4.12 Interests of AVL Directors

##### (a) Interests in TMT securities

As at the date of this Scheme Booklet:

- neither AVL nor any of its Associates nor any AVL Director holds a relevant interest in TMT Shares or any other TMT security; and
- the Voting Power of AVL in TMT is nil.

Except for the consideration to be provided under the Scheme and as described in this Scheme Booklet, none of AVL or any of its Related Bodies Corporate or any of their respective Associates has provided or agreed to provide consideration for any TMT Shares or other TMT securities under any transaction during the period of four months before the date of this Scheme Booklet.

##### (b) AVL securities held by AVL Directors

The number, description and amount of AVL securities controlled or held by, or on behalf of, each AVL Director as at the date of this Scheme Booklet are:

Director	AVL Shares	AVL Performance Rights
Anna Sudlow	300,000	Nil
Peter Watson	Nil	Nil
Miriam Stanborough AM	1,400,000 <sup>1</sup>	Nil
Cliff Lawrenson	24,000,000 <sup>2</sup>	Nil
Daniel Harris	22,500,000	Nil

Notes:

<sup>1</sup> Indirect interest via Elygra Pty Ltd <Limestone Creek Superannuation Fund>



<sup>2</sup> Indirect interest via Solution Management Pty Ltd <Lawrenson Family Trust>

In addition to the AVL performance rights noted in the table above, the following AVL Directors are entitled to, but have not yet been issued, the following AVL performance rights (the issues of which were approved by AVL Shareholders at AVL's annual general meeting held on 16 November 2023):

- Peter Watson – 10,000,000 AVL performance rights;
- Miriam Stanborough AM – 10,000,000 AVL performance rights; and
- Anna Sudlow – 10,000,000 AVL performance rights.

AVL intends to issue these AVL performance rights prior to the Implementation Date. Further details regarding these unissued AVL performance rights are set out in AVL's notice of annual general meeting dated 13 October 2023.

(c) **Other interests of AVL Directors**

The AVL Directors have no interest in the outcome of the Scheme, except as provided for in this Scheme Booklet.

(d) **Disclosure of interests**

Except as otherwise provided in this Scheme Booklet, no:

- AVL Director or proposed director of AVL;
- person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet for on behalf of AVL; or
- promoter, stockbroker or underwriter of AVL or the Merged Group,

(together, the **AVL Interested Persons**) holds, or held at any time during the two years before the date of this Scheme Booklet any interests in:

- the formation or promotion of AVL or the Merged Group;
- property acquired or proposed to be acquired by AVL in connection with the formation or promotion of AVL or the Merged Group or the offer of AVL Shares under the Scheme; or
- the offer of AVL Shares under the Scheme.

(e) **Disclosure of fees and other benefits**

Except as otherwise disclosed in this Scheme Booklet, AVL has not paid or agreed to pay any fees, or provided or agreed to provide any benefit:

- to a director or proposed director of AVL to induce them to become or qualify as a director of AVL;
- for services provided by any AVL Interested Persons in connection with:
  - the formation or promotion of AVL or the Merged Group; or
  - the offer of AVL Shares under the Scheme.

#### 4.13 Collateral benefits

Except as otherwise disclosed in this Scheme Booklet, in the four months before the date of this Scheme Booklet, neither AVL nor any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to vote in favour of the Scheme or dispose of TMT Shares which benefit is not offered to all TMT Shareholders under the Scheme.

#### 4.14 Publicly available information about AVL

AVL is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure requirements of the Corporations Act and ASX Listing Rules. Specifically, as a listed company, AVL is subject to the ASX Listing Rules which require continuous disclosure of any information AVL has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities. Copies of these announcements can be obtained free of charge from AVL's website at [www.australianvanadium.com.au](http://www.australianvanadium.com.au) or by visiting the ASX website at [www.asx.com.au](http://www.asx.com.au). Further announcements concerning developments at AVL may be made and placed on these websites after the date of this Scheme Booklet.

ASIC also maintains a record of documents lodged with it by AVL which can be obtained using services provided by ASIC, information in respect of which can be found on the ASIC website at [www.asic.gov.au](http://www.asic.gov.au). Please note, ASIC may charge a fee in respect of such services. AVL is required to prepare and lodge with ASIC and ASX both annual and half-year financial statements accompanied by a statement and report from AVL Directors and an audit or review report.

AVL also lodges quarterly activity reports with ASX. Copies of these and other documents lodged with ASIC and ASX may be obtained from an ASIC office and are accessible by visiting the ASX website at [www.asx.com.au](http://www.asx.com.au).

Further information about AVL is available in electronic form from AVL's website at [www.australianvanadium.com.au](http://www.australianvanadium.com.au).

AVL is also traded on the OTCQB in the USA ('ATVVF') and the Berlin, Munich, Stuttgart and Frankfurt Stock Exchanges ('JT71').

On request to AVL and free of charge, TMT Shareholders may obtain a copy of:

- the annual financial report of AVL for the year ended 30 June 2023 (being the annual financial report most recently lodged with ASIC before lodgement of this Scheme Booklet with ASIC); and
- any continuous disclosure notice given to ASX by AVL since the lodgement with ASIC of the 30 June 2023 annual report for AVL referred to above and before lodgement of this Scheme Booklet with ASIC.

TMT Shareholders may request copies of the above documents by email to [info@australianvanadium.com.au](mailto:info@australianvanadium.com.au) or by phone at +61 8 9321 5594.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

A list of announcements made by AVL to ASX from the date of the Scheme Implementation Deed on 23 September 2023 to the Last Practicable Date is included below:

Date	Announcement
30 November 2023	Macquarie WA Forum Presentation
16 November 2023	Results of Meeting
16 November 2023	Annual General Meeting Chair's Address
15 November 2023	Transaction Update
31 October 2023	IMARC Presentation
27 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
13 October 2023	Notice of Annual General Meeting & Proxy Form
13 October 2023	Notice of Annual General Meeting
3 October 2023	Change in substantial holding
2 October 2023	Section 708A Notice - Amended
2 October 2023	Section 708A Notice
29 September 2023	Application for quotation of securities - AVL
28 September 2023	Date of AGM and Closing Date for Director Nominations
27 September 2023	Appendix 4G and Corporate Governance Statement
27 September 2023	Annual Report to shareholders
26 September 2023	TMT: Additional TMT S'holders Support Proposed Merger w AVL
26 September 2023	AVL Successfully Completes A\$15.7m Institutional Placement
25 September 2023	Conference Call Replay
25 September 2023	Proposed issue of securities – AVL
25 September 2023	Proposed issue of securities – AVL
25 September 2023	Merger Presentation
25 September 2023	AVL and TMT agree A\$217 million Merger
25 September 2023	Trading Halt
25 September 2023	Pause in trading

#### **4.15 Risk factors**

Risk factors relating to AVL and its business are discussed in Section 6.

#### **4.16 Other material information**

Except as otherwise disclosed in this Scheme Booklet, the AVL Board is not aware of any information, as at the date of this Scheme Booklet, that is material to the making of a decision in relation to the Scheme which has not been previously disclosed to TMT Shareholders.

## 5 Merged Group Information

This section of this Scheme Booklet contains information in relation to the Merged Group if the Scheme is implemented. Additional information is included in the Independent Expert's Report attached in Appendix 1.

### 5.1 Overview

AVL's Australian Vanadium Project and TMT's Murchison Technology Metals Project share the same contiguous orebody. The combined AVL and TMT tenements are shown in Figure 5 below.

If the Scheme is successful, the logical consolidation of two adjoining projects across one orebody provides an opportunity to realise operational and corporate synergies by creating a single integrated project.

The figure shows that TMT's Yarrabubba tenement to the south is surrounded by AVL's tenements. The consolidation of the two projects will release the spatial constraints that currently inhibit Yarrabubba's Mineral Resource and Ore Reserve estimates and the optimised development of the deposit under TMT's ownership.

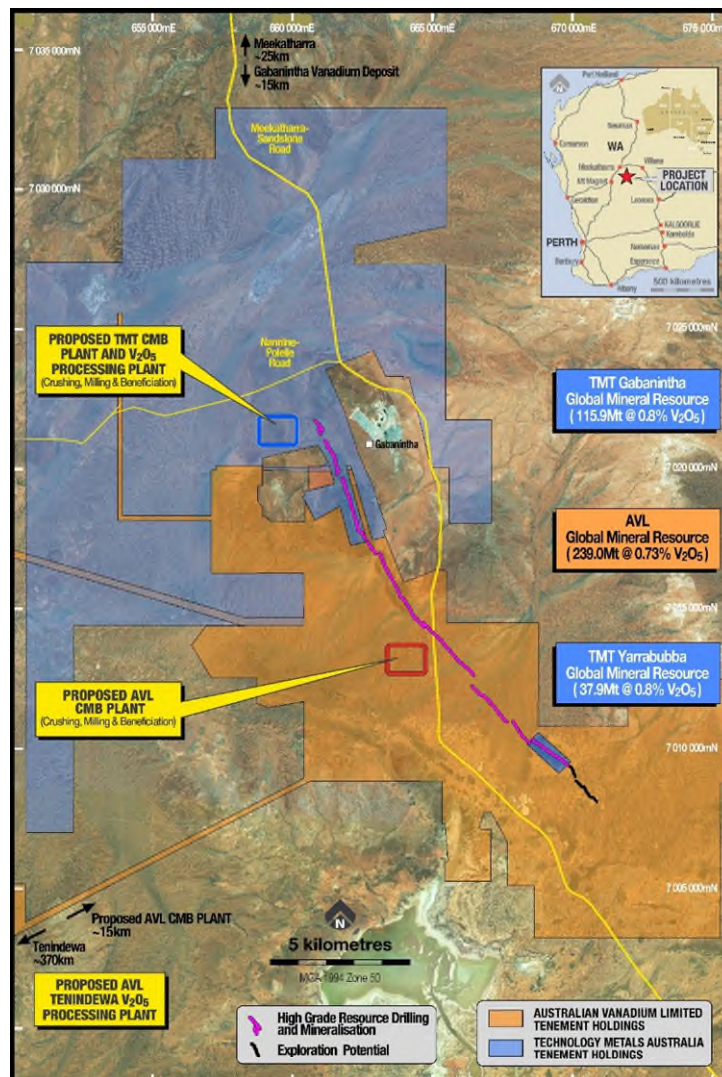


Figure 5 - Combined AVL and TMT tenements

The integrated project will contain one of the largest and highest-grade vanadium deposits globally with the current Mineral Resource Estimates for each project shown on Figure 5 above. The Merged Group will become the largest Australian vanadium developer<sup>27</sup> with a world-class asset of scale, located in a Tier-1 mining jurisdiction. The Merged Group will also continue to own AVL's current asset portfolio including the electrolyte plant (which is under construction), VSUN Energy, the Coates Project and the Nowthanna Hill Uranium and Vanadium Project.

For more information on TMT's and AVL's current asset portfolio, please refer to Sections 3.2 and 4.2(c), respectively, of this Scheme Booklet.

## 5.2 Rationale for the Scheme

The Scheme will create the largest Australian vanadium developer<sup>28</sup> with a world-class asset of scale, located in a Tier-1 mining jurisdiction. The strategic rationale of the Scheme is summarised below:

### (a) Enhanced project economics with expansion and downstream optionality

With the consolidation of the projects on the contiguous orebody, which traverses both AVL's and TMT's adjoining tenement packages, the Merged Group expects to have an enlarged Mineral Resource base and host one of the highest-grade Mineral Resource of any Australian based vanadium project.

The large Mineral Resource base of the Merged Group will provide significant scale and a basis to re-evaluate the combined project, with the Technical Working Group currently assessing the potential opportunities around optimising the mine schedule, processing flowsheet, capital expenditure and operating costs. These initiatives are focussed on delivering a more robust and de-risked development plan. It is anticipated that, with an enlarged Mineral Resource base there will be the potential to extend mine life beyond publicly announced studies previously released by AVL and TMT, increase throughput and implement ore blending strategies to improve cost structures and margins. A specific opportunity exists in relation to the Yarrabubba deposit. Yarrabubba's Mineral Resource, Ore Reserve and mine schedule is currently constrained by TMT's tenure being surrounded by AVL's tenements. Access to AVL's tenure allows further optimisation of the pit and waste rock placement.

The Technical Working Group also intends to assess the potential impact of the merger on AVL's existing 'pit to battery' vertical integration strategy. AVL believes the development of domestic downstream vanadium processing and a vanadium flow battery production capability has financial merit and would position the Merged Group as a vanadium industry leader.

### (b) Increased market relevance, liquidity and balance sheet

The Merged Group is expected to have a pro forma market capitalisation as at the Last Practicable Date of approximately \$186 million, which would make it the largest ASX listed pure-play vanadium company by market capitalisation.

It is envisaged that the enlarged scale of the Merged Group positively positions it to benefit from improved liquidity and an enhanced capital markets profile given the Merged Group is likely to satisfy a greater number of minimum investment thresholds

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<sup>27</sup> Based on the Merged Group's pro forma market capitalisation as at the Last Practicable Date of approximately \$186 million.

<sup>28</sup> Based on the Merged Group's pro forma market capitalisation as at the Last Practicable Date of approximately \$186 million.



for fund managers and qualify for broader research coverage, potentially attracting a larger pool of investors.

Upon completion, the Merged Group will be debt free, hold cash and cash equivalents (on a pro forma basis) of \$55.2 million and will be well-funded for upcoming project development activities.

With increased scale and financial capability, an improved balance sheet, a larger Mineral Resource and greater market awareness, there is potential for a valuation and share price re-rate over time.

**(c) Improved funding capability**

The Merged Group's ability to attract development financing will be supported by the increase in market capitalisation, which will be more proportionate to the expected equity funding requirements of the combined project. With additional scale, expected improved project economics and an integrated development pathway, the Merged Group will be better positioned to raise equity finance and secure project financing for project development. The Merged Group may also benefit from improved access to additional government, export credit agency and other private sector finance.

The ability to articulate a single development strategy will also reduce market confusion and investor hesitation as to the likely "winner" between AVL and TMT, as well as remove competition for finite equity capital and debt funding.

AVL and TMT's largest shareholder, Resource Capital Fund VII L.P., remains supportive of the Scheme. AVL believes that the Merged Group will benefit from the expected continued financial support of RCF and other major shareholders, further endorsing the merits of the Scheme.

**(d) Material operational and corporate synergies**

The combination of AVL and TMT via the Scheme has the potential to unlock material synergies for the Merged Group and the combined project. The consolidation of two adjoining projects across a single orebody provides a unique opportunity to realise operational and corporate synergies. In particular, it provides the ability to optimise mining and processing schedules (including ore blending opportunities), project infrastructure and capital costs.

The Merged Group is also expected to benefit from future streamlined and consolidated permitting, offtake, procurement and project financing processes.

Specifically, there is the potential to consolidate Yarrabubba, which is currently not referred to the EPA, into an approvals process along with AVL's Gabanintha site (updated ERD submitted in June 2023). This may accelerate the granting of the requisite approvals as a combined approval may minimise the assessment of the overall cumulative environmental impact of the two standalone projects.

The combination should also result in an improved negotiating position with these stakeholders and remove competition for resources between the projects.

The Merged Group is also expected to benefit from the removal of duplicated corporate overheads.

**(e) Positioned to benefit from compelling vanadium market fundamentals**

Current vanadium demand is underpinned by global steel demand and industrial production. However, growth in vanadium demand is expected to be strongly



supported over the medium to long term by the ongoing global energy transition, with the adoption of vanadium flow batteries which deliver technically proven and economically viable medium and long duration stationary energy storage solutions. If the projected adoption of VFBS occurs, vanadium supply deficits are anticipated in the medium to long term with limited new supply expected to enter the market.

If the Merged Group were to be the next primary producer to potentially come to market, it is expected that the Merged Group will be well positioned to take advantage of these expected positive vanadium market dynamics. The proposed Scheme should also create an enhanced platform of technical expertise, scale and financial capacity which strengthens the Merged Group's position to capitalise on future opportunities in the sector.

**(f) The right skill set to drive value creation**

The Merged Group will be led by a proven and industry-leading Board and senior management team, one that reflects the complementary skill sets and experience from both AVL and TMT. Mr Graham Arvidson will remain as the Chief Executive Officer of AVL and Mr Ian Prentice is expected to join the AVL executive team as Executive Integration.

AVL has also invited Ms Joanne Gaines to join the AVL Board of Directors. Her experience in stakeholder engagement across both the private and public sectors will be invaluable to the Merged Group going forward.

In addition, the Merged Group will benefit from the work already being done by the Technical Working Group, that has been formed from AVL and TMT's highly experienced and credentialled technical teams. The Technical Working Group has been focussed on assessing and formulating the optimal development and processing pathway for the combined project. The Merged Group is committed to taking the best of both organisations and this will underpin the successful optimisation and development of the combined project.

AVL and TMT believes that the leadership team of the Merged Group will have the right balance of technical, development and financing experience in natural resources to bring the combined project into production.

### **5.3 Corporate structure**

On implementation of the Scheme, TMT will be a wholly owned subsidiary of AVL, and each of the subsidiaries of TMT will form part of the AVL Group.

The existing wholly owned controlled entities of AVL are listed in Section 4.5.

### **5.4 Board and management**

**(a) Merged Group Board**

The Board of the Merged Group following implementation of the Scheme will, subject to the below, be the existing directors of AVL as set out in Section 4.4(a) of this Scheme Booklet.

Ms Joanne Gaines has been invited to join the AVL Board as a Non-Executive Director and is expected to be appointed with effect from the Implementation Date. It is anticipated that, consistent with the arrangements that AVL has with its existing Non-Executive Directors, Ms Gaines will be entitled to receive fees for her services as a director and reimbursement of all reasonable and properly documented expenses

incurred in performing her duties for AVL. As at the date of this Scheme Booklet, no formal arrangements in this regard have been entered into between AVL and Ms Gaines.

**(b) Key management personnel**

The key management personnel of the Merged Group following implementation of the Scheme will, subject to the below, be the AVL key management personnel set out in Section 4.4(b) of this Scheme Booklet.

It is expected that, following the Implementation Date, the Managing Director of TMT, Mr Ian Prentice, will continue employment with the Merged Group with the title 'Executive Integration' under his existing executive services agreement, except that AVL proposes to benchmark Mr Prentice's remuneration to that of AVL's existing Chief Operating Officer (being an annual salary of \$390,000 and a severance payment equal to 6 months' salary on termination of employment by AVL (which will initially be 12 months if employment is terminated within 6 months post implementation of the Scheme)). As at the date of this Scheme Booklet, no formal arrangements in this regard have been entered into between AVL and Mr Prentice.

**(c) Executive remuneration**

All members of AVL's senior management team are expected to continue in their roles with AVL on the same terms and conditions as before implementation of the Scheme, detailed in AVL's 2023 audited remuneration report.

AVL intends to continue using the Employee Securities Incentive Plan described in Section 4.10 following Implementation. Refer to Section 4.12(a) for details of the interests of AVL's Directors under that plan.

**(d) Non-executive director remuneration**

Under AVL's constitution and the Listing Rules, the total aggregate amount paid to all Non-Executive Directors for their services as Directors in any financial year cannot exceed the amount fixed by AVL in a general meeting. The amount has been fixed at \$750,000 per annum (including superannuation).

Non-Executive Director fees agreed to be paid by AVL to each Non-Executive Director following implementation of the Scheme comprise the following for FY24:

Name	Remuneration <sup>1</sup>
Mark Clifford (Cliff) Lawrenson	\$141,000
Daniel Clifford Harris	\$100,000
Peter Richard Watson	\$100,000
Miriam Erin Lyons Stanborough AM	\$100,000
Anna Catherine Sudlow	\$100,000
Joanne Gaines	\$100,000 (subject to Ms Gaines joining the AVL Board)

Notes:

<sup>1</sup> Per annum, inclusive of superannuation.**(e) Deeds of indemnity**

Each of AVL's Directors have entered into a deed of indemnity under which AVL agrees to provide the Director with rights relating to indemnity for legal expenses and liabilities arising out of office (subject to the limitations imposed by law including under section 199A of the Corporations Act), the conduct of litigation involving the Director, access to company documents and information, and payment of directors and officers insurance policy premiums.

**5.5 AVL's intentions in respect of the Merged Group**

This Section sets out the current intentions of AVL in relation to the Merged Group if the Scheme is implemented. These intentions are based on facts and information known to AVL at the time of preparing this Scheme Booklet that concern AVL and TMT as well as the general economic and business environment and are statements of current intention only and, accordingly, may vary as new information becomes available or circumstances change. Final decisions on these matters will only be made by AVL in light of all material facts and circumstances at the relevant time.

**(a) Continuation of business**

A technical working group has been formed between AVL's and TMT's technical teams to facilitate and develop the integrated optimisation strategy for their respective projects (**Technical Working Group**). The members of the Technical Working Group have been selected from AVL and TMT personnel to leverage the best of both organisations and to ensure efficient information sharing and concept development. The aim of the Technical Working Group is to develop a 'go forward' strategy and development concept to bring together the best attributes of each project, which will leverage the combined expertise of both companies.

If the Scheme is implemented, AVL will undertake a detailed review of the Merged Group's operations covering strategic, financial and operating matters to determine and implement improvements to deliver the optimal outcomes for the Merged Group. As part of that review, AVL intends to have regard to the strategy and development concept developed by the Technical Working Group. Subject to that review, AVL's only intended changes to the business of TMT are as set out below.

**(b) Corporate strategy**

If the Scheme is implemented, the Merged Group will undertake a detailed review of AVL's Australian Vanadium Project and TMT's Murchison Technology Metals Project, considering strategic, operational and financial issues to determine the optimal path forward for the combined project. The key aims will be to continue creating shareholder value through:

- completing an implementation study for the combined project, assessing project synergies and optimisation strategies, including conducting a rigorous evaluation of internal and external opportunities to maximise value for shareholders;
- finalising funding and offtake for the combined project;
- completing regulatory, environmental and permitting requirements for the combined project;
- remaining dedicated to responsible corporate governance and management which protects the interests of all stakeholders;
- continuing AVL's and TMT's strong commitments to community, traditional owners, safety and ESG obligations; and
- ongoing execution of a 'pit to battery' strategy to support the development of the VFB industry, including production of vanadium electrolyte for use in the growing VFB market and, through VSUN Energy, continuing to explore opportunities in the VFB market.

Final decisions about the future commercial operating plan and management organisation for the Merged Group, including decisions about any changes to the way the TMT and AVL businesses are conducted (such as the way the combined project is developed, any redeployment of the fixed assets and any changes to the employment of the present employees of TMT) will be made by AVL following the completion of the detailed post-acquisition review described in Section 5.5(a) above.

The Merged Group will also have the capacity to consider other potential acquisition and funding opportunities that it believes are complementary to, and benefit, its assets and operations.

**(c) Board of directors**

AVL intends to replace the existing members of the TMT Board (and the boards of the TMT subsidiaries) with AVL nominees.

In accordance with the Scheme Implementation Deed, AVL and TMT must procure that, as soon as practicable on the Implementation Date:

- Jo Gaines is appointed to the AVL Board;
- the AVL nominees are appointed to the TMT Board and the boards of TMT's subsidiaries; and
- all directors on the TMT Board and the boards of TMT's subsidiaries (other than the AVL nominees) resign.

The current AVL Directors are expected to continue as Directors of the Merged Group following implementation of the Scheme.

**(d) Key management personnel**

As noted in Section 5.4(b), it is expected that, following Implementation, Mr Ian Prentice, Managing Director of TMT, will join the AVL management team as 'Executive Integration', and will be initially focused on the integration of AVL and TMT's adjoining projects.

Each of the current AVL key management personnel are expected to continue in their existing roles following implementation of the Scheme.

**(e) Other key employees**

If the Scheme is implemented, AVL will undertake a detailed review of the combined business. This will include a review of human resource requirements to determine the best way to utilise TMT employees for the benefit of the Merged Group. Without having conducted the abovementioned review, AVL cannot formulate a view in relation to employee numbers. However, and subject to this review, the Merged Group expects to be able to provide continued employment to TMT's existing workforce, subject to a review of any duplicated positions and the ability to reassign those employees to appropriate positions. Certain retention mechanisms may be offered to specifically identified employees (in the form of extended severance payment periods in the event they are terminated by AVL following implementation of the Scheme).

**(f) Employee incentive arrangements**

TMT's existing employee incentive plans will no longer be applicable following implementation of the Scheme. Refer to Sections 8.20 and 8.21 for how existing TMT Options and TMT Performance Rights will be treated in connection with the implementation of the Scheme.

TMT employees (including Mr Prentice) may become eligible to participate in AVL's Employee Securities Incentive Plan if they remain employed by the Merged Group beyond 30 June 2024 (in accordance with AVL's customary practices for all employees and in accordance with any incentive plan and AVL's practices in place at the time).

Further information in relation to AVL's Employee Securities Incentive Plan can be found in Section 4.10.

**(g) Dividends and dividend policy**

Neither AVL nor TMT have paid dividends in the past.

Any future determination as to the payment of dividends by the Merged Group will be at the discretion of the Board of the Merged Group and will depend on the financial performance of the Merged Group, cash flow, commodity price expectations, future capital requirements and general business and other factors considered relevant to the Board of the Merged Group. No assurance in relation to the future payment of dividends or franking credits attaching to dividends can be given by the Merged Group.

**(h) Corporate office and trading name**

The Merged Group will continue as AVL. Its corporate office will remain at AVL's current address.

AVL will continue to be listed on ASX and traded on the OTCQB in the USA and the Berlin, Munich, Stuttgart and Frankfurt Stock Exchanges.

(i) **Corporate governance**

The composition of the Merged Group Board is discussed in Section 5.5(c).

It is intended the Merged Group will be governed by AVL's current corporate governance policies and practices. A copy of these policies can be accessed on AVL's website: <https://www.australianvanadium.com.au/about-us/corporate-governance/>.

(j) **Corporate matters in relation to TMT**

Following implementation of the Scheme, it is intended that TMT be removed from the official list of ASX. Following removal, TMT Shareholders will no longer be able to acquire or trade TMT Shares on ASX. TMT Shareholders will, however, be able to trade in New AVL Shares on ASX.

## 5.6 Merged Group capital structure on implementation

(a) **Issued capital**

The table below summarises the share capital structure of the Merged Group on implementation of the Scheme (assuming that no other AVL Shares are issued):

AVL Shares	Number
AVL Shares on issue as at the Last Practicable Date	4,968,606,780
New AVL Shares to be issued under the Scheme	3,098,531,808
New AVL Shares to be issued in connection with Option Cancellation Deeds	11,050,926
<b>Pro forma AVL Shares on issue</b>	<b>8,078,189,514</b>

Notes:

This table assumes that:

- all "Class C" TMT Options are not exercised before the Record Date and are cancelled in accordance with an Option Cancellation Deed for no consideration;
- all "Class E" TMT Options are not exercised before the Record Date and are cancelled in accordance with an Option Cancellation Deed for the Option Consideration;
- all "Class B" TMT Performance Rights expire without vesting before the Record Date; and
- all "Class D" TMT Performance Rights vest and are exercised into TMT Shares before the Record Date.

As at the Last Practicable Date, AVL had the following performance rights on issue:

Expiry date	Exercise price	Vested	Unvested	Number
29 July 2026	Nil	7,791,667	Nil	7,791,667
10 April 2027	Nil	400,000	200,000	600,000
6 December 2027	Nil	6,000,000	30,000,000	36,000,000

26 July 2028	Nil	Nil	61,950,000	61,950,000
<b>Total</b>		<b>14,191,667</b>	<b>92,150,000</b>	<b>106,341,667</b>

In addition to the AVL performance rights noted in the table above, AVL has agreed to issue 30,000,000 AVL performance rights to AVL Directors, further details of which are set out in Section 4.12(b). AVL has also agreed to issue 6,400,000 AVL performance rights to AVL personnel. AVL intends to issue these AVL performance rights to the AVL Directors and the AVL personnel prior to the Implementation Date.

Further information regarding the AVL performance rights is available in Section 4.7.

(b) **Pro forma ownership**

On implementation of the Scheme, TMT Shareholders will own approximately 38% of the Merged Group.

(c) **Substantial shareholders**

Based on the respective shareholdings in AVL and TMT as at the Last Practicable Date, the holders of 5% or more of the issued capital of AVL, if the Scheme is implemented would be:

Substantial Holder	Number of AVL Shares Held	Voting Power
Resource Capital Fund VII L.P.	1,469,905,962	18.2%

## 5.7 Rights attaching to New AVL Shares

The rights and liabilities attaching to New AVL Shares that form part of the Scheme Consideration are described in Section 4.9.

## 5.8 Pro forma historical financial information in relation to the Merged Group

This Section 5.8 contains the pro forma historical financial information for the Merged Group, reflecting the combined businesses of AVL and TMT. The pro forma financial information is presented to illustrate the hypothetical financial position of the Merged Group as if the Scheme was implemented on 30 June 2023.

This section contains the following historical financial information:

- AVL's historical consolidated statement of financial position as at 30 June 2023;
- TMT's historical consolidated statement of financial position as at 30 June 2023, (together the **Historical Financial Information**); and
- the Merged Group pro forma historical consolidated statement of financial position as at 30 June 2023 incorporating the relevant acquisition accounting and other adjustments required to present the pro forma historical consolidated statement of financial position of the Merged Group (the **Pro Forma Historical Statement of Financial Position**).

Standalone historical consolidated statements of financial position for both TMT and AVL are set out in abbreviated form in Section 3.3 and Section 4.3 respectively.



AVL is responsible for the preparation of the Pro Forma Historical Statement of Financial Position.

(a) **Basis of preparation**

Under the Scheme, AVL will acquire all of the TMT Shares held by the Scheme Shareholders for the Scheme Consideration. For the purpose of preparing the Pro Forma Historical Statement of Financial Position, the transaction has been accounted for as an asset acquisition with AVL identified as the acquirer in accordance with AAS.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes. It is set out in an abbreviated form which does not contain all of the presentation, comparative information and disclosures that are usually provided in an annual financial report prepared in accordance with the Corporations Act. Accordingly, the information should be read in conjunction with the rest of this Scheme Booklet, including the risk factors set out in Section 6, and the most recent annual reports for each entity, together with significant accounting policies and related notes, and information disclosed by the companies on ASX, available at:

- for TMT: the ASX announcements platform ([www.asx.com.au](http://www.asx.com.au)) using the code 'TMT'; or
- for AVL: the ASX announcements platform ([www.asx.com.au](http://www.asx.com.au)) using the code 'AVL'.

The Pro Forma Historical Statement of Financial Position has been prepared on the assumption that the Scheme was implemented on 30 June 2023 and is not intended to reflect the financial position of the Merged Group that would have resulted had the Scheme been implemented on 30 June 2023, nor possible future results of the Merged Group. The actual financial position of the Merged Group had the Scheme been implemented on 30 June 2023 may have been different from the Pro Forma Historical Statement of Financial Position.

The Pro Forma Historical Statement of Financial Position has been derived from the audited historical consolidated financial statements for the financial year ended 30 June 2023 of TMT and AVL, adjusted for the impact of certain events and transactions as if they occurred at 30 June 2023. These adjustments are described in more detail below.

The historical consolidated financial statements of TMT for the year ended 30 June 2023 were audited by HLB Mann Judd (WA Partnership) who issued an unmodified opinion. The historical consolidated financial statements of AVL for the year ended 30 June 2023 were audited by BDO Audit (WA) Pty Ltd who issued an unmodified opinion.

The Pro Forma Historical Statement of Financial Position has been prepared in accordance with the recognition and measurement principles contained in the AAS issued by the AASB and includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain events and transactions as if they occurred as at 30 June 2023 in the Pro Forma Historical Statement of Financial Position. The Pro Forma Historical Statement of Financial Position has been prepared in accordance with and should be read in conjunction with the accounting policies detailed in the AVL Annual Report for the year ended 30 June 2023.

In accordance with its normal processes, AVL currently expects to release its interim financial results for the six-months ended 31 December 2023 to ASX in early March 2024.

Amounts in this section have been rounded to the nearest \$1,000. Some numerical figures included in this Scheme Booklet have been subject to rounding adjustments. Any discrepancies between totals and sum of components in figures contained in this Scheme Booklet are due to rounding.

(b) **Pro forma adjustments**

The Pro Forma Historical Statement of Financial Position includes the following pro forma adjustments to reflect the impact of certain events and transactions as if they occurred at 30 June 2023:

- pre-merger changes to the share capital account of AVL after 30 June 2023; and
- the execution of the Scheme and the merger of AVL and TMT, which has been accounted for as an asset acquisition with AVL identified as the acquirer in accordance with AAS.

(together the **Pro Forma Adjustments**)

(c) **Pro Forma Historical Statement of Financial Position in relation to the Merged Group**

	Pro Forma Adjustments					Notes
	AVL Statutory \$'000	TMT Statutory \$'000	AVL Share Placement \$'000	Scheme Execution \$'000	Pro Forma Merged Group \$'000	
<b>Current assets</b>						
Cash and cash equivalents	26,874	16,464	15,313	(3,430)	55,221	A, D
Trade and other receivables	1,671	2,308			3,979	
Inventories	182	-			182	
Other current assets	-	101			101	
<b>Total current assets</b>	<b>28,727</b>	<b>18,873</b>	<b>15,313</b>	<b>(3,430)</b>	<b>59,483</b>	
<b>Non-current assets</b>						
Plant and equipment	1,856	4			1,860	
Exploration and evaluation expenditure	44,731	38,145		21,923	104,799	B
Financial assets	296	-			296	
Right-of-use assets	1,815	-			1,815	
<b>Total non-current assets</b>	<b>48,698</b>	<b>38,149</b>	<b>-</b>	<b>21,923</b>	<b>108,770</b>	
<b>Total assets</b>	<b>77,425</b>	<b>57,022</b>	<b>15,313</b>	<b>18,493</b>	<b>168,253</b>	
<b>Current liabilities</b>						
Trade and other payables	4,867	1,179		6,246	12,292	C
Provisions	110	-			110	

	Pro Forma Adjustments					Notes
	AVL	TMT	AVL Share	Scheme	Pro Forma	
	Statutory \$'000	Statutory \$'000	Placement \$'000	Execution \$'000	Merged Group \$'000	
Lease liabilities	335	-			335	
Grant liability	9,959	-			9,959	
<b>Total current liabilities</b>	<b>15,272</b>	<b>1,179</b>	<b>-</b>	<b>6,246</b>	<b>22,697</b>	
<b>Non-current liabilities</b>						
Provisions	129	-			129	
Lease liabilities	1,536	-			1,536	
<b>Total non-current liabilities</b>	<b>1,665</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,665</b>	
<b>Total liabilities</b>	<b>16,936</b>	<b>1,179</b>	<b>-</b>	<b>6,246</b>	<b>24,362</b>	
<b>Net assets</b>	<b>60,489</b>	<b>55,843</b>	<b>15,313</b>	<b>12,246</b>	<b>143,891</b>	
<b>Equity</b>						
Issued capital	135,569	66,741	15,313	4,778	222,402	A, B, E
Reserves	(150)	2,790		(2,790)	(150)	E
Accumulated losses	(74,930)	(13,688)		10,258	(78,360)	D, E
<b>Total equity</b>	<b>60,489</b>	<b>55,843</b>	<b>15,313</b>	<b>12,246</b>	<b>143,891</b>	

### Notes to Pro Forma Adjustments

The following assumptions and adjustments have been made for the purposes of preparing the Pro Forma Historical Statement of Financial Position:

#### Note A: AVL share placement

On 25 September 2023, concurrent with the announcement of the Scheme, AVL announced it was conducting an institutional placement to raise \$15 million (with an ability to take oversubscriptions to increase the placement to \$20 million) at an issue price of \$0.026 per AVL Share to fund ongoing project and corporate initiatives during the transaction period (**Placement**). The Placement was not conditional upon the successful conclusion of the Scheme.

AVL engaged Macquarie Capital (Australia) Limited and Canaccord Genuity (Australia) Ltd to act as joint lead managers and joint bookrunners to the Placement. AVL's largest shareholder, RCF committed to subscribe for \$15 million. The Placement closed on 26 September 2023, successfully raising \$15.7 million before offer costs, with the balance of those funds raised from parties identified by the joint lead managers.

Prior to the Placement, RCF held 7.48% of all AVL Shares on issue. Following the Placement, RCF held 18.52% of all AVL Shares on issue.

This adjustment reflects completion of the \$15.7 million Placement, after payment of associated costs (\$0.4 million).

**Note B: Merger between AVL and TMT**

For the purpose of preparing the Pro Forma Historical Statement of Financial Position, the transaction has been accounted for as an asset acquisition with AVL identified as the acquirer in accordance with AAS.

This adjustment reflects the estimated fair value of the Scheme Consideration (comprising the issue of New AVL Shares) to acquire TMT and transaction costs to be incurred by AVL to determine the total cost of the acquisition. The excess of the total acquisition cost over TMT's net assets has been allocated to capitalised exploration and evaluation expenditure.

The estimated value of the Scheme Consideration has been calculated as follows:

Fully paid TMT Shares on issue to be acquired via scrip consideration	258,210,984
Exchange ratio	12.0
<b>Projected New AVL Shares to be issued</b>	<b>3,098,531,808</b>
New AVL Shares to be issued in consideration for TMT Options to be cancelled under the Option Cancellation Deeds	11,050,926
<b>Total projected New AVL Shares to be issued</b>	<b>3,109,582,734</b>
AVL Share closing price on the Last Practicable Date	\$0.023
<b>Value of Scheme Consideration (\$'000)<sup>1</sup></b>	<b>71,520</b>

Notes:

1. The value of the consideration given to Scheme Shareholders will be based upon the value of AVL Shares at the close of trading on the Implementation Date. Therefore, the ultimate value of the purchase consideration for accounting purposes as at the Implementation Date may differ from the amount assumed for the purposes of the Pro Forma Historical Statement of Financial Position above.

Transaction costs to be incurred by AVL in relation to stamp duty, advisory fees, legal fees and other transaction related expenses are estimated to be approximately \$6.2 million. As the transaction has been accounted for as an asset acquisition in the Pro Forma Historical Statement of Financial Position, these costs have been added to the estimated Scheme Consideration to determine the total cost of the acquisition, as detailed in the table below.

	<b>\$'000</b>
Estimated value of Scheme Consideration	71,520
Estimated transaction costs (including stamp duty)	6,246
<b>Estimated total cost of acquisition</b>	<b>77,766</b>

Based on asset acquisition accounting, the total cost of the acquisition is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the Implementation Date (acquisition date).

For the purposes of preparing the Pro Forma Historical Statement of Financial Position, it is assumed that other than capitalised exploration and evaluation expenditure, all other assets and liabilities in the historical consolidated statement of financial position of TMT as at 30 June 2023 have a fair value equivalent to their carrying value.

The estimated total cost of the acquisition has been allocated to TMT's net assets as follows:

	\$'000
Cash	16,464
Other assets and liabilities at fair value	1,234
Exploration and evaluation expenditure	60,068
<b>Estimated total cost of acquisition<sup>1</sup></b>	<b>77,766</b>

Notes:

1. It should be noted that the allocation of the total cost of acquisition to the net assets of TMT has been determined on a provisional basis. The actual cost of the acquisition will be determined at the acquisition date. After the implementation of the Scheme, AVL will perform a full analysis of the accounting treatment of the acquisition under applicable accounting standards. This exercise may give rise to material differences in value and may result in values being attributed to other assets and liabilities.

The uplift in the carrying value of exploration and evaluation expenditure amounts to approximately \$21.9 million, being the difference between the cost allocated above and the carrying value of these assets at 30 June 2023.

	\$'000
Carrying value of exploration and evaluation expenditure in TMT at 30 June 2023	38,145
Uplift in carrying value of exploration and exploration expenditure	21,923
<b>Estimated post-transaction value of exploration and evaluation expenditure</b>	<b>60,068</b>

#### **Note C: Accrual of estimated transaction costs to be incurred by AVL**

This adjustment reflects an accrual for the following estimated transaction costs of AVL in relation to the Scheme:

- Stamp duty of approximately \$3.3 million; and
- Corporate and financial advisory, due diligence and legal costs of approximately \$2.9 million.

#### **Note D: Recognition of estimated transaction costs to be incurred by TMT**

This adjustment recognises the estimated transaction costs of \$3.4 million to be incurred by TMT in relation to the Scheme. TMT's transaction costs will be expensed by TMT and are not included in the total cost of acquisition detailed in Note B above. As most of TMT's estimated transaction costs are anticipated to be settled on or

prior to the Implementation Date, this adjustment reflects an expected reduction in TMT's cash balance.

**Note E: Elimination of TMT's pre-merger contributed equity**

This adjustment eliminates TMT's pre-merger equity, reserves and retained losses at 30 June 2023.

**(d) Transactions not included in Pro Forma Adjustments**

The Pro Forma Historical Statement of Financial Position has not been adjusted to reflect the trading of either AVL or TMT since 30 June 2023 apart from the Pro Forma Adjustments detailed above.

## **5.9 Financial forecasts**

Each of the AVL Board and the TMT Board has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Merged Group. Each of the AVL Board and the TMT Board has concluded that such forecast financial information would have the potential to be misleading and a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice to be of value to either set of shareholders.

TMT Shareholders should refer to the Independent Expert Report for the Independent Expert's conclusion regarding valuations of TMT and AVL.

## **5.10 Risks associated with the Merged Group**

There are a number of risks associated with the Merged Group. These are summarised in Section 6.

## **5.11 Merged Group's register of shareholders**

In accordance with Australian law, AVL's register of shareholders will be maintained in Australia by its Australian registry, being Automic Registry Service Limited.

## 6 Risk Factors

### 6.1 Introduction

If the Scheme is implemented, Scheme Shareholders (excluding Ineligible Overseas Shareholders and Small Parcel Shareholders) will be entitled to receive the Scheme Consideration in the form of AVL Shares. The value of AVL Shares will be influenced by a number of factors, many of which will be beyond the control of the management of the Merged Group.

Some of these risks are either related to the resources sector generally or already affect the TMT business which will form part of the Merged Group and are therefore risks to which TMT Shareholders already have some exposure. There are, however, a number of risks which will be new or potentially greater in impact than is currently the case in relation to TMT alone.

The risk factors presented in this Section are not an exhaustive list of all risks and risk factors related to TMT, the Merged Group or the Scheme. Additional risks and uncertainties not currently known to AVL or TMT may also have an adverse impact on the Merged Group's business.

This Section does not consider the investment objectives, financial situation, position or particular needs of TMT Shareholders. Each TMT Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

### 6.2 Risks related to the Scheme

(a) **The AVL Shares issued in connection with the Scheme may have a market value different than expected**

Pursuant to the Scheme, each Scheme Shareholder (excluding Ineligible Overseas Shareholders and Small Parcel Shareholders) will be entitled to receive scrip consideration of 12.00 New AVL Shares for every one Scheme Share held at the Record Date. The implied value of the Scheme Consideration will depend on the price at which the AVL Shares trade on ASX after the Effective Date and is not fixed. The past performance of AVL is not necessarily an indication as to the future performance of AVL or the Merged Group.

Further, for Ineligible Overseas Shareholders and Small Parcel Shareholders, there is no guarantee as to the price at which AVL Shares may be sold by the Sale Agent as described in Section 2.9 (or the timing).

The price of AVL Shares following implementation of the Scheme will vary and may be volatile as a result of a number of factors, including the financial and operating performance of the Merged Group and general market conditions. Investor and analyst perception in relation to the Merged Group will also impact the price of the AVL Shares issued as Scheme Consideration. There can be no guarantee that there will continue to be an active market for AVL Shares or that the price of AVL Shares will increase. None of AVL, TMT or their respective Boards warrant the future performance of AVL or the Merged Group or any return on an investment in AVL or the Merged Group.

(b) **Completion of the Scheme is subject to various conditions that must be satisfied or waived**

Completion of the Scheme is subject to a number of conditions. There can be no certainty, nor can AVL or TMT provide any assurance, that these conditions will be satisfied or waived (where applicable), or if satisfied or waived (where applicable),



when that will occur. In addition, there are a number of other conditions precedent to the Scheme which are outside the control of TMT and AVL, including, but not limited to, approval of the Scheme by the Requisite Majority, approval by the Court of the Scheme at the Court hearing to be held on the Second Court Date and TMT and AVL receiving all regulatory approvals required to implement the Scheme (see Schedule 1 of the Scheme Implementation Deed).

If for any reason the conditions to the Scheme are not satisfied nor waived (where applicable) and the Scheme is not completed, the market price of TMT Shares may be adversely affected.

(c) **The Scheme Implementation Deed may be terminated by TMT or AVL in certain circumstances, in which case TMT may not be able to realise the potential benefits of the Scheme**

Each of TMT and AVL has the right to terminate the Scheme Implementation Deed in certain circumstances. Accordingly, there is no certainty that the Scheme Implementation Deed will not be terminated by either TMT or AVL before the implementation of the Scheme.

If the Scheme Implementation Deed is terminated, TMT provides no assurance that the TMT Board will be able to find a party willing to offer an equivalent or greater price for the TMT Shares than the consideration offered under the terms of the Scheme and there is a risk that TMT will not be able to achieve as a standalone entity the benefits that the Scheme would have provided.

(d) **The issuance of AVL Shares could adversely affect the market price of AVL Shares**

If the Scheme is implemented, a number of additional AVL Shares will be available for trading in the public market. The increase in the number of AVL Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, AVL Shares.

(e) **Transaction costs**

(i) AVL

If the Scheme is implemented, the cost of the transaction to be payable by AVL is expected to be approximately \$6.2 million (excluding GST). This includes stamp duty, financial advisory, legal, accounting, tax and administrative fees, share registry and other expenses. It does not include transaction costs that may be payable by TMT.

(ii) TMT

If the Transaction is implemented, the cost of the transaction to be payable by TMT is expected to be approximately \$3.43 million (excluding GST). This includes financial advisory, legal, accounting, Independent Expert, Independent Technical Specialist's, tax and administrative fees, Scheme Booklet and printing, share registry and other expenses. It does not include transaction costs that may be payable by AVL.

TMT estimates that it will have incurred or committed transaction costs of approximately \$1.18 million (excluding GST) prior to the Scheme Meeting. These costs will be payable regardless of whether or not the Transaction is implemented.

**(f) Tax consequences for Scheme Shareholders**

If the Scheme is successfully implemented, there may be tax consequences for Scheme Shareholders. The tax consequences for Scheme Shareholders will vary depending on a number of factors, including their place of residence for tax purposes and their individual tax circumstances.

A summary of the general Australian income tax, stamp duty and GST consequences for TMT Shareholders participating in the Scheme is set out in Section 7.

TMT Shareholders are encouraged to seek independent professional advice regarding the individual tax consequences applicable to them.

**6.3 Specific risks related to the Merged Group**

**(a) Change in risk and investment profile**

If the Scheme is implemented, TMT Shareholders will be exposed to risk factors relating to AVL, and to certain additional risks relating to the Merged Group and the integration of the two companies.

These include risks relating to the operation of a broader suite of assets (both in nature and scale) than TMT owns. There is a risk that the Merged Group's success and profitability could be adversely affected if TMT's business is not integrated effectively into AVL. Any failure to achieve expected potential synergies may also impact on the financial performance and position of the Merged Group and the future price of AVL Shares.

**(b) Failure to realise the benefits of the Scheme, including potential synergies**

After implementation of the Scheme, the Merged Group will seek to pursue those strategies, operational objectives and benefits described in this Scheme Booklet, including the potential synergies. There is a risk that the Merged Group may not be able to realise those strategies, operational objectives and benefits (in whole or in part), that it will not materialise or will not materialise to the extent that it anticipates (for whatever reasons, including matters beyond the control of the Merged Group), or that the realisation of the strategies, operational objectives and benefits, including the potential synergies detailed in this Scheme Booklet, are delayed. This could have an adverse impact on the Merged Group's operations, financial performance and financial position and prospects.

**(c) Integration risks**

The long-term success of the Merged Group will depend, amongst other things, on the success of management in integrating the respective businesses and the strength of management of the Merged Group. There is no guarantee that the businesses of the Merged Group will be able to be integrated successfully within a reasonable period of time.

While AVL expects to successfully integrate with TMT's operations, there are risks that any integration of the businesses of AVL and TMT may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings, and the potential loss of key personnel.

If the integration is not achieved in an effective manner, the full benefits of the combination of the two business may be achieved only in part, or not at all. This could

adversely impact the Merged Group's financial performance and position, and the future prospects of the Merged Group. Reasons for this may include unexpected/unplanned delays, challenges, liabilities and costs in relation, but not limited to, integrating operating and management systems such as IT, information or accounting systems and the loss of key personnel of the Merged Group. Any failure by the Merged Group to ensure implementation costs remain below those anticipated may have a material adverse effect on the financial performance and the position, and prospects, of the Merged Group.

(d) **Accounting treatment of TMT Group assets in the Merged Group**

Following implementation of the Scheme, the Merged Group will be required to perform a fair value assessment of all of the assets and liabilities of the Merged Group, including tangible and intangible assets, which may differ from the preliminary assessments noted in Section 5.8. As a result of that fair value assessment, the Merged Group's charges (for example, depreciation expense and amortisation expense) and asset carrying values may be substantially different to the corresponding charges and asset carrying values applied by TMT and AVL as standalone entities and, to that extent, may impact upon the future financial performance and financial results of the Merged Group.

The Australian Accounting Standards are set by the AASB and will be outside of the Merged Group's control. The Merged Group will also be subject to risks arising as a result of any future changes in accounting policies applied by the Merged Group which may have an adverse impact on the Merged Group.

Changes to accounting standards may also adversely affect the Merged Group's reported earnings performance in any given reporting period and its consolidated statement of financial position from time to time.

## 6.4 General risks relating to the Merged Group

The following risks factors apply consistently to AVL (and the AVL Group) prior to and after implementation of the Scheme (after which time the AVL Group would include the TMT Group, as part of the Merged Group).

(a) **Exploration risk**

Exploration is an inherently speculative and high-risk activity that requires significant amounts of expenditure over extended periods of time to present a reasonable probability of success. The Merged Group's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, and the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade, metallurgy and proximity to infrastructure, metal prices and government regulations, including the availability of required authorisations, permits and licences and regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Successful development is also subject to a number of operational and other risks, including unexpected geological formations, limitations on activities due to seasonal weather patterns and extreme weather events, conditions involved in the drilling and removal of material (which could result in damage and/or destruction to plant and equipment, loss of life or property, environmental damage and possible legal liability), obtaining governmental approvals and reaching agreement with stakeholders, changes in Ore Reserves, commodity prices, exchange rates, construction costs, design requirements, and delays in construction and expansion plans.

These factors may affect AVL, TMT and/or the Merged Group's ability to establish mining operations, continue with their respective projects, earn income from their respective potential future operations and may affect their respective share prices. Most of these factors will be beyond the control of the Merged Group. The success of the Merged Group will also depend upon the Merged Group having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities.

Exploration activities are speculative by nature and therefore often unsuccessful. Such activities also require substantial expenditure and can take several years before it is known whether they will result in mines being developed.

Accordingly, if the exploration activities undertaken by the Merged Group do not result in additional Ore Reserves, or if identified Mineral Resources cannot be converted into Ore Reserves, there may be an adverse effect on the company's financial performance.

In addition, AVL and TMT do not expect to have any material revenues from their assets unless and until after commencement of production at their respective projects. Accordingly, AVL and TMT are each subject to all of the risks inherent in companies that may not have cash flow or earnings. This may make it difficult for current and prospective investors to assess the likely future performance of AVL's, TMT's and the Merged Group's assets. Further, the decision to proceed to further development may require the participation of other companies whose interest and objectives may not be the same as those of the Merged Group.

**(b) Development risk**

For development projects, estimates of Proven and Probable Ore Reserves and cash operating costs are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques, and feasibility studies that derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns will differ significantly from those estimated for a project prior to production.

The information provided in this Scheme Booklet in relation to AVL's and TMT's respective projects is the current estimate of Mineral Resources and Ore Reserves, capital and operating costs, as determined from geological data obtained from drill holes and other exploration techniques and technical studies conducted to date.

These matters may change over time.

**(c) Operating risks**

The ability of the Merged Group to achieve production targets within anticipated timelines, or at all, or meet operating and capital expenditure estimates cannot be assured.

The Merged Group's assets and mining operations are subject to uncertainty with respect to (among other things): technical, engineering, metallurgical, meteorological, geological, third party access, native title and heritage, community, ore tonnes, grade, the configuration of the ore body, metallurgical recovery and impurities, ground conditions, operational environment, funding for development, availability of power supply, regulatory changes, accidents, contractual risks and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, pandemics, extreme weather events including cyclones and storms, floods, bushfires

or other natural disasters. If faced by the Merged Group, these circumstances could result in the Merged Group not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Capital costs may be affected by unexpected modifications to plant design, changes to estimates of non-fixed components, delays in commissioning and sourcing of financing, and further cost inflation. Unforeseen production cost increases could result in the Merged Group not realising its operational or development plans or such plans costing more than expected or taking longer to realise than expected. Key construction and operational contracts, including relating to long-lead items, will be tendered and awarded early in the project cycle to ensure sufficient time for delivery and contractor mobilisation. The construction execution strategy will also likely involve multiple packages being broken into smaller parcels to broaden the contractor base.

The Merged Group will endeavour to take appropriate actions to mitigate these operational risks (including by ensuring legislative compliance, properly documenting arrangements with counterparties, and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events could have an adverse effect on the Merged Group's financial and operational performance.

**(d) Key personnel**

The Merged Group will be dependent on the experience, skills and knowledge of its key personnel, to successfully manage its business.

The loss of any of the Merged Group's key personnel, the inability to recruit necessary staff as needed, the increased cost to recruit or retain the necessary staff, any disputes with employees (through personal injuries, industrial matters or otherwise), changes in labour regulations or other developments in the area, may cause a significant disruption to the Merged Group and adversely impact the Merged Group's operations, financial performance and financial position.

**(e) Exchange rate fluctuations**

The Merged Group will be an Australian business that will report its financial results in Australian dollars. The Merged Group's revenue will, if production and sale of vanadium is achieved, be derived from the sale of vanadium in US dollars. However, costs will be mainly incurred in Australian dollars, therefore movements in the AUD:USD exchange rate could have an adverse impact on the Merged Group's operations, financial performance and financial position.

The risks associated with such fluctuations and volatility may be reduced by any currency hedging the Merged Group may undertake however there is no assurance as to the efficacy of such currency hedging.

**(f) Dependence on licences and permits**

The projects in which AVL and TMT have invested generally require governmental licences, permits, authorisations, concessions and other approvals in connection with their activities. Obtaining and complying with the necessary governmental permits and regulations can be particularly complex, costly and time-consuming and is therefore not assured.

The duration, cost and success of permit applications are contingent on many factors, including those outside the control of the AVL Group. Delay in obtaining or renewing, or failure to obtain or renew, a necessary permit could mean that AVL may be delayed or, in a worst case scenario, unable to proceed with the development or

continued operation of a mine or project. The permits that AVL and its operating entities need may not be issued, maintained or renewed either in a timely fashion or at all, which may constrain the ability of AVL and its operating entities to conduct their mining and processing operations, which in turn may impact AVL's financial results.

There are risks of inadvertently not complying with licences and permits (due to, for example, ambiguity in or misunderstanding of the conditions imposed, oversight, inability to access the necessary resources required for compliance, changes to compliance requirements, etc.). Lack of compliance may result in loss of licences and permits and/or fines and additional costs, among other things.

**(g) Security of tenure**

All tenements in which AVL and TMT have interests are subject to renewal conditions or are yet to be granted, which will be at the discretion of the relevant mining authorities. The maintenance of tenements, obtaining renewals, or getting tenements granted often depends on AVL and TMT being successful in obtaining required statutory approvals for proposed activities. AVL or TMT (and later, the Merged Group) may lose title to, or interests in, its tenements if the conditions to which those tenements are subject are not satisfied or if insufficient funds are available to meet expenditure commitments.

In the jurisdictions in which AVL and TMT operate, both the conduct of operations and the steps involved in acquiring interests will involve compliance with numerous procedures and formalities. It is not always possible to comply with, or obtain waivers from, all such requirements and it is not always clear whether requirements have been properly completed, or that it is possible or practical to obtain evidence of compliance. In particular, tenements are subject to expenditure and work commitments which must be complied with in order to keep the tenements in good standing. In certain circumstances, these commitments may be varied at the discretion of the relevant mining authority.

Failure to meet these commitments could lead to forfeiture of the tenement. Where tenement expenditures and work commitments or other regulatory requirements are not complied with, regulatory exemptions may need to be applied for within specified periods. If exemptions are not applied for in time, or are applied for in time but are not ultimately granted, fines may be payable to avoid the tenements being forfeited or, in extreme cases, the tenements may be forfeited. While AVL and TMT anticipate that subsequent renewals or mineral tenure grants will be given as and when sought, there is no assurance that such renewals or grants will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

**(h) Joint ventures**

Although there are currently no joint ventures in place, the Merged Group's assets may, in the future, also be managed through joint venture partnerships. There is a risk that, if any future joint operating agreements are entered into, the Merged Group may be voted into programs and budgets which it does not necessarily agree with or have the cash resources to fund. It may also be required to contribute to any increases in capital expenditure requirements and/or operating costs. Furthermore, in the case of mining joint ventures, the situation could arise where any or all of the joint venture parties are unable to fund their pro rata contributions to expenditure, in which case the Merged Group may have to make increased contributions to ensure that the program proceeds.



In addition, the non-controlled assets may not comply with AVL's management and operating standards, controls and procedures, including its health, safety, environment and community standards. Failure to adopt equivalent standards, controls and procedures at these assets could adversely impact AVL's reputation and financial results.

(i) **COVID-19**

Notwithstanding COVID-19 vaccinations, measures taken in response to COVID-19 and easing of COVID-19 related restrictions, there remains a possibility of an economic downturn of unknown duration or severity in certain jurisdictions going forward depending on the emergence and impact of new COVID strains or other pandemics and the future response of governments and authorities.

(j) **Metallurgy**

Mineral recoveries are dependent upon the metallurgical process, and by their nature contain elements of significant risk such as identifying a metallurgical process through test work to produce a saleable product, developing an economic process route to produce a saleable product, and variable mineralogy in the ore can result in inconsistent ore grades and recovery rates affecting the economic viability of the Merged Group's projects.

(k) **Offtake risk**

Vanadium production is commonly sold to customers under offtake contracts. AVL and TMT are yet to secure any binding vanadium concentrate offtake contracts with potential customers. The Merged Group's ability to generate sufficient revenue or to secure financing for the project could be dependent upon its ability to secure offtakes covering future production at prices and on terms which support the economics and funding of the Merged Group's projects.

(l) **Product risk**

The Merged Group's possible future products, particularly  $V_2O_5$ , must meet the existing and future customer specifications. These may pertain to mineralogy, fraction sizing, deleterious elements, ESG standards, quantities and timing.

Failure to meet potential customer specifications may result in deliveries being rejected or penalties applied or discounts deducted from the sale price and/or the customer seeking compensation due to the delivery of out of specification product.

(m) **Cost escalation, inflation and price increase risks**

The mining industry, particularly in Western Australia, is currently experiencing impacts related to cost escalation and price increases for inputs, services, equipment and labour. There can be no certainty that costs, and prices will not increase (including due to inflation in the ordinary course) between now and when the Merged Group makes contractual commitments for each of the project inputs.

(n) **Corporate Culture and Business Conduct**

Corporate culture can greatly influence individual and group behaviours. The behaviours that could expose the Merged Group to conduct risk include, but are not limited to, delays in appropriately escalating regulatory and compliance issues, failure to resolve issues in a timely manner and failure to deliver on product and service commitments. If the Merged Group's conduct and ethics related controls, frameworks and practices were to fail significantly, be set inappropriately, or not



meet legal, regulatory, or community expectations, then the Merged Group may be exposed to reputational damage through fines, regulatory intervention or investigation, temporary or permanent loss of licences, litigation and/or permanent loss of business.

(o) **Community Acceptance and Reputation**

The ongoing support of the local communities in which the Merged Group will operate, and the appropriate management of local community expectations is important to the successful operation of the Merged Group's projects and assets. The Merged Group's failure to effectively develop and maintain its relationships with local communities and stakeholders could result in those stakeholders being dissatisfied and result in adverse outcomes for the Merged Group and its operations.

(p) **Occupational Health and Safety**

Workplace incidents may occur for various reasons, including as a result of non-compliance with occupational health and safety laws in Western Australia. The Merged Group may be liable for workplace incidents that occur to the Merged Group's employees or other persons under applicable occupational health and safety laws. If the Merged Group is liable under such laws, in whole or part, the Merged Group may be liable for significant penalties, which may adversely impact the Merged Group's operations, financial performance and financial position.

(q) **Litigation risk**

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that lack merit. Due to the inherent uncertainty of litigation, the litigation process could detract from management time and effort and the resolution of any particular legal proceeding to which the Merged Group is or may become subject could have a material effect on the Merged Group's financial position, results of operations or project development activities.

(r) **Estimate risk**

The Mineral Resources and Ore Reserves estimates contained in this Scheme Booklet are estimates only and no assurance can be given that any particular recovery level of intermediate or final products will in fact be realised. These estimates are prepared in accordance with the JORC Code, but they are expressions of judgement from qualified professionals based on knowledge, experience, industry practice and resource modelling. As such, Mineral Resources and Ore Reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment or revision. Adjustments and revisions to Mineral Resources and/or Ore Reserves could in turn affect AVL's, TMT's and/or the Merged Group's development and mining plans, including the ability to sustain or increase levels of production in the longer term.

Estimates that are valid when made may change significantly when new information becomes available. Should AVL, TMT and/or the Merged Group encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, estimates may need to be adjusted in a way that could adversely affect its operations and may have an impact on development and mining plans. There is also a risk that exploration or production targets will not be met and Mineral Resources cannot be converted into Ore Reserves. Due to the uncertainty which may attach to inferred Mineral Resources, there is no assurance that inferred Mineral Resources will be upgraded to measured or indicated Mineral Resources or proven or probable Ore Reserves as a result of continued exploration.

In addition, commodity price fluctuations, as well as increased production costs or reduced throughput or recovery rates, may render Ore Reserves and Mineral Resources uneconomic and so may materially affect the estimates.

**(s) Unforeseen expenses**

The Merged Group may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events. The directors of the Merged Group expect that the Merged Group will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Merged Group's future objectives.

**(t) Market competition**

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, some of which is with large, better established mining companies with substantial capabilities and greater financial and technical resources, the Merged Group may be unable to acquire rights to exploit additional attractive mining properties on terms they consider acceptable. Accordingly, there can be no assurance that the Merged Group will acquire any interest in additional operations that would yield reserves or result in commercial mining operations.

The Merged Group may also face competition from existing or future vanadium producers, including subsidised producers or producers able to operate with a lower cost base.

**(u) Fluctuations in commodity prices and global economic volatility**

The Merged Group will generally be a price-taker in the markets in which it will operate. The prices the Merged Group obtains for its products will be determined by, or linked to, prices in world commodity markets, which have historically been subject to substantial volatility. Commodity prices are affected by underlying global economic and geopolitical factors, industry demand and supply balances, trade wars, product substitution and national tariffs.

AVL cannot provide any assurances as to the prices the Merged Group will achieve for its products. Changes in mineral commodity prices (principally vanadium) may have a negative effect on the Merged Group's project development and production plans and activities, together with its ability to fund those plans and activities. Commodity prices are influenced by physical and investment demand and may rise or fall. Fluctuations in commodity prices in general and vanadium in particular, may influence the feasibility of the projects of AVL, TMT and the Merged Group. Similarly, the demand for products in which vanadium is used may impact commodity prices and in turn, adversely affect their financial position and share price.

If and when the Merged Group commences production, a decline in the market price of vanadium below the relevant entity's production costs for any sustained period may have a material adverse impact on the profit, cash flow and results of operations of the entity's projects and anticipated future operations. Such a decline also could have a material adverse impact on the ability of the entity to finance the exploration and development of its current projects and any future projects. A decline in the market price of vanadium may also require AVL, TMT and the Merged Group to write down their material reserves which would have a material adverse effect on the value of their shares. Further, the Merged Group may experience liquidity difficulties if the future cash receipts from the sale of its products (principally vanadium) declines. The entities will also have to assess the economic impact of any sustained lower prices

on the recoverability and therefore, on cut-off grades and the level of any future Ore Reserves and Mineral Resources.

AVL's customers may also change over time depending on market conditions and market pricing opportunities.

**(v) Data and cyber security risks**

The integrity, availability and reliability of data within the Merged Group's information technology systems may be subject to intentional or unintentional disruption. Given the level of increasing sophistication and scope of potential cyber-attacks, these attacks may lead to significant breaches of security which could jeopardise the Merged Group's sensitive information, financial transactions and/or ability to operate.

**(w) Debt and equity funding (including shareholder dilution)**

The Merged Group's continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability to raise additional funds for future operations and to repay or refinance debts as they fall due. It is difficult to predict the level of funding that may be required with any accuracy at this time. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms acceptable to the Merged Group or its shareholders.

If additional funds are raised through the issue of equity securities, the capital raising may be dilutive to shareholders (if the Merged Group determines that a pro rata entitlement offer is not the most appropriate method of equity fundraising or shareholders elect not to participate in such entitlement offers) and such securities may, subject to requisite shareholder approval, have rights, preferences or privileges senior to those currently holding the Merged Group's shares. While AVL will be subject to the constraints of the Listing Rules regarding the percentage of capital that it is able to issue within a 12 month period (other than where exceptions apply), AVL Shareholders at the time may be diluted as a result of such issues of AVL Shares and capital raisings.

The terms on which debt financiers are willing to offer finance may vary from time to time depending on macro-economic conditions, the performance of the Merged Group and an assessment of the risks and intended use of funds. Debt finance, if available on terms acceptable to the Merged Group, may involve restrictions on financing and operating activities..

If sufficient funds are not available from either debt or equity markets to satisfy the Merged Group's short, medium or long-term capital requirements, when required, this may adversely impact the Merged Group's operations, financial performance and financial position.

**(x) No certainty the Merged Group will pay dividends**

Any future determination as to the payment of dividends by the Merged Group will be at the discretion of the board of the Merged Group and will depend on the financial condition of the Merged Group, future capital requirements and general business and other factors considered relevant to the board of the Merged Group. No assurance in relation to the continued or future payment of dividends or franking credits attaching to dividends can be given by the Merged Group.

**(y) Actions by governments or political events**

The Merged Group and its business could be adversely affected by new government regulations, such as controls on imports, exports and/or prices.

Increasing requirements relating to regulatory and environmental approvals may affect existing operations or potentially cause delays in or adversely affect the expansion of existing operations and cause additional expense and capital expenditures, the extent of which cannot be predicted.

In addition, the Merged Group and its business could be exposed to the risk of terrorism, civil unrest, nationalisation, renegotiation or nullification of existing contracts, leases, permits or other agreements, changes in laws and policy (including changes in exchange control policies regulating the repatriation of earnings or capital out of the relevant jurisdiction) and governmental reviews and investigations (including historical tax audits), as well as other unforeseeable risks in the jurisdictions in which it operates that could have an adverse impact upon the profitability of an operation.

**(z) Labour costs and availability**

The safe and efficient operation of the Merged Group's business partially depends on its ability to attract and retain skilled labour. Mining projects are often in remote locations and employees often work based on a fly-in, fly-out schedule. As a result, there can be shortages of labour that make it challenging to recruit and retain employees. Tightening of the labour market due to a shortage of skilled labour, combined with a high industry turnover rate and growing competition for skilled labour, may impact upon the Merged Group's ability to hire and retain employees and may lead to exposure to increased labour costs where the demand for labour is strong. A shortage of skilled labour could limit growth prospects or lead to a decline in productivity and an increase in training costs and could adversely affect safety performance records and materially adversely impact revenues and, if costs increase or productivity declines, operating margins.

**(aa) Unexpected natural or operational catastrophes**

The operations of AVL may both be affected by various factors outside of the Merged Group's control, including natural disasters, and operational and technical catastrophes.

These include, but are not limited to flooding or adverse weather conditions, earthquakes, fires, explosions, rock falls, and unusual or unexpected rock formations or geotechnical conditions that affect the exploration, development or mining operations of the business.

**(bb) Environmental risk**

The operations and activities of the Merged Group are subject to the environmental laws and regulations of Australia. As with most mining operations and exploration projects, the Merged Group's operations and activities are expected to have an impact on the environment and may give rise to substantial costs for environmental rehabilitation, damage control and losses. AVL attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. However, the Merged Group may be subject to the investigation and clean-up of contaminated soil, surface water and groundwater. This may lead to penalties or revocation of licences, a delay to the Merged Group's operations or an increase in operating costs, an adverse impact on community relations and significant liability could be imposed on the Merged Group

for damages, rehabilitation and clean-up costs or penalties in the event of particular types of environmental damage. This would require the Merged Group to incur significant costs and may result in an adverse impact on the Merged Group's cash flows, financial position and performance.

AVL is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Merged Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Merged Group to incur significant expenses and undertake significant investments which could have a material adverse effect on the Merged Group's business, financial condition and performance.

(cc) **Native Title**

The *Native Title Act 1993* (Cth) recognises certain rights of Indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Merged Group to carry out exploration or obtain production tenements. In applying for certain production tenements, the Merged Group must observe the provisions of Native Title legislation (where applicable) and Aboriginal Heritage legislation which protects Aboriginal sites and objects of significance. In certain circumstances the consent of registered Native Title claimants must be obtained prior to carrying out certain activities on land to which their claim relates. It is possible that the conditions imposed by Native Title claimants on such consent may be on terms unacceptable to the Merged Group. There are currently registered native title claims over all of AVL's and TMT's tenements. If any known, or currently as yet undiscovered, Aboriginal Heritage sites are present on the tenements of the Merged Group there is a risk that the presence of such sites may limit or prevent exploration or mining activity on the affected areas of those tenements. If Aboriginal heritage sites or objects do exist, the Merged Group may need to enter into agreements with the traditional owners of the sites. The ability of the Merged Group to implement its work programmes may be adversely affected in both time and cost. The failure to obtain the approval of the relevant minister to impact the Aboriginal Heritage sites can result in offences being committed and significant fines or orders to stop work being made.

(dd) **Power**

The dependency of the Merged Group on a Build Own Operate contractor for power supply and the availability of energy resources such as grid power, diesel, gas and other fossil fuels may materially impact the operations and financial position of the Merged Group. Any disruption to the availability of the power station could materially disrupt the operation and profitability of the Merged Group in the absence of an alternative power supply source.

(ee) **Water risk**

The effects of changes in rainfall patterns, water shortages and changing storm patterns and intensities may adversely impact the operations, financial performance and financial position of the Merged Group. There is no guarantee that the Merged Group will receive the necessary water licences or that there will be sufficient future water availability to support the Merged Group's future water demands in relation to its sites and operations, and this could adversely affect production and the Merged Group's ability to develop or expand projects and operations in the future. In addition, there can be no assurance that the Merged Group will be able to obtain water sources of adequate quality on commercially reasonable terms or at all in the event of prolonged drought conditions.

Additionally, having and managing large quantities of water required at the Merged Group's operations poses potential health and safety risks, environmental risks, and the risk of damage to property, in the event of a spillage, loss of containment or other accident.

(ff) **Climate change**

The physical and non-physical impacts of climate change may affect the Merged Group's assets, its productivity, the markets in which it sells its products, and the communities in which the Merged Group operates. Risks related to the physical impacts of climate change include acute risks resulting from increased severity of extreme weather events and chronic risks resulting from longer-term changes in climate patterns.

Non-physical risks arise from a variety of policy, regulatory, legal, technology, financial and market responses to the challenges posed by climate change and the transition to a lower-carbon economy. Any changes to government regulation or policy relating to climate change, including relating to greenhouse gas emissions or energy intensive assets, may directly or indirectly impact the Merged Group's costs and operational efficiency.

(gg) **Bribery and corruption**

The Merged Group may suffer a significant loss resulting from historic or future fraud, bribery, corruption, other illegal acts by its employees, inadequate or failed internal processes or systems, or from external events, such as security threats affecting its ability to operate. AVL relies on its employees to follow policies and processes as well as applicable laws in their activities. Risk of illegal acts or failed systems is managed through AVL's infrastructure, controls, systems and people, complemented by a focus on enterprise wide management of specific operational risks such as fraud, bribery and corruption, as well as personnel and systems risks. Specific programs, policies, standards and methodologies have been developed to support the management of these risks; however these cannot guarantee that such conduct does not occur and if it does, it can result in direct or indirect financial loss, reputational impact or regulatory consequences.

(hh) **Investigations**

The Merged Group may be subject to legal and regulatory investigations, reviews and other compliance queries from regulators and enforcement bodies from time to time. If adverse findings are made by a regulatory or enforcement body as a result of an investigation or review, there may be reputational consequences for the Merged Group, and a risk of civil and criminal penalties, statutory or regulatory sanctions, a requirement to pay compensation, infringement notices or fines. Further, the Merged Group may be subject to recommendations and directions to enhance its control framework, governance and systems. Any material investigation or adverse finding resulting from that investigation involving the Merged Group could have a material adverse impact on the financial performance and position of the Merged Group.

(ii) **Insurance risk**

The Merged Group will maintain insurance coverage to protect against certain risks with such scope of coverage and in such amounts as determined appropriate by the AVL Board and management in the circumstances or to the extent commercially available. However, the insurance policies may not be sufficient to cover all of the potential risks associated with the Merged Group's operations, including cyber security events. The occurrence of a significant adverse event, the risks of which are not fully covered by insurance, could have a material adverse effect on their



respective financial condition and financial performance. There are significant exploration and operating risks associated with exploring for, mining of and refining of vanadium, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. Without limitation, the Merged Group may become subject to liability for accidents, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of premium costs or for other reasons, or in amounts which exceed policy limits. Further, any increase in the cost of insurance policies, any change in the availability of such insurance policies or in the terms, conditions or exclusions on which those policies are offered or renewed or any inability to claim or recover against insurance policies could have a material adverse impact on the operations, financial performance and financial position of the Merged Group.

(jj) **Change in laws**

The operations of the Merged Group will be subject to various Federal, State and local laws (including Commonwealth of Australia and Western Australia). Changes to current laws in the jurisdictions within which the Merged Group operates or may in the future operate, could have a material adverse impact on the Merged Group's operations, financial performance and financial position.

(kk) **Economic conditions**

The operating and financial performance of the Merged Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, the vanadium price, price of production inputs, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets, and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war, or natural disasters. A prolonged deterioration in general economic conditions, including increases in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Merged Group's operating and financial performance and financial position. The Merged Group's future possible revenues and share prices can be affected by these factors, which are beyond AVL's control.

(ll) **Share market conditions**

The price at which AVL Shares are quoted on ASX may increase or decrease due to a number of factors. These factors may cause AVL Shares to trade at prices below the AVL Share price at the date of announcement of the Scheme. There is no assurance that the price of the AVL Shares will increase following implementation of the Scheme. The past performance of AVL is not necessarily an indication as to the future performance of AVL or the Merged Group.

If the Scheme is implemented, a significant number of AVL Shares will be available for trading in the public market. The increase in the number of AVL Shares may lead to sale of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, AVL Shares.

Some of the factors which may adversely impact the price of the AVL Shares include fluctuations in the domestic and international market for listed securities, general economic conditions including interest rates, inflation rates, exchange rates, investor sentiment, changes in the outlook for commodities (particularly vanadium), Australian and international economic conditions and outlook, announcement of new technologies, and geopolitical instability, changes to government fiscal, monetary or



regulatory policies and settings, country trade and importation policies, changes in legislation or regulation, inclusion in or removal from market indices, the nature of the markets in which AVL operates and general operational and business risks.

(mm) **Changes in taxation rules and royalties or their interpretation**

Any change to the current rate of income tax or mineral royalties in jurisdictions where the Merged Group may operate may impact on the profitability and performance of the Merged Group. Changes in tax law (including value added taxes and stamp duties), or changes in the way taxation laws are interpreted may impact AVL's tax liabilities or the tax treatment of an AVL Shareholder's investment. In particular, both the level and basis of taxation may change.

In addition, an investment in AVL Shares involves tax considerations which may differ for each AVL Shareholder. Each TMT Shareholder is encouraged to seek professional tax advice in connection with the Scheme and how they may be individually impacted.

(nn) **Force majeure events**

Events may occur within or outside Australia that could impact upon the Australian economy, the Merged Group's operations and the price of AVL Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for the Merged Group's products and its ability to operate its assets. The Merged Group has only a limited ability to insure against some of these risks, if it chooses to do so, having regard to the terms, conditions, exclusions and cost of the relevant insurance policies.

(oo) **Liquidity risk**

There can be no guarantee that there will always be an active market for the Merged Group's shares or that the price of these shares will increase. There may be relatively few buyers or sellers of shares on the ASX at any given time, and the demand for these shares specifically is subject to various factors, many of which are beyond the Merged Group's control. This may affect the stability or volatility of the market price of the Merged Group's shares, and may also affect the prevailing market price at which shareholders are able to sell their shares at any given time.

## 6.5 Risks related to TMT if the Scheme does not proceed

If the Scheme does not proceed, TMT will continue as a standalone entity and TMT Shareholders will retain their TMT Shares. In these circumstances TMT may be subject to the following risks:

(a) **TMT Shareholders will not receive the Scheme Consideration**

If the Scheme is not implemented, TMT Shareholders will retain their TMT Shares and will not receive the Scheme Consideration. If the Scheme is not implemented, TMT would remain listed on ASX and would continue to operate its business. In those circumstances, TMT Shareholders will continue to be exposed to the risks and benefits of owning TMT Shares.

(b) **If the Scheme does not proceed, the price of a TMT Share may fall below its recent trading price, in the absence of a Superior Proposal**

The market price of a company's publicly traded securities is affected by many variables, some of which are not directly related to the company. Price fluctuations in

TMT's Share price could result from national and global economic and financial conditions, the market's response to the Scheme, changes in vanadium commodity prices, market perceptions of TMT, regulatory changes affecting TMT's operations, variations in TMT's operating results and liquidity of financial markets. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of TMT Shares in the future if the Scheme does not proceed.

If the Scheme is not approved and no Superior Proposal emerges it is likely that the trading price of TMT Shares will fall to below the level at which it has been trading since the Scheme was announced (although this is difficult to predict with any degree of certainty).

(c) **Transaction costs will be incurred**

If the Scheme is not implemented, TMT's transactions costs will be borne by TMT alone, subject to any offset by way of break fee payment from AVL (if applicable). TMT may also be required to pay a break fee to AVL, depending on the circumstances in which the Scheme does not proceed.

(d) **Availability of funding**

TMT has a limited cash balance. TMT's capital requirements depend on numerous factors. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If TMT is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its work programmes as the case may be. There is however no guarantee that TMT will be able to secure any additional funding or be able to secure funding on terms favourable to TMT.

(e) **Lack of Shareholder support**

Based on engagement to date, the TMT Directors have formed the view that major shareholder, RCF, along with 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.

## 6.6 Other risks

In the event the Scheme is not implemented, an investment in TMT Shares will continue to be exposed to various further risk factors, including those which currently apply to a shareholding in TMT. Many of the risk factors described as applicable to AVL (including the Merged Group) in Sections 6.3 and 6.4 also apply to a continuing investment in TMT as a standalone entity.

## 7 Australian Taxation Considerations

### 7.1 Introduction

This Section 7 provides a general summary of the Australian income tax, stamp duty and GST considerations for TMT Shareholders in relation to the Scheme. This summary is based on the applicable Australian tax laws and administrative practices as at the date of this Scheme Booklet.

This summary in this Section is limited in scope and is relevant only for TMT Shareholders that hold their Scheme Shares on capital account. The information in this Section relates only to Scheme Shares, and not to other rights held over Scheme Shares.

This Section does not consider the Australian tax consequences for TMT Shareholders who:

- hold their Scheme Shares as trading stock, as revenue assets, or otherwise in the course of carrying on a business or as part of a profit-making undertaking or scheme;
- acquired their Scheme Shares through an employee share, option or rights scheme;
- are subject to specific tax rules such as the taxation of financial arrangement rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (**Tax Act**), the investment manager regime in Division 832 of the Tax Act, or other tax rules such as those applicable to banks or financial institutions, insurance companies, tax exempt entities, special purpose vehicles (such as trusts, partnerships and superannuation funds) or permanent establishments; or
- are exempt from Australian income tax.

The information contained in this summary is of a general nature only and is not intended to be an exhaustive opinion on all possible tax implications that could apply to TMT Shareholders in relation to the Scheme. This summary does not address any tax implications in jurisdictions outside of Australia.

Since the specific tax consequences of the Scheme for TMT Shareholders will depend on each Scheme Shareholder's individual circumstances, each TMT Shareholder should seek independent professional advice regarding the Australian and foreign tax consequences of the Scheme relevant to their own particular facts and circumstances.

### 7.2 ATO Class Ruling

TMT intends to apply (on behalf of TMT Shareholders) for a class ruling (**Class Ruling**) from the Commissioner of Taxation, to confirm the key Australian income tax consequences of the Scheme, including whether Australian resident TMT Shareholders, who would otherwise make a capital gain on disposal of their Scheme Shares, may be eligible to obtain scrip for scrip roll-over relief pursuant to Subdivision 124-M of the *Income Tax Assessment Act 1997* (Cth).

A Class Ruling is not expected to be issued by the Commissioner of Taxation until after the Implementation Date. If a final Class Ruling is published by the Commissioner of Taxation, it would be available on the Australian Taxation Office's website at [www.ato.gov.au](http://www.ato.gov.au).

TMT Shareholders should review the final Class Ruling if it is issued by the Commissioner of Taxation. The income tax comments provided in the following sections are consistent with positions intended to be taken in TMT's intended application for the Class Ruling.

The Scheme is not conditional on the receipt of a finalised Class Ruling.

### 7.3 Australian resident TMT Shareholders

The below is a summary of the Australian income tax considerations for TMT Shareholders who are residents of Australia for income tax purposes.

#### (a) Capital gains tax

Under the Scheme, TMT Shareholders will dispose their TMT Shares and, in return, receive AVL Shares as Scheme Consideration.

For Australian income tax purposes, the disposal of TMT Shares should trigger a capital gains tax (**CGT**) event for the TMT Shareholder. A TMT Shareholder should make:

- a capital gain to the extent that the capital proceeds received on disposal of their Scheme Shares are more than the cost base of the Scheme Shares disposed – this is subject to the application of a CGT rollover applying (see below) and/or the availability of the CGT discount (see below); or
- a capital loss to the extent that the capital proceeds received on disposal of their Scheme Shares are less than the reduced cost base of the Scheme Shares disposed.

Capital losses can be offset against capital gains derived in the same income year or in later income years. Specific loss recoupment rules may apply (e.g. for TMT Shareholders who are companies for Australian income tax purposes) which must be satisfied if those carry forward capital losses are to be used in future years.

The capital proceeds received on disposal of Scheme Shares under the Scheme should be the value of the AVL Shares received as Scheme Consideration.

The cost base of each Scheme Share should generally be the amount of money paid, or value of property given, to acquire the Scheme Share and certain incidental costs of acquisition and disposal (such as brokerage fees and legal costs). The reduced cost base of a Scheme Share is determined in a similar manner except that certain amounts are excluded from the calculation of the reduced cost base depending on the TMT Shareholder's individual circumstances.

#### (b) CGT scrip for scrip roll-over

CGT scrip for scrip roll-over relief under Subdivision 124-M of the Tax Act should be available to Australian resident TMT Shareholders in respect of the disposal of Scheme Shares and replacement with AVL Shares. It is noted that AVL will not make an election to deny TMT Shareholders roll-over relief.

If a TMT Shareholder makes a choice to apply the roll-over relief:

- any capital gain that the TMT Shareholder would have otherwise made on the disposal of their Scheme Shares should be disregarded;
- the existing cost base of the TMT Shareholder's Scheme Shares should effectively become the cost base of the replacement AVL Shares received; and
- the replacement AVL Shares received should be deemed to have been acquired by the TMT Shareholder when the disposed Scheme Shares were originally acquired.

CGT roll-over is not available if a TMT Shareholder makes a capital loss on the disposal of the Scheme Shares.

(c) **CGT discount**

Where the CGT scrip for scrip roll-over is not available, the CGT discount may apply to TMT Shareholders who are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their TMT Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their TMT Shares to AVL.

The CGT discount is not available to a TMT Shareholder that is a company.

The CGT discount allows a TMT Shareholder who is an individual, or a trustee of a trust, who has not elected scrip for scrip CGT rollover relief, to discount the capital gain by 50%, thereby including only the remaining 50% of the capital gain in their assessable income for tax purposes.

A TMT Shareholder that is a complying superannuation entity who has not elected CGT scrip for scrip rollover relief may discount the capital gain by 1/3, thereby including only the remaining 2/3 of the capital gain in its assessable income for tax purposes.

A TMT Shareholder will be eligible for the CGT discount provided that:

- the TMT Shares were acquired, or are taken to have been acquired, at least 12 months before the disposal to AVL (not including the date of acquisition or the date of disposal);
- the TMT Shareholder did not choose to index the cost base of their TMT Shares; and
- the CGT discount is applied to the capital gain only after any available capital losses are first applied to reduce the capital gain.

## 7.4 Foreign resident TMT Shareholders

For a TMT Shareholder who:

- is not a resident of Australia for income tax purposes; and
- does not hold their Scheme Shares in carrying on a business through a permanent establishment in Australia,

the disposal of Scheme Shares will generally only result in Australian CGT implications if their Scheme Shares are “indirect Australian real property interests” (**IARPI**) under the Tax Act at the time of disposal. Broadly, the Scheme Shares will only be IARPI where both of the following conditions are satisfied:

- the TMT Shareholder, together with its associates, holds 10% or more of the issued shares in TMT at the time of the disposal, or held 10% or more of the issued shares in TMT, for any continuous 12 month period within two years preceding the disposal (referred to as a '**Non-portfolio Interest**' in TMT); and
- more than 50% of the market value of TMT's assets is attributable to direct or indirect interests in 'taxable Australian real property' (as defined in the Tax Act) (**TARP Test**).

TMT expects the TARP Test to be satisfied. Any foreign resident TMT Shareholder who holds (or has held) a Non-portfolio Interest should obtain independent professional advice as to the Australian tax implications of a disposal of their Scheme Shares under the Scheme.

## 7.5 Foreign resident CGT withholding tax rules

Generally, a foreign resident capital gains withholding equal to 12.5% of the capital proceeds applies to a transaction involving the acquisition of a share that is an IARPI from a “relevant foreign resident”. Generally, a “relevant foreign resident” would be any TMT Shareholder who, at the time that the Scheme is entered into:

- AVL knows is a foreign resident for Australian income tax purposes;
- AVL reasonably believes is a foreign resident for Australian income tax purposes;
- AVL does not reasonably believe is an Australian resident for Australian income tax purposes and either: (i) the TMT Shareholder has an address outside Australia (according to any record that is in AVL's possession or is kept or maintained on AVL's behalf about the disposal of Scheme Shares); or (ii) in respect of which, AVL is authorised to provide a related financial benefit to a place outside Australia; or
- has a connection outside Australia of a kind specified in the relevant regulations under the Tax Act.

However, provided that the Scheme Shares are not IARPI, the foreign resident capital gains withholding should not apply.

Scheme Shareholders with an address outside Australia (or which AVL, as a purchaser, reasonably believes is a “relevant foreign resident”), will be provided (either together with this Scheme Booklet or separately) a Relevant Foreign Resident Declaration Form. In this declaration form, a TMT Shareholder may provide AVL with a declaration that:

- the registered holder of the relevant TMT Shares is an Australian tax resident (residency declaration); or
- the TMT Shares held by the registered holder are not IARPI (interest declaration).

For these TMT Shareholders, unless a signed Relevant Foreign Resident Declaration Form regarding your residency or interest or a notice of variation granted by the Commissioner of Taxation to vary the withholding amount to nil is provided to AVL, if AVL believes foreign resident CGT withholding is applicable to the relevant TMT Shareholder it may be required to withhold and pay to the Commissioner of Taxation a withholding amount of 12.5% from the Scheme Consideration.

## 7.6 GST and stamp duty

No Australian stamp duty or GST should be payable by a TMT Shareholder on the disposal of the Scheme Shares or acquisition of AVL Shares under the Scheme.

TMT Shareholders may be charged GST on any costs they incur in acquiring or disposing of Scheme Shares. TMT Shareholders may be entitled to input tax credits or reduced input tax credits for such costs. TMT Shareholders who are registered for GST should seek independent GST advice in relation to their own particular circumstances.

## 8 Scheme Information

### 8.1 Scheme Implementation Deed

TMT and AVL have entered into the Scheme Implementation Deed in connection with the proposed Scheme. The Scheme Implementation Deed sets out the obligations of TMT and AVL in relation to the Scheme.

A copy of the Scheme Implementation Deed is disclosed as an annexure to TMT's ASX announcement titled "Australian Vanadium and Technology Metals Australia agree A\$217 million merger", released on the Announcement Date.

### 8.2 Conditions precedent

The Scheme and the obligations of TMT and AVL to implement the Scheme are subject to the following outstanding conditions precedent being satisfied or, where applicable, waived, in accordance with the terms of the Scheme Implementation Deed:

- Court approval of the Scheme in accordance with section 411(4)(b) of the Corporations Act and an office copy of the Court orders approving the Scheme being lodged with ASIC as contemplated by section 411(10) of the Corporations Act;
- approval of the Scheme by the Requisite Majority;
- none of the following has been issued or made before the Delivery Time on the Second Court Date:
  - there is not in effect any temporary, preliminary or final order, injunction, decision or decree issued by any court of competent jurisdiction or other Government Agency, or other material legal restraint or prohibition;
  - no action or investigation is announced, commenced or threatened by any Government Agency; and
  - no application is made to any Government Agency,

in consequence of, or in connection with the Scheme, which:

- restrains, prohibits or otherwise materially adversely affects (or could reasonably be expected to restrain, prohibit or otherwise materially adversely affect) the Scheme, completion of the Proposed Transaction or the rights of AVL in respect of TMT or the TMT Shares to be acquired under the Scheme; or
- requires the divestiture by AVL of any TMT Shares or the divestiture of any assets of the AVL Group or the TMT Group,
- unless such order, injunction, decision, decree, action, investigation or application has been disposed of to the satisfaction of AVL in its absolute discretion or is otherwise no longer effective or enforceable by the Delivery Time on the Second Court Date
- the Independent Expert issues an Independent Expert's Report which concludes that the Scheme is in the best interests of TMT Shareholders on or before the time when this Scheme Booklet is registered by ASIC;



- between and including the date of the Scheme Implementation Deed and the date of the Scheme Meeting none of the TMT Directors fails to make, changes, qualifies or withdraws their Recommendation or Voting Intention as provided by clause 7 of the Scheme Implementation Deed;
- no TMT Prescribed Occurrence occurs or becomes known to AVL between (and including) the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date;
- no AVL Prescribed Occurrence occurs or becomes known to TMT between (and including) the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date;
- no TMT Regulated Event occurs or becomes known to AVL between (and including) the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date;
- no AVL Regulated Event occurs or becomes known to TMT between (and including) the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date;
- no TMT Material Adverse Change occurs or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to AVL between the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date;
- no AVL Material Adverse Change occurs or is reasonably likely to occur, or is discovered, announced, disclosed or otherwise becomes known to TMT between the date of the Scheme Implementation Deed and the Delivery Time on the Second Court Date;
- TMT is not in breach, in any material respect, of its obligations under clause 5 of the Scheme Implementation Deed or any of its other obligations under the Scheme Implementation Deed at 5.00pm on the Business Day before the Scheme Meeting and the Delivery Time on the Second Court Date;
- AVL is not in breach, in any material respect, of its obligations under clause 5 of the Scheme Implementation Deed or any of its other obligations under the Scheme Implementation deed at 5.00pm on the Business Day before the Scheme Meeting and the Delivery Time on the Second Court Date;
- the TMT Warranties are true and correct in all respects, in each case as at the Delivery Time on the Second Court Date as though made on and as of that time (unless expressed to be given as of a particular date, in which case such representations and warranties are true and correct as at that date);
- the AVL Warranties that are qualified as to materiality are true and correct in all respects, and the AVL Warranties that are not so qualified are true and correct in all respects, in each case as at the Delivery Time on the Second Court Date as though made on and as of that time (unless expressed to be given as of a particular date, in which case such representations and warranties are true and correct as at that date);
- all TMT Performance Rights are cancelled, or vest and are exercised (if applicable) and the resulting TMT Shares are issued, in accordance with their terms on or prior to the Delivery Time on the Second Court Date; and

- Option Cancellation Deeds have been entered into with each holder of TMT Options on or prior to the Delivery Time on the Second Court Date (and all conditions precedent to completion under such deeds, other than a condition that the Scheme become Effective, are satisfied).

As at the date of this Scheme Booklet, AVL has successfully satisfied the condition to the Scheme being AVL having successfully completed the Placement on or before the 10<sup>th</sup> Business Day after the date of the Scheme Implementation Deed.

As at the date of this Scheme Booklet, TMT is not aware of any circumstances that would cause the conditions to not be satisfied. TMT Shareholders will receive an update on the status of the conditions at the Scheme Meeting.

TMT will also announce to ASX any relevant matter that affects the Scheme or the likelihood of a condition being satisfied or not being satisfied, in accordance with TMT's continuous disclosure obligations. These details will be published on ASX's website ([www.asx.com.au](http://www.asx.com.au)) and will also appear on TMT's website ([www.tmtlimited.com.au](http://www.tmtlimited.com.au)).

### 8.3 Exclusivity arrangements

The Scheme Implementation Deed contains exclusivity arrangements which, during the Exclusivity Period, prevent TMT, or any of its Representatives, directly or indirectly:

- **No shop:** soliciting, inviting, encouraging or initiating (including by the provision of non-public information) any TMT Competing Proposal or any enquiries, proposals, discussions or negotiations in relation to (or which may reasonably be expected to lead to) a TMT Competing Proposal, or communicating any intention to do any of these things;
- **No talk:**
  - facilitating, continuing or otherwise participating in any negotiations, discussions or other communications with respect to any enquiry, expression of interest, offer, proposal, negotiation or discussion by any person;
  - negotiating, accepting or entering into, or offering to agree to negotiate, accept or enter into, any agreement, arrangement or understanding; or
  - communicating any intention to do any of these things,

in relation to, or which may reasonably be expected to lead to a TMT Competing Proposal.
- **Due diligence information:**
  - except with the prior written consent of AVL, soliciting, inviting, initiating, encouraging, facilitating or permitting any person (other than AVL or its Representatives) to undertake due diligence investigations in respect of any TMT Group Member or any of their businesses, affairs and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a TMT Competing Proposal; or
  - except with the prior written consent of AVL, making available to any other person (other than AVL, its Representatives or a Government or Government Agency) or permitting any such person to receive any non-public information relating to any TMT Group Member, or any of their businesses, affairs and

operations with a view to obtaining, or which may reasonably be expected to lead to, a TMT Competing Proposal.

Certain of these restrictions (but not the "No shop" restrictions) are subject to TMT's right to engage with third parties in connection with a written TMT Competing Proposal where the Directors have determined (after receiving relevant advice) that such a TMT Competing Proposal is or may reasonably be expected to lead to a Superior Proposal and that failing to respond to a TMT Competing Proposal or failing to or refusing to take account may constitute a breach of their fiduciary or statutory duties.

However, AVL has the right, but not the obligation, at any time during the period of five Business Days following the receipt of the notice from TMT of a Superior Proposal, to submit a counter proposal to the Superior Proposal, including by increasing the amount of consideration offered under the Scheme.

At the date of this Scheme Booklet, TMT has not received any TMT Competing Proposals.

For further information refer to clause 8 of the Scheme Implementation Deed.

## 8.4 Scheme Meeting

The Court has ordered that a meeting of TMT Shareholders be held at 10:00am (AWST) on Tuesday, 16 January 2024 to consider the Scheme.

The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how TMT Shareholders should vote (on this matter TMT Shareholders must reach their own decision); or
- has prepared, or is responsible for, the content of this Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

The Scheme is conditional, among other things, on approval of the Scheme Resolution by the Requisite Majority, being:

- unless the Court orders otherwise, a majority in number (more than 50%) of TMT Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- at least 75% of the total number of votes which are cast at the Scheme Meeting.

Further details of the consequences of the Scheme not being implemented are set out in Section 6.5.

## 8.5 Share splitting

If AVL forms the opinion (acting reasonably) that two or more Scheme Shareholders have, before the Record Date, been a party to:

- splitting a holder of TMT Shares into two or more parcels of TMT Shares whether or not it results in any change of legal or beneficial ownership of the TMT Shares (**Share Splitting**); or
- division in an attempt to obtain unfair advantage by reference to rounding (in respect to fractional entitlements),

AVL may give notice to such Scheme Shareholders attributing the TMT Shares held by all of them to one of them (specifically identified in such notice). This notice deems the TMT Shareholder identified in such notice to be the holder of all those shares the subject of the Share Splitting.

## 8.6 Court approval of the Scheme

In accordance with section 411(4)(b) of the Corporations Act, in order to become Effective, the Scheme (with or without modification) must be approved by an order of the Court. TMT will apply to the Court for orders approving the Scheme if:

- the Scheme Resolution is approved by the Requisite Majority at the Scheme Meeting; and
- all other conditions to the Scheme which are required (under the Scheme Implementation Deed) to be satisfied by the Second Court Date are satisfied or waived (where applicable).

The date on which the Court hears TMT's application is the Second Court Date.

The Court may refuse to grant the orders referred to above even if the Scheme Resolution is approved by the Requisite Majority.

ASIC has been requested to issue a written statement that it has no objection to the Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

TMT Shareholders have the right to seek leave to appear at the Court on the Second Court Date to oppose the approval of the Scheme by the Court or make representations to the Court in relation to the Scheme. If you wish to oppose approval of the Scheme by the Court at the Court hearing you may do so by filing with the Court, and serving on TMT, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on TMT at least one Business Day (in Perth, Western Australia) before the Second Court Date. That date is currently scheduled to occur on or around Friday, 19 January 2024. Any change to this date will be announced through ASX and will be available on ASX's website, [www.asx.com.au](http://www.asx.com.au). Alternatively, if you wish to make representations to the Court in relation to the Scheme, the Court may grant you leave to be heard at the hearing without becoming a party to the proceeding.

## 8.7 Actions by TMT and AVL

If Court orders approving the Scheme are obtained, the TMT Board and the AVL Board will take or procure the taking of the steps required for the Scheme to be implemented. These will include the following:

- TMT will lodge with ASIC an office copy of the Court order approving the Scheme, under section 411(10) of the Corporations Act, and the Scheme will become Effective;
- on the close of trade on the Effective Date, TMT Shares will be suspended from trading on ASX;
- on the Implementation Date, all of the TMT Shares held by Scheme Shareholders on the Record Date will be transferred to AVL and, in exchange, each Scheme Shareholder (other than Ineligible Overseas Shareholders and Small Parcel Shareholders, refer to Sections 2.7, 2.8 and 2.9) will be issued the Scheme Consideration;
- on the Implementation Date, AVL will issue to the Sale Agent the Scheme Consideration in respect of the TMT Shares held on the Record Date by all Ineligible Overseas Shareholders and all Small Parcel Shareholders. AVL will procure that the Sale Agent sells those AVL Shares within 30 Business Days following the Implementation Date. The Sale Agent must promptly remit the net proceeds of the sale of those AVL Shares (after deducting any applicable selling costs, taxes and charges) to AVL, which will then remit such proceeds to Ineligible Overseas Shareholders and Small Parcel Shareholders;
- on the Implementation Date, AVL will register the holders of AVL Shares in the AVL Share Register;
- on the Implementation Date, TMT will enter the name of AVL in the TMT Register as the holder of the TMT Shares; and
- on a date to be determined by AVL and TMT after the Implementation Date, TMT will request that ASX remove TMT from the official list of ASX.

## 8.8 Effective Date

The Scheme will become Effective on the date upon which the office copy of the order of the Court under section 411(10) of the Corporations Act approving the Scheme is lodged with ASIC or such earlier date as the Court determines or specifies in the order.

If the Scheme becomes Effective, TMT will immediately give notice of the event to ASX. It is expected that TMT Shares will be suspended from trading on ASX on the close of trade on the Effective Date.

Once the Scheme becomes Effective, TMT and AVL will become bound to implement the Scheme in accordance with its terms.

If the Scheme has not become Effective or the relevant conditions have not been satisfied or waived prior to the Delivery Time on the Second Court Date, or such later date as TMT and AVL agree in writing, the Scheme will lapse and be of no further force or effect.

## 8.9 Deed Poll

On 30 November 2023, AVL executed the Deed Poll in favour of Scheme Shareholders, under which, subject to the Scheme becoming Effective, AVL undertakes in favour of each Scheme Shareholder to pay the Scheme Consideration for each Scheme Share, being 12.00 New AVL Shares for every one Scheme Share held by a Scheme Shareholder.

Refer to Appendix 3 for a copy of the Deed Poll.

### 8.10 Record Date

The Record Date for the Scheme is 7.00pm (AWST) on the date which is 2 Business Days after the Effective Date (or on such other date (after the Effective Date) as TMT and AVL may agree in writing). Only TMT Shareholders who appear on the TMT Register on the Record Date will be entitled to receive the Scheme Consideration.

### 8.11 Implementation

If the Scheme becomes Effective (i.e. after it is approved by TMT Shareholders and the Court and all other conditions have been satisfied or waived), all TMT Shares outstanding on the Record Date will be transferred on the Implementation Date to AVL, in return for the issuance by AVL of the Scheme Consideration to TMT Shareholders and the Sale Agent for sale through the Sale Facility. See Appendix 2 for a copy of the Scheme.

### 8.12 Implementation Date

The Implementation Date for the Scheme is the date which is 5 Business Days after the Record Date (or on such other date agreed to in writing by TMT and AVL).

On the Implementation Date for the Scheme, AVL must:

- issue AVL Shares to TMT Shareholders entitled to them and cause their names and addresses to be recorded in the AVL Share Register; and
- issue AVL Shares to the Sale Agent for sale through the Sale Facility.

In the case of TMT Shares held in joint names, the Scheme Consideration will be issued to, and registered in the names of, the joint holders, and holding statements and CHES confirmation advices will be sent to the registered address as recorded on the TMT Register on the Record Date.

All TMT Shares on the Record Date will be transferred on the Implementation Date to AVL without any need for further actions by TMT Shareholders.

### 8.13 Warranty provided by each Scheme Shareholder

Under the Scheme, each Scheme Shareholder is deemed to have warranted to AVL and TMT on the Implementation Date that:

- all Scheme Shares (including any rights and entitlements attaching to those TMT Shares) will, at the date of the transfer of them to AVL, be fully paid and free from all mortgages, charges, security interests, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind; and
- they have the power and capacity to sell and to transfer their Scheme Shares, and all rights and entitlements attaching to those Scheme Shares to AVL.

### 8.14 Issue of New AVL Shares

If the Scheme becomes Effective, on the Implementation Date AVL must issue to each Scheme Shareholder (other than Ineligible Overseas Shareholders and Small Parcel Shareholders) the New AVL Shares as that Scheme Shareholder is entitled to receive under the Scheme and procure that the name and address of each Scheme Shareholder is entered in the AVL Share Register in respect of those New AVL Shares.

No securities will be issued on the basis of this Scheme Booklet after the date which is 13 months after the date of this Scheme Booklet, being the expiry date of this Scheme Booklet.

AVL will apply to ASX after the date of this Scheme Booklet for official quotation of the New AVL Shares to be issued on implementation of the Scheme.

### 8.15 Commencement of trading in AVL Shares on ASX

Trading in AVL Shares issued under the Scheme on ASX is expected to commence on a normal settlement basis with effect from the next Business Day after the Implementation Date (or such other date as ASX requires). The Implementation Date is currently expected to be Thursday, 1 February 2024. The actual dates will be announced to ASX.

It is the responsibility of each TMT Shareholder to determine their entitlement to New AVL Shares under the Scheme before trading those shares to avoid the risk of selling shares that they do not own.

### 8.16 Delisting of TMT

TMT will apply to ASX to delist TMT to take effect from the later of the Business Day after the Implementation Date and the Business Day after the date on which all transfers of the Scheme Shares have been duly registered in accordance with the Scheme.

### 8.17 Termination of the Scheme Implementation Deed

The Scheme Implementation Deed may be terminated:

- (a) by either TMT or AVL, by providing written notice to the other, if prior to the Delivery Time on the Second Court Date any of the following occurs:
- **(Material breach of the Scheme Implementation Deed):** the other is in material breach of any of its obligations under the Scheme Implementation Deed (other than a material breach of a representation or warranty) and, if capable of remedy, the material breach is not remedied within five Business Days of receipt of a breach notice from the other party;
  - **(Court determines not to approve the Scheme)** the Court (or another Government Agency) has taken action permanently restraining or otherwise prohibiting or preventing the Scheme, or has refused to do anything necessary to permit the Scheme to be implemented by the End Date, and the action or refusal has become final and cannot be appealed or reviewed or the party (acting reasonably) believes that there is no realistic prospect of an appeal or review succeeding by the End Date;
  - **(Scheme not being Effective)** if the Scheme has not become Effective, or will not occur, on or before the End Date, unless the failure of the Scheme to become Effective on or before the End Date is due to the failure of the party seeking to terminate the Scheme Implementation Deed to perform or observe its obligations, covenants and agreements under Scheme Implementation Deed;
  - **(Conditions Precedent):** there is a breach or non-fulfilment of a condition precedent (provided the condition is for the benefit of the party seeking to terminate) which is not waived and there is failure to agree on an alternative means of completing the Transaction;



- (b) by TMT, by providing written notice to AVL, if prior to the Delivery Time on the Second Court Date any of the following occurs:
- **(AVL breaches any representation or warranty):** AVL breaches any representation or warranty contained in the Scheme Implementation Deed and AVL fails to remedy that breach within five Business Days of receipt of a breach notice from TMT;
  - **(AVL Prescribed Occurrence, AVL Regulated Event or AVL Material Adverse Change):** an AVL Prescribed Occurrence, AVL Regulated Event or AVL Material Adverse Change occurs; or
  - **(TMT Superior Proposal):** the TMT Board determines in accordance with the Scheme Implementation Deed, that a TMT Competing Proposal is a TMT Superior Proposal, provided always that there has not been a material breach by TMT of the Scheme Implementation Deed and TMT have not paid the TMT Break Fee to AVL;
- (c) by AVL, by providing written notice to TMT, if prior to the Delivery Time on the Second Court Date any of the following occurs:
- **(TMT breaches any representation or warranty):** TMT materially breaches any representation or warranty contained in the Scheme Implementation Deed and TMT fails to remedy that breach within five Business Days of receipt of a breach notice from AVL;
  - **(TMT Prescribed Occurrence, TMT Regulated Event or TMT Material Adverse Change):** a TMT Prescribed Occurrence, TMT Regulated Event or TMT Material Adverse Change occurs;
  - **(Entry into Competing Proposal):** if TMT enters into any agreement or arrangement in relation to the implementation of a TMT Competing Proposal; or
  - **(A Director fails to recommend the Scheme):** a Director changes, withdraws, adversely modifies or qualifies his or her recommendation 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 interest of TMT Shareholders) or makes a public statement that is inconsistent with his or her recommendation of the Scheme (including where a Competing Proposal is recommended, endorsed or supported by any TMT Director). However a statement to the effect that no action should be taken by TMT Shareholders pending an assessment of a TMT Competing Proposal does not amount to statement that triggers AVL's termination right.

## 8.18 TMT Break Fee

TMT has agreed to pay to AVL the TMT Break Fee (\$839,900 (excluding GST)) if before the Scheme becomes Effective, any of the following events occur:

- a TMT Competing Proposal is announced by a third party and within 12 months thereafter, a TMT Competing Proposal is completed or TMT enters in an agreement or arrangement that would result in AVL or an AVL Group Member not being able to implement the Scheme involving that third party or any of its Associates or such persons acquire (either alone or in aggregate) a Relevant Interest in more than 50% of the TMT Shares or otherwise Control TMT;

- a Superior Proposal is received by TMT or publicly announced at any time during the Exclusivity Period;
- at any time prior to the Delivery Time on the Second Court Date, any TMT Director:
  - fails to make the Recommendation or give the Voting Intention; or
  - withdraws, adversely changes, adversely modifies or adversely qualifies their Recommendation, Voting Intention or support for the Scheme generally, except where:
    - any TMT Director fails to 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 interest of TMT Shareholders) (other than in circumstances where that conclusion is due to the existence, announcement or publication of a TMT Competing Proposal), provided that any change of their Recommendation or Voting Intention must only occur after the Independent Expert has issued its conclusion that the Scheme is not in the best interests of TMT Shareholders; or
    - the TMT Director has obtained written advice in accordance with the Scheme Implementation Deed that it would be inappropriate to make or maintain the Recommendation;
- at any time prior to the Delivery Time on the Second Court Date, any TMT Director recommends, supports or endorses a TMT Competing Proposal (including support by way of accepting or voting, or by way of stating an intention to accept or vote in respect to any TMT Shares) of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions);
- TMT is in breach of its exclusivity obligations contained in the Scheme Implementation Deed; or
- AVL terminates the Scheme Implementation Deed because:
  - there is a TMT Prescribed Occurrence or a TMT Regulated Event; or
  - TMT is in material breach of the Scheme Implementation Deed.

## 8.19 AVL Break Fee

AVL has agreed to pay to TMT the AVL Break Fee (\$839,900 (excluding GST)) if before the Scheme becomes Effective, any of the following events occur:

- an AVL Competing Proposal is announced by a third party and within 12 months thereafter, an AVL Competing Proposal is completed or AVL enters in an agreement or arrangement that would result in TMT or a TMT Group Member not being able to implement the Scheme involving that third party or any of its Associates or such persons acquire (either alone or in aggregate) a Relevant Interest in more than 50% of the AVL Shares or otherwise Control AVL;
- a Superior Proposal is received by AVL or publicly announced at any time during the Exclusivity Period;

- at any time prior to the Delivery Time on the Second Court Date, any AVL Director recommends, supports or endorses an AVL Competing Proposal (including support by way of accepting or voting, or by way of stating an intention to accept or vote in respect to any AVL Shares) of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions);
- AVL is in breach of its exclusivity obligations contained in the Scheme Implementation Deed; or
- TMT terminates the Scheme Implementation Deed because:
  - there is a AVL Prescribed Occurrence or a AVL Regulated Event; or
  - AVL is in material breach of the Scheme Implementation Deed.

## 8.20 Arrangements for holders of TMT Performance Rights

TMT has 2,925,000 TMT Performance Rights on issue which, if they vest in accordance with their terms of issue, convert into TMT Shares on a one-for-one basis.

In accordance with the terms of the TMT Employee Incentive Plan in relation to TMT Performance Rights, the Board has determined that the Scheme is a 'Special Condition' as defined in the TMT Employee Incentive Plan and accordingly waived the vesting conditions.

The TMT Performance Rights will, subject to the Scheme becoming Effective, automatically convert into TMT Shares following Court approval of the Scheme.

Section 3.8 sets out details of the TMT Performance Rights which are held by or on behalf of TMT Directors.

## 8.21 Arrangements for holders of TMT Options

At the date of this Scheme Booklet, the following TMT Options are on issue:

Exercise Price	TMT Options	Issue Date	Expiry Date	Option Consideration (New AVL Shares) <sup>1</sup>
<b>Class C Options</b>				
\$0.50	2,000,000	23 April 2021	1 January 2024	nil
\$0.50	1,000,000	23 April 2021	1 January 2024	nil
\$0.50	500,000	23 April 2021	1 January 2024	nil
\$0.50	150,000	29 January 2021	1 January 2024	nil
\$0.50	25,000	29 January 2021	1 January 2024	nil
\$0.50	25,000	29 January 2021	1 January 2024	nil
\$0.50	75,000	29 January 2021	1 January 2024	nil
\$0.50	300,000	7 June 2022	1 January 2024	nil
\$0.50	300,000	5 September 2022	1 January 2024	nil

Exercise Price	TMT Options	Issue Date	Expiry Date	Option Consideration (New AVL Shares) <sup>1</sup>
\$0.50	1,000,000	24 November 2022	1 January 2024	nil
<b>Class E Options</b>				
\$0.60	2,000,000	19 November 2021	30 June 2025	4,074,074
\$0.60	500,000	6 April 2022	30 June 2025	1,018,519
\$0.60	350,000	5 September 2022	30 June 2025	712,963
\$0.60	1,000,000	24 November 2022	30 June 2025	2,037,037
\$0.60	300,000	7 June 2022	30 June 2025	611,111
\$0.60	250,000	6 April 2022	30 June 2025	509,259
\$0.60	200,000	6 April 2022	30 June 2025	407,407
\$0.60	200,000	6 April 2022	30 June 2025	407,407
\$0.60	200,000	7 June 2022	30 June 2025	407,407
\$0.60	125,000	6 April 2022	30 June 2025	254,630
\$0.60	250,000	6 April 2022	30 June 2025	509,259
\$0.60	50,000	6 April 2022	30 June 2025	101,853
<b>Total</b>	<b>10,800,000</b>			<b>11,050,926</b>

Note: The number of New AVL Shares calculated based on:

- the value of an AVL Share based on the closing price of AVL Shares on the ASX as at the valuation date of 22 September 2023, being \$0.027; and
- the value of each TMT Option based on a Black-Scholes valuation as at the valuation date of 22 September 2023, being \$0.055.

TMT and AVL have entered into Option Cancellation Deeds with each of the TMT Optionholders. The material terms of the Option Cancellation Deeds are summarised below:

- each TMT Optionholder has agreed to the cancellation of their TMT Options for the Option Consideration (if any) set out in the table above;
- AVL must provide, or procure the provision of, the Option Consideration (if applicable) to the TMT Optionholders on the Implementation Date;
- the cancellation of the TMT Options is conditional on:
  - the Scheme becoming Effective;
  - prior to the Second Court Date, the necessary regulatory approvals, confirmations and waivers having been obtained by TMT; and
  - the TMT Optionholder not having dealt with the TMT Options contrary to the terms of the Option Cancellation Deed.

TMT has obtained a waiver from ASX of the requirements of Listing Rule 6.23.2 to permit the TMT Options to be cancelled for consideration without requiring TMT Shareholder approval to be obtained. Refer to Section 9.5(b) for further details.

If a TMT Optionholder exercises its TMT Options prior to the Record Date, TMT will issue TMT Shares to that TMT Optionholder so as to facilitate the TMT Optionholder's participation in the Scheme as a TMT Shareholder.

Section 3.8 sets out details of the TMT Options and TMT Performance Rights which are held by or on behalf of TMT Directors.

## 9 Additional Information

### 9.1 No unacceptable circumstances

The TMT Directors believe that the Scheme does not involve any circumstances in relation to the affairs of any TMT Shareholder that could reasonably be characterised as constituting “unacceptable circumstances” for the purposes of section 657A of the Corporations Act.

### 9.2 Creditors of TMT

The Scheme, if implemented, is not expected to materially prejudice TMT’s ability to pay its creditors, as the Scheme involves the acquisition of TMT Shares for consideration provided by a third party, rather than the acquisition of TMT’s underlying assets. No material new liability (other than transaction costs) is expected to be incurred by TMT as a consequence of the Scheme (refer also to Section 8.18 for information relating to the TMT Break Fee). TMT has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.

### 9.3 Third party consents

#### (a) Role of advisers and experts

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Scheme or the preparation or distribution of this Scheme Booklet are:

Name	Role
BDO Corporate Finance (WA) Pty Ltd	Independent Expert
Valuation & Resource Management Pty Ltd	Independent Technical Specialist
DLA Piper	Legal adviser to TMT
Sternship Advisers Argonaut PCF	Financial advisers to TMT
Automic Group	TMT’s share registry

#### (b) Consents

Each person named in Section 9.3(a) has given, and before the time of registration of this Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Scheme Booklet in the capacity indicated next to their name.

AVL has given its consent to the inclusion of the AVL Information in this Scheme Booklet in the form and context in which that information appears and has not withdrawn that consent before the date of this Scheme Booklet.

BDO Corporate Finance (WA) Pty Ltd has given its consent to the inclusion of its Independent Expert’s Report and the references to its Independent Expert’s Report in this Scheme Booklet in the form and context in which they appear and has not withdrawn that consent before the date of this Scheme Booklet.

Valuation and Resource Management Pty Ltd has given its consent to the inclusion of its Technical Specialist's Report and the references to its Technical Specialist's Report in this Scheme Booklet in the form and context in which they appear and has not withdrawn that consent before the date of this Scheme Booklet.

DLA Piper Australia has given its consent to be named in this Scheme Booklet as legal adviser to TMT in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Sternship Advisers has given its consent to be named in this Scheme Booklet as financial adviser to TMT in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Argonaut PCF has given its consent to be named in this Scheme Booklet as financial adviser to TMT in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Automic Group has given its consent to be named in this Scheme Booklet as TMT's share registry in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

(c) **Disclaimer**

AVL and each person named in Section 9.3(a):

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than as specified in Section 9.3; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of this Scheme Booklet other than a reference to its name and any statement or report which has been included in this Scheme Booklet with the consent of that person.

(d) **Fees**

Each of the persons named in this Section 9.3 as performing a function in a professional, advisory or other capacity in connection with the Scheme and the preparation of this Scheme Booklet, will be entitled to receive professional fees charged in accordance with their normal basis of charging.

The aggregate amount of the fees and expenses expected to be incurred by TMT in connection with the Scheme is approximately A\$3.43 million (excluding GST). This includes the following amounts (all excluding GST):

- fees and expenses paid or payable to TMT's professional advisers (including its financial, legal, communications and tax advisers) of approximately \$3,083,475 if the Scheme becomes Effective or approximately \$833,475 if it does not become Effective;
- fees paid or payable to the Independent Expert and the Independent Technical Expert of approximately \$115,000 in aggregate; and



- registry costs, fees and expenses associated with the Court proceedings, costs relating to design, printing and dispatch of this Scheme Booklet, expenses associated with convening and holding the Scheme Meeting and other general and administrative expenses in connection with the Scheme, of approximately \$231,525 in aggregate.

Of this, TMT expects approximately \$1,180,000 (excluding GST) will be paid irrespective of whether the Scheme becomes Effective (and is implemented).

These amounts do not include the transaction costs that may be incurred by AVL in relation to the Scheme.

The aggregate amount of the fees and expenses expected to be incurred by AVL in connection with the Scheme is approximately \$6.2 million (excluding GST). This includes advisory fees for AVL's financial, legal, accounting and tax advisers of \$2.9 million (excluding GST) and stamp duty costs of \$3.3 million (excluding GST).

## 9.4 Interests of advisers

Other than as set out in this Scheme Booklet, no person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet holds, or held at any time during the last two years before the date of this Scheme Booklet, any interest in:

- the formation or promotion of TMT; or
- any property acquired or proposed to be acquired by TMT in connection with its formation or promotion or in connection with the Scheme.

## 9.5 Regulatory conditions and relief

### (a) Status of regulatory conditions

The regulatory approvals that are conditions precedent to the Scheme are set out in Section 8.2. As at the Last Practicable Date, the Court approval of the Scheme in accordance with section 411(4)(b) of the Corporations Act and an office copy of the Court orders approving the Scheme being lodged with ASIC as contemplated by section 411(10) of the Corporations Act remains outstanding.

### (b) ASX waivers and confirmations

Listing Rule 6.23.2 provides that the cancellation of options for consideration requires the approval of shareholders. TMT has been granted a waiver of Listing Rule 6.23.2 to permit the TMT Class E Options to be cancelled without requiring the approval of TMT Shareholders, subject to the Scheme being approved by the Requisite Majority and the Court. Refer to Section 8.21 for further information on the proposed treatment of TMT Options.

## 9.6 Registration of Scheme Booklet

This Scheme Booklet was registered with ASIC on 5 December 2023 in accordance with section 412(6) of the Corporations Act.

## 9.7 Foreign jurisdictions

No action has been taken to register or qualify the AVL Shares or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available, shareholders of TMT whose addresses are shown in the register on the record date for the Scheme as being in the following jurisdictions will be entitled to receive the Scheme Booklet and have AVL Shares issued to them under the Scheme subject to any qualifications set out below in respect of that jurisdiction:

- Australia;
- New Zealand;
- Singapore;
- United States; and
- any other person or jurisdiction in respect of which AVL reasonably believes that it is not prohibited and not unduly onerous or impractical to issue AVL Shares to a TMT shareholder with a registered address in such jurisdiction.

Nominees and custodians who hold TMT shares on behalf of a beneficial owner resident outside Australia, New Zealand, Singapore and the United States may not forward this Scheme Booklet (or any accompanying document) to anyone outside these countries without the consent of TMT.

## 9.8 Supplementary information

If, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date, TMT becomes aware of any of the following:

- a material statement in this Scheme Booklet is false or misleading or deceptive;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter that has arisen and that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

TMT will make available supplementary material to TMT Shareholders. TMT intends to make available any supplementary material by releasing that material to ASX ([www.asx.com.au](http://www.asx.com.au)) and posting the supplementary document to TMT's website (<https://www.tmtaustralia.com.au/>). Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, TMT may also send such supplementary materials to TMT Shareholders.

## 9.9 Other material information

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any director of TMT or a related company which has not previously been disclosed to TMT Shareholders.

## 10 Glossary

### 10.1 Definitions

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**\$ or A\$** means the lawful currency of Australia.

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**AAS** means accounting standards issued by the Australian Accounting Standards Board that are in force in relation to the reporting period to which a financial report relates.

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**AASB** means the Australian Accounting Standards Board

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**Announcement Date** means the date on which TMT and AVL announced to ASX that they had entered into the Scheme Implementation Deed, being 25 September 2023.

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**Appendix** means an appendix to this Scheme Booklet.

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**ASIC** means the Australian Securities and Investments Commission.

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**Associate** has the meaning given in section 12(2) of the Corporations Act as if subsection 12(1) of the Corporations Act included a reference to this deed and Bidder was the designated body.

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**ASX** means ASX Limited ABN 98 008 624 691 ASX Limited or the Australian Securities Exchange, as the context requires.

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**ASX Announcement** means TMT's ASX announcement titled, "Australian Vanadium and Technology Metals Australia agree A\$217 million merger", released on the Announcement Date

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**ASX Settlement** means ASX Settlement Pty Ltd ABN 49 008 504 532.

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**AVL** means Australian Vanadium Limited ACN 116 221 740.

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**AVL Break Fee** means \$839,900 (exclusive of GST).

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**AVL Board** means the board of directors of AVL.

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**AVL Competing Proposal** has the meaning given in the Scheme Implementation Deed.

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**AVL Directors** means the directors of AVL.

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**AVL Group** means AVL and each of its Related Bodies Corporate.

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**AVL Information** means information regarding the AVL Group and the Merged Group provided by or on behalf of AVL to TMT or its Representatives in writing for inclusion in this Scheme Booklet, being the information in the sections or parts of those sections described below:

- the second paragraph under the heading "Responsibility Statement"; and
  - the paragraphs under the heading "Forward looking statements" to the extent they relate to any of the following paragraphs in this definition;
  - the second, third, fourth and fifth paragraphs under the heading "JORC Code compliance statements";
  - the AVL Chairperson Letter;
  - the "Frequently Asked Questions" section under the part named "Questions about AVL" and the part named "Questions about the Merged Group";
  - the second last and last paragraphs in Section 2.9;
  - Sections 4 and 5;
-

- Section 6.2(e) (in relation to AVL's expected transaction costs, only); and
- Sections 6.3 and 6.4,

except in each case to the extent that information is based on information provided or prepared by or on behalf of TMT.

**AVL Interested Persons** has the meaning given to that term in Section 4.12(d).

**AVL Material Adverse Change** has the meaning given in the Scheme Implementation Deed.

**AVL Prescribed Occurrence** has the meaning given in the Scheme Implementation Deed.

**AVL Regulated Event** has the meaning given in the Scheme Implementation Deed.

**AVL Share** means a fully paid ordinary share in the capital of AVL.

**AVL Share Register** means the register of members of AVL maintained in accordance with the Corporations Act.

**AVL Shareholder** means a person who is registered in the AVL Register as the holder of one or more AVL Shares, from time to time.

**AWST** means Australian Western Standard Time.

**BDO** means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045)

**Board** means the board of directors of TMT, AVL or the Merged Group (as applicable).

**Business Day** means a day that is not a Saturday, Sunday or a public holiday in Perth, Western Australia.

**CHESS** means the clearing house electronic sub-register system of security transfers operated by ASX Settlement.

**Competing Proposal** means a TMT Competing Proposal or AVL Competing Proposal (as applicable).

**Control** has the meaning given to that term in section 50AA of the Corporations Act and Controlling and Controlled has the corresponding meaning.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Corporations Regulations** means the Corporations Regulations 2001 (Cth).

**Court** means the Supreme Court of Western Australia or such other court of competent jurisdiction under the Corporations Act as agreed in writing between TMT and AVL.

**Director** means a director of TMT or AVL (as applicable).

**Deed Poll** means the deed poll executed by AVL and set out in Appendix 3 of this Scheme Booklet.

**Delivery Time** means in relation to the Second Court Date, not later than 2 hours before the commencement of the hearing or if the commencement of the hearing is adjourned, the commencement of the adjourned hearing, of the Court to approve the Scheme in accordance with section 411(4)(b) of the Corporations Act.

**Effective** means the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

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**Effective Date** means the date the Scheme becomes Effective.

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**End Date** means 23 March 2024 or such later date as AVL and TMT agree in writing.

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**Exclusivity Period** means the period commencing on the date of the Scheme Implementation Deed and ending on the earlier of the date the Scheme Implementation Deed is terminated, the Implementation Date or the End Date.

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**Explanatory Statement** means the statement pursuant to section 412 of the Corporations Act, registered by ASIC in relation to the Scheme, which is included in this Scheme Booklet.

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**Government Agency** means any government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity whether in Australia or elsewhere and includes any minister, ASIC, the Takeovers Panel and any regulatory organisation established under statute or any stock exchange.

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**GST** means a goods and services tax or similar value added tax levied or imposed in Australia under the GST Law.

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**GST Law** has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

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**Implementation Date** means the date that is five Business Days after the Record Date, or such other date (after the Record Date) as TMT and AVL agree in writing.

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**Independent Expert** means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).

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**Independent Expert's Report** means the report in Appendix 1 as amended or updated from time to time and including any supplementary or replacement report.

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**Independent Technical Specialist** means Valuation & Resource Management Pty Ltd.

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**Ineligible Jurisdiction** means, any jurisdiction other than Australia, New Zealand, Singapore and the United States.

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**Ineligible Overseas Shareholder** means a Scheme Shareholder whose address shown in the TMT Share Register on the Record Date is a place outside Australia, New Zealand, Singapore and the United States unless AVL determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with the Scheme Consideration when the Scheme becomes Effective.

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**JORC Code** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012, as updated from time to time.

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**Last Practicable Date** means 1 December 2023, being the last practicable date before the finalisation of this Scheme Booklet.

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**Listing Rules** means the official listing rules of ASX.

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**Marketable Parcel** has the meaning given to that term in the Listing Rules.

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**Merged Group** means the combination of the TMT Group and the AVL Group, as comprised by AVL and its Subsidiaries following implementation of the Scheme.

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**Mineral Resource** has the meaning given to that term in the JORC Code.

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**MTMP** means the Company's wholly owned Murchison Technology Metals Project.

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**New AVL Share** means a AVL Share to be issued under the Scheme.

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**Notice of Scheme Meeting** means the notice convening the Scheme Meeting as set out in Appendix 4.

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**Option Cancellation Deed** has the meaning given to that term in Section 8.21.

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**Option Consideration** means that number of New AVL Shares as set out in the table in Section 8.21.

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**Ore Reserve** has the meaning given to that term in the JORC Code.

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**Placement** means the institutional placement conducted by AVL, the results of which were announced by AVL to ASX on 26 September 2023.

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**Proposed Merged Entity** has the meaning given to that term in the Independent Expert's Report.

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**Proxy Form** means the proxy form that is dispatched to TMT Shareholders in accordance with the orders of the Court or is available from the Share Registry.

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**Recommendation** means in respect of each TMT Director, that he or she will recommend that TMT Shareholders vote in favour of the Scheme.

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**Record Date** means 7.00pm (AWST) on the date that is 2 Business Days after the Effective Date, or such other date (after the Effective Date) as TMT and AVL agree in writing.

---

**Registered Address** means, in relation to a Scheme Shareholder, the address of the Scheme Shareholder shown in the TMT Register.

---

**Related Body Corporate** has the meaning given to that term in section 50 of the Corporations Act.

---

**Relevant Interest** has the meaning given to that term in Section 9 of the Corporations Act.

---

**Representative** means:

- in relation to TMT, a Related Body Corporate of TMT and each of TMT's and its Related Body Corporate's directors, officers, employees, contractors and legal, financial or other expert advisers, and agents, but does not include the Independent Expert; and
  - in relation to AVL, a Related Body Corporate of AVL and each of AVL's and its Related Body Corporate's directors, officers, employees, contractors and legal, financial or other expert advisers, and agents, but does not include the Independent Expert.
- 

**Requisite Majority** means in relation to the Scheme Resolution, a resolution passed by:

- unless the Court orders otherwise, a majority in number (more than 50%) of TMT Shareholders (as the case may be), who are present and voting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and
  - at least 75% of the votes cast on the resolution.
- 

**Sale Agent** means a person appointed by AVL to sell, in accordance with Section 2.9, the New AVL Shares to which Ineligible Overseas Shareholders and Small Parcel Shareholders would have been entitled under this Scheme but for the operation of Section 2.9.

---

**Sale Facility** means the facility for Scheme Consideration which would otherwise have been issued to Ineligible Overseas Shareholders and Small Parcel Shareholders to be sold by the Sale Agent and have the net proceeds of sale remitted to them as contemplated in Section 2.9.

---

**Scheme** means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between TMT and Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by AVL and TMT.

---

**Scheme Booklet** means this document and all Appendices.

---

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**Scheme Consideration** means 12.00 New AVL Shares for every one Scheme Share held by a Scheme Shareholder.

---

**Scheme Implementation Deed** means the Scheme Implementation Deed dated 23 September 2023 between TMT and AVL.

---

**Scheme Meeting** means the meeting of TMT Shareholders ordered by the Court for the purposes of considering the Scheme pursuant to section 411(1) of the Corporations Act and includes any adjournment of that meeting.

---

**Scheme Resolution** means the resolution to be proposed to the TMT Shareholders at the Scheme Meeting to approve the Scheme, set out in the Notice of Scheme Meeting.

---

**Scheme Share** means a TMT Share held by a Scheme Shareholder as at the Record Date.

---

**Scheme Shareholder** means each person who is a TMT Shareholder (other than any member of AVL Group) on the Record Date.

---

**Second Court Date** means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.

---

**Section** means a section of this Scheme Booklet.

---

**Share Registry** means Automatic Share Registry (ACN 152 260 814).

---

**Small Parcel Shareholder** means a Scheme Shareholder (other than an Ineligible Overseas Shareholder) who, based on their holding of Scheme Shares, would on the Implementation Date be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) of New AVL Shares (assessed by reference to the highest closing price of AVL Shares on the ASX beginning on the date this Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date) as Scheme Consideration.

---

**Subsidiary** has the meaning given to that term in section 46 of the Corporations Act.

---

**Superior Proposal** has the meaning given in the Scheme Implementation Deed.

---

**Technical Working Group** means the working group described in Section 5.5(a).

---

**TMT or Company** means Technology Metals Australia Limited ACN 612 531 389.

---

**TMT Board** means the board of directors of TMT from time to time.

---

**TMT Break Fee** means \$839,900 (exclusive of GST).

---

**TMT Competing Proposal** has the meaning given in the Scheme Implementation Deed.

---

**TMT Director** means a director of TMT.

---

**TMT Employee Securities Incentive Plan** means the TMT 'Employee Incentive Securities Plan' approved most recently at the annual general meeting of TMT held on 24 November 2022 and the TMT 'Performance Rights and Option Plan' approved by shareholders on 4 May 2020.

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**TMT Group** means TMT and its Subsidiaries.

---

**TMT Group Member** means each member of the TMT Group.

---

**TMT Information** means all information included in this Scheme Booklet other than the AVL Information, the Independent Expert's Report, the Independent Technical Specialist's Report.

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**TMT Interested Persons** has the meaning given to that term in Section 3.8(h).

---

**TMT Material Adverse Change** has the meaning given in the Scheme Implementation Deed.

---

**TMT Optionholder** means the holder of a TMT Option.

---

**TMT Option** means an option to acquire an unissued TMT Share.

---

**TMT Performance Right** means a right issued by TMT pursuant to the terms of the TMT Employee Incentive Plan which entitles the holder to an unissued TMT Share, subject to the terms of the right.

---

**TMT Prescribed Occurrence** has the meaning given in the Scheme Implementation Deed.

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**TMT Register** means the register of TMT Shareholders maintained in accordance with the Corporations Act.

---

**TMT Regulated Event** has the meaning given in the Scheme Implementation Deed.

---

**TMT Share** means a fully paid ordinary share issued in the capital of TMT.

---

**TMT Share Register** means the register of members of TMT maintained in accordance with the Corporations Act.

---

**TMT Shareholder** means a person who is registered in the TMT Register as the holder of one or more TMT Shares, from time to time.

---

**Transaction** means the Scheme.

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**Voting Intention** means in respect of each TMT Director, he or she intends to vote, or cause to be voted, all TMT Shares in which he or she has a Relevant Interest in favour of the Scheme

---

**Voting Power** has the meaning given to it in the Corporations Act.

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**VWAP** means the volume weighted average price.

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## 10.2 Interpretation

In this Scheme Booklet (other than in Appendixes 1 to 4):

- words and phrases not otherwise defined in this Scheme Booklet have the same meaning (if any) as is given to them by the Corporations Act;
- the singular includes the plural and vice versa;
- headings are for ease of reference only and do not affect the interpretation of this Scheme Booklet;
- a reference to a Section is to a Section in this Scheme Booklet unless stated otherwise;
- any reference, express or implied, to any legislation in any jurisdiction includes:
  - that legislation as amended, extended or applied by or under any other legislation made before or after the Announcement Date;
  - any legislation which that legislation re-enacts with or without modification; and

- any subordinate legislation made before or after the Announcement Date under that legislation, including (where applicable) that legislation as amended, extended or applied as described above, or under any legislation which it re-enacts as described above;
- references to persons or entities include natural persons, bodies corporate, partnerships, trusts and unincorporated associations of persons;
- references to an individual or a natural person include his estate and personal representatives, successors or assigns;
- a reference to any instrument or document includes any variation or replacement of it;
- a reference to you is to a TMT Shareholder;
- unless otherwise indicated, a reference to any time is a reference to that time in Perth, Australia;
- a word of any gender includes the corresponding words of any other gender;
- if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning; and
- general words must not be given a restrictive meaning just because they are followed by particular examples intended to be embraced by the general words.

## Appendix 1 Independent Expert's Report



TECHNOLOGY METALS AUSTRALIA  
LIMITED

**Independent Expert's Report**

1 December 2023



## Financial Services Guide

1 December 2023

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Technology Metals Australia Limited ('TMT' or 'the Company') to provide an **independent expert's report on the proposed scheme of arrangement** ('the Scheme') with Australian **Vanadium Limited ('AVL')**. You are being provided with a copy of our report because you are a shareholder of TMT, **and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.**

Our report and this FSG accompanies the Scheme Booklet required to be provided to you by TMT to assist you in deciding on whether or not to approve the proposal.

### Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

### Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

### General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. **If you have any questions, or don't fully understand our report you should seek professional financial advice.**

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$50,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in TMT.

BDO Audit (WA) Pty Ltd is the appointed Auditor of AVL. We do not consider that this impacts on our **independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'**. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from TMT for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

*Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

We are a member of the Australian Financial Complaints Authority (AFCA) which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

Mail:	GPO Box 3, Melbourne, VIC 3001
Free call:	1800 931 678
Website:	<a href="http://www.afca.org.au">www.afca.org.au</a>
Email:	<a href="mailto:info@afca.org.au">info@afca.org.au</a>
Interpreter Service:	131 450

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Valuation Report prepared by VRM



1 December 2023

The Directors  
Technology Metals Australia Limited  
Suite 9/330 Churchill Avenue  
Subiaco WA 6008

Dear Directors

## INDEPENDENT EXPERT'S REPORT

### 1. Introduction

On 25 September 2023, **Technology Metals Australia Limited ('TMT' or 'the Company')** and **Australian Vanadium Limited ('AVL')** announced that they had agreed to merge via a **Scheme of Arrangement ('the Scheme')** under which AVL will acquire 100% of the TMT shares on issue. Under the terms of the Scheme, each TMT shareholder will receive twelve AVL shares for every TMT share held on the Scheme record date ('Scheme Consideration') and TMT will become a wholly owned subsidiary of AVL.

Upon implementation of the Scheme, the combined group will continue to trade as Australian Vanadium Limited ('the Proposed Merged Entity') on the **Australian Securities Exchange ('ASX')**.

Currencies in this Report are quoted in Australian Dollars, unless otherwise stated.

### 2. Summary and Opinion

#### 2.1 Requirement for the report

The directors of TMT have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an **independent expert's report ('our Report')** to express an opinion as to whether the Scheme is in the best interests of the shareholders of TMT ('Shareholders').

Our Report is prepared pursuant to section 411 of the Corporations Act 2001 (Cth) ('Corporations Act' or 'the Act') and is to be included in the Scheme Booklet prepared by the directors of TMT in order to assist the Shareholders in their decision whether to approve the Scheme.

#### 2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 60 '**Schemes of Arrangements**' ('RG 60'), Regulatory Guide 111 '**Content of Expert's Reports**' ('RG 111'), and Regulatory Guide 112 '**Independence of Experts**' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this report. We have considered:

- How the value of a TMT share prior to the Scheme on a control basis compares to the value of the Scheme Consideration on a minority interest basis;

- Other factors which we consider to be relevant to the Shareholders in their assessment of the Scheme; and
- The position of Shareholders should the Scheme not proceed.

## 2.3 Opinion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of a superior proposal, the Scheme is not fair but reasonable to Shareholders. Therefore, we consider the Scheme to be in the best interest of Shareholders.

In our opinion, the Scheme is not fair because the value of 12 shares in the Proposed Merged Entity (on a minority interest basis) is lower than the value of a share in TMT prior to the Scheme (on a controlling interest basis). However, we consider the Scheme to be reasonable because the advantages of approving the Scheme outweigh the disadvantages. In particular, following the implementation of the Scheme shareholders will have an interest in an enlarged entity which will have consolidated ownership of two adjoining projects which may enable improved ability to develop the projects and easier access to capital.

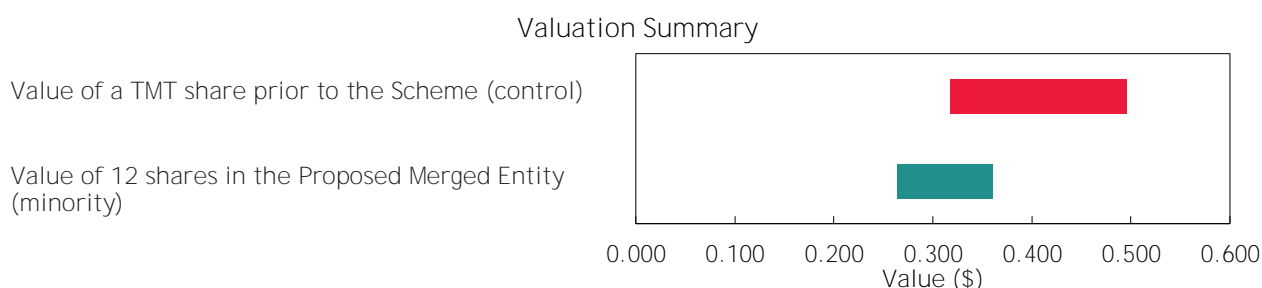
## 2.4 Fairness

In Section 12 of our Report, we determined that the Scheme Consideration compares to the value of TMT, as detailed below.

	Ref	Low \$	Preferred \$	High \$
Value of a TMT share prior to the Scheme (controlling interest basis)	10.1.	0.318	0.407	0.496
Value of 12 shares in the Proposed Merged Entity (minority interest basis)	11.3.	0.264	0.312	0.360

Source: BDO Analysis

The above valuation ranges are graphically presented below:



Source: BDO Analysis

The above pricing indicates that, in the absence of any other relevant information, and an alternate offer, the Scheme is not fair for Shareholders.

## 2.5 Reasonableness

We have considered the analysis in Section 13 of our Report, in terms of both

- advantages and disadvantages of the Scheme; and
- other considerations, including the position of Shareholders if the Scheme does not proceed and the consequences of not approving the Scheme.

In our opinion, the position of Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal, we believe that the Scheme is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.1.1.	The consolidation of two adjoining projects on the same orebody	13.2.1.	<b>Dilution of Shareholders' interest and exposure to the MTMP</b>
13.1.2.	The tenure issues at Yarrabubba will be resolved	13.2.2.	Change in risk profile
13.1.3.	The Proposed Merged Entity is expected to have significantly improved access to capital to support project development	13.2.3.	The value of the Scheme Consideration is not certain
13.1.4.	The Proposed Merged Entity will have a larger market presence, which may result in improved liquidity and increased ability to raise capital		
13.1.5.	Creates a group with a stronger balance sheet and access to AVL's cash reserves		
13.1.6.	Increased experience and broader expertise of the Board of Directors and management team of the Proposed Merged Entity		

Other key matters we have considered include:

Section	Description
13.3.	Alternative Proposal
13.4.	Consequences of not Approving the Scheme
13.5.	Tax Implications

### 3. Scope of the Report

#### 3.1 Purpose of the Report

The Scheme is to be implemented pursuant to section 411 of the Corporations Act. Part 3 of Schedule 8 to the **Corporations Act Regulations 2001** ('Regulations') prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Act ('Section 411').

An **independent expert's report** must be obtained by a scheme company if:

- There is one or more common directors; or
- The other party to the scheme holds 30% or more of the voting shares in the scheme company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interest of the members of the company the subject of the scheme and set out the reasons for that opinion.

AVL, or its associates, do not hold more than 30% of the voting shares in TMT and there are no common directors between TMT and AVL. Accordingly, an **independent expert's report** is not required pursuant to section 411 of the Regulations.

Notwithstanding the fact that there is no requirement to engage an independent expert to report on the Scheme, the Directors of TMT have requested that BDO prepare this report as if it were an independent **expert's** report and provide an opinion as to whether the Scheme is fair and reasonable, and therefore, is in the best interests of the Shareholders subject to the Scheme.

The requirement for an **independent expert's report** is also a condition precedent in the Scheme Information Document ('SID'), which states that, for the Scheme to proceed, the independent expert must conclude that the Scheme is in the best interests of Shareholders.

#### 3.2 Regulatory guidance

Neither the Act nor the Regulations define the term 'in the best interests of'. In determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by ASIC in RG 111 which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether the effect of the transaction is comparable to a takeover bid and is therefore **representative of a change of 'control' transaction**.

In the circumstance of a scheme that achieves the same outcome as a takeover bid, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover. Independent expert reports required under the Act in the circumstance of a takeover are required to provide an opinion **as to whether the takeover bid is 'fair and reasonable'**. While there is no definition of 'fair and reasonable', RG 111 provides some guidance as to how the terms should be interpreted in a range of circumstances.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to effect the transaction.

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, ‘in the best interests’ must be capable of a broad interpretation to meet the particular circumstances of each transaction. This involves a judgment on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed **transaction is implemented than if it is not. This assessment is the same as that required for a ‘fair and reasonable’ assessment in the case of a takeover. If the expert would conclude that a proposal was ‘fair and reasonable’; if it was** in the form of a takeover bid, the expert will also be able to conclude that the scheme is in the best interests of shareholders. **An opinion of ‘in the best interests’ does not imply the best possible outcome for shareholders.**

### 3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities which are the subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but **not anxious, seller acting at arm’s length.** Further to this, RG 111 states that a transaction is reasonable **if it is fair. It might also be reasonable if despite being ‘not fair’ the expert believes** that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in three parts:

- A comparison between the value of a TMT share including a premium for control and the value of the Scheme Consideration (12 shares in the Proposed Merged Entity) on a minority interest basis (fairness - see Section 12 ‘Is the Scheme Fair?’);
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Scheme, after reference to the value derived above (reasonableness - see Section 13 ‘Is the Scheme Reasonable?’); and
- A consideration of whether the Scheme is in the best interests of Shareholders.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of shareholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of shareholders; if a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of shareholders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 ‘Valuation Services’ (‘APES 225’).

A Valuation Engagement is defined by APES 225 as follows:

*‘an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.’*

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

## 4. Outline of the Scheme

### 4.1 Key terms of the Scheme

On 25 September 2023, TMT and AVL announced that they had entered into a binding SID, under which AVL proposes to acquire the entire issued capital of TMT by way of a Scheme of Arrangement. Under the **terms of the Scheme, each TMT Shareholder will receive twelve fully paid ordinary shares in AVL ('AVL Shares')** for every fully paid ordinary share in TMT ('TMT Share') held at the Scheme record date.

The implementation of the Scheme is conditional on various conditions precedent as set out in Schedule 1 of the SID including:

- approval being obtained from TMT Shareholders and the Court in relation to the Scheme;
- an Independent Expert opining that the Scheme is in the best interests of TMT Shareholders;
- no material adverse change, prescribed occurrence, or regulated event (each as defined in the SID) occurring in relation to either AVL or TMT;
- AVL raising at least \$15.0 million under an institutional placement ('AVL Placement'), which has now occurred and is detailed in Section 4.2 below; and
- other conditions customary for a transaction of this nature.

If the Scheme is approved and implemented, existing AVL shareholders will hold approximately 62% of the Proposed Merged Entity and existing TMT Shareholders will hold approximately 38% of the Proposed Merged Entity.

Upon implementation of the Scheme, TMT will become a wholly owned subsidiary of AVL and the Proposed Merged Entity will continue to trade as Australian Vanadium Limited on the ASX.

If the Scheme is approved and implemented, it is intended that Ms Jo Gaines will join the Proposed Merged Entity as a Non-Executive Director, provided that Ms Gaines provides AVL with a signed consent to act as a director and other documentation sufficient **to satisfy ASX's requirements. It is further intended** that, following approval and implementation of the Scheme, Mr Ian Prentice will join the executive management team of the Proposed Merged Entity.

### 4.2 AVL Placement

On 26 September 2023, AVL announced the completion of the AVL Placement of approximately 603 million **new fully paid ordinary shares in AVL ('New Shares')** at an issue price of \$0.026 per New Share to raise \$15.7 million. The issue price of the New Shares represented a 3.7% discount to the closing price at which AVL shares traded on Friday 22 September 2023. The New Shares rank pari passu with existing AVL shares.

**Resource Capital Fund VII LP ('RCF')** subscribed for \$15.0 million of the AVL Placement, with the remaining subscriptions supported by other institutional investors. As a result of the Placement, RCF increased its shareholding in AVL to 18.52% (previously 7.48%).

The proceeds from the AVL Placement will be applied to support initiatives involved with the project integration strategy associated with the Scheme, fund ongoing project and corporate initiatives, and finance general working capital and transaction costs.

### 4.3 TMT Performance Rights and Options

The current capital structure of TMT including all outstanding options and performance rights as at the date of our Report is as follows:

- 254,285,984 TMT fully paid ordinary shares;
- 10,800,000 options, comprising 5,375,000 Class C Unlisted Options each with an exercise price of \$0.50 and an expiry date of 1 January 2024, and 5,425,000 Class E Unlisted Options each with an exercise price of \$0.60 and an expiry date of 30 June 2025 (**collectively ‘TMT Options’**); and
- **2,925,000 Class D Performance Rights (‘TMT Performance Rights’)**.

Under the terms of the SID, TMT has agreed to ensure no TMT Performance Rights or TMT Options will remain outstanding on the Implementation Date of the Scheme. Accordingly, TMT has entered into an Option Cancellation Deed with each option holder to effect the cancellation of the TMT Options, conditional on the TMT Shareholders and the Court approving the Scheme. Pursuant to the Option Cancellation Deed, holders of the Class E TMT Options will receive consideration in the form of AVL shares (**‘Option Consideration’**), whilst the Class C TMT Options will be cancelled for no consideration. The Option Consideration is outlined below:

TMT Options	Option Consideration No. of AVL Shares per TMT Option	Number of TMT Options	Total Option Consideration No. of AVL Shares
TMT Unlisted Options Class C expiring 1 January 2024 exercisable at \$0.50 each	n/a	5,375,000	-
TMT Unlisted Options Class E expiring 30 June 2025 exercisable at \$0.60 each (rounded)	2.04	5,425,000	11,050,926
<b>Total</b>		<b>10,800,000</b>	<b>11,050,926</b>

Source: SID and BDO Analysis

Furthermore, upon Shareholder and Court approval of the Scheme, the TMT Performance Rights outstanding will automatically vest and be exercised, thereby increasing the number of TMT shares on issue by 2,925,000. Additionally, subject to Scheme approval, TMT must issue a further 1,000,000 TMT Shares prior to the Record Date in lieu of payment of a royalty, as per the Gabanintha Royalty Settlement Deed (**‘Outstanding Milestone Shares’**).

### 4.4 Capital Structure

The capital structure of the Proposed Merged Entity is set out in the table below.

Capital Structure following implementation of the Scheme	
TMT shares on issue as at the date of our Report	254,285,984
TMT Performance Rights to convert into TMT shares	2,925,000
TMT Outstanding Milestone Shares	1,000,000
<b>TMT shares available to receive Scheme Consideration</b>	<b>258,210,984</b>
<i>AVL shares that TMT Shareholders will receive for every share held in TMT</i>	<i>12</i>
AVL shares to be issued to TMT Shareholders as Scheme Consideration	3,098,531,808
AVL shares to be issued to TMT Shareholders as Option Consideration	11,050,926
<b>Total shares in the Proposed Merged Entity to be issued to TMT Shareholders</b>	<b>3,109,582,734</b>



Capital Structure following implementation of the Scheme	
AVL shares on issue prior to the Scheme	4,365,859,971
AVL New Shares issued in AVL Placement	602,746,809
Total shares on issue in the Proposed Merged Entity following the Scheme	8,078,189,514
<i>Percentage of the Proposed Merged Entity to be held by TMT Shareholders</i>	38%
<i>Percentage of the Proposed Merged Entity to be held by AVL Shareholders</i>	62%

Source: Scheme Booklet and BDO Analysis

## 4.5 Break fees

TMT must pay AVL an amount of \$839,900 if during the exclusivity period:

- any of the Directors of TMT fails to recommend the Scheme, except in the circumstances permitted under the SID;
- a competing proposal is received by TMT or publicly announced by a third party, and within 12 months thereafter, a competing proposal is completed;
- a superior proposal is received by TMT or publicly announced at any time during the exclusivity period;
- TMT breaches its exclusivity obligations contained in the SID; or
- AVL terminates the SID because, there is a prescribed occurrence or regulated event, or TMT is in material breach of the SID.

AVL has agreed to pay TMT a break fee of the same sum above if, before the Scheme becomes effective, any of the following events occur:

- a competing proposal is received by AVL or publicly announced by a third party, and within 12 months thereafter, a competing proposal is completed;
- a superior proposal is received by AVL or publicly announced at any time during the exclusivity period;
- if any of the Directors of AVL supports a competing proposal;
- if AVL breaches its exclusivity obligations contained in the SID; or
- TMT terminates the SID because, there is a prescribed occurrence or regulated event, or AVL is in material breach of the SID.

## 5. Profile of TMT

### 5.1 History

TMT is an ASX-listed company focused on the development of its flagship, wholly owned Murchison **Technology Metals Project ('MTMP')** located **50 kilometres ('km') southeast of Meekatharra** in the mid-west region of **Western Australia ('WA')**. TMT incorporated in 2016 and admitted to the ASX in the same year. The Company is also listed on the Frankfurt Stock Exchange and is headquartered in Subiaco, WA.

**The Company's current** Board of Directors comprise:

- Michael Fry - Non-Executive Chairman;
- Ian Prentice - Managing Director;
- Carmen Letton - Non-Executive Director; and
- Jo Gaines - Non-Executive Director.

### 5.2 MTMP

The MTMP comprises the Gabanintha deposit, located on granted mining lease M51/883, and the Yarrabubba deposit located on granted mining lease M51/884. The Gabanintha deposit contains a 4.6km high-grade mineralisation strike within a layered gabbro and represents the core of the MTMP mineral resource. Yarrabubba is a satellite vanadium deposit located 20km south of Gabanintha, which in addition to vanadium, hosts ilmenite, a titanium-bearing mineral. **The Yarrabubba deposit is surrounded by AVL's mining lease application 51/897 that is underlain by AVL's granted tenements E51/843 and E51/1534.**

In August 2019, TMT released a **Definitive Feasibility Study ('DFS')** for the Gabanintha deposit, known as the Gabanintha Vanadium Project at that time. The DFS was based solely on Gabanintha and outlined the following:

- mine plan comprising two open pit operations, the North Pit and the Central Pit, to be mined in three stages;
- pre-production process plant capital costs estimated to be US\$318 million (\$454 million), comprising front end engineering **design ('FEED')**, early works ordering of long lead time items, construction of the process plant and supporting infrastructure, Engineering, Procurement and Construction Management (EPCM), **owner's costs, purchase of initial** processing reagents, consumables and spare parts, commissioning, and contingency;
- an average annual production rate of **approximately 12,500 tonnes per annum ('tpa')** of vanadium pentoxide over a 16-year **life of mine ('LOM')**; and
- a **pre-tax net present value ('NPV')** of **\$1,320 million, based on forecast** LOM average real vanadium pentoxide prices of US\$10.88/pound ('lb'), a real discount rate of 8%, and an internal **rate of return ('IRR')** of **34%**.

Subsequent to the completion of the DFS, the Company recognised the potential significance of the Yarrabubba satellite deposit. In mid-2022, **TMT completed the Yarrabubba integration study ('Integration Study')**, incorporating the Yarrabubba deposit into the MTMP mine plan to a pre-feasibility level. Following drilling and metallurgical test work, the Company confirmed the suitability of the metallurgical properties of Yarrabubba ore for processing at the Gabanintha concentrator plant. The higher-grade ore

sourced from Yarrabubba is expected to be mined before Gabanintha and will serve as the initial ore feed source to the MTMP. However, the current mining schedule and pit design for Yarrabubba is constrained by **TMT's tenure, being surrounded by AVL's tenements. TMT requires additional tenure to fully optimise the** development of Yarrabubba, particularly in relation to mined waste management and pit dewatering requirements. As noted further below in this section, mining of Yarrabubba is conditional on obtaining all necessary environmental approval and the Environmental Review Document ('ERD') referred to below does not include the mining of Yarrabubba.

The MTMP integrated processing plant and other non-processing infrastructure will be located at the Gabanintha hub. The Integration Study extended the MTMP LOM from 16 years to 25 years, targeting an average annual production rate of approximately 12,500 tonnes ('t') over the LOM. The average production of ilmenite for this initial nine-year period is approximately 96,500 tpa, with a peak of around 170,000 tpa.

In November 2022, the Company upgraded **the Global Mineral Resource Estimate ('MRE')** of the MTMP, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) ('JORC Code'). The upgraded MRE, along with additional geotechnical data on the parameters of the proposed open pit walls at both Gabanintha and Yarrabubba, is being used to revise the MTMP open pit mine designs, complete mine schedule optimisation work, and update the Global Proven and Probable Ore Reserve estimate for the MTMP.

For further details on the MTMP, including the Mineral Resource and Ore Reserve estimates, please refer to the Technical Specialist Report in Appendix 3 of our Report.

### Implementation Phase Activities

In June 2022, TMT announced that the Company **and APA Operations Pty Ltd ('APA Operations'), a wholly owned subsidiary of APA Group Limited ('APA Group'),** had entered into an Early Works Agreement ('EWA') contemplating the provision of early works in relation to the proposed Gabanintha Gas Pipeline ('Proposed Pipeline'). **The early works** to be provided comprise the preparation of licences, initial engineering design, and identification of long lead procurement items. The Proposed Pipeline is planned to extend from a location east of Mount Magnet and will be a spur pipeline off the Northern Goldfields Interconnect, which was constructed by the APA Group.

During the 2023 financial year, the Company conducted a commercial competitive tender process for the MTMP processing facility and key non-process infrastructure. In the March quarter of 2023, TMT announced **the engagement of GR Engineering Services ('GRES') and Iron Mine Contracting ('IMC') to** advance FEED and construction readiness workstreams alongside FLSmidth. Since early 2018, TMT has partnered with FLSmidth, **the Company's key equipment supplier for the MTMP. The MTMP project team,** in collaboration with GRES, IMC, and FLSmidth ('Integrated Project Team'), are progressing the construction planning, schedule definition, and site establishment work streams. In the September quarter of 2023, the Integrated Project Team continued to advance FEED activities for the MTMP, as well as the necessary permitting and approvals.

In the March quarter of 2023, TMT **and the Mid West Ports Authority ('MwPA')** entered into a Joint Cooperation Agreement to facilitate discussions regarding **the use of the Port of Geraldton ('the Port').** The Company wishes to import the necessary processing reagents **and export the Company's ilmenite** product via the Port. In preparation of operations commencing at the MTMP, the Company seeks to advance a Port Access and Service Agreement, which will cover access to the Port, berth capacity

reservations, services relating to the handling, loading and unloading of reagent and product, and other ship services.

In August 2023, TMT announced that the Company had executed the Road Access and Maintenance Deed Agreement (**'Road Access Agreement'**) with the Shire of Meekatharra. The Road Access Agreement provides the framework for the use and maintenance by TMT of the key public roads required to enable access to and from the MTMP.

TMT self-referred the Gabanintha Project **to the WA Environmental Protection Authority ('EPA')** in November 2018 and has continued to actively collaborate with the EPA on the environmental approval processes. In the June quarter of 2023, TMT invited the EPA and Department of Water and Environmental Regulation (DWER) EPA Services team to the MTMP site, to provide insight into the MTMP and related environmental factors. Early in the September quarter of 2023, the Company submitted an updated ERD to the EPA, addressing their queries and feedback from government and non-government stakeholders on the previous versions of the ERD. The ERD and EPA approval process detailed above only covers the Gabanintha Project area for open pit mining, associated waste landforms, processing infrastructure and supporting non-process infrastructure, but does not include the mining of the Yarrabubba project area. Yarrabubba, as a satellite open pit mining development, will in future be referred to, and assessed by, the EPA separate to the Gabanintha Project area.

### 5.3 Recent Corporate Events

#### Recent Capital Raisings

On 5 May 2023, TMT announced the issue of a total of 1 million fully paid ordinary shares following the exercise of Class A incentive options at \$0.20 per option, expiring 10 May 2023 to raise \$200,000.

On 10 May 2023, TMT issued a total of 2.39 million fully paid ordinary shares following the exercise of Class A incentive options at \$0.20 per option expiring 10 May 2023 to raise \$478,000.

On 2 June 2023, TMT announced the Company had completed a placement (**'TMT Placement'**) to raise \$11.5 million (before costs) through the issue of approximately 41.1 million fully paid ordinary shares at \$0.28 per share to RCF and strategic and institutional investors. The proceeds were to be used for working capital purposes and to support ongoing efforts to advance the development of the MTMP, including early works to facilitate the transition into construction once all permits and approvals are obtained and progressing discussions on financing and customer engagement.

#### Potential Funding

On 18 January 2023, TMT announced that it had received a non-binding **Letter of Interest ('LOI')** from Danish export credit agency, **the Export and Investment Fund of Denmark ('EIFO')** (formerly EKF), with regard to potential funding of \$150 million for the MTMP. **EIFO's** participation requirements, as outlined in the LOI, is subject to the following:

- sufficient Danish economic interest;
- acceptable credit risk;
- the transaction must comply with the Organisation for Economic Co-operation and Development (OECD) Arrangement on Officially Supported Export Credits;
- completion of a normal and customary project due diligence, which commenced in the June quarter of 2023; and

- satisfactory documentation and security package.

#### Established Commercial Relationships

On 15 March 2021, TMT announced the execution of a non-binding Memorandum of Understanding ('MOU') with LE System Co., Ltd ('LES'), a Japanese vanadium flow battery ('VFB') research and development company. The MOU contemplates technical collaboration to assess the potential application of LES' proprietary technology to extract vanadium from MTMP waste streams and the potential formation of a joint venture ('JV') to manufacture VFB electrolyte in WA. In January 2022, the MOU was expanded to provide the framework to perform a feasibility study into the development of vanadium electrolyte production capacity in Australia.

On 10 October 2022, TMT announced that the Company had entered into a non-binding MOU with Tata Steel Limited ('Tata Steel'), an Indian steelmaking company part of the global Tata Group. The MOU between TMT and Tata Steel sets the stage for discussions, evaluations and negotiations concerning offtake, technical collaboration, financing support for TMT, the MTMP, and downstream processing. The MOU is in effect for five years unless TMT and Tata Steel mutually agree to terminate earlier.

On 3 April 2023, TMT announced that the Company, together with its wholly owned subsidiary, vLYTE Pty Ltd ('vLYTE'), entered into a non-binding MOU with Delectrik Systems Pvt. Ltd ('Delectrik'). Delectrik is a VFB manufacturer based in Gurgaon, India. The MOU between TMT and Delectrik considers the supply of vanadium products from the MTMP to Delectrik, and vanadium electrolyte by vLYTE to Delectrik using vanadium produced at the MTMP. The specific volumes to be supplied in each jurisdiction will be determined in the next agreement phase. The MOU is in effect for five years unless TMT and Delectrik mutually agree to formally terminate earlier.

## 5.4 Historical Consolidated Balance Sheet

Consolidated Balance Sheet	Audited as at 30-Jun-23 \$'000	Audited as at 30-Jun-22 \$'000	Audited as at 30-Jun-21 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	16,464	18,600	5,586
Trade and other receivables	2,308	517	298
Other current assets	101	25	
<b>TOTAL CURRENT ASSETS</b>	<b>18,873</b>	<b>19,142</b>	<b>5,884</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	-	-
Deferred exploration and evaluation expenditure	38,145	29,344	27,650
<b>TOTAL NON-CURRENT ASSETS</b>	<b>38,149</b>	<b>29,344</b>	<b>27,650</b>
<b>TOTAL ASSETS</b>	<b>57,022</b>	<b>48,486</b>	<b>33,534</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	1,179	1,097	667
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,179</b>	<b>1,097</b>	<b>667</b>
<b>TOTAL LIABILITIES</b>	<b>1,179</b>	<b>1,097</b>	<b>667</b>
<b>NET ASSETS</b>	<b>55,843</b>	<b>47,389</b>	<b>32,867</b>
<b>EQUITY</b>			
Issued capital	66,741	55,329	34,738
Reserves	2,790	3,814	3,042
Accumulated losses	(13,688)	(11,754)	(4,912)
<b>TOTAL EQUITY</b>	<b>55,843</b>	<b>47,389</b>	<b>32,867</b>

Source: TMT's audited financial statements for the years ended 30 June 2023, 30 June 2022 and 30 June 2021

### Commentary on Historical Consolidated Balance Sheet

- Cash and cash equivalents decreased from \$18.6 million as at 30 June 2022 to \$16.5 million as at 30 June 2023. The decrease of approximately \$2.1 million was primarily the result of payments for exploration and evaluation expenditure of approximately \$11.0 million, and operating payments to suppliers and employees of \$3.0 million, which was partially offset by the proceeds from the exercise of options and a private placement totalling \$12.2 million. Cash and cash equivalents as at 30 June 2023, 30 June 2022 and 30 June 2021 are detailed below:

Cash and cash equivalents	Audited as at 30-Jun-23 \$'000	Audited as at 30-Jun-22 \$'000	Audited as at 30-Jun-21 \$'000
Cash at bank and on hand	6,464	18,600	5,586
Short-term deposits	10,000	-	-
<b>TOTAL</b>	<b>16,464</b>	<b>18,600</b>	<b>5,586</b>

- Trade and other receivables as at 30 June 2023, 30 June 2022, and 30 June 2021 comprised the following:

Trade and other receivables	Audited as at 30-Jun-23 \$'000	Audited as at 30-Jun-22 \$'000	Audited as at 30-Jun-21 \$'000
R&D tax incentive refund receivable	1,404	-	-
GST receivable	292	254	289
Interest receivable	19	-	-
Security deposits	593	13	-
Insurance claim receivable	-	250	-
Other	-	-	9
<b>TOTAL</b>	<b>2,308</b>	<b>517</b>	<b>298</b>

The research and development tax incentive ('R&DTI') refund receivable of \$1.4 million as at 30 June 2023 relates to the refund receivable from the **Australian Tax Office ('ATO')** in relation to the year ended 30 June 2022. During the year ended 30 June 2023, TMT **amended the Company's** accounting policy with respect to the treatment of the cash received from the R&DTI refund to offset the receivable in relation to exploration activities against the related deferred exploration and evaluation assets.

Security deposits of approximately \$593,000 as at 30 June 2023 are cash-backed deposits, which relate to the EWA with APA Operations of \$580,000 and rent of \$13,000 for **the Company's** corporate head office.

- Deferred exploration and evaluation expenditure of \$38.1 million primarily relates to the total expenditure incurred to date with \$10.8 million spent in 2023 to complete the Integration Study **and progress the Implementation Study phase. As detailed above, TMT's exploration and** evaluation expenditure was partially offset by the R&DTI refund receivable from the ATO of \$1.4 million, and the transfer of security deposit for EWA to trade and other receivables.
- Trade and other payables as at 30 June 2023, 30 June 2022 and 30 June 2021 comprised the following:

Trade and other payables	Audited as at 30-Jun-23 \$'000	Audited as at 30-Jun-22 \$'000	Audited as at 30-Jun-21 \$'000
Trade payables	639	1,033	644
Accrued expense	337	25	23
Other payables	108	39	-
Employee entitlements - annual leave payable	95	-	-
<b>TOTAL</b>	<b>1,179</b>	<b>1,097</b>	<b>667</b>



## 5.5 Historical Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income	Audited for the year ended 30-Jun-23 \$'000	Audited for the year ended 30-Jun-22 \$'000	Audited for the year ended 30-Jun-21 \$'000
<i>Continuing Operations</i>			
Other income	53	20	17
Administrative expense	(2,011)	(2,359)	(1,606)
Exploration and evaluation expenditure	(111)	(203)	(560)
Finance income	135	25	19
Loss before income tax	(1,934)	(2,517)	(2,129)
Income tax benefit	-	-	561
Net loss for the year	(1,934)	(2,517)	(1,568)
Other comprehensive income, net of income tax	-	-	-
Other comprehensive loss for the year, net of income tax	(1,934)	(2,517)	(1,568)
Total comprehensive loss for the year	(1,934)	(2,517)	(1,568)

Source: TMT's audited financial statements for the years ended 30 June 2023, 30 June 2022, and 30 June 2021

### Commentary on Historical Consolidated Statement of Comprehensive Income

- Other income increased from approximately \$20,000 for the year ended 30 June 2022 to approximately \$53,000 for the year ended 30 June 2023, and relates to the rental facility on-charge.
- TMT's administration expense decreased from \$2.4 million for the year ended 30 June 2022 to \$2.0 million for the year ended 30 June 2023. This is primarily the result of a share-based payments reversal of \$1.0 million for the outstanding classes of options and performance rights that the Company assessed to be unlikely to vest at the balance date. The overall increase in the remainder of the administrative expenses, except for Director fees and other expenses, is due to higher employee numbers, related occupancy costs, corporate travel and consultancy expenditures. TMT's administration expense for the years ended 30 June 2023, 30 June 2022 and 30 June 2021 is outlined below:

Administrative expense	Audited for the year ended 30-Jun-23 \$'000	Audited for the year ended 30-Jun-22 \$'000	Audited for the year ended 30-Jun-21 \$'000
Administration expense	-	-	(568)
Directors' fees	(166)	(379)	(299)
Employee costs (excluding share-based payments expense)	(702)	(52)	-
Consulting and professional fees	(803)	(205)	-
Share-based payments expense	1,024	(773)	(715)
Corporate, marketing and investor relations costs	(859)	(609)	-
Travel and accommodation	(195)	-	-
Rent and occupancy costs	(138)	(97)	-
Other expenses	(172)	(244)	-
Depreciation	-	-	(24)

Administrative expense	Audited for the year ended 30-Jun-23 \$'000	Audited for the year ended 30-Jun-22 \$'000	Audited for the year ended 30-Jun-21 \$'000
TOTAL	(2,011)	(2,359)	(1,606)

- Finance income, which relates to interest income, increased from approximately \$25,000 for the year ended 30 June 2022 to \$135,000 for the year ended 30 June 2023, primarily due to increased interest rates and a higher average cash balance.

## 5.6 Capital Structure

The share structure of TMT as at 10 November 2023 is outlined below:

	Number
Total ordinary shares on issue	254,285,984
Top 20 shareholders	151,299,334
Top 20 shareholders - % of shares on issue	59.50%

Source: **TMT's** share registry information

The range of shares held in TMT as at 10 November 2023 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares
1 - 1,000	111	39,367	0.02%
1,001 - 5,000	677	1,967,864	0.77%
5,001 - 10,000	338	2,701,567	1.06%
10,001 - 100,000	773	27,420,208	10.78%
100,001 - and over	226	222,156,978	87.37%
TOTAL	2,125	254,285,984	100.00%

Source: **TMT's** share registry information

The ordinary shares held by the most significant shareholders as at the last practicable date is detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares
RCF	45,821,428	18.02%
Standard Pastoral Company Pty Ltd	14,000,000	5.51%
Subtotal	59,821,428	23.53%
Others	194,464,556	76.47%
Total ordinary shares on Issue	254,285,984	100.00%

Source: Scheme Booklet

The unlisted options and performance rights of TMT as at 10 November 2023 are outlined below:

Description	No. of Options/Rights	Exercise price (\$)	Expiry Date
Unlisted Options Class C	5,375,000	0.50	01-Jan-24
Unlisted Options Class E	5,425,000	0.60	30-Jun-25
Performance Rights Class D	2,925,000	0.00	30-Jun-25
Total number of options and performance rights	13,725,000		
Cash raised if options are exercised (\$)	5,942,500		

Source: Scheme Booklet

## 6. Profile of AVL

### 6.1 History

AVL is a public company based in Perth, WA, listed on the ASX, the OTCQB in the United States ('US') and the Berlin, Munich, Stuttgart, and Frankfurt Stock Exchanges. AVL is primarily focused on the exploration and development of vanadium through its wholly owned **Australian Vanadium Project ('AV Project')** located adjacent to TMT's MTMP. AVL also explores for other commodities through its Coates Vanadium, **Platinum Group, Nickel and Copper Project ('Coates Project' or 'Coates')**, and the **Nowthanna Hill Uranium and Vanadium Project ('Nowthanna Project' or 'Nowthanna')**. AVL was incorporated in 2005 as Yellow Rock Resources Limited and listed on the ASX in 2007, before changing its name to Australian Vanadium Limited in 2015.

The Company's current Board of Directors comprise:

- Mr Cliff Lawrenson - Non-Executive Chair;
- Mr Daniel Harris - Non-Executive Director;
- Ms Miriam Stanborough AM - Non-Executive Director;
- Mr Peter Watson - Non-Executive Director; and
- Ms Anna Sudlow - Non-Executive Director.

## 6.2 AV Project

### The Australian Vanadium Project

The AV Project is comprised of:

- at Gabanintha (approximately 43km southeast of Meekatharra, WA):
  - a proposed open cut mine of the vanadium, titanium, magnetite ore body ('AVL Mine Site') located on 18 tenements, wholly owned by AVL.<sup>1</sup> AVL's tenements cover approximately 200 square km and are situated adjacent to the Gabanintha Vanadium Project (part of TMT's MTMP) and surrounds the Yarrabubba Vanadium Project (also part of TMT's MTMP); and
  - a proposed crushing, milling and beneficiation plant to produce magnetite concentrate ('CMB Plant'); and
- at Tenindewa (approximately 80km east of Geraldton, WA):
  - a plant for processing the magnetite concentrate to produce high purity V<sub>2</sub>O<sub>5</sub> flake ('AVL Processing Plant'). The magnetite concentrate is proposed to be transported approximately 456km by road from the CMB Plant to the AVL Processing Plant.

The location of the AVL Processing Plant is intended to provide ready access to gas, road, rail, port infrastructure and a local workforce.

The AVL Processing Plant provides the option to produce a titanium rich calcined iron ore coproduct.

### Exploration and Study Activities

Several drilling programs were completed at the AV Project between 1960 and 2000. The tenements were originally owned by Greater Pacific Gold Ltd prior to AVL acquiring them before its initial public offering ('IPO') in 2007. Since then, AVL has been actively undertaking exploration activities at the AV Project, such as reverse circulation and diamond drilling, metallurgical testing, carrying out various studies, negotiating with Traditional Owners, and defining and upgrading MREs and Ore Reserves.

In 2022, AVL released a bankable feasibility study ('BFS') which outlined the following:

- the AV Project was a potential globally significant vanadium producer, subject to raising finance;
- various technical studies;
- an increase of mine life to 25 years;
- the AVL Processing Plant to be located near Geraldton, WA, separate from the AVL Mine Site;

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<sup>1</sup> AVL holds the mineral rights in relation to V/U/Co/Cr/Ti/Li/Ta/Mn & iron ore on the AV Project tenements. Bryah Resources Limited holds the mineral rights for all other minerals on some of the tenements.

- average annual production estimates 11,200t of vanadium pentoxide and 900,000 dry tonnes of titanium rich calcined iron ore;
- a pre-tax NPV of \$833 million, based on forecast LOM average real vanadium pentoxide prices of US\$10.50/lb and a real discount rate of 7.5%, and an IRR of 20.6% for the AVL Project; and
- approvals and environmental, social and governance standards and action plans in place, among other milestones.

For further details on the AV Project, including the MRE and Ore Reserve estimates, please refer to the Technical Specialist Report in Appendix 3 of our Report.

### Implementation Phase Activities

In October 2019, AVL announced that it had signed an Option Agreement to acquire land to locate the proposed AVL Processing Plant. In September 2023, AVL announced a further extension of the Option Agreement, providing an option for AVL to acquire land for the AVL Processing Plant.

In its quarterly activities report for September 2022, AVL advised that the EPA had made a decision not to assess the AVL Processing Plant at Tenindewa.

In July 2023, AVL announced that AVL had received a water licence approval for the proposed AVL Processing Plant, which secured an independent water source and is expected to supply the demands of the proposed AVL processing Plant for at least 10 years.

In 2023, the City of Greater Geraldton approved a scheme amendment for the proposed AVL Processing Plant which allows for the progression of its development.

Furthermore, in 2023, AVL announced it appointed GRES and Primero Group Ltd to undertake a dual-party **early contractor involvement ('ECI') process for the project's CMB Plant construction. AVL also appointed** Wood Australia Pty Ltd to undertake engineering and design for the AV Project as well as ECI services for the poly-metallurgical processing plant.

AVL has submitted its ERD for the AVL Mine Site, including the CMB Plant with the EPA. AVL is continuing to work closely with the EPA to progress the necessary approvals and building an enduring partnership with the Yugunga-Nya People, the Traditional Owners of the land on which it is proposed to locate the AVL Mine Site.

## 6.3 Coates Project

**Coates is one of AVL's secondary projects**, located near the town of Wundowie, WA. The Coates Project covers approximately 11.7 square km of tenure over an expansion of ultramafic rocks prospective for vanadium, nickel, copper and platinum group metals.

**In May 2022, AVL signed an option agreement with Mining Green Metals Limited ('MGM') for MGM to** acquire a 100% interest in the Coates Project and the Nowthanna Project, which has since lapsed. In consideration, AVL was to receive 6.5 million fully paid ordinary shares in MGM, a 0.75% net smelter return royalty from the value of the minerals mined from the Coates Project, and \$190,000 cash.

For further details on the Coates Project, please refer to the Technical Specialist Report in Appendix 3 of our Report.

## 6.4 Nowthanna Project

The Nowthanna Project is located 50km south of Meekatharra and is prospective for co-mineralised vanadium and uranium hosted within calcrete and clay deposits. AVL is not currently focusing its resources on progressing the Nowthanna Project.

For further details on the Nowthanna Project, including the MRE, please refer to the Technical Specialist Report in Appendix 3 of our Report.

## 6.5 Electrolyte Plant

In the September 2023 quarter, AVL commenced construction of a vanadium electrolyte manufacturing **plant ('Electrolyte Plant') at a site in Perth, WA**, which has an expected completion date at the end of 2023. In 2021, AVL was awarded a \$3.69 million grant from the Australian Federal Government, which has been partly allocated to building the Electrolyte Plant.

The Electrolyte Plant is expected to have capacity to produce 2.4 million litres of vanadium electrolyte per annum, or approximately 33 **megawatt hours ('Mwh') equivalent**. **The Electrolyte Plant** will use electrolyte manufacturing technology licensed exclusively to AVL in Australia by U.S. Vanadium LLC.

## 6.6 VSUN Energy

**AVL, through its wholly owned subsidiary, VSUN Energy Pty Ltd ('VSUN Energy')**, deploys renewable energy storage solutions using VFB technology.

VSUN Energy is developing a locally produced VFB prototype for residential use. On successful completion of testing, VSUN Energy plans to deploy the unit to a residential customer with a single-phase system, for tests to be completed using solar energy input.

**In 2022, VSUN Energy installed a VFB for use on a trial basis for the WA Government Water Corporation's Innovation Hub in Shenton Park, WA.** The VFB was initially installed for use on a mobile purification unit, supplying renewable power.

Also in 2022, MMVSUN Energy began installing a standalone power system based on VFB technology at the IGO Limited Nova Nickel Operation, to provide 100% renewable energy to power a continuously operating mine process water bore pump.

In 2023, VSUN Energy signed an agreement with WA State owned Horizon Power for the purchase, installation and commissioning of a pilot VFB in Kununurra, WA, which Horizon Power intends to use to investigate potential applications for VFBs in the decarbonisation of its energy network.

## 6.7 Bryah

As of 30 June 2023, AVL holds 18,506,174 **shares in Bryah Resources Limited ('Bryah')**, representing a 5.16% holding. Bryah is an ASX listed exploration company focused on gold, copper, lithium, nickel and manganese, with tenements across WA. AVL holds the mineral rights for vanadium, titanium, cobalt, chromium, uranium, lithium, tantalum, iron ore and manganese in relation to the AV Project tenements, whilst Bryah holds the mineral rights for all other minerals on those tenements.

## 6.8 Recent Corporate Events

### Financing

In June 2022, AVL announced the completion of a share placement and a share purchase plan to raise \$20.6 million. This comprised a placement of 425 million new shares at an issue price of \$0.047 per share to sophisticated and professional investors, as well as a share purchase plan comprising 12 million new shares issued at the same price.

In May 2023, AVL announced the execution of a Modern Manufacturing Initiative - Collaboration Grant Agreement (**'Grant Agreement'**) with the Australian Government, providing up to \$49.0 million in funding support for the AV Project (**'Government Grant'**). Subsequently in June 2023, AVL announced that it received the first milestone payment under the Grant Agreement of \$9.8 million (plus GST).

In September 2023, AVL announced the completion of the AVL Placement to raise \$15.7 million. Approximately 603 million new shares were issued under the placement at \$0.026 each, which was strongly supported by RCF (Resource Capital Fund VII LP) and resulted in RCF becoming an 18.52% shareholder of AVL.

### Established Commercial Relationships

AVL has developed relationships with various potential commercial partners including signing various **non-binding documents relating to potential offtake of vanadium pentoxide and AVL's proposed titanium rich calcined iron ore coproduct**, with the following still in the process of being pursued for binding agreements:

- In December 2020, AVL made an announcement of an MOU with U.S. Vanadium LLC for future vanadium offtake.
- In November 2021, AVL made an announcement of a LOI with Shenglong Metallurgy International Pte Limited, the Hong Kong based commercial arm of Guangxi Shenglong Metallurgy Co. Ltd, for the offtake of the iron titanium co-product proposed to be produced from the AV Project.
- In April 2022, AVL made an announcement of a LOI with Rizhao Steel Holding Group Co. Limited, **China's largest importer of titanium bearing concentrate, for offtake of the iron titanium coproduct**.
- In May 2022, AVL released an announcement stating that, through its subsidiary VSUN Energy, it had signed an MOU with North Harbour Clean Energy Pty Ltd for collaboration on the development and installation of VFB projects and vanadium electrolyte supply.
- In September 2022, AVL announced that it signed a non-binding term sheet with Chinese company, Wingsing International Limited, for the sale of iron titanium co-products from the AV Project. The term sheet is for an initial 50,000 t **of AVL's iron titanium coproduct per year, to be shipped from the Geraldton port in WA**.
- AVL signed a **non-binding term sheet with Neometals Limited ('Neometals') in FY23 to explore opportunities for AVL to process vanadium concentrate from Neometals' Barrambie Project at the proposed AVL Processing Plant and to share infrastructure between both companies**.



## 6.9 Historical Statement of Financial Position

Statement of Financial Position	Audited as at 30-Jun-23 \$'000	Audited as at 30-Jun-22 \$'000	Audited as at 30-Jun-21 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	26,874	26,444	3,496
Trade and other receivables	1,671	1,265	567
Inventories	182	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>28,727</b>	<b>27,709</b>	<b>4,063</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	1,856	620	239
Deferred exploration and evaluation expenditure	44,731	35,627	28,502
Financial assets	296	338	664
Right-of-use assets	1,815	37	83
<b>TOTAL NON-CURRENT ASSETS</b>	<b>48,698</b>	<b>36,622</b>	<b>29,488</b>
<b>TOTAL ASSETS</b>	<b>77,425</b>	<b>64,331</b>	<b>33,551</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4,867	900	1,888
Provisions	110	150	109
Lease liability	335	32	44
Grant liability	9,959	2,582	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>15,272</b>	<b>3,665</b>	<b>2,041</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	129	134	81
Lease liability	1,536	-	33
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,665</b>	<b>134</b>	<b>114</b>
<b>TOTAL LIABILITIES</b>	<b>16,936</b>	<b>3,798</b>	<b>2,155</b>
<b>NET ASSETS</b>	<b>60,489</b>	<b>60,533</b>	<b>31,396</b>
<b>EQUITY</b>			
Issued capital	135,569	127,026	94,153
Reserves	(150)	1,198	(103)
Accumulated losses	(74,930)	(67,690)	(62,654)
<b>TOTAL EQUITY</b>	<b>60,489</b>	<b>60,533</b>	<b>31,396</b>

Source: AVL's audited financial statements for the years ended 30 June 2023, 30 June 2022 and 30 June 2021

Note: We have presented AVL's historical financial information to the nearest thousand, as to be consistent with TMT's financial statements.

### Commentary on Historical Consolidated Statement of Financial Position

- Cash and cash equivalents increased from \$3.5 million as at 30 June 2021 to \$26.4 million as at 30 June 2022. This increase was primarily due to proceeds from the issue of shares of \$29.1 million, partially offset by expenditure on mining interests of \$7.5 million. Cash and cash equivalents remained at a similar level of \$26.9 million as at 30 June 2023, with the main movements being payments to suppliers and employees of \$7.1 million and expenditure on mining interests of \$8.2 million, partially offset by receipts from Government grants of \$9.9 million and receipts from

conversion of options \$6.9 million. Cash and cash equivalents as at 30 June 2023, 30 June 2022 and 30 June 2021 are detailed below:

Cash and cash equivalents	Audited as at 30-Jun-23 \$'000	Audited as at 30-Jun-22 \$'000	Audited as at 30-Jun-21 \$'000
Cash at bank and on hand	24,836	24,423	972
Short-term deposits	2,038	2,021	2,523
<b>TOTAL</b>	<b>26,874</b>	<b>26,444</b>	<b>3,496</b>

- Trade and other receivables as at 30 June 2023, 30 June 2022 and 30 June 2021 comprise the following:

Trade and other receivables	Audited as at 30-Jun-23 \$'000	Audited as at 30-Jun-22 \$'000	Audited as at 30-Jun-21 \$'000
GST receivable	770	120	278
Other receivables	486	641	213
Prepayments	286	214	-
Trade debtors	145	306	92
Less: provision for doubtful debts	(16)	(16)	(16)
<b>TOTAL</b>	<b>1,671</b>	<b>1,265</b>	<b>567</b>

- Deferred exploration and evaluation expenditure primarily relates to exploration expenditure to develop the AV Project, capitalised. Deferred exploration and evaluation expenditure as at 30 June 2023, 30 June 2022 and 30 June 2021 are detailed below:

Deferred exploration and evaluation expenditure	Audited as at 30-Jun-23 \$'000	Audited as at 30-Jun-22 \$'000	Audited as at 30-Jun-21 \$'000
Expenditure brought forward	35,627	28,502	23,479
Receipts for exploration and mining activities	(1,736)	(257)	(1,305)
Expenditure incurred during the year	11,091	7,516	6,977
Impairment during the period	(251)	(134)	(649)
<b>Expenditure carried forward</b>	<b>44,731</b>	<b>35,627</b>	<b>28,502</b>

- Trade and other payables as at 30 June 2023, 30 June 2022 and 30 June 2021 comprise the following:

Trade and other payables	Audited as at 30-Jun-23 \$'000	Audited as at 30-Jun-22 \$'000	Audited as at 30-Jun-21 \$'000
Trade payables and accruals	4,499	885	1,873
Insurance premium funding	152	-	-
Payroll tax	205	7	10
Fringe benefits tax	12	8	5
<b>TOTAL</b>	<b>4,867</b>	<b>900</b>	<b>1,888</b>

- Grant liability increased from \$2.6 million as at 30 June 2022 to \$9.9 million as at 30 June 2023, this was driven by Government Grant funds received of \$9.8 million, offset by eligible expenditure recognised of \$2.4 million. The Government Grant was from the Australian Government under the Modern Manufacturing Initiative Manufacturing Collaboration Stream for the AV Project, the first milestone payment of a \$49.0 million awarded to AVL.

## 6.10 Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-23 \$'000	Audited for the year ended 30-Jun-22 \$'000	Audited for the year ended 30-Jun-21 \$'000
Revenue from contracts with customers	31	(34)	34
Cost of sales	(25)	26	(26)
Gross Profit	6	(8)	8
Other income	377	88	123
Interest revenue	266	2	24
Exploration and evaluation impairment	(251)	(134)	(649)
Depreciation	(89)	(66)	(57)
Inventory write-down	(25)	-	-
Amortisation of lease liabilities	(234)	(46)	(75)
Finance costs	(86)	(9)	(23)
Share-based payments	(500)	(1,480)	(401)
Directors' fees and benefits expense	(280)	(195)	(235)
Employee benefits expense	(2,245)	(1,231)	(943)
General and administration expense	(4,179)	(1,958)	(912)
Loss before income tax expense	(7,240)	(5,036)	(3,141)
Income tax expense	-	-	-
Net loss for the year	(7,240)	(5,036)	(3,141)
<i>Other comprehensive income for the year, net of income tax</i>			
Movement in fair value of investment classified as fair value through OCI (FVOCI)	(200)	(326)	124
Total comprehensive loss attributable to members of AVL	(7,440)	(5,363)	(3,017)

Source: AVL's audited financial statements for the years ended 30 June 2023, 30 June 2022 and 30 June 2021

Note: We have presented AVL's historical financial information to the nearest thousand, as to be consistent with TMT's financial statements.

### Commentary on Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income

- Revenue from contracts with customers of \$30,500 for the year ended 30 June 2023 relates to battery sales.
- Other income increased from approximately \$88,000 for the year ended 30 June 2022 to approximately \$377,000 for the year ended 30 June 2023 due to a gain on the disposal of an asset of approximately \$251,000, and administrative services and other income of approximately \$126,000.
- Employee benefits expense for the years ended 30 June 2023, 30 June 2022 and 30 June 2021 is comprised of the following:

Employee benefits expense	Audited for the year ended 30-Jun-23 \$'000	Audited for the year ended 30-Jun-22 \$'000	Audited for the year ended 30-Jun-21 \$'000
Salaries and wages	(1,484)	(902)	(693)
Superannuation	(326)	(219)	(142)
Payroll tax	(386)	(107)	(75)
Recruitment expenses	(49)	(3)	(33)
<b>TOTAL</b>	<b>(2,245)</b>	<b>(1,231)</b>	<b>(943)</b>

- General and administration expense for the years ended 30 June 2023, 30 June 2022 and 30 June 2021 is comprised of the following:

General and administration expense	Audited for the year ended 30-Jun-23 \$'000	Audited for the year ended 30-Jun-22 \$'000	Audited for the year ended 30-Jun-21 \$'000
Stock exchange and registry fees	(195)	(228)	(100)
Property and office facility expenses	(300)	(128)	(41)
Legal fees	(515)	(165)	(90)
Consultancy fees	(1,473)	(454)	(109)
Travel and accommodation	(406)	(70)	(37)
Other corporate and administrative expenses	(1,290)	(913)	(535)
<b>TOTAL</b>	<b>(4,179)</b>	<b>(1,958)</b>	<b>(912)</b>

## 6.11 Capital Structure

The share structure of AVL as at 8 November 2023 is outlined below:

	Number
Total ordinary shares on issue	4,968,606,780
Top 20 shareholders	1,863,522,460
Top 20 shareholders - % of shares on issue	37.51%

Source: AVL's share registry information

The range of shares held in AVL as at 8 November 2023 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	261	46,220	0.00%
1,001 - 5,000	241	831,075	0.02%
5,001 - 10,000	1,112	9,202,849	0.19%
10,001 - 100,000	9,417	412,147,007	8.30%
100,001 - and over	4,986	4,546,379,629	91.50%
<b>TOTAL</b>	<b>16,017</b>	<b>4,968,606,780</b>	<b>100.00%</b>

Source: AVL's share registry information

We also note that there are 68,000,000 partly paid ordinary shares on issue, the amount paid per partly paid ordinary share is \$0.0001 and the amount unpaid per partly paid ordinary share is \$0.0389.

The ordinary shares held by the most significant shareholders as at the last practicable date is detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
RCF	920,048,826	18.52%
Subtotal	920,048,826	18.52%
Others	4,048,557,954	81.48%
<b>Total ordinary shares on Issue</b>	<b>4,968,606,780</b>	<b>100.00%</b>

Source: ASX announcement released by AVL 3 October 2023 and the Scheme Booklet

Following the implementation of the Scheme, RCF will hold 1,469,905,962 shares in the Proposed Merged Entity representing an 18.2% voting power.

Details of performance rights over unissued shares of AVL as at the last practicable date are as follows:

Performance Rights	Vested	Unvested	Total
Performance Rights expiring 29 July 2026, nil exercise price	7,791,667	-	7,791,667
Performance Rights expiring 10 April 2027, nil exercise price	400,000	200,000	600,000
Performance Rights expiring 6 December 2027, nil exercise price	6,000,000	30,000,000	36,000,000
Performance Rights expiring 26 July 2028, nil exercise price		61,950,000	61,950,000
<b>TOTAL</b>	<b>14,191,667</b>	<b>92,150,000</b>	<b>106,341,667</b>

Source: AVL's annual report for the period ended 30 June 2023 and the Scheme Booklet

As detailed in Section 4.12 and Section 5.6 of the Scheme Booklet, AVL has agreed to issue 30,000,000 performance rights to AVL Directors, and 6,400,000 performance rights to AVL personnel. AVL intends to **issue these performance rights to the company's Directors and personnel prior to the Scheme Implementation Date.**

## 7. Economic analysis

TMT and AVL are primarily exposed to the risks and opportunities of the Australian market through being listed on the ASX and the geographical location of activities. As such, we have presented an analysis on the Australian economy to the extent that it relates to considerations for our assessment.

### 7.1 Australia

At its October 2023 Monetary Policy Decision meeting, **the Reserve Bank of Australia ('RBA') made the decision to leave the cash rate target unchanged at 4.10%.** Since May 2022, the RBA has increased interest rates by four percentage points, with the intention of easing inflationary pressures and returning inflation to its target rate within a reasonable timeframe. The decision in October to hold interest rates steady for the fourth consecutive meeting was aimed to provide additional time for the RBA to assess the impact of interest rate rises to date on key macroeconomic indicators.

Inflation reached 7.8% over the 2022 calendar year, the highest year-end inflation figure since 1990, and **significantly higher than the RBA's inflation target of 2-3%.** The RBA stated in its July statement that the decline in the monthly consumer price index ('CPI') indicator for **May 2023 suggested that inflation had** since passed its peak in Australia. However, the RBA considers that inflation is still too high at its current

rate of 5.2% over the twelve months to August 2023 and it will remain so for some time. The RBA has forecast inflation to continue to decline and return to the target range in late 2025.

According to the RBA, growth in the Australian economy was slightly stronger than expected over the first half of 2023, however the economy is still experiencing a period of below-trend growth which is expected to continue. Currently, the combination of heightened interest rates and cost-of-living pressures has led to a substantial deceleration in household spending. As a result, equity market conditions, particularly for retail investors have dampened with the decline in discretionary income.

Among major economies around the world, the rebound from the COVID-19 pandemic waned throughout 2022, which contributed to a slowdown in the global economy. Like many advanced economies, high inflation and energy prices have weighed on demand in Australia. In addition, it is anticipated in 2023-24 that **Gross Domestic Product ('GDP') growth in Australia's** key trading partners will remain substantially below historical norms. However, downside risks to growth in the major global economies have lessened in recent months, supported by China's reversal of its COVID-19 measures in December 2022, which has stabilised the supply chain recovery trajectory.

The March 2023 banking system crisis in the United States and Switzerland resulted in volatility in financial markets and a reassessment of the outlook for global interest rates. These problems are also expected to influence tighter financial conditions, forming an additional headwind for the global economy. However, the RBA considers the Australian banking system to be strong, well capitalised and highly liquid. It is, therefore, well placed to provide the credit that the economy needs, albeit at higher interest rates compared to the rates during the pandemic.

Conditions in the labour market remain very tight, although have slightly eased. Firms report that labour shortages have lessened, yet job vacancies and advertisements are still at very high levels. The unemployment rate at 3.7% remains close to a 50-year low, consequently, wage growth is stated to be increasing in response to the tight labour market and high inflation. With the economy and employment forecast to grow below trend, the unemployment rate is expected to rise gradually to around 4.5% late next year.

## Outlook

Economic growth in Australia is forecast to be hampered by rising interest rates, higher living costs and declining real wealth. As a result, the forecast declining trajectory of inflation in Australia remains uncertain and the high inflation environment is expected to continue weighing on real household incomes for the short term. The composition of inflation in Australia is also likely to shift, with higher inflation expected in more persistent and non-discretionary items, such as rent, in the coming years. However, despite inflationary concerns, aggregate household incomes have been sustained by solid labour demand, which has underpinned the health of household balance sheets. Although the balance of risks has improved in recent months, the pathway forward remains uncertain, with upside and downside scenarios equally plausible.

Source: [www.rba.gov.au](https://www.rba.gov.au) Statement by Michele Bullock, Governor: Monetary Policy Decision dated 3 October 2023 and prior periods, [www.rba.gov.au](https://www.rba.gov.au) Statement on Monetary Policy September 2023 and prior periods, and BDO analysis.

## 8. Industry analysis

TMT and AVL are both involved in the exploration and development of their respective vanadium projects and are both listed on the ASX. As such, we have presented an overview of the relevant industry segments on the basis that these form part of the considerations for our overall assessment. We have presented an analysis of the exploration sector on the ASX, as well as the vanadium industry.

### 8.1 Exploration Sector

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report **each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements**. BDO's report for the June quarter of 2023 suggests that improved financial market conditions following a turbulent global macroeconomic environment, has enabled the sector to position itself for the battery mineral future.

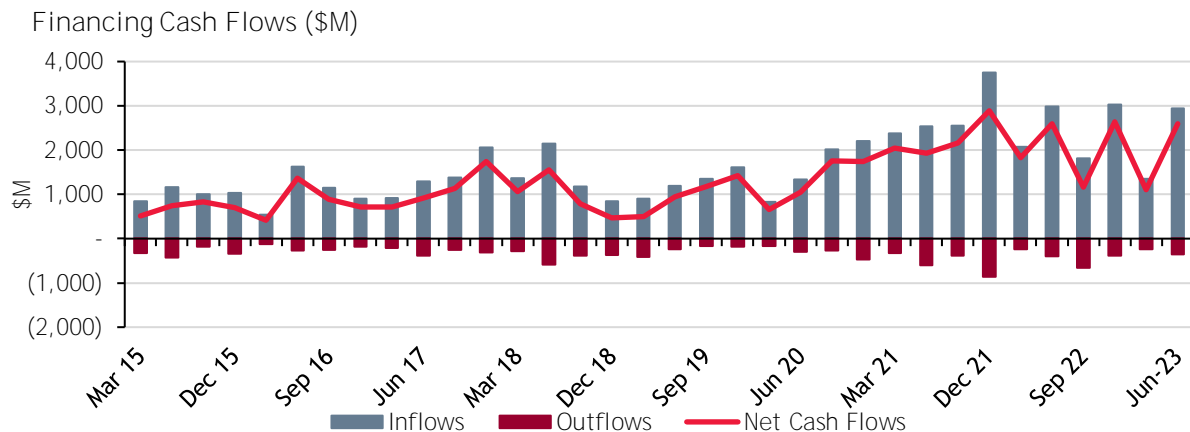
Unlike the previous two quarters of subdued operations and investment, the current quarter showed a reset in investor sentiment, demonstrated by the increase in financing, investments and exploration spending as cash balances remained healthy. This quarter also saw a return in consolidation activity among explorers, particularly in the gold sector, while IPOs focused on critical minerals, comprising lithium and rare-earth minerals. A total of 779 companies lodged an Appendix 5B for the June 2023 quarter, representing a reduction of eight companies from the March 2023 quarter and marking the first reduction in companies to lodge since the September 2020 quarter. Interestingly, seven companies were acquired or merged in the June 2023 quarter, signifying the commencement of a healthy wave of consolidation activity across the sector, particularly within the gold sector, as explorers favour this route given current uncertain and volatile capital markets.

Following a decrease of 55% in the amount of funds raised in the previous quarter, financing cash inflows for the June 2023 quarter increased 111% to total \$2.84 billion. Alongside, the average financing inflows per company was up 8.5% to total \$3.65 million, when compared to the two-year average of \$3.36 million. The recent volatility in financing cash flows, as outlined below, is a consequence of the adverse reaction from capital markets to increasing interest rates since May 2022, in conjunction with an inflationary environment and global economic uncertainty. In the current quarter, we observed a loosening of previously tightened capital markets, evidenced by the increased number of large fund raisings.

**In the June 2023 quarter, 53 companies (which we have termed 'Fund Finders') raised capital exceeding \$10 million, up from 34 in the previous quarter.** For the second successive quarter, both gold and lithium secured the top spots on our Fund Finders, underscoring the notion that market sentiment is being both driven by the demand for battery metals, yet tempered by economic volatility.

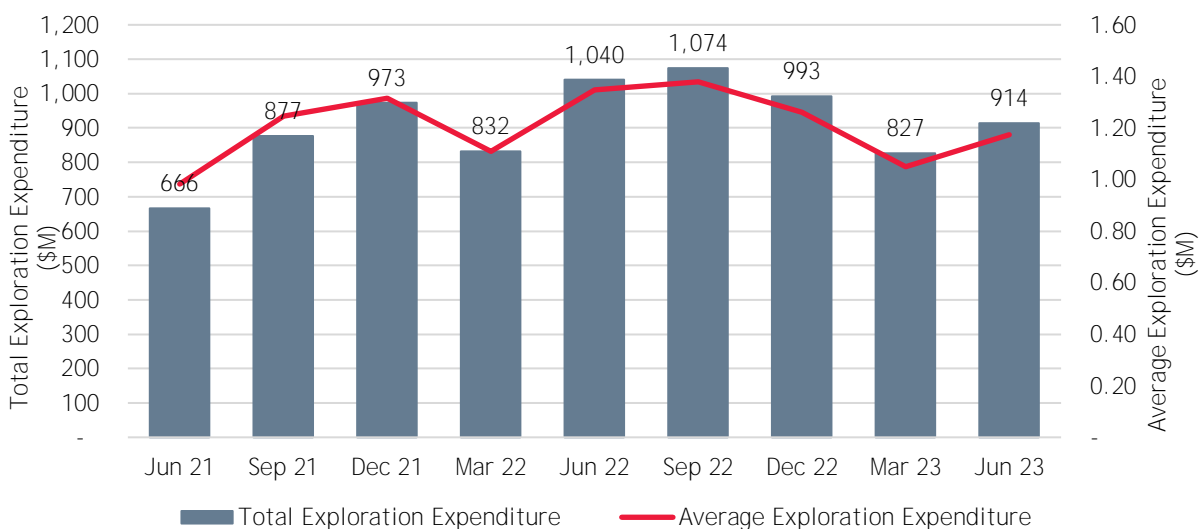
**Explorers' cash positions increased modestly in the June 2023 quarter, with 82% of exploration companies reporting a cash balance of over \$1 million, up from 81% in the March 2023 quarter.** Notably, this marks a slight reversal of a trend of explorers with cash balances over \$1 million reducing since the June 2022 quarter. This development is encouraging, especially considering the industry-wide rise in investment and exploration expenditure throughout the quarter, in tandem with the prevailing inflationary environment.





In the June 2023 quarter, total exploration expenditure increased for the first time since the record-billion dollar spend in the September 2022 quarter of \$1.07 billion. **The June 2023 quarter's \$914 million** exploration spend represented a 10% increase from the March 2023 quarter. The average exploration spend per company rebounded by 12% to \$1.17 million from the two-year low of \$1.05 million shown in the March 2023 quarter.

Total Exploration Expenditure - Last Two Years (\$M)



The top ten exploration spending companies comprised four lithium companies, three gold companies, one nickel-copper, graphite, and a coal company. Gold and oil and gas typically account for the largest portion of the top 10 exploration spends, however, this quarter, we have also observed growth in exploration spending for lithium that has likely been driven by the sustained demand for renewable energy sources to meet future energy requirements.

Contradictory macroeconomic signals defined the macroeconomic landscape in the June 2023 quarter. For example, gold topped our Fund Finders for the fourth consecutive quarter, which would potentially serve as an indicator of ongoing economic turbulence, given the recognised safe haven attributes of gold. However, despite the prevailing economic uncertainty, there was a resurgence of capital market support during the same period, largely driven by the demand for battery metals. Nonetheless, the results from the

June 2023 quarter suggests that the sector has positively rebounded from the noticeable industry wide slowdown observed in the preceding two quarters.

Source: BDO Explorer Quarterly Cash Update: June 2023 and prior releases.

## 8.2 Vanadium

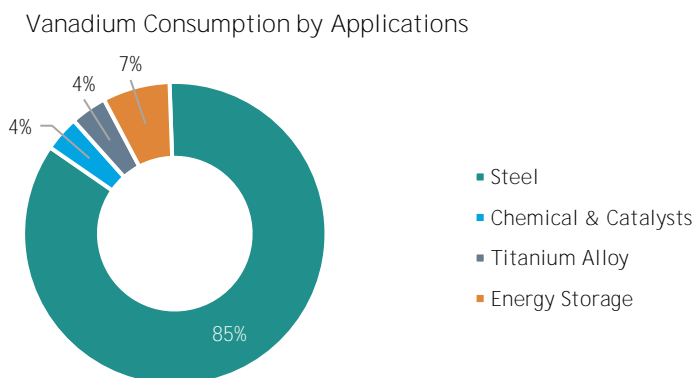
Vanadium is a hard, silver-grey metal found in more than 60 different minerals, including vanadinite, carnotite, roscoelite, and patronite. It is a malleable and ductile transition metal with a natural resistance to corrosion, good structural strength, and stability against alkalis, acids, and salt water. The elemental metal is rarely found in nature, rather it is more commonly derived from mined ore, either as a primary or co-product from direct mineral concentrates (representing approximately 30% of production), or as a by-product of steel-making slags (representing approximately 70% of production). Vanadium can also be recovered from wastes such as fly ash, crude oil residues and waste solutions from the processing of uranium ores.

**Vanadium is listed as a critical metal in both Australia's Critical Mineral List and the US Geological Survey ('USGS'), as well as in the United Kingdom, European Union, India, and Japan.**

Vanadium is primarily used in the production of steel alloys, particularly high-strength steel, and titanium alloy production for use in the aerospace, construction, and automobile industries. The addition of a small amount of vanadium can increase the strength of steel by up to 100% and reduce weight by as much as 30%. Steel alloys used in these applications typically contain around 0.15% to 0.25% vanadium for high-carbon steel, while high-speed tool steels, used in surgical instruments and specialty tools, contain a vanadium content ranging from 1% to 5%.

Vanadium also finds application in the production of ceramics as a pigment, textile and printing dyes as a catalyst, electronics, fertilisers, synthetic rubber, welding, nuclear engineering, and more significantly in recent years, the development of VFBs.

The consumption of vanadium by application for the half year ended 30 June 2023 is outlined:



Source: Vanitec

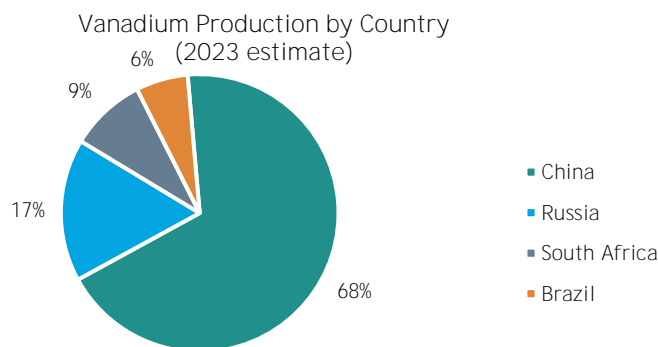
Vanadium electrolyte is used in VFBs to store energy and enables a wider use of renewable power generation, such as wind and solar. VFB technology offers large-scale, lightweight, rechargeable, and durable battery-storage solutions which are being increasingly implemented in the renewable energy industry.

According to the Office of the Chief Economist, a wider range of technologies are suitable for long-duration stationary energy storage systems ('ESS'), such as flow batteries (including vanadium) and molten salt batteries. The growing demand for renewable energy has led to an increased interest in vanadium, especially in the growing stationary storage VFB market. As the demand for solutions that can store renewable energy grows, the demand in the VFB market is expected to grow significantly as they become the preferred battery for large-scale renewable energy projects.

Recycling of vanadium is most often associated with reprocessing spent vanadium catalysts. The range in vanadium content in spent catalysts varies depending on the crude oil feedstock and there is significant uncertainty associated with the quantity of vanadium recycled.

### Global Vanadium Production and Reserves

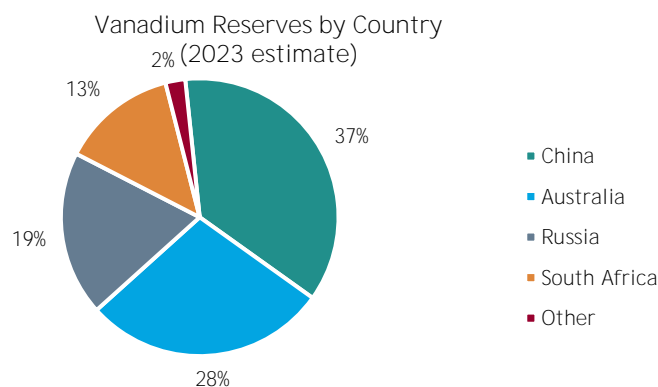
**China is the world's largest producer and comprised one of four countries** that recorded production in 2022. Total global vanadium production for 2022 was approximately 102,000 tonnes, led by China (68%), and followed by South Africa (17%), Russia (9%), and Brazil (6%)



Source: USGS 2023

According to the USGS, global vanadium resources exceeded 63 million tonnes in 2022. However, as vanadium often occurs in minute amounts in various rocks, or as a co-product or by-product of bauxite, coal, crude oil, shale oil, and tar sands, resources are not fully indicative of available supplies.

The chart below exhibits the four countries which, combined, host approximately 97% of the 26 million tonnes of vanadium reserves considered to be recoverable. China hosts the largest global reserve at approximately 37%.



Source: USGS 2023

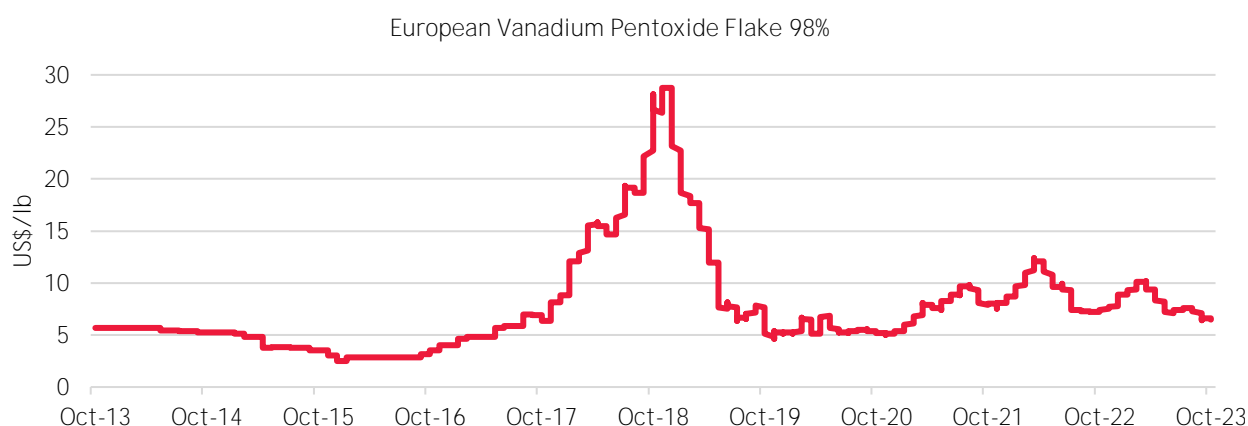
## Pricing and Outlook

Given the specialised nature of vanadium pentoxide and the absence of a central market for recording prices, there is a lack of publicly available information on pricing. According to the USGS, the Chinese annual average price of vanadium pentoxide from 2012 through to 2022 is outlined below:

Vanadium Pentoxide	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Average Price per pound (US\$)	6.49	6.04	5.61	4.16	3.38	7.61	16.40	12.17	6.68	8.17	9.20

Source: USGS Mineral Commodity Summary for 2023 and prior periods

Whilst according to the Asian Metal Inc., the European Vanadium Pentoxide Flake with a purity of 98% spot price over a period from 2013 through to 2023 is outlined below.



Source: Bloomberg

Historically, the stability of the vanadium market can be attributed primarily to its use in the production of steel. As observed in the graph above, the vanadium pentoxide price decreased gradually from October 2013 to October 2016, as consumption in the United States remained stagnant and failed to outstrip supply. Despite slow growth in the consumption of vanadium pentoxide, the price began to increase in late 2016, as a result of the growing interest in VFBs, combined with the closure of a large mine in South Africa, leading to a reduction in global stockpiles.

In early November 2018, the price of vanadium pentoxide reached a peak nearing US\$30/lb, which can be attributed to, amongst other reasons, the implementation of a new high-strength rebar standard by the Standardization Administration of China, which reduced the use of substandard steels in construction.

Throughout 2019, prices began to decrease back to prices observed before the November 2018 peak, which can be accredited to weaker-than-expected demand from Chinese steel makers following the introduction of the new rebar standard, combined with a decline in consumption in the US by approximately 50%.

In early 2020, the global vanadium market was experiencing a tight supply-demand balance, which had been observed since late 2019, and was heightened by the disruption in vanadium supply as a result of COVID-19. However, the Chinese Government, among other countries, implemented stimulus measures in response to the pandemic, resulting in record steel production in China.

Over the course of 2021, the vanadium market strengthened as economies began to emerge from COVID-19-related restrictions and global stimulus spending encouraged an increased demand for vanadium. In the

September quarter of 2021, the vanadium price experienced a short-term peak. However, the vanadium price in the Chinese market decreased in September 2021, aligning with a general trend of decreasing commodity prices, such as iron ore.

In the first half of 2022, the Chinese Government imposed restrictions due to a rise in COVID-19 cases in China, causing a decrease in steel production. This, combined with the expected supply chain disruptions of Russian vanadium products resulting from the Ukraine conflict, caused the global vanadium price to appreciate early in 2022. By mid-2022, the tight supply-demand position eased as COVID-19 related lockdowns in parts of China impacted demand expectations. Late in the September quarter of 2022, vanadium prices consolidated as concerns continued about the sustainability of supply from Russian sources and the gradual recovery of demand in China.

In early 2023, the vanadium pentoxide price remained relatively stable, with steady demand as China emerged from its Zero-COVID policy. However, in the June quarter of 2023, weaker-than-expected industrial output and subdued construction activity in China weighed on steel demand, resulting in a decline in the vanadium pentoxide price.

VFBs are becoming an increasingly important part of the energy storage market, and in recent years, installations of VFB projects have increased worldwide as many countries attempt to lower their carbon footprint with renewable energy projects. In the future, the shift toward green technology and resulting interest in VFB for renewable energy storage, is expected to have considerable impact on bolstering demand for vanadium.

The expansion of vanadium use in VFBs is evident in China, where consumption in VFB was 8.2% of the total Chinese demand in 2022, compared to 4.2% in 2021. When combined with the ongoing roll out in North America, Europe, India and other parts of the world, it is expected that vanadium consumption in VFBs will surpass 10% of the supply in 2023. This growth aligns with the **CRU Group's** expected increase in the share of vanadium demand from the battery sector, with VFBs expected to account for more than two-thirds of vanadium demand by 2040.

Source: USGS 2023 and prior periods, the Office of the Chief Economist, TMT and AVL.

## 9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME');
- Discounted cash flow ('DCF');
- Quoted market price basis ('QMP');
- **Net asset value ('NAV');** and
- Market based assessment (such as a Resource Multiple).

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a **'sum-of-parts' ('Sum-of-Parts') valuation**.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above. The component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of each individual company's assets and liabilities.

## 9.1 Valuation of a TMT share prior to the Scheme

In our assessment of the value of a TMT share prior to the Scheme, we have chosen to employ the following methodologies:

- Sum-of-Parts as our primary methodology, which estimates the fair market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a control value; and
- QMP as our secondary methodology, as this represents the value that a Shareholder may receive for a share if it were sold on market prior to the announcement of the Scheme. The value derived from this methodology reflects a minority interest value; and
- We have adopted a market-based assessment as our tertiary approach using precedent transactions involving TMT shares.

We considered the use of a DCF valuation to value the MTMP. The DCF approach estimates the fair market value of an asset by discounting its future cash flows to their present value at an appropriate discount rate. Performing a DCF valuation requires the determination of:

- the future cash flows that the MTMP is expected to generate; and
- an appropriate discount rate to apply to the cash flows of the MTMP, to convert them into their present value equivalent.

The management of TMT provided us with a forecast cash flow model which estimates the future cash flows expected from the production of vanadium and ilmenite over the life of the MTMP (**'Model'**).

We have made certain adjustments to the Model to reflect our view of the economic inputs underpinning the Model in order to arrive at an adjusted model (**'Adjusted Model'**).

We note that the NPV of the cash flows derived from the Adjusted Model is lower than the values ascribed by VRM to the value of the MTMP (comprising the Mineral Resource and exploration potential), which were performed using alternative valuation methodologies (as contained in the Technical Specialist Report in Appendix 3). This is largely because of the time that has elapsed since the DFS and the Integration Study was performed and the resulting changes to pricing and cost assumptions since these studies. Further, as outlined in Section 5.2 of our Report, the mining of Gabanintha and Yarrabubba is conditional on environmental approvals and as such may not be realisable. Therefore, whilst we have considered the DCF approach, we have not relied on it to inform our view of the value of the MTMP as the comparable transactions approach represents the highest and best use value. We note that it is not uncommon for a market based approach such as comparable transaction multiples to result in a higher valuation than the present value of cash flows derived under a DCF approach. Our preferred approach is to rely on the valuations performed by VRM in valuing the MTMP, with the valuation approaches detailed in the Technical Specialist Report in Appendix 3.

We have chosen the following methodologies to value TMT prior to the Scheme, with reasons for utilising those methodologies set out below:

- The core value of TMT lies in the future cash flows to be generated from the MTMP. As detailed above, we considered the DCF valuation approach to value the MTMP, however, based on the Adjusted Model, the highest and best use value is derived from valuing the Mineral Resource and exploration potential of the MTMP using the comparable transactions and the Kilburn valuation methodologies, which was performed by VRM, as contained in the Technical Specialist Report in Appendix 3;
- **As TMT's mineral assets are currently non-producing**, and there is no revenue or cash flows currently generated by the MTMP, we have commissioned an independent technical specialist to **value TMT's mineral assets prior to the Scheme. Therefore, we consider** the Sum-of-Parts approach to be an appropriate methodology to use in assessing the value of a TMT share prior to the Scheme;
- We have adopted the QMP as our secondary approach. The QMP basis is a relevant methodology to consider because the shares of TMT are listed on the ASX, and therefore, reflect the value that a Shareholder will receive for a share sold on the market. This means there is a regulated and observable market where the shares of TMT can be traded. However, for the QMP methodology to be considered appropriate, the listed shares should be liquid, and the market should be fully **informed on the Company's activities**;
- The MTMP does not currently generate any income, nor are there any historical profits that could be used to represent future earnings; therefore, we do not consider the application of the FME approach to be appropriate; and
- We have adopted a market-based assessment as our tertiary approach using recent capital raisings, **on the basis that this represents an arm's length transaction between a willing buyer and a willing seller** for the equity interest in TMT. This is a robust approach as it reflects the actual market value subscribed for by market participants.

We consider the Sum-of-Parts approach to be an appropriate primary methodology to use in assessing the value of a TMT share prior to the Scheme.

We have employed the Sum-of-Parts methodology in estimating the fair value of TMT prior to the Scheme by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

- the **value of TMT's mineral assets, applying the comparable transactions and geoscientific ratings** approach;
- the **value of TMT's other assets and liabilities, adjusting to fair** market value under the NAV methodology; and
- transaction costs incurred as part of the Scheme process borne by TMT if the Scheme is not successfully implemented.

### Technical Expert

In performing our valuation of TMT's mineral assets, we have relied on the Technical Specialist Report, which includes an assessment of the market value of TMT's mineral assets.



VRM's Technical Specialist Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('VALMIN Code') and the JORC Code. We are satisfied with the valuation methodologies adopted by VRM, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by VRM are referred to in the respective sections of our Report and in further detail in the Technical Specialist Report contained in Appendix 3.

## 9.2 Valuation of the Proposed Merged Entity

In our assessment of the value of the Proposed Merged Entity, following the implementation of the Scheme, we have chosen to employ the following approaches:

- Sum-of-Parts of the Proposed Merged Entity as our primary methodology. The value derived from this methodology reflects a control value, to which we then apply a minority interest discount; and
- QMP as our secondary methodology, utilising post-announcement pricing of AVL. The value derived from this methodology reflects a minority interest value.

We have employed the Sum-of-Parts method in estimating the fair market value of the Proposed Merged Entity by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the:

- value of the **Proposed Merged Entity's** assets, applying the comparable transactions and geoscientific ratings approach;
- value of the other assets and liabilities of AVL and TMT, applying the cost approach under the NAV method; and
- Transaction costs incurred as part of the Scheme process.

We have chosen the following methodologies to value the Proposed Merged Entity following the implementation of the Scheme, and in turn, the Scheme Consideration with the reasons for utilising those methodologies set out below:

- **The Proposed Merged Entity's** mineral assets do not currently generate any income, nor are there any historical profits that could be used to represent future earnings; therefore, we do not consider the application of the FME approach to be appropriate;
- If the Scheme is approved, the Proposed Merged Entity is likely to undergo a strategic review in order to optimise the integration of the TMT and AVL mineral assets. We understand that the strategy is currently being formed and no definitive modelling of the proposed development of the **Proposed Merged Entity's** mineral assets has been conducted. As such, given the uncertainty around development options, we do not consider that we would have sufficient reasonable **grounds in accordance with Regulatory Guide 170 'Prospective Financial Information' ('RG 170')** and Information Sheet 214: Mining and Resources: Forward-looking Statements ('IS 214'), to utilise a DCF valuation approach;
- **As the Proposed Merged Entity's** mineral assets are currently non-producing, and there is no revenue or cash flows currently generated by the mineral assets of the Proposed Merged Entity, we have commissioned an independent technical specialist to value these mineral assets. The independent technical specialist has used a resource based valuation approach for valuing the mineral assets. Therefore, we consider the Sum-of-Parts approach to be an appropriate methodology to use in assessing the value of the Proposed Merged Entity; and

- We have adopted the QMP as our secondary approach. The QMP basis is a relevant methodology to consider because the shares of AVL are listed on the ASX, and therefore, reflect the value that a Shareholder will receive for a share sold on the market. This means there is a regulated and observable market where the shares of TMT can be traded. However, for the QMP methodology to be considered appropriate, the listed shares should be liquid, and the market should be fully **informed on the Company's activities**.

We consider the Sum-of-Parts approach to be an appropriate primary methodology to use in assessing the value of the Proposed Merged Entity following the implementation of the Scheme, and in turn, the Scheme Consideration **as it incorporates the independent technical specialist's valuation of the mineral assets of the Proposed Merged Entity**.

### Technical Expert

**In performing our valuation of AVL's mineral assets, we have relied on the Technical Specialist Report** prepared by VRM, which includes an assessment of the market value of the mineral assets of the Proposed Merged Entity.

We are satisfied with the valuation methodologies adopted by VRM, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code.

The specific valuation methodologies used by VRM are referred to in the respective sections of our Report and in further detail in the Technical Specialist Report contained in Appendix 3.

## 10. Valuation of TMT prior to the Scheme

### 10.1 Sum-of-Parts Valuation

We have employed the Sum-of-Parts methodology in estimating the fair market value of a TMT share on a controlling interest basis prior to the Scheme, by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration of the following:

- **The value of TMT's mineral assets;**
- **the value of TMT's other assets and liabilities; and**
- the transaction costs which will be incurred by TMT if the Scheme is not implemented.

Our Sum-of-Parts valuation is set out in the table below:

Valuation of TMT prior to the Scheme	Ref	Low \$m	Preferred \$m	High \$m
Value of TMT's mineral assets	10.1.1.	66.9	89.6	112.3
Value of TMT's other assets and liabilities	10.1.2.	15.1	15.1	15.1
Transaction costs	10.1.3.	(1.2)	(1.2)	(1.2)
Total value of TMT prior to the Scheme (controlling interest basis)		80.8	103.5	126.2
Number of shares outstanding		254,285,984	254,285,984	254,285,984
Value per share prior to the Scheme (controlling interest basis) (\$)		0.318	0.407	0.496

Source: **TMT's** audited financial statements for the year ended 30 June 2023 and BDO analysis

We have assessed the value of a TMT share prior to the Scheme (on a controlling interest basis) to be in the range of \$0.318 to \$0.496, with a preferred value of \$0.407.

### 10.1.1. Valuation of TMT's Mineral Assets

In performing our valuation of TMT's mineral assets, we have relied on the Technical Specialist Report prepared by VRM, which includes the assessment of the market value of the Company's MTMP.

We instructed VRM to provide an independent market valuation of the mineral assets held by TMT. VRM considered a number of different valuation methods when using the mineral assets of TMT. VRM applied the comparable transactions approach for valuing the TMT Resource and Reserve.

The range of values for TMT's mineral assets as determined by VRM is set out below:

Mineral Assets	Low \$m	Preferred \$m	High \$m
MTMP Resources	66.3	88.4	110.5
MTMP Exploration Potential	0.6	1.3	1.9
Total	66.9	89.6	112.3

Source: VRM's Technical Specialist Report

The table above indicates a range of (rounded) values between \$66.9 million and \$112.3 million, with a preferred value of \$89.6 million. For further information on VRM's approach and conclusions, refer to the VRM report which is included as Appendix 3 of our Report.

### 10.1.2. Valuation of TMT's other assets and liabilities

The other assets and liabilities of TMT represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with TMT and analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Valuation of TMT's other assets and liabilities	Ref	Audited as at 30-Jun-23 \$'000	Adjusted Value \$'000
CURRENT ASSETS			
Cash and cash equivalents	a)	16,464	15,343
Trade and other receivables	b)	2,308	803
Other current assets		101	101
TOTAL CURRENT ASSETS		18,873	16,247
NON-CURRENT ASSETS			
Property, plant and equipment		4	4
Deferred exploration and evaluation expenditure	c)	38,145	-
TOTAL NON-CURRENT ASSETS		38,149	4
TOTAL ASSETS		57,022	16,251
CURRENT LIABILITIES			
Trade and other payables		1,179	1,179
TOTAL CURRENT LIABILITIES		1,179	1,179
TOTAL LIABILITIES		1,179	1,179
NET ASSETS		55,843	15,072

Source: TMT's audited financial statements for the year ended 30 June 2023 and TMT's quarterly cash flow report for the September 2023 quarter.

We have not undertaken a review of TMT's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We have been advised that there has not been any other significant change in the net assets of TMT since 30 June 2023 apart from the adjustments detailed below and the above assets and liabilities represent their fair market values. Where the above balances differ materially from the position at 30 June 2023, we have obtained supporting documentation to validate the values used, which provides reasonable grounds for reliance on the unaudited financial information.

We note the following in relation to the above valuation to TMT's other assets and liabilities:

#### Note a) Cash and cash equivalents

We have adjusted the value of cash and cash equivalents of \$16.46 million as at 30 June 2023 to \$15.34 million as at 30 September 2023, based on the Company's quarterly cash flow report for the September 2023 quarter. This includes the receipt of the R&DTI of \$1.40 million, which was offset by exploration and evaluation expenditure of \$1.77 million for the quarter, as detailed below.

Cash and cash equivalents	\$'000
Cash and cash equivalents as at 30 June 2023	16,464
Government grants and tax incentives	1,404
Exploration & evaluation	(1,772)
Other net cash movements during the period	(753)
Cash and cash equivalents as at 30 September 2023	15,343

Source: TMT's quarterly cash flow report for the September 2023 quarter

#### Note b) Trade and other receivables

Trade and other receivables of \$2.31 million as at 30 June 2023 has been adjusted to account for the receipt of the R&DTI of \$1.40 million, as detailed above. Therefore, we have adjusted the book value of trade and other receivables to \$0.80 million, based on the Company's management accounts.

#### Note c) Deferred exploration and evaluation expenditure

We have adjusted the book value of deferred exploration and evaluation expenditure of \$38.15 million as at 30 June 2023 to nil, as it is reflected in the valuation of TMT's interest in the MTMP, which has been valued separately in Section 10.1.1.

### 10.1.3. Transaction Costs

We adjusted our valuation of TMT to reflect the transaction costs that are expected to be incurred by TMT regardless of the outcome of the approval of the Scheme. The transaction costs to be incurred by TMT have been estimated to be \$1.18 million, as detailed in the Scheme Booklet. The portion of these costs that have been paid prior to 30 September 2023 and therefore included in our adjusted cash balance is not material.

#### 10.1.4. Number of shares outstanding

As detailed in Section 5.6 of our Report, the current number of TMT shares on issue as at the date of our Report is 254,285,984. We also note that TMT has 10,800,000 TMT Options on issue. As at 7 November 2023, the TMT Options are out-of-the-money, and as such, we have not assumed the exercise of the TMT Options in assessing the value of TMT prior to the Scheme.

#### 10.2 Quoted Market Prices for TMT Securities

To provide a comparison to the valuation of TMT in Section 10.1, we have also assessed the quoted market price for a TMT share.

**The quoted market value of a company's shares is reflective of a minority interest. A minority interest is** an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.43 suggests that **when considering the value of a company's shares for the purposes of approval** under Item 7 of s611, the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company.

These advantages include the following:

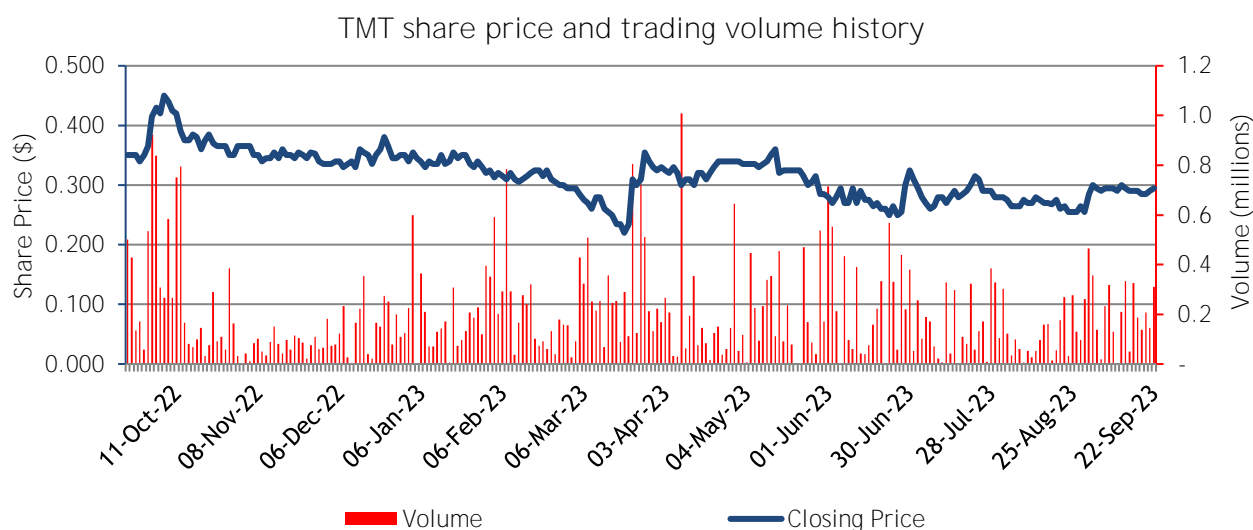
- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Our calculation of the quoted market price of a TMT share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

#### Minority interest value

Our analysis of the quoted market price of a TMT share is based on the pricing prior to the announcement of the Scheme. This is because the value of a TMT share after the announcement may include the effects of any change in value as a result of the Scheme. However, we have considered the value of a TMT share following the announcement when we have considered reasonableness in Section 13.

Information on the Scheme was announced to the market on 25 September 2023. Therefore, the following chart provides a summary of the share price movement over the 12 months to 22 September 2023, which was the last trading day prior to the announcement.



Source: Bloomberg

The daily price of TMT shares from 22 September 2022 to 22 September 2023 has ranged from a low of \$0.22 on 20 March 2023 to a high of \$0.45 on 6 October 2022. The highest single day of trading over the assessed period was on 11 April 2023, when a total of 1,009,617 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement \$ (movement)			Closing Share Price Three Days After Announcement \$ (movement)		
10/08/2023	Locking Down Infrastructure to Support Delivery of the MTMP	0.270	▼	1.8%	0.275	▲	1.9%
19/07/2023	Quarterly Activities Report and Appendix 5B Jun 2023	0.285	▲	1.8%	0.315	▲	10.5%
15/06/2023	TMT Board Appointment	0.275	▼	5.2%	0.270	▼	1.8%
24/05/2023	TMT Strengthens Cornerstone Support - \$11.5M Placement	0.315	▼	3.1%	0.315	►	0.0%
22/05/2023	Trading Halt	0.325	►	0.0%	0.300	▼	7.7%
19/04/2023	Quarterly Activities Report and Appendix 5B Mar 2023	0.310	▼	3.1%	0.340	▲	9.7%
03/04/2023	MOU to Supply Vanadium to Indian Battery Manufacturer	0.325	▼	1.5%	0.320	▼	1.5%
27/03/2023	RCF makes further investment in Murchison Vanadium strategy	0.355	▲	14.5%	0.325	▼	8.5%
14/03/2023	Half-Year Report 31 December 2022	0.255	▼	1.9%	0.235	▼	7.8%
10/03/2023	Preferred Tenderers Engaged to Progress MTMP Implementation	0.280	►	0.0%	0.250	▼	10.7%
22/02/2023	Board Update	0.310	▼	4.6%	0.300	▼	3.2%
14/02/2023	Battery Grade Vanadium Electrolyte Produced	0.315	▲	1.6%	0.325	▲	3.2%
31/01/2023	Quarterly Activities Report and Appendix 5B Dec 2022	0.320	▼	3.0%	0.320	►	0.0%
18/01/2023	EKF Issues Financing Letter of Interest	0.355	▲	4.4%	0.350	▼	1.4%
07/11/2022	MTMP Global Mineral Resource Upgrade	0.350	▼	4.1%	0.345	▼	1.4%

Date	Announcement	Closing Share Price Following Announcement \$ (movement)	Closing Share Price Three Days After Announcement \$ (movement)
10/10/2022	MOU Executed with Tata Steel	0.425 ▼ 3.4%	0.375 ▼ 11.8%
28/09/2022	TMT - 30 June 2022 Annual Report	0.340 ▼ 2.9%	0.415 ▲ 22.1%

Source: Bloomberg and BDO Analysis

On 10 October 2022, TMT announced that the Company had executed the MOU with Tata Steel. On the **date of the announcement, TMT's share price decreased by 3.4% to close at \$0.425. Over the subsequent three-day period, a cumulative 1,711,026 shares were traded with TMT's share price decreasing a further 11.8% to \$0.375.**

On 22 February 2023, the Company announced the resignation of Jacqueline Murray as a non-executive **director of TMT. On the date of the announcement, TMT's share price decreased by 4.6% to close at \$0.310, before decreasing a further 3.2% over the subsequent three-day period to close at \$0.300.**

On 10 March 2023, TMT announced the engagement of GRES and IMC to progress the FEED activities for the **MTMP implementation phase. TMT's share price remained unchanged on the date of the announcement. However, over the subsequent three-day period, the Company's share price decreased 10.7% to close at \$0.250.**

**On 27 March 2023, the Company noted AVL's announcement that** RCF had lodged a Notice of Initial Substantial Holder showing a 5.35% interest in AVL at that time, and that RCF is now the largest shareholder of both TMT and AVL. On the date of the notice, the share price of TMT increased 14.5% to close at \$0.355, before decreasing 8.5% over the subsequent three-day period to close at \$0.325.

**On 19 April 2023, TMT released the Company's Quarterly Activities and Cash Flow Report for the March** quarter of 2023, which highlighted the LOI received from EIFO, and the engagement of GRES and IMC to progress the FEED activities for the MTMP implementation phase. On the date of the announcement, the share price decreased by 3.1% to close at \$0.310. However, over the subsequent three-day period, **TMT's share price recovered by 9.7% to close at \$0.340.**

**On 19 July 2023, TMT released the Company's Quarterly Activities and Cash Flow Report for the June** quarter of 2023, which highlighted the MOU signed with Delectrik, and the completion of the \$11.5 million capital raising. On the date of the announcement, the share price increased 1.8% to close at \$0.285, before increasing a further 10.5% over the subsequent three-day period to close at \$0.315.

To provide further analysis of the market prices for a TMT share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 22 September 2023.

Share Price per unit	22-Sep-23	10 Days	30 Days	60 Days	90 Days
Closing price	\$0.295				
Volume weighted average price (VWAP)		\$0.290	\$0.279	\$0.281	\$0.280

Source: Bloomberg and BDO analysis

The above weighted average prices are prior to the date of the announcement of the Scheme, to avoid the influence of any increase in the price of TMT shares that has occurred since the Scheme was announced.

An analysis of the volume of trading in **TMT's** shares for the twelve months to 22 September 2023 is set out below:



Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.290	\$0.295	311,287	0.12%
10 Days	\$0.285	\$0.300	1,908,615	0.75%
30 Days	\$0.250	\$0.300	5,343,305	2.10%
60 Days	\$0.250	\$0.325	9,288,877	3.65%
90 Days	\$0.235	\$0.325	16,181,568	6.36%
180 Days	\$0.210	\$0.380	36,097,358	14.20%
1 Year	\$0.210	\$0.450	49,995,282	19.66%

Source: Bloomberg, BDO analysis

This table indicates that TMT's shares display a moderate level of liquidity, with 0.75% of the Company's current issued capital being traded over the ten trading days prior to the announcement of the Scheme. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there **needs to be a 'liquid and active' market in the shares** and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- **Regular trading in a company's securities;**
- **Approximately 1% of a company's securities are traded on a weekly basis;**
- **The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and**
- There are no significant but unexplained movements in share price.

**A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.**

In the case of TMT, we consider the shares to display a moderate level of liquidity, on the basis that **less than 1% of securities have been traded weekly on average, with 19.66% of TMT's current issued capital being traded over a twelve-month period, and 14.20% of TMT's current issued capital being traded in the last 180 trading days.**

We have also assessed the trading volumes for TMT shares on a weekly basis over the twelve months prior to 22 September 2023, the last full trading day prior to the announcement of the Scheme and found the **mean and median weekly trading volume was approximately 0.37% and 0.32% of TMT's current issued capital, respectively. Of the 52 weeks in which our analysis is based, more than 1% of TMT's securities had been traded in one of those weeks.**

Our assessment is that a range of values for TMT shares based on market pricing, after disregarding post-announcement pricing, is between \$0.275 and \$0.325.

## Control Premium

We have reviewed the control premiums on completed transactions, paid by acquirers of ASX-listed diversified metal companies, ASX-listed general mining companies, and all ASX-listed companies over the ten-year period from 2013 to October 2023. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer

obtained a controlling interest (20% and above) at a discount (i.e., less than a 0% premium) and at a premium in excess of 100%. We have summarised our findings below:

#### ASX-Listed Diversified Metal Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2023	1	53.75	30.38
2022	1	105.12	66.41
2021	1	88.27	29.75
2020	2	33.32	19.57
2019	2	448.57	27.84
2018	1	7.13	15.59
2017	2	7.05	38.68
2016	0	-	-
2015	1	1,566.12	45.84
2014	3	23.15	42.63
2013	3	117.76	57.19

Source: Bloomberg and BDO Analysis

#### ASX-Listed General Mining Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2023	10	200.27	33.09
2022	9	1,929.92	22.67
2021	6	1,235.14	29.89
2020	5	592.04	35.90
2019	9	182.08	41.27
2018	6	68.30	28.27
2017	4	9.28	39.86
2016	10	72.56	50.15
2015	6	318.69	58.37
2014	13	79.54	41.48
2013	12	145.27	37.75

Source: Bloomberg and BDO Analysis

#### All ASX-Listed Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2023	21	411.66	29.76
2022	39	3,199.03	23.39
2021	29	1,348.05	34.75
2020	16	367.97	40.43
2019	29	4,165.55	32.83
2018	26	1,571.79	30.07
2017	24	1,168.71	36.75
2016	28	490.46	38.53
2015	28	948.39	33.53
2014	36	485.46	37.39

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2013	32	147.97	35.48

Source: Bloomberg and BDO Analysis

The mean and median of the entire data sets comprising control transactions from 2013 onwards for ASX-listed diversified metal companies, ASX-listed general mining companies and all ASX-listed companies, are set out below:

Entire Data Set Metrics	ASX-Listed Diversified Metal Companies		ASX-Listed Mining Companies		All ASX-Listed Companies	
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
Mean	189.47	38.80	418.36	38.20	1,390.49	33.46
Median	62.39	30.38	49.58	32.67	115.21	29.06

Source: BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- **Ability to integrate the acquiree into the acquirer's business;**
- Level of pre-announcement speculation of the transaction;
- **Level of liquidity in the trade of the acquiree's securities.**

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

We have removed transactions for which the announced premium was in excess of 100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

The table above indicates that the long-term average control premium by acquirers of ASX-listed diversified metal companies, ASX-listed general mining companies, and all ASX-listed companies is approximately 38.80%, 38.20%, and 33.46% respectively. However, in assessing the transactions included in the table above, we noted that control premiums appeared to be positively skewed.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 30.38% for ASX-listed diversified metals companies, 32.67% for ASX-listed general mining companies and 29.06% for all ASX-listed companies.

Due to the low volume of transactions involving ASX-listed diversified metal companies in recent years, we have weighted our analysis towards the median control premiums of transactions associated with ASX-listed general mining and all ASX-listed companies. Based on the above, we consider an appropriate premium for control to be between 25% and 35%.

### Quoted market price including control premium

Applying a control premium to TMT's quoted market share price results in the following quoted market price value including a premium for control:

	Low \$	High \$
Quoted market price value	0.275	0.325
Control premium	25%	35%
Quoted market price valuation including a premium for control	0.344	0.439

Source: BDO analysis

Therefore, our valuation of a TMT share based on the quoted market price method and including a premium for control is between \$0.344 and \$0.439, with a rounded midpoint value of \$0.392.

### 10.3 Recent Capital Raising

In performing our valuation of a TMT share prior to the Scheme, we have chosen to employ a market-based assessment as our tertiary methodology. The market-based assessment involves considering the offer price under the recent TMT Placement in determining the value of a TMT share prior to the Scheme.

As outlined in Section 5, the Company completed the TMT Placement in June 2023 to raise \$11.5 million (before costs) through the issue of 41,071,427 fully paid ordinary shares at \$0.28 per share.

A key factor in determining the appropriateness of using this methodology is whether the acquirer of the company's shares is an unrelated third-party and whether the level of interest subscribed for in the company's equity is substantial enough to reflect the underlying value of the company. These factors need to fulfill the definition of an arm's length transaction between a willing buyer and a willing seller for the shares in that company.

We note that RCF has been a cornerstone investor in TMT since late 2021 and is TMT's largest shareholder. RCF acquired approximately \$2.75 million of the equity in the TMT Placement, increasing their equity interest to 18.02%. In this instance, RCF may not be considered an unrelated third party. However, we consider the level of interest subscribed for by RCF in the TMT Placement to be not significant enough to render the TMT Placement unsuitable as an indicator of the Company's value.

As such, we consider the TMT Placement to represent an arm's length transaction between a willing buyer and a willing seller, in which the price per TMT share subscribed for under the TMT Placement is an indicator of the market value of TMT.

We have also considered whether the level of interest subscribed for in TMT's equity under the TMT Placement is substantial enough to reflect the underlying value of TMT. The level of interest subscribed for in TMT's equity under the TMT Placement is summarised in the table below.

TMT shares on issue prior to the TMT Placement	213,214,557
TMT shares subscribed for under TMT Placement	41,071,427
Total TMT shares following the TMT Placement	254,285,984
TMT shares subscribed for as % of total shares on issue following the TMT Placement	16%

Source: BDO analysis

Based on the above table, the number of shares subscribed for under the TMT Placement equates to an **interest of 16%. We consider the level of interest subscribed for in TMT's equity under the TMT Placement** to be substantial enough to reflect the underlying value of TMT.

Therefore, we consider a market-based assessment to be an appropriate tertiary valuation methodology for purposes of assessing the value of a TMT share prior to the Scheme.

We note that the offer price of \$0.28 per share represents a minority interest. As outlined in Section 10.2, our assessment of the value of a TMT share prior to the Scheme reflects a control value. Therefore, we have added a premium for control to the minority interest value as assessed in Section 10.2. Applying a control premium to the TMT Placement offer price results in the following value including a premium for control:

	Low \$	High \$
TMT Placement issue price	0.28	0.28
Control premium	25%	35%
TMT Placement price valuation including a premium for control	0.350	0.378

Source: BDO analysis

Therefore, our market-based assessment of a TMT share based on the TMT Placement offer price including a premium for control is between \$0.350 to \$0.378, with our preferred market-based assessment value of a TMT share being a rounded midpoint value of \$0.364. We have selected the midpoint between the low and high values as a preferred value as there is no reason for us to select a value on either end of the above assessed range.

#### 10.4 Assessment of TMT Value

The results of the valuations performed are summarised in the table below:

	Ref	Low \$	Preferred \$	High \$
Sum-of-Parts	10.1.	0.318	0.407	0.496
QMP	10.2.	0.344	0.392	0.439
TMT Placement	10.3.	0.350	0.364	0.378

Source: BDO analysis

We note that the value ranges derived under the QMP approach and the TMT Placement support our primary Sum of Parts valuation approach, albeit that the TMT placement only supports the low to middle of our range.

We consider the Sum-of-Parts approach to be the most appropriate methodology to value TMT as the core value of the Company lies in its MTMP, which has been independently valued by VRM, an independent technical specialist in accordance with VALMIN.

Based on the results above we consider the value of a TMT share to be between \$0.318 and \$0.496, with a preferred value of \$0.407.

## 11. Valuation of the Proposed Merged Entity

The Scheme consideration comprises twelve AVL shares for every TMT share currently held. In valuing the Scheme Consideration, we have applied the Sum-of-Parts approach to assess the value of a share in the Proposed Merged Entity (on a minority interest and diluted basis).

This is because, when assessing non-cash consideration in control transactions, RG 111.31 suggests that a comparison should be made between the value of the securities being offered (allowing for a minority **discount**) and the value the target entity's securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:

- (a) The acquirer is obtaining or increasing control of the target; and
- (b) The security holders in the target will be receiving scrip constituting minority interest in the combined entity.

Our Sum-of-Parts valuation of the Proposed Merged Entity, and QMP cross-check methodology, are discussed in the following sections.

RG 111.32 suggests that if we use the quoted market price of securities to value the offered consideration, then we must consider and comment on:

- (a) the depth of the market for those securities;
- (b) the volatility of the market price; and
- (c) whether or not the market value is likely to represent the value if the takeover bid is successful.

Under RG 111.34 it is noted that if, in a scrip bid, the target is likely to become a controlled entity of the **bidder, the bidder's securities can also be valued using a notionally combined entity. However, it should** still be noted that the accepting holders are likely to hold minority interests in that combined entity. Therefore, we have assessed the quoted market price for a share in the Proposed Merged Entity on a minority interest basis.

## 11.1 Sum-of-Parts Valuation of the Proposed Merged Entity

We have valued the Proposed Merged Entity using a Sum-of-Parts approach, with our valuation including:

- the value of the mineral assets of TMT and AVL;
- the value of the other assets and liabilities of TMT and AVL; and
- the transaction costs.

The summary of the Sum-of-Parts valuation is set out in the table below.

	Ref	Low \$m	Preferred \$m	High \$m
Value of TMT (as above)	10.1.	80.8	103.5	126.2
Value of AVL's mineral assets	11.1.1.	118.6	134.0	149.4
Value uplift of TMT's mineral asset	11.1.2.	22.7	11.4	-
Value of AVL's other assets and liabilities	11.1.3.	30.9	30.9	30.9
Transaction Costs	11.1.4.	(8.5)	(8.5)	(8.5)
<b>Total value of Proposed Merged Entity (controlling interest basis)</b>		<b>244.5</b>	<b>271.3</b>	<b>298.0</b>
Number of shares outstanding	11.1.5.	8,078,189,514	8,078,189,514	8,078,189,514
Value per share (controlling interest basis) (\$)		0.030	0.034	0.037
Minority interest discount	11.1.6.	26%	23%	20%
Value per share (minority interest basis) (\$)		0.022	0.026	0.030

Source: BDO analysis

We have assessed the value of a share in the Proposed Merged Entity on a minority interest basis to be in the range of \$0.022 to \$0.030, with a preferred value of \$0.026.

### 11.1.1. Valuation of AVL's mineral assets

**In performing our valuation of AVL's mineral assets, we have relied on the Technical Specialist Report prepared by VRM, which includes the assessment of the market value of AVL's mineral assets.**

We instructed VRM to provide an independent market valuation of the mineral assets held by AVL. VRM considered a number of different valuation methods when using the mineral assets of AVL. VRM applied the comparable transactions approach for valuing the AVL Resource and Reserve.

**The range of values for TMT's mineral assets as determined by VRM is set out below:**

Mineral Assets	Low \$m	Preferred \$m	High \$m
AV Project	117.6	132.3	146.9
AV Project Exploration Potential	0.2	0.3	0.4
Coates and Nowthanna	0.9	1.5	2.1
<b>Total</b>	<b>118.6</b>	<b>134.0</b>	<b>149.4</b>

Source: **VRM's** Technical Specialist Report

The table above indicates a range of values between \$118.6 million and \$149.4 million, with a preferred value of \$134.0 million. For **further information on VRM's approach and conclusions, refer to the VRM report** which is included as Appendix 3 of our Report.



### 11.1.2. Value uplift of TMT's mineral assets

We have taken into account an uplift in value of **TMT's mineral assets**, resulting from the synergies which arise from the consolidation of the two adjoining projects. In doing so, we have relied upon Technical Specialist Report prepared by VRM, which includes the assessment of the market value of TMT and **AVL's** mineral assets.

The value uplift in **AVL's** mineral assets as determine by VRM is outlined below:

	Low \$m	Preferred \$m	High \$m
Pre-Scheme Valuation			
MTMP Resources	66.3	88.4	110.5
MTMP Exploration Potential	0.6	1.3	1.9
<b>Value of TMT's mineral assets prior to the Scheme (a)</b>	<b>66.9</b>	<b>89.6</b>	<b>112.3</b>
Post-Scheme Valuation			
MTMP Resources	88.4	99.4	110.5
MTMP Exploration Potential	1.3	1.6	1.9
<b>Value of TMT's mineral assets following the Scheme (b)</b>	<b>89.6</b>	<b>101.0</b>	<b>112.3</b>
Value uplift in TMT's mineral assets (b) - (a)	22.7	11.4	-

Source: **VRM's Technical Specialist Report**

The table above indicates an uplift in value of **TMT's mineral assets** of \$22.7 million of the low value and \$11.4 million of the preferred value. **However, we note that there is no uplift on the high range of TMT's mineral assets.** For **further information on VRM's** basis for the value uplift, the approaches used and the conclusions, refer to the VRM report which is included as Appendix 3 of our Report.

### 11.1.3. Value of AVL's other assets and liabilities

The other assets and liabilities of AVL represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. We do not consider there to be a material difference between book value and fair value unless an adjustment has been noted below.

The table below represents a summary of the net assets and liabilities identified:

Valuation of AVL's other assets and liabilities	Ref	Audited as at 30-Jun-23 \$'000	Adjusted Value \$'000
CURRENT ASSETS			
Cash and cash equivalents	a)	26,874	32,103
Trade and other receivables		1,671	1,671
Inventories		182	182
<b>TOTAL CURRENT ASSETS</b>		<b>28,727</b>	<b>33,956</b>
NON-CURRENT ASSETS			
Plant and equipment		1,856	1,856
Deferred exploration and evaluation expenditure	b)	44,731	-
Financial assets		296	296
Right-of-use assets		1,815	1,815
<b>TOTAL NON-CURRENT ASSETS</b>		<b>48,698</b>	<b>3,967</b>
<b>TOTAL ASSETS</b>		<b>77,425</b>	<b>37,923</b>

Valuation of AVL's other assets and liabilities	Ref	Audited as at 30-Jun-23 \$'000	Adjusted Value \$'000
CURRENT LIABILITIES			
Trade and other payables		4,867	4,867
Provisions		110	110
Lease liability		335	335
Grant liability	c)	9,959	-
TOTAL CURRENT LIABILITIES		15,272	5,312
NON-CURRENT LIABILITIES			
Provisions		129	129
Lease liability		1,536	1,536
TOTAL NON-CURRENT LIABILITIES		1,665	1,665
TOTAL LIABILITIES		16,936	6,977
NET ASSETS		60,489	30,946

Source: AVL's audited financial statements as at 30 June 2023 and BDO Analysis

We have not undertaken a review of AVL's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We have been advised that there has not been any other significant change in the net assets of AVL since 30 June 2023 and the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the reviewed position at 30 June 2023, we have obtained supporting documentation to validate the values used, which provides reasonable grounds for reliance on the unaudited financial information.

We note the following in relation to the above valuation to AVL's other assets and liabilities:

#### Note a) Cash and cash equivalents

We have adjusted the book value of cash and cash equivalents of \$26.87 million as at 30 June 2023 to \$32.10 million as at 30 September 2023, which includes the \$15.67 million raised under the AVL

Placement. Our adjustment to AVL's cash and cash equivalents balance is set out in the table below:

Cash and cash equivalents	\$'000
Cash and cash equivalents as at 30 June 2023	26,874
Net proceeds from AVL Placement	15,283
Property, plant & equipment	(2,722)
Exploration & evaluation	(1,989)
Administration & corporate costs	(1,588)
Other net cash movements during the period	(3,755)
Cash and cash equivalents as at 30 September 2023	32,103

Source: TMT's quarterly cash flow report for the September 2023 quarter

We note that the cash and cash equivalents as at 30 June 2023 excludes restricted cash, which is reflected in trade and other receivables. Therefore, we have adjusted the cash balance **from AVL's quarterly cash flow statement** at 30 September 2023 to also exclude the restricted cash.

#### Note b) Deferred exploration and evaluation expenditure

We have adjusted the book value of deferred exploration and evaluation expenditure of \$44.73 million as at 30 June 2023 to nil, as it is reflected in the valuation of AVL's mineral assets, which has been valued separately in Section 11.1.1.

#### Note c) Grant liability

The grant liability represents the grant funding received under two grants that is to be used to partially fund the construction of the Electrolyte Plant and progress the development of the AV Project. The grant liability arises upon receipt of the grant funding which as at 30 June 2023 was \$9.96 million. The amount is only repayable in the event that AVL elects not to proceed with its planned construction of the Electrolyte Plant or the development of the AV Project. As at the date of our Report, it is reasonable to assume that AVL will proceed with both activities. Therefore, we do not consider this amount to be repayable and have therefore adjusted the balance to nil.

### 11.1.4. Transaction costs

We have adjusted our valuation of the Proposed Merged Entity to reflect the transaction costs that will be incurred in the event the Scheme is implemented. The transaction costs to be incurred by the Proposed Merged Entity, as detailed in Section 6 of the Scheme Booklet, have been estimated to be \$3.43 million payable by TMT, and \$6.25 million payable by AVL. The total transaction costs include an estimate of the advisory fees, legal fees, stamp duty liability and other transaction related expenses that are likely to arise following the implementation of the Scheme. We note that the stamp duty payable is an estimate and that the actual amount payable may differ from the amount provided for in the Scheme Booklet. However, we note that our valuation or opinion in relation to the Scheme is not sensitive to changes in the assumptions underpinning the estimate of the stamp duty or other transaction costs.

As we have included the transaction costs to be incurred by TMT prior to the Scheme of \$1.18 million in our valuation of TMT, we have deducted this amount from the transaction costs included in our Sum-of-Parts valuation for the Proposed Merged Entity.

### 11.1.5. Number of shares outstanding

In calculating the number of the Proposed Merged Entity shares on issue following the implementation of the Scheme, we have considered the following:

- the conversion of TMT's current shares on issue into AVL Shares, including the TMT Performance rights to convert into AVL Shares and the TMT Outstanding Milestone Shares;
- **the conversion of TMT's Unlisted Options Class E into AVL Shares;** and
- the AVL New Shares issued in the AVL Placement.

Following the above adjustments, the total shares on issue in the Proposed Merged Entity will be 8,078,189,514. The share structure of the Proposed Merged Entity following the implementation of the Scheme is summarised below.

Capital Structure following the implementation of the Scheme	
TMT shares on issue as at the date of our Report	254,285,984
TMT Performance Rights to convert into TMT Shares	2,925,000
TMT Outstanding Milestone Shares	1,000,000
TMT shares available to receive Scheme Consideration	258,210,984
AVL shares that TMT Shareholders will receive for every share held in TMT	12
AVL shares to be issued to TMT Shareholders as Scheme Consideration	3,098,531,808
AVL shares to be issued to TMT Shareholders as Option Consideration	11,050,926
Total Shares in the Proposed Merged Entity to be issued to TMT Shareholders	3,109,582,734
AVL shares on issue prior to the Scheme	4,365,859,971
AVL New Shares issued in AVL Placement	602,746,809
Total Shares on issue in the Proposed Merged Entity following the Scheme	8,078,189,514

Source: Scheme Booklet and BDO Analysis

### 11.1.6. Minority discount

The value of a Proposed Merged Entity share derived under the Sum-of-Parts approach is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence on the operations and value of that company. However, if the Scheme is approved, Shareholders will be minority holders in the Proposed Merged Entity, meaning that their individual holding will not be considered significant enough to have an individual influence in the operations of that company.

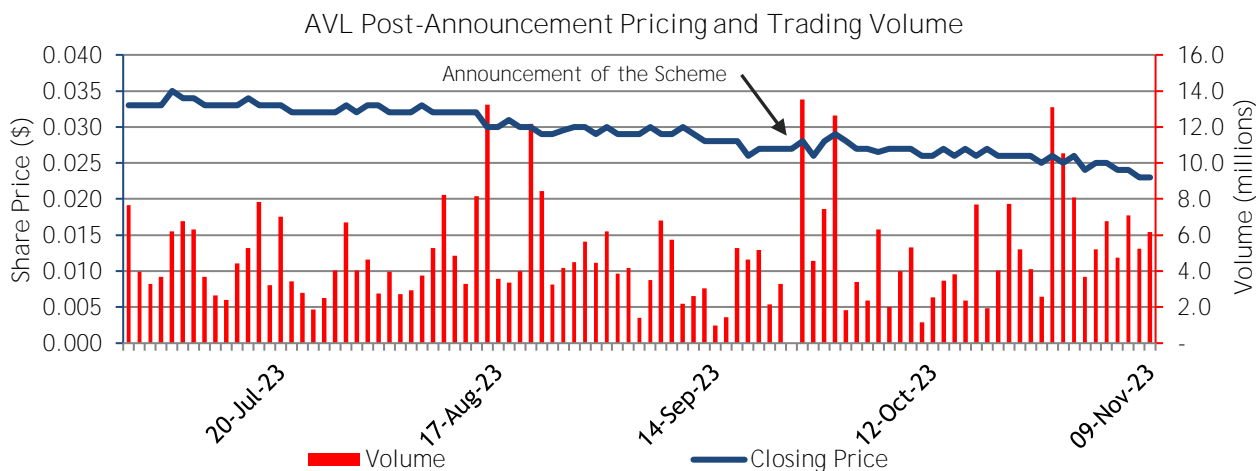
Therefore, we have adjusted our value of a Proposed Merged Entity Share following the Scheme to reflect the minority interest holding. The minority discount is based on the inverse of the control premium and is calculated using the formula  $1 - (1 / (1 + \text{control premium}))$ .

Based on our analysis in Section 10.2, we consider an appropriate control premium to be in the range of 25% to 35%. This assessed control premium gives rise to a rounded minority discount in the range of 20% to 26%.

## 11.2 Quoted Market Price for AVL Securities

Given that we are valuing the Scheme Consideration, being 12 shares in AVL for every share held by TMT Shareholders, we have considered the market pricing of AVL following the announcement of the Scheme. The market price of AVL shares in the period following the announcement of the Scheme is considered an indicator of the value of the Proposed Merged Entity because market participants are fully informed as to the terms of the Scheme, with the price reflecting the market's view of value. This value includes the acquisition of TMT and the associated dilution from issuing the Scheme Consideration.

**We have analysed movements in AVL's share price since the Scheme was announced. A graph of AVL's share price and trading volume, leading up to, and following the announcement of the Scheme is set out below.**



Source: Bloomberg and BDO Analysis

The Scheme was announced on 25 September 2023. On the first day trading after the Scheme was announced, the share price closed at \$0.028, up from a closing price of \$0.027 on the previous trading day. On the day following the announcement, 13,509,076 shares were traded, representing approximately 0.27% of AVL's issued capital. **Following the announcement of the Scheme, the closing share price of AVL has fluctuated between a low of \$0.023 on both 8 November and 9 November 2023 to a high of \$0.029 on 29 September 2023.**

To provide further analysis of the market prices for a AVL share post the announcement of the Scheme, we have also considered the weighted average price for the below periods following the announcement up to 9 November 2023.

Share Price per unit	26-Sep-23	5 Days	10 Days	15 Days	20 Days	25 Days	From announcement to 9-Nov-23
Closing price	\$0.028						
Volume weighted average price (VWAP)		\$0.027	\$0.027	\$0.027	\$0.027	\$0.027	\$0.026

Source: Bloomberg and BDO Analysis

In accordance with the guidance in RG 111, we also consider it appropriate to assess the liquidity of AVL shares before utilising the QMP basis. The table below sets out the liquidity of AVL shares as proxied by the volume traded as a percentage of the number of shares on issue. We have performed this analysis over the twelve months prior the announcement of the Scheme, in order to determine whether there is sufficient trading in AVL shares historically in order to rely on a QMP approach.

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.026	\$0.028	3,307,289	0.07%
10 Days	\$0.026	\$0.030	30,834,360	0.62%
30 Days	\$0.026	\$0.033	140,766,692	2.83%
60 Days	\$0.026	\$0.035	272,120,554	5.48%
90 Days	\$0.026	\$0.042	530,240,264	10.67%
180 Days	\$0.026	\$0.044	1,568,980,400	31.58%
1 Year	\$0.024	\$0.044	2,451,560,073	49.34%

Source: Bloomberg and BDO Analysis

The above table indicates that AVL's shares display a moderate level of liquidity, with 49.34% of the company's current issued capital being traded in a twelve-month period. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of AVL, we consider the shares to display a moderate level of liquidity, on the basis that less than 1% of securities have been traded weekly on average, with 49.34% of AVL's current issued capital being traded over a twelve-month period, and 31.58% of AVL's current issued capital being traded in the last 180 trading days, prior to the announcement of the Scheme. Of the 52 weeks in which our analysis is based, more than 1% of AVL's securities had been traded in 19 of those weeks.

We have also analysed the liquidity of AVL shares, as proxied by the volume traded as a percentage of the number of shares on issue, over the post announcement period up to 9 November 2023. We conduct this analysis in order to determine whether we consider the AVL shares to be liquid and active in the period following the announcement of the Scheme.

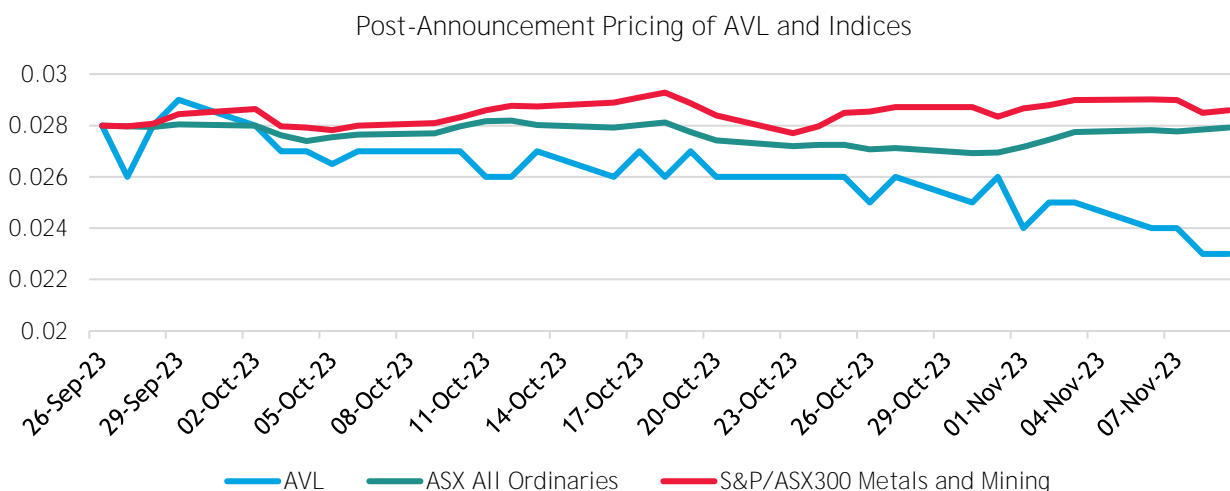
Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	\$0.027	\$0.029	13,509,076	0.27%
5 Days	\$0.026	\$0.029	40,010,022	0.81%
10 Days	\$0.026	\$0.029	58,085,865	1.17%
15 Days	\$0.026	\$0.029	74,382,484	1.50%
20 Days	\$0.025	\$0.029	98,155,906	1.98%
25 Days	\$0.024	\$0.029	133,671,518	2.69%
From announcement to 9-Nov-23 (33 trading days)	\$0.023	\$0.029	180,669,629	3.64%

Source: Bloomberg and BDO Analysis

We consider the trading following the announcement to show high levels of liquidity with approximately 3.64% of AVL's shares being traded in the period (33 trading days) following the announcement of the Scheme. However, we consider the share price over the period following the announcement of the Scheme to display high levels of volatility, with the closing share price ranging from \$0.023 to \$0.029 in the period up to 9 November 2023, reflecting an approximate 26% movement in the closing share price. We consider this may indicate uncertainty in the market about the potential effect on the valuation of AVL that may arise following the implementation of the Scheme.

We have also considered if there are other market factors which could influence the AVL share price following the announcement of the Scheme by analysing movements in the ASX All Ordinaries Index, as a

proxy for the market, and the S&P/ASX 300 Metals and Mining Index as a proxy for TMT and AVL's industry, over the same post-announcement period. Our analysis is depicted in the graph below, with each of the indices rebased to AVL's share price following the announcement of the Scheme in order to illustrate the relative performance of the indices and AVL.



Source: Bloomberg and BDO Analysis

We note that the performance of the All Ordinaries and the S&P/ASX300 Metals and Mining Index has remained relatively stable over the period following the announcement of the Scheme. Therefore, we consider there may be some indication that the AVL share price has not been affected by market conditions outside the operations of AVL in the period following the announcement of the Scheme.

**Based on the above analysis, we consider there to be sufficient liquidity in AVL's shares in order to utilise post-announcement pricing as an approach to valuing the Scheme Consideration.** We also note that the high volatility in the AVL share price over the post-announcement period may indicate uncertainty in the market about the potential effect of the Scheme on the valuation of AVL as a proxy for the Proposed Merged Entity.

Our assessment of the **QMP valuation for AVL's shares based on post-announcement market pricing** is between \$0.024 and \$0.028, with a midpoint of \$0.026.

### 11.3 Assessment of Proposed Merged Entity value

The results of the valuations performed are summarised in the table below:

	Ref	Low \$	Preferred \$	High \$
Sum-of-Parts (minority basis)	11.1.	0.022	0.026	0.030
QMP	11.2.	0.024	0.026	0.028

Source: BDO analysis

We consider the Sum-of-Parts approach to be the most appropriate methodology to value the Proposed Merged Entity as the core value lies in the MTMP and AV Project, which has been independently valued by VRM, an independent technical specialist in accordance with VALMIN. Notwithstanding this, we consider the QMP approach to be relevant for the purposes of a broad cross-check to our valuation under the Sum-



of-Parts approach. Based on the values above, we consider the valuation under the QMP approach to be broadly supportive of the valuation under the Sum-of-Parts approach.

We note that the value range derived under the QMP approach supports the value range derived from the Sum-of-Parts methodology.

We have formed our valuation assessment primarily on the Sum-of-Parts valuation range, which is largely underpinned by **VRM's** independent valuation of **TMT and AVL's mineral assets**, prepared in accordance with the VALMIN Code. On that basis, we have concluded a valuation range for a share in the Proposed Merged Entity to reflect our Sum-of-Parts valuation. Based on the results above we consider the value of a Proposed Merged Entity share to be between \$0.022 and \$0.030, with a preferred value of \$0.026.

Based on the value of a Proposed Merged Entity share (on a minority interest and diluted basis), we have calculated the Scheme Consideration, as outlined below.

	Low \$	Preferred \$	High \$
Sum-of-Parts (minority basis)	0.022	0.026	0.030
AVL shares that TMT Shareholders will receive for every share held in TMT	12	12	12
Value of the Scheme Consideration	0.264	0.312	0.360

Source: BDO Analysis

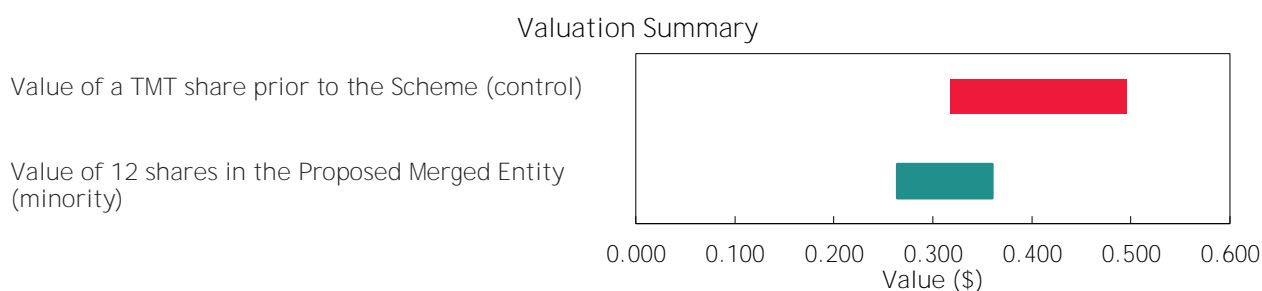
## 12. Is the Scheme fair?

The value of a share in TMT prior to the implementation of the Scheme on a control basis and the value of 12 shares in the Proposed Merged Entity following the implementation of the Scheme on a minority interest basis is compared below:

	Ref	Low \$	Preferred \$	High \$
Value of a TMT share prior to the Scheme	10.1.	0.318	0.407	0.496
Value of 12 shares in the Proposed Merged Entity	11.3.	0.264	0.312	0.360

Source: BDO Analysis

The above valuation ranges are graphically presented below:



Source: BDO Analysis

The above pricing indicates that, in the absence of any other relevant information, the Scheme is not fair for Shareholders. We consider the Scheme to be not fair for Shareholders because the value of the Scheme Consideration on a minority interest and diluted basis is less than the value of a TMT share prior to the Scheme on a controlling interest basis, when a direct comparison is made between the corresponding low, preferred and high values. Therefore, we consider that the Scheme is not fair for Shareholders.

## 13. Is the Scheme Reasonable?

### 13.1 Advantages of Approving the Scheme

We have considered the following advantages when assessing whether the Scheme is reasonable.

#### 13.1.1. The consolidation of two adjoining projects on the same orebody

If the Scheme is approved, **Shareholders will gain access to AVL's AV Project, which is adjacent to TMT's MTMP**. The consolidation of two contiguous projects located on the same orebody will increase a combined resource base by creating one integrated project, providing scale and critical mass to the Proposed Merged Entity. This, as a result, provides the opportunity to realise operational and corporate synergies, and may also attract further investment from market participants. Additionally, the **consolidation of TMT and AVL's mineral assets** allows the Proposed Merged Entity to realise the following benefits:

- the constraints at Yarrabubba as a stand-alone tenure will be resolved, as detailed below;
- integrate discussions with relevant stakeholders to secure all necessary support for mining tenure;
- immediate access to **AVL's \$49 million** Government Grant available to support the development of the single integrated project;
- potentially access additional development funding from government agencies;
- consolidate permitting, offtake and project financing processes; and
- enhanced bargaining power in relation to infrastructure, equipment, labour and off takers.

#### 13.1.2. The tenure issues at Yarrabubba will be resolved

As outlined in Section 5 of our Report, the Yarrabubba deposit is surrounded by **AVL's tenure**. The Company, as detailed in the Scheme Booklet, has investigated acquiring additional tenure next to the Yarrabubba deposit to advance the mining schedule for Yarrabubba. TMT has held informal meetings with a number of local parties, but no outcome has been achieved to date. If TMT is unable to acquire additional tenure, TMT, as a result, may be unable to fully optimise the development of Yarrabubba, particularly in regard to waste management.

TMT anticipates that the Company will still need supporting tenure to traverse **AVL's existing** tenure and an access agreement with AVL to use the additional tenure. Previously, the Company agreed on an access agreement with AVL to facilitate the ore haulage from Yarrabubba to the proposed processing facility located at the Gabanintha hub. If the Scheme is approved, the tenure constraints of Yarrabubba currently faced by TMT, including waste management and ore haulage, will be immediately resolved.

#### 13.1.3. The Proposed Merged Entity is expected to have significantly improved access to capital to support project development

TMT will require significant funding to develop the MTMP on a stand-alone basis which the Company does not currently have. If the Scheme is approved, the Proposed Merged Entity will have significantly improved access to future development funding, and will likely realise the following benefits:

- **access to AVL's** Government Grant;

- improved access to debt providers, government, export credit agencies and private sector financing; and
- increased appeal to strategic investors or corporates compared to TMT as a stand-alone entity.

We note that the access to the Government Grant has not been incorporated in our assessed value of the Proposed Merged Entity because, as at the date of our Report, this funding has not been received. The receipt of the grant funding would give rise to a grant liability, therefore, it is value neutral until the funds are spent. As at the date of our Report, we do not consider we have sufficient reasonable grounds to make assumptions around the use and timing of deployment of these funds. Therefore, we have included this as an advantage to Shareholders rather than reflected this in our valuation of the Proposed Merged Entity.

#### 13.1.4. The Proposed Merged Entity will have a larger market presence, which may result in improved liquidity and increased ability to raise capital

If the Scheme is implemented, the Proposed Merged Entity will have an implied market capitalisation of approximately \$193 million, based on the pre-Scheme market capitalisations of both TMT and AVL. The **Proposed Merged Entity's enlarged scale positions it to benefit from increased analyst coverage and improved liquidity**, as the Proposed Merged Entity is likely to satisfy a greater number of minimum investment thresholds for fund managers, and potential inclusion in relevant ASX indices, which may attract a larger pool of investors.

Increased analyst coverage and improved liquidity may increase the attractiveness of the Proposed Merged **Entity's shares and may improve its ability to** raise capital and assist in securing project financing. The larger market presence of the Proposed Merged Entity may improve access to government, export agencies, and private sector financing. Additionally, if the Scheme is approved, the Proposed Merged Entity may experience increased appeal to strategic investors or corporates compared to TMT as a stand-alone entity.

#### 13.1.5. Creates a group with a stronger balance sheet and access to AVL's cash reserves

If the Scheme is approved, Shareholders will hold shares in the Proposed Merged Entity, which will have increased net assets, be larger in size and have an increased market capitalisation compared to TMT on a stand-alone basis. The Proposed Merged Entity will have combined cash and cash equivalents of approximately \$47.84 million (based on the cash balances of TMT and AVL as at 30 September 2023) and remains debt free. This will provide the Proposed Merged Entity with a working capital buffer, whilst allowing it to pursue other investment or exploration activities.

#### 13.1.6. Increased experience and broader expertise of the Board of Directors and management team of the Proposed Merged Entity

As detailed in Section 4, if the Scheme is implemented, Ms Jo Gaines, Non-Executive Director of TMT, will **join AVL's current directors to form the Board of the Proposed Merged Entity**. The proposed Board of Directors of the Proposed Merged Entity are set out below:

- Cliff Lawrenson - Non-Executive Chair;
- Daniel Harris - Technical Director;

- Miriam Stanborough AM - Non-Executive Director;
- Peter Watson - Non-Executive Director;
- Anna Sudlow - Non-Executive Director; and
- Jo Gaines - Non-Executive Director.

Mr Ian Prentice will **join AVL's executive management team to form the** management of the Proposed Merged Entity and will be focused on the integration of the two adjoining projects.

The Proposed Merged Entity will be led by a credentialed Board of Directors and an experienced management team with experience in exploration and mining operations, and capital markets.

The management team of TMT has progressed the MTMP to its current position. However, if the Scheme is approved, TMT will gain the benefit of having access to a management team with expertise in financing and developing projects, along with experience in vanadium marketing, contracting and sales.

### 13.2 Disadvantages of Approving the Scheme

We have considered the following potential disadvantages to Shareholders when assessing whether the Scheme is reasonable.

#### 13.2.1. Dilution of Shareholders' interests and exposure to the MTMP

**Following the implementation of the Scheme, Shareholders' interests will be diluted from holding 100% of the issued capital in TMT to holding approximately 38% of the Proposed Merged Entity (on an unaudited basis). Therefore, Shareholders' ability to participate in the potential upside of MTMP, should it materialise, will be considerably reduced as a result of the Scheme.** However, TMT Shareholders will gain exposure to an enlarged consolidated orebody, providing an opportunity to realise operational and corporate synergies through a single integrated project.

#### 13.2.2. Change in risk profile

If the Scheme is implemented, the Proposed Merged Entity will have a different risk profile to the risk **profile of TMT on a standalone basis, and Shareholders will be exposed to the additional risks of AVL's** mineral assets. The risks of the Proposed Merged Entity **may not be aligned with Shareholders' investment** objectives and risk preferences. Some of these risks already impact TMT or relate to the resources sector generally, and therefore, TMT Shareholders already have some exposure to. However, there may be some additional risks which are new to TMT Shareholders, such as integration risk, or potentially bear a greater impact than that of TMT on a stand-alone basis.

#### 13.2.3. The value of the Scheme Consideration is not certain

As the Scheme Consideration is in the form of AVL shares (rather than cash which would offer certainty), the final monetary value of the Scheme Consideration is not certain and will be dependent on the price at **which AVL's shares trade on the ASX following the Scheme Implementation Date.** Shareholders will receive shares in AVL, the value of which will fluctuate as it continues to trade on the ASX. We note that as detailed in Section 11.2, we consider **AVL's shares to display a** moderate level of liquidity, therefore, Shareholders will be able to sell their shares to realise cash and achieve certainty should they wish to realise their investment. Alternatively they may choose to retain the shares they receive to retain exposure to any potential increase in value that may arise.

Shareholders are directed to Section 6 of the Scheme Booklet for a more detailed explanation of the risk factors associated with the Scheme, which we recommend the Shareholders to read in full.

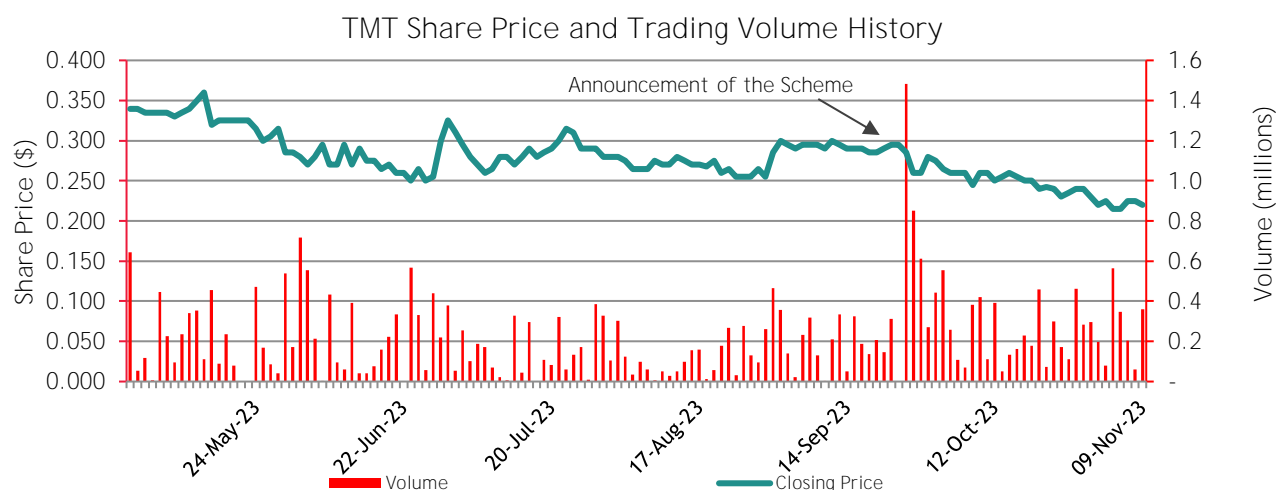
### 13.3 Alternative Proposal

We are unaware of any alternative, or superior, proposal that might offer the Shareholders of TMT a premium over the value resulting from the Scheme.

### 13.4 Consequences of not Approving the Scheme

#### 13.4.1. Potential impact on share price

We have analysed movements in TMT's share price since the Scheme was announced. A graph of TMT's share price and trading volume leading up to and following the announcement of the Scheme is set out below.



Source: Bloomberg

The closing price of a TMT share from 1 May 2023 to 9 November 2023 ranged from a low of \$0.215 on both 3 November and 6 November 2023 to a high of \$0.360 on 15 May 2023.

The Scheme was announced on 25 September 2023. On the date of the announcement, the share price of TMT closed at \$0.295, up from a closing price \$0.290 on the previous trading day. On the day following the announcement, 1.48 million shares were traded, representing approximately 0.58% of TMT current issued capital. We note over the subsequent three days, the price of a TMT share decreased 11.9% to close at \$0.260. Furthermore, as at 9 November 2023, **TMT's share price closed at \$0.220**, representing a 20.0% decrease from the first trading day following the announcement of the Scheme.

The above analysis suggests that the Scheme was not received positively by the market. However, it must be considered, as detailed in Section 10.2., **that TMT's shares display a moderate level of liquidity, and** hence, the subsequent trading may not be indicative of Shareholder sentiment. Notwithstanding this, if the Scheme is not approved, quoted prices for TMT shares may return to pre-announcement levels.

### 13.4.2. Transaction costs will be incurred by TMT and a break fee may be payable to AVL

If the Scheme is not implemented, transaction costs of approximately \$1.18 million will be borne by TMT with not achieved outcome. In addition to this, there is a potential break fee of \$839,900 that may be payable to AVL, depending on the circumstances under which the Scheme does not proceed.

We note that the break fee is not payable to AVL as a result of TMT not obtaining the requisite approval level from Shareholders. The conditions around the payment of the break fee are set out in Section 4 of our Report and are detailed in Section 8 of the Scheme Booklet.

## 13.5 Tax implications

Shareholders are directed to Section 7 of the Scheme Booklet for a more detailed explanation of the tax implications of the Scheme for Shareholders. We emphasise that the tax circumstances of each shareholder can differ significantly, and individual shareholders are advised to obtain their own specific advice.

## 14. Conclusion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of a superior proposal, the Scheme is not fair but reasonable to Shareholders. Therefore, we consider the Scheme to be in the best interest of Shareholders.

In our opinion, the Scheme is not fair because the value of 12 shares in the Proposed Merged Entity (on a minority interest basis) is lower than the value of a share in TMT prior to the Scheme (on a controlling interest basis). However, we consider the Scheme to be reasonable because the advantages of approving the Scheme outweigh the disadvantages. In particular, following the implementation of the Scheme shareholders will have an interest in an enlarged entity which will have consolidated ownership of two adjoining projects which may enable improved ability to develop the projects and easier access to capital.

## 15. Sources of information

This report has been based on the following information:

- Scheme Booklet on or about the date of this report;
- Audited financial statements of TMT for the years ended 30 June 2023, 30 June 2022 and 30 June 2021;
- Audited financial statements of AVL for the years ended 30 June 2023, 30 June 2022 and 30 June 2021;
- Unaudited management accounts of TMT for the months ended 31 July 2023 and 31 August 2023;
- Unaudited management accounts of AVL for the months ended 31 July 2023 and 31 August 2023;
- **TMT's DCF Model** for the MTMP;
- Independent Valuation Report of **TMT and AVL's** mineral assets performed by VRM;
- ASX announcements issued by TMT and AVL;
- Scheme Implementation Deed;
- Share registry information;
- Bloomberg;

- Capital IQ;
- USGS;
- Information in the public domain; and
- Discussions with Directors and Management of TMT.

## 16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$50,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by TMT in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Company, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to TMT and AVL and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of TMT and AVL and their respective associates.

The provision of our services is not considered a threat to our independence as auditors of AVL under Professional Statement APES 110 - Professional Independence. The services provided have no material impact on the financial report of AVL.

A draft of this report was provided to TMT and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

## 17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit



and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 500 **public company independent expert's reports under the Corporations Act or ASX Listing Rules** and is a CA BV Specialist. **These experts' reports cover a wide range of industries in Australia** with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. **Adam's career spans** over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

## 18. Disclaimers and consents

This report has been prepared at the request of TMT for inclusion in the Scheme Booklet which will be sent to all TMT Shareholders. TMT engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed scheme of arrangement with AVL.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to TMT. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of TMT, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by TMT and AVL. The valuer engaged for the mineral asset valuation, VRM, possesses the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.



The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

A handwritten signature in black ink, appearing to read 'Sherif Andrawes', written in a cursive style.

Sherif Andrawes  
Director

A handwritten signature in black ink, appearing to read 'Adam Myers', written in a cursive style.

Adam Myers  
Director

## Appendix 1 – Glossary of Terms

Reference	Definition
Adjusted Model	An adjusted model following certain adjustments made to the Model to reflect our view of the economic inputs underpinning the Model
AFCA	Australian Financial Complaints Authority
APA Group	APA Group Limited
APA Operations	APA Operations Pty Ltd
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 <b>‘Valuation Services’</b>
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
AV Project	Australian Vanadium Project
AVL	Australian Vanadium Limited
AVL Mine Site	A proposed open cut mine of the vanadium, titanium, magnetite ore body located at Gabanintha
AVL Placement	Institutional placement conducted by AVL to raise at least \$15.0 million
AVL Processing Plant	A plant for processing the magnetite concentrate to produce high purity vanadium pentoxide flake at Tenindewa
AVL Shares	Fully paid ordinary shares in AVL
BDO	BDO Corporate Finance (WA) Pty Ltd
BFS	Bankable Feasibility Study
Bryah	Bryah Resources Limited
CMB Plant	A crushing, milling and beneficiation plant
Coates Project	Coates Vanadium, Platinum Group, Nickel and Copper Project
CPI	Consumer Price Index
DCF	Discounted Future Cash Flows
Delectrik	Delectrik Systems Pvt. Ltd
DFS	Definitive Feasibility Study
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECI	Early Contractor Involvement

Reference	Definition
EIFO	The Export and Investment Fund of Denmark
Electrolyte Plant	AVL's vanadium electrolyte manufacturing plant, located at a site in Perth, WA
EPA	The WA Environmental Protection Authority
ERD	Environmental Review Document
ESS	Energy Storage Systems
EWA	Early Works Agreement
FEED	Front end engineering design
FME	Future Maintainable Earnings
FSG	Financial Services Guide
GDP	Gross Domestic Product
Government Grant	Modern Manufacturing Initiative - Collaboration Grant Agreement with AVL and the Australian Government, providing up to \$49.0 million in funding support for the AV Project
Grant Agreement	Modern Manufacturing Initiative - Collaboration Grant Agreement with AVL and the Australian Government
GRES	GR Engineering Services
IMC	Iron Mine Contracting
Integrated Project Team	The MTMP project team, in collaboration with GRES, IMC, and FLSmidth
Integration Study	The Yarrabubba integration study which incorporated the Yarrabubba deposit into the MTMP mine plan.
IPO	Initial Public Offering
IRR	Internal Rate of Return
IS 214	Mining and Resources: Forward-looking Statements
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
JV	Joint venture
km	Kilometres
lb	Pound
LES	LE System Co., Ltd
LOI	Letter of Interest
LOM	Life of Mine
MGM	Mining Green Metals Limited

Reference	Definition
Model	Forecast cash flow model which estimates the future cash flows expected from the production of vanadium and ilmenite over the life of the MTMP provided by the management of TMT
MOU	Memorandum of Understanding
MRE	Mineral Resource Estimate
MTMP	Murchison Technology Metals Project
Mwh	Megawatt hour
MWPA	Mid West Ports Authority
NAV	Net Asset Value
Neometals	Neometals Limited
New Shares	The 603 million new fully paid ordinary shares in AVL issued as part of the AVL Placement
Nowthanna Project or Nowthanna	Nowthanna Hill Uranium and Vanadium Project
NPV	Net Present Value
Option Consideration	Pursuant to the Option Cancellation Deed, holders of the Class E TMT Options will receive consideration in the form of AVL shares
our Report	<b>This Independent Expert's Report prepared by BDO</b>
Outstanding Milestone Shares	1,000,000 shares to be issued by TMT prior to the Record Date in lieu of payment of a royalty, as per the Gabanintha Royalty Settlement Deed
Proposed Pipeline	The proposed Gabanintha Gas Pipeline
QMP	Quoted market price
R&DTI	Research and development tax incentive
RBA	The Reserve Bank of Australia
RCF	Resource Capital Fund VII LP
Regulations	the Corporations Act Regulations 2001 (Cth)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 170	Prospective Financial Information
RG 60	Schemes of Arrangements
Road Access Agreement	The Road Access and Maintenance Deed Agreement with the Shire of Meekatharra
Scheme Consideration	Under the terms of the Scheme, each TMT shareholder will receive twelve (12) AVL shares for every TMT share held on record date.

Reference	Definition
Section 411	Section 411 of the Corporations Act 2001 (Cth)
Shareholders	Shareholders of TMT
SID	Scheme Implementation Deed
Sum-of-Parts	The combination of multiple valuation methodologies
t	Tonnes
Tata Steel	Tata Steel Limited
the Act or Corporations Act	the Corporations Act 2001 (Cth)
the Company	Technology Metals Australia Limited
the Port	The Port of Geraldton
the Proposed Merged Entity	The combined group, which will continue to trade as Australian Vanadium Limited on the ASX
the Scheme	Scheme of Arrangement between TMT and AVL
TMT	Technology Metals Australia Limited
TMT Options	10,800,000 options, comprising 5,375,000 Class C Unlisted Options each with an exercise price of \$0.50 and an expiry date of 1 January 2024, and 5,425,000 Class E Unlisted Options each with an exercise price of \$0.60 and an expiry date of 30 June 2025
TMT Performance Rights	2,925,000 Class D Performance Rights issued by TMT
TMT Placement	The institutional placement conducted by TMT to raise \$11.5 million (before costs) through the issue of approximately 41.1 million fully paid ordinary shares at \$0.28 per share.
TMT Shares	Fully paid ordinary shares in TMT
tpa	Tonnes per annum
US	The United States of America
USGS	The US Geological Survey
VALMIN Code	The Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition)
VFB	Vanadium flow battery
vLYTE	vLYTE Pty Ltd
VSUN Energy	VSUN Energy Pty Ltd
WA	Western Australia



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For permission requests, write to BDO Corporate Finance (WA) Pty Ltd, at the address below:

The Directors

BDO Corporate Finance (WA) Pty Ltd

Level 9, Mia Yellagonga Tower 2

5 Spring Street

Perth, WA 6000

Australia



## Appendix 2 – Valuation Methodologies

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Methodologies commonly used for valuing assets and businesses are as follows:

### 1 *Net asset value (“NAV”)*

**Asset based methods estimate the market value of an entity’s securities based on the realisable value of its identifiable net assets.** Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and **this combined market value forms the basis for the entity’s valuation.**

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

**These asset based methods ignore the possibility that the entity’s value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill.** Asset based methods are appropriate when an entity is not making an adequate return on its assets, **a significant proportion of the entity’s assets are liquid or for asset holding companies.**

### 2 *Quoted Market Price Basis (“QMP”)*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

### 3 *Capitalisation of future maintainable earnings (“FME”)*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

#### **4** *Discounted future cash flows ('DCF')*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

#### **5** *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

## Appendix 3 - Independent Valuation Report

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INDEPENDENT TECHNICAL ASSESSMENT  
and VALUATION REPORT on  
the MINERAL ASSETS of  
TECHNOLOGY METALS AUSTRALIA LIMITED and  
AUSTRALIAN VANADIUM LIMITED

Presented to:  
Technology Metals Australia Limited



Date Issued  
1 December 2023

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Principal Author, VRM Approval	Paul Dunbar BSc (Hons) Geol MSc Minex M AusIMM M AIG	 Date: 1 December 2023
Contributing Author	Paul Hodkiewicz MSc Geology PhD Economic Geology F AusIMM F Soc. Econ. Geol. G AICD  Anthony (Tony) Stepcich BEng (Mining) MSc (Mineral Economics) F AusIMM	
Peer Review	Deborah Lord B Sc (Hons) Geology F AusIMM M AIG G AICD	
Valuation Date	25 September 2023	

## Executive Summary

Valuation and Resource Management Pty Ltd (**VRM**) was engaged by Technology Metals Australia Limited (ASX TMT) (**TMT** or the **Company**) but instructed by BDO Corporate Finance (WA) Pty Ltd (**BDO**) to prepare an Independent Technical Assessment Report (**Report** or **ITAR**), including valuation for the Mineral Assets of TMT and Australian Vanadium Limited (ASX AVL) (**AVL**). The ITAR is prepared to assist BDO in completing their Independent Expert Report (**IER**) in relation to the proposed scheme of arrangement (**SOA**) between TMT and AVL (**Proposed Transaction**).

This Report has been prepared as a public document, in the format of an independent specialist's report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (**VALMIN**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC**).

VRM understands that BDO will include the Report within its IER relating to the Proposed Transaction.

This Report is a technical review and valuation opinion of the mineral assets of TMT and AVL. Applying the principles of the VALMIN Code, VRM has used several valuation methods to determine the value for the mineral assets. Importantly, as neither the principal author nor VRM hold an Australian Financial Securities Licence, this valuation is not a valuation of TMT nor AVL but rather an asset valuation of the companies' mineral properties.

The Valuation Date is 25 September 2023 and remains current as at 6 November 2023. VRM provided a redacted draft report on 1 November 2023 to BDO for factual accuracy checking by the companies. This report includes updated technical information associated with the factual accuracy checking conducted by the companies.

As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by TMT and AVL along with publicly available data including ASX releases and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). All valuations included in this Report, they are a likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

### TMT Project – Murchison Technology Metals Project – Western Australia

The Murchison Technology Metals Project (**MTMP**) is located in the Murchison region of Western Australia, approximately 610 kilometres northeast of Perth, 40 kilometres southeast of Meekatharra and 130 kilometres north west of the town of Sandstone. TMT owns 100% of the project via its wholly owned subsidiary The KOP Ventures Pty Ltd.

VRM has estimated the value of the project on an equity ownership basis considering the technical information supporting its prospectivity. As at the Valuation Date the MTMP contains reported Ore Reserve and Mineral Resource estimates prepared applying the guidelines of JORC (2012). The valuation



has been prepared as a sum of the parts with the value attributed to both the declared Ore Reserves and Mineral Resources and the exploration potential in the adjacent tenements. The Mineral Resources were valued using a comparable transaction method as the primary valuation technique with a secondary valuation based on the yardstick approach. The exploration potential within the MTMP but away from the reported Mineral Resources has been valued using a Geoscientific or Kilburn method as the primary method with a supporting or secondary valuation undertaken using a Prospectivity Enhancement Multiplier (**PEM**) method. A discounted cash flow (**DCF**) approach based on the reported Ore Reserves has not been used in the valuation.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

## AVL Projects – Australian Vanadium Project – Western Australia

The Australian Vanadium Project (**AVP**) is located in the Murchison region of Western Australia, approximately 610 kilometres northeast of Perth, 55 kilometres southeast of Meekatharra and 120 kilometres north west of the town of Sandstone. The AVP is located between two of the Mineral Resources owned by TMT that constitute the MTMP. AVL owns 100% of the mineral rights to any vanadium, uranium, cobalt, chrome, titanium, lithium, tantalum, manganese, and Iron within the project.

VRM has estimated the value of the project considering the technical information available. As at the Valuation Date the AVP contains declared Ore Reserves and Mineral Resource estimates prepared applying the JORC (2012) guidelines. The Ore Reserves and Mineral Resource were valued using a comparable transaction method as the primary valuation technique. A secondary valuation was determined based on the yardstick approach. The exploration potential within the AVP but away from the reported Mineral Resources has been valued using a Geoscientific or Kilburn method as the primary method with a supporting or secondary valuation undertaken using a PEM method. A DCF approach based on the reported Ore Reserves has not been used in the valuation.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

## Other AVL Projects – Western Australia

AVL holds 100% of two other projects, being the Coates Project located 60km to the northeast of Perth in Western Australia and the Nowthanna Hill Project, located adjacent and to the southwest of the AVP in the Murchison region of Western Australia. VRM has estimated the value of these projects considering the technical information supporting its prospectivity. There are no JORC Mineral Resources within the Coates projects however there is an Inferred uranium Mineral Resource within the Nowthanna Hill Project. Due to the low-grade nature of the uranium mineralisation the Mineral Resource has not been used in the valuation of the project. The valuation of the Coates and Nowthanna Hill Projects have been prepared using a Geoscientific method as the primary valuation technique. Secondary valuations were determined based on the PEM approach.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.



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## Valuation Opinion

VRM has estimated the value of the mineral Assets of TMT and AVL considering the technical information available as at the valuation date as described further in the body of this report.

There are declared Mineral Resource estimates and Ore Reserves within the AVP and the MTMP which have been prepared applying the guidelines of the Australasian Code for Reporting of Exploration Targets, Mineral Resources and Ore Reserves - The JORC Code (JORC, 2012).

Based on the rationale outlined in the body of this Report, VRM is of the view that the Ore Reserve and Mineral Resource estimates within the MTMP and AVP are most appropriately valued considering a comparable transaction approach, while the exploration potential is most appropriately valued applying a Geoscientific or Kilburn valuation method.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

## Conclusions

Considering the Ore Reserves, Mineral Resources, and exploration potential of the MTMP in VRM's opinion, the Mineral Assets owned by TMT have a **pre transaction** market value of between **A\$66.9 million** and **A\$112.3 million** with a preferred value of **A\$89.6 million**. **Post transaction**, due to several technical synergies and optimisations VRM considers that the MTMP has a post transaction valuation of between **A\$89.6 million** and **A\$112.3 million** with a preferred value of **A\$101.0 million**.

In VRM's opinion, considering the Ore Reserves, Mineral Resources, and exploration potential of the AVP, Coates and Nowthanna Hill Projects, the Mineral Assets owned by AVL, have a post transaction market value of between **A\$118.6 million** and **A\$149.4 million** with a preferred value of **A\$134.0 million**. These valuations and the value of the combined assets is summarised in the table below.

On a **combined Post transaction** basis VRM considers that the Mineral Assets of TMT and AVL would have a market value of between **A\$208.3 million** and **A\$261.7 million** with a preferred value of **A\$235.0 million**.

Preferred Valuation Summary for the TMT and AVL Mineral Assets

<b>Valuation Summary</b>			
<b>Valuation Technique</b>	<b>Lower (\$ million)</b>	<b>Preferred (\$ million)</b>	<b>Upper (\$ million)</b>
<b>TMT Projects Pre Transaction</b>			
MTMP Resource Multiple	\$66.3	\$88.4	\$110.5
MTMP Exploration Potential	\$0.6	\$1.3	\$1.9
<b>TMT Mineral Asset Valuation Total Pre-Transaction (A\$ million)</b>	<b>\$66.9</b>	<b>\$89.6</b>	<b>\$112.3</b>
<b>TMT Projects Post Transaction</b>			
MTMP Resource Multiple	\$88.4	\$99.4	\$110.5
MTMP Exploration Potential	\$1.3	\$1.6	\$1.9
<b>TMT Mineral Asset Valuation Total Post Transaction (A\$ million)</b>	<b>\$89.6</b>	<b>\$101.0</b>	<b>\$112.3</b>
<b>AVL Projects</b>			
AVP Resource Multiple	\$117.6	\$132.3	\$146.9
AVP Exploration Potential	\$0.2	\$0.3	\$0.4
<b>Total AVP Post Transaction</b>	<b>\$117.8</b>	<b>\$132.5</b>	<b>\$147.3</b>
Exploration Potential Other Projects	\$0.9	\$1.5	\$2.1
<b>AVL Mineral Asset Valuation Total Post Transaction (A\$ million)</b>	<b>\$118.6</b>	<b>\$134.0</b>	<b>\$149.4</b>
<b>Combined Valuation Post Transaction (A\$ million)</b>	<b>\$208.3</b>	<b>\$235.0</b>	<b>\$261.7</b>

Note appropriate rounding has been applied to the valuation, totals may not add due to rounding.

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## 1. Introduction

Valuation and Resource Management Pty Ltd (VRM) was engaged by Technology Metals Australia Limited (ASX: TMT) (**TMT** or the **Company**) but instructed by BDO Corporate Finance (WA) Pty Ltd (**BDO**) to prepare an Independent Technical Assessment Report (**Report** or **ITAR**), including valuation for the Mineral Assets of TMT and of Australian Vanadium Limited (ASX: **AVL**) (**AVL**). The ITAR is prepared to assist BDO in completing their Independent Expert Report (**IER**) in relation to the proposed Scheme of Arrangement (**SOA**) between TMT and AVL (**Proposed Transaction**).

The Mineral Assets that are detailed and valued in this report are the advanced Murchison Technology Metals Project (**MTMP**) 100% owned by TMT and the Australian Vanadium Project (**AVP**) 100% owned by AVL. Two early-stage exploration projects, owned by AVL which are also documented in this report are the Coates Project and Nowthanna Project both 100% owned by AVL. All the projects are located in Western Australia. Due to the tenements that constitute the MTMP and AVP being adjacent with the geology being contiguous between the projects the regional and local geology, exploration history and exploration potential for both the MTMP and the AVP have been detailed in the same section with the Mineral Resources, Ore Reserves, and technical studies on each of the projects detailed in separate sections.

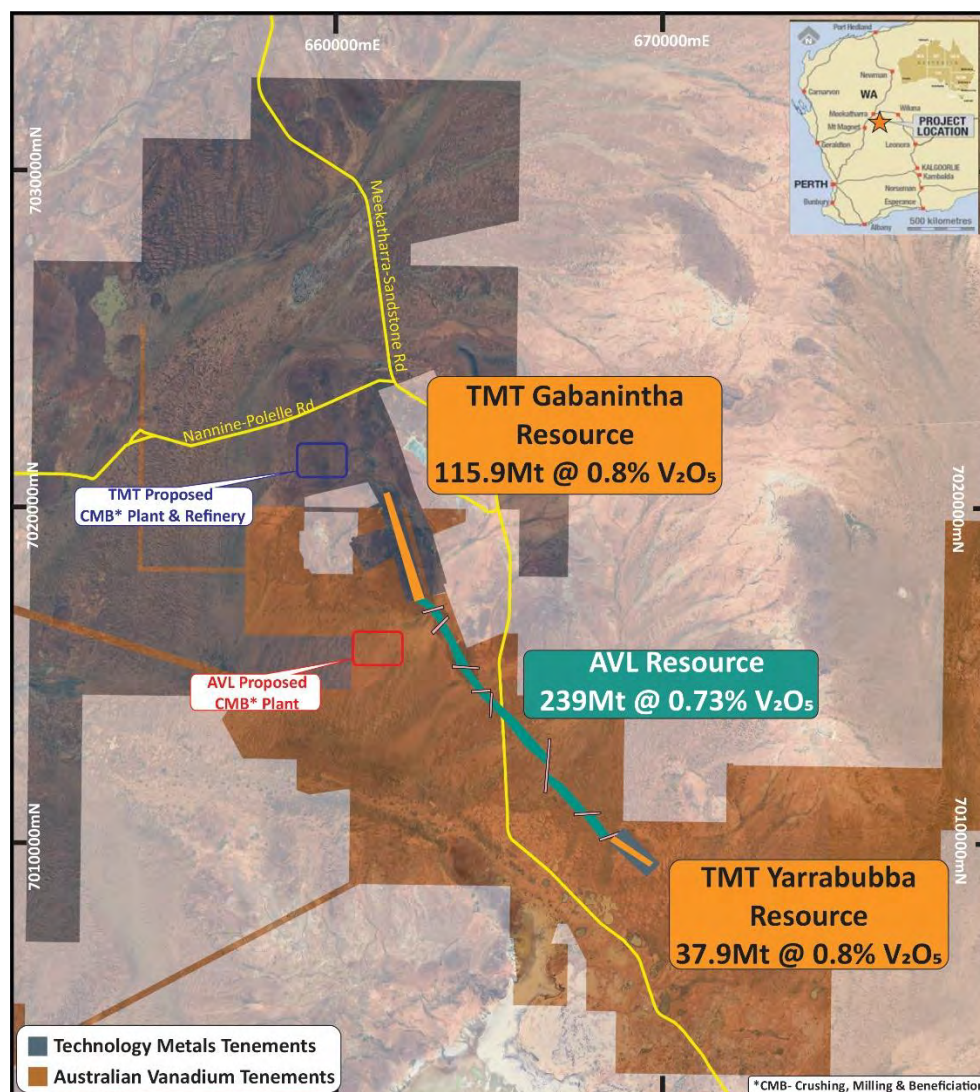


Figure 1 Location of the TMT and AVL Projects

(Source: TMT, Note the Global Resources are detailed section 4.1 and 5.1 below.)



## 1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

In preparing the ITAR, VRM has applied the guidelines and principles of the *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets* – 2015 VALMIN Code (**VALMIN**) and the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* – the 2012 JORC Code (**JORC**). Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and the Australian Institute of Geoscientists (**AIG**). These codes are also requirements under Australian Securities and Investments Commission (**ASIC**) rules and guidelines and the listing rules of the Australian Securities Exchange (**ASX**).

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by TMT and AVL and previous owners and associated Competent Persons as referenced in this ITAR and additional publicly available information.

## 1.2. Scope of Work

VRM's primary obligation in preparing this ITAR is to independently describe and value the Mineral Assets of each company applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the Projects.

VRM has compiled the Report based on the principle of reviewing and interrogating both the documentation of the companies involved and their consultants, and other previous exploration within the area. This Report is a summary of the work conducted, completed, and reported by the companies from pegging or acquisition of the Projects to 6 November 2023, based on information supplied to VRM by both companies, and other information sourced in the public domain, to the extent required by the VALMIN and JORC Codes.

VRM understands that its review and report will be included in the Scheme Booklet and as such, it is understood that VRM's review will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the 2015 VALMIN Code.

## 1.3. Statement of Independence

VRM was engaged to undertake an ITAR of the Projects that comprise the asset portfolio of TMT and AVL. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of Experts (RG112).

Mr Paul Dunbar of VRM, the authors contributing to this report and VRM have not, within the past two years had any association with TMT or AVL, its individual employees, or any interest in the securities of TMT or AVL or potential interest, nor are they expected to be employed by either company after the proposed transaction, which could be regarded as affecting their ability to give an independent, objective, and unbiased opinion. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated to be approximately \$65,000.



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## 1.4. Practitioner and Competent Persons Declaration and Qualifications

Mr Paul Dunbar prepared this Report as the primary author with Dr Paul Hodkiewicz and Mr Anthony (Tony) Stepcich both contributing the sections of the report.

The Report and information in this report that relates to Technical Assessment and Valuation of Mineral Assets reflects information compiled and conclusions derived by Mr Paul Dunbar, BSc (Hons) (Geol), MSc (MINEX), who is a member of the AusIMM and of the AIG. Mr Dunbar is a Principal of VRM and has sufficient experience relevant to Technical Assessment and Valuation of Mineral Assets under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 VALMIN Code. Mr Dunbar consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The Report and information that relates to geology is based on information compiled by Dr Paul Hodkiewicz, PhD (Economic Geology), a Competent Person who is a Fellow of the AusIMM. Dr Hodkiewicz is an associate of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code. Dr Hodkiewicz consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Report and information that relates to Mining Engineering and feasibility studies is based on information compiled by Mr Anthony (Tony) Stepcich, BEng (Mining), MSc (Mineral Economics), a Competent Person who is a Fellow of the AusIMM. Mr Stepcich is an associate of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code. Mr Stepcich consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The final version of this Report was peer reviewed by Ms Deborah Lord B Sc (Hons), who is a Fellow of the AusIMM and a member of the AIG. Ms Lord is a Director of VRM and has sufficient experience relevant to Technical Assessment and Valuation of Mineral Assets under consideration and to the activity which she is undertaking to qualify as a Practitioner as defined in the 2015 VALMIN Code. Ms Lord consents to the inclusion in the Report of the matters based on her information in the form and context in which it appears.

Between 25 September 2023, being the date that the proposed transaction was announced and the date of this Report, nothing has come to the attention of VRM unless otherwise noted in the Report that would cause any material change to the conclusions. The valuation date for the report is 25 September 2023.

## 1.5. Reliance on Experts

The authors of this Report are not qualified to provide extensive commentary on the legal aspects of the tenure of the mineral properties or the compliance with the legislative environment and permitting in Western Australia. In relation to the tenement standing, VRM has relied on the information publicly available prior to November 2023. On this basis VRM has confirmed the tenements which constitute the Projects held by TMT and AVL, located in Western Australia are in good standing. Both companies have confirmed their respective tenement status.

The information within this report specifically in Table 2, Table 5, Table 6, Table 7, Table 8, Table 9, Table 12, and Table 13 is extracted from the various reports and ASX releases as referenced below the various Mineral Resource estimates and Ore Reserves detailed in the above listed tables, and as detailed below. The reports and ASX releases were created on various dates and are available to view on either the TMT or the AVL company websites being, <https://www.tmtlimited.com.au/> and <https://www.australianvanadium.com.au/>. The companies confirm that they are not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The companies confirm that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

In respect of the information contained in this Report, VRM has relied on Information and Reports obtained from TMT and AVL or the public domain including, but not limited to:

- Presentation material including several cross sections and plans.
- TMT ASX releases including.
  - MTMP Global Mineral Resource Upgrade 7 November 2022
  - MTMP Life Increases To 25 Years Maiden Ilmenite Reserve 2022
  - Gabanintha Northern Block Resource Upgrade 29 March 2019
  - Outstanding Diamond Drill Results 30 January 2019
- Information provided by TMT including.
  - R297.2022 TMTMRE05 Gabanintha MRE Update\_rev2
  - R296.2022 TMTMRE05 Yarrabubba MRE Update\_rev2
  - R323.2019 TMTFFS01 Ore Reserve Report
  - TMT Merger Presentation 25 September 2023
  - TMT 30 June\_2023\_Annual\_Report
- WAMEX Reports for each of the Western Australian Project areas.
- AVL ASX releases including.
  - 25 Sept 2023 Scheme Merger ASX release
  - AVL Bankable Feasibility Study for Australian Vanadium Project 6 April 2022
  - AVL Mineral Resource Update at the Australian Vanadium Project 1 November 2021
  - AVL Coates and Nowthanna Hill Projects Update 15 August 2023
  - AVL Sales of Coates and Nowthanna Hill Projects 11 May 2022
  - AVL Update on Sale of Coates and Nowthanna Hill Projects March 2023
  - AVL ASX Announcement 05 July 2018
  - AVL ASX Announcement 22 May 2018
- Information provided by AVL including.
  - 16 VRM / 16.1 Resource Report
  - 16.1.4.2 1.1.6 607920-0000-BA00-RPT-0001 AVP.BFS Appendix05 Geology v2
  - 16.1.3 2.1.8 607920-0000-BA00-RPT-0001AVP.BFS Section06 Mining Final
  - AVL Merger Presentation
  - AVL Annual Report to shareholders 2023
  - AVL 2019 Annual Report
  - AVL 2018 Annual Report v4 FINAL
- ASX announcement of the Scheme of Arrangement which includes the details of the various Mineral Resource estimates.
- Annual Reports

- Quarterly Reports
- ASX releases detailing any initial and updates to the Mineral Resource estimates.
- ASX releases detailing exploration activities.
- Various ASX releases from previous owners and neighbouring companies
  - MG1 Priority Offer Prospectus (Mining Green Metals Prospectus)
- Publicly available information including several publications on the regional geology and tectonic evolution of the Goldfields Region by the Geological Survey of Western Australia; and
- Government Regional datasets, including geological mapping and explanatory notes.

All information and conclusions within this Report are based on information that VRM requested from TMT and AVL to assist with this Report and other relevant publicly available data to 6 November 2023. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and joint venturers to the areas, where it has been considered necessary. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by TMT and AVL as detailed in the reference list. A draft of this Report was provided to BDO for provision to the companies, for the purpose of identifying and addressing any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to the companies until VRM's valuations and conclusions were not likely to change.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government departments or the ASX. The authors of these previous reports have not consented to the statements' use in this report, and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

## 1.6.Site visit

A site visit to the Projects was not undertaken for this ITAR. VRM has considered the activities and current project status of the Mineral Assets and considers that due to the stage of exploration and development within the tenements that no material information would be obtained from undertaking a site visit that would modify the opinions contained within this report and valuation.

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## 2. Mineral Tenure

Mineral tenements held by TMT and AVL under consideration are detailed in Table 1 where the Project description denotes the section below where it is discussed on a location and geological framework basis. The list of tenements has been provided by the companies, and their distribution is presented in the relevant Project area sections, and in Figure 1 and Figure 2. The status of the tenements provided by the companies has been independently verified by VRM undertaking a review of the DMIRS online tenement database, Mineral Titles online.

### 2.1. Mineral Tenure

According to the databases of the Western Australian Government tenement administration bodies Mineral Titles Online, the licences listed in Table 1 are current and in good order as of 23 October 2023. To the best of VRM's knowledge, they remain in good standing with all statutory filings, reports and documentation including renewals supplied to the various government departments.

The authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the relevant laws governing mining. As VRM and the authors of this report are not experts in mining law, no warranty or guarantee, be it expressed or implied, is made by VRM with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

Table 1 Tenement summary – AVL and TMT Projects

Tenement	Project	Holder	Equity	Status	Area	Expiry Date	Minimum Expenditure
E 51/1534	AVP	AVL	100% #1	Live	8 BL	21/04/2024	\$70,000
E 51/1899	AVP	AVL	100%	Live	16 BL	7/01/2025	\$30,000
E 51/1943	AVP	AVL	100%	Live	5 BL	13/08/2025	\$20,000
E 51/1944	AVP	AVL	100%	Live	1 BL	13/08/2025	\$10,000
E 51/2067	AVP	AVL	100%	Pending	14 BL		N/A
E 51/843	AVP	AVL	100% #1	Live	12 BL	12/07/2024	\$70,000
L 51/116	AVP	AVL	100%	Pending	830.50 HA		N/A
L 51/119	AVP	AVL	100%	Pending	916.86 HA		N/A
L 51/130	AVP	AVL	100%	Pending	371.27 HA		N/A
L 51/131	AVP	AVL	100%	Pending	791.93 HA		N/A
L 51/132	AVP	AVL	100%	Pending	1,612.25 HA		N/A
L 51/133	AVP	AVL	100%	Pending	785.03 HA		N/A
M 51/878	AVP	AVL	100% #1	Live	3,565.86 HA	27/08/2041	\$356,600
M 51/897	AVP	AVL	100% #1	Pending	1,812.05 HA		N/A
P 51/3073	AVP	AVL	100%	Live	175.12 HA	23/01/2024	\$7,040
P 51/3074	AVP	AVL	100%	Live	46.37 HA	8/01/2024	\$2,000
P 51/3075	AVP	AVL	100%	Live	26.59 HA	8/01/2024	\$2,000
P 51/3076	AVP	AVL	100%	Live	123.53 HA	23/01/2024	\$4,960
P 51/3248	AVP	AVL	100%	Pending	5.01 HA		N/A
P 51/3298	AVP	AVL	100%	Pending	5.01 HA		N/A
E 70/4924-I	Coates	AVL	100%	Live	4 BL	9/07/2027	\$30,000
E 70/5588	Coates	AVL	100%	Live	3 BL	23/03/2026	\$15,000
E 70/5589	Coates	AVL	100%	Pending	15 BL		N/A
M 51/771	Nowthanna Hill	AVL	100%	Live	300.75 HA	31/07/2038	\$30,100
E 51/1510-I	MTMP	TKV #2	100%	Live	1 BL	1/07/2024	\$20,000
E 51/1818	MTMP	TKV #2	100%	Live	41 BL	22/02/2028	\$82,000
E 51/2056	MTMP	TKV #2	100%	Pending	14 BL		N/A
E 51/2117	MTMP	TKV #2	100%	Pending	10 BL		N/A
G 51/29	MTMP	TKV #2	100%	Live	110.25 HA	29/07/2040	N/A
G 51/30	MTMP	TKV #2	100%	Live	384.15 HA	23/12/2040	N/A
G 51/31	MTMP	TKV #2	100%	Live	86.43 HA	28/11/2042	N/A
G 51/32	MTMP	TKV #2	100%	Pending	188.00 HA		N/A
G 51/34	MTMP	TKV #2	100%	Pending	376.00 HA		N/A
L 51/101	MTMP	TKV #2	100%	Live	169.00 HA	4/06/2040	N/A
L 51/102	MTMP	TKV #2	100%	Live	801.00 HA	2/09/2040	N/A
L 51/117	MTMP	TKV #2	100%	Live	80.72 HA	14/10/2042	N/A
L 51/121	MTMP	TKV #2	100%	Live	2,114.15 HA	25/07/2043	N/A
L 51/123	MTMP	TKV #2	100%	Pending	43.00 HA		N/A
L 51/125	MTMP	TKV #2	100%	Pending	71.00 HA		N/A
L 51/128	MTMP	TKV #2	100%	Pending	22.00 HA		N/A
L 51/129	MTMP	TKV #2	100%	Pending	90.00 HA		N/A
L 51/134	MTMP	TKV #2	100%	Pending	799.00 HA		N/A
M 51/883	MTMP	TKV #2	100%	Live	611.56 HA	27/08/2041	\$61,200
M 51/884	MTMP	TKV #2	100%	Live	91.63 HA	27/08/2041	\$10,000
P 51/3140	MTMP	TKV #2	100%	Live	187.65 HA	10/02/2025	\$7,520

#### Note

#1 AVL holds the rights for V/U/Co/Cr/Ti/Li/Ta/Mn & iron ore only. Bryah Resources Limited retains 100% rights all minerals except V/U/Co/Cr/Ti/ Li/Ta/Mn & iron ore.

#2 TKV - The KOP Venture Pty Ltd which is a wholly owned subsidiary of TMT.

### 3. MTMP and AVP Geology and Exploration

#### 3.1. Location and Access

The contiguous AVL Australian Vanadium Project (**AVP**) and TMT Murchison Technology Metals Project (**MTMP**) areas are located approximately 50km south southeast of the town of Meekatharra in Western Australia. Access to the adjacent tenements is via the unsealed Meekatharra-Sandstone Road (Figure 2).

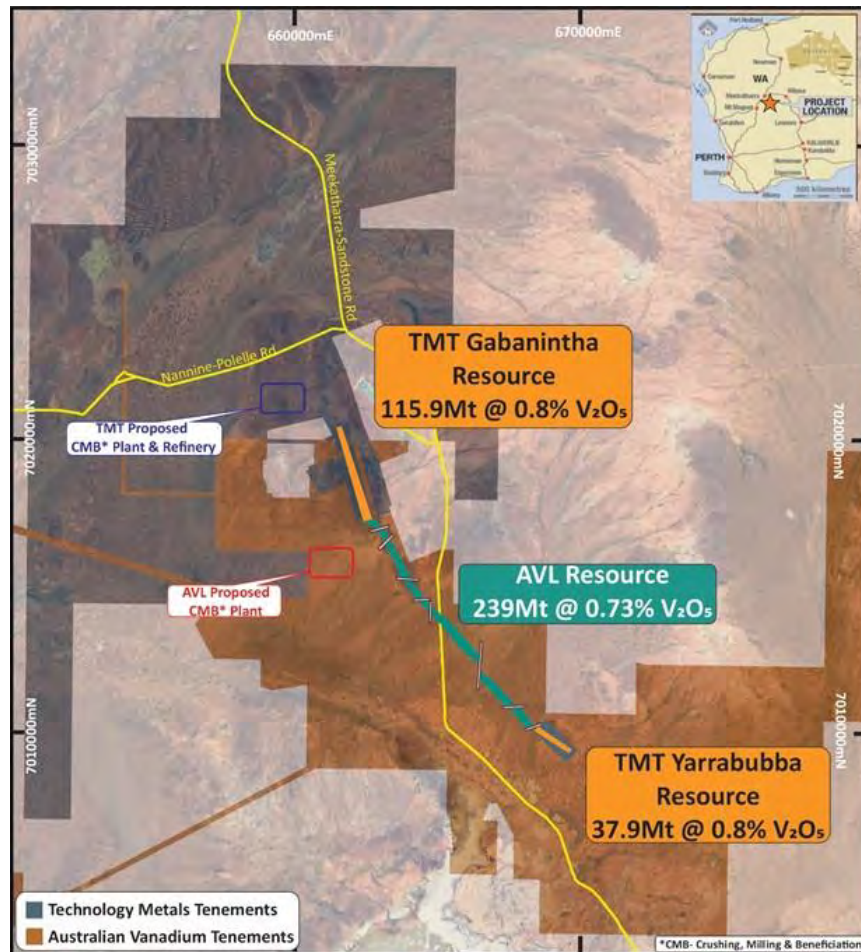


Figure 2 Plan view of the adjacent AVL and TMT tenements  
(Source: 25 Sept 2023 Scheme Merger ASX release)

#### 3.2. Regional Geological Setting

The projects are located in the northern Murchison granite-greenstone province of the Archean Yilgarn Craton, in mafic, ultramafic, extrusive and volcanoclastic rocks of the Gabanintha Formation (Figure 3). Mineralisation is hosted in a differentiated gabbro with northwest striking southwest dipping massive to disseminated vanadium-titanium-iron (V-Ti-Fe) bands ranging from a few metres up 15m in true thickness. The mineralised units are offset and disrupted by later dolerites, faults, and quartz porphyries.



### 3.3. Local Geology

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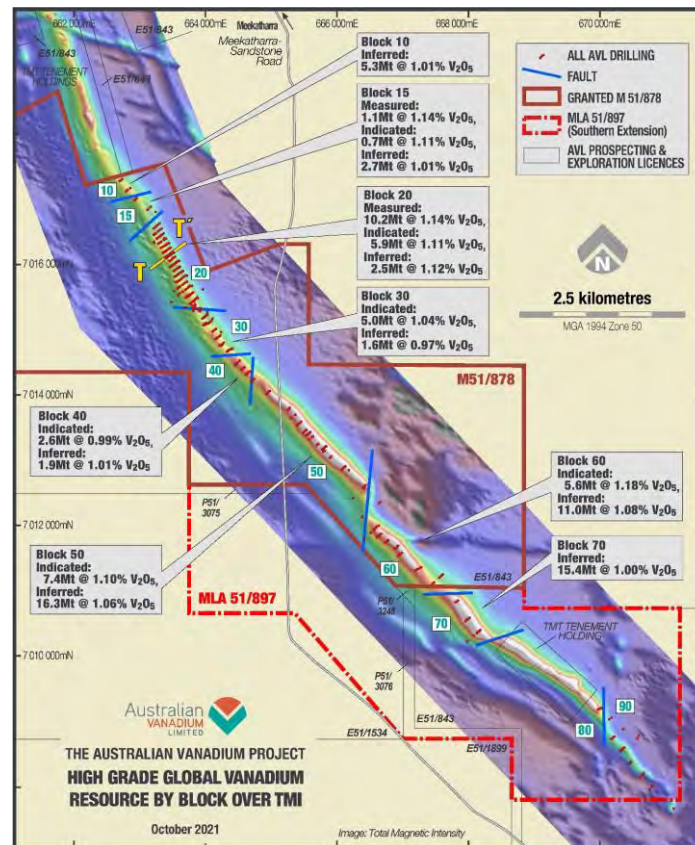


Figure 4 Airborne magnetic image showing continuity of mineralisation across AVL and TMT tenements.  
(Source AVL Bankable Feasibility Study for Australian Vanadium Project 6 April 22)

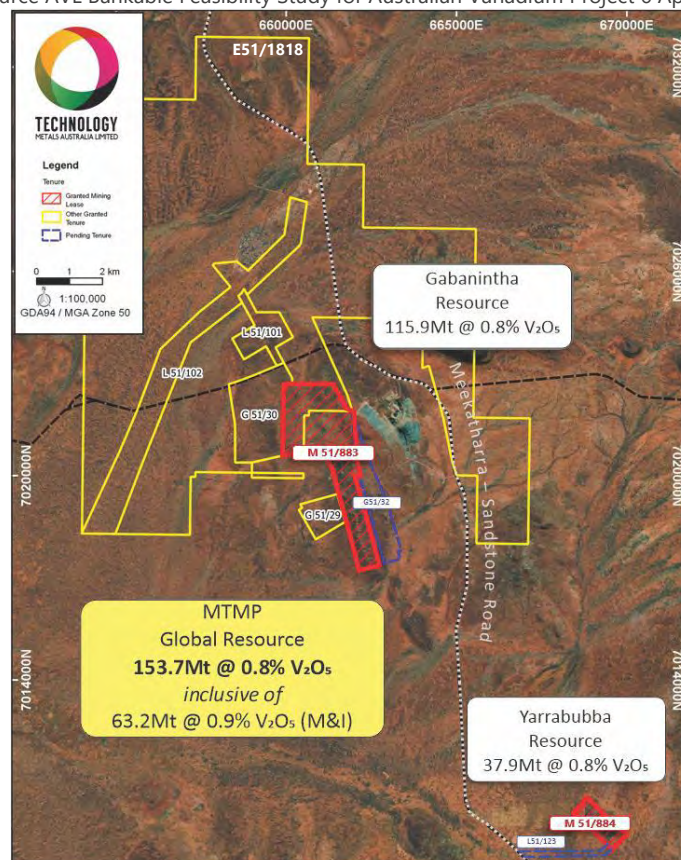


Figure 5 Plan showing locations of the MTMP Gabanintha and Yarrabubba Mineral Resources  
(Source: TMT MTMP Global Mineral Resource Upgrade 7 Nov 22)

Note Refer to tables in Section 5.1.1 and 4.1 below for a breakdown of the Mineral Resource estimates.

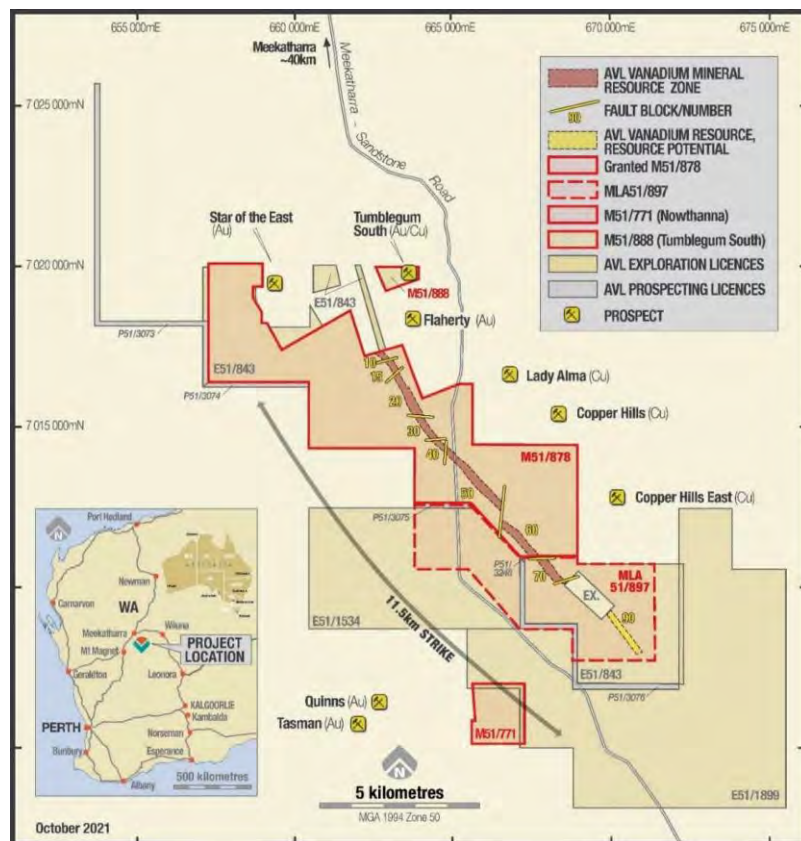


Figure 6 Plan showing the AVP Mineral Resource, between the MTMP resource areas shown in Figure 5  
(Source: AVL Mineral Resource Update at the Australian Vanadium Project 1 Nov 21)

The deposit is geologically analogous to the Windimurra vanadium deposit and the Barrambie vanadium titanium deposit, located 140 km south and 80 km southeast of Gabanintha, respectively.

The layered sequence consists of a basal massive high-grade vanadium-bearing magnetite zone (10 to 15 m in true thickness), overlain by low-grade magnetite banded gabbro units between 5 and 30 m thick, separated by thin unmineralised gabbro zones. The sequence is overlain in places by a lateritic domain, a transported domain (occasionally mineralised) and a thin barren surface cover domain (Figure 7, Figure 8 and Figure 9). The cover sequences are dominantly within the AVP while the mineralisation within the MTMP outcrops in low ironstone ridges which represent the basal massive magnetite unit. The cover sequences can be up to ten meters thick in places, particularly within the AVP.

The northwest striking layered sequence is offset by a number of faults that separate the deposit into several kilometre-scale blocks (in Figure 4 see minor offsets of the layered sequence along faults shown as blue lines). The larger blocks show relatively minor amounts of internal deformation, with good continuity between drillholes.

Based on the AVP and MTMP geological interpretations, the layered sequence extends for over 15 km along its northwest strike across both tenements. The massive magnetite layers, and thinner hanging wall and footwall layers with disseminated and/or banded mineralisation, have been modelled based on drill hole logs, assay data, petrophysical and geophysical datasets. These datasets and the relatively closely spaced drilling in both AVP and MTMP projects support a good understanding of the layered sequence and associated mineralisation.



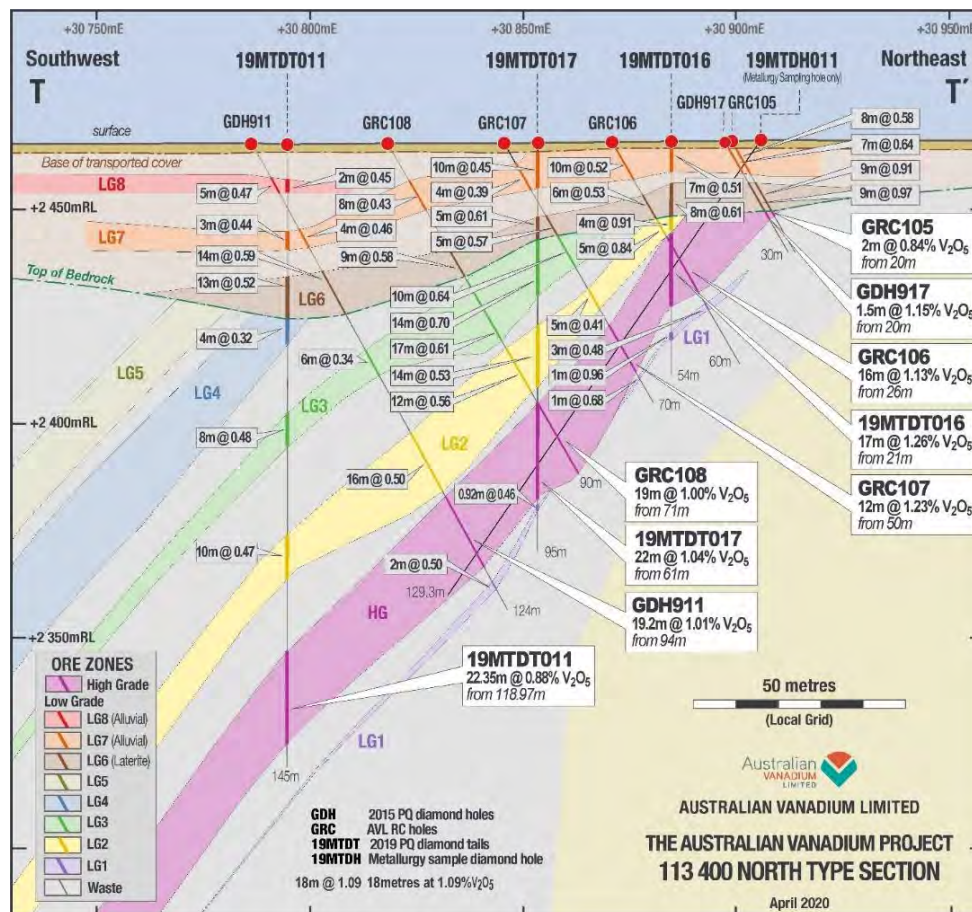


Figure 7 Type AVP cross-section T-T' as shown in Figure 4  
(Source: ASX AVL Mineral Resource Update at the Australian Vanadium Project 1 Nov 21)

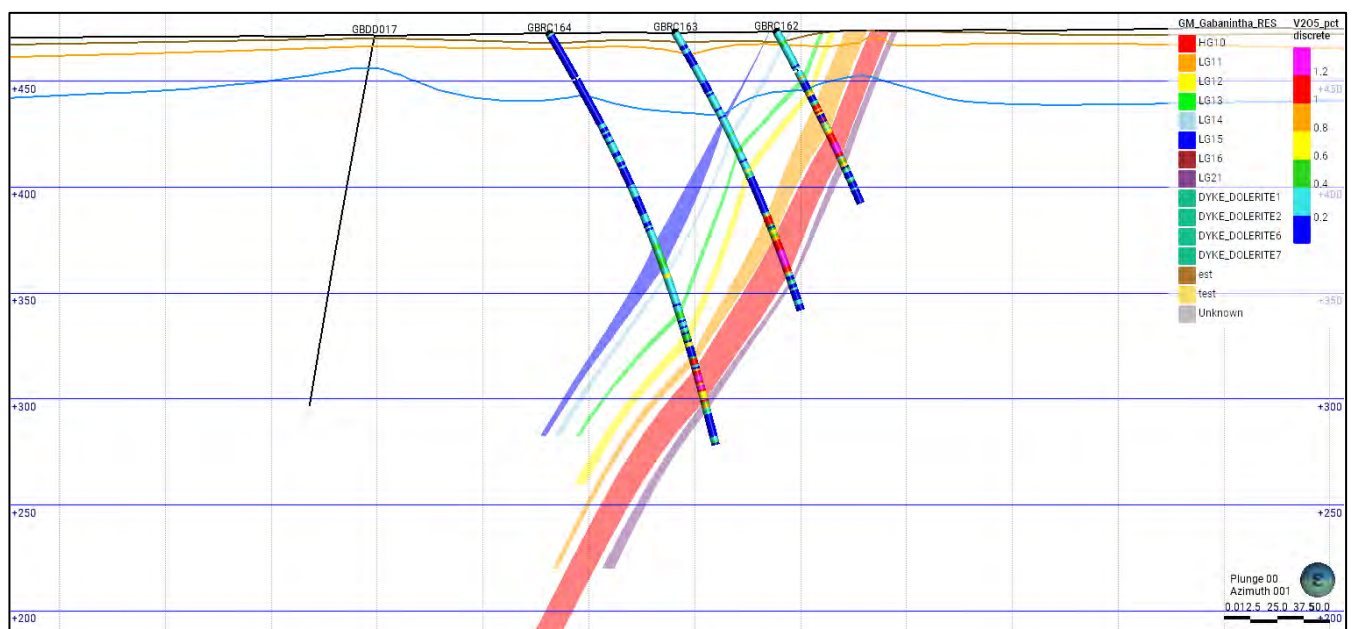


Figure 8 Cross-section through the northern MTMP Gabanintha deposit, showing the basal massive magnetite unit in red, a typical sequence of thinner hanging wall units, and similarities to the AVP section in Figure 7  
(Source: ASX TMT MTMP Global Mineral Resource Upgrade 7 Nov 22)

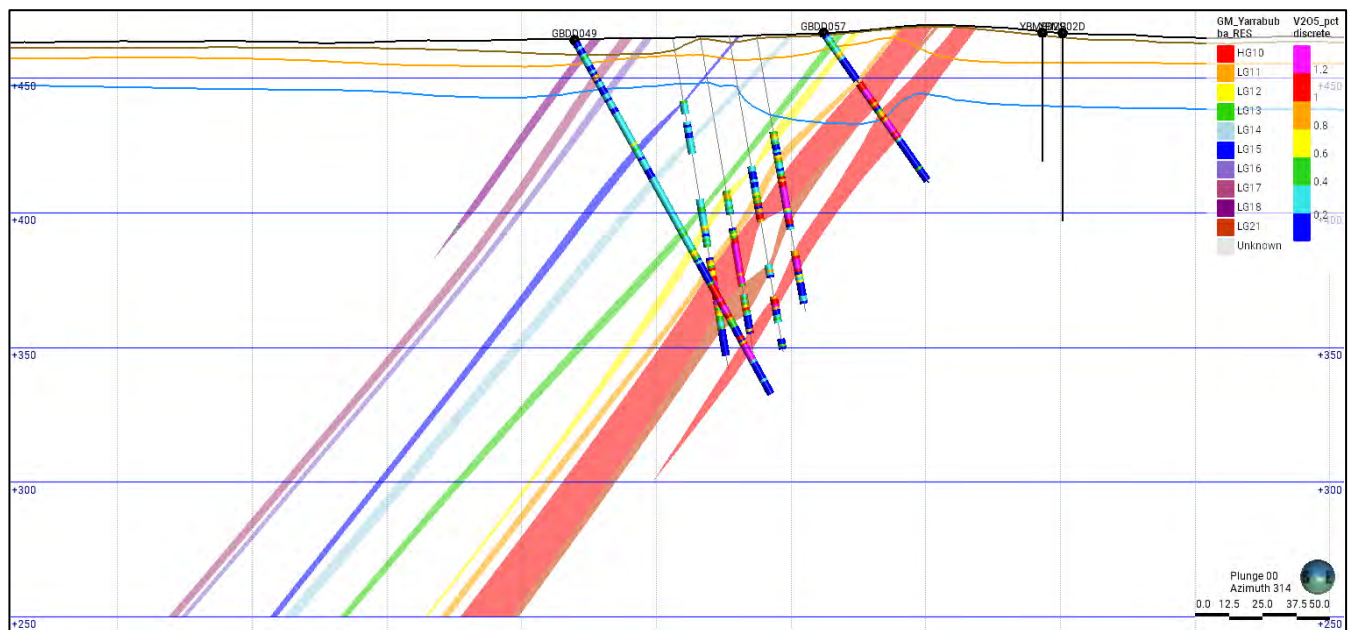


Figure 9 Cross-section through the southern MTMP Yarrabubba deposit, showing the basal massive magnetite unit in red, a typical sequence of thinner hanging wall units, and similarities to the AVP section in Figure 7

(Source: ASX TMT MTMP Global Mineral Resource Upgrade 7 Nov 22)

### VRM Comment

VRM has conducted a review of the reasonableness of the geological understanding and interpretations of the AVP and MTMP projects and has not identified any areas of material concern. Both companies have adequately and similarly described the common geological features in the layered gabbro sequence that extend across both tenements, including the massive, high-grade vanadium-bearing magnetite zone, lower-grade units in the hanging-wall and footwall, weathered and transported surface sequences, and faults and intrusions that produce minor offsets of the mineralised layers. This common geological understanding supports the assessment and valuation of the mineral assets in the Sections below.

## 3.4. Exploration History

### 3.4.1. AVP Exploration History

Vanadium mineralisation in the project area was identified in 1960 by Manganore Pty Ltd and investigated with shallow drilling, surface sampling and mapping. Additional RC and diamond drilling was completed by Greater Pacific NL (**GPN**) and Yellow Rock resources (YRR) (now named AVL) up until 2015, and a further 63 reverse circulation (**RC**) and eight diamond holes were completed by AVL between March and May 2015 as part of the initial resource definition program.

### 3.4.2. MTMP Exploration History

In 1998, under an option agreement on tenements held by Oakland Nominees Pty Ltd, Intermin Resources completed reconnaissance RC drilling that confirmed the down dip extent and strike continuation of the vanadium bearing horizons under cover and between outcrops that had been identified with shallow drilling, surface sampling and mapping by Manganore Pty Ltd in 1960. The areas drilled in 1998 are currently on Mining Licences held by The KOP Ventures Pty Ltd, which is a wholly owned subsidiary of TMT.

Since 2017, AVL and TMT have completed a number of drilling campaigns to inform Mineral Resource Estimates and geotechnical and metallurgical studies. The reader is directed to the ASX releases "AVL

Mineral Resource Update at the Australian Vanadium Project 1 November 2021” and “TMT MTMP Global Mineral Resource Upgrade 7 November 2022” where further details are reported in the associated JORC Table 1 in the appendices.

### 3.5. Exploration Potential

AVL has completed work on airborne and ground geophysical data to identify potential along strike and down dip extensions of mineralised layers (for example, see Figure 6 area in yellow referred to as “AVL Vanadium Resource, Resource Potential”). The reader is directed to AVL’s “Technical Report for the Australian Vanadium Project Mineral Resource Estimate” dated October 2021 (specifically Section 12.10 – Exploration Potential) for details highlighting areas that will require additional drilling to identify extensions of mineralisation. In addition, the ASX release of 21 September 2021 outlines the potential at Block 90 to the south of Yarrabubba. These ASX releases provide information around the potential extensions of the known mineralisation and to potentially identify and upgrade current reported Inferred Resources.

#### **VRM Comment**

The AVP and MTMP project areas remain prospective for vanadium mineralisation. Regional airborne magnetic data highlights good continuity of the vanadium-bearing layered sequence across both tenements (see Figure 4). This, combined with existing drilling coverage and a common understanding of geological controls on mineralisation across both tenements, would support an integrated exploration strategy to target additional vanadium mineralisation along strike and down dip of existing resources.

## 4. TMT Mineral Assets

For the MTMP, as documented above, the regional, local geology along with the exploration history and exploration potential has been documented in conjunction with the AVP. This section of the report details Mineral Resource and Ore Reserve estimates within the MTMP along with documenting the studies that have been undertaken as a part of the feasibility study into the project.

### 4.1. Murchison Technology Metals Project (MTMP) Mineral Resource Estimate

TMT announced an updated Global Mineral Resource Estimate (MRE) for the MTMP in November 2022 (Table 2) (ASX release: 7 Nov 22). The Project comprises two separate MREs along strike in the layered sequence that hosts vanadium mineralisation: Gabanintha in the north and Yarrabubba in the south (Figure 5). The global estimate is an update of previous MREs for Gabanintha in 2019 and Yarrabubba in 2021 and is based on infill drilling in both project areas.

The MREs were reported in accordance with the JORC Code (2012) and were prepared by Matthew Clark, a Senior Resource Geologist with CSA Global Pty Ltd. Mr Clark is a member of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and the Australian Institute of Geoscientists (**AIG**) and has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (**JORC**) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The updated 2022 Global Mineral Resource Estimate is 153.7Mt @ 0.8%  $V_2O_5$ , representing an increase of 5% on the previous Global MRE. This update includes an initial Measured MRE for Yarrabubba Massive and Disseminated of 5.9Mt at 1.0%  $V_2O_5$  within a Global Measured and Indicated MRE of 63.2 Mt at 0.9%  $V_2O_5$ , which represents a 26% increase on the previous MRE.

In December 2018, TMT reported metallurgical test work results that identified an opportunity to recover a base metal concentrate from the non-magnetic tailings fraction of the vanadium processing circuit (see ASX announcement of 12 December 2018 "Outstanding Gabanintha Metallurgical Results"). The preliminary test work delivered a concentrate with a combined base metal content of 10 – 15%, containing up to 2.31% cobalt, 4.47% nickel and 9.50% copper. Based on these results, TMT included an Inferred Base Metal Resource (see ASX announcement of 29 March 2019 "Gabanintha Northern Block Resource Upgrade") in Table 3.

This base metal MRE is reported as inferred because of the lower confidence associated with the preliminary metallurgical test work. In addition, the inferred base metal MRE is only reported from within the higher confidence Measured and Indicated portions of the fresh massive high-grade magnetite domains in the vanadium MRE (see Figure 10). Based on the metallurgical test work, the processing and recovery of a tailings stream from this material incurs no additional mining and grinding costs. AVL has reported a similar Inferred Base Metal Resource (see Section 5.1 below). However, these inferred base metal resources are not regarded as material for the purposes of this valuation of the AVP and MTMP vanadium projects.



Table 2 MTMP 2022 Global Mineral Resource Estimate by ore type and classification

(Source: ASX TMT MTMP Global Mineral Resource Upgrade 7 Nov 22)

Classification	Material	Mt	V <sub>2</sub> O <sub>5</sub> %	Fe %	Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	TiO <sub>2</sub> %	LOI %	P %	S %
Measured (Yarrabubba)	Massive	4.4	1.1	48.1	5.5	7.3	12.4	-0.4	0.01	0.3
	Disseminated	1.5	0.6	30.0	10.8	23.4	7.7	2.5	0.01	0.2
Measured (Gabanintha)	Massive	5.1	1.1	46.9	5.7	8.4	12.1	-0.2	0.01	0.3
	Disseminated	1.1	0.8	36.4	7.9	19.6	9.0	0.5	0.01	0.2
Measured	Massive + disseminated	12.1	1.0	44.3	6.5	10.9	11.4	0.1	0.01	0.2
Indicated (Yarrabubba)	Massive	8.0	1.1	48.1	5.4	7.1	12.5	0.0	0.01	0.3
	Disseminated	6.9	0.6	28.4	12.5	25.2	7.2	2.6	0.02	0.3
Indicated (Gabanintha)	Massive	19.5	1.1	48.9	5.2	6.2	12.8	-0.1	0.01	0.2
	Disseminated	16.7	0.6	27.3	13.3	26.7	7.0	3.0	0.03	0.2
Indicated	Massive + disseminated	51.2	0.9	39.0	8.9	15.6	10.1	1.3	0.02	0.2
Measured plus Indicated	Massive + disseminated	63.2	0.9	40.0	8.4	14.7	10.4	1.1	0.02	0.2
Inferred (Yarrabubba)	Massive	5.7	1.1	47.4	5.6	7.8	12.3	0.1	0.01	0.3
	Disseminated	11.4	0.6	27.9	12.6	25.8	7.2	2.0	0.02	0.4
Inferred (Gabanintha)	Massive	36.5	1.1	46.7	6.0	8.3	12.3	0.4	0.01	0.2
	Disseminated	36.9	0.5	26.6	12.9	27.6	6.9	3.4	0.03	0.3
Inferred	Massive + disseminated	90.5	0.8	36.2	9.6	18.3	9.5	1.8	0.02	0.2
TOTAL	Massive + disseminated	153.7	0.8	37.7	9.1	16.8	9.8	1.5	0.02	0.2

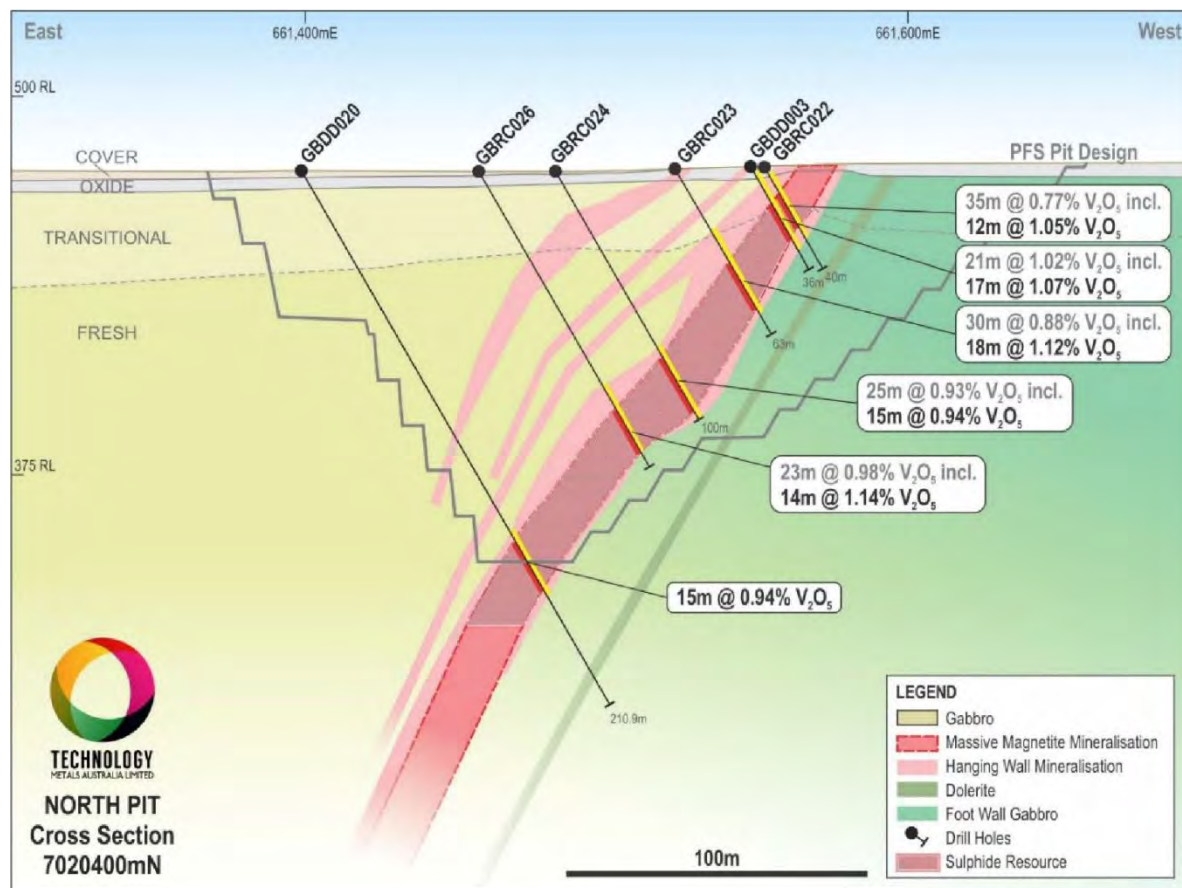
Table 3 TMT 2019 Inferred Base Metal Mineral Resource for cobalt, nickel, and copper.

(Source: ASX TMT Gabanintha Northern Block Resource Upgrade 29 March 2019)

Classification	Million Tonnes	Co ppm	Ni ppm	Cu ppm
Inferred	15.7	230	830	200

\*These Inferred Base Metal Mineral Resources are estimated within a constrained wireframe domain defined by a nominal 0.9% V<sub>2</sub>O<sub>5</sub> cut-off grade for the basal massive magnetite unit. See Figure 10 below.





## VRM Comment

VRM has conducted a review of the reasonableness of the 2022 MTMP Global MRE and has not identified any material areas of concern. As described in Section 5.1.1 (Australian Vanadium Project MRE) below, there are minor differences between the MTMP and AVP MREs, which is expected because they were prepared independently. However, because of the similar understanding of geological controls on vanadium mineralisation in the layered gabbro sequence across both tenements, the differences are not regarded to be material for the purposes of this valuation report.

The main differences between the AVP and MTMP MREs are associated with  $V_2O_5$  cut-off grades and workflows used to define resource domains. For example, the MTMP MRE used a 0.9%  $V_2O_5$  cut-off combined with geological logging to define the massive magnetite domain and a 0.4%  $V_2O_5$  cut-off combined with geological logging to define the lower-grade domains in the hanging wall. In contrast, the AVP MRE used a 0.7%  $V_2O_5$  cut-off combined with geological logging to define the massive magnetite domain and a 0.4%  $V_2O_5$  cut-off combined with geological logging to define the lower-grade domains in the hanging wall. Despite these differences, the resource domains used in both MREs are similar (see cross sections in Figure 7, Figure 8 and Figure 9) and are adequate to the purposes of this valuation report.

The Inferred Base Metal Resource reported by TMT in 2019 is similar to that reported by AVL in 2018 (see Section 5.1 below) but is not regarded as material for the valuation of the combined AVP and MTMP vanadium projects as defined in the scope of this report. However, these may provide additional opportunities in the future assessment of an integrated MRE with combined AVP and MTMP datasets.

## 4.2. MTMP Ore Reserves

## 4.3. MTMP Gabanintha Vanadium Project

The Gabanintha Feasibility Study (**FS**) was completed in July 2019 under the direction of TMT. The FS was largely based on Measured and Indicated Mineral Resources of 30.1Mt at 0.9% V<sub>2</sub>O<sub>5</sub>, and a total inventory of 35.7Mt at 0.83% V<sub>2</sub>O<sub>5</sub> after modifying factors are applied. The total inventory includes 17% Inferred Mineral Resources. The first 11.9 years of mine life includes 2% Inferred Mineral Resources in the mine plan. The majority of the Inferred Mineral Resources are processed in the final four years of the mine life.

The mining method to be used at Gabanintha is conventional open-pit mining utilising drill-blast-load-haul. Detailed pit designs were generated from the Whittle optimised shells. The optimisation results showed flat cash curves, meaning that the optimisation was mineral resource constrained. A pit shell with Revenue Factor 1 was selected as the basis of the pit design.

Geotechnical parameters used in the FS mining study were based on analysis of 6.5km of diamond drill logging and relevant RC drill data. The geotechnical analysis included consideration of geotechnical domains, weathering profiles, factor of safety, probability of failure, geological structure, wedge, and planar failure modes. The Competent Person believed that the geotechnical analysis was suitable for a FS level of study. Pit designs were designed in accordance with geotechnical parameters provided by MineGeoTech.

Mining dilution was applied using the skins methodology. A dilution skin of 1m was applied to the Mineral Resource wireframes, 1m ore loss and 1m dilution. The ore loss and dilution factors are shown below in Table 4

Table 4 Gabanintha Reserve Modifying Factors

<b>Dilution</b>	<b>North Pit</b>	<b>Central Pit</b>
Massive Magnetite	13% @ 0.45% V <sub>2</sub> O <sub>5</sub>	10% @ 0.46% V <sub>2</sub> O <sub>5</sub>
Banded & Disseminated	29% @ 0% V <sub>2</sub> O <sub>5</sub>	20% @ 0% V <sub>2</sub> O <sub>5</sub>
<b>Mining Ore Recovery</b>		
Massive Magnetite	98%	98%
Banded & Disseminated	95%	95%

The proposed mine layout can be seen below in Figure 11. The North pit has a total depth of 180m, and the Central pit has a total depth of 190m. Access to both pits are via footwall ramps to reduce waste stripping.

Four locations have been identified for waste rock:

- North waste rock dump
- East waste rock dump
- Central waste rock dump
- North pit back fill

Waste rock dumps have been designed within tenement boundaries and with concave rehabilitated slopes as recommended by Integrate Sustainability.

Cut-off grade was determined on a net value per block basis. Where total revenue and total cost for each block are estimated. Any block returning a positive net value was defined as "Ore" for the purpose of pit design and production scheduling.

The Ore Reserves report makes the statement that capital and operating costs were estimated to a FS level of confidence. VRM has not reviewed the capital and operating costs so cannot form an opinion as to whether the costs meet the standard of a FS. Given the valuation methodologies used in this report VRM does not consider this information to be material to the valuation.

Table 5 below details the Ore Reserves for Gabanintha as at July 2019.

Table 5 Gabanintha Ore Reserve July 2019

Reserve category	Tonnes (Mt)	Grade (V <sub>2</sub> O <sub>5</sub> %)	Contained V <sub>2</sub> O <sub>5</sub> tonnes (Mt)
Proven	1.1	0.96	0.01
Probable	28.5	0.88	0.25
<b>Total</b>	<b>29.6</b>	<b>0.88</b>	<b>0.26</b>

*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% V<sub>2</sub>O<sub>5</sub>, and North Pit dilution for banded and disseminated ore of 29% at 0.0% V<sub>2</sub>O<sub>5</sub>; a Central Pit dilution for massive magnetite ore of 10% at 0.46% V<sub>2</sub>O<sub>5</sub>, and Central Pit dilution for banded and disseminated ore of 20% at 0.0% V<sub>2</sub>O<sub>5</sub>.*

The Competent Person for the Gabanintha Ore Reserve was Mr Karl van Olden, who at the time it was undertaken was a full-time employee of CSA Global Pty Ltd. VRM has reviewed the report "Ore Reserve Report- Gabanintha Vanadium Project" dated 29 July 2019. VRM is of the opinion that this report is reported in accordance with the JORC code (2012).

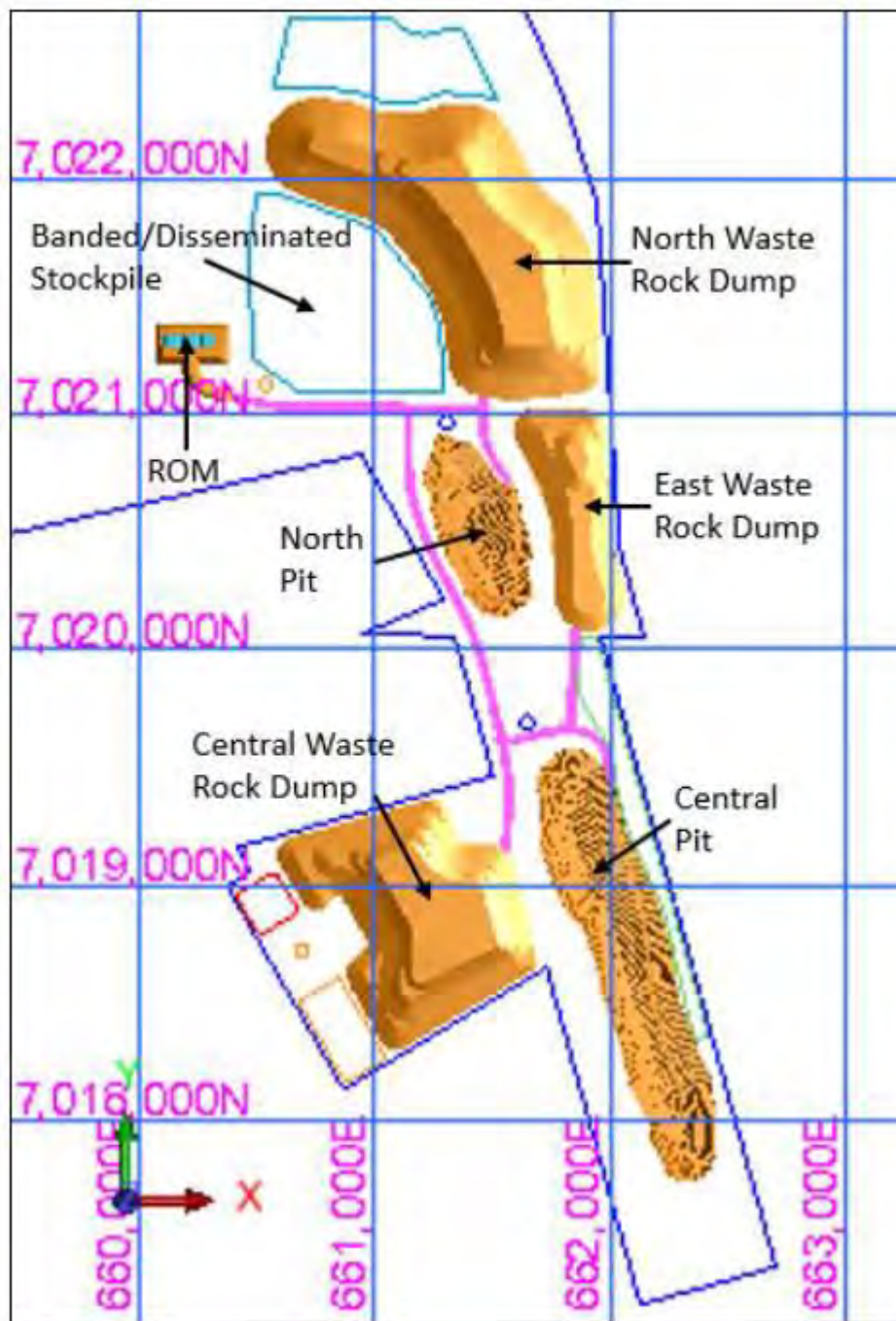


Figure 11 MTMP Mine layout

#### 4.4. MTMP Integration Study

In August 2019 TMT released the Definitive Feasibility Study (**DFS**) for the Gabanintha Vanadium Project which VRM has reviewed and documents above. After the initial 2019 DFS TMT recognised the potential of the Yarrabubba deposit. A Yarrabubba Probable Ore Reserve of 9.4Mt at 0.97%  $V_2O_5$  was reported in September 2020. TMT commenced an Integration Study in late 2021 to combine the Yarrabubba and Gabanintha deposits into a unified mine plan for the MTMP (TMT ASX release 5 August 2022). The Integration Study combined and updated the Ore Reserves into one consistent estimate with this updated Ore Reserve superseding the previous estimates. There are significant details associated with the study included in that ASX release and the reader is directed to that release for the technical details



of the study. VRM has not used the financial model associated with the study in the valuation of the MTMP and therefore has not detailed all aspects of the technical work within this report.

The MTMP study assessed the metallurgical properties of the Yarrabubba deposit and its suitability to be processed through the Gabanintha flowsheet and any required modifications necessary. The Yarrabubba Ore required the addition of a gravity circuit to recover the ilmenite from the Yarrabubba Ore. It was found that the Yarrabubba Ore was suitable to be processed through the Gabanintha flowsheet.

Open pit modelling and scheduling was undertaken by Oreology across both deposits. The work was primarily focussed on updating the Yarrabubba Ore Reserve based on the November 2021 Mineral Resource estimate of 36.6Mt at 0.8%  $V_2O_5$  which included Indicated material of 20.2Mt at 0.9%  $V_2O_5$ . As a result of this the Yarrabubba Probable Ore Reserve estimate (Table 6) increased to 15.9Mt at 0.87%  $V_2O_5$  and including a maiden ilmenite Ore Reserve estimate of 15.9Mt at 10%  $TiO_2$ . It is noted that the pit optimisation and infrastructure requirements used to delineate the Yarrabubba Ore Reserves were constrained due to the small tenement that TMT holds over the mineralisation. Should the SOA be approved this would allow for a more optimal mine and infrastructure design to be incorporated.

Table 6 Yarrabubba Ore Reserve Estimate,  $V_2O_5$  and  $TiO_2$

Class	Ore				Magnetic Conc.		Non-Magnetic Conc.		Rec. $V_2O_5$	Rec. Ilmenite	Waste	Total
	Mt	$V_2O_5$ %	$TiO_2$ %	Mass Yield	Mt	$V_2O_5$ %	Mt	$TiO_2$ %	M lb	kt	Mt	Mt
Probable	15.88	0.87%	10.03%	44.4%	7.04	1.61%	8.84	12.35%	203	1,133	110.10	125.98

(Source TMT ASX release 5 August 2022)

The mine schedule developed was based on Proved and Probable Ore Reserves and has a mine life of approximately 22.5 years. There is a total of 10.5Mt of Inferred resources within the Ore Reserve pit design which was included at the end of the mine plan. A conversion factor of 90% was used for Inferred Mineral Resources. The inclusion of the Inferred Mineral Resource estimate increases the mine life to 25 years.

The combined mine schedule developed is shown below in Figure 12 and Figure 13.

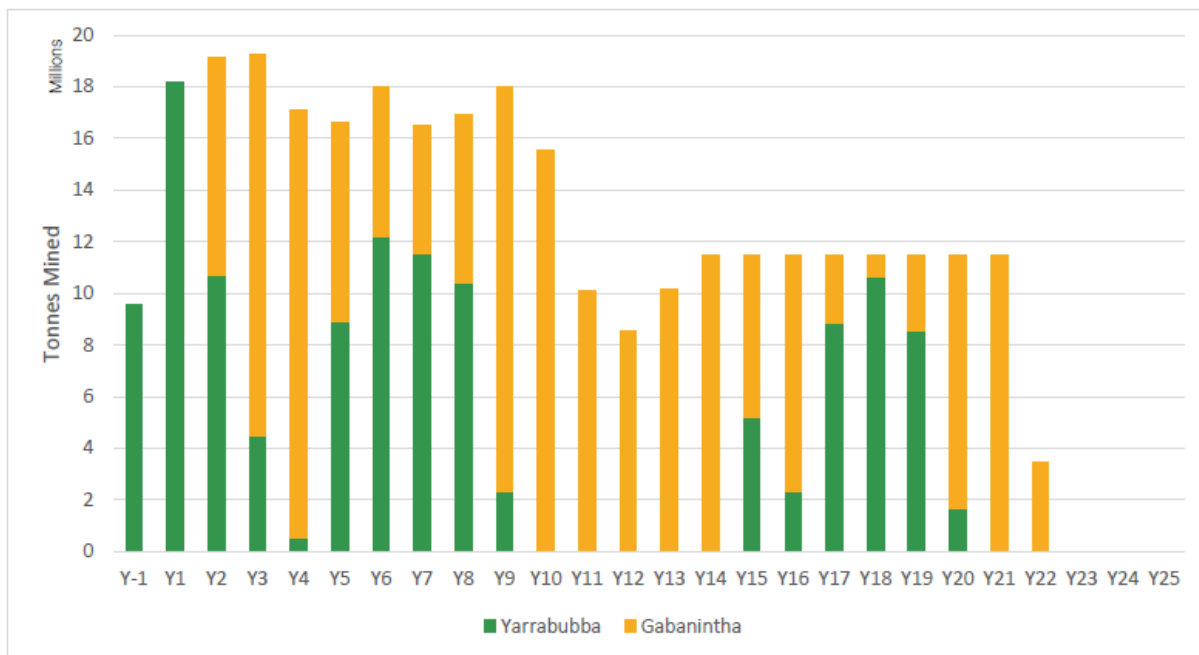


Figure 12 MTMP Material Mined by Deposit  
(Source TMT ASX 5 August 2022)

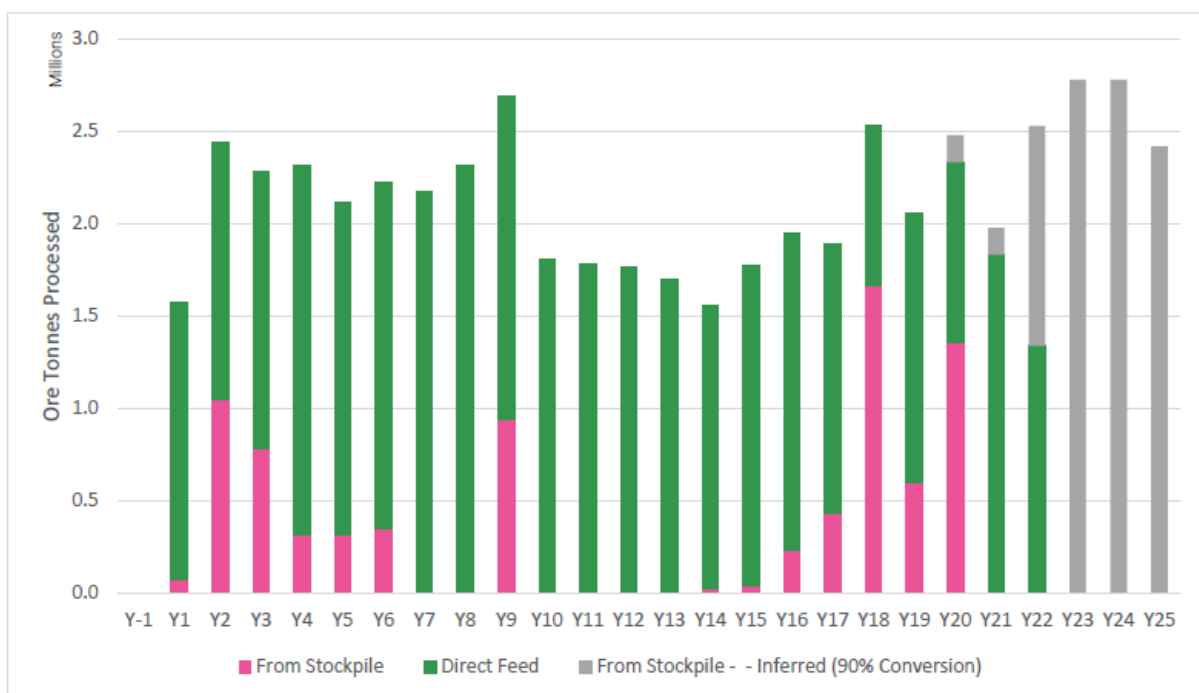


Figure 13 MTMP Mine Production Schedule, Ore Feed  
(Source TMT ASX 5 August 2022)

The capex estimate for the revised mine plans are reported as -15% to +20% based on a Class 4 study. Mining costs were developed on a +/-15% level of confidence based on the Orelogy developed mine schedule.

Orelogy built a DCF model for the MTMP which resulted in the Ore Reserve estimate being reported by TMT.

The MTMP Global Ore Reserve Estimate is shown below in Table 7. This Ore Reserve is an update to the previous Ore Reserve detailed in Table 5.

Table 7 Updated Global MTMP Ore Reserve Estimate  
(Source TMT ASX 5 August 2022)

Deposit	Ex-Pit Ore				Magnetic Conc.		Non-Magnetic Conc.		Rec. V <sub>2</sub> O <sub>5</sub>	Rec. Ilmenite	Waste	Total
	Mt	V <sub>2</sub> O <sub>5</sub> %	TiO <sub>2</sub> %	Mass Yield	Mt	V <sub>2</sub> O <sub>5</sub> %	Mt	TiO <sub>2</sub> %	M lb	kt	Mt	Mt
Yarrabubba Probable	15.88	0.87%	10.0%	44.4%	7.04	1.61%	8.84	12.35%	202.7	1132.6	110.1	126.0
Yarrabubba Total	15.88	0.87%	10.0%	44.4%	7.04	1.61%	8.84	12.35%	202.7	1132.6	110.1	126.0
Gabarintha Probable	1.12	0.95%		69.8%	0.78	1.30%			18.1			
Gabarintha Proven	27.48	0.90%		57.1%	15.69	1.31%			369.4		154.5	183.1
Gabarintha Total	28.60	0.91%	10.7%	57.6%	16.47	1.31%			387.5	0.0		
Global MTMP Total	44.48	0.89%	10.5%	52.9%	23.52	1.40%	8.84	12.35%	590.3	1132.6	264.6	309.1

Note: Quantities have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

Note VRM notes there is a typographical error in the table above. The Gabarintha Proven figures are actually Gabarintha Probable Ore Reserves and the Gabarintha Probable figures are for the Gabarintha Proven Ore Reserves.

The Company has stated that the Gabarintha study is at a FS level of confidence, and the Yarrabubba Study is at a PFS level of confidence. The Competent Person for MTMP Ore Reserves was Mr Ross Cheyne of Orelogy. VRM is of the opinion that the Ore Reserves are reported in accordance with the JORC Code (2012).

#### 4.5. MTMP Studies

Two studies into the Gabarintha and Yarrabubba deposits have occurred in 2019 and 2021. The independent consulting groups who undertook aspects of the Integration Study as announced in 2022 included.

- Mineral Resource – CSA Global 2022
- Mine and Pit Design and Ore Reserve estimates - Orelogy Consulting Pty Ltd 2022
- Geotech – Minegeotech Pty Ltd
- Mining Cost estimates – IQE Pty Ltd
- Waste Rock Landforms – Integrate Sustainability Pty Ltd 2022
- Metallurgy studies - FLSmiths 2022
- Environmental studies – Biologic Environmental Surveys 2021
- Hydrology – Hydrologica – 2019
- Air quality and Noise - Environmental Technologies & Analytics 2021



## 5. AVL Mineral Assets

For the AVP and as documented above the regional, local geology along with the exploration history and exploration potential has been documented above in conjunction with the MTMP. This section of the report details Mineral Resource and Ore Reserve estimates within the AVP along with documenting the studies that have been undertaken as a part of the feasibility study into the project. In addition to the AVP, AVL also holds 100% of both the Coates Project which is being explored for intrusion related nickel, copper, and PGE mineralisation and the Nowthanna Hill uranium Project. A brief description of these two projects is documented below the Mineral Resources, Ore Reserves and Study sections of the AVP.

### 5.1. Australian Vanadium Project (AVP)

#### 5.1.1. AVP Mineral Resource Estimate

The Australian Vanadium Project Mineral Resource Estimate (MRE) was updated by AVL in October 2021 (ASX release: AVL Mineral Resource Update at the Australian Vanadium Project 1 November 2021). The estimate is an update of the 2020 MRE and includes 4,049 additional magnetic susceptibility measurements from down-dip PQ metallurgy holes drill in 2019 and a revised set of bulk density regressions, based on down hole compensated density logging (CDL) data collected in December 2020.

The 2021 MRE was reported in accordance with the JORC Code (2012) and was prepared by Lauritz Barnes, (Consultant with Trepanier Pty Ltd) and Mr Brian Davis (Consultant with Geologica Pty Ltd). Mr Barnes and Mr Davis are both members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Both have sufficient experience relevant to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Barnes is the Competent Person for the estimation and Mr Davis is the Competent Person for the database, geological model, and site visits.

The updated 2021 Mineral Resource Estimate is 239Mt @ 0.73% V<sub>2</sub>O<sub>5</sub>, representing an increase of 30.8 Mt (14.8%) from the March 2020 total MRE. This increase is the result of the additional density and magnetic susceptibility data described above. Table 8 shows the 2021 MRE categories by zone.

Test work conducted by AVL in 2015 identified the presence of sulphide hosted cobalt, nickel, and copper, specifically partitioned into the silicate phases of the massive titaniferous vanadiferous iron oxides which make up the vanadium mineralisation at the Australian Vanadium Project. Subsequent test work demonstrated recovery of a sulphide flotation concentrate containing between 3.8 % and 6.3% of combined base metals, from the non-magnetic tailings produced as a result of the magnetic separation of a vanadium iron concentrate from fresh massive magnetite. The reader is directed to additional details in ASX announcements dated 22 May 2018 and 5 July 2018 and the 2019 AVL Annual Report.

In 2018, AVL reported an Inferred base metal Mineral Resource in Domain HG10 at Gabanintha containing 12.5Mt at 202 ppm cobalt, 659 ppm nickel, 222 ppm copper and 0.14% sulphur (Table 9). The Inferred Mineral Resource is contained exclusively in the massive high-grade magnetite below the base of partial oxidation (Figure 14). The 2018 Inferred base metal Resource was not reported following the 2019 Annual Report. VRM notes that AVL details that it only has the mineral rights to any vanadium, uranium, cobalt, chrome, titanium, lithium, tantalum, manganese, and Iron within the project. An

additional base metal MRE was announced by the holder of the base metal rights on the tenements however as AVL only has the cobalt rights on the tenements and the low-grade nature of the mineralisation it is not considered to be material to the valuation of the AVP.

Table 8 AVL 2021 Mineral Resource Estimate by Zone  
(Source: ASX AVL Mineral Resource Update at the Australian Vanadium Project 1 November 2021)

Domains	Category	Mt	V <sub>2</sub> O <sub>5</sub> %	Fe %	TiO <sub>2</sub> %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %
<b>HG 10</b>	Measured	11.3	1.14	43.8	13.0	9.2	7.5	3.7
	Indicated	27.5	1.10	45.4	12.5	8.5	6.5	2.9
	Inferred	56.8	1.04	44.6	11.9	9.4	6.9	3.3
	<b>Subtotal</b>	<b>95.6</b>	<b>1.07</b>	<b>44.7</b>	<b>12.2</b>	<b>9.1</b>	<b>6.8</b>	<b>3.2</b>
<b>LG 2-5</b>	Measured	-	-	-	-	-	-	-
	Indicated	54.9	0.50	24.9	6.8	27.6	17.1	7.9
	Inferred	73.6	0.48	25.0	6.4	28.7	15.4	6.6
	<b>Subtotal</b>	<b>128.5</b>	<b>0.49</b>	<b>24.9</b>	<b>6.6</b>	<b>28.2</b>	<b>16.1</b>	<b>7.2</b>
<b>Trans 6-8</b>	Measured	-	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-	-
	Inferred	14.9	0.66	29.0	7.8	24.5	15.1	7.8
	<b>Subtotal</b>	<b>14.9</b>	<b>0.66</b>	<b>29.0</b>	<b>7.8</b>	<b>24.5</b>	<b>15.1</b>	<b>7.8</b>
<b>Total</b>	Measured	11.3	1.14	43.8	13.0	9.2	7.5	3.7
	Indicated	82.4	0.70	31.7	8.7	21.2	13.5	6.2
	Inferred	145.3	0.71	33.0	8.7	20.7	12.0	5.4
	<b>Subtotal</b>	<b>239.0</b>	<b>0.73</b>	<b>33.1</b>	<b>8.9</b>	<b>20.4</b>	<b>12.3</b>	<b>5.6</b>

Table 9 AVP 2018 Inferred Base Metal Mineral Resource for cobalt, nickel, and copper constrained to Domain 10 (high-grade vanadium domain) for Fault Block 20 fresh material.

(Source: ASX AVL Resource Update for Gabanintha Vanadium Deposit including Cobalt, Nickel and Copper, 05 July 2018)

Zone	Classification	Mt	Co ppm	Ni ppm	Cu ppm	S %
<b>High-grade Fault Block 20</b>	Measured	-	-	-	-	-
	Indicated	-	-	-	-	-
<b>Fresh material</b>	Inferred	12.5	206	659	222	0.14
	<b>Total</b>	<b>12.5</b>	<b>206</b>	<b>659</b>	<b>222</b>	<b>0.14</b>

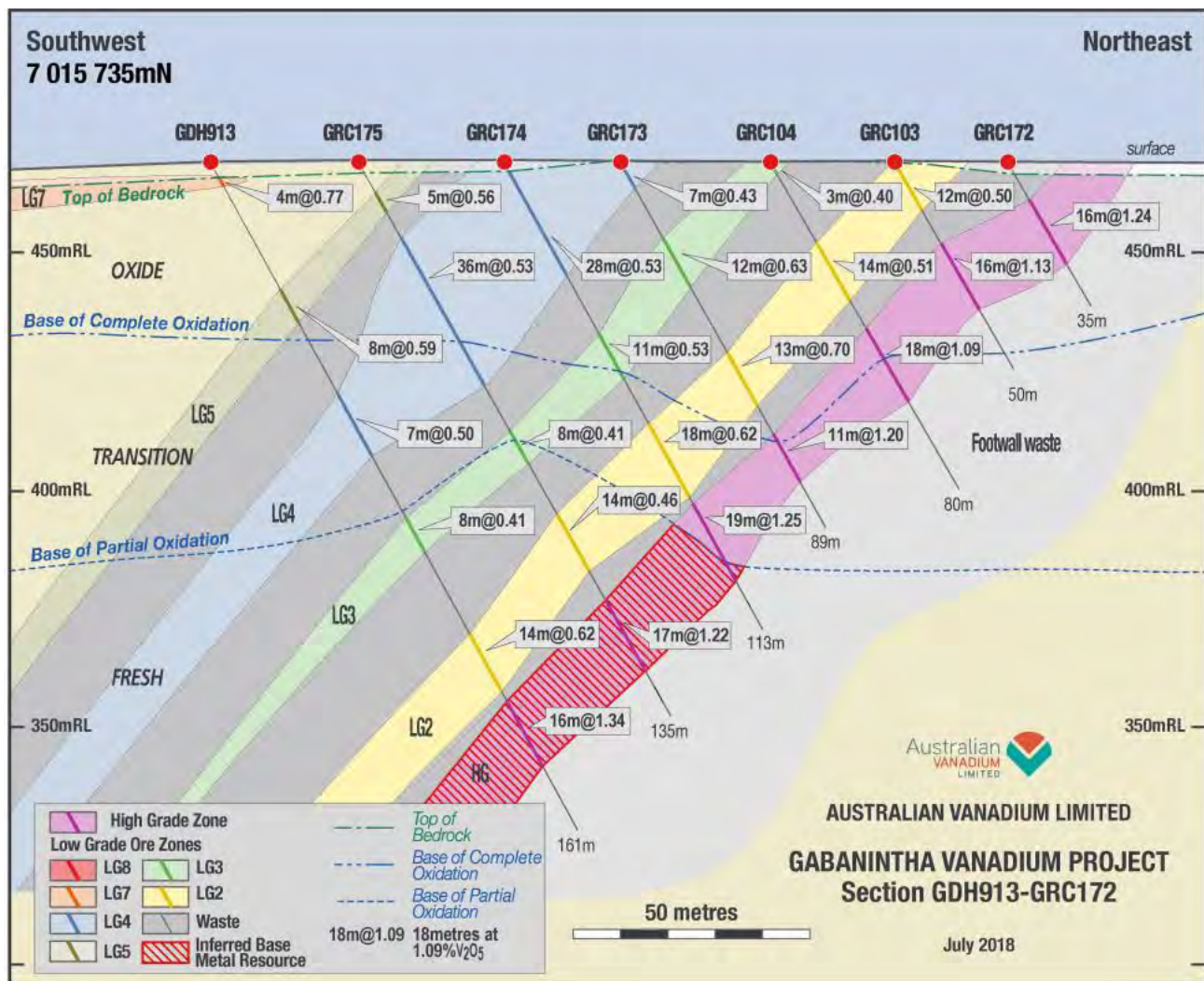


Figure 14 AVP Cross section showing location of Inferred Base Metal Resource, below Base of Partial Oxidation  
(Source: ASX AVL Resource Update for Gabanintha Vanadium Deposit including Cobalt, Nickel and Copper, 05 July 2018)

In addition, a leached calcine of 54.0% Fe, 14.89%  $\text{TiO}_2$ , 1.01% Si and 1.57% Al has been generated from pilot scale test work and is considered by AVL to be a potential iron-titanium co-product. Further characterisation test work and exploration of opportunities to improve the calcine product quality are under review by AVL, as reported in AVL BFS ASX release of 1 April 2022.

### VRM Comment

VRM has conducted a review of the reasonableness of the 2021 AVP MRE and has not identified any material areas of concern. Regarding vanadium resources, there are minor differences in the AVP MRE, compared to the MTMP MRE described in Section 4.1 (Murchison Technology Metals Project Mineral Resource Estimate) above, which is expected because they were prepared independently. The main differences are associated with  $\text{V}_2\text{O}_5$  cut-off grades and workflows used to delineate resource domains. However, because of the similar understanding of geological controls on vanadium mineralisation in the layered gabbro sequence across both tenements, the differences are not regarded to be material for the purposes of this valuation report.

In addition, the inferred base metal resource and potential leached-calcine iron-titanium co-product reported by AVL in 2018 are not regarded as material for the valuation of the combined AVP and MTMP vanadium projects as defined in the scope of this report. However, these may provide additional opportunities in the future assessment of an integrated MRE with combined AVP and MTMP datasets.

The Inferred Base Metal Resource reported by AVL in 2018 is similar to that reported by TMT (see Section 4.1 above) but is not regarded as material for the valuation of the combined AVP and MTMP vanadium projects as defined in the scope of this report. However, these may provide additional opportunities in the future assessment of an integrated MRE with combined AVP and MTMP datasets.

### 5.1.2. AVP Ore Reserves and Studies

The AVP will be mined by open-pit methods along 7km of strike. There are four pits to be mined, a large north pit with a strike of ~3km, and three smaller pits in the south with a combined strike length of 3.7km. The mining sequence requires a consistent blend of fresh and weathered ore types to the process plant. Mining is to begin in the southern pits with low strip ratio started pits with additional stages developed in the hanging wall at increasing strip ratios.

#### Mining Method

The proposed mining method is a conventional open-pit mining commonly used in Western Australia this is most suitable for the mineralisation type and anticipated mining rates. Mining will be undertaken by Mining Contractors, using a conventional drill-blast-load-haul mining sequence. AVL will have a management and technical team which will undertake supervision and control of the contractor and mining operations.

#### Mining Parameters:

- Ore-zone mining will use a 5m bench height mining two 2.5m flitches to allow for selective mining. Mining will advance from hanging wall to footwall where practical.
- Waste will be blasted on 10m benches and mined in 5m or 2.5m flitches where appropriate.
- Grade control will be a combination of RC grade control and blast holes.

It is necessary to feed the concentrator a mix of low recovery, medium recovery, and high recovery ore to optimise concentrate production. The ratio in (Magnetic susceptibility/Fe%) or "Mag Ratio" was identified by test work as a proxy for weathering and therefore recovery. A "Mag Ratio" of 0.38 was used in the scheduling.

#### Pit Optimisation

Pit optimisation was undertaken using the industry standard "Geovia Whittle software". The program produces a sequence of nested shells at different revenue factors. The smaller shells show the high value areas of the deposit where mining should commence. While the larger shells indicate additional mineralisation which may be economic should the optimisation factors improve.

The Mineral Resource Model was a sub-celled Surpac model which was imported into Vulcan, with sub-cell geometry maintained. The Vulcan model was then "Regularised" for import into Whittle, the SMU size used in the regularisation was 8x10x5. A 0.7% V<sub>2</sub>O<sub>5</sub> cut-off grade was used in the optimisation. Modifying factors of 5% ore loss and 5% Dilution were used in the optimisation.

AVP management's view was a 20–25-year mine life was desirable, whilst delivering an acceptable NPV and an IRR, reducing risk by limiting pit depth and strip ratio.



- The mine plan developed had a 25-year mine life inclusive of up to 20% Inferred Mineral Resources. The Inferred Mineral Resources are not used as a basis for the Ore Reserve estimate.
- A Stand-alone Ore Reserve Optimisation was undertaken and used only Measured and Indicated Mineral Resources. This optimisation had a 20-year mine life and an inventory of ~30Mt.
- The Ore Reserve shell was depleted and a second pass pushback optimisation which included Inferred Mineral Resources added another ~8Mt of inventory or 5 years of mine life.

The result of the above was the generation of a Life of Mine (**LOM**) Ore Reserve Schedule of ~20 years, and an LOM Project Production schedule of ~25 years.

### Pit Optimisation Inputs and Outputs

The BFS Pit optimisation inputs were as follows:

- A  $V_2O_5$  price of \$8 USD/lb, based on a 15-year arithmetic price average from London Metal Bulletin
- An A\$/US\$ exchange rate of \$0.74
- A 5% Ad Valorem State Government concentrate royalty.
- Modifying Factors of 5% Ore loss, & 5% dilution
- CMB plant & Vanadium processing facility as advised by Wood.
- Metallurgical recovery based on test work to date.
- The Mining Cost was coded into the Block Model on a bench-by-bench basis. An average LOM Mining cost of ~3.85/t
- Processing costs supplied by Wood.
- General and administration Costs carried over from the 2020 PFS update.

The Optimisation Results can be seen below in Figure 15 and Figure 16.

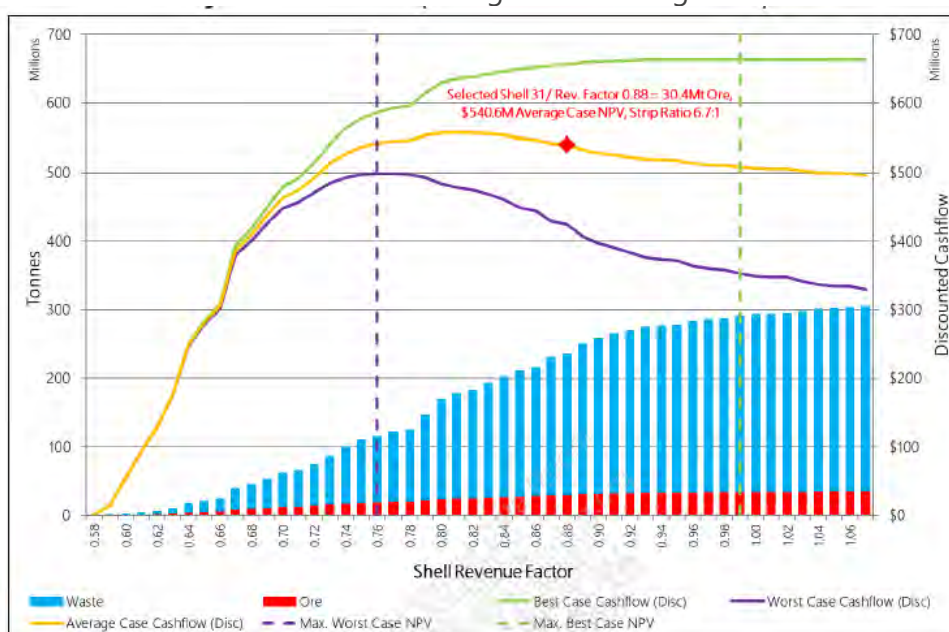


Figure 15 Ore Reserve Optimisation Results

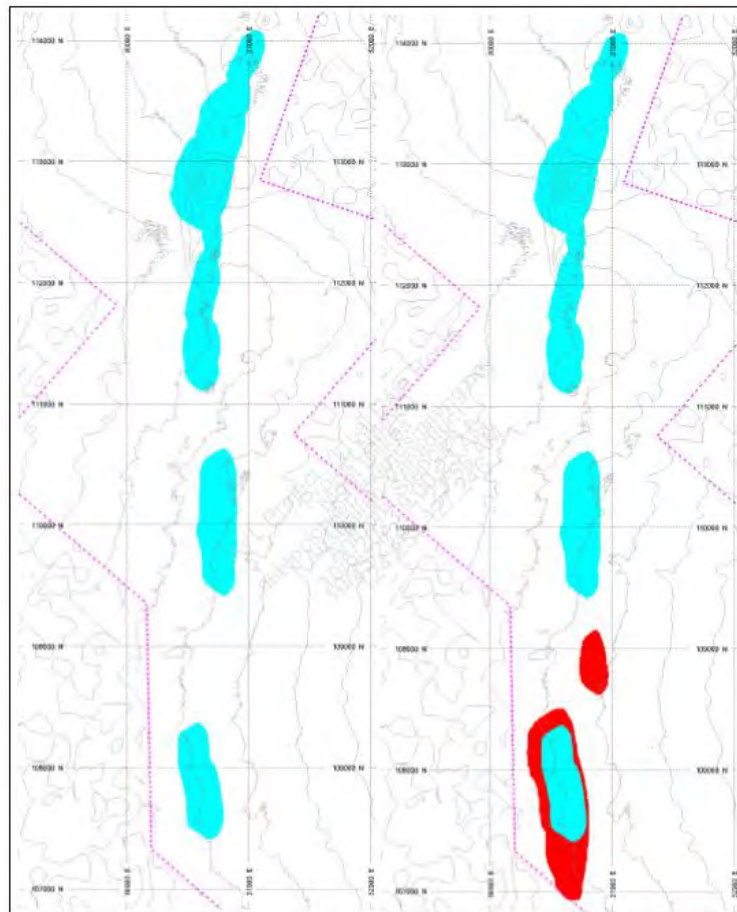


Figure 16 Ore Reserve Shell 31 Blue, Inferred Pushback Shell Red

## Geotechnical

Geotechnical guidelines for the BFS were based on appraisal by Pell Sullivan Meynink Ltd (**PSM**). The BFS level study consisted of:

- The drilling of 8 geotechnical boreholes in the southern area of the deposit.
- Geotechnical logging, core orientation and core photography
- Geomechanical lab testing.
- Imaging of borehole walls.
- Compilation of existing & new data
- Processing and interpretation of lab testing and imaging data.
- Development of a geotechnical model.
- Assessment of slope stability
- Open pit slope design parameters

The geotechnical domains and pit slope geometries are shown in Figure 17 and Table 10 shown below.

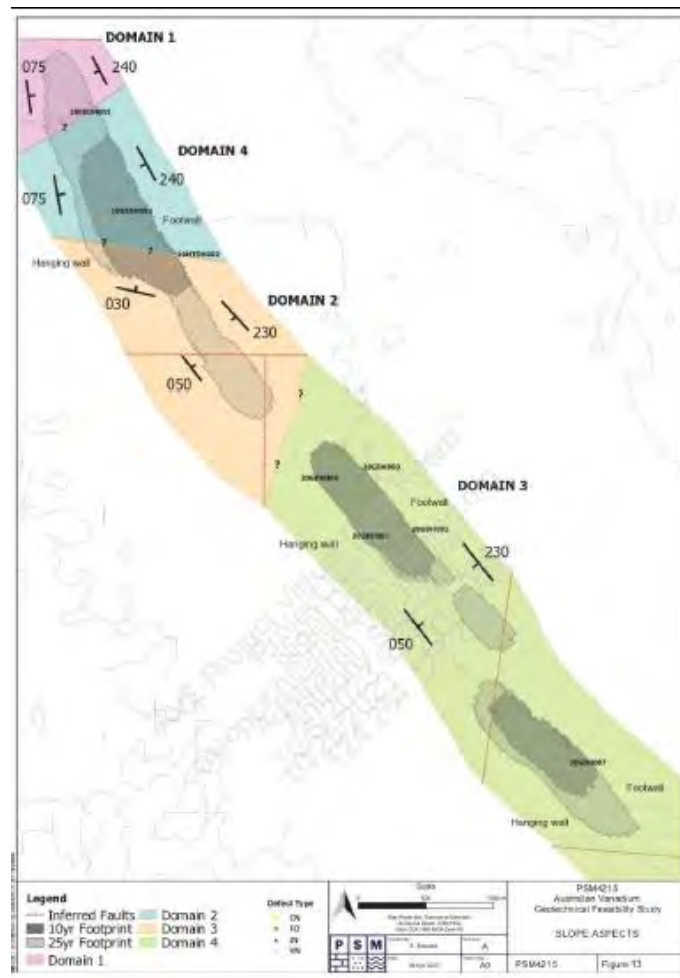


Figure 17 Geotechnical Domains

Table 10 Recommended Pit Slope Geometry

Domain	Slope Aspect (°) <sup>1</sup>	Pit wall	Rock Mass Unit	Bench Face Angle (°)	Bench Height (m)	Berm Width (m)	Inter-ramp Angle (°) <sup>2</sup>
All	All	All	Gravelly Siltstone & Conglomerate	75	10	5	52
			Paleochannel	20	10	5	17
	030 to 075	Hanging wall	Weathered Bedrock	75	10	5	52
			Fresh Bedrock	90	30	15	63
1	240	Footwall	Weathered Bedrock	45	10	5	34
			Fresh Bedrock	45	20	7	37
2	240		Weathered Bedrock	55	10	5	40
			Fresh Bedrock	55	20	7	44
3	230		Weathered Bedrock	40	10	5	31
			Fresh Bedrock	40	20	7	33
4	230		Weathered Bedrock	50	10	5	37
			Fresh Bedrock	50	20	7	39

<sup>1</sup> Slope aspect is the azimuth to which the slope is oriented, for example, 090 ° is a slope facing due east.

<sup>2</sup> Inter-ramp angle measured toe-toe.



## Scheduling

Scheduling was undertaken in Maptek Evolution. Evolution offers two scheduling modes, Total Material Movement (**TMM**) and Truck/Haulage based. The simpler TMM mode was used for the BFS Schedule by Orelogy.

Two schedules were developed: an Ore Reserve LOM Production Schedule and a Project LOM Production Schedule. The Ore Reserve Schedule only used Proved and Probable Ore to confirm the viability of the Ore Reserve. The Project LOM production schedule, detailed in Table 11 included Inferred material to extend the mine life.

The TMM schedule allowed for a maximum allowable movement of 22Mt/yr.

The two schedules developed are shown graphically below Figure 18 and Figure 19

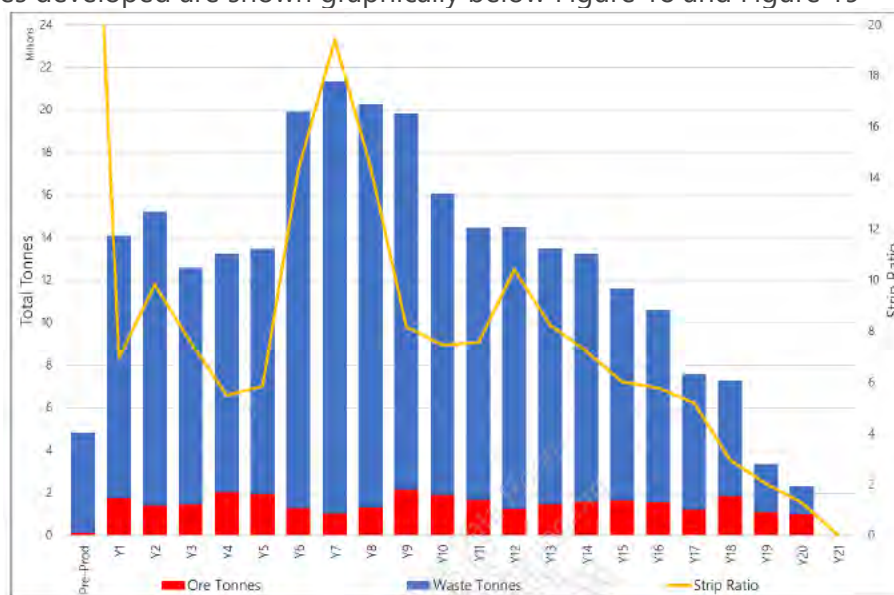


Figure 18 Ore Reserve LOM Schedule

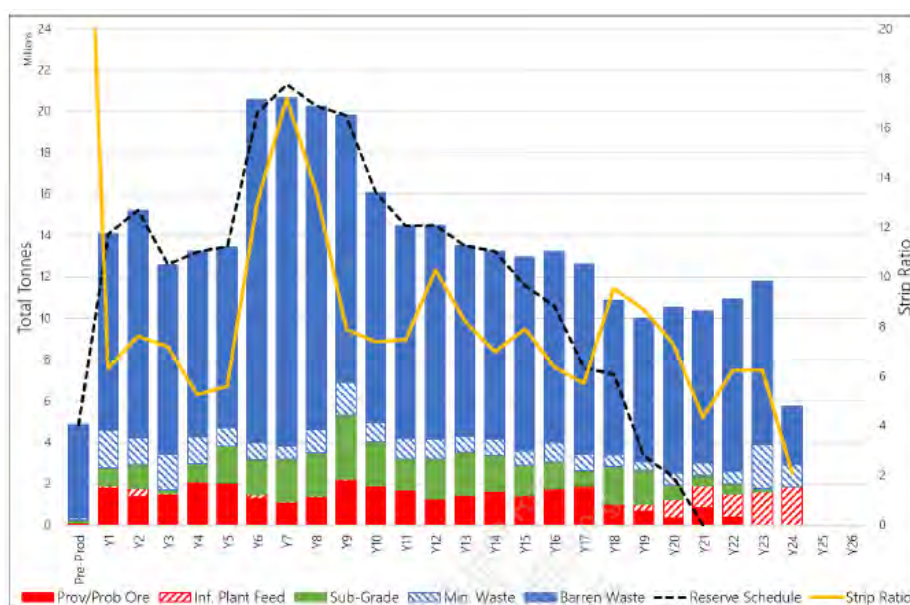


Figure 19 Project LOM Production Schedule

Table 11 Detailed Mining Schedule by Reserve & Resource Category

Class	Unit	TOTAL	Y-1	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
Proved Reserve	kt	10,539.7	0.0	0.0	58.8	287.5	449.0	634.6	324.5	0.0	463.3	1,161.1	1,255.7	1,205.4
Probable Reserve	kt	20,385.8	126.7	1,767.3	1,347.8	1,180.3	1,589.1	1,330.4	973.0	1,044.7	851.1	995.8	642.2	484.9
Inferred Resource	kt	8,231.0	0.0	153.2	357.2	71.9	72.1	73.3	178.8	91.3	91.1	69.2	23.8	15.2
<b>TOTAL</b>	<b>kt</b>	<b>39,156.5</b>	<b>126.7</b>	<b>1,920.5</b>	<b>1,763.8</b>	<b>1,539.7</b>	<b>2,110.2</b>	<b>2,038.3</b>	<b>1,476.3</b>	<b>1,136.0</b>	<b>1,405.5</b>	<b>2,226.1</b>	<b>1,921.7</b>	<b>1,705.5</b>
Proved	%	27%	0%	0%	3%	19%	21%	31%	22%	0%	33%	52%	65%	71%
Probable	%	53%	100%	92%	76%	77%	75%	65%	66%	92%	61%	45%	33%	28%
Inferred	%	21%	0%	8%	20%	5%	3%	4%	12%	8%	6%	3%	1%	1%
<b>TOTAL</b>	<b>%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Waste	kt	296,523.8	4,720.6	12,166.7	13,456.7	11,061.0	11,118.6	11,434.1	19,097.0	19,530.6	18,867.3	17,599.9	14,164.5	12,766.8
<b>Total</b>	<b>kt</b>	<b>335,680.3</b>	<b>4,847.3</b>	<b>14,087.2</b>	<b>15,220.5</b>	<b>12,600.7</b>	<b>13,228.9</b>	<b>13,472.4</b>	<b>20,573.3</b>	<b>20,666.6</b>	<b>20,272.9</b>	<b>19,826.0</b>	<b>16,086.2</b>	<b>14,472.3</b>
Strip Ratio		7.6	37.3	6.3	7.6	7.2	5.3	5.6	12.9	17.2	13.4	7.9	7.4	7.5

Class	Unit	Y12	Y13	Y14	Y15	Y16	Y17	Y18	Y19	Y20	Y21	Y22	Y23	Y24
Proved Reserve	kt	713.0	652.0	879.7	920.8	647.9	321.3	122.2	112.1	144.0	186.1	0.5	0.0	0.0
Probable Reserve	kt	558.5	809.0	733.1	527.6	1,130.0	1,543.7	805.4	509.6	231.8	680.0	404.0	0.0	0.0
Inferred Resource	kt	14.1	6.6	41.7	7.6	7.8	11.8	42.7	349.1	890.3	1,065.1	1,101.0	1,628.8	1,867.3
<b>TOTAL</b>	<b>kt</b>	<b>1,285.6</b>	<b>1,467.7</b>	<b>1,654.5</b>	<b>1,456.0</b>	<b>1,785.7</b>	<b>1,876.8</b>	<b>1,030.3</b>	<b>1,030.7</b>	<b>1,266.1</b>	<b>1,931.2</b>	<b>1,505.6</b>	<b>1,628.8</b>	<b>1,867.3</b>
Proved	%	55%	44%	53%	63%	36%	17%	12%	11%	11%	10%	0%	0%	0%
Probable	%	43%	55%	44%	36%	63%	82%	84%	55%	18%	35%	27%	0%	0%
Inferred	%	1%	0%	3%	1%	0%	1%	4%	34%	70%	55%	73%	100%	100%
<b>TOTAL</b>	<b>%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Waste	kt	13,220.4	12,040.8	11,584.5	11,518.0	11,436.7	10,751.4	9,832.5	8,900.1	9,264.0	8,425.9	9,418.8	10,108.3	3,911.1
<b>Total</b>	<b>kt</b>	<b>14,506.0</b>	<b>13,508.5</b>	<b>13,239.0</b>	<b>12,974.6</b>	<b>13,222.4</b>	<b>12,628.2</b>	<b>10,862.8</b>	<b>9,996.7</b>	<b>10,530.7</b>	<b>10,357.1</b>	<b>10,924.4</b>	<b>11,797.1</b>	<b>5,778.4</b>
Strip Ratio		10.3	8.2	7.0	7.9	6.4	5.7	9.5	8.7	7.3	4.4	6.3	6.2	2.1

## Ore Reserve Statement and LOM Production Plan

The Ore Reserve Statement, Table 12, used a different ore-loss/waste-dilution assumption to the Whittle Optimisation assumptions. A more detailed positional Skins methods was used for the Ore Reserve. The reason for this was the hanging wall diluent carries grade and the footwall diluent has a lower density. The LOM Production Plan, including Inferred Mineral Resources is shown in Table 13. Orelogy used an inhouse script to apply modifying factors to the Ore Reserve. VRM has reviewed the explanation of the method used, and it appears reasonable.

Table 12 Ore Reserve as at April 2022

Reserve Classification	Mt	V2O5 %	Fe2O3	TiO2	SiO2	LOI	Rec V2O5 Kt
Proved	10.5	1.11	61.6	12.8	9.5	3.7	70.9
Probable	20.4	1.07	63.4	12.2	9.2	3	152.9
Total	30.9	1.09	62.8	12.4	9.3	3.2	223.8
Waste	238.5						
Total Material Moved	269.4						
Strip Ratio	7.7						

The Competent Person for the Ore Reserve was Mr Ross Cheyne a Principal Consultant at Orelogy. VRM has undertaken a high-level review of the Optimisation, Mining and Scheduling components of the Ore Reserve and is of the opinion that those components are reported in accordance with the JORC (2012) Code.

Table 13 LOM Production Plan including Inferred Mineral Resources

LOM Production Plan	Mt	V2O5 %	Fe2O3	TiO2	SiO2	LOI	Rec V2O5 Kt
Proved	10.5	1.11	61.6	12.8	9.5	3.7	70.9
Probable	20.4	1.07	63.4	12.2	9.2	3	152.9
Inferred Resources	8.2	1.04	63.4	12	9.2	3.1	57.6
Total	39.1	1.09	62.8	12.4	9.3	3.2	281.4
Waste	296.5						
Total Material Moved	335.6						
Strip Ratio	7.6						

## 5.2. AVL Coates

The Project tenements cover a total area of 64km<sup>2</sup> distributed along the prospective South West Greenstone terrane which hosts the Gonville Deposit discovered by Chalice Mining in 2019. AVL executed an option agreement to divest the project to Mining Green Metals Limited in 2022. The option expired in 2023 and the project remains owned 100% by AVL. The technical aspects of the project within this Report are summarised from the Mining Green Metals prospectus.

### 5.2.1. Location and Access

The Coates Project comprises two granted Exploration Licences (20.24km<sup>2</sup>) and one Exploration Licence application (43.81km<sup>2</sup>) located approximately 60 km east northeast of Perth in the northern part of the southwestern Yilgarn Craton of Western Australia (Figure 20, Table 1). The Project tenements cover a total area of 64km<sup>2</sup> distributed along the prospective South West Greenstone. Access to the tenements is via the Great Eastern Highway from Perth, with the southern-most tenement located 1km north of the town of Wundowie. Significantly the most prospective tenement, E70/4924, is mostly coincident with the Woondowing Nature Reserve which will create challenges to exploration and, if successful, exploitation of any discovery within the reserve.

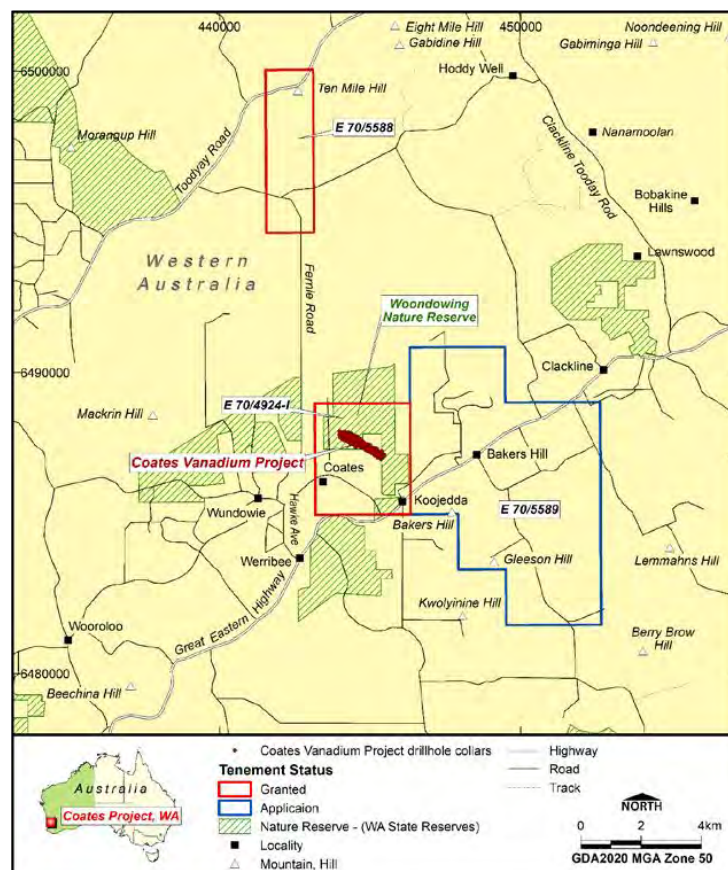


Figure 20 Location of the Coates Project  
(Source: Mining Green Metals Prospectus 2023)

### 5.2.2. Geology and Exploration History

The Coates nickel-copper-cobalt-platinum group elements (Ni-Cu-Co-PGE) Project is located within the Jimperding Metamorphic Belt, a sequence of metamorphosed mafic and ultramafic intrusive rocks variably intercalated with banded-iron formation and gneissic units. The area has undergone multiple episodes of deformation with pre-, syn- and post-metamorphism granitic intrusions also noted throughout the belt.

Demonstrative mineralisation in the region is associated with a layered mafic-ultramafic intrusive complex at Julimar, which has a strike extent of ~25km, and hosts the Gonneville Ni-Cu-Co-PGE deposit approximately 28km to the northwest of AVL's tenements (Figure 20 see description at <https://chalicemining.com/projects/julimar-nickel-copper-pge-project/> ) Sulphide mineralisation is characterised by massive, matrix, stringer and disseminated sulphides, akin to metamorphosed and deformed magmatic nickel sulphide deposits.

The immediate Coates Project area covers the Coates Mafic Intrusive Complex (**CMIC**), which is characterised by magnetite-bearing gabbroic intrusions into greenstones. The area has seen historic mining via the Coates Vanadium Deposit (**CVD**) which was discovered in 1961 and further explored in the late 1970s by multiple explorers (see WAMEX 92954 and references therein). Along with Bauxite, exploration in the area has been largely focussed on vanadium mineralisation, with little base and precious metals exploration. Although preliminary development commenced at CVD, high deleterious elemental content (silica) resulted in the operation closing (WAMEX 6072, 6977). A summarised account of the historic exploration in the area is presented in the Mining Green Metals Prospectus (Mining Green Metals, 2 March 2023).

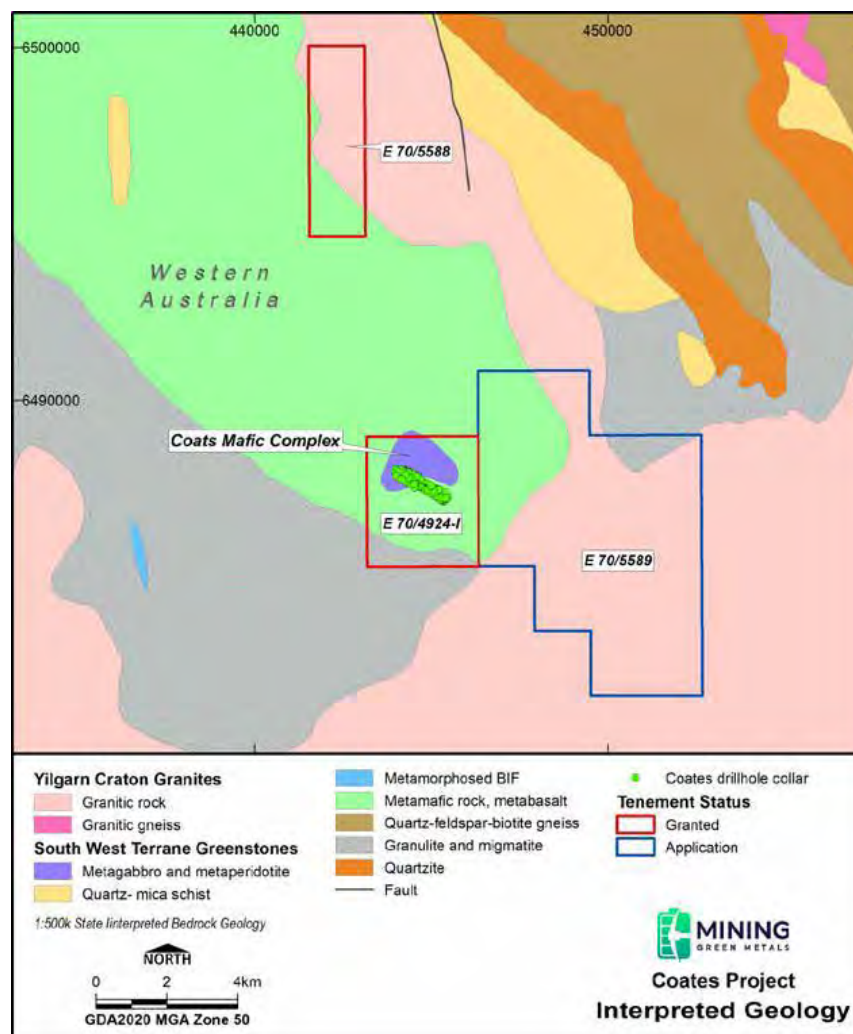


Figure 21 Geological interpretation of the Coates Project area  
(Source: Mining Green Metals Prospectus 2023)



### 5.2.3.Exploration by AVL

Since acquisition of its interest in the Project, the AVL has actively explored the Project area, completing the following:

- Sampling and geochemical analysis of regolith overlaying the Coates Mafic Intrusive. This has included 137 samples, resulting in distinct nickel, copper, chrome, and platinum anomalies as shown in Figure 22. AVL ASX release 5 August 2021.
- Completion of a SkyTEM helicopter-borne geophysical survey targeting conductive rock units which may include nickel sulphides. This work defined Target T2 and lower order anomalies 4 and 6 (Figure 23). Significantly T2 is within the Woondowing Nature Reserve.
- Drilling a total of 11 shallow RC holes for a total of 840.6m. Three of which had short NQ diameter diamond “tails” (169.6m) extending the shallow RC holes. Assay results of this drilling were reported by AVL on 15 September 2022.

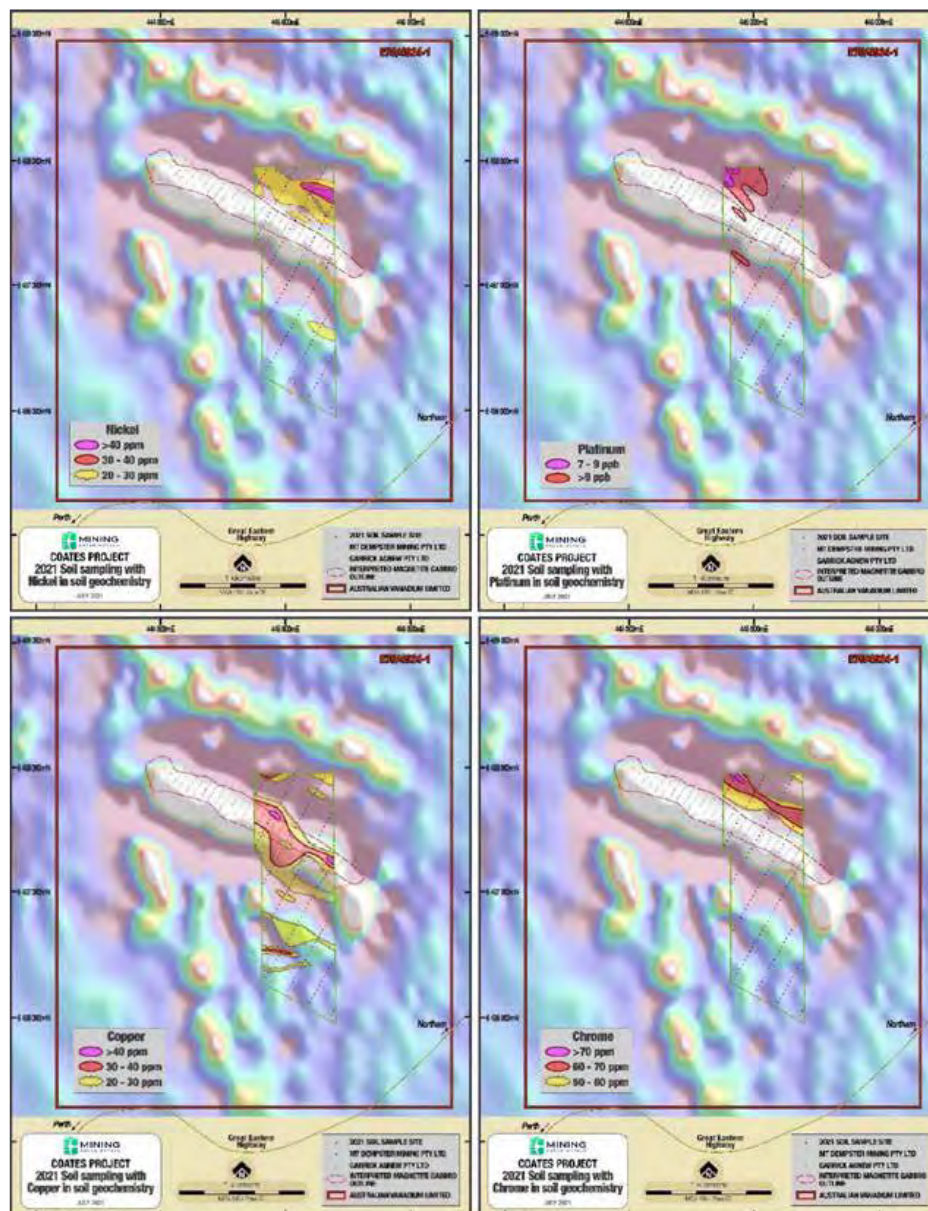


Figure 22 Coates Soil Sampling completed by AVL in 2021

Note clockwise from top left nickel, platinum, chrome, and copper.

(Source: Mining Green Metals Prospectus 2023)

#### 5.2.4. Exploration Potential

### 5.3.AVL Nowthanna Projects

### 5.3.1. Location and Access

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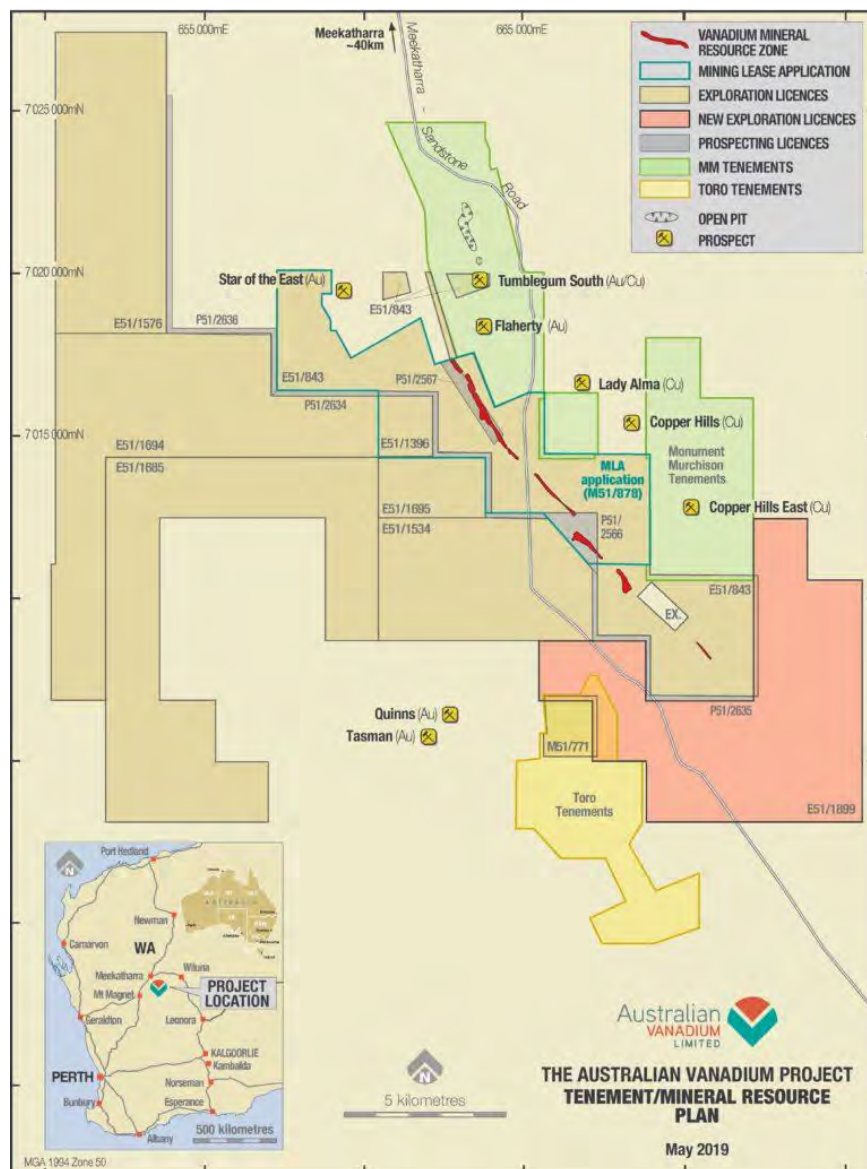


Figure 24 Location of the Nowthanna Hill Project

Note only the M51/771 is shown, the AVP is located immediately to the northeast of the M59/771  
(Source: AVL Website)

### 5.3.2. Geology and Exploration History

The Nowthanna Hill Project is located in the northern Archaean Yilgarn Craton. It is situated on the Sandstone GSWA 1:250,000K GSWA scale map sheet.

The bedrock beneath the tenement is entirely covered by the Cainozoic lacustrine and sheetwash alluvial sediments composed of sands, silts and clays with massive nodular and sheet carbonates and minor chalcedony that host the uranium and vanadium mineralisation in the mineral carnotite at Nowthanna (Figure 25).

The bedrock consists of the Big Bell Suite – a strongly foliated K-feldspar megacrystic biotite meta monzogranite and the Yaloginda Formation – metamorphosed felsic volcanoclastic rocks and banded iron formation (BIF) with local quartzite and felsic schist, widely intruded by layered gabbroic to peridotitic sills (Figure 26).



A summarised account of the historic exploration in the area is presented in the Mining Green Metals Prospectus (Mining Green Metals, 2 March 2023).

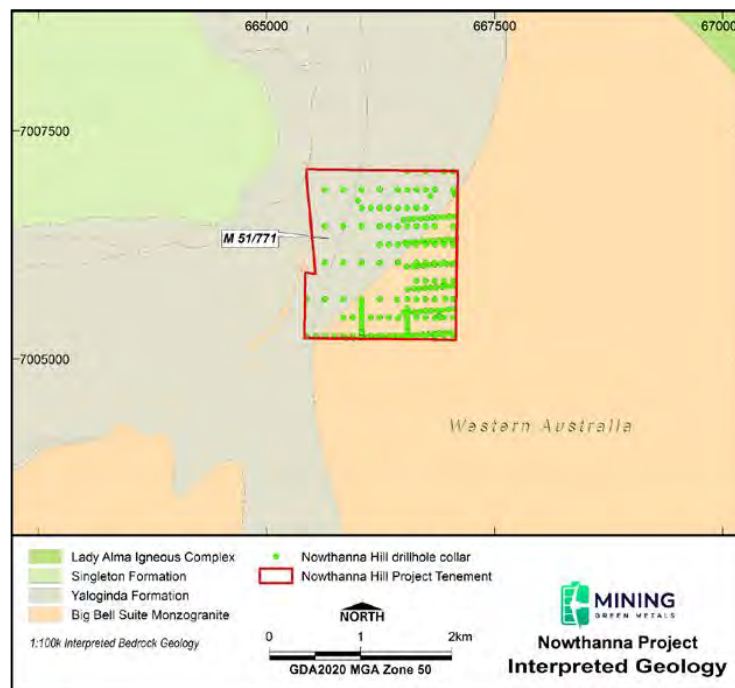


Figure 25 Interpreted bedrock geology of the Nowthanna Hill Project  
(Source: Mining Green Metals Prospectus 2023)

### 5.3.3.Exploration by AVL

Work on the project by AVL has been mainly the compilation of previous uranium exploration work which includes shallow drilling (Figure 26), radiometric and chemical grade determination (Gamma probe and assays) and estimation of an Inferred Mineral Resource.

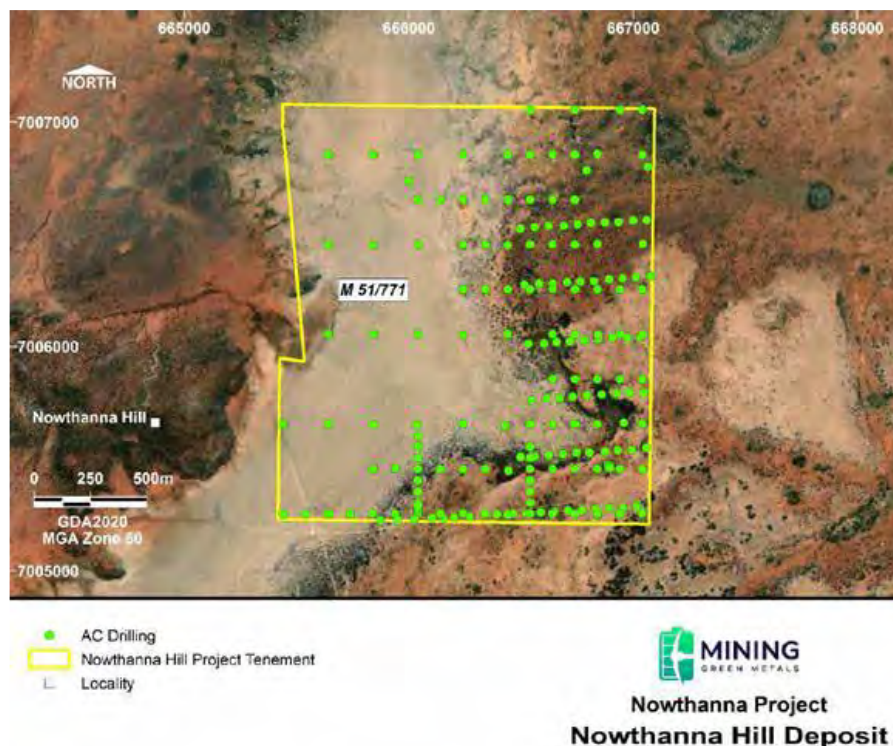


Figure 26 Nowthanna Hill Project Drilling showing the playa lake that hosts the uranium Mineral Resource  
(Source: Mining Green Metals Prospectus 2023)

#### 5.3.4. Nowthanna Hill Uranium Mineral Resource estimate

AVL reported an Inferred uranium and vanadium Mineral Resource within the Nowthanna Hill project on 31 May 2019 (AVL ASX release 31 May 2019). The uranium mineralisation occurs as surficial carnotite mineralisation associated with the playa lake system within the tenement. The playa lake system extends to the south and hosts Toro's Inferred Nowthanna Mineral Resource estimate of 13.5Mt at 399ppm  $U_3O_8$  for 11.9Mlb of uranium, at a 200ppm cut-off (source Toro ASX release AGM presentation 17 November 2016).

The Inferred Mineral Resource within M51/771 is quoted by AVL as being 3.18Mt at 334ppm  $V_2O_5$  for 1,063t of contained  $V_2O_5$  at a 250ppm cut-off and 4.22Mt at 409ppm  $U_3O_8$  for 3.8Mlb of uranium at a 200ppm cut-off. These Mineral Resource estimates are not additive.

AVL, with the permission of Toro, compiled and incorporated the drilling information within the Nowthanna Hill tenement and the adjacent drilling information to enable a Mineral Resource estimate to be undertaken in the AVL tenement. The Mineral Resource was announced by AVL on 31 May 2019. VRM notes that the Mineral Resource was last reported by AVL in its 2019 annual report (ASX release 27 September 2019).

SRK Consulting completed the Mineral Resource, and it was additionally reviewed by CSA Global as a part of the Mining Green Metals prospectus. VRM has undertaken a high-level review of the AVL ASX release of 31 May 2019 and agrees with the assessment of the Mineral Resource by CSA Global in the Mining Green Metals prospectus. In VRM's opinion the Mineral Resource as stated is reasonable and has been reported in accordance with the JORC Code.

#### 5.3.5. Exploration Potential

The potential for additional uranium mineralisation is considered to be low due to the regolith within the project being well understood and constrained by the drilling. Further work could assess the potential for upgrading the modelled uranium grade in some areas of the mineralisation and possible beneficiation work of the carnotite mineralisation to upgrade the material within the Mineral Resource.

## 6. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 14 and provides a guide as to the most applicable valuation techniques for different assets.

Table 14 VALMIN Code 2015 valuation approaches suitable for mineral Properties.

Valuation Approaches suitable for mineral properties				
Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

In accordance with the definitions used in the VALMIN Code the TMT Project, being the MTMP, is best described as an Advanced Exploration to Pre-Development project with the tenements surrounding the Mineral Resources and Ore Reserves as Advanced Exploration Projects. The AVP of AVL is an Advanced Exploration to pre-Development project. There are Mineral Resource and Ore Reserves estimates within the MTMP and the AVP which are reported under JORC 2012. Pre-Development Projects are defined in VALMIN as tenure holdings for which a decision has been made to proceed with construction or production or both. Therefore, as the decision to proceed to development has not yet been made, they are not yet at a pre-Development stage. The other two projects, being the Coates and Nowthanna Hill Projects, owned by AVL are both early-stage exploration projects.

VRM has considered the appropriateness of a DCF approach to value the mineral assets of TMT prior to the Scheme, however based on the economic inputs provided by BDO and our assessment of the project, VRM does not consider a DCF approach to be appropriate. This is because a DCF valuation results in a lower valuation than the market-based assessment. Therefore, VRM does not consider that a DCF reflects the market value of the Mineral Assets. As such, VRM has used a comparable transaction (resource multiple) valuation approach for valuing the mineral assets of TMT.

In VRM's opinion, the projects should be valued using a comparable transaction method based on Resource Multiples as a primary valuation method (with appropriate discounts applied), with a secondary valuation being a yardstick approach. Additional valuations, being a Geoscientific or Kilburn approach and a prospectivity enhancement multiplier (**PEM**) have been used to determine the value of the exploration potential within the tenements but distal from the currently estimated Mineral Resources.

### 6.1. Previous Valuations

VRM is not aware of any previous valuations for the Mineral Assets.

### 6.2. Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 25 September 2023 being the valuation date of this Report and considering information up to November 2023. This valuation is subject to change due

to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

### 6.3. General assumptions

The Mineral Assets of TMT and AVL are valued using appropriate methodologies as described in Table 14 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions:

- That all information provided to VRM is accurate and can be relied upon.
- The valuations only relate to the Mineral Assets located within the tenements controlled by the respective companies, and not the companies, their shares or market value.
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licence will remain active.
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe.
- That the owners of the mineral assets can obtain the required funding to continue exploration activities.
- The vanadium pentoxide (98% Europe) prices assumed (where it is used / considered in the valuation) is as at 25 September 2023, being US\$6.60/lb (source <https://www.vanadiumprice.com/>).
- The US\$ - AUS\$ exchange rate of 0.64493 (www.xe.com).
- All currency in this report are Australian Dollars or AUS, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

### 6.4. Vanadium Market Analysis

The MTMP and AVP Projects being valued in this Report are dominantly prospective for vanadium it is important to note the current market conditions and supply and demand fundamentals for vanadium.

Figure 27 shows the spot Vanadium Pentoxide ( $V_2O_5$ ) price in US\$/lb since September 2020 while Figure 28 shows the spot Vanadium Pentoxide ( $V_2O_5$ ) price in US\$/lb the since 2006.



Figure 27 Vanadium Pentoxide 98% min Europe US\$/lb from August 2020 to Present  
(Source: vanadiumprice.com)



Figure 28 Vanadium Pentoxide 98% min Europe US\$/lb from 2006 to Present  
(Source: vanadiumprice.com)

In the conversion of the technical valuations to market valuations VRM has normalised the previous transactions to the vanadium price when the comparable transaction was announced and the current vanadium price. When normalising the transaction valuation to the vanadium price VRM has elected to use the vanadium pentoxide Europe price in US\$/lb as reported by vanadiumprice.com. The ratio of the vanadium prices has been determined based on the US\$ prices to remove any fluctuations in the various exchange rates which are not due to the vanadium market.

## 6.5. Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:



- Financial modelling including discounted cash flow (**DCF**) valuations (generally limited to Properties with published Ore Reserves).
- Comparable Market Based transactions including Resource and Reserve Multiples.
- Joint Venture Transactions.
- Yardstick valuations.

At the Valuation Date there are reported Ore Reserves estimated for both the MTMP and AVP. An income valuation approach would usually be undertaken when there are current Ore Reserves, however due to the capital required for both projects and the respective companies market capitalisation, inflation rate between the feasibility studies impacting both operating and capital cost assumptions, and the lower spot vanadium price compared to the price used in the feasibility studies, in VRM's opinion and assuming a common debt to equity ratio the equity requirements for the required capital any capital raising for the development is likely to be excessively and unrealistically dilutive to the existing shareholders. On that basis, and based on advice from BDO on economic inputs, VRM does not consider that a DCF is a viable valuation method for the projects. Further, based on the above factors, the value derived from a DCF valuation would be lower than the market-based valuation and VRM does not consider it to reflect the market value of the assets.

#### 6.5.1.Comparable Market Based Transactions – Resource Based

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource Estimates reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, it is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated. More advanced projects would typically be valued using an income approach due to the modifying factors for a mining operation being better defined.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to five years in either the same geopolitical region or same geological terrain. The comparable

transactions have been compiled where Mineral Resources and in some cases Ore Reserves have been estimated. Appendix A details the Resource Multiples for a series of transactions that are considered at least broadly comparable with the Projects.

### 6.5.2. Yardstick Valuation

A yardstick valuation was undertaken as a cross check of the comparable transaction valuation.

This yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot commodity price. The yardstick valuation factors used in this report are in line with other yardstick valuation factors commonly used by other independent specialists and used in other VALMIN reports. The US\$-AUS\$ exchange rate and vanadium price as of 25 September 2023 and documented above have been used to determine the yardstick valuation.

The yardstick multiples (Table 15) are based on transactions which involve base metal projects or bulk commodities rather than the higher multiples which are used for precious metal projects. Additionally, the contained vanadium in the various Ore Reserve and Mineral Resource classification has been reduced for the vanadium recovery based on the reported metallurgical test work completed by each of the companies.

Table 15 Typical Yardstick Multiples used for vanadium Projects.

Resource or Reserve Classification	Lower Yardstick Multiple (% of Spot price)	Upper Yardstick Multiple (% of Spot price)
Ore Reserves	1%	2%
Measured Resources (less Proved Reserves)	0.5%	1%
Indicated Resources (less Probable Reserves)	0.2%	0.5%
Inferred Resources	0.1%	0.2%

## 6.6. Exploration Asset Valuation

To generate a value of an early-stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage properties a significant contributor to the property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation.
- Comparable transactions (purchase) based on the Properties' area or Mineral Resource estimates (both current and historic).
- Joint Venture terms based on the Properties' area.
- A prospectivity enhancement multiplier (**PEM**).

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore Reserves. The Joint Venture terms valuation is similar to the comparable transactions



based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The area based comparable transaction multiples can also be useful in valuations but are strongly related to the projects tenement area so can be conservative for small areas and overstated for large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

#### 6.6.1. Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost (**BAC**), which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 16 documents the ranking criteria that were used in conjunction with the BAC for the project tenements to determine the technical valuation of the project.

VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. For the AVL and TMT tenements the BAC has been determined using the exploration commitments for the tenement and the annual rent payments. These commitments were confirmed from the original tenement information obtained from DMIRS for the tenements in Western Australia.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 16 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

Table 16 Ranking criteria are used to determine the geoscientific technical valuation.

Geoscientific Ranking Criteria				
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	
2.0	Resource targets identified	Exploration targets identified		Favourable geological setting
2.5			Significant intersections – not correlated on section	
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production		Mineralised zones exposed in prospective host rocks
3.5			Several significant ore grade intersections that can be correlated	
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

The total technical valuation was adjusted to derive a market valuation by making a market factor adjustment and a locational adjustment. A market factor was derived to account for the status of the market which is as shown as the vanadium price in Figure 27 and Figure 28. On that basis, the technical valuations are decreased by 10% for the vanadium projects. The discounts were based on the currently low prices of vanadium pentoxide at or near three-year lows. A 5% reduction was applied for Western Australia; the latter is due to the uncertainty of the modified heritage laws and environmental approvals. A discount of 50% was applied to two of the Coates Project tenements (the granted E70/4924 and the applications E70/5589) due to the main targets being within several small hobby farm size landholdings along with a nature reserve that covers the main target. For the Nowthanna Hill uranium project a 30% premium was applied to the valuation due to the high uranium price while a 50% reduction was applied due to the current ban on uranium exploitation within Western Australia.

For early-stage Projects (where there are no Mineral Resources estimated), VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used for the surrounding exploration potential.

## 6.6.2. Prospectivity Enhancement Multiplier (PEM) Valuation

As outlined in Table 14 and in the VALMIN Code a cost – based or appraised value method is an appropriate valuation technique for early-stage exploration Properties. Under this method, the previous exploration expenditure is assessed as either improving or decreasing the potential of the Property. The PEM involves a factor which is directly related to the success of the exploration expenditure to advance the Property. There are several alternate PEM factors that can be used depending on the specific Property and commodity being evaluated. Onley, (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this report are outlined in Table 17 below. VRM considers the PEM valuation method as a secondary valuation method. In the opinion of the author, it is preferable to use resource multiples for comparable transactions once a JORC 2012 Mineral Resource has been estimated however if there are no comparable transactions then a PEM may be a viable valuation method.

Table 17 Prospectivity Enhancement Multiplier (PEM) ranking criteria.

PEM Ranking Criteria	
Range	Criteria
0.2 – 0.5	Exploration downgrades the potential
0.5 – 1	Exploration has maintained the potential
1.0 – 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting, mineralised intersections
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at an Inferred category

## 7. Valuation of AVL and TMT Mineral Assets

The principal mineral assets valued as a part of this ITAR are the MTMP which is 100% owned by TMT and includes additional exploration tenements away from the reported Mineral Resources and Ore Reserves; and the AVP, Nowthanna Hill and Coates projects, which are all 100% owned by AVL. There are reported Mineral Resource and Ore Reserve estimates within the AVP and an Inferred Mineral Resource within the Nowthanna Hill project. All of the projects are located in Western Australia.

As detailed above, the MTMP and AVL both have reported Mineral Resource and Ore Reserve estimates.

While there are Ore Reserves within both the AVP and MTMP, VRM, in consultation with BDO has decided that a DCF valuation methodology is not suitable to value the projects. This is due to the large discrepancy between the market capitalisation of each of the companies and the capital requirements outlined in each project's feasibility studies. VRM understands that BDO was provided a forecast cashflow model for the MTMP however when making appropriate modifications to the model it resulted in a lower valuation than the values derived from the market based approaches. VRM has considered the appropriateness of a DCF approach to value the mineral assets of TMT prior to the Scheme, however based on the economic inputs provided by BDO and our assessment of the project, VRM does not consider a DCF approach to be appropriate. As such, VRM has used a comparable transaction (resource multiple) valuation approach for valuing the mineral assets of TMT.

VRM has undertaken a valuation of the projects in accordance with the VALMIN Code using valuation methods that VRM considered to be reasonable. As an income valuation is not considered a viable valuation method VRM has completed two alternate valuations of the project with the preferred valuation being based on the comparable transaction resource multiple approach.

VRM has undertaken a valuation based on several techniques, these being a Comparable Transaction (Resource Multiplier) and Yardstick method as a cross check for the reported Mineral Resource and Ore Reserve estimates in both the MTMP and the AVP. The surrounding exploration tenure for the projects have been valued considering a Kilburn or Geoscientific valuation method and a Prospectivity Enhancement Multiplier (PEM) method as described further below.

The Nowthanna Hill and Coates projects, both owned by AVL have been valued using a Geoscientific valuation method as the primary valuation method with supporting methods being a PEM method.

### 7.1. Comparable Transactions – Resource Multiple Valuation

#### 7.1.1. Ore Reserves and Mineral Resources within the MTMP and AVP

For the vanadium Ore Reserves and Mineral Resources in the AVP and MTMP, an analysis of completed project-based vanadium transactions was compiled for projects that are considered possibly comparable in geopolitical jurisdictions, of similar geology, resource grade, project status and possible development scenario.

VRM undertook an extensive global search of the S&P Capital IQ subscription database for completed vanadium project transactions for the previous ten years from 25 September 2013 to the 25 September 2023. A total of 22 vanadium project transactions were identified.

In analysing the transactions VRM considers that the only projects that are potentially comparable are conventional open pit projects with similar Mineral Resource grades ( $\sim 0.5 - 1.5\% \text{ V}_2\text{O}_5$ ), no existing infrastructure, with Mineral Resources that are a mixture of Measured, Indicated, and Inferred classification and are at an advanced stage of evaluation. VRM included projects where there were reported Mineral Resource and Ore Reserves estimates but excluded projects with infrastructure and any projects that were in operation at the time of the transaction. Additionally, VRM excluded transactions where a purchaser acquired a shareholding in a company that held a vanadium project rather than a direct holding in the project.

VRM identified only five market transactions that were considered to be comparable to the MTMP and the AVP. Of the five transactions two were in Nevada, USA, two in Lappi, Finland and one project in North-West state of South Africa.

Nevada and Finland are considered to be broadly similar in the environmental regulations, geopolitical risks and operating environment with South Africa considered to have a higher geopolitical and operating risk but likely to have less stringent environmental requirements when compared to the other jurisdictions.

The final set of data used to derive the valuation included five transactions involving vanadium Mineral Resources, as detailed in Appendix A. Of the five transactions only one had declared Ore Reserves at the time of the transaction. The Resource Multiples based on the comparable transactions have been normalised to the 98% vanadium pentoxide ( $\text{V}_2\text{O}_5$ ) (Europe) price (in US\$/lb) at the transaction date with that price (in US\$/lb) at 25 September 2023. The valuation was undertaken using a 98% vanadium pentoxide ( $\text{V}_2\text{O}_5$ ) (Europe) price of US\$6.60/lb. While the price at the date of this report is US\$6.10/lb. VRM has assessed if this impact is material to the overall outcome of the valuation and has concluded that the impact while measurable is not, in VRM's professional opinion, material to the overall valuation. VRM further notes that the 98% vanadium pentoxide ( $\text{V}_2\text{O}_5$ ) (Europe) price over the past three years has averaged US\$7.64/lb and as shown in Figure 27, the historical price has been volatile. The expected future demands for vanadium in static vanadium flow batteries used in storage of non-renewable sources of electricity is expected to increase the long-term vanadium price. Additionally, both the projects owned by TMT and AVL are a considerable time from commercial operations when the impact of the vanadium price would have a short-term operational impact on the companies. VRM consider it unlikely that an arm's length buyer would change the amount it is willing to pay to acquire the vanadium assets based on the movements in the spot price between 25 September 2023 and the date of our report.

Applying this methodology, the average normalised multiples of the five transactions are AUS\$67.67/t. As required by the VALMIN Code VRM has determined a range of likely valuations with the range based around the preferred valuation. The preferred valuation has been determined using the average of the five comparable transactions. The range has been estimated as  $\pm 25\%$  from the average resource multiple for both the AVP and MTMP. This range has been determined based on the relative proportion of the Mineral Resource estimate confidence levels for the Mineral Resources in the AVP and MTMP. The relative confidence levels are reported by Resource estimation specialists as being between  $\pm 10\% - 20\%$  for Measured Mineral Resources,  $\pm 30\% - 50\%$  for Indicated Mineral Resources and as varied as  $\pm 50\% - 100\%$  for Inferred Mineral Resources. VRM considers, in our professional opinion, that a range of  $\pm 25\%$  is reasonable for the projects and the technical uncertainty in the Projects as measured by the Mineral Resource classifications for the AVP and MTMP. This range has been used in an attempt to have

a meaningful valuation range that is reasonable and provides as narrow as possible in accordance with the VALMIN Code and the ASIC Regulatory Guide 111. In VRM's professional opinion having a range that is greater than  $\pm 25\%$  could in specific circumstances render the valuation meaningless however a range significantly lower than  $\pm 25\%$  is providing a valuation range that does not reflect the technical uncertainty in the Projects.

The one project with reported Ore Reserves at the time of the transaction transacted had a similar Global Mineral Resource estimate as the AVP (and MTMP) and transacted at a normalised resource multiple of \$63.83. In VRM's opinion, this provides additional support for the preferred resource multiple of \$67.67 for the reported Mineral Resources within the MTMP and the AVP.

The resource multiples detailed above and supported by the information in Appendix A have been used along with the Mineral Resource estimates in Table 2 for the MTMP and Table 8 for the AVP to derive the value of the Mineral Resources within the tenements that contain Mineral Resources. The contained vanadium in the Mineral Resources has been calculated by VRM based on the reported Resource tonnage and grades, and results in a slightly different contained vanadium than reported by the companies. This variation is due to rounding in the estimates. A supporting or secondary valuation of the Mineral Resources and Ore Reserves has been undertaken using a Yardstick valuation. The value of the exploration potential within the projects, away from reported Mineral Resources and Ore Reserves has been determined by a Geoscientific method as a primary method and a PEM method as a supporting method with these valuations detailed in section 7.3 and 7.4 below.

### 7.1.2.MTMP and AVP – Resource Multiple Valuations

The range in pre-transaction market values for the MTMP is considered by VRM to be within a range of  $\pm 25\%$  from the average normalised multiple of A\$67.67. The resulting valuation is detailed in Table 18 below that summarises the valuation of the vanadium Mineral Resources owned by TMT.

Table 18 Comparable transaction method pre-transaction valuation of the MTMP Mineral Resource estimates

Comparable Transaction Valuation Mineral Resource estimates			
	Lower (-25 %)	Mid- Point (Average)	Upper (+25 %)
MTMP Mineral Resource estimates (contained V <sub>2</sub> O <sub>5</sub> (Mt))	1.3058	1.3058	1.3058
Resource Multiple (A\$/t contained V <sub>2</sub> O <sub>5</sub> )	\$50.75	\$67.67	\$84.58
<b>MTMP Mineral Resource Valuation Pre-Transaction (A\$)</b>	<b>\$66.3</b>	<b>\$88.4</b>	<b>\$110.5</b>

Note appropriate rounding has been applied to the valuation totals and total may not add due to rounding.

Therefore, VRM considers that the Ore Reserves and Mineral Resources within the MTMP, owned 100% by TMT, have a pre-transaction market value, based on comparable transactions, of between **\$66.3 million** and **\$110.5 million** with a preferred valuation of **\$88.4 million**.

On a post transaction basis due to technical synergies created by the merger of the MTMP and the AVP the projects VRM considers that the projects would have a valuation between the mid-point and the

upper valuation. The synergies associated with the combined project include better optimisation of the Mineral Resources, especially at the Yarrabubba deposit which was constrained by the MTMP tenure. Additionally, having the entire mineral system under single ownership provides operational advantages including being able to schedule the mineralisation into a central processing facility to ensure a faster payback of the capital and also ensure that a single processing facility could be investigated that is optimised to the size of the total mineral endowment rather than having two separate, slightly different processing plants and different processing flowsheets. Overall having the entire mineral system under a single ownership would likely result in a higher overall asset value rather than the disjointed ownership. Finally of the five comparable transactions, the most recent transaction from October 2022 was completed at a normalised multiple of \$84.03 (\$91.67 on a non-normalised basis when the vanadium price was US\$7.20/lb) which is similar to the upper normalised resource multiple considered for both the pre and post transaction valuations. As such Table 19 below details VRM's opinion as to the market value of the projects post the merger of the projects.

Table 19 Post Transaction Comparable transaction valuation of the MTMP and AVP Mineral Resources

Comparable Transaction Valuation Mineral Resource estimates			
	Lower (-25 %)	Preferred (Average)	Upper (+25 %)
MTMP Mineral Resource estimates (contained V <sub>2</sub> O <sub>5</sub> (Mt))	1.3058		1.3058
Resource Multiple (A\$/t contained V <sub>2</sub> O <sub>5</sub> )	\$67.67		\$84.58
<b>MTMP Valuation Post -Transaction (A\$)</b>	<b>\$88.4</b>	<b>\$99.4</b>	<b>\$110.5</b>
AVP Mineral Resource estimates (contained V <sub>2</sub> O <sub>5</sub> (Mt))	1.737		1.737
Resource Multiple (A\$/t contained V <sub>2</sub> O <sub>5</sub> )	\$67.67		\$84.58
<b>AVP Valuation Post Transaction (A\$)</b>	<b>\$117.6</b>	<b>\$132.3</b>	<b>\$146.9</b>

Note appropriate rounding has been applied to the valuation totals and total may not add due to rounding.

Therefore, VRM considers that the Ore Reserves and Mineral Resources within the MTMP, owned 100% by TMT, have a post transaction market value, based on comparable transactions, of between **\$88.4 million** and **\$110.5 million** with a preferred valuation of **\$99.4 million**.

VRM considers the Ore Reserves and Mineral Resources estimates within the AVP, owned by 100% AVL, to be valued, based on a comparable transactions approach, at between **\$117.6 million** and **\$146.9 million** with a preferred valuation of **\$132.3 million**.

## 7.2. Yardstick Method

As detailed above the yardstick method can also be considered as a valuation approach, particularly as a cross check or supporting valuation technique to support the valuation generated by a comparable transaction method. This method is typically used as a supporting approach for valuation of Ore Reserves and / or Mineral Resources and is based on a percentage of the current metal price.



For Mineral Resource estimates, a common yardstick value would be between 0.5% and 5% of the current commodity price, dependent on the Mineral Resource classification as at the valuation date. For lower classification levels such as Inferred Mineral Resources this percentage is lower reflecting the higher uncertainty compared to Indicated or Measured categories. The risks relating to the Resources described above have been incorporated into the Yardstick approach. The yardstick multiples are commonly used for gold transactions and has been developed by the valuation industry as a basis of possible project valuations based on a large dataset of gold transactions. Within this report VRM has used a lower Yardstick multiple than that which is commonly used for gold transactions due to the lower value of the commodity value that is received by the company exploiting a Mineral Resource. This is common for projects which produce a concentrate as there are significant additional costs associated with concentrate production including transport to a potential export port (or smelter / refinery), freight and shipping logistics, insurance and smelter or refining costs (and penalties) and reduced percentage of the commodity price payable to the concentrate producer. The yardstick multiples used in this report are detailed in Table 20. In addition to the lower yardstick multiples VRM has also accounted for the vanadium recovery from the Mineral Resource in determining the Yardstick valuation. Based on the metallurgical studies reported by TMT for the MTMP and AVL for the AVP a vanadium recovery of 67% has been assumed, VRM notes that there are some portions of the Mineral Resources and Ore Reserves that provide a higher recovery and others that have a lower overall vanadium recovery however the global average recovery is approximately 67%.

VRM has applied a range of percentage values, corresponding to the classification of the vanadium Ore Reserves and Mineral Resources within the Projects (pre transaction) and the 98% vanadium pentoxide ( $V_2O_5$ ) (A\$/t) price at the valuation date of \$22,560.93/t. The A\$/t price is based on an A\$-US\$ exchange rate of 0.64493 and a 98% vanadium pentoxide ( $V_2O_5$ ) (US\$/lb) of \$6.60/lb in order to value the Ore Reserves and Mineral Resources within the Projects. The valuations are summarised in Table 20. As the Mineral Resources on the combined projects have not been estimated there is no reasonable basis to modify any of the assumptions or inputs into the yardstick valuation to reflect the synergies associated with the merged project. Therefore, VRM has used the pre transaction Mineral Resources for each project in the yardstick valuation. VRM does not rely on the yardstick valuation as a primary approach however it is still considered a suitable method to cross check the comparable transaction valuation approach as detailed above.

Table 20 : Yardstick valuation of the Mineral Resources within MTMP and AVP Projects

Yardstick Valuation Summary of Mineral Resources in the MTMP and AVP						
Classification	Yardstick Factors	Reserves & Resources ( $V_2O_5$ t)	Recovery (67%)	Lower (\$M)	Midpoint (\$M)	Upper (\$M)
TMT – MTMP Ore Reserves and Mineral Resources						
Reserves (Total) contained $V_2O_5$ (t)	1%-2%	385,476	67%	\$59.87	\$89.81	\$119.75
Measured Resources contained $V_2O_5$ (t)	0.5%-1%	110,360	67%	\$8.34	\$12.51	\$16.68
Indicated Resources contained $V_2O_5$ (t)	0.2%-0.5%	75,324	67%	\$2.27	\$3.98	\$5.69

### Yardstick Valuation Summary of Mineral Resources in the MTMP and AVP

Inferred Resources contained V <sub>2</sub> O <sub>5</sub> (t)	0.1 – 0.2%	724,000	67%	\$10.94	\$16.41	\$21.88
<b>MTMP Valuation (AUS\$M)</b>				<b>\$81.4</b>	<b>\$122.7</b>	<b>\$164.0</b>
AVL – AVP Ore Reserves and Mineral Resources						
Reserves (Total) contained V <sub>2</sub> O <sub>5</sub> (t)	1%-2%	334,830	67%	\$50.61	\$75.92	\$101.22
Measured Resources contained V <sub>2</sub> O <sub>5</sub> (t)	0.5%-1%	12,270	67%	\$0.93	\$1.39	\$1.85
Indicated Resources contained V <sub>2</sub> O <sub>5</sub> (t)	0.2%-0.5%	358,520	67%	\$10.84	\$18.97	\$27.10
Inferred Resources contained V <sub>2</sub> O <sub>5</sub> (t)	0.1 – 0.2%	1,031,630	67%	\$15.59	\$23.39	\$31.19
<b>AVP Valuation (AUS\$M)</b>				<b>\$78.0</b>	<b>\$119.7</b>	<b>\$161.4</b>

Note – Yardstick Valuation based on vanadium price of A\$22,560.93/t, the Mineral Resources above are reported exclusive of the Ore Reserves. The contained vanadium may vary slightly from the contained metal reported by the company due to the contained metal in the table above being calculated by VRM. Appropriate rounding has been applied to the Ore Reserves and Mineral Resource estimates and valuation.

Therefore, VRM considers the Mineral Resources estimates within the TMT MTMP as detailed above to be valued, based on a yardstick approach, at between **\$81.4 million** and **\$164.0 million** with a preferred valuation of **\$122.7 million**.

VRM considers the Mineral Resources estimates within the AVL AVP to be valued, based on a yardstick approach, at between **\$78.0 million** and **\$161.4 million** with a preferred valuation of **\$119.7 million**.

### 7.3. Geoscientific Valuation

The Geoscientific valuation is restricted to the tenements and projects that do not have declared Mineral Resources or Ore Reserves, this includes the tenements that are adjacent to or non-core of the reported Mineral Resources.

There are several specific inputs that are critical in determining a valid geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the project. In addition to ensuring the rankings are correct deriving the BAC is critical as that is the primary driver of the final value. In this case the BAC is derived by the exploration commitment to maintain the tenement in good standing. The costs of tenement applications and targeting have not been included.

The Geoscientific rankings were derived for each of the ranking criteria with the Off-Property Criteria considered to be between 1 and 3.5, the On-Property Criteria between 1 and 2.5, the Anomaly Factor between 1.0 and 4.0 while the Geology Criteria are considered to be between 0.5 and 2.5. When these ranking criteria are combined with the base acquisition cost, as detailed in Appendix B, this has determined the technical value. A premium of 30% has been applied to the Nowthanna Hill uranium projects (due to the high current uranium price) and a 10% discount to the vanadium projects and to the Coates Project has been applied to the technical value to account for the current market conditions. A

5% discount has been applied for the heritage and environmental aspects and the current inflationary pressures on projects in Western Australia while a 50% discount has been applied to the main Coates tenement and the tenement application at Coates due to the environmental access issues due to the nature reserve. A 50% discount has been applied to the Nowthanna Hill uranium project due to the low grade of the uranium mineralisation and the environmental, permitting, and regulatory regime associated with uranium exploration and the prohibition of uranium exploitation within Western Australia.

The Technical and Market Values are shown in Table 21. The technical valuation is the base acquisition cost multiplied by the ranking factors outlined in Appendix B while the Market Value is the Technical Value multiplied by the geopolitical risk and market adjustment.

Table 21 Geoscientific Valuation of the TMT and AVL Projects

Projects	Technical Valuation (AUS\$M)			Fair Market Valuation (AUS\$M)		
	Lower	Mid-Point	Upper	Lower	Mid-Point	Upper
<b>TMT Projects</b>						
MTMP Exploration Potential	\$0.76	\$1.49	\$2.23	\$0.6	\$1.3	\$1.9
<b>Total MTMP Exploration Potential Pre-transaction</b>				<b>\$0.6</b>	<b>\$1.3</b>	<b>\$1.9</b>
<b>Total MTMP Exploration Potential Post transaction</b>				<b>\$1.3</b>	<b>\$1.6</b>	<b>\$1.9</b>
<b>AVL Projects</b>						
AVP Exploration Potential	\$0.11	\$0.28	\$0.45	\$0.2	\$0.3	\$0.4
<b>AVP post-transaction</b>				<b>\$0.2</b>	<b>\$0.3</b>	<b>\$0.4</b>
Coates Exploration Potential	\$0.53	\$1.00	\$1.48	\$0.3	\$0.5	\$0.7
Nowthanna Hill Exploration Potential	\$0.94	\$1.52	\$2.10	\$0.6	\$1.0	\$1.4
<b>Total Nowthanna and Coates</b>				<b>\$0.9</b>	<b>\$1.5</b>	<b>\$2.1</b>
<b>Total AVL Exploration Potential</b>				<b>\$1.1</b>	<b>\$1.8</b>	<b>\$2.4</b>

Appropriate rounding to the total valuation has been undertaken and totals may not add due to rounding.

The tenements within the MTMP that are peripheral to the Ore Reserves and Mineral Resources, owned 100% by TMT are considered by VRM to have a pre-transaction market value using the Geoscientific method of between **\$0.6 million** and **\$1.9 million** with a preferred value of **\$1.3 million**. Post completion of the transaction due to technical synergies and optimisation of the tenure in VRM's opinion the market value exploration potential within the MTMP would be between the mid-point and the upper valuation with a preferred valuation being the average of these two valuations. This results in a post transaction exploration valuation of the MTMP of between **\$1.3 million** and **\$1.9 million** with a preferred valuation of **\$1.6 million**.

Post completion of the transaction due to technical synergies and optimisation of the tenure in VRM's opinion the exploration potential on the AVP tenements but peripheral to the Ore Reserves and Mineral Resources within the AVP, 100% owned by AVL are considered to have a market value of between **\$0.2 million** and **\$0.4 million** with a preferred value of **\$0.3 million**. The Coates and Nowthanna Hill projects, owned 100% by AVL are considered to have a combined market value of between **\$0.9 million** and **\$2.1 million** with a preferred valuation of **\$1.5 million**. Therefore, the total exploration potential within the AVP, Coates and Nowthanna Hill is considered to be between **\$1.1 million** and **\$2.4 million** with a preferred valuation of **\$1.8 million**.

## 7.4. Prospectivity Enhancement Multiplier (PEM) Valuation

VRM has undertaken a PEM valuation of the tenements based on the exploration expenditure extracted from the DMIRS online tenement database Mineral Titles Online with the expenditure being limited to the exploration portion of the statutory annual tenement expenditure reports (Form 5). Project acquisitions costs were excluded from the analysis as these are considered sunk costs and not contributing to geological / prospectivity knowledge.

This PEM valuation is restricted to tenements that do not contain the reported Mineral Resources or Ore Reserve estimates or tenements that are considered to be included in the Resource multiple valuation. These are typically the tenements that are peripheral to the project or have had minimal geological extensions to the mineralisation identified in the Mineral Resources. As this valuation method is a "backward looking" method based on previous expenditure it does not change on a pre or post transaction basis.

This expenditure has been multiplied by the Prospectivity Enhancement Multiplier as detailed in Table 17. To generate a range in the PEM valuation VRM has assessed the effectiveness of the exploration expenditure and therefore used an upper and lower PEM multiple to generate a range of likely values of the Projects. The preferred valuation is the average of the upper and lower PEM valuation. Table 22 details the expenditure, the PEM multiples, and the valuations for the both the TMT and AVL Projects. The individual tenement expenditures and assigned PEM multiples are detailed in the appendices to this report.

Table 22 PEM Valuation for the exploration tenements excluding tenements containing Mineral Resources

Project	PEM Valuation by Project			
	Expenditure (\$)	Lower (\$M)	Preferred (\$M)	Upper (\$M)
<b>TMT Projects</b>				
MTMP	\$2,189,113	\$2.19	\$2.52	\$2.85
<b>Total Exploration Valuation</b>		<b>\$2.2</b>	<b>\$2.5</b>	<b>\$2.8</b>
<b>AVL Projects</b>				
AVP	\$719,531	\$0.72	\$0.83	\$0.94
Coates	\$695,884	\$1.03	\$1.20	\$1.37
Nowthanna Hill	\$80,461	\$0.2	\$0.22	\$0.24
Total Coates and Nowthanna Hill		<b>\$1.2</b>	<b>\$1.4</b>	<b>\$1.6</b>
<b>Total Exploration Valuation</b>		<b>\$1.9</b>	<b>\$2.2</b>	<b>\$2.5</b>

\* Appropriate rounding has been undertaken on the totals.

For the MTMP, the fair market valuation as determined by the PEM valuation method has resulted in a value for the 100% TMT owned project of between **\$2.2 million** and **\$2.8 million** with a preferred valuation of **\$2.5 million**.

For AVP, Coates and Nowthanna Hill projects owned by AVL, the fair market valuation as determined by the PEM valuation method has resulted in a value between **\$1.9 million** and **\$2.5 million** with a preferred valuation of **\$2.2 million**. The majority of this value is on the Coates Project.

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## 7.5. Actual Transactions on the Subject Projects

VRM has considered the any recent proposed or completed transactions on the projects being valued to assess the market valuation projects.

The most recent and only relevant recent proposed transaction on any of the projects is the proposed sale of the Nowthanna Hill and Coates Projects.

AVL proposed in 2022 to divest these two projects to a new company, Mining Green Metals Limited with that company to list on the ASX in 2023. In the proposed transaction, as initially announced on 11 May 2022 AVL was to receive 6.5 million ordinary shares (VRM assumes at \$0.20 per share), a cash payment of \$190,000 and a 0.75% royalty on the Coates Project. This was re-negotiated in late 2022 (AVL ASX release 19 December 2022) to be 5 million shares, a cash payment of \$100,000 and a 0.75% royalty on the Coates Project. The option was ultimately terminated in 2023.

In assessing the value of the proposed transaction VRM has assigned no value to the royalty as the timeframe that any royalty would be payable is highly uncertain. VRM considers that the transaction as announced places a value of between \$1.1 million and \$1.49 million for the projects. Given this proposed transaction was ultimately terminated, in VRM's opinion is provides a likely upper valuation of the projects and provides support to the VRM valuation detailed above.

Overall, as the there was no completed transaction on the assets, VRM considered the option agreement which provided an implied valuation that is within the Geoscientific and PEM valuation ranges of the projects.

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## 8. Risks and Opportunities

### 8.1. General Risks and Opportunities

As with all mineral assets there are risks and opportunities associated with the projects and any valuation. Some non-geological or mining related technical risks that are common to most projects include those associated with security of tenure, native title claims, environmental approvals, social, geopolitical, and regulatory approval risks. These risks have been accounted for in the valuation.

The data reviewed for this report and the basis of VRM commentary are derived from a compilation of data and interpretations included in annual reports, company presentations, ASX releases and Mineral Resource Estimate reports.

There are two potential sources of uncertainty associated with this type of information, being that the:

- 1) relevant reports and datasets may not have been identified in the data compilation, and
- 2) relevant reports and datasets may not have yet been publicly released.

Under current regulations associated with annual technical reporting in Western Australia, any report linked to a current tenement that is less than five years old remains confidential. The company can also make submissions to ensure these reports remain confidential for longer periods. In addition, historical reports are not all digitally available. Therefore, obtaining historical reports often requires time-consuming and costly searches. There could also be duplication and compilation errors associated with publicly available datasets. For example, this is commonly associated with multiple reporting of activities by different tenement managers using different grid references for the exploration activities. Resulting data errors and omissions could have a material impact on subsequent business decisions.

In addition, mineral exploration, by its very nature has significant risks, particularly for early-stage projects. Based on the industry-wide exploration success rates it is possible that no additional significant economic mineralisation will be located within in any of the projects. Even in the event significant mineralisation does exist within the project areas, factors both in and out of the control of the companies may prevent the identification or development of such mineralisation.

There are often environmental, safety and regulatory risks associated with exploration and resource development. These may include but are not limited to factors such as community consultation and agreements, as well as environmental considerations. More advanced projects require risk assessments associated with mining, metallurgical and processing facilities, regulatory requirements and services, appropriate infrastructure development, and mine closure processes. Assessment of these risks are addressed in technical-economic studies, which generally commence once a project has initiated Mineral Resource definition drilling and estimation activities. A risk exists that fatal flaws may be identified during these studies, that impede project development.

Often the historical reports do not include or discuss the use of quality assurance and quality control (QAQC) procedures as part of the sampling programs. Therefore, it can be difficult to determine the validity and reliability of historical samples, even where original assays are reported. The inability to properly validate all reported data can have an impact on subsequent decisions and increases project risks.

Global economic factors associated with changes to commodity prices and capital access to fund exploration and resource development can be considered both risks and opportunities. These are factors that are outside of the control of the companies, as are broader societal issues. There has also been a recent increase in the recognition of the need for a rapid transition of the global energy requirements and there has been a significant push toward a change to lower carbon-intensive power generation. This shift has dramatically changed the demand profile for several “green” or “future facing” commodities including lithium, nickel, and copper in the electrification of vehicles, vanadium in emerging electrical storage systems and uranium in power generation.

## 8.2. Project Specific Risks and Opportunities

Both projects have additional exploration and resource delineation potential along strike and down dip of the current MREs, as highlighted in Section 3.5 Exploration Potential above, which will require additional drilling, evaluation, and assessment. These potential resource extensions are a material opportunity in each of the projects.

The inferred base metal resources reported by TMT 2019 and AVL in 2018, and the potential leached-calcine iron-titanium co-product reported by AVL in 2018 and the ilmenite Mineral Resource estimate reported for the MTMP, (see Sections 4.1 and 5.1 above) are not regarded as material for the valuation of the combined vanadium resources as defined in the scope of this report. However, these may provide additional opportunities in the future assessment of an integrated MRE with combined AVP and MTMP datasets.

### Key Risks:

- The main risk is associated with the integration of the AVP and MTMP Mineral Resource Estimates, which will involve combining the project geological and drillhole databases. As the AVP and MTMP projects have been drilled, analysed, interpreted, and evaluated independently, there is a risk that this combination will highlight material differences in drillhole data and intervals used to define lithology, alteration, massive and disseminated mineralisation and weathered/transported domains in the resource models.
- The differences in each project area also include different drill sample analytical and bulk density measurement methods, different interpretations of structural features that alternatively offset or thicken/thin the mineralised domains, and different cut-off grades and drillhole spacings used to delineate resource domains in each MRE. The integration of these differences in the datasets could also influence the assessment of and impact on geotechnical and metallurgical constraints in a combined Ore Reserve.
- The AVL and TMT Integration Team will need to work carefully to ensure that the merging of the geological data and drillhole datasets is appropriate to the task. This exercise may require a significant re-labelling of drillhole logging codes used to define drillhole intervals, which will result in new resource domains that extend across the length of the layered sequence that hosts mineralisation within the combined tenements. This may influence resource classifications and therefore the extent of resource categories in the combined MRE. However, as highlighted above in Section 3.3 Local Geology above, there is a good, general agreement of the geological setting and controls on vanadium mineralisation across both tenements in the independent MREs. Therefore, VRM considers data and resource model integration to be at most a moderate risk.



## 9. Preferred Valuations

Based on the valuation techniques detailed above, Table 23 provides a summary of the valuations derived for the Mineral Resources, Ore Reserves and the exploration potential within the projects by the various techniques. Figure 29 graphically shows the valuation range and preferred valuation for the Mineral Resources and exploration potential within the projects and the combined valuation range and preferred valuation for the mineral assets.

Based on the rationale outlined in the body of this Report, VRM is of the view that the Ore Reserve and Mineral Resource estimates are most appropriately valued considering a comparable transaction approach, while the exploration potential is most appropriately valued applying a Geoscientific or Kilburn valuation method.

On this basis in VRM's opinion, as detailed in Table 23 the likely pre-transaction market value of the MTMP, owned by TMT is between **\$66.9 million** and **\$112.3 million** with a preferred valuation of **\$89.6 million**. On a Post transaction basis VRM considers that the post transaction market valuation would be between the preferred and upper pre-transaction value with the preferred valuation being the mid-point between those values. Therefore, the post transaction market value of the MTMP is considered by VRM to be between **\$89.6 million** and **\$112.3 million** with a preferred valuation of **\$101.0 million**.

The likely post transaction market value of AVL Projects is between **\$118.6 million** and **\$149.4 million** with a preferred valuation of **\$134.0 million**.

Table 23 Valuation Summary of Projects by method

Valuation Technique	Priority	Lower (\$M)	Preferred	Upper (\$M)
<b>TMT Projects</b>				
<b>MTMP (100% TMT)</b>				
Comparable Transactions	Primary	\$66.3	\$88.4	\$110.5
Geoscientific	Primary	\$0.6	\$1.3	\$1.9
Yardstick	Secondary	\$81.4	\$122.7	\$164.0
PEM	Secondary	\$2.2	\$2.5	\$2.8
<b>TMT Total Primary Valuations Pre-Transaction</b>		<b>\$66.9</b>	<b>\$89.6</b>	<b>\$112.3</b>
<b>TMT Total Post Transaction</b>		<b>\$89.6</b>	<b>\$101.0</b>	<b>\$112.3</b>
<b>AVL Projects – Post Transaction</b>				
<b>AVP (100% AVL)</b>				
Resource Multiple	Primary	\$117.6	\$132.3	\$146.9
Geoscientific	Primary	\$0.2	\$0.3	\$0.4
Yardstick	Secondary	\$78.0	\$119.7	\$161.4
PEM	Secondary	\$0.7	\$0.8	\$0.9
<b>Coates and Nowthanna Hill Projects (100% AVL)</b>				
Geoscientific	Primary	\$0.9	\$1.5	\$2.1
PEM	Secondary	\$1.2	\$1.4	\$1.6
<b>AVL Total VRM Preferred Valuation</b>		<b>\$118.6</b>	<b>\$134.0</b>	<b>\$149.4</b>
<b>Combined Post Valuation</b>		<b>\$208.3</b>	<b>\$235.0</b>	<b>\$261.7</b>

Note the totals may not add due to rounding in the valuations, the **bold** valuations are used in determining the Preferred valuations.

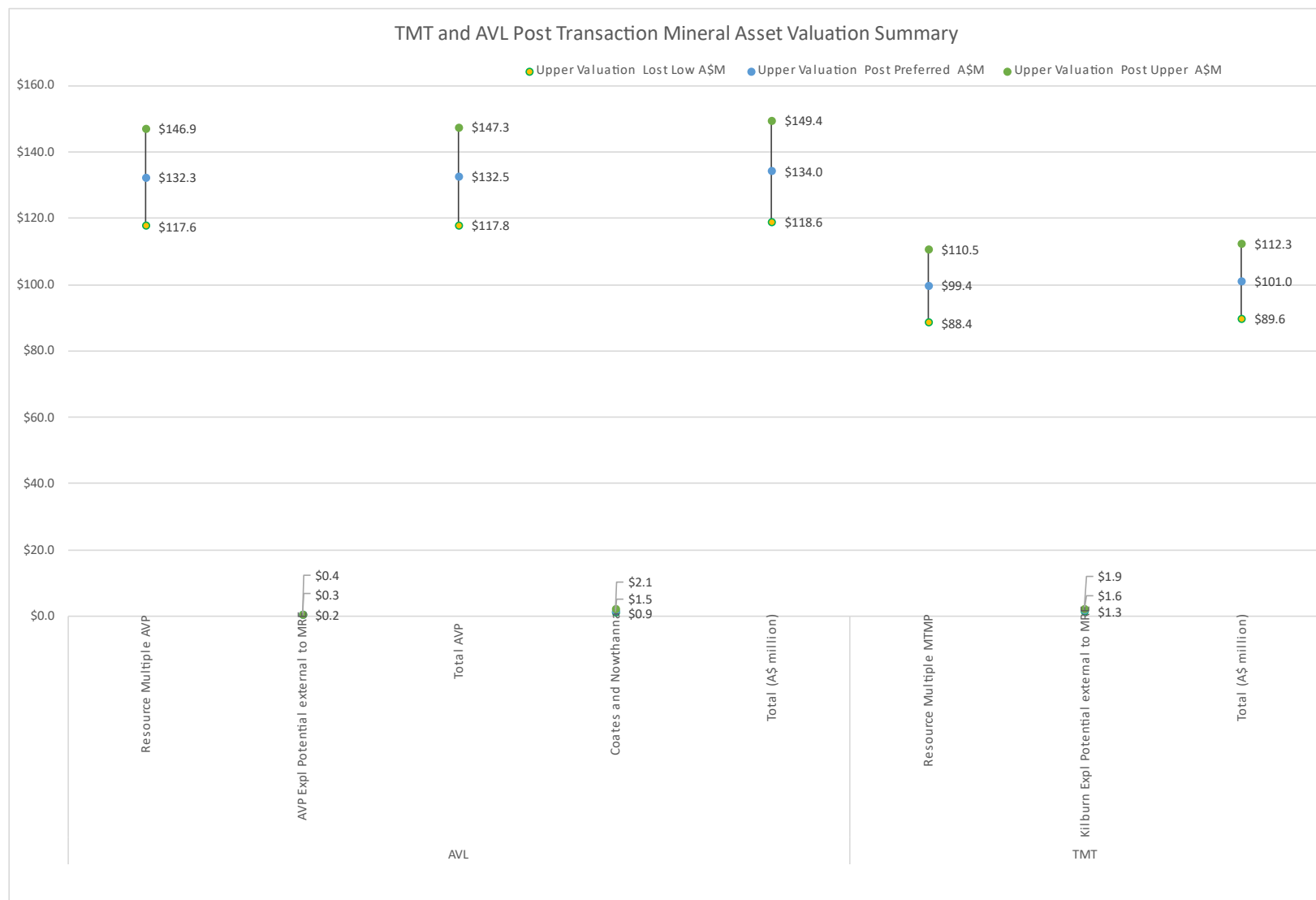


Figure 29: Post Transaction Valuation Summary

## 10. References

The reference list below includes public domain and unpublished company reports obtained either directly from the Company or ASX releases of previous Joint Venture holders or previous holders of the tenements.

The Annual Technical Reports lodged with the DMIRS and subsequently made public either after five years or when the tenement was surrendered are listed in the Project specific references section below.

### 10.1. Published References

Geological Survey of Western Australia (GSWA), 2017. 1:10 000 000 Simplified Tectonic Map of Western Australia.

Joint Ore Reserves Committee, **2012**. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) [online]. Available from: <http://www.jorc.org> (The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia).

Onley, P.G; 1994; Multiples of Exploration Expenditure as a Basis for Mineral Valuation; Proceedings of VALMIN 94; pages 191 to 197; The Australasian Institute of Mining and Metallurgy, Carlton, Australia; ISBN 1 875776 036.

VALMIN Committee, 2015. Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) [online]. Available from: <http://www.valmin.org> (The VALMIN Committee of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists).

## 11. Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral [www.webmineral.com](http://www.webmineral.com), Wikipedia [www.wikipedia.org](http://www.wikipedia.org). Some of the following terms are taken from the 2015 VALMIN Code.

**Annual Report** means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Australasian** means Australia, New Zealand, Papua New Guinea, and their offshore territories.

**Code of Ethics** means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

**Corporations Act** means the Australian Corporations Act 2001 (Cth).

**Experts** are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

**Exploration Results** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Feasibility Study** means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

**Financial Reporting Standards** means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

**Independent Expert's Report** means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

**Information Memoranda** means documents used in financing of projects detailing the project and financing arrangements.

**Investment Value** means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

**Life-of-Mine Plan** means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

**Market Value** means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

**Materiality** or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

**Member** means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

**Mineable** means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

**Mineral Asset** means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment, and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

**Mine Design** means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power, and other technical requirements spanning commissioning, operation, and closure so that mine planning can be undertaken.

**Mine Planning** includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation, and closure.

**Mineral** means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

**Mineralisation** means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

**Mineral Project** means any exploration, development, or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

**Mineral Securities** means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

**Mineral Resources** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Mining** means all activities related to extraction of Minerals by any method (e.g., quarries, open cast, open cut, solution mining, dredging etc).

**Mining Industry** means the business of exploring for, extracting, processing, and marketing Minerals.

**Modifying Factors** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Ore Reserves** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Petroleum** means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

**Petroleum Resource** and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

**Practitioner** is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

**Preliminary Feasibility Study (Pre-Feasibility Study)** means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

**Professional Organisation** means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience.
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

**Public Presentation** means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade, or build good will.

**Public Report** means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

**Quarterly Report** means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Reasonableness** implies that an assessment which is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

**Royalty or Royalty Interest** means the amount of benefit accruing to the royalty owner from the royalty share of production.

**Securities** has the meaning as defined in the Corporations Act.

**Securities Expert** are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

**Scoping Study** means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

**Specialists** are persons whose profession, reputation, or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

**Status** in relation to Tenure means an assessment of the security of title to the Tenure.

**Technical Assessment** is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

**Technical Assessment Report** involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

**Technical Value** is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

**Tenure** is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

**Transparency** or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

**Valuation** is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

**Valuation Approach** means a grouping of valuation methods for which there is a common underlying rationale or basis.

**Valuation Date** means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

**Valuation Methods** means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

**Valuation Report** expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

**Value** means the Market Value of a Mineral Asset.

## Appendix A - Comparable Transactions

Buyer	Project	Date	EQUITY ACQUIRED	Resource and Reserve Acquired (t)	Reserves Acquired (t)	Deal Value (A\$ M)	A\$/t Acquired. (100% Basis)	vanadium price at transaction date (USD\$/lb)	Normalisation ratio	Normalised A\$/t	STATE / PROVINCE
Flying Nickel Mining	Gibellini	6/10/2022	100.00	102,118	-	9.36	\$91.67	\$7.20	0.92	\$84.03	Nevada
Silver Elephant Mining	Bisoni McKay	18/08/2020	100.00	68,884	-	2.90	\$42.10	\$5.50	1.20	\$50.51	Nevada
Strategic Resources	Silasselka	10/04/2019	100.00	51,100	-	3.60	\$70.38	\$14.20	0.46	\$32.71	Lappi
Investor Group	Vametco	5/05/2016	59.10	1,722,174	403,653	28.54	\$28.05	\$2.90	2.28	\$63.83	North-West
Aurion Resources	Kutuvuoma, Silasselka	23/05/2014	100.00	51,100	-	4.57	\$89.38	\$5.50	1.20	\$107.26	Lappi

Statistics	Non-Normalised A\$/t	Normalised A\$/t
Average	\$64.31	<b>\$67.67</b>
Median	\$70.38	\$63.83
75th Percentile	\$90.52	\$95.64
25th Percentile	\$35.07	\$41.61
Max	\$91.67	\$107.26
Min	\$28.05	\$32.71
Count	\$5.00	\$5.00
Average -25%	\$48.24	<b>\$50.75</b>
Average +25%	\$80.39	<b>\$84.58</b>

The normalised A\$/t were applied to the contained Mineral Resources which are 1.305800Mt for the MTMP and 1.737250Mt for the AVP



## Appendix B - Geoscientific Valuation

Geoscientific Valuation of the MTMP. On a pre-transaction basis the project is valued at between \$0.6 million and \$1.9 million with a preferred pre-transaction valuation of \$1.3 million however on a post transaction basis the project is considered to be valued at between \$1.3 million and \$1.9 million with a preferred valuation of \$1.6 million due to the technical synergies associated with the combination of the tenements of both projects.

Project	Tenement	Status	Equity	Kilburn Valuation															
				Off Property		On Property		Anomaly		Geology		BAC	Valued by Resource Multiple? Yes/No	Technical Valuation (A\$)		High	Market Valuation (A\$ million)		
				Low	High	Low	High	Low	High	Low	High			Low	Mid-Point		Low	Mid-Point	High
MTMP	E51/1818	Granted	100%	3	3.5	2	2.5	1.5	2	1	1.5	\$82,000	No	\$738,000	\$1,445,250	\$2,152,500	\$0.63	\$1.24	\$1.84
MTMP	E51/1510	Granted	100%	1	1.5	1	1.5	1	1.5	1	1.5	\$20,000	Yes	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
MTMP	M51/883	Granted	100%	1	1.5	1	1.5	1	1.5	1	1.5	\$61,200	Yes	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
MTMP	M51/884	Granted	100%									\$10,000	Yes	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
MTMP	P51/3140	Granted	100%	1	1.5	1	1.5	1	1.5	1	1.5	\$7,520	Yes	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
MTMP	E51/2056	Application	100%	1	1.3	1	1.3	1	1.3	0.5	0.9	\$20,000	No	\$10,000	\$24,773	\$39,546	\$0.00	\$0.01	\$0.02
MTMP	E51/2117	Application	100%	1	1.3	1	1.3	1	1.3	0.5	0.9	\$20,000	No	\$10,000	\$24,773	\$39,546	\$0.00	\$0.01	\$0.02
<b>Total MTMP</b>														<b>\$0.76</b>	<b>\$1.49</b>	<b>\$2.23</b>	<b>\$0.6</b>	<b>\$1.3</b>	<b>\$1.9</b>

Geoscientific Valuation of the AVP on a post transaction basis the project is valued at between \$0.2 million and \$0.4 million with a preferred valuation of \$0.3 million the reason for VRM having a slightly higher valuation range and preferred valuation for the AVP is due to the technical synergies associated with the combination of the MTMP and the AVP. Note the valuation of the Coates and Nowthanna Hill projects remains the within the range of \$0.9 million and 2.1 million with a preferred of \$1.5 million due to there being no technical synergies between the MTMP and these projects.

Project	Tenement	Status	Equity	Kilburn Valuation															
				Off Property		On Property		Anomaly		Geology		BAC	Valued by Resource Multiple? Yes/No	Technical Valuation (A\$)			Market Valuation (A\$ million)		
AVP				Low	High	Low	High	Low	High	Low	High			Low	Mid-Point	High	Low	Mid-Point	High
AVP	E51/1534	Granted	100%	1.5	2	1	1.3	1	1.2	0.5	0.9	\$70,000	No	\$52,500	\$124,530	\$196,560	\$0.04	\$0.11	\$0.17
AVP	E51/1899	Granted	100%	1.5	2	1	1.3	1	1.2	0.5	1	\$30,000	No	\$22,500	\$58,050	\$93,600	\$0.02	\$0.05	\$0.08
AVP	E51/1943	Granted	100%	1.5	2	1	1.3	1	1.2	0.5	1	\$20,000	No	\$15,000	\$38,700	\$62,400	\$0.01	\$0.03	\$0.05
AVP	E51/1944	Granted	100%	1.5	2	1	1.3	1	1.2	0.5	1	\$10,000	No	\$7,500	\$19,350	\$31,200	\$0.01	\$0.02	\$0.03
AVP	E51/2067	Application	100%	1	1.5	1	1.3	1	1.2	0.5	0.9	\$20,000	No	\$10,000	\$26,060	\$42,120	\$0.00	\$0.01	\$0.02
AVP	E51/843	Granted	100%									\$70,000	Yes	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
AVP	M51/878	Granted	100%									\$356,600	Yes	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
AVP	M51/897	Application	100%									\$181,205	Yes	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
AVP	P51/3073	Granted	100%	1	1.5	1	1.3	1	1.3	0.5	0.9	\$7,040	No	\$3,520	\$9,791	\$16,062	\$0.00	\$0.01	\$0.01
AVP	P51/3074	Granted	100%	1	1.5	1	1.3	1	1.3	0.5	0.9	\$2,000	No	\$1,000	\$2,782	\$4,563	\$0.00	\$0.00	\$0.00
AVP	P51/3075	Granted	100%									\$2,000	Yes	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
AVP	P51/3076	Granted	100%									\$4,960	Yes	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
AVP	P51/3248	Application	100%									\$2,000	Yes	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
AVP	P51/3298	Application	100%									\$2,000	Yes	\$0	\$0	\$0	\$0.00	\$0.00	\$0.00
<b>Total AVP</b>																	<b>0.1</b>	<b>0.2</b>	<b>0.4</b>
<b>Coates and Nowthanna</b>																			
Coates	E70/4924-I	Granted	100%	2.5	3	2	2.5	1.5	2	2	2.5	\$30,000	no	\$450,000	\$787,500	\$1,125,000	\$0.19	\$0.34	\$0.48
Coates	E70/5588	Granted	100%	2.5	3	1	1.5	1	1.5	1	1.5	\$15,000	no	\$37,500	\$94,688	\$151,875	\$0.03	\$0.08	\$0.13
Coates	E70/5589	Application	100%	2.5	3	1	1.5	1	1.5	1	1.5	\$20,000	no	\$50,000	\$126,250	\$202,500	\$0.02	\$0.05	\$0.09
Total Coates			100%											\$537,500	\$1,008,438	\$1,479,375	\$0.25	\$0.47	\$0.70
Nowtha	M51/771	Live	100%	3	3.5	1.5	2	3.5	4	2	2.5	\$30,100	no	\$948,150	\$1,527,575	\$2,107,000	\$0.62	\$0.99	\$1.37
<b>Total Coates and Nowthanna</b>																	<b>\$0.9</b>	<b>\$1.5</b>	<b>\$2.1</b>

## Appendix C - PEM Valuation

TMT PEM Valuation – Note Applications and tenements valued by Comparable Transaction Multiples are not valued using this method. Appropriate rounding has been applied to the totals and totals may not add due to rounding.

Project	Tenement	Status	Holder	Equity	PEM Valuation						
MTMP					Total Expenditure	PEM Low	PEM High	PEM Valuation Low A\$	PEM Mid-Point A\$	PEM Valuation High A\$	Valued by Resource Multiple? Yes/No
MTMP	E51/1818	Granted	The Kop Ventures Pty Ltd	100%	\$2,189,113	1	1.3	2.19	2.52	2.85	No
MTMP	E51/1510	Granted	The Kop Ventures Pty Ltd	100%	\$3,335,102	N/A	N/A	0.00	0.00	0.00	Yes
MTMP	M51/883	Granted	The Kop Ventures Pty Ltd	100%	\$10,852,349	N/A	N/A	0.00	0.00	0.00	Yes
MTMP	M51/884	Granted	The Kop Ventures Pty Ltd	100%	\$7,476,131	N/A	N/A	0.00	0.00	0.00	Yes
MTMP	P51/3140	Granted	The Kop Ventures Pty Ltd	100%	\$23,250	N/A	N/A	0.00	0.00	0.00	Yes
MTMP	E51/2056	Application	The Kop Ventures Pty Ltd	100%	\$0	N/A	N/A		Application		No
MTMP	E51/2117	Application	The Kop Ventures Pty Ltd	100%	\$0	N/A	N/A		Application		No
<b>Total MTMP</b>								<b>\$2.2</b>	<b>\$2.5</b>	<b>\$2.8</b>	

AVL PEM Valuation – Note Applications and tenements valued by Comparable Transaction Multiples are not valued using this method. Appropriate rounding has been applied to the totals and totals may not add due to rounding.

Project	Tenement	Status	Holder	Equity	PEM Valuation						
AVP					Total Expenditure	PEM Low	PEM High	PEM Valuation Low A\$	PEM Mid-Point A\$	PEM Valuation High A\$	Valued by Resource Multiple? Yes/No
AVP	E51/1534	Granted	AVL	100%	\$482,627	1	1.3	0.48	0.56	0.63	No
AVP	E51/1899	Granted	AVL	100%	\$105,929	1	1.3	0.11	0.12	0.14	No
AVP	E51/1943	Granted	AVL	100%	\$48,381	1	1.3	0.05	0.06	0.06	No
AVP	E51/1944	Granted	AVL	100%	\$34,781	1	1.3	0.03	0.04	0.05	No
AVP	E51/2067	Application	AVL	100%	\$0				Application		No
AVP	E51/843	Granted	AVL	100%	\$5,582,194	N/A	N/A	0.00	0.00	0.00	Yes
AVP	M51/878	Granted	AVL	100%	\$10,416,802	N/A	N/A	0.00	0.00	0.00	Yes
AVP	M51/897	Application	AVL	100%	\$0	N/A	N/A	0.00	0.00	0.00	Yes
AVP	P51/3073	Granted	AVL	100%	\$26,986	1	1.3	0.03	0.03	0.04	No
AVP	P51/3074	Granted	AVL	100%	\$20,829	1	1.3	0.02	0.02	0.03	No
AVP	P51/3075	Granted	AVL	100%	\$22,201	N/A	N/A	0.00	0.00	0.00	Yes
AVP	P51/3076	Granted	AVL	100%	\$23,360	N/A	N/A	0.00	0.00	0.00	Yes
AVP	P51/3248	Application	AVL	100%	\$0	N/A	N/A	0.00	0.00	0.00	Yes
AVP	P51/3298	Application	AVL	100%	\$0	N/A	N/A	0.00	0.00	0.00	Yes
<b>Total AVP</b>								<b>0.7</b>	<b>0.8</b>	<b>0.9</b>	
Coates and Nowthanna											
Coates	E70/4924-I	Granted	AVL	100%	\$664,385	1.5	2	1.00	1.16	1.33	No
Coates	E70/5588	Granted	AVL	100%	\$31,500	1	1.3	0.03	0.04	0.04	No
Coates	E70/5589	Application	AVL	100%	\$0	N/A	N/A	0.00	0.00	0.00	No
Total Coates				100%							
Nowthanna	M51/771	Live	AVL	100%	\$80,461	2.5	3	0.20	0.22	0.24	No
<b>Total Coates and Nowthanna (100% AVL)</b>								<b>1.2</b>	<b>1.4</b>	<b>1.6</b>	

## Appendix 2 Scheme

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Technology Metals Australia Limited

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Scheme Shareholders

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# Scheme of Arrangement

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Date

2023

## Parties

**Technology Metals Australia Limited** ACN 612 531 389 of Suite 9, 330 Churchill Avenue, Subiaco, Western Australia (**TMT**)

Each registered holder of TMT Shares as at the Record Date (other than Excluded Shareholders) (**Scheme Shareholders**)

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## Agreed terms

### 1 Definitions and interpretation

#### 1.1 Definitions

In this document these terms have the following meanings:

<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.
<b>AVL</b>	Australian Vanadium Limited ACN 116 221 740.
<b>AVL Group</b>	AVL and its Controlled Entities (excluding, at any time, the TMT Group Members to the extent that the TMT Group Members are Subsidiaries of AVL at that time).
<b>AVL Group Member</b>	Each member of the AVL Group.
<b>AVL Share</b>	A fully paid ordinary share in the capital of AVL.
<b>AVL Share Register</b>	The register of members of AVL maintained in accordance with the Corporations Act.
<b>Business Day</b>	A 'business day' as defined in the Listing Rules, provided that such day is not a day on which the banks in Perth, Western Australia are authorised or required to close.
<b>CHESS</b>	The clearing house electronic sub-register system of share transfers operated by ASX Settlement and Transfer Corporation Pty Ltd.
<b>Commissioner</b>	Federal Commissioner of Taxation.
<b>Control</b>	Has the meaning given in section 50AA of the Corporations Act.
<b>Controlled Entity</b>	In respect of a party, an entity that party Controls.

<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Court</b>	The Federal Court of Australia or such other court of competent jurisdiction as agreed between TMT and AVL.
<b>Deed Poll</b>	The deed poll executed by AVL substantially in the form of Annexure A of the Scheme Implementation Deed or as otherwise agreed by TMT and AVL under which AVL covenants in favour of each Scheme Shareholder to perform the obligations attributed to AVL under this Scheme.
<b>Effective</b>	The coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
<b>Effective Date</b>	The date on which this Scheme becomes Effective.
<b>End Date</b>	<p>The later of:</p> <ul style="list-style-type: none"> <li>(a) the date that is six months after the date of the Scheme Implementation Deed; and</li> <li>(b) such other date and time agreed in writing between TMT and AVL before that date.</li> </ul>
<b>Excluded Shareholder</b>	Any AVL Group Member.
<b>First Court Date</b>	The date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
<b>Government Agency</b>	Any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
<b>Implementation Date</b>	The fifth Trading Day after the Record Date or such other date after the Record Date agreed to in writing by TMT and AVL.
<b>Ineligible Overseas Shareholder</b>	A Scheme Shareholder whose address shown in the TMT Share Register on the Record Date is a place outside Australia and its external territories, New Zealand, Singapore and the United States unless AVL determines that it is lawful and not unduly onerous or impracticable to

	issue that Scheme Shareholder with the Scheme Consideration when the Scheme becomes Effective.
<b>ITAA 1997</b>	The <i>Income Tax Assessment Act 1997</i> (Cth).
<b>Listing Rules</b>	The official listing rules of ASX as amended from time to time.
<b>New AVL Share</b>	A new AVL Share to be issued by AVL under the terms of this Scheme.
<b>Nil Variation Notice</b>	A notice issued by the Commissioner under section 14-235 of Schedule 1 to the TAA varying the amount (if any) that AVL is liable to pay the Commissioner under section 14-200 of Schedule 1 of the TAA in respect of the acquisition of the Scheme Shares, to zero.
<b>Nominee Holder</b>	A Scheme Shareholder who holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person.
<b>Record Date</b>	7.00pm on the second Trading Day after the Effective Date or such other time and date agreed to in writing between the parties.
<b>Registered Address</b>	In relation to a TMT Shareholder, the address of that TMT Shareholder shown in the TMT Share Register.
<b>Relevant AVL Shares</b>	The meaning given in <b>clause 7.8(a)</b>
<b>Rights</b>	All accretions, rights and benefits attaching to, or arising from, the Scheme Shares directly or indirectly, including any capital returns, all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by TMT.
<b>Sale Agent</b>	A person appointed by AVL to sell, in accordance with <b>clause 7.8</b> , the New AVL Shares to which Ineligible Overseas Shareholders and Small Parcel Shareholders would have been entitled under this Scheme but for the operation of <b>clause 7.8</b> .
<b>Scheme</b>	This scheme of arrangement between TMT and Scheme Shareholders under which all of the Scheme Shares will be transferred to AVL under Part 5.1 of the Corporations Act as described in <b>clause 7</b> of this Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by AVL and TMT in accordance with <b>clause 12</b> of this Scheme.

<b>Scheme Consideration</b>	The consideration to be provided to Scheme Shareholders for the transfer to AVL of each Scheme Share under the terms of this Scheme, being 12 New AVL Shares for every 1 Scheme Share.
<b>Scheme Implementation Deed</b>	The Scheme Implementation Deed dated 23 September 2023 between AVL and TMT under which, amongst other things, TMT has agreed to propose this Scheme to TMT Shareholders, and each of TMT and AVL have agreed to take certain steps to give effect to this Scheme, a copy of which was released in full to ASX on 25 September 2023.
<b>Scheme Meeting</b>	The meeting of TMT Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
<b>Scheme Share</b>	A TMT Share held by a Scheme Shareholder as at the Record Date and, for the avoidance of doubt, includes any TMT Shares issued on or before the Record Date.
<b>Scheme Shareholder</b>	A person who holds TMT Shares recorded in the TMT Share Register as at the Record Date (other than an Excluded Shareholder).
<b>Scheme Shareholder Declaration</b>	A declaration in accordance with the requirements of section 14-225 of Schedule 1 of the TAA that covers, at least, the date of the Scheme Implementation Deed and the Implementation Date.
<b>Second Court Date</b>	The first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, means the date on which the adjourned application or appeal is heard.
<b>Security Interest</b>	Any security interest, including: <ul style="list-style-type: none"> <li>(a) a 'Security Interest' within the meaning of section 51A of the Corporations Act;</li> <li>(b) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property; and</li> <li>(c) any right of first refusal, pre-emptive right or any similar restriction.</li> </ul>
<b>Share Scheme Transfer</b>	For each Scheme Shareholder, a duly completed and executed proper instrument of transfer of the Scheme

	Shares held by that Scheme Shareholder for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.
<b>Small Parcel Shareholder</b>	A Scheme Shareholder (other than an Ineligible Overseas Shareholder) who, based on their holding of Scheme Shares, would on the Implementation Date be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) of New AVL Shares (assessed by reference to the highest closing price of AVL Shares on the ASX beginning on the date the Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date) as Scheme Consideration.
<b>Subsidiary</b>	Has the meaning given to that term in Division 6 of Part 1.2 of the Corporations Act.
<b>TAA</b>	The <i>Taxation Administration Act 1953</i> (Cth).
<b>TMT Group</b>	TMT and its Controlled Entities.
<b>TMT Group Member</b>	Each member of the TMT Group.
<b>TMT Registry</b>	Automic Pty Ltd ACN 152 260 814.
<b>TMT Share</b>	An issued fully paid ordinary share in the capital of TMT.
<b>TMT Share Register</b>	The register of members of TMT maintained in accordance with the Corporations Act.
<b>TMT Shareholder</b>	Each person who is registered in the TMT Share Register as a holder of one or more TMT Shares.
<b>Trading Day</b>	A 'business day' as defined in the Listing Rules.

## 1.2 Interpretation

In this document, except where the context otherwise requires:

- (a) the singular includes the plural, and the converse also applies;
- (b) the meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions;
- (c) a gender includes other genders;
- (d) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (e) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this document, and a reference to this document includes any schedule or annexure;

- (f) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (g) a reference to **A\$, \$A, dollar** or **\$** is to the lawful currency of Australia;
- (h) a reference to time is, unless otherwise indicated, a reference to that time in Perth, Western Australia;
- (i) a reference to a party is to a party to this document, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (j) a reference to a person includes a natural person, partnership, body corporate, joint venture, association, governmental or local authority or agency or other entity or organisation;
- (k) a reference to "law" includes common law, principles of equity and legislation (including regulations);
- (l) a reference to legislation or to a provision of legislation (including a listing rule or operating rule of a financial market or of a clearing and settlement facility) includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
- (m) a reference to "regulations" includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (n) a reference to a body (including an institute, association or authority), other than a party to this document, whether statutory or not:
  - (i) which ceases to exist; or
  - (ii) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (o) a reference to an agreement other than this document includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (p) a word or expression defined in the Corporations Act, and which is not defined in **clause 1.1**, has the meaning given to it in the Corporations Act;
- (q) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (r) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;



- (s) if an act prescribed under this document to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;
- (t) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party;
- (u) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this document or any part of it;
- (v) a reference to something being 'reasonably likely' (or to a similar expression) is a reference to that thing being more likely than not to occur, when assessed objectively;
- (w) a reference to conduct includes an omission, statement or undertaking, whether or not in writing; and
- (x) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions.

### **1.3 Headings**

Headings are for ease of reference only and do not affect interpretation.

### **1.4 Business Day**

If a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

## **2 Preliminary**

### **2.1 Australian Vanadium Limited**

AVL is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the official list of ASX and AVL Shares are officially quoted on the stock market conducted by ASX.

### **2.2 Technology Metals Australia Limited**

TMT is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the official list of ASX and TMT Shares are officially quoted on the stock market conducted by ASX.

### **2.3 If Scheme becomes Effective**

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share to AVL, AVL will provide, or cause to be provided, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of this Scheme and the Deed Poll;
- (b) all Scheme Shares will be transferred to AVL on the Implementation Date; and
- (c) TMT will enter the name of AVL in the TMT Share Register in respect of all Scheme Shares transferred to AVL in accordance with the terms of this Scheme and the Deed Poll.

### **2.4 Scheme Implementation Deed**

AVL and TMT have agreed by executing the Scheme Implementation Deed to implement the terms of this Scheme.

### **2.5 Deed Poll**

This Scheme attributes actions to AVL but does not itself impose an obligation on them to preform those actions. AVL has executed the Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders to perform (or procure the performance of) the obligations attributable to AVL as contemplated by this Scheme, including to provide, or cause to be provided, the Scheme Consideration to the Scheme Shareholders.

## **3 AVL Nominee**

- (a) AVL may nominate any wholly-owned Subsidiary of AVL (**AVL Nominee**) to acquire the Scheme Shares under this Scheme by giving written notice to TMT on or before the date that is 10 Business Days before the First Court Date.
- (b) If AVL nominates the AVL Nominee to acquire the Scheme Shares under the Scheme, then:
  - (i) references in this Scheme to AVL acquiring the Scheme Shares under this Scheme are to be read as references to the AVL Nominee doing so;
  - (ii) other references in this Scheme to AVL are to be read as references to AVL or the AVL Nominee, other than to the extent those provisions relate to the New AVL Shares which will always be fully paid ordinary shares in the capital of AVL (and not the AVL Nominee);
  - (iii) AVL and TMT must procure that the Scheme Shares transferred under the Scheme are transferred to the AVL Nominee, rather than AVL;

- (iv) AVL must procure that the AVL Nominee complies with the relevant obligations of AVL under this Scheme; and
- (v) any such nomination will not relieve AVL of its obligations under this Scheme, including the obligation to provide, or cause to be provided, the Scheme Consideration in accordance with the terms of this Scheme, provided that AVL will not be in breach of this Scheme for failing to perform an obligation of AVL if that obligation is fully discharged by the AVL Nominee.

## 4 Conditions precedent

### 4.1 Conditions precedent to Scheme

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00am on the Second Court Date, the Scheme Implementation Deed and Deed Poll not having been terminated;
- (b) all of the conditions precedent in schedule 1 of the Scheme Implementation Deed having been satisfied or waived (other than the condition precedent relating to Court approval set out in item 5 of schedule 1 of the Scheme Implementation Deed) in accordance with the terms of the Scheme Implementation Deed;
- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, AVL and TMT having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act; and
- (d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

### 4.2 Conditions precedent and operation of clause 6 of this Scheme

The satisfaction of each condition of **clause 4.1** of this Scheme is a condition precedent to the operation of **clause 6** of this Scheme.

### 4.3 Certificate in relation to conditions precedent

- (a) AVL and TMT must provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in **clause 4.1** of this Scheme (other than the conditions precedent in **clauses 4.1(c)** and **4.1(d)** of this Scheme) have been satisfied or waived as at 8.00 am on the Second Court Date.
- (b) The certificate referred to in **clause 4.3(a)** will constitute conclusive evidence of whether the conditions precedent referred to in **clause 4.1** of

this Scheme (other than the condition precedent in **clauses 4.1(c)** and **4.1(d)** of this Scheme) have been satisfied or waived as at 8.00 am on the Second Court Date.

## **5 Scheme**

### **5.1 Effective Date**

Subject to **clause 5.2** of this Scheme, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

### **5.2 End Date**

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date or any later date the Court, with the consent of TMT and AVL, may order; or
- (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with their respective terms.

## **6 Implementation of Scheme**

### **6.1 Lodgement of Court orders with ASIC**

If the conditions precedent set out in **clause 4.1** of this Scheme (other than the condition precedent in **clause 4.1(d)** of this Scheme) are satisfied, TMT must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 12.00 pm on the first Business Day after the day on which the Court approves this Scheme or such later time as TMT and AVL agree in writing.

### **6.2 Transfer and registration of Scheme Shares**

Subject to the Scheme becoming Effective, on the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with **clause 7** of this Scheme and AVL having provided TMT with written confirmation of the provision of the Scheme Consideration:

- (a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to AVL, without the need for any further act by any Scheme Shareholder (other than acts performed by TMT as attorney and agent for Scheme Shareholders under **clause 10** of this Scheme), by:
  - (i) TMT delivering to AVL a duly completed and executed Share Scheme Transfer executed on behalf of the Scheme Shareholders by TMT, for registration; and
  - (ii) AVL duly executing the Share Scheme Transfer and delivering it to TMT for registration; and

- (b) immediately after receipt of the duly executed Share Scheme Transfer, TMT must enter, or procure the entry of, the name of AVL in the TMT Share Register in respect of all Scheme Shares transferred to AVL in accordance with the terms of this Scheme.

### **6.3 Entitlement to Scheme Consideration**

On the Implementation Date, in consideration for the transfer to AVL of the Scheme Shares, each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with **clause 7** of this Scheme.

### **6.4 Title and rights in Scheme Shares**

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder (other than Ineligible Overseas Shareholders and Small Parcel Shareholders), AVL will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by TMT of AVL in the TMT Share Register as the holder of the Scheme Shares.

### **6.5 Warranty by Scheme Shareholders**

Each Scheme Shareholder warrants to and is deemed to have authorised TMT to warrant to AVL as agent and attorney for the Scheme Shareholder by virtue of this **clause 6.5**, that:

- (a) all their Scheme Shares (including any Rights attaching to them) transferred to AVL under the Scheme will, as at the date of the transfer, be fully paid and free from all Security Interests and other interests of third parties of any kind whether legal or otherwise, and restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any Rights attaching to them) to AVL under this Scheme.

### **6.6 Transfer free of Security Interests**

To the extent permitted by law, all Scheme Shares (including any Rights attaching to them) which are transferred to AVL under this Scheme will, at the date of the transfer of them to AVL, vest in AVL free from all Security Interests and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

### **6.7 Appointment of AVL as sole proxy**

- (a) Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by **clauses 6.2** and **7** of this Scheme, on and from the Implementation Date until TMT registers AVL as the holder of all of the Scheme Shares in the TMT Share Register, each Scheme Shareholder:
  - (i) irrevocably appoints TMT as attorney and agent (and directs TMT in such capacity) to appoint AVL and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and

where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this **clause 6.7(a)(i)**);

- (ii) must take all other actions in the capacity of the registered holder of Scheme Shares as AVL directs; and
  - (iii) acknowledges and agrees that in exercising the powers referred to in **clause 6.7(a)(i)** of this Scheme, AVL and any director or corporate representative nominated by AVL under **clause 6.7(a)(i)** of this Scheme may act in the best interests of AVL as the intended registered holder of the Scheme Shares.
- (b) TMT undertakes in favour of each Scheme Shareholder that it will appoint AVL and each of its directors from time to time (jointly and each of them individually) as that Scheme Shareholder's proxy or, where applicable, corporate representative in accordance with **clause 6.7(a)(i)** of this Scheme.

## **7 Scheme Consideration**

### **7.1 Consideration under this Scheme**

On the Implementation Date, AVL:

- (a) must provide, or cause the provision of, the Scheme Consideration to the Scheme Shareholders (or to the Sale Agent in accordance with **clause 7.8** of this Scheme) in accordance with this clause 7; and
- (b) agrees to (in satisfaction of AVL's obligation to provide such Scheme Consideration to the Scheme Shareholders under **clause 7.1(a)** of this Scheme) issue, or cause to be issued, the Scheme Consideration to the Scheme Shareholders in accordance with this clause 7.

### **7.2 Scheme Consideration**

Subject to the terms and conditions of this Scheme (including **clauses 7.7** and **7.8** of this Scheme in relation to Ineligible Overseas Shareholders and Small Parcel Shareholders, and **clause 7.4** of this Scheme in relation to fractional elements), the Scheme Consideration to be provided to each Scheme Shareholder will be provided by the issue by AVL of the Scheme Consideration to that Scheme Shareholder on the Implementation Date.

### **7.3 Provision of Scheme Consideration**

Subject to the other provisions of this clause 7, the obligations of AVL to provide (or procure the provision of) the Scheme Consideration to the Scheme Shareholders will be satisfied by procuring that:

- (a) the name and address of each such Scheme Shareholder is entered into the AVL Share Register on the Implementation Date in respect of the New AVL Shares to which it is entitled under this clause 7; and
- (b) a share certificate or holding statement is sent to the Registered Address of each such Scheme Shareholder representing the number of New AVL Shares issued to the Scheme Shareholder pursuant to this Scheme.

#### **7.4 Fractional entitlements**

- (a) If the number of Scheme Shares held by a Scheme Shareholder at the Record Date is such that the aggregate entitlement of the Scheme Shareholder to Scheme Consideration is such that a fractional entitlement to an AVL Share arises, then the entitlement of that Scheme Shareholder must be rounded up or down, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of AVL Shares (or cents, as applicable), and any such fractional entitlement of 0.5 or more will be rounded up to the nearest whole number of AVL Shares (or cents, as applicable).
- (b) If a Nominee Holder holds more than one parcel of Scheme Shares as trustee or nominee for, or otherwise on account of, another person, then for the purposes of this clause 7.4, the Scheme Consideration for the Nominee Holder will be calculated and rounded based on the aggregate number of Scheme Shares held by the Nominee Holder in those parcels as trustee or nominee for, or otherwise on account of, other persons.

#### **7.5 Shareholder splitting or division**

If AVL is of the reasonable opinion that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with **clause 7.4** or each of whom holds less than or equal to the number of TMT Shares required to classify as a Small Parcel Shareholder) have, before the Record Date, been party to shareholder splitting or division in an attempt to obtain unfair advantage by reference to such rounding, AVL may give notice to those Scheme Shareholders:

- (a) setting out their names and Registered Addresses;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice is given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of other provisions of this Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and Registered Addresses are set out in the notice will, for the purposes of the other provisions of this Scheme, be taken to hold no Scheme Shares. AVL, in complying with the other provisions of this Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of the specified Scheme Shares, will be taken to have satisfied and



discharged its obligations to other Scheme Shareholders named under the notice under the terms of this Scheme.

## **7.6 Scheme Shareholders' agreements**

Under this Scheme, each Scheme Shareholder (and, to the extent relevant, the Sale Agent) irrevocably:

- (a) agrees to the transfer of their Scheme Shares together with all Rights attaching to them in accordance with this Scheme;
- (b) agrees to the variation, cancellation or modification of the Rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) agrees to, on the direction of AVL, destroy any holding statements or share certificates relating to their Scheme Shares;
- (d) agrees to become a shareholder of AVL, to have their name entered in the AVL Share Register and accepts the New AVL Shares issued to them under this Scheme on the terms and conditions of the AVL constitution, without the need for any further act by the Scheme Shareholder;
- (e) agrees and acknowledges that the issue of New AVL Shares in accordance with **clause 7.1** of this Scheme constitutes satisfaction of all that person's entitlements under this Scheme;
- (f) acknowledges that this Scheme binds TMT and all of the Scheme Shareholders from time to time (including those who do not attend the Scheme Meeting and those who do not vote, or voted against this Scheme, at the Scheme Meeting);
- (g) appoints TMT, and each director and officer of TMT, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Shareholders under the Corporations Act or any other applicable law; and
- (h) consents to TMT and AVL doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

## **7.7 Unclaimed monies**

- (a) AVL may cancel a cheque issued under this clause 7 if the cheque:
  - (i) is returned to AVL; or
  - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to TMT or AVL

(or the TMT Registry or AVL's share registry) (which request may not be made until the date which is 10 Business Days after the Implementation Date), AVL must reissue or procure the reissuance of a cheque that was previously cancelled under **clause 7.7(a)**.

- (c) The *Unclaimed Monies Act 1990* (WA) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 of that Act).

## **7.8 Ineligible Overseas Shareholders and Small Parcel Shareholders**

- (a) AVL has no obligation to issue, and will not issue, any New AVL Shares to:
  - (i) an Ineligible Overseas Shareholder; or
  - (ii) a Small Parcel Shareholder,and instead will issue (subject to **clause 7.4** and **7.10(d)**) the New AVL Shares that would otherwise have been issued to the Ineligible Overseas Shareholder or the Small Parcel Shareholder (**Relevant AVL Shares**) to the Sale Agent.
- (b) AVL will procure that, as soon as reasonably practicable and in any event not more than 30 Business Days after the Implementation Date, the Sale Agent:
  - (i) in consultation with AVL, sells or procures the sale of all of the Relevant AVL Shares on the financial market conducted by ASX in such manner, at such price and on such terms as the Sale Agent determines in good faith (and at the risk of the Ineligible Overseas Shareholders and the Small Parcel Shareholders); and
  - (ii) remits to AVL the proceeds of sale (after deducting any applicable brokerage, stamp duty, currency conversion costs and other selling costs, taxes and charges).
- (c) Promptly after the last sale of Relevant AVL Shares in accordance with **clause 7.8(b)** and receiving the net proceeds of such sale, AVL must pay, or procure the payment, to each Ineligible Overseas Shareholder and Small Parcel Shareholder the amount calculated in accordance with the following formula and rounded down to the nearest cent:

$$(A \div B) \times C$$

Where:

- A is the number of Relevant AVL Shares that would otherwise have been issued to that Ineligible Overseas Shareholder or Small Parcel Shareholder if they had not been an Ineligible Overseas Shareholder or Small Parcel Shareholder, and which were issued to the Sale Agent for sale in accordance with **clause 7.8(b)**;

- B is the total number of Relevant AVL Shares which would have been issued to all Ineligible Overseas Shareholders and Small Parcel Shareholders, and which were issued to the Sale Agent for sale in accordance with **clause 7.8(b)**; and
- C is the proceeds of sale (after deducting any applicable brokerage, stamp duty, currency conversion costs and other selling costs, taxes and charges), being the amount referred to in **clause 7.8(b)(ii)**.
- (d) Each Ineligible Overseas Shareholder and Small Parcel Shareholder acknowledges and agrees that:
- (i) none of AVL, TMT or the Sale Agent give any assurance as to the price that will be achieved for the sale of the Relevant AVL Shares described in **clause 7.8(b)**; and
  - (ii) AVL, TMT and the Sale Agent each expressly disclaim any fiduciary duty to any Ineligible Shareholder which may arise in connection with this clause 7.8.
- (e) AVL must pay or procure that each Ineligible Overseas Shareholder and Small Parcel Shareholder is paid any amounts owing under **clause 7.8(c)** by either (in the absolute discretion of AVL):
- (i) making a deposit in an account with any ADI (as defined in the *Banking Act 1959* (Cth)) in Australia notified by that Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) to TMT (or the TMT Registry) and recorded in or for the purposes of the TMT Share Register at the Record Date; or
  - (ii) dispatching, or procuring the dispatch, to that Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) by prepaid post to the Registered Address (as at the Record Date) of that Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable), a cheque in the name of that Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) (in the case of joint holders, the cheque will be drawn in the name of the joint holders and dispatched in accordance with the procedures set out in **clause 7.13**),
- for the relevant amount, with that amount being denominated in Australian dollars.
- (f) Each Ineligible Overseas Shareholder and Small Parcel Shareholder appoints TMT, and each director and officer of TMT, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices (including any updates of those documents) that the Sale Agent is required to provide to the Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) under the Corporations Act or any other applicable law.

- (g) Payment of the relevant amounts calculated in accordance with **clause 7.8(c)** satisfies in full AVL's obligations to the Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) under this Scheme in respect of the Scheme Consideration.

## **7.9 Other ineligible Scheme Shareholders**

Where the issue of New AVL Shares to which a Scheme Shareholder (other than an Ineligible Overseas Shareholder or a Small Parcel Shareholder) would otherwise be entitled under this Scheme would result in a breach of law:

- (a) AVL will issue the maximum possible number of New AVL Shares to the Scheme Shareholder without giving rise to such a breach; and
- (b) any further New AVL Shares to which that Scheme Shareholder is entitled, but the issue of which to the Scheme Shareholder would give rise to such a breach, will instead be issued to the Sale Agent and dealt with under **clause 7.8**, as if:
  - (i) references to Ineligible Overseas Shareholders also included that Scheme Shareholder; and
  - (ii) references to Relevant AVL Shares also included any of that Scheme Shareholder's New AVL Shares that have been issued to the Sale Agent.

## **7.10 Withholding**

- (a) If AVL is required by Subdivision 14-D of Schedule 1 of the TAA (Subdivision 14-D) to pay any amounts to the Commissioner in respect of the acquisition of Scheme Shares from certain Scheme Shareholders, AVL is permitted to deduct the relevant amounts from the payment of the Scheme Consideration to those Scheme Shareholders, and remit such amounts to the Commissioner. The aggregate sum payable to Scheme Shareholders shall not be increased to reflect the deduction and the net aggregate sum payable to those Scheme Shareholders shall be taken to be in full and final satisfaction of the amounts owing to those Scheme Shareholders. AVL must pay any amount to the Commissioner in the amount payable under this clause 7.10(a) and time as required by law and, if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Scheme Shareholder.
- (b) For the purposes of **clause 7.10(a)**, AVL may:
  - (i) treat those Scheme Shareholders as Ineligible Overseas Shareholders for the purposes of this Scheme (if they are not already treated as such); and
  - (ii) deduct the relevant amounts from those Scheme Shareholders' proportion of the net proceeds of sale referred to in **clause 7.8(c)** and remit the amounts deducted to the Commissioner.

- (c) AVL acknowledges and agrees that it will not deduct any amounts from the payment of the Scheme Consideration or pay any amounts to the Commissioner under **clause 7.10(a)** with respect to a Scheme Shareholder where AVL:
  - (i) receives a Scheme Shareholder Declaration from the Scheme Shareholder prior to the Implementation Date and does not know that the Scheme Shareholder Declaration is false; or
  - (ii) receives a Nil Variation Notice prior to the Implementation Date.
- (d) TMT agrees AVL may approach the ATO to obtain clarification as to the application of Subdivision 14-D to the Scheme and will provide all information and assistance AVL reasonably requires in making any such approach. AVL agrees:
  - (i) to provide TMT a reasonable opportunity to review the form and content of all materials to be provided to the ATO, and must incorporate TMT's reasonable comments on those materials, and more generally to take into account TMT's comments in relation to AVL's engagement with the ATO, and provide TMT a reasonable opportunity to participate in any discussions and correspondence between AVL and the ATO in connection with the application of Subdivision 14-D to the Proposed Transaction; and
  - (ii) not to contact any Scheme Shareholders in connection with the application of Subdivision 14-D to the Scheme without TMT's prior written consent.
- (e) The parties agree to consult in good faith as to the application of Subdivision 14-D, including taking into account any clarification provided by the ATO following any process described in this clause. The parties agree to take all actions that they agree (each acting reasonably) are necessary or desirable following that consultation which may include, without limitation, making amendments to this document and the Deed Poll to ensure that relevant representations are obtained from Scheme Shareholders.

## **7.11 Orders of a Court or Government Agency**

- (a) TMT may deduct and withhold from any consideration which would otherwise be provided to a Scheme Shareholder in accordance with this clause 7, any amount which TMT and AVL determine is required to be deducted and withheld from that consideration under any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency.
- (b) To the extent that amounts are so deducted or withheld, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing agency.

- (c) If written notice is given to TMT of an order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency that:
  - (i) requires consideration which would otherwise be provided to a Scheme Shareholder in accordance with this clause 7 to instead be paid or provided to a Government Agency or other third party (either through payment of a sum or the issuance of a security), then TMT shall be entitled to procure that provision of that consideration is made in accordance with that order, direction or notice (and payment or provision of that consideration in accordance with that order, direction or notice will be treated for all purposes under this Scheme as having been paid or provided to that Scheme Shareholder); or
  - (ii) prevents consideration being provided to any particular Scheme Shareholder in accordance with this clause 7, or the payment or provision of such consideration is otherwise prohibited by applicable law, TMT shall be entitled to (as applicable) direct AVL not to issue (or procure the issue of), or to issue or provide to a trustee or nominee, such number of New AVL Shares as that Scheme Shareholder would otherwise be entitled to under this clause 7, until such time as payment or provision of the consideration in accordance with this clause 7 is permitted by that order or direction or otherwise by law.

## **7.12 Shares to rank equally**

AVL covenants in favour of TMT (in its own right and on behalf of the Scheme Shareholders) that, subject to this Scheme becoming Effective:

- (a) the New AVL Shares will, upon their issue, rank equally in all respects with all other AVL Shares then on issue;
- (b) it will do everything reasonably necessary to ensure that the New AVL Shares will be quoted on the official list of ASX and commence trading on a normal settlement basis no later than the first Business Day after the Implementation Date;
- (c) the New AVL Shares will be duly and validly issued in accordance with applicable laws; and
- (d) on issue, each New AVL Share will be fully paid and free from any Security Interest (except for any lien arising under AVL's constitution).

## **7.13 Joint holders**

In the case of Scheme Shares held in joint names:

- (a) any New AVL Shares to be issued under this Scheme must be issued and registered in the names of the joint holders and entry in the AVL Share Register must take place in the same order as the holders' names appear in the TMT Share Register;

- (b) any cheque required to be sent under this Scheme must be payable to the joint holders and sent to the holder whose name appears first in the TMT Share Register on the Record Date; and
- (c) any document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of TMT, the holder whose name appears first in the TMT Share Register as at the Record Date or to the joint holders.

## 8 Dealings in Scheme Shares

### 8.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Scheme Shares or other alterations to the TMT Share Register will only be recognised by TMT if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the TMT Share Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the TMT Share Register is kept,

and TMT will not accept for registration, nor recognise for any purpose any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

### 8.2 TMT Share Register

TMT must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with **clause 8.1(b)** of this Scheme on or before the Record Date, provided that nothing in this **clause 8.2** requires TMT to register a transfer that would result in a TMT Shareholder holding a parcel of TMT Shares that is less than a 'marketable parcel' (as defined in the operating rules of ASX).

### 8.3 No disposals after Record Date

- (a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.
- (b) TMT will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Record Date (except a transfer to AVL pursuant to this Scheme and any subsequent transfer by AVL or its successors in title).



#### **8.4 Maintenance of TMT Share Register**

For the purpose of determining entitlements to the Scheme Consideration, TMT will maintain the TMT Share Register in accordance with the provisions of this **clause 8.4** until the Scheme Consideration has been issued to the Scheme Shareholders and AVL has been entered in the TMT Share Register as the holder of all the Scheme Shares. The TMT Share Register in this form will solely determine entitlements to the Scheme Consideration.

#### **8.5 Effect of certificates and holding statements**

Subject to provision of the Scheme Consideration and registration of the transfer to AVL contemplated in **clauses 6.2** and **8.4** of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of AVL and its successors in title). After the Record Date, each entry current on the TMT Share Register as at the Record Date (other than entries in respect of AVL or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the TMT Shares relating to that entry.

#### **8.6 Details of Scheme Shareholders**

Within one Business Day after the Record Date, TMT will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Shareholder, as shown in the TMT Share Register at the Record Date, are available to AVL in such form as AVL reasonably requires.

#### **8.7 Quotation of TMT Shares**

Suspension of trading on ASX in TMT Shares will occur from the close of trading on ASX on the Effective Date.

#### **8.8 Termination of quotation of TMT Shares**

TMT will apply:

- (a) for termination of the official quotation of TMT Shares on ASX; and
- (b) to have itself removed from the official list of ASX,

in each case with effect on and from the close of trading on the Trading Day immediately following the Implementation Date.

### **9 Instructions and notification**

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to TMT that are binding or deemed binding between the Scheme Shareholder and TMT relating to TMT or TMT Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;

- (b) payments of dividends on TMT Shares; and
  - (c) notices or other communications from TMT (including by email),
- will be deemed from the Implementation Date (except to the extent determined otherwise by AVL in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to AVL and to be a binding instruction, notification or election to, and accepted by, AVL until that instruction, notification or election is revoked or amended in writing addressed to AVL at its registry.

## 10 Power of attorney

Each Scheme Shareholder, without the need for any further act by any Scheme Shareholder, irrevocably appoints TMT and each of its directors and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:

- (a) executing any document, or doing or taking any other act, necessary or expedient to give effect to this Scheme and the transactions contemplated by it, including the Share Scheme Transfer; and
  - (b) enforcing the Deed Poll against AVL,
- and TMT accepts such appointment.

## 11 Notices

### 11.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to TMT, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at TMT's registered office or at the office of the registrar of TMT Shares.

### 11.2 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any TMT Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

## 12 General

### 12.1 Variations, alterations and conditions

- (a) TMT may, with the consent of AVL, by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.
- (b) Each Scheme Shareholder agrees to any such alterations or conditions which TMT has consented to pursuant to **clause 12.1(a)** of this Scheme.

## **12.2 Further action by TMT**

TMT will execute all documents and do all things (on its own behalf and on behalf of each Scheme Shareholder) necessary or expedient to implement, and perform its obligations under, this Scheme and the transaction contemplated by it.

## **12.3 Authority and acknowledgement**

Each of the Scheme Shareholders:

- (a) irrevocably consents to AVL and TMT doing all things necessary or expedient for or incidental to the implementation of this Scheme; and
- (b) acknowledges that this Scheme binds TMT and all Scheme Shareholders (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of TMT.

## **12.4 No liability when acting in good faith**

Without prejudice to the parties' rights under the Scheme Implementation Deed, neither AVL nor TMT, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

## **12.5 Enforcement of Deed Poll**

TMT undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against AVL on behalf of and as agent and attorney for the Scheme Shareholders.

## **12.6 Stamp duty**

AVL will pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme.

## **12.7 Scrip for scrip roll-over relief**

In the event the Scheme Shareholders are eligible for scrip for scrip roll-over relief, AVL acknowledges it has not made, and will not make, a choice under subsection 124-795(4) of the ITAA 1997.

# **13 Governing law**

## **13.1 Governing law and jurisdiction**

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

## **13.2 Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the section of this document headed 'Parties'.

## Appendix 3 Deed Poll

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Australian Vanadium Limited

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In favour of each Scheme Shareholder

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# Deed Poll

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**Date** 30 November **2023**

## Parties

**Australian Vanadium Limited** ACN 116 221 740 of Level 2, 50 Kings Park Road, West Perth, Western Australia (**AVL**)

In favour of each Scheme Shareholder

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## Background

- A The directors of Technology Metals Australia Limited ACN 612 531 389 (**TMT**) have resolved that TMT should propose the Scheme.
  - B The effect of the Scheme will be that all Scheme Shares will be transferred to AVL.
  - C AVL and TMT have entered into the Scheme Implementation Deed.
  - D In the Scheme Implementation Deed, AVL agreed (amongst other things) to provide the Scheme Consideration to the Scheme Shareholders, subject to the satisfaction of certain conditions.
  - E AVL is entering into this document for the purpose of covenanting in favour of Scheme Shareholders to perform the obligations attributed to AVL in relation to the Scheme.
- 

## Agreed terms

### 1 Definitions and interpretation

#### 1.1 Definitions

In this document these terms have the following meanings:

<b>Scheme</b>	The proposed scheme of arrangement between TMT and Scheme Shareholders under which all Scheme Shares will be transferred to AVL under Part 5.1 of the Corporations Act, substantially in the form of <b>annexure A</b> to this document, or as otherwise agreed by TMT and AVL, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by AVL and TMT in accordance with clause 12 of the Scheme.
---------------	--

<b>Scheme Implementation Deed</b>	The scheme implementation deed between AVL and TMT under which, amongst other things, TMT has agreed to propose the Scheme to Scheme Shareholders, and each of TMT and AVL has agreed to take certain steps to give effect to the Scheme.
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All other words and phrases used in this document have the same meaning as given to them in the Scheme.

## 1.2 Interpretation

Clause 1.2 of the Scheme applies to this document.

## 1.3 Nature of deed poll

AVL acknowledges that:

- (a) this document may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints TMT and each of its directors and secretaries (jointly and each of them severally) as its attorney and agent to enforce this document against AVL.

## 2 AVL nominee

- (a) AVL may nominate any wholly-owned Subsidiary of AVL (**AVL Nominee**) to acquire the Scheme Shares under the Scheme by giving written notice to TMT on or before the date that is 10 Business Days before the First Court Date.
- (b) If AVL nominates the AVL Nominee to acquire the Scheme Shares under the Scheme, then:
  - (i) references in this document to AVL acquiring the Scheme Shares under the Scheme are to be read as references to the AVL Nominee doing so;
  - (ii) other references in this document to AVL are to be read as references to AVL or the AVL Nominee, other than to the extent those provisions relate to the New AVL Shares which will always be fully paid ordinary shares in the capital of AVL (and not the AVL Nominee);
  - (iii) AVL must procure that the AVL Nominee complies with the relevant obligations of AVL under this document; and
  - (iv) any such nomination will not relieve AVL of its obligations under this document, including the obligation to provide the Scheme Consideration in accordance with the terms of the Scheme, provided that AVL will not be in breach of this document for failing

to perform an obligation of AVL if that obligation is fully discharged by the AVL Nominee.

### 3 Condition precedent and termination

#### 3.1 Condition precedent

The obligations of AVL under **clause 4.1** of this document are subject to the Scheme becoming Effective.

#### 3.2 Termination

The obligations of AVL under this document will automatically terminate and the terms of this document will be of no further force or effect:

- (a) if the Scheme has not become Effective on or before the End Date or any later date as the Court, with the consent of TMT and AVL, may order; or
- (b) if the Scheme Implementation Deed is terminated in accordance with its terms.

#### 3.3 Consequences of termination

If this document is terminated under **clause 3.2** of this document, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:

- (a) AVL is released from its obligations to further perform this document except those obligations contained in **clause 7** of this document; and
- (b) each Scheme Shareholder retains the rights, powers or remedies they have against AVL in respect of any breach of this document which occurs before it is terminated.

### 4 Scheme Consideration

#### 4.1 Scheme Consideration

Subject to **clause 3** of this document:

- (a) AVL undertakes in favour of each Scheme Shareholder to provide or procure (as set forth in **clause 4.1(b)** of this document) the provision of the Scheme Consideration to each Scheme Shareholder;
- (b) AVL undertakes in favour of each Scheme Shareholder to (in satisfaction of AVL's obligation to provide such Scheme Consideration to the Scheme Shareholders under **clause 4.1(a)** of this document) issue, or procure the issue of, the Scheme Consideration to the Scheme Shareholders; and
- (c) AVL undertakes to perform all other actions attributed to it under the Scheme,

in each case subject to and in accordance with the Scheme.

#### 4.2 New AVL Shares to rank equally

AVL undertakes in favour of each Scheme Shareholder that all New AVL Shares issued in accordance with the Scheme will, upon their issue:

- (a) rank equally in all respects with all other AVL Shares then on issue; and
- (b) be fully paid and free from any Security Interest.

### 5 Representations and warranties

AVL represents and warrants that:

- (a) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation, remains in good standing thereunder and has power and authority to own its assets and carry on its business as it is now being conducted;
- (b) **(power)** it has full legal capacity and power to enter into this document, to comply with its obligations under it, exercise its rights under it and otherwise carry out the transactions contemplated by it;
- (c) **(no contravention)** the entry by it into, its compliance with its obligations and the exercise of its rights under, this document does not and will not breach:
  - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded;
  - (ii) any law binding or applicable to it or its assets; or
  - (iii) any other document or agreement that is binding on any it;
- (d) **(authorisations)** other than the approvals contemplated by schedule 1 of the Scheme Implementation Deed, it has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms; and
- (f) **(solvency)** no Insolvency Event (as that term is defined in the Scheme Implementation Deed) has occurred in relation to it.

### 6 Continuing obligations

This document is irrevocable and, subject to **clause 3** of this document, remains in full force and effect until:

- (a) AVL has fully performed its obligations under this document; or

- (b) the earlier termination of this document under **clause 3.2** of this document.

## 7 Stamp duty and registration fees

AVL:

- (a) agrees to pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this document (including any fees, fines, penalties and interest in connection with any of these amounts); and
- (b) indemnifies each Scheme Shareholder against, and agrees to reimburse and compensate it for, any liability in respect of stamp duty under **clause 7(a)** of this document.

## 8 Notices

- (a) Notices and other communications in connection with this document must be in legible writing in English, signed by the person giving the notice or other communication and sent:
  - (i) to Level 2, 50 Kings Park Road, West Perth, Western Australia 6005; or
  - (ii) to [Graham.Arvidson@australianvanadium.com.au](mailto:Graham.Arvidson@australianvanadium.com.au),  
and (except in the case of email) marked for the attention of Graham Arvidson (Chief Executive Officer).
- (b) If the intended recipient has notified of changed contact details, then communications must be sent to the changed contact details.
- (c) Any notice or other communication given in accordance with **clause 8(a)** will be deemed to have been duly given and received by one of the following methods and at the time set out below:
  - (i) if delivered by hand, on delivery to the nominated address;
  - (ii) if sent by pre-paid post to the nominated address in the same country, at 9.00am (addressee's time) on the second Business Day after the date of posting;
  - (iii) if sent by pre-paid post to the nominated address in another country, at 9.00am (addressee's time) on the tenth Business Day after the posting;
  - (iv) if sent by email:
    - (A) when the sender receives an automated message confirming delivery; or
    - (B) four hours after the time sent (as recorded on the device from which the email was sent), provided that the sender

does not receive an automated message that the email has not been delivered,

whichever happens first.

- (d) Any notice that, pursuant to **clause 8(c)**, would be deemed to be given:
  - (i) other than on a Business Day or after 5.00pm on a Business Day is regarded as given at 9:00am on the following Business Day; and
  - (ii) before 9:00am on a Business Day is regarded as given at 9:00am on that Business Day,

when references to time are to time in the place the recipient is located.

## 9 General

### 9.1 Variation

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (a) the variation is agreed to by AVL and TMT in writing; and
- (b) if the variation occurs after the First Court Date (as that term is defined in the Scheme Implementation Deed), the Court indicates (either at the hearing on the First Court Date, an interlocutory hearing or the hearing on the Second Court Date) that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event AVL must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation, alteration or amendment.

### 9.2 Waiver

- (a) AVL may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) No Scheme Shareholder may rely on words or conduct of AVL as a waiver of any right unless the waiver is in writing and signed by AVL. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (c) Failure to exercise or enforce, a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this document by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this document.

### **9.3 Remedies cumulative**

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

### **9.4 Assignment or other dealings**

AVL and each Scheme Shareholder may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of AVL.

### **9.5 Further steps**

AVL agrees to do anything including executing all documents and do all things (on its own behalf or on behalf of each Scheme Shareholder) necessary to give full effect to this document and the transactions contemplated by it.

### **9.6 Severance and enforceability**

Any provision, or the application of any provision, of this document that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this document in that or any other jurisdiction.

## **10 Governing law and jurisdiction**

### **10.1 Governing law and jurisdiction**

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

### **10.2 Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on AVL by being delivered or left at the corresponding address set out in the section of this document headed 'Parties'.



## Execution

**EXECUTED** as a deed poll

**Executed by Australian Vanadium  
Limited ACN 116 221 740:**

)  
)



.....  
Company Secretary/Director

**Louis Mostert**

.....  
Name of Company Secretary/Director  
(print)



[Cliff Lawrenson \(Nov 30, 2023 13:19 GMT+11\)](#)

.....  
Director

**Cliff Lawrenson**

.....  
Name of Director (print)

## Annexure A – Scheme

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Technology Metals Australia Limited

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Scheme Shareholders

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# Scheme of Arrangement

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**Date**

**2023**

## Parties

**Technology Metals Australia Limited** ACN 612 531 389 of Suite 9, 330 Churchill Avenue, Subiaco, Western Australia (**TMT**)

Each registered holder of TMT Shares as at the Record Date (other than Excluded Shareholders) (**Scheme Shareholders**)

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## Agreed terms

### 1 Definitions and interpretation

#### 1.1 Definitions

In this document these terms have the following meanings:

<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.
<b>AVL</b>	Australian Vanadium Limited ACN 116 221 740.
<b>AVL Group</b>	AVL and its Controlled Entities (excluding, at any time, the TMT Group Members to the extent that the TMT Group Members are Subsidiaries of AVL at that time).
<b>AVL Group Member</b>	Each member of the AVL Group.
<b>AVL Share</b>	A fully paid ordinary share in the capital of AVL.
<b>AVL Share Register</b>	The register of members of AVL maintained in accordance with the Corporations Act.
<b>Business Day</b>	A 'business day' as defined in the Listing Rules, provided that such day is not a day on which the banks in Perth, Western Australia are authorised or required to close.
<b>CHESS</b>	The clearing house electronic sub-register system of share transfers operated by ASX Settlement and Transfer Corporation Pty Ltd.
<b>Commissioner</b>	Federal Commissioner of Taxation.
<b>Control</b>	Has the meaning given in section 50AA of the Corporations Act.
<b>Controlled Entity</b>	In respect of a party, an entity that party Controls.

<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Court</b>	The Federal Court of Australia or such other court of competent jurisdiction as agreed between TMT and AVL.
<b>Deed Poll</b>	The deed poll executed by AVL substantially in the form of Annexure A of the Scheme Implementation Deed or as otherwise agreed by TMT and AVL under which AVL covenants in favour of each Scheme Shareholder to perform the obligations attributed to AVL under this Scheme.
<b>Effective</b>	The coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
<b>Effective Date</b>	The date on which this Scheme becomes Effective.
<b>End Date</b>	The later of: <ul style="list-style-type: none"> <li>(a) the date that is six months after the date of the Scheme Implementation Deed; and</li> <li>(b) such other date and time agreed in writing between TMT and AVL before that date.</li> </ul>
<b>Excluded Shareholder</b>	Any AVL Group Member.
<b>First Court Date</b>	The date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
<b>Government Agency</b>	Any foreign or Australian government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.
<b>Implementation Date</b>	The fifth Trading Day after the Record Date or such other date after the Record Date agreed to in writing by TMT and AVL.
<b>Ineligible Overseas Shareholder</b>	A Scheme Shareholder whose address shown in the TMT Share Register on the Record Date is a place outside Australia and its external territories, New Zealand, Singapore and the United States unless AVL determines that it is lawful and not unduly onerous or impracticable to



	issue that Scheme Shareholder with the Scheme Consideration when the Scheme becomes Effective.
<b>ITAA 1997</b>	The <i>Income Tax Assessment Act 1997</i> (Cth).
<b>Listing Rules</b>	The official listing rules of ASX as amended from time to time.
<b>New AVL Share</b>	A new AVL Share to be issued by AVL under the terms of this Scheme.
<b>Nil Variation Notice</b>	A notice issued by the Commissioner under section 14-235 of Schedule 1 to the TAA varying the amount (if any) that AVL is liable to pay the Commissioner under section 14-200 of Schedule 1 of the TAA in respect of the acquisition of the Scheme Shares, to zero.
<b>Nominee Holder</b>	A Scheme Shareholder who holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person.
<b>Record Date</b>	7.00pm on the second Trading Day after the Effective Date or such other time and date agreed to in writing between the parties.
<b>Registered Address</b>	In relation to a TMT Shareholder, the address of that TMT Shareholder shown in the TMT Share Register.
<b>Relevant AVL Shares</b>	The meaning given in <b>clause 7.8(a)</b>
<b>Rights</b>	All accretions, rights and benefits attaching to, or arising from, the Scheme Shares directly or indirectly, including any capital returns, all dividends and all rights to receive them and rights to receive or subscribe for shares, notes, bonds, options or other securities or entitlements declared, paid or issued by TMT.
<b>Sale Agent</b>	A person appointed by AVL to sell, in accordance with <b>clause 7.8</b> , the New AVL Shares to which Ineligible Overseas Shareholders and Small Parcel Shareholders would have been entitled under this Scheme but for the operation of <b>clause 7.8</b> .
<b>Scheme</b>	This scheme of arrangement between TMT and Scheme Shareholders under which all of the Scheme Shares will be transferred to AVL under Part 5.1 of the Corporations Act as described in <b>clause 7</b> of this Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by AVL and TMT in accordance with <b>clause 12</b> of this Scheme.

<b>Scheme Consideration</b>	The consideration to be provided to Scheme Shareholders for the transfer to AVL of each Scheme Share under the terms of this Scheme, being 12 New AVL Shares for every 1 Scheme Share.
<b>Scheme Implementation Deed</b>	The Scheme Implementation Deed dated 23 September 2023 between AVL and TMT under which, amongst other things, TMT has agreed to propose this Scheme to TMT Shareholders, and each of TMT and AVL have agreed to take certain steps to give effect to this Scheme, a copy of which was released in full to ASX on 25 September 2023.
<b>Scheme Meeting</b>	The meeting of TMT Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
<b>Scheme Share</b>	A TMT Share held by a Scheme Shareholder as at the Record Date and, for the avoidance of doubt, includes any TMT Shares issued on or before the Record Date.
<b>Scheme Shareholder</b>	A person who holds TMT Shares recorded in the TMT Share Register as at the Record Date (other than an Excluded Shareholder).
<b>Scheme Shareholder Declaration</b>	A declaration in accordance with the requirements of section 14-225 of Schedule 1 of the TAA that covers, at least, the date of the Scheme Implementation Deed and the Implementation Date.
<b>Second Court Date</b>	The first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard or, if the application is adjourned or subject to appeal for any reason, means the date on which the adjourned application or appeal is heard.
<b>Security Interest</b>	Any security interest, including: <ul style="list-style-type: none"> <li>(a) a 'Security Interest' within the meaning of section 51A of the Corporations Act;</li> <li>(b) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property; and</li> <li>(c) any right of first refusal, pre-emptive right or any similar restriction.</li> </ul>
<b>Share Scheme Transfer</b>	For each Scheme Shareholder, a duly completed and executed proper instrument of transfer of the Scheme

	Shares held by that Scheme Shareholder for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.
<b>Small Parcel Shareholder</b>	A Scheme Shareholder (other than an Ineligible Overseas Shareholder) who, based on their holding of Scheme Shares, would on the Implementation Date be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) of New AVL Shares (assessed by reference to the highest closing price of AVL Shares on the ASX beginning on the date the Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date) as Scheme Consideration.
<b>Subsidiary</b>	Has the meaning given to that term in Division 6 of Part 1.2 of the Corporations Act.
<b>TAA</b>	The <i>Taxation Administration Act 1953</i> (Cth).
<b>TMT Group</b>	TMT and its Controlled Entities.
<b>TMT Group Member</b>	Each member of the TMT Group.
<b>TMT Registry</b>	Automic Pty Ltd ACN 152 260 814.
<b>TMT Share</b>	An issued fully paid ordinary share in the capital of TMT.
<b>TMT Share Register</b>	The register of members of TMT maintained in accordance with the Corporations Act.
<b>TMT Shareholder</b>	Each person who is registered in the TMT Share Register as a holder of one or more TMT Shares.
<b>Trading Day</b>	A 'business day' as defined in the Listing Rules.

## 1.2 Interpretation

In this document, except where the context otherwise requires:

- (a) the singular includes the plural, and the converse also applies;
- (b) the meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions;
- (c) a gender includes other genders;
- (d) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (e) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this document, and a reference to this document includes any schedule or annexure;

- (f) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (g) a reference to **A\$, \$A, dollar** or **\$** is to the lawful currency of Australia;
- (h) a reference to time is, unless otherwise indicated, a reference to that time in Perth, Western Australia;
- (i) a reference to a party is to a party to this document, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (j) a reference to a person includes a natural person, partnership, body corporate, joint venture, association, governmental or local authority or agency or other entity or organisation;
- (k) a reference to "law" includes common law, principles of equity and legislation (including regulations);
- (l) a reference to legislation or to a provision of legislation (including a listing rule or operating rule of a financial market or of a clearing and settlement facility) includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
- (m) a reference to "regulations" includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (n) a reference to a body (including an institute, association or authority), other than a party to this document, whether statutory or not:
  - (i) which ceases to exist; or
  - (ii) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (o) a reference to an agreement other than this document includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (p) a word or expression defined in the Corporations Act, and which is not defined in **clause 1.1**, has the meaning given to it in the Corporations Act;
- (q) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (r) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;

- (s) if an act prescribed under this document to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day;
- (t) a reference to the Listing Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party;
- (u) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this document or any part of it;
- (v) a reference to something being 'reasonably likely' (or to a similar expression) is a reference to that thing being more likely than not to occur, when assessed objectively;
- (w) a reference to conduct includes an omission, statement or undertaking, whether or not in writing; and
- (x) the meaning of general words is not limited by specific examples introduced by including, for example or similar expressions.

### **1.3 Headings**

Headings are for ease of reference only and do not affect interpretation.

### **1.4 Business Day**

If a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

## **2 Preliminary**

### **2.1 Australian Vanadium Limited**

AVL is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the official list of ASX and AVL Shares are officially quoted on the stock market conducted by ASX.

### **2.2 Technology Metals Australia Limited**

TMT is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the official list of ASX and TMT Shares are officially quoted on the stock market conducted by ASX.

### 2.3 If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share to AVL, AVL will provide, or cause to be provided, the Scheme Consideration to each Scheme Shareholder in accordance with the terms of this Scheme and the Deed Poll;
- (b) all Scheme Shares will be transferred to AVL on the Implementation Date; and
- (c) TMT will enter the name of AVL in the TMT Share Register in respect of all Scheme Shares transferred to AVL in accordance with the terms of this Scheme and the Deed Poll.

### 2.4 Scheme Implementation Deed

AVL and TMT have agreed by executing the Scheme Implementation Deed to implement the terms of this Scheme.

### 2.5 Deed Poll

This Scheme attributes actions to AVL but does not itself impose an obligation on them to preform those actions. AVL has executed the Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders to perform (or procure the performance of) the obligations attributable to AVL as contemplated by this Scheme, including to provide, or cause to be provided, the Scheme Consideration to the Scheme Shareholders.

## 3 AVL Nominee

- (a) AVL may nominate any wholly-owned Subsidiary of AVL (**AVL Nominee**) to acquire the Scheme Shares under this Scheme by giving written notice to TMT on or before the date that is 10 Business Days before the First Court Date.
- (b) If AVL nominates the AVL Nominee to acquire the Scheme Shares under the Scheme, then:
  - (i) references in this Scheme to AVL acquiring the Scheme Shares under this Scheme are to be read as references to the AVL Nominee doing so;
  - (ii) other references in this Scheme to AVL are to be read as references to AVL or the AVL Nominee, other than to the extent those provisions relate to the New AVL Shares which will always be fully paid ordinary shares in the capital of AVL (and not the AVL Nominee);
  - (iii) AVL and TMT must procure that the Scheme Shares transferred under the Scheme are transferred to the AVL Nominee, rather than AVL;

- (iv) AVL must procure that the AVL Nominee complies with the relevant obligations of AVL under this Scheme; and
- (v) any such nomination will not relieve AVL of its obligations under this Scheme, including the obligation to provide, or cause to be provided, the Scheme Consideration in accordance with the terms of this Scheme, provided that AVL will not be in breach of this Scheme for failing to perform an obligation of AVL if that obligation is fully discharged by the AVL Nominee.

## **4 Conditions precedent**

### **4.1 Conditions precedent to Scheme**

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00am on the Second Court Date, the Scheme Implementation Deed and Deed Poll not having been terminated;
- (b) all of the conditions precedent in schedule 1 of the Scheme Implementation Deed having been satisfied or waived (other than the condition precedent relating to Court approval set out in item 5 of schedule 1 of the Scheme Implementation Deed) in accordance with the terms of the Scheme Implementation Deed;
- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, AVL and TMT having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act; and
- (d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

### **4.2 Conditions precedent and operation of clause 6 of this Scheme**

The satisfaction of each condition of **clause 4.1** of this Scheme is a condition precedent to the operation of **clause 6** of this Scheme.

### **4.3 Certificate in relation to conditions precedent**

- (a) AVL and TMT must provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in **clause 4.1** of this Scheme (other than the conditions precedent in **clauses 4.1(c)** and **4.1(d)** of this Scheme) have been satisfied or waived as at 8.00 am on the Second Court Date.
- (b) The certificate referred to in **clause 4.3(a)** will constitute conclusive evidence of whether the conditions precedent referred to in **clause 4.1** of



this Scheme (other than the condition precedent in **clauses 4.1(c)** and **4.1(d)** of this Scheme) have been satisfied or waived as at 8.00 am on the Second Court Date.

## **5 Scheme**

### **5.1 Effective Date**

Subject to **clause 5.2** of this Scheme, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

### **5.2 End Date**

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date or any later date the Court, with the consent of TMT and AVL, may order; or
- (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with their respective terms.

## **6 Implementation of Scheme**

### **6.1 Lodgement of Court orders with ASIC**

If the conditions precedent set out in **clause 4.1** of this Scheme (other than the condition precedent in **clause 4.1(d)** of this Scheme) are satisfied, TMT must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 12.00 pm on the first Business Day after the day on which the Court approves this Scheme or such later time as TMT and AVL agree in writing.

### **6.2 Transfer and registration of Scheme Shares**

Subject to the Scheme becoming Effective, on the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with **clause 7** of this Scheme and AVL having provided TMT with written confirmation of the provision of the Scheme Consideration:

- (a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to AVL, without the need for any further act by any Scheme Shareholder (other than acts performed by TMT as attorney and agent for Scheme Shareholders under **clause 10** of this Scheme), by:
  - (i) TMT delivering to AVL a duly completed and executed Share Scheme Transfer executed on behalf of the Scheme Shareholders by TMT, for registration; and
  - (ii) AVL duly executing the Share Scheme Transfer and delivering it to TMT for registration; and

- (b) immediately after receipt of the duly executed Share Scheme Transfer, TMT must enter, or procure the entry of, the name of AVL in the TMT Share Register in respect of all Scheme Shares transferred to AVL in accordance with the terms of this Scheme.

### **6.3 Entitlement to Scheme Consideration**

On the Implementation Date, in consideration for the transfer to AVL of the Scheme Shares, each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with **clause 7** of this Scheme.

### **6.4 Title and rights in Scheme Shares**

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder (other than Ineligible Overseas Shareholders and Small Parcel Shareholders), AVL will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by TMT of AVL in the TMT Share Register as the holder of the Scheme Shares.

### **6.5 Warranty by Scheme Shareholders**

Each Scheme Shareholder warrants to and is deemed to have authorised TMT to warrant to AVL as agent and attorney for the Scheme Shareholder by virtue of this **clause 6.5**, that:

- (a) all their Scheme Shares (including any Rights attaching to them) transferred to AVL under the Scheme will, as at the date of the transfer, be fully paid and free from all Security Interests and other interests of third parties of any kind whether legal or otherwise, and restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any Rights attaching to them) to AVL under this Scheme.

### **6.6 Transfer free of Security Interests**

To the extent permitted by law, all Scheme Shares (including any Rights attaching to them) which are transferred to AVL under this Scheme will, at the date of the transfer of them to AVL, vest in AVL free from all Security Interests and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

### **6.7 Appointment of AVL as sole proxy**

- (a) Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by **clauses 6.2** and **7** of this Scheme, on and from the Implementation Date until TMT registers AVL as the holder of all of the Scheme Shares in the TMT Share Register, each Scheme Shareholder:
  - (i) irrevocably appoints TMT as attorney and agent (and directs TMT in such capacity) to appoint AVL and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and

where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this **clause 6.7(a)(i)**);

- (ii) must take all other actions in the capacity of the registered holder of Scheme Shares as AVL directs; and
  - (iii) acknowledges and agrees that in exercising the powers referred to in **clause 6.7(a)(i)** of this Scheme, AVL and any director or corporate representative nominated by AVL under **clause 6.7(a)(i)** of this Scheme may act in the best interests of AVL as the intended registered holder of the Scheme Shares.
- (b) TMT undertakes in favour of each Scheme Shareholder that it will appoint AVL and each of its directors from time to time (jointly and each of them individually) as that Scheme Shareholder's proxy or, where applicable, corporate representative in accordance with **clause 6.7(a)(i)** of this Scheme.

## **7 Scheme Consideration**

### **7.1 Consideration under this Scheme**

On the Implementation Date, AVL:

- (a) must provide, or cause the provision of, the Scheme Consideration to the Scheme Shareholders (or to the Sale Agent in accordance with **clause 7.8** of this Scheme) in accordance with this clause 7; and
- (b) agrees to (in satisfaction of AVL's obligation to provide such Scheme Consideration to the Scheme Shareholders under **clause 7.1(a)** of this Scheme) issue, or cause to be issued, the Scheme Consideration to the Scheme Shareholders in accordance with this clause 7.

### **7.2 Scheme Consideration**

Subject to the terms and conditions of this Scheme (including **clauses 7.7** and **7.8** of this Scheme in relation to Ineligible Overseas Shareholders and Small Parcel Shareholders, and **clause 7.4** of this Scheme in relation to fractional elements), the Scheme Consideration to be provided to each Scheme Shareholder will be provided by the issue by AVL of the Scheme Consideration to that Scheme Shareholder on the Implementation Date.

### **7.3 Provision of Scheme Consideration**

Subject to the other provisions of this clause 7, the obligations of AVL to provide (or procure the provision of) the Scheme Consideration to the Scheme Shareholders will be satisfied by procuring that:

- (a) the name and address of each such Scheme Shareholder is entered into the AVL Share Register on the Implementation Date in respect of the New AVL Shares to which it is entitled under this clause 7; and
- (b) a share certificate or holding statement is sent to the Registered Address of each such Scheme Shareholder representing the number of New AVL Shares issued to the Scheme Shareholder pursuant to this Scheme.

#### **7.4 Fractional entitlements**

- (a) If the number of Scheme Shares held by a Scheme Shareholder at the Record Date is such that the aggregate entitlement of the Scheme Shareholder to Scheme Consideration is such that a fractional entitlement to an AVL Share arises, then the entitlement of that Scheme Shareholder must be rounded up or down, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of AVL Shares (or cents, as applicable), and any such fractional entitlement of 0.5 or more will be rounded up to the nearest whole number of AVL Shares (or cents, as applicable).
- (b) If a Nominee Holder holds more than one parcel of Scheme Shares as trustee or nominee for, or otherwise on account of, another person, then for the purposes of this clause 7.4, the Scheme Consideration for the Nominee Holder will be calculated and rounded based on the aggregate number of Scheme Shares held by the Nominee Holder in those parcels as trustee or nominee for, or otherwise on account of, other persons.

#### **7.5 Shareholder splitting or division**

If AVL is of the reasonable opinion that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with **clause 7.4** or each of whom holds less than or equal to the number of TMT Shares required to classify as a Small Parcel Shareholder) have, before the Record Date, been party to shareholder splitting or division in an attempt to obtain unfair advantage by reference to such rounding, AVL may give notice to those Scheme Shareholders:

- (a) setting out their names and Registered Addresses;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice is given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of other provisions of this Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and Registered Addresses are set out in the notice will, for the purposes of the other provisions of this Scheme, be taken to hold no Scheme Shares. AVL, in complying with the other provisions of this Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of the specified Scheme Shares, will be taken to have satisfied and

discharged its obligations to other Scheme Shareholders named under the notice under the terms of this Scheme.

## **7.6 Scheme Shareholders' agreements**

Under this Scheme, each Scheme Shareholder (and, to the extent relevant, the Sale Agent) irrevocably:

- (a) agrees to the transfer of their Scheme Shares together with all Rights attaching to them in accordance with this Scheme;
- (b) agrees to the variation, cancellation or modification of the Rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) agrees to, on the direction of AVL, destroy any holding statements or share certificates relating to their Scheme Shares;
- (d) agrees to become a shareholder of AVL, to have their name entered in the AVL Share Register and accepts the New AVL Shares issued to them under this Scheme on the terms and conditions of the AVL constitution, without the need for any further act by the Scheme Shareholder;
- (e) agrees and acknowledges that the issue of New AVL Shares in accordance with **clause 7.1** of this Scheme constitutes satisfaction of all that person's entitlements under this Scheme;
- (f) acknowledges that this Scheme binds TMT and all of the Scheme Shareholders from time to time (including those who do not attend the Scheme Meeting and those who do not vote, or voted against this Scheme, at the Scheme Meeting);
- (g) appoints TMT, and each director and officer of TMT, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Shareholders under the Corporations Act or any other applicable law; and
- (h) consents to TMT and AVL doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

## **7.7 Unclaimed monies**

- (a) AVL may cancel a cheque issued under this clause 7 if the cheque:
  - (i) is returned to AVL; or
  - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to TMT or AVL

(or the TMT Registry or AVL's share registry) (which request may not be made until the date which is 10 Business Days after the Implementation Date), AVL must reissue or procure the reissuance of a cheque that was previously cancelled under **clause 7.7(a)**.

- (c) The *Unclaimed Monies Act 1990* (WA) will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 7 of that Act).

## **7.8 Ineligible Overseas Shareholders and Small Parcel Shareholders**

- (a) AVL has no obligation to issue, and will not issue, any New AVL Shares to:

- (i) an Ineligible Overseas Shareholder; or
- (ii) a Small Parcel Shareholder,

and instead will issue (subject to **clause 7.4** and **7.10(d)**) the New AVL Shares that would otherwise have been issued to the Ineligible Overseas Shareholder or the Small Parcel Shareholder (**Relevant AVL Shares**) to the Sale Agent.

- (b) AVL will procure that, as soon as reasonably practicable and in any event not more than 30 Business Days after the Implementation Date, the Sale Agent:
- (i) in consultation with AVL, sells or procures the sale of all of the Relevant AVL Shares on the financial market conducted by ASX in such manner, at such price and on such terms as the Sale Agent determines in good faith (and at the risk of the Ineligible Overseas Shareholders and the Small Parcel Shareholders); and
  - (ii) remits to AVL the proceeds of sale (after deducting any applicable brokerage, stamp duty, currency conversion costs and other selling costs, taxes and charges).
- (c) Promptly after the last sale of Relevant AVL Shares in accordance with **clause 7.8(b)** and receiving the net proceeds of such sale, AVL must pay, or procure the payment, to each Ineligible Overseas Shareholder and Small Parcel Shareholder the amount calculated in accordance with the following formula and rounded down to the nearest cent:

$$(A \div B) \times C$$

Where:

- A is the number of Relevant AVL Shares that would otherwise have been issued to that Ineligible Overseas Shareholder or Small Parcel Shareholder if they had not been an Ineligible Overseas Shareholder or Small Parcel Shareholder, and which were issued to the Sale Agent for sale in accordance with **clause 7.8(b)**;

- B is the total number of Relevant AVL Shares which would have been issued to all Ineligible Overseas Shareholders and Small Parcel Shareholders, and which were issued to the Sale Agent for sale in accordance with **clause 7.8(b)**; and
- C is the proceeds of sale (after deducting any applicable brokerage, stamp duty, currency conversion costs and other selling costs, taxes and charges), being the amount referred to in **clause 7.8(b)(ii)**.
- (d) Each Ineligible Overseas Shareholder and Small Parcel Shareholder acknowledges and agrees that:
- (i) none of AVL, TMT or the Sale Agent give any assurance as to the price that will be achieved for the sale of the Relevant AVL Shares described in **clause 7.8(b)**; and
  - (ii) AVL, TMT and the Sale Agent each expressly disclaim any fiduciary duty to any Ineligible Shareholder which may arise in connection with this clause 7.8.
- (e) AVL must pay or procure that each Ineligible Overseas Shareholder and Small Parcel Shareholder is paid any amounts owing under **clause 7.8(c)** by either (in the absolute discretion of AVL):
- (i) making a deposit in an account with any ADI (as defined in the *Banking Act 1959* (Cth)) in Australia notified by that Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) to TMT (or the TMT Registry) and recorded in or for the purposes of the TMT Share Register at the Record Date; or
  - (ii) dispatching, or procuring the dispatch, to that Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) by prepaid post to the Registered Address (as at the Record Date) of that Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable), a cheque in the name of that Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) (in the case of joint holders, the cheque will be drawn in the name of the joint holders and dispatched in accordance with the procedures set out in **clause 7.13**),
- for the relevant amount, with that amount being denominated in Australian dollars.
- (f) Each Ineligible Overseas Shareholder and Small Parcel Shareholder appoints TMT, and each director and officer of TMT, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices (including any updates of those documents) that the Sale Agent is required to provide to the Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) under the Corporations Act or any other applicable law.



- (g) Payment of the relevant amounts calculated in accordance with **clause 7.8(c)** satisfies in full AVL's obligations to the Ineligible Overseas Shareholder or Small Parcel Shareholder (as applicable) under this Scheme in respect of the Scheme Consideration.

## **7.9 Other ineligible Scheme Shareholders**

Where the issue of New AVL Shares to which a Scheme Shareholder (other than an Ineligible Overseas Shareholder or a Small Parcel Shareholder) would otherwise be entitled under this Scheme would result in a breach of law:

- (a) AVL will issue the maximum possible number of New AVL Shares to the Scheme Shareholder without giving rise to such a breach; and
- (b) any further New AVL Shares to which that Scheme Shareholder is entitled, but the issue of which to the Scheme Shareholder would give rise to such a breach, will instead be issued to the Sale Agent and dealt with under **clause 7.8**, as if:
  - (i) references to Ineligible Overseas Shareholders also included that Scheme Shareholder; and
  - (ii) references to Relevant AVL Shares also included any of that Scheme Shareholder's New AVL Shares that have been issued to the Sale Agent.

## **7.10 Withholding**

- (a) If AVL is required by Subdivision 14-D of Schedule 1 of the TAA (Subdivision 14-D) to pay any amounts to the Commissioner in respect of the acquisition of Scheme Shares from certain Scheme Shareholders, AVL is permitted to deduct the relevant amounts from the payment of the Scheme Consideration to those Scheme Shareholders, and remit such amounts to the Commissioner. The aggregate sum payable to Scheme Shareholders shall not be increased to reflect the deduction and the net aggregate sum payable to those Scheme Shareholders shall be taken to be in full and final satisfaction of the amounts owing to those Scheme Shareholders. AVL must pay any amount to the Commissioner in the amount payable under this clause 7.10(a) and time as required by law and, if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Scheme Shareholder.
- (b) For the purposes of **clause 7.10(a)**, AVL may:
  - (i) treat those Scheme Shareholders as Ineligible Overseas Shareholders for the purposes of this Scheme (if they are not already treated as such); and
  - (ii) deduct the relevant amounts from those Scheme Shareholders' proportion of the net proceeds of sale referred to in **clause 7.8(c)** and remit the amounts deducted to the Commissioner.

- (c) AVL acknowledges and agrees that it will not deduct any amounts from the payment of the Scheme Consideration or pay any amounts to the Commissioner under **clause 7.10(a)** with respect to a Scheme Shareholder where AVL:
  - (i) receives a Scheme Shareholder Declaration from the Scheme Shareholder prior to the Implementation Date and does not know that the Scheme Shareholder Declaration is false; or
  - (ii) receives a Nil Variation Notice prior to the Implementation Date.
- (d) TMT agrees AVL may approach the ATO to obtain clarification as to the application of Subdivision 14-D to the Scheme and will provide all information and assistance AVL reasonably requires in making any such approach. AVL agrees:
  - (i) to provide TMT a reasonable opportunity to review the form and content of all materials to be provided to the ATO, and must incorporate TMT's reasonable comments on those materials, and more generally to take into account TMT's comments in relation to AVL's engagement with the ATO, and provide TMT a reasonable opportunity to participate in any discussions and correspondence between AVL and the ATO in connection with the application of Subdivision 14-D to the Proposed Transaction; and
  - (ii) not to contact any Scheme Shareholders in connection with the application of Subdivision 14-D to the Scheme without TMT's prior written consent.
- (e) The parties agree to consult in good faith as to the application of Subdivision 14-D, including taking into account any clarification provided by the ATO following any process described in this clause. The parties agree to take all actions that they agree (each acting reasonably) are necessary or desirable following that consultation which may include, without limitation, making amendments to this document and the Deed Poll to ensure that relevant representations are obtained from Scheme Shareholders.

## **7.11 Orders of a Court or Government Agency**

- (a) TMT may deduct and withhold from any consideration which would otherwise be provided to a Scheme Shareholder in accordance with this clause 7, any amount which TMT and AVL determine is required to be deducted and withheld from that consideration under any applicable law, including any order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency.
- (b) To the extent that amounts are so deducted or withheld, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing agency.

- (c) If written notice is given to TMT of an order, direction or notice made or given by a court of competent jurisdiction or by another Government Agency that:
  - (i) requires consideration which would otherwise be provided to a Scheme Shareholder in accordance with this clause 7 to instead be paid or provided to a Government Agency or other third party (either through payment of a sum or the issuance of a security), then TMT shall be entitled to procure that provision of that consideration is made in accordance with that order, direction or notice (and payment or provision of that consideration in accordance with that order, direction or notice will be treated for all purposes under this Scheme as having been paid or provided to that Scheme Shareholder); or
  - (ii) prevents consideration being provided to any particular Scheme Shareholder in accordance with this clause 7, or the payment or provision of such consideration is otherwise prohibited by applicable law, TMT shall be entitled to (as applicable) direct AVL not to issue (or procure the issue of), or to issue or provide to a trustee or nominee, such number of New AVL Shares as that Scheme Shareholder would otherwise be entitled to under this clause 7, until such time as payment or provision of the consideration in accordance with this clause 7 is permitted by that order or direction or otherwise by law.

## **7.12 Shares to rank equally**

AVL covenants in favour of TMT (in its own right and on behalf of the Scheme Shareholders) that, subject to this Scheme becoming Effective:

- (a) the New AVL Shares will, upon their issue, rank equally in all respects with all other AVL Shares then on issue;
- (b) it will do everything reasonably necessary to ensure that the New AVL Shares will be quoted on the official list of ASX and commence trading on a normal settlement basis no later than the first Business Day after the Implementation Date;
- (c) the New AVL Shares will be duly and validly issued in accordance with applicable laws; and
- (d) on issue, each New AVL Share will be fully paid and free from any Security Interest (except for any lien arising under AVL's constitution).

## **7.13 Joint holders**

In the case of Scheme Shares held in joint names:

- (a) any New AVL Shares to be issued under this Scheme must be issued and registered in the names of the joint holders and entry in the AVL Share Register must take place in the same order as the holders' names appear in the TMT Share Register;

- (b) any cheque required to be sent under this Scheme must be payable to the joint holders and sent to the holder whose name appears first in the TMT Share Register on the Record Date; and
- (c) any document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of TMT, the holder whose name appears first in the TMT Share Register as at the Record Date or to the joint holders.

## 8 Dealings in Scheme Shares

### 8.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in Scheme Shares or other alterations to the TMT Share Register will only be recognised by TMT if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the TMT Share Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the TMT Share Register is kept,

and TMT will not accept for registration, nor recognise for any purpose any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

### 8.2 TMT Share Register

TMT must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with **clause 8.1(b)** of this Scheme on or before the Record Date, provided that nothing in this **clause 8.2** requires TMT to register a transfer that would result in a TMT Shareholder holding a parcel of TMT Shares that is less than a 'marketable parcel' (as defined in the operating rules of ASX).

### 8.3 No disposals after Record Date

- (a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever.
- (b) TMT will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Record Date (except a transfer to AVL pursuant to this Scheme and any subsequent transfer by AVL or its successors in title).

#### **8.4 Maintenance of TMT Share Register**

For the purpose of determining entitlements to the Scheme Consideration, TMT will maintain the TMT Share Register in accordance with the provisions of this **clause 8.4** until the Scheme Consideration has been issued to the Scheme Shareholders and AVL has been entered in the TMT Share Register as the holder of all the Scheme Shares. The TMT Share Register in this form will solely determine entitlements to the Scheme Consideration.

#### **8.5 Effect of certificates and holding statements**

Subject to provision of the Scheme Consideration and registration of the transfer to AVL contemplated in **clauses 6.2** and **8.4** of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of AVL and its successors in title). After the Record Date, each entry current on the TMT Share Register as at the Record Date (other than entries in respect of AVL or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the TMT Shares relating to that entry.

#### **8.6 Details of Scheme Shareholders**

Within one Business Day after the Record Date, TMT will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Shareholder, as shown in the TMT Share Register at the Record Date, are available to AVL in such form as AVL reasonably requires.

#### **8.7 Quotation of TMT Shares**

Suspension of trading on ASX in TMT Shares will occur from the close of trading on ASX on the Effective Date.

#### **8.8 Termination of quotation of TMT Shares**

TMT will apply:

- (a) for termination of the official quotation of TMT Shares on ASX; and
- (b) to have itself removed from the official list of ASX,

in each case with effect on and from the close of trading on the Trading Day immediately following the Implementation Date.

### **9 Instructions and notification**

If not prohibited by law (and including where permitted or facilitated by relief granted by a Government Agency), all instructions, notifications or elections by a Scheme Shareholder to TMT that are binding or deemed binding between the Scheme Shareholder and TMT relating to TMT or TMT Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;

- (b) payments of dividends on TMT Shares; and
  - (c) notices or other communications from TMT (including by email),
- will be deemed from the Implementation Date (except to the extent determined otherwise by AVL in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to AVL and to be a binding instruction, notification or election to, and accepted by, AVL until that instruction, notification or election is revoked or amended in writing addressed to AVL at its registry.

## 10 Power of attorney

Each Scheme Shareholder, without the need for any further act by any Scheme Shareholder, irrevocably appoints TMT and each of its directors and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:

- (a) executing any document, or doing or taking any other act, necessary or expedient to give effect to this Scheme and the transactions contemplated by it, including the Share Scheme Transfer; and
  - (b) enforcing the Deed Poll against AVL,
- and TMT accepts such appointment.

## 11 Notices

### 11.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to TMT, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at TMT's registered office or at the office of the registrar of TMT Shares.

### 11.2 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any TMT Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

## 12 General

### 12.1 Variations, alterations and conditions

- (a) TMT may, with the consent of AVL, by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.
- (b) Each Scheme Shareholder agrees to any such alterations or conditions which TMT has consented to pursuant to **clause 12.1(a)** of this Scheme.

## **12.2 Further action by TMT**

TMT will execute all documents and do all things (on its own behalf and on behalf of each Scheme Shareholder) necessary or expedient to implement, and perform its obligations under, this Scheme and the transaction contemplated by it.

## **12.3 Authority and acknowledgement**

Each of the Scheme Shareholders:

- (a) irrevocably consents to AVL and TMT doing all things necessary or expedient for or incidental to the implementation of this Scheme; and
- (b) acknowledges that this Scheme binds TMT and all Scheme Shareholders (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of TMT.

## **12.4 No liability when acting in good faith**

Without prejudice to the parties' rights under the Scheme Implementation Deed, neither AVL nor TMT, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of this Scheme in good faith.

## **12.5 Enforcement of Deed Poll**

TMT undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against AVL on behalf of and as agent and attorney for the Scheme Shareholders.

## **12.6 Stamp duty**

AVL will pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme.

## **12.7 Scrip for scrip roll-over relief**

In the event the Scheme Shareholders are eligible for scrip for scrip roll-over relief, AVL acknowledges it has not made, and will not make, a choice under subsection 124-795(4) of the ITAA 1997.

# **13 Governing law**

## **13.1 Governing law and jurisdiction**

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.



## **13.2 Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the section of this document headed 'Parties'.

## Appendix 4 Notice of Scheme Meeting

# Notice of Scheme Meeting

### Technology Metals Australia Limited ACN 612 531 389

Notice is given that, by an order of the Supreme Court of Western Australia made on 4 December 2023 pursuant to section 411(1) of the Corporations Act, a meeting of the holders of ordinary shares in the Company will be held on Tuesday, 16 January 2024 at 10:00am (AWST) at Level 3, 88 William Street, Perth WA 6000.

The Court has also directed that Michael Fry, Non-executive Chairman of TMT act as chairperson of the Scheme Meeting or failing him Joanne Gaines, Non-executive Director of TMT, and has directed the chairperson to report the results of the Scheme Meeting to the Court.

### Purpose of Meeting

The purpose of the Scheme Meeting is to consider and, if thought fit, to approve (with or without modification) a scheme of arrangement proposed to be made between TMT and TMT Shareholders.

To enable you to make an informed voting decision, important information on the Scheme is set out in this Scheme Booklet accompanying this Notice of Scheme Meeting.

The Explanatory Memorandum forms part of this Notice of Scheme Meeting. Unless otherwise defined, capitalised terms used in this notice have the same meaning as set out in the defined terms in Section 10 of this Scheme Booklet.

### Agenda

#### Resolution 1 – Approval of the Scheme

To consider and if, thought fit, to pass, with or without amendment, the following resolution in accordance with section 411 of the Corporations Act:

*"That, pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between TMT and the holders of its ordinary shares as contained in and more particularly described in this Scheme Booklet of which this Notice of Scheme Meeting forms part, is agreed to (with or without alterations or conditions as approved by the Court to which TMT and AVL agree), and TMT is authorised, subject to the terms of the Scheme Implementation Deed to agree to such alterations or conditions, and subject to approval by the Court, to implement the Scheme with any such alterations or conditions."*

#### By order of the Court and the TMT Board

Dated 5 December 2023

# Meeting Instructions

This Explanatory Memorandum has been prepared for the information of TMT Shareholders in connection with the business to be conducted at the Scheme Meeting on Tuesday, 16 January 2024 at 10:00am (AWST) at Level 3, 88 William Street, Perth WA 6000.

This Explanatory Memorandum should be read in conjunction with the Notice of Scheme Meeting and this Scheme Booklet (of which the Notice of Scheme Meeting forms part).

Any changes to the Scheme Meeting will be communicated to TMT Shareholders virtually via TMT's ASX platform.

A copy of the Scheme is set out in Appendix 2 of this Scheme Booklet.

## Voting entitlements

The persons eligible to vote at the Scheme Meeting are those who are registered as shareholders of TMT on Sunday, 14 January 2024 at 10:00am (AWST).

## Participating at the Scheme Meeting

All people attending the Scheme Meeting in person are asked to arrive at the Scheme Meeting venue (Level 3, 88 William Street, Perth WA 6000) at least 30 minutes prior to the start of the Scheme Meeting, so that either their shareholding can be checked against the TMT Register and any power of attorney or form of appointment of corporate representative verified, and their attendance noted.

## Alternative arrangements

If it becomes necessary or appropriate to make alternative or supplementary arrangements to hold the Scheme Meeting, TMT Shareholders will be given as much notice as possible. Any changes to the Scheme Meeting will be communicated to TMT Shareholders via TMT's ASX platform.

## How to ask questions?

TMT Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their questions to [investors@tmtlimited.com.au](mailto:investors@tmtlimited.com.au) prior to 10:00am (AWST) on Monday, 15 January 2023.

Alternatively TMT Shareholders will have an opportunity to ask questions at the Scheme Meeting in person at appropriate times during the Scheme Meeting.

## Required Voting Majority

In order for the Scheme to become effective, the resolution set out in the Notice of Scheme Meeting must be passed at a meeting by:

- unless the Court orders otherwise, a majority of the number of TMT Shareholders present and voting (whether in person or by proxy, attorney or, in the case of corporate shareholders, a corporate representative) at the meeting; and
- at least 75% of the votes cast on the resolution.

The Court has the discretion under section 411(4)(a)(ii)(A) of the Corporations Act to approve the Scheme if it is approved by at least 75% of the votes cast on the resolution but not by a majority in

number of TMT Shareholders (other than excluded shareholders) present and voting at the Scheme Meeting.

Voting at the Scheme Meeting will be by poll rather than by a show of hands.

### **Court approval**

In accordance with section 411(4)(b) of the Corporations Act, the Scheme (with or without alteration or conditions) is subject to approval of the Court. If the resolution proposed at the Scheme Meeting is approved by the requisite majority, and the relevant conditions of the Scheme (other than approval by the Court) are satisfied, or waived, by the time required under the Scheme, TMT intends to apply to the Court for the necessary orders to give effect to the Scheme.

### **How to vote**

TMT Shareholders entitled to vote at the Scheme Meeting can vote:

- by attending the Scheme Meeting physically; or
- by appointing a proxy, attorney or, in the case of corporate shareholders or proxies, a corporate representative to attend the Scheme Meeting physically and vote on their behalf.

### **Voting by proxy**

A TMT Shareholder entitled to attend and vote at the Scheme Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on the resolution to be put to the Scheme Meeting and also to speak at the Scheme Meeting. The appointment of a proxy may specify the proportion or the number of votes the proxy may exercise. Where more than one proxy is appointed, and if the appointment does not specify the proportion or number of TMT Shareholder votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a TMT Shareholder.

If a proxy is not directed how to vote on any item of business, the proxy may vote or abstain from voting, as the proxy thinks fit. If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the shareholder's behalf on the poll, and the TMT Shares the subject of the proxy appointment will not be counted in computing the required majority.

TMT Shareholders who appoint a proxy but do not nominate the identity of their proxy will be taken to have appointed the chairperson of the Scheme Meeting as their proxy to vote on their behalf. If a proxy is lodged and the proxy specifies the way the proxy is to vote on the Scheme Resolution but the nominated proxy is either not recorded as attending the Scheme Meeting or does not vote on the Scheme Resolution, the chairperson of the Scheme Meeting will act in place of the nominated proxy and vote in accordance with the directions.

Proxy appointments in favour of, or which default, to the chairperson of the Scheme Meeting which do not contain a direction as to how to vote will be voted in favour of the Scheme Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of TMT Shareholders. An ASX announcement will be released if the chairperson changes their voting intention.

If you appoint a proxy, you may still attend the Scheme Meeting. Please note that if you appoint a proxy and attend the Scheme Meeting, your proxy's authority to vote will not be suspended while you are present. However, you may still vote on the Scheme Resolution. If you do so and your proxy also votes, your vote will be counted and your proxy's will not.

## Appointing a proxy

TMT Shareholders who are unable to attend the Scheme Meeting are strongly encouraged to submit their votes by proxy instead.

<b>Online</b>	<p>TMT Shareholders who have elected to receive notices of meeting electronically will receive an email providing for proxy appointments to be made online.</p> <p>Proxy Forms can be lodged online by following the below instructions:</p> <ul style="list-style-type: none"><li>• Login at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> using the holding details as shown on the Proxy Form.</li><li>• Click on 'Meetings'.</li><li>• To use the online lodgement facility, TMT Shareholders who have not elected to receive notices of meetings electronically will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. Technology Metals Shareholders who have received a personalised link will need their postcodes or, in the case of overseas Shareholders, their county code.</li></ul> <p>You will be taken to have signed a Proxy Form and appointed a proxy if you submit your proxy online in accordance with the instructions on the website. Please read the instructions for online proxy submissions carefully before you lodge your proxy.</p> <p>The online proxy appointment must be received by TMT by no later than 10:00am (AWST) on Sunday, 14 January 2024 to be effective (being 48 hours before the Scheme Meeting). Proxy appointments received later than this time will be invalid.</p>
<b>Hard copy</b>	<p>TMT Shareholders who have not elected to receive notices of meeting electronically will receive a letter which includes a hard copy of the Proxy Form.</p> <p>TMT Shareholders may appoint a proxy by completing and returning the Proxy Form to TMT or the Share Registry, by either posting it in the reply-paid envelope provided (only for use in Australia) or by sending, delivering, faxing or lodging it online as follows:</p>
<b>In person</b>	<p>Level 5 126 Phillip Street Sydney NSW 2000</p>
<b>Mail to:</b>	<p>GPO Box 5193 Sydney NSW 2001</p>
<b>Fax to:</b>	<p>+61 2 8583 3040</p>
<b>Email</b>	<p>Email your signed proxy form to <a href="mailto:meetings@automicgroup.com.au">meetings@automicgroup.com.au</a></p>
<b>Mobile device</b>	<p>Scan the QR code on your Proxy Form and follow the prompts. You will need your SRN or HIN, the allocated control number and PIN as shown on your Proxy Form.</p>

The signed Proxy Form (and an original or certified copy of any power of attorney under which it has been signed, unless already provided) must be received by TMT or the Share Registry, by no later than 10:00am (AWST) on Sunday, 14 January 2024 (being 48 hours before the Scheme Meeting), to be effective. Proxy Forms received later than this time will be invalid.

### **Appointing a corporate representative**

A TMT Shareholder or proxy, which is a body corporate, may appoint an individual to act as its representative to vote at the Scheme Meeting. The appointment must comply with section 250D of the Corporations Act. If a representative of a TMT Shareholder or proxy, which is a body corporate is to attend the Scheme Meeting the appropriate "Appointment of Corporate Representative" form will need to be produced prior to admission along with an original or certified copy of any power of attorney under which it is signed. A form may be obtained from the Share Registry at <https://investor.automic.com.au/#/support/2/sub> under FAQ's & Investor Forms, click on 'How do I appoint a Corporate Representative?'.

Unless otherwise specified in the appointment, a representative acting in accordance with his or her authority, until it is revoked by the body corporate TMT Shareholder, is entitled to exercise the same powers on behalf of that body corporate as that body corporate could exercise at a meeting or in voting on a resolution.

### **Appointing an attorney**

TMT Shareholders who wish to vote by attorney at the Scheme Meeting should, if they have not already presented an appropriate power of attorney to TMT, deliver to TMT's Share Registry or TMT an original or certified copy of the power of attorney by no later than 48 hours before the commencement of the Scheme Meeting.

### **Joint holders**

In the case of TMT Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one TMT Shareholder votes in respect of jointly held TMT Shares, the vote of the senior who tenders a vote must be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names stand in the TMT Share Register.

### **Further information for TMT Shareholders**

If you have any questions please contact TMT Shareholder Information Line on 08 9321 8533 between 8:30 am and 5:00 pm (AWST) Monday to Friday or Automic's Investor Services team at 1300 288 664 (within Aus) or +61 02 9698 5414 (overseas).

# Authorisation

The issue of this Scheme Booklet is authorised by the Directors of Technology Metals Australia Limited and this Scheme Booklet has been signed by or on behalf of the Directors of Technology Metals Australia Limited on 5 December 2023.

A handwritten signature in black ink, appearing to read 'Ian Prentice', written in a cursive style.

**Ian Prentice**  
Managing Director

# Corporate Directory

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## Directors

Mr Michael Fry – Non-Executive Chairperson  
Mr Ian Prentice – Managing Director  
Dr Carmen Letton – Non-Executive Director  
Ms Joanne Gaines – Non-Executive Director

## Company Secretary

Mr Sonu Cheema

## Registered and Corporate Office

Suite 9, 330 Churchill Avenue Subiaco WA 6008

## Website

<http://www.tmtlimited.com.au>

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## Legal Adviser

DLA Piper Australia  
Level 21, 240 St Georges Terrace Perth WA  
6000

## Financial Advisers

Argonaut PCF Limited  
Level 31 Allendale Square, 77 St Georges  
Terrace, Perth, Western Australia

## Sternship Advisers

Level 2/44A Kings Park Rd, West Perth WA  
6005

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## Independent Expert

BDO Corporate Finance (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth WA 6000

## Share Registry

Automic Group  
Level 5, 191 St Georges Terrace  
Perth WA 6000  
Email: [hello@automic.com.au](mailto:hello@automic.com.au)  
Website: [www.automicgroup.com.au](http://www.automicgroup.com.au)

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## Independent Technical Specialist

Valuation & Resource Management Pty Ltd  
PO Box 1506  
West Perth WA 6872

## Stock Exchange Listing

ASX Code: TMT

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**TECHNOLOGY**  
METALS AUSTRALIA LIMITED

[tmtlimited.com.au](http://tmtlimited.com.au)

ABN 64 612 531 389



TECHNOLOGY  
METALS AUSTRALIA LIMITED

Technology Metals Australia Limited | ABN 64 612 531 389

# Proxy Voting Form

If you are attending the Scheme Meeting  
in person, please bring this with you  
for Securityholder registration.

Your proxy voting instruction must be received by **10.00am (AWST) on Sunday, 14 January 2024**, being **not later than 48 hours** before the commencement of the Scheme Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Scheme Meeting.

## SUBMIT YOUR PROXY

**Complete the form overleaf in accordance with the instructions set out below.**

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Scheme Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Scheme Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE SCHEME MEETING

Any directed proxies that are not voted on a poll at the Scheme Meeting will default to the Chair of the Scheme Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Scheme Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Scheme Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Scheme Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

##### WEBSITE:

<https://automicgroup.com.au/>

##### PHONE:

1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

