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TECHNOLOGY
METALS AUSTRALIA LIMITED

ABN 64 612 531 389

Annual Financial Report
30 June 2020

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CORPORATE INFORMATION

ABN 64 612 531 389

Directors

Mr Michael Fry (Non-executive Chairman)

Mr Ian Prentice (Managing Director)

Mr Sonu Cheema (Non-executive Director)

Company secretary

Mr Sonu Cheema

Registered office

Suite 9, 330 Churchill Avenue

Subiaco, WA 6008

Principal place of business

Suite 9, 330 Churchill Avenue

Subiaco, WA 6008

Share register

Automatic Registry Services

Level 2/267 St Georges Terrace

Perth, WA 6000

P: 1300 288 664 (within Australia)

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

Solicitors

Eaton Hall, Corporate & Commercial Lawyers

Unit 9, 628-630 Newcastle Street

Leederville, WA 6007

Bankers

National Australia Bank Ltd

1st Floor, 1238, Hay Street

West Perth, WA 6005

Auditors

HLB Mann Judd

Level 4, 130 Stirling Street

Perth, WA 6000

Securities Exchange Listing

Technology Metals Australia Limited shares are listed on the Australian Securities

Exchange (ASX: TMT)

DIRECTORS' REPORT

The directors of Technology Metals Australia Limited (**ASX: TMT**) (**Company** or **Technology Metals**) submit herewith the annual report of the Company and the entities it controlled during the period ("the Group") for the year ended 30 June 2020. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during or since the end of the period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Michael Fry **Non-Executive Chairman**

Appointed 20 May 2016

Mr Fry holds a Bachelor of Commerce degree from the University of Western Australia, is a Fellow of the Financial Services Institute of Australasia, and is a past member of the Australian Stock Exchange. 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 with a focus on oil and gas exploration and production onshore mid-continent region of USA.

In the 3 years immediately before the end of the financial year, Mr Fry served as a Director of the following listed companies:

Brookside Energy Limited (Present)
Challenger Energy Limited (Resigned 3 July 2019)
Norwest Energy NL (Resigned 28 November 2018)

Mr Ian Prentice **Managing Director**

Appointed 20 May 2016

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.

In the 3 years immediately before the end of the financial year, Mr Prentice also served as a Director of the following listed companies:

No other directorships

Mr Sonu Cheema **Non-Executive Director and Company Secretary**

Appointed 20 May 2016

Mr Cheema holds the position of Accountant for Cicero Corporate Services Pty Ltd and has over 12 years' experience working with public and private companies in Australia and abroad. Roles and responsibilities held by Mr Cheema include completion and preparation of management and ASX financial reports, investor relations, initial public offers, mergers and acquisitions, management of capital raising activities and auditor liaison. Currently Mr Cheema is also Company Secretary for eMetals Limited (ASX: EMT), Silver City Minerals Limited (ASX: SCI), Avira Resources Limited (ASX: AVW), Comet Resources Limited (ASX:CRL) and Yojee Limited (ASX: YOJ). Mr Cheema has completed a Bachelor of Commerce majoring in Accounting at Curtin University and is a member of CPA Australia.

DIRECTORS' REPORT (continued)

In the 3 years immediately before the end of the financial year, Mr Cheema also served as a Director of the following listed companies:

Avira Resources Limited (Appointed 17 March 2020)

Silver City Minerals Limited (Appointed 29 May 2020)

Affinity Energy & Health Limited (Appointed 14 June 2019 – Resigned 18 September 2019)

Interests in the shares, options and convertible notes of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the Directors as at the date of this report.

Directors	Fully paid ordinary shares	Share options	Performance shares
	Number	Number	Number
Michael Fry	200,000	2,000,000	-
Ian Prentice	581,998	4,000,000	-
Sonu Cheema	120,000	500,000	-

Shares under option or issued on exercise of options

At the date of this report, unissued ordinary shares or interests of the Company under option are:

Date options granted	Number of shares under option	Exercise price of option	Expiry date of option
12 January 2018	2,750,000	\$0.35	12 January 2021
4 May 2020	8,250,000	\$0.20	10 May 2023
15 June 2020	6,849,834	\$0.25	15 June 2022

Principal Activities

The principal activities of the entities within the Group during financial year ending 30 June 2020 were mineral exploration. The Company's primary focus is on the Gabanintha Vanadium Project located 40km south east of Meekatharra in the mid-west region of Western Australia with the aim to develop this project to potentially supply high-quality V₂O₅ flake product to both the steel market and the emerging vanadium redox battery (VRB) market.

REVIEW OF OPERATIONS

The Company continued to advance activities designed to progress the development of the high grade, low cost, large scale, long life Gabanintha Vanadium Project ("Project" or "GVP") following the delivery of the very high quality definitive feasibility study ("DFS") on the globally significant GVP in August 2019. Following the release of the DFS the Company has been in ongoing discussions with offtake partners, equipment vendors and suppliers, strategic partners and project funding parties as well as progressing Project environmental and permitting activities.

The DFS was based on the Northern Block of tenements at GVP (see Figure 1) which host a Measured and Indicated Mineral Resource of 30.0 Mt at 0.9% V₂O₅, part of the GVP global Measured, Indicated and Inferred Mineral Resource of 131 Mt at 0.9% V₂O₅. The Proven and Probable Ore Reserve of 29.6 Mt at a diluted grade of 0.88% V₂O₅ (a very high +98% tonnage conversion from Measured and Indicated Resource) supports an initial 16 year project life, with +1.0% V₂O₅ feed grade for the first 12 years establishing GVP as one of the World's highest grade vanadium projects. The GVP's large global Mineral Resource provides clear scope for a material increase to the initial project life.

DIRECTORS' REPORT (continued)

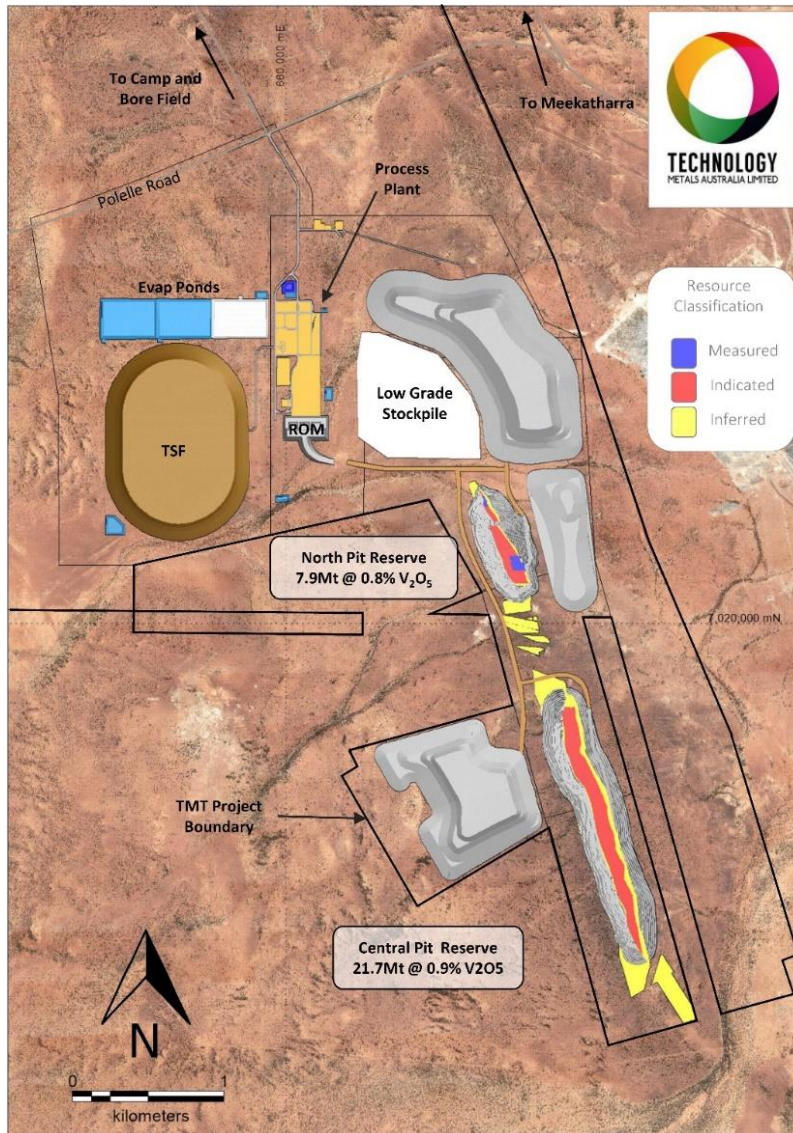
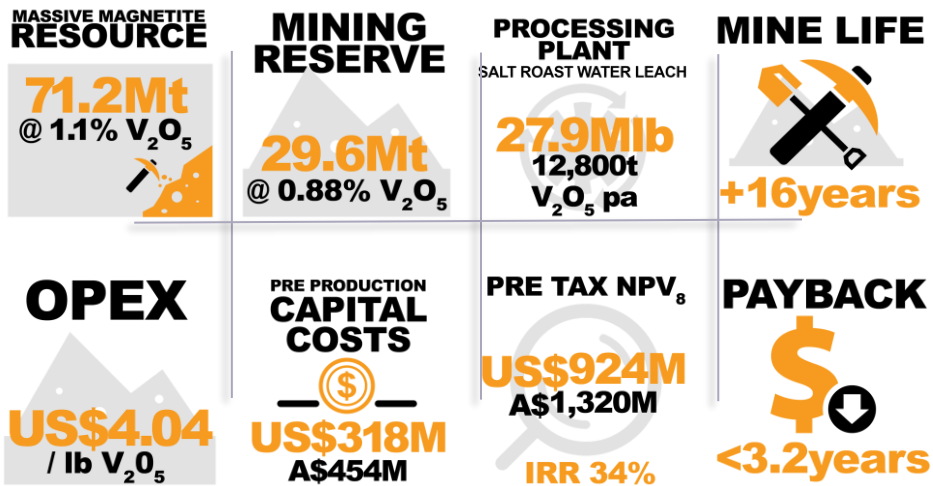


Figure 1: Gabanintha Vanadium Project – Site Layout

GABANINTHA VANADIUM PROJECT DEFINITIVE FEASIBILITY STUDY SUMMARY!



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DIRECTORS' REPORT (continued)

- Lowest quartile life of mine cash costs of US\$4.04/lb V₂O₅ compare favourably to global producers.
- Industry leading end-to-end vanadium recovery of 77% on fresh massive ore with class leading 71% mass recovery to magnetic concentrate confirmed by pilot scale testwork.
- Critical pilot scale kiln roast test work completed by industry lead kiln supplier, FLSmidth Inc.
- Average annual production of 27.9 Mlb (12,800T) of very high purity V₂O₅ – would establish Gabanintha as the World's largest primary vanadium producer.
- Feed grade of +1.0% V₂O₅ for first 12 years – one of the World's highest grade projects.
- Conservative +two-year throughput and recovery ramp up assumptions used in financial modelling.
- Clear scope to extend mine life well beyond 20 years supported by conversion of some of the balance of the global Measured, Indicated and Inferred Mineral Resource of 131 Mt at 0.9% V₂O₅
- Life of mine EBITDA estimate of A\$4.1 Bn.
- Estimated A\$1.09 Bn free cash flow generated in the first six years of operation.
- 15-yr historical average price of US\$8.78/lb V₂O₅ delivers pre-tax NPV_{8%} of US\$464m (A\$663m) and IRR of 21%.
- Pre-production process plant capital of US\$318m (A\$454m).

Cautionary Statement

The DFS referred to in this report is based upon a JORC Compliant Mineral Resource Estimate (ASX: Gabanintha Northern Block Resource Upgrade: 29 March 2019) (inclusive of the updated Proven and Probable Ore Reserve referred to in this report). Mineralisation to be mined in the DFS schedule includes 2% Inferred Mineral Resources in the first 12 years of production and a total 17% Inferred Mineral Resources over the life of mine. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The inclusion of the Inferred Mineral Resources in the production schedule is not anticipated to impact materially on the Project's economic viability. The Ore Reserves and Mineral Resource Estimate underpinning the DFS have been prepared by Competent Persons with Competent Person' Statements attached.

Process and engineering designs for the DFS were developed to support capital and operating estimates to an accuracy of -5% to +15%. Key assumptions that the DFS was based on (including those defined as Material Assumptions under ASX Listing Rule 5.9.1) are outlined in the body of this report and Appendix 1. TMT believes the production target, forecast financial information derived from that target and other forward-looking statements included in this report are based on reasonable grounds.

Several key steps need to be completed in order to bring Gabanintha into production. Many of these steps are referred to in this report. Investors should note that if there are delays associated with completion of those steps, outcomes may not yield the expected results (including the timing and quantum of estimated revenues and cash flows). The economic outcomes associated with the DFS are based on certain assumptions made for commodity prices, exchange rates and other economic variables, which are not within the Company's control and subject to change. Changes in such assumptions may have a material impact on the economic outcomes.

To develop the Project as per the assumptions set out in the DFS will require additional capital. Investors should note that any failure to procure the required additional capital may result in a delay or change in nature and scale of the Project.

- 1 – Technology Metals Australia – ASX Announcement dated 21 August 2019, Gabanintha Vanadium Project Definitive Feasibility Study

SOUTHERN TENEMENT RESOURCE UPDATE

The update of the Southern Tenement Mineral Resource estimate ("MRE") incorporating data from the infill and depth extension drilling program completed in late 2018 and metallurgical testwork results (ASX Announcement 30 April 2020) was completed during the year ended 30 June 2020. The diamond drilling confirmed the presence of broad zones of high grade massive magnetite mineralisation along the strike of the Southern Tenement, with intersections of:

- 10m @ 1.16% V₂O₅ from 81 to 91m in GBDD031 (weakly deformed)
- 3.8m @ 1.16% V₂O₅ from 23.8 to 27.6m in GBDD032 (sheared)
- 22m @ 1.12% V₂O₅ from 33 to 55m in GBDD033 (structurally thickened)
- 12m @ 1.16% V₂O₅ from 28 to 40m in GBDD034 (relatively undeformed), and
- 11m @ 1.04% V₂O₅ from 102 to 113m in GBDD034 (structural repeat)

DIRECTORS' REPORT (continued)

Metallurgical testwork, consisting of Davis Tube Recovery ("DTR") testing on 21 composite RC drill samples, delivered:

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

The mass recovery to a magnetic concentrate for fresh massive magnetite samples is very high, averaging 72%, with excellent vanadium recovery to concentrate averaging 92%. The average vanadium in concentrate grades of 1.48% V₂O₅ for the fresh massive magnetite samples and 1.64% V₂O₅ for hangingwall magnetite exceeds the concentrate grades recorded in the Northern Block whilst maintaining low levels of the impurities silica and aluminium.

The resource estimation work has delivered an increased MRE for the Southern Tenement of 27.7Mt at 0.9% V₂O₅ (a 29% increase from the previous Inferred Mineral Resource estimate of 21.5Mt at 0.9% V₂O₅), including a high grade massive mineralisation zone of 14.4Mt at 1.1% V₂O₅ (ASX Announcement 1 July 2020). Importantly the updated Southern Tenement MRE included a maiden Indicated Mineral Resource estimate of 9.6Mt at 1.0% V₂O₅ (see table 1 below).

Table 1: Southern Tenement MRE with classification by mineralisation type and category

Classification	Material	Mt	V ₂ O ₅ %	Fe%	Al ₂ O ₃ %	SiO ₂ %	TiO ₂ %	LOI%	P%	S%
Indicated	Massive	7.3	1.1	49.2	5.1	5.8	12.6	-0.6	0.004	0.3
Indicated	Disseminated	2.3	0.7	33.1	9.5	20.6	8.5	2.3	0.014	0.3
Indicated	Massive plus Disseminated	9.6	1.0	45.3	6.1	9.3	11.7	0.1	0.007	0.3
Inferred	Massive	7.1	1.1	46.9	5.6	7.4	12.1	0.5	0.005	0.3
Inferred	Disseminated	11.0	0.6	27.7	13.0	25.9	7.0	2.7	0.015	0.3
Inferred	Massive plus Disseminated	18.1	0.8	35.3	10.1	18.6	9.0	1.8	0.011	0.3
Indicated plus Inferred	Massive plus Disseminated	27.7	0.9	38.7	8.7	15.4	9.9	1.2	0.009	0.3

*Note: The Mineral Resources were estimated within constraining wireframe solids using a nominal 0.9% V₂O₅% lower cut-off grade for the massive magnetite zones and using a nominal 0.4% V₂O₅% lower cut-off grade for the banded and disseminated mineralisation zones. The Mineral Resources are quoted from all classified blocks within these wireframe solids above a lower cut-off grade of 0.4% V₂O₅%. Differences may occur due to rounding.

The maiden Indicated Mineral Resource estimate consists of only fresh mineralisation as informed by the DTR testwork. Fresh ore at the Southern Tenement commences from only 10 to 15m below surface (see Figure 2), with predominantly transitional material and minor oxide above these depths remaining classified as Inferred due to limited metallurgical data from these shallow zones. The presence of higher yielding fresh ore close to surface, which is very similar to what is observed in the North Pit area of the Northern Block, has very positive implications for operating costs, with lower mining, crushing and beneficiation costs per tonne of magnetic concentrate produced.

DIRECTORS' REPORT (continued)

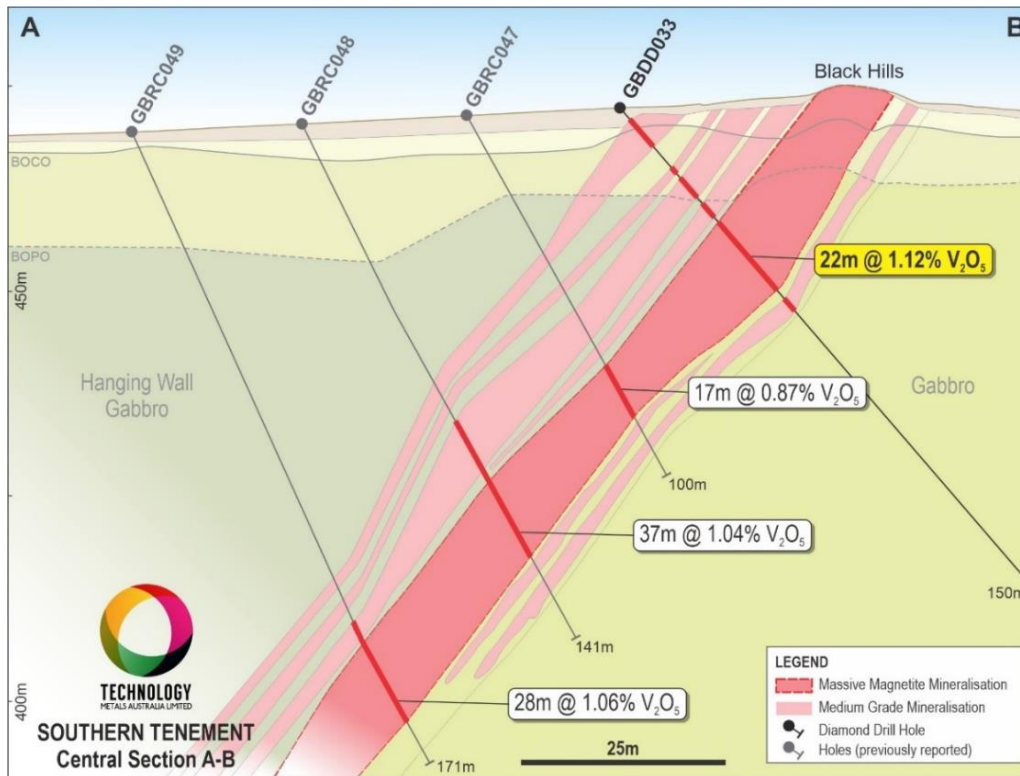


Figure 2: Cross Section A-B Highlighting Broad Massive Magnetite Zone and Shallow Oxidation

The updated Southern Tenement MRE has been included in a revised 'Global Mineral Resource estimate' for the GVP (Inferred, Indicated and Measured), delivering an increased Global MRE of 137.2Mt @ 0.9% V₂O₅ (see Table 2) compared to the previous Global MRE of 131 Mt at 0.9% V₂O₅, containing an outstanding high grade component of 75.1 Mt at 1.1% V₂O₅.

The Global Indicated and Measured Resource estimate has increased to 39.6Mt @ 0.9% V₂O₅, representing a 32% increase on the previous Global Indicated and Measured Resource estimate of 30.0 Mt at 0.9% V₂O₅ which supported an initial 16 year project life.

Open pit mine modelling and scheduling based on the updated Southern Tenement MRE is underway and is expected to enable a significant portion of the maiden Indicated Mineral Resource estimate to be converted to Ore Reserve category. This work is expected to demonstrate the opportunity for the Southern Tenement to provide a material increase to the initial 16 year Gabanintha project life identified in the DFS. The high grade nature of the Southern Tenement Indicated Mineral Resource estimate is also expected to deliver an extension of the period of high (+1.0% V₂O₅) feed grade, currently defined as the first 12 years of operation.

Based on the work completed to date, the knowledge gained from the DFS completed on the Northern Block and the defined quantum of the Southern Tenement maiden Indicated Mineral Resource estimate, the Company is now expecting to be able to deliver a +20 year Gabanintha project life. Extending the Project's life beyond 20 years is expected to be viewed favourably by prospective Project financiers, strategic partners and key stakeholders.

DIRECTORS' REPORT (continued)

Table 2: Global Resource for the Gabanintha Vanadium Project by ore type and Classification

Material Type	Classification	Mt	V ₂ O ₅ %	Fe%	Al ₂ O ₃ %	SiO ₂ %	TiO ₂ %	LOI%	P%	S%
Massive Magnetite	Measured (North)	1.2	1.0	44.7	6.2	10.4	11.4	0.0	0.009	0.2
	Indicated (North)	18.5	1.1	49.1	5.2	5.8	12.9	-0.1	0.007	0.2
	Indicated (South)	7.3	1.1	49.2	5.1	5.8	12.6	-0.6	0.004	0.3
	Total Indicated	25.8	1.1	49.1	5.1	5.8	12.8	-0.3	0.007	0.2
	Inferred (North)	41.0	1.1	47.7	5.6	7.1	12.6	0.3	0.008	0.2
	Inferred (South)	7.1	1.1	46.9	5.6	7.4	12.1	0.5	0.005	0.3
	Total Inferred	48.1	1.1	47.6	5.6	7.2	12.5	0.3	0.008	0.2
	Massive Global	75.1	1.1	48.1	5.5	6.8	12.6	0.1	0.007	0.2
Disseminated / Banded Magnetite	Indicated (North)	10.3	0.6	28.6	13.1	25.5	7.5	3.0	0.030	0.2
	Indicated (South)	2.3	0.7	33.1	9.5	20.6	8.5	2.3	0.014	0.3
	Total Indicated	12.6	0.6	29.5	12.5	24.6	7.7	2.8	0.027	0.2
	Inferred (North)	38.5	0.5	27.1	12.7	27.4	6.9	3.3	0.027	0.2
	Inferred (South)	11.0	0.6	27.7	13.0	25.9	7.0	2.7	0.015	0.3
	Total Inferred	49.5	0.5	27.2	12.8	27.1	6.9	3.2	0.024	0.2
	Dissem / Banded Global	62.1	0.6	27.7	12.7	26.6	7.1	3.1	0.025	0.2
Combined	Global Combined	137.2	0.9	38.9	8.7	15.7	10.1	1.5	0.015	0.2

*Note: The Mineral Resources were estimated within constraining wireframe solids using a nominal 0.9% V₂O₅% lower cut-off grade for the massive magnetite zones and using a nominal 0.4% V₂O₅% lower cut-off grade for the banded and disseminated mineralisation zones. The Mineral Resources are quoted from all classified blocks within these wireframe solids above a lower cut-off grade of 0.4% V₂O₅%. Differences may occur due to rounding.

VANADIUM MARKET ENGAGEMENT

The Company continues to engage with groups with a shared long term view of the vanadium industry, a recognition of the high purity product and highly competitive lowest quartile cash operating costs of the GVP and having the capacity to participate at a meaningful level in the Project. These groups include offtake partners, equipment vendors and suppliers, strategic partners and project funding parties.

TMT's offtake strategy is targeting diversity of geography and end-user. The Company has engaged with potential offtake partners in China, Japan, South Korea, India and Europe and continues to broaden this geographic spread. Discussions in these jurisdictions are at varying stages; ranging from executed binding offtake agreements and memorandums of understanding in China (as previously announced and detailed further below) through to high levels of due diligence via access to the GVP digital data room with a range of entities in other jurisdictions. Entities that are engaged in discussions range from steel alloy producers, specialty alloy producers, electrolyte / battery manufacturers through to trading houses.

DIRECTORS' REPORT (continued)

In April 2020 the Company announced that it has entered into a binding vanadium pentoxide Offtake Agreement ("**BOA**") with CNMC (Ningxia) Orient Group Company Ltd. ("**CNMNC**"), a controlled subsidiary of China Nonferrous Metal Mining (Group) Co., Ltd. ("**CNMC**"), a large-scale mining enterprise in the People's Republic of China. The BOA includes minimum annual sales of 2,000Tpa (4.4 Mlb pa) on a take-or-pay basis, which equates to about 16% of the GVP's forecast annual average production, over a three year term from commencement of production with an option to extend for a further three years (see ASX announcement dated 27 April 2020).

CNMNC's vanadium alloy production business, is a top ten producer of vanadium alloys in China, producing both vanadium-nitrogen ("**VN**") and ferrovandium ("**FeV**") for the Chinese domestic steel industry. Expansion plans would see VN production increasing to approximately 3,000 tonnes per annum and overall V₂O₅ consumption increasing to approximately 6,000 tonnes per annum.

In October 2019 the Company announced an offtake Memorandum of Understanding ("**MOU**") with Shaanxi Fengyuan Vanadium Technology Development Co., Ltd. ("**Fengyuan**"), one of China's leading producers of VN with capacity to produce 10,000 tonnes per annum VN. The MOU establishes a framework for a binding vanadium pentoxide Offtake Agreement covering annual sales of 3,000Tpa (6.6 Mlb pa) on a take-or-pay basis over a five year term from commencement of production with an option to extend for a further five years (see ASX announcement dated 1 October 2019). The Company is progressing discussions with Fengyuan to convert the MOU to a BOA. Travel restrictions imposed as part of the management of the COVID-19 pandemic have had an impact on Fengyuan's due diligence timeline as well as the timely progress of discussions on the draft offtake agreement.

In May 2020 TMT executed a Memorandum of Understanding ("**MoU**") with Big Power Electrical Technology Xiangyang Inc. Co., Ltd. ("**Big Power**"). TMT and Big Power have agreed to negotiate a definitive and binding offtake agreement ("**Agreement**") for the supply and purchase of vanadium pentoxide ("**V₂O₅**") and to negotiate the establishment of a JV to produce vanadium electrolyte / establish a VRFB manufacturing base in Australia. Big Power, headquartered in Xiangyang, Hubei Province, Peoples Republic of China, was established in 2002 and is one of the World's leading VRFB research, development and manufacturing companies. It has to date deployed over 20 VRFB's across Asia, including Singapore, South Korea and India, and its VRFB R&D team is considered to be one of the top six R&D teams in the World. Big Power is considered to be in the top 3 of VRFB enterprises in China, with only Dalian Rongke, Big Power and VRB Energy having MW scale projects.

The MOU establishes a framework for a binding vanadium pentoxide Offtake Agreement covering annual sales of 1,000Tpa (2.2 Mlb pa) on a take-or-pay basis, and up to 5,000Tpa (11 Mlb pa), over a five year term from commencement of production with an option to extend for a further five years (see ASX announcement dated 20 May 2020). Big Power is to provide its proprietary VRFB technology exclusively in Australia to the JV, subject to agreement of a suitable Sales and Marketing Plan and provide technology and in-kind support to assist in the development of the JV.

The JV contemplated in the MoU provides the scope to bring together Big Power's world leading proprietary VRFB technology and TMT's very high purity product to establish a significant downstream value add industry, producing vanadium electrolyte and potentially developing a VRFB manufacturing base to target the rapidly emerging stationary storage battery market opportunities in Australia. This opportunity further enhances the significant economic and social benefits for the Mid-West region of Western Australia, the State and the Nation that the development of Gabanintha is expected to generate over a long period of time.

The next steps to progress towards finalising the Agreement include due diligence to be completed by both parties in conjunction with further refinement and agreement of the key off take terms. The parties intend to complete site visits as part of the due diligence process. The MoU is effective until 30 December 2020 unless the parties mutually agree to formally terminate or extend the term.

DIRECTORS' REPORT (continued)



Figure 3: Big Power VRFB System at Xiangyang Used for Peak Shifting

Execution of this MoU with Big Power is a further significant milestone for the Company, not only delivering an important diversification of customer base into the emerging VRFB market but also a significant first step in TMT's vision of becoming a key participant in the stationary storage battery market.

These establishing offtake and strategic relationships underscore the value and importance of the very high purity vanadium pentoxide to be produced from the World class large scale, low cost, long life GVP, delivering certainty on customer engagement and volume of product sales, creating a strong foundation for GVP's financing and development. Executing the BOA with a high quality counterparty such as CNMNC is a strong endorsement of the Company's strategy.

PROJECT DEVELOPMENT PARTNER ENGAGEMENT

In June the Company executed a binding Notice of Award ("**NoA**") with Danish engineering company FLSMIDTH, selecting it as the preferred supplier of the key roasting kiln section of the Gabanintha vanadium processing plant and committing to entering in to a supply contract with FLSMIDTH on agreed terms and conditions. FLSMIDTH are vanadium industry leading kiln suppliers, offering advanced, custom-tailored rotary kiln solutions, with recent experience in the design, installation and support of roasting kilns for vanadium operations.

FLSMIDTH completed the critical pilot scale kiln roast test work for the DFS on a bulk sample of Gabanintha magnetic concentrate at its facility in Pennsylvania, USA, confirming that the ore is ideally suited to processing via the salt roast / water leach process flow sheet similar to what is currently operating at Largo Resources' Maracas Menchen vanadium mine in Brazil. The pilot scale rotary kiln test work (see Figure 4) enabled continuous processing of the magnetic concentrate to provide measurement of key processing factors such as salt dosage, vanadium solubility, recovery and residence times. Data generated from the pilot scale rotary kiln test work was used by FLSMIDTH to assist in engineering design, sizing and cost estimate studies for the "roasting" section of the processing circuit for inclusion in the DFS.

The supply contract contemplates the completion of a front-end engineering and design ("**FEED**") study and supply of the equipment for the roasting kiln section of the plant. The value of the supply contract is ~A\$50 million (ex GST), including approximately A\$860,000 (ex GST) for the FEED study.

DIRECTORS' REPORT (continued)

The commencement of the FEED study is subject to written instruction from the Company and is envisaged to be completed within 26 weeks. TMT may terminate the NoA at any time without cause, subject to payment of any outstanding fees related to activities completed up to the date of termination.



Figure 4: Pilot Rotary Kiln (9.8m long by 0.9m diameter) at FLSMIDTH Test Facility

Equipment and technology supplied by FLSMIDTH qualifies for financing support through the Danish export credit agency EKF, subject to EKF board approval and thorough due diligence processes. FLSMIDTH will engage in the process of obtaining support from EKF. EKF and FLSMIDTH have co-operated for more than 90 years with projects all over the world. As a result, FLSMIDTH is one of EKF's highly valued customers. EKF have historically been able to support FLSMIDTH's global business with financing solutions which may not necessarily be suited for a typical bank loan.

EKF, owned and guaranteed by the Danish state, operates as a modern financial enterprise. EKF helps Danish export by making it possible and attractive for customers abroad to purchase Danish products from Danish companies. It does so by helping raise financing and by insuring companies and banks against the potential financial and political risks of trading with other countries. It assists both large and small companies and is happy to provide solutions tailored to each company's specific needs. TMT will be actively pursuing the opportunity to access export credit agency funding support through EKF, with the assistance of FLSMIDTH, as an important part of the overall Project funding strategy.

The Company is continuing to work closely with the Western Australian Government's Lead Agency team, the Northern Australia Infrastructure Facility ("NAIF") and other Government agencies as it progresses the development of Gabanintha to be a producer of vanadium, a critical mineral with a vital role to play in the efficient and effective deployment of renewable energy. Progression of the Due Diligence Stage of the NAIF assessment process is continuing, which is expected to culminate in the development of a formal Investment Proposal, a precondition for the NAIF Board to make an Investment Decision.

DIRECTORS' REPORT (continued)

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

The development of the GVP to be a producer of lowest cost quartile, high purity vanadium, a critical mineral with a vital role to play in the efficient and effective deployment of renewable energy, with significant employment during both construction and operational phases of the Project and the construction of a gas pipeline in to the Mid-West region, which would be expected to generate material third party benefits, combine to underpin the importance of Gabanintha as a project of significance for the local community, the State of Western Australia and the Nation. This is further supported by the recognition of vanadium's strategic importance to the Australian economy with its inclusion on the Australian Government's list of critical minerals. The establishment of the Critical Minerals Facilitation Office ("**CMFO**") at the beginning of 2020 highlights the Australian Federal Government's focus on supporting the development of Projects such as the GVP. This is further emphasised by the Western Australian Government's support for critical minerals projects as part of its "Future Battery Industry Strategy".

The Company and its financial advisers are incorporating the potential involvement of NAIF, EKF and the assistance of the CMFO into the evaluation of a range of Project financing strategies, which also include engagement with prospective strategic investors. The Project funding is expected to consist of some or all of debt, JV interest, direct project investment and/or equity, with a range of development opportunities for the Project being considered, through engineering / EPC, build own operate transfer, plant and equipment procurement packages, and/or a combination of these.

The delivery of the CNMNC BOA and the binding NoA with FLSMIDTH, combined with the increase in the GVP operating life to in excess of 20 years through the increase to the Project Ore Reserve via the inclusion of the upgraded Southern Tenement Mineral Resource, is expected to be viewed favourably by prospective Project financiers and strategic partners. These are all very important components in the process of implementing the Company's Project financing strategy and the pathway to development of the GVP as the World's next large scale, low cost, long life primary vanadium mine.

ENVIRONMENTAL APPROVALS

The Company is progressing the workstreams required to address the key environmental factors identified in the Environmental Scoping Document ("**ESD**") previously provided by the WA Environmental Protection Authority ("**EPA**"). Completion of these workstreams will facilitate the preparation and ultimate submission of the Environmental Review Document ("**ERD**"). The EPA has determined that the Project will undergo a formal environmental impact assessment with no public comment period.

During the year ended 30 June 2020, the Company received the reports and data from the "spring" fauna, flora and vegetation surveys completed in late 2019, which provided complete seasonal coverage of the Project development envelope. Additional work to further quantify the water source for the Project is a key component of the ERD. Work completed as part of the DFS identified a good quality water source within a paleochannel located to the north west of the processing facility covered by Miscellaneous Licence L51/102. A drilling program designed to establish additional production water bores as well as a series of borefield monitoring bores, was scheduled to commence post the end of the period. Data from this drilling will allow the Company's consultants AQ2 to further develop the hydrogeological understanding of the borefield area to be included in the ERD.

DIRECTORS' REPORT (continued)

TENEMENTS

TMT management continued to engage with representatives of the native title claimant group in the Project area to progress the process of grant of its two Mining Lease applications; M51/883 over the Northern Block of Tenements and M51/884 over the Southern Tenement (see table 3). The Mining Leases were granted subsequent to the end of the period.

All ancillary tenure required for the development of the GVP, including Miscellaneous Licences for the bore field and camp and General Purpose Leases for mining infrastructure, are in place.

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

Table 3: Tenement Status as at 30 June 2020

ASX References

- 1 – ASX Announcement dated 29 March 2019, GABANINTHA NORTHERN BLOCK RESOURCE UPGRADE.
- 2 – ASX Announcement dated 22 May 2019, MOU WITH CNMC (NINGXIA) ORIENT GROUP CO., LTD.
- 3 – ASX Announcement dated 19 June 2019, PILOT PLANT SCALE KILN TESTWORK CONFIRMS HIGH VANADIUM RECOVERY.
- 4 – ASX Announcement dated 21 August 2019, GABANINTHA VANADIUM PROJECT DEFINITIVE FEASIBILITY STUDY.
- 5 – ASX Announcement dated 1 October 2019, OFFTAKE MOU WITH LEADING CHINESE VANADIUM NITROGEN PRODUCER
- 6 – ASX Announcement dated 9 October 2019, GABANINTHA PROJECT ADVANCES TO NAIF FUNDING DUE DILIGENCE
- 7 – ASX Announcement dated 29 November 2019, CNMNC OFFTAKE MOU - SHORT EXTENSION OF TERM
- 8 – ASX Announcement dated 17 December 2019, GABANINTHA VANADIUM PROJECT DEVELOPMENT STATUS UPDATE
- 9 – ASX Announcement dated 27 April 2020, FIRST BINDING OFFTAKE SECURED FOR GVP
- 10 – ASX Announcement dated 30 April 2020, EXCELLENT DRILLING AND MET RESULTS AT SOUTHERN TENEMENT
- 11 – ASX Announcement dated 20 May 2020, MOU WITH LEADING VANADIUM REDOX FLOW BATTERY COMPANY
- 12 – ASX Announcement dated 24 June 2020, NOTICE OF AWARD EXECUTED WITH LEADING KILN SUPPLIER FLSMIDTH
- 13 – ASX Announcement dated 1 July 2020, MAIDEN SOUTHERN TENEMENT INDICATED MINERAL RESOURCE
- 14 – ASX Announcement dated 1 September 2020, GABANINTHA VANADIUM PROJECT MINING LEASES GRANTED

Forward-Looking Statements

This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Technology Metal Australia Limited's planned exploration programs, corporate activities and any, and all, statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should" and similar expressions are forward-looking statements. Technology Metal Australia Limited believes that it has a reasonable basis for its forward-looking statements; however, forward-looking statements involve risks and uncertainties and no assurance can be given that actual future results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

DIRECTORS' REPORT (continued)

Competent Persons Statement

The information in this report that relates to Exploration Results are based on information compiled by Mr Ian Prentice. Mr Prentice is Managing Director of the Company and a member of the Australian Institute of Mining and Metallurgy. Mr Prentice has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this report and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("**JORC Code**"). Mr Prentice consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Grant Louw. Mr Louw is a Principal Consultant with CSA Global and a Member of the Australian Institute of Geoscientists. Mr Louw has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this report and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("**JORC Code**"). Mr Louw consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information that relates to Ore Reserves is based on information compiled by Mr Daniel Grosso and reviewed by Mr Karl van Olden, both employees of CSA Global Pty Ltd. Mr van Olden takes overall responsibility for the Report as Competent Person. Mr van Olden is a Fellow of The Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Person in terms of the JORC (2012 Edition). The Competent Person, Karl van Olden has reviewed the Ore Reserve statement and given permission for the publication of this information in the form and context within which it appears.

The information in this report that relates to the Processing and Metallurgy for the Gabanintha project is based on and fairly represents, information and supporting documentation compiled by Mr Brett Morgan and reviewed by Mr Damian Connelly, both employees of METS Engineering Group Pty Ltd. Mr Connelly takes overall responsibility for the Report as Competent Person. Mr Connelly is a Fellow of The Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Competent Person, Damian Connelly consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Significant changes in the state of affairs

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the financial year under review not otherwise disclosed in this report or in the financial statements.

Significant events after balance date

On 1 September 2020, the Company announced the grant of Mining Leases M51/883 ("Northern Block") and M51/884 ("Southern Tenement") on 28 August 2020. The Mining Leases have been granted by the Western Australian Government's Department of Mines, Industry Regulation and Safety ("DMIRS") for an initial period of 21 years. Grant of the Mining Leases delivers all tenure required for the development of the Gabanintha Vanadium Project ("Project" or "GVP"), including Miscellaneous Licences for the bore field and camp and General Purpose Leases for mining infrastructure associated with the Northern Block.

likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Therefore, this information has not been presented in this report.

DIRECTORS' REPORT (continued)

Environmental legislation

The Company is subject to significant environmental and monitoring requirements in respect of its natural resources exploration activities.

The directors are not aware of any significant breaches of these requirements during the year.

Dividends

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the year the Company paid a premium in respect of a contract insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Remuneration report

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Technology Metals Australia Limited for the financial year ended 30 June 2020. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Key Management Personnel

The Directors and other key management personnel of the Group during or since the end of the financial year were:

Directors

Michael Fry	Chairman (Non-executive)
Ian Prentice	Executive Director
Sonu Cheema	Non-executive Director and Company Secretary

The named persons held their current positions for the whole of the financial period and since the end of financial year.

Remuneration philosophy

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration Committee

The Remuneration Committee of the board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors, the CEO and the executive team.

DIRECTORS' REPORT (continued)

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive Director and executive remuneration is separate and distinct.

The Board is satisfied that the recommendations were made free from undue influence from any members of key management personnel.

Non-executive Director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. The Group's constitution states that an aggregate remuneration of \$250,000 per period can be paid to the non-executive directors. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually.

The Board considers advice from external stakeholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a director of the Group. The current fee for non-executive directors is \$40,000 per annum and \$60,000 per annum for the non-executive chairman. An additional fee is also paid for each Board Committee on which a Director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by Directors who serve on one or more sub committees.

Senior manager and executive Director remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary. Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. The fixed remuneration component is detailed in Key Management Personnel remuneration for the year ended 30 June 2020 table.

Employment Contracts

Effective 20 December 2016, the Group entered into an executive director service agreement with Mr Prentice (Executive Director Agreement). Under the Executive Director Agreement, Mr Prentice is engaged to provide services to the Group in the capacity of Executive Director, based in Perth, Western Australia. Mr Prentice is to be paid remuneration of \$120,000 per annum. At the Board meeting held on 30 June 2017, the Board approved to increase Mr Prentice's remuneration from \$120,000 to \$180,000 effective from 1 July 2017. Concurrently, Mr Prentice's title changed to Managing Director. Mr Prentice will also be reimbursed for reasonable expenses incurred in carrying out his duties. The Executive Director Agreement can be terminated by three month's written notice from the Company, while Mr Prentice can terminate by providing one month's written notice.

DIRECTORS' REPORT (continued)

Remuneration of Key Management Personnel

30 June 2020	Short-term employee benefits	Share-based payments		Total	Performance Related
	Salary & fees	Share options	Performance Rights		
	\$	\$		\$	%
Non-executive Directors					
Michael Fry	60,000	2,917	-	62,917	4.6%
Sonu Cheema	35,997	729	-	36,726	2.0%
Executive Director					
Ian Prentice	180,000	5,835	-	185,835	3.1%
	275,997	9,481 ¹	-	285,478	

30 June 2019	Short-term employee benefits	Share-based payments		Total	Performance Related
	Salary & fees	Share options	Performance Rights		
	\$	\$		\$	%
Non-executive Directors					
Michael Fry	60,000	-	-	60,000	Nil.
Sonu Cheema	39,996	-	-	39,996	Nil.
Executive Director					
Ian Prentice	180,000	-	-	180,000	Nil.
	279,996	-	-	279,996	

¹Class A Incentive Options : Each Class A Incentive Option will be exercisable if, at any time within the three (3) year period following the date of issue of the Incentive Options (Issue Date), the mining licence M51/883 is granted to the Company (Class A Milestone). Class B Incentive Options: Each Class B Incentive Option will be exercisable if, at any time within the three (3) year period following the Issue Date, the Company progresses to a final investment decision for the development of a vanadium plant at its Gabanintha Project (Class B Milestone).

No member of key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position. No cash bonuses were granted as compensation during the current financial year. From June 2020 onwards, payments to key management personnel are processed within the relevant month.

Key management personnel equity holdings

Fully paid ordinary shares

	Balance at beginning of period	Granted as compensation	Received on exercise of options	Net change other	Balance at end of period	Balance held nominally
	Number	Number	Number	Number(i)	Number	Number
Directors						
Michael Fry	10,000	-	-	190,000	200,000	-
Sonu Cheema	20,000	-	-	100,000	120,000	-
Executives						
Ian Prentice	275,000	-	-	306,998	581,998	-
	305,000	-	-	596,998	901,998	-

- (i) Change in number of securities from director participation in Placement following shareholder approval and on market purchase of securities in accordance with the Company share trading policy.

DIRECTORS' REPORT (continued)

Share options

30 June 2020	Balance at beginning of period Number	Granted as compensation Number	Share Options expired Number	Balance at end of period Number	Balance vested at end of period Number	Vested and exercisable Number	Options vested during the period Number
Directors							
Michael Fry	2,000,000	2,000,000	(2,000,000)	2,000,000	-	-	-
Sonu Cheema	475,000	500,000	(475,000)	500,000	-	-	-
Executives							
Ian Prentice	4,000,000	4,000,000	(4,000,000)	4,000,000	-	-	-
	6,475,000	6,500,000	(6,475,000)	6,500,000	-	-	-

All share options issued to key management personnel were made in accordance with the provisions of the employee share option plan.

Other transactions with key management personnel

On 10 October 2016, the Group entered into an agreement with Cicero Group Pty Ltd (an entity in which Mr Cheema is shareholder and director) (**Cicero**) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent, accounting, book-keeping, company secretarial and administration services to the Company for a monthly fee of \$10,000 plus GST. Fees paid to Cicero for the period ending 30 June 2020 is \$120,000 (exc. GST).

END OF REMUNERATION REPORT

Directors' Meetings

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Directors' meetings
Number of meetings held:	9
Number of meetings attended:	
Michael Fry	9
Ian Prentice	9
Sonu Cheema	9

In addition, there were 5 circular resolutions signed by the board.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-Audit Services

Details of amounts paid or payable to the auditor for services provided during the period by the auditor are outlined in Note 21 to the financial statements. No non-audit services were provided by the auditors during the 30 June 2020 or 2019 financial year.

DIRECTORS' REPORT (continued)

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 22 and forms part of this Directors' report for the period ended 30 June 2020.

CORPORATE GOVERNANCE STATEMENT

Technology Metals Australia Limited ("the Company") and the Board of Directors are committed to achieving the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company and its controlled entities together are referred to as the Group in this statement.

A description of the Group's main corporate governance practices is set out on the Company's website <http://www.tmtlimited.com.au/corporate-governance>. All these practices, unless otherwise stated, were in place for the entire period and comply with the ASX Corporate Governance Principles and Recommendations and are contained in the accompanying Appendix 4G for the period ended 30 June 2020.

Signed in accordance with a resolution of the Directors.



Michael Fry
Chairman

Perth, Western Australia; Dated this 22nd day of September 2020

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Technology Metals Australia Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



Perth, Western Australia
22 September 2020

N G Neill
Partner

hlb.com.au

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

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

		Consolidated Year ended 30 June 2020 \$	Consolidated Year ended 30 June 2019 \$
	Notes		
Continuing operations			
Other income	2	2,563	22,133
Administration expense		(1,013,688)	(1,975,086)
Director fees		(275,997)	(279,996)
Exploration expenses		(21,734)	(176,994)
Share-based payments expense	13	(136,793)	(439,520)
Interest expense		(29,061)	-
Depreciation		(11,798)	(7,868)
Loss before income tax		(1,486,508)	(2,857,331)
Income tax benefit	3	2,769,178	994,348
Net profit/(loss) for the period		1,282,670	(1,862,983)
Other comprehensive income, net of income tax			
Other comprehensive income/(loss) for the period, net of income tax		-	-
Total comprehensive income/(loss) for the period		1,282,670	(1,862,983)
Basic and diluted earnings/(loss) per share (cents per share)	5	1.34	(2.57)

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

		Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
	Notes		
Assets			
Current assets			
Cash and cash equivalents	6	3,180,834	1,839,236
Trade and other receivables	7	172,561	326,444
Total current assets		3,353,395	2,165,680
Non-current assets			
Property, plant and equipment	8	12,707	24,505
Deferred exploration and evaluation expenditure	9	21,779,076	19,210,131
Total non-current assets		21,916,783	19,234,636
Total assets		25,270,178	21,400,316
Liabilities			
Current liabilities			
Trade and other payables	10	295,146	1,938,156
Total current liabilities		295,146	1,938,156
Total liabilities		295,146	1,938,156
Net assets		24,975,032	19,462,160
Equity			
Issued capital	11	25,765,250	21,547,507
Reserves	12	2,553,709	2,541,250
Accumulated losses		(3,343,927)	(4,626,597)
Total equity		24,975,032	19,462,160

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Issued capital \$	Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2019		21,547,507	2,541,250	(4,626,597)	19,462,160
Profit for the period		-	-	1,282,670	1,282,670
Other comprehensive income for the period, net of income tax		-	-	-	-
Total comprehensive loss for the period		-	-	1,282,670	1,282,670
Proceeds from Shares Issued	11	4,209,468	-	-	4,209,468
Share Based Payments – Acquisition	11	124,334	-	-	124,334
Share Based Payments – Options issued to directors and consultants		-	12,459	-	12,459
Share issue costs	11	(116,059)	-	-	(116,059)
Balance at 30 June 2020		25,765,250	2,553,709	(3,343,927)	24,975,032

	Notes	Issued capital \$	Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2018		10,326,761	2,232,497	(2,894,381)	9,664,877
Loss for the period		-	-	(1,862,983)	(1,862,983)
Other comprehensive income for the period, net of income tax		-	-	-	-
Total comprehensive loss for the period		-	-	(1,862,983)	(1,862,983)
Proceeds from Share Issued		10,552,816	-	-	10,552,816
Proceeds from Options Executed	11	373,333	-	-	373,333
Share Based Payments – Acquisition	11	918,500	-	-	918,500
Share Based Payments – Options issued to directors and consultants		-	445,025	-	445,025
Share Based Payments – cancellation/forfeiture		-	(5,505)	-	(5,505)
Share Based Payments – transfer of exercised options		-	(130,767)	130,767	-
Share issue costs	11	(623,903)	-	-	(623,903)
Balance at 30 June 2019		21,547,507	2,541,250	(4,626,597)	19,462,160

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Notes	Consolidated Year ended 30 June 2020 \$	Consolidated Year ended 30 June 2019 \$
Cash flows from operating activities			
Payments to suppliers and employees		(2,800,546)	(1,884,050)
Interest received	2	2,563	22,133
Interest paid		(29,061)	-
Research and development incentive received		2,769,178	994,348
Net cash outflow from operating activities	6	(57,866)	(867,569)
Cash flows from investing activities			
Deferred exploration expenditure	9	(2,693,945)	(10,305,267)
Net cash outflow from investing activities		(2,693,945)	(10,305,267)
Cash flows from financing activities			
Proceeds from the issue of shares		4,209,468	10,926,149
Payments for share issue costs		(116,059)	(623,903)
Proceeds from borrowings		1,414,693	-
Repayment of borrowings		(1,414,693)	-
Net cash inflow from financing activities		4,093,409	10,302,246
Net increase/(decrease) in cash held		1,341,598	(870,590)
Cash and cash equivalents at beginning of period		1,839,236	2,709,826
Cash and cash equivalents at the end of the period		3,180,834	1,839,236

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with the other requirements of the law. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity registered in Australia and operating in Australia. For the purposes of preparing the annual financial report, the period has been treated as a discrete reporting period. The accounting policies below have been consistently applied to all of the years presented unless otherwise stated.

Historical cost convention

These financial statements have been prepared under the historical cost convention, and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1 (d).

Going concern

The financial report has been prepared on the going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The Directors recognise that the going concern of the Company is dependent upon, managing its costs and raising additional funds through future capital raisings and research & development claims. For the year ended 30 June 2020 the Company recorded a gain before income tax expense of \$1,282,670 (2019: \$1,862,983), a net operating cash outflow of \$57,866 (2019: \$867,569), a net asset position of \$24,975,031 (2019: \$19,462,160).

The Directors have noted that, while the Company continues to operate at a loss, the Company has progressed its flagship Gabanintha Vanadium Project with the completion of its Definitive Feasibility Study (DFS) in August 2019. The Directors continue to monitor the ongoing funding requirements of the Group on a monthly basis including the monitoring of costs with a view to reducing them as required. The Directors believe that the Company can meet its financial obligations when they fall due enabling it to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis. The Company has a solid history of obtaining support from investors, including in very difficult financial markets. During the year ended 30 June 2020, the Group has successfully completed the following capital raising and debt financing initiatives.

- On 6 February 2020, the Company announced that it had completed the placement of 18,939,545 fully paid ordinary shares at a price of A\$0.11 per share to raise \$2,083,350 before costs.
- The Company announced on 11 May 2020, pleased to announce it has completed the Director participation placement of 543,288 fully paid ordinary shares at a price of A\$0.11 per share to raise \$59,762. Director participation in the Placement was approved by shareholders at General Meeting held on 4 May 2020.
- On 15 June 2020, TMT announced that it had completed the placement of 13,699,667 fully paid ordinary shares (Placement Shares) at a price of A\$0.15 per share to raise \$2,054,950 before costs. Participants to the Placement received a 1 for 2 free attaching option exercisable at \$0.25 on or before 15 June 2022 (Placement Options).

Should the Company not be successful in raising further funding from the initiatives above, there is a material uncertainty that may cast significant doubt as to whether the Company will continue as a going concern and will be able to realise its assets and extinguish its liabilities in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2020.

In the year ended 30 June 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period.

AASB 16 Leases

The Group has applied AASB 16 from 1 July 2019 using the modified retrospective approach, with no restatement of comparative information.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to the Group accounting policies, due to there not being any leases in place.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations issued but not yet effective that are relevant to the Company and effective for the annual reporting period beginning on or after 1 July 2020. As a result of this review, the Directors have determined that there is no material impact of the new and revised standards and interpretations in issue not yet adopted on the Company and therefore no material change is necessary to Group accounting policies.

(c) Statement of compliance

The financial report was authorised for issue on 22nd September 2020.

The financial report complies, with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes there to, complies with International Financial Reporting Standards (IFRS).

(d) Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by use of the Black-Scholes model, using the assumptions detailed in Note 13.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that further economic benefits are likely whether from the further exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

(e) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

(f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of Directors of Technology Metals Australia Limited.

(g) Revenue recognition

Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

(j) Impairment of tangible and intangible assets other than goodwill

The Directors assess at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or classes of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An expected credit loss (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(m) Trade payables

These amounts represent liabilities for goods or services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(n) Employee Entitlements

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Long Service Leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Based on the Group's experience of employee departures, a long service leave liability is only recognised once an employee has been employed by the Group for a period of 5 years. Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(o) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment	7 years
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The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(p) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(q) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(s) Parent entity financial information

The financial information for the parent entity, Technology Metals Australia Limited, disclosed in Note 20 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2: REVENUE AND EXPENSES

	Consolidated Year Ended 30 June 2020 \$	Consolidated Year Ended 30 June 2019 \$
Other income		
Finance revenue - bank interest	2,563	22,133
	2,563	22,133

NOTE 3: INCOME TAX

Income tax recognised in the statement of comprehensive income

	Consolidated Year Ended 30 June 2020 \$	Consolidated Year Ended 30 June 2019 \$
The major components of tax benefits are:		
Current tax	(2,769,178)	(994,348)
Deferred tax	-	-
	(2,769,178)	(994,348)

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated Year Ended 30 June 2020 \$	Consolidated Year Ended 30 June 2019 \$
Accounting (loss) before income tax	(1,486,588)	(1,869,199)
Income tax benefit calculated at 30%	(445,976)	(560,759)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
• Tax effect of other non-deductible expenses	41,038	2,042,188
• Tax effect of Non-assessable income	-	(298,304)
• Adjustment recognised in current year in relation to current tax of previous years	-	624,648
• Effect of temporary differences that would have been recognised directly in equity	(38,428)	(187,171)
• Prior year under/over	-	(30,957)
• Movement in net deferred tax assets not recognised	443,366	(1,589,645)
• Research and Development tax offset	(2,769,178)	(994,348)
Income tax (benefit)/expense	(2,769,178)	(994,348)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3: INCOME TAX (CONT'D)

Deferred tax assets and liabilities not recognised comprise:

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
<u>Deferred Tax Assets</u>		
Trade & other payables	6,000	8,602
Unused tax losses	4,110,052	2,828,148
Other future deductions	205,308	256,599
Net deferred tax assets	4,321,360	3,093,349
<u>Deferred Tax Liabilities</u>		
Deferred exploration and evaluation	(4,870,936)	(4,086,291)
Other assets	-	-
Net deferred tax liability	(4,870,936)	(4,086,291)

NOTE 4: SEGMENT REPORTING

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker. Due to the nature and size of the Group, the Board as a whole has been determined to be the Chief Operating Decision Maker.

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

NOTE 5: EARNINGS PER SHARE

	Consolidated 30 June 2020 Cents per share	Consolidated 30 June 2019 Cents per share
<i>Basic earnings/(loss) per share</i>		
Continuing operations	1.34	(2.57)
Total basic earnings/(loss) per share	1.34	(2.27)
	\$	\$
Profit/(Loss) for the period	1,282,670	(1,862,983)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 5: EARNINGS PER SHARE (CONT'D)

	30 June 2020 No.	30 June 2019 No.
Weighted average number of ordinary shares for the purposes of basic loss per share:	95,997,135	72,465,889
There are no potential ordinary shares that are considered dilutive, as a result no dilutive earnings per share has been disclosed.		

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Cash at bank and on hand	3,180,834	1,839,236
Short-term deposits	-	-
	<u>3,180,834</u>	<u>1,839,236</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Reconciliation of loss for the year to net cash flows from operating activities

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Net gain/(loss) for the year	1,282,670	(1,869,983)
Share based payments expense	136,793	439,520
Depreciation	11,798	7,868
Change in net assets and liabilities, net of effects from acquisition and disposal of businesses		
(Increase)/decrease in assets:		
- Trade and other receivables	153,803	(167,678)
Increase/(decrease) in liabilities:		
- Trade and other payables	(1,642,930)	751,704
Net cash from operating activities	<u>(57,866)</u>	<u>(867,569)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7: TRADE AND OTHER RECEIVABLES

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
GST recoverable	68,245	318,718
Other	104,316	7,726
	<u>172,561</u>	<u>326,444</u>

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Consolidated \$	
	Plant and equipment	Total
Balance at 1 July 2019	24,505	24,505
Additions	-	-
Depreciation	(11,798)	(11,798)
Balance at 30 June 2020	<u>12,707</u>	<u>12,707</u>
	Plant and equipment	Total
Balance at 1 July 2018	32,373	32,373
Additions	-	-
Depreciation	(7,868)	(7,868)
Balance at 30 June 2019	<u>24,505</u>	<u>24,505</u>

NOTE 9: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Balance at beginning of the period	19,210,131	7,986,364
Expenditure during the period	2,568,945	10,305,267
Ordinary shares issued for acquisition of tenements and royalty during the period	-	918,500
	<u>21,779,076</u>	<u>19,210,131</u>

The recoupment of cost carried forward in relation to the above area of interest in the exploration phase is dependent on the successful development and commercial exploitation or sale of the respective area.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10: TRADE AND OTHER PAYABLES

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Trade payables (i)	275,146	1,918,156
Accruals	20,000	20,000
	295,146	1,938,156

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

NOTE 11: ISSUED CAPITAL

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Ordinary shares issued and fully paid	25,765,250	21,547,507

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

	Number	\$
Movement in ordinary shares for the year ended 30 June 2020		
Balance at 1 July 2019	87,554,167	21,547,507
Shares issued as part placement on 6 February 2020	18,939,545	2,083,350
Shares issued to consultant on 6 February 2020 ⁽ⁱⁱ⁾	413,000	55,755
Shares issued as part director placement on 11 May 2020	543,288	59,762
Shares issued to Advisor on 11 May 2020 ⁽ⁱ⁾	690,000	89,700
Shares issued as part placement on 15 June 2020	13,699,667	2,054,950
Shares issued to consultant on 15 June 2020 ⁽ⁱⁱ⁾	360,000	63,000
Shares issued to Advisor on 15 June 2020 ⁽ⁱ⁾	200,333	35,058
Share issue costs	-	(223,832)
Balance at end of year	122,400,000	25,765,250

(i) Shares issued to Advisor for services provided to the Company in regard to Share Placements conducted.

(ii) Shares issued to Technical Consultants for services provided to the Company in regard to business development activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 11: ISSUED CAPITAL (CONT'D)

	Number	\$
Movement in ordinary shares for the year ended 30 June 2019		
Balance at 1 July 2018	55,300,001	10,326,761
Shares issued for acquisition of tenements on 3 July 2018	200,000	93,500
Options exercised on 12 July 2018	125,000	31,250
Options exercised on 8 August 2018	543,333	215,833
Options exercised on 24 August 2018	300,000	100,000
Shares issued for acquisition of royalty on 10 September 2018	1,500,000	825,000
Options exercised on 21 September 2018	50,000	20,000
Shares issued as part placement on 5 October 2018	12,000,000	6,000,000
Options exercised on 14 November 2018	25,000	6,250
Shares issued as part placement on 26 February 2019	17,510,833	4,552,816
Share issue costs	-	(623,903)
Balance at end of year	87,554,167	21,547,507

OPTIONS

	Number	\$
Movement in options		
Unquoted Options exercisable on or before 31 December 2019:		
Balance at 1 July 2019	14,590,000	807,557
Options expired during the year	(14,590,000)	-
Balance at 30 June 2020	-	807,557
Quoted Options exercisable on or before 24 May 2020		
Balance at 1 July 2019	14,888,750	733,999
Options expired during the year	(14,888,750)	-
Balance at 30 June 2020	-	733,999
Unquoted Options exercisable on or before 24 May 2020		
Balance at 1 July 2019	3,258,334	288,976
Options exercised during the year	(3,258,334)	-
Balance at 30 June 2020	-	288,976
Unquoted Options exercisable on or before 12 January 2021:		
Balance at 1 July 2019	2,750,000	390,000
Options exercised during the year	-	-
Balance at 30 June 2020	2,750,000	390,000
Unquoted Options exercisable on or before 10 May 2023:		
Balance at 1 July 2019	-	-
Options issued during the year	8,250,000	12,459
Options exercised during the year	-	-
Balance at 30 June 2020	8,250,000	12,459

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Unquoted Options exercisable on or before 15 June 2022:

Balance at 1 July 2019	-	-
Options issued during the year	6,849,834	-(i)
Options exercised during the year	-	-
Balance at 30 June 2020	6,849,834	-
Balance at end of year	17,849,834	2,232,991

(i) 1 for 2 free attaching unquoted option exercisable at \$0.25 on or before 15 June 2022

NOTE 12: RESERVES

Nature and purpose of reserves

Share-based payments reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to note 13 for further details of these plans.

	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
Balance at beginning of period	2,541,250	2,232,497
Issue of options to consultants and directors	12,459	445,025
Cancellation/forfeiture	-	(5,505)
Options exercised, transferred to accumulated losses	-	(130,767)
	<u>2,553,709</u>	<u>2,541,250</u>

NOTE 13: SHARE-BASED PAYMENTS

Equity based shares

The Company issued during the year ended 30 June 2020, a total of 773,000 fully paid ordinary shares to technical consultants of the Company. The total value of fully paid ordinary shares in accordance with their respective issue dates is \$118,755.

Share Options

The contractual life of each option granted is 3 years. There are no cash settlement alternatives. The expense recognised in the statement of comprehensive income is \$12,459 comprising of unvested options.

The following share-based payment arrangements were in place during the prior and current period:

	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$	Vesting Conditions
Unquoted Options	4,125,000	04/05/2020	10/05/2023	\$0.20	\$0.0564	-
Unquoted Options	4,125,000	04/05/2020	10/05/2023	\$0.20	\$0.0564	-
Quoted Options	6,849,834	15/06/2020	15/06/2022	\$0.25	-	-(i)

(i) Represents free attaching options issued to subscribers under the capital raising as announced on 15 June 2020.

There has been no alteration of the terms and conditions of the above share-based payment arrangement since grant date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: SHARE-BASED PAYMENTS (CONT'D)

The following table illustrates the number (No.) and weighted average exercise prices of, and movements in, share options issued during the period:

	30 June 2020	
	Number	Weighted average exercise price \$
Outstanding at the beginning of the period	35,487,084	\$0.317
Listed options granted during the period	-	-
Unlisted options granted during the period	15,099,834	\$0.22
Forfeited during the period	-	-
Exercised during the period	-	-
Expired during the period	(32,737,084)	\$0.33
Outstanding at the end of period	<u>17,849,834</u>	<u>\$0.33</u>
Exercisable at the end of period	<u>17,849,834</u>	<u>\$0.33</u>
	30 June 2019	
	Number	Weighted average exercise price \$
Outstanding at the beginning of the period	27,800,000	\$0.315
Listed options granted during the period	8,755,417	\$0.400
Unlisted options granted during the period	-	-
Forfeited during the period	-	-
Exercised during the period	(1,068,333)	\$0.359
Expired during the period	-	-
Outstanding at the end of period	<u>35,487,084</u>	<u>\$0.317</u>
Exercisable at the end of period	<u>35,487,084</u>	<u>\$0.317</u>

The share options outstanding at the end of the period had a weighted average exercise price of \$0.33.

The fair value of the equity-settled share options granted under both the option and the loan plans is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 14: FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged during the financial year.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

Categories of financial instruments

	Weighted Average Interest Rate	Consolidated Balance \$
As at 30 June 2020		
<u>Financial assets</u>		
Cash and cash equivalents	1.50%	3,180,834
Other financial assets (GST receivables)	-	172,561
<u>Financial liabilities</u>		
Trade and other payables	-	275,147
As at 30 June 2019		
<u>Financial assets</u>		
Cash and cash equivalents	1.50%	1,839,236
Other financial assets (GST receivables)	-	326,444
<u>Financial liabilities</u>		
Trade and other payables	-	1,918,156

Financial risk management objectives

The Group is exposed to market risk (including interest rate risk and liquidity risk). The use of financial derivatives is governed by the Group's policies approved by the board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 14: FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at balance date and the stipulated change taking place at the beginning of the financial period and held constant throughout the reporting period.

A 10 basis point increase is used when reporting interest rate risk internally to management and represents management's assessment of the change in interest rates.

At balance date, if interest rates had been 10 basis points higher or lower and all other variables were held constant, the Group's:

- Profit or loss would increase/decrease by \$3,180 (2019: 1,839)
- Net Equity would increase/decrease by \$3,180 (2019: 1,839)

NOTE 15: COMMITMENTS AND CONTINGENCIES

Officers Remuneration Commitments

The Group entered into remuneration commitments with all the non-executive directors of the Group effective 20 December 2016, for all services rendered from this date forward. The non-executive director and non-executive chairman salaries has been set at \$40,000 and \$60,000 respectively. Remuneration of non-executive directors is reviewed annually.

Effective 20 December 2016, the Group entered into an executive director service agreement with Mr Prentice (Executive Director Agreement). Under the Executive Director Agreement, Mr Prentice is engaged to provide services to the Group in the capacity of Executive Director, based in Perth, Western Australia. Mr Prentice is to be paid remuneration of \$120,000 per annum. At the Board meeting held on 30 June 2017, the Board approved to increase Mr Prentice's remuneration from \$120,000 to \$180,000 effective from 1 July 2017. Mr Prentice will also be reimbursed for reasonable expenses incurred in carrying out his duties. The Executive Director Agreement can be terminated by one month's written notice from the Company, while Mr Prentice can terminate by providing three months written notice.

Administration Agreement

On 10 October 2016, the Group entered into an agreement with Cicero Corporate Services Pty Ltd (an entity in which Mr Cheema is shareholder and partner) ("Cicero") defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent, book-keeping, company secretarial and administration services to the Company for a monthly fee of \$10,000 plus GST.

Tenement Related Commitments and Contingencies

In order to maintain rights of tenure of its Australian located mineral tenements, the Company is required to outlay certain amounts in respect of rent and minimum expenditure requirements set by the Western Australian State Government Mines Department. The Company's commitments to meet this minimum level of expenditure are approximately \$201,685 (2019: \$204,858) annually.

Exemption from incurring this annual level of expenditure may be granted where access to the tenement are restricted for reasons beyond the Company's control such as where native title issues restrict the Company's ability to explore in the project area. The Company is not aware of any such restrictions to exploration in the coming year it does not anticipate seeking any exemption to reduce this annual requirement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 15: COMMITMENTS AND CONTINGENCIES (CONT'D)

	Consolidated 30 June 2020	Consolidated 30 June 2019
Commitments for exploration expenditure on Western Australian Projects	\$	\$
Not longer than 1 year	209,770	204,858
Longer than 1 year and less than 2 years	209,770	204,858
Longer than 2 year and less than 5 years	629,310	614,573
	1,046,850	1,024,289

NOTE 16: RELATED PARTY DISCLOSURES

Transactions with Key Management Personnel

	Consolidated 30 June 2020	Consolidated 30 June 2019
Short-term employee benefits	275,997	279,966
Other long-term benefits	-	-
Share-based payments	9,482	-
	285,478	279,966

Other Transactions with Key Management Personnel

On 10 October 2016, the Group entered into an agreement with Cicero Corporate Services Pty Ltd (an entity in which Mr Cheema is shareholder and director) (**Cicero**) defining the terms of engagement for the provision of administration services by Cicero as a contractor to the Group. Cicero will provide the office rent, book-keeping, company secretarial and administration services to the Company for a monthly fee of \$10,000 plus GST. Fees paid to Cicero for the period ending 30 June 2020 is \$120,000 (exc. GST).

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

On 1 July the Company announced

On 1 September 2020, the Company announced the grant of Mining Leases M51/883 ("Northern Block") and M51/884 ("Southern Tenement") on 28 August 2020. The Mining Leases have been granted by the Western Australian Government's Department of Mines, Industry Regulation and Safety ("DMIRS") for an initial period of 21 years. Grant of the Mining Leases delivers all tenure required for the development of the Gabanintha Vanadium Project ("Project" or "GVP"), including Miscellaneous Licences for the bore field and camp and General Purpose Leases for mining infrastructure associated with the Northern Block.

NOTE 18: CONTINGENT LIABILITIES

There were no contingencies as at 30 June 2020 (2019: \$Nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 19: INTERESTS IN SUBSIDIARIES

Details of subsidiaries held are described below.

Transactions with subsidiaries

The consolidated financial statements include the financial statements of Technology Metals Australia Limited and the subsidiaries listed in the following table.

	Country of incorporation	% Equity interest 30 June 2020 \$	Investment 30 June 2020 \$
The Kop Ventures Pty Ltd	Australia	100%	3,488,235

Technology Metals Australia Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in this note. Details of transactions between the Group and other related entities are disclosed in Note 16.

NOTE 20: PARENT ENTITY DISCLOSURES

Financial position

	Year Ended 30 June 2020 \$	Year Ended 30 June 2019 \$
<u>Assets</u>		
Current assets	3,352,993	2,165,275
Non-current assets	21,920,087	19,229,799
Total assets	25,273,080	21,393,074
<u>Liabilities</u>		
Current liabilities	283,324	1,932,464
Non-current liabilities	-	-
Total liabilities	283,324	1,932,464
<u>Equity</u>		
Issued capital	25,765,250	21,547,507
Reserves	2,553,709	2,541,250
Retained earnings	(3,329,203)	(4,626,147)
Total equity	24,989,756	19,462,610

Financial performance

	Year Ended 30 June 2020 \$	Year Ended 30 June 2019 \$
Gain/(Loss) for the period	1,282,670	(1,746,572)
Other comprehensive income	-	-
Total comprehensive income	1,282,670	(1,746,572)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 21: AUDITOR'S REMUNERATION

The auditor of Technology Metals Australia Limited is HLB Mann Judd.

Auditor of the parent entity
Audit or review of the financial statements

Year Ended 30 June 2020 \$	Year Ended 30 June 2019 \$
33,966	29,835
33,966	29,835

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DIRECTORS' DECLARATION

1. In the opinion of the Directors of Technology Metals Australia Limited (the 'Company'):
 - a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the period then ended; and
 - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial period ended 30 June 2020.

This declaration is signed in accordance with a resolution of the board of Directors.

Michael Fry
Chairman



Dated this 22nd day of September 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Technology Metals Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Technology Metals Australia Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern (if applicable, refer ASA 570)

We draw attention to **Note 1(a)** in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
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<p>Deferred exploration and evaluation expenditure Note 9 of the financial report</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> - Obtaining an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation; - Considering the Directors' assessment of potential indicators of impairment in addition to making our own assessment; - Obtaining evidence that the Group has current rights to tenure of its areas of interest; - Considering the nature and extent of planned ongoing activities; - Substantiating a sample of expenditure by agreeing to supporting documentation; and <p>Examining the disclosures made in the annual report.</p>
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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a

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material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Technology Metals Australia Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
22 September 2020



N G Neill
Partner

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ADDITIONAL SECURITIES EXCHANGE INFORMATION

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The shareholder information set out below was applicable as at 22 September 2020.

1. Distribution of Shareholders

Analysis of number of shareholders by size of holding:

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	65	24,588	0.02%
above 1,000 up to and including 5,000	314	976,532	0.79%
above 5,000 up to and including 10,000	234	1,899,339	1.54%
above 10,000 up to and including 100,000	526	19,171,928	15.59%
above 100,000	167	100,927,613	82.06%
Totals	1,306	123,000,000	100.00%

2. Twenty Largest Shareholders

The names of the twenty largest holders by account holding of ordinary shares are listed below:

Position	Holder Name	Holding	% IC
1	GREAT SOUTHERN FLOUR MILLS PTY LTD	14,500,000	11.79%
2	BUXIAO YU	6,500,000	5.28%
3	STATION NOMINEES PTY LTD <STATION SUPER FUND A/C>	5,000,000	4.07%
4	COLIN DAVID ILES	4,848,485	3.94%
5	RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	3,573,678	2.91%
6	ATASA HOLDINGS PTY LTD <TS3A FAMILY A/C>	3,065,001	2.49%
7	MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY <DALY FAMILY S/F TOM A/C>	1,925,513	1.57%
8	BNP PARIBAS NOMS PTY LTD <UOB KH P/L AC UOB KH DRP>	1,818,181	1.48%
9	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,750,399	1.42%
10	MR JACOB EDWARDS & MRS CATHY EDWARDS	1,702,671	1.38%
11	RETZOS FAMILY PTY LTD <RETZOS FAMILY S/FUND A/C>	1,651,322	1.34%
12	MR CON CARYDIAS	1,500,000	1.22%
12	JIANFU XU	1,500,000	1.22%
13	PASIAS HOLDINGS PTY LTD	1,473,500	1.20%
14	MR DAVID JAMES HARRINGTON	1,432,667	1.16%
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,417,699	1.15%
16	RONAY INVESTMENTS PTY LTD	1,318,970	1.07%
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,307,259	1.06%
18	SHAYDEN NOMINEES PTY LTD	1,300,000	1.06%
19	RG RESTAURANTS PTY LTD	1,125,000	0.91%
20	MR PAUL VENDA DIVIN	1,074,142	0.87%
	Total	59,784,487	48.61%
	Total issued capital - selected security class(es)	123,000,000	100.00%

3. Securities Table

Capital Structure

ORDINARY FULLY PAID SHARES	123m
Unquoted Options (\$0.20 – 10/05/23 expiry)	8.25m
Unquoted Options (\$0.35 – 12/01/21 expiry)	2.75m
Unquoted Options (\$0.25 – 15/06/22 expiry)	6.85M

4. Substantial Shareholders

As at 22 September 2020 the substantial shareholders were as follows:

Name of Shareholder	No of Shares	% of Issued Capital
GREAT SOUTHERN FLOUR MILLS PTY LTD	14,500,000	11.79%
BUXIAO YU	6,500,000	5.28%

5. Voting Rights

At a general meeting of shareholders:

- (a) On a show of hands, each person who is a member or sole proxy has one vote.
- (b) On a poll, each shareholder is entitled to one vote for each fully paid share.

6. Tenement interests as at 22 September 2020

LOCATION	TENEMENT	INTEREST ACQUIRED OR DISPOSED	ECONOMIC INTEREST
Gabanintha Project (WA)	E51/1510	Nil	100%
Gabanintha Project (WA)	E51/1818	Nil	100%
Gabanintha Project (WA)	G51/0029	Nil	100%
Gabanintha Project (WA)	G51/0030	Nil	100%
Gabanintha Project (WA)	L51/0101	Nil	100%
Gabanintha Project (WA)	L51/0102	Nil	100%
Gabanintha Project (WA)	M51/0883	100%	100%
Gabanintha Project (WA)	M51/0884	100%	100%
Gabanintha Project (WA)	P51/2930	Nil	100%
Gabanintha Project (WA)	L51/0108	Nil - Application	-
Gabanintha Project (WA)	P51/3140	Nil - Application	-