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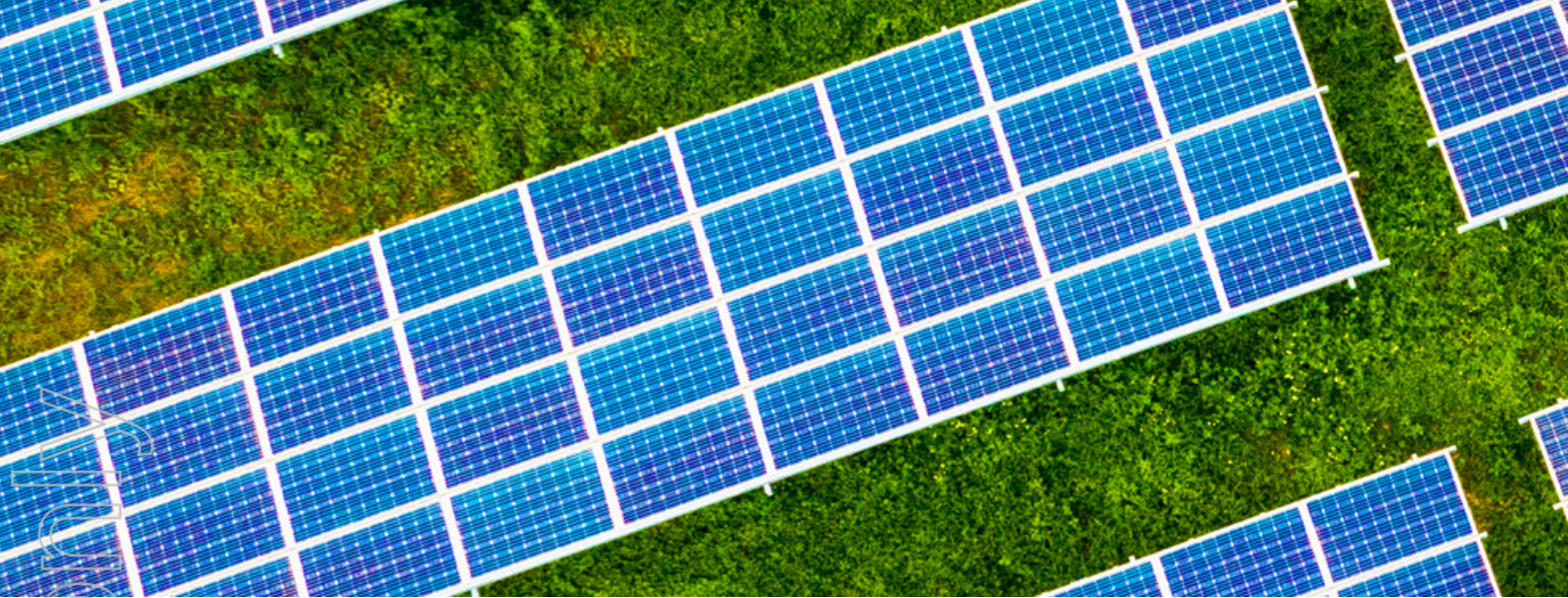
2022 ANNUAL REPORT



TECHNOLOGY
METALS AUSTRALIA LIMITED

ABN 64 612 531 389

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CORPORATE INFORMATION

Directors

Mr Michael Fry (Non-executive Chairman)
Mr Ian Prentice (Managing Director)
Ms Jacqueline Murray (Non-executive Director)
Ms Carmen Letton (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 registry

Automic 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

Steinepreis Paganin Lawyers and Consultants
Level 4, The Read Buildings, 16 Milligan Street
Perth WA 6000 Australia

Bankers

National Australia Bank Ltd
1st Floor, 1238, Hay Street
West Perth, WA 6005

Auditors

HLB Mann Judd (WA Partnership)
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)

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CHAIRMAN'S LETTER



Dear fellow shareholder,

It is a pleasure to present you with the 2022 Annual Report for Technology Metals Australia Limited, a year in which we have made significant progress in advancing the Company's flagship Muchison Technology Metals Project in the Mid-West of Western Australia.

During this reporting period we have witnessed increasing interest on the global market in vanadium as a mineral of growing importance. The USA lists vanadium as one of the 35 critical minerals essential to their economic and national security and in Australia the Federal Government has also identified vanadium in the 2022 Critical Minerals List.

Global environmental commitments to reach Net Zero by 2050 has also brought attention to the compelling role of vanadium in long-duration energy storage solutions as a key material in vanadium redox flow batteries (VRFBs). This surge in interest in the vanadium sector saw prices reach a year high of US\$12.40/lb in March 2022¹.

The Company's Murchison Technology Metals Project comprises the Gabanintha and Yarrabubba deposits, and during this reporting period, a key focus was to complete the Integration Study of the Yarrabubba deposit into the MTMP production schedule and mine plan. Metallurgical testwork completed as part of the study showed that Yarrabubba ore will perform as well, if not better than, Gabanintha ore through the processing circuit.

The integration of Yarrabubba has extended the MTMP mine life out to 25 years, with an additional revenue stream generated from the production of ilmenite from Yarrabubba. Importantly, the Integration Study supports the position that the MTMP will be one of the lowest quartile cash cost vanadium producers in the world.

Investigation into downstream processing of our vanadium pentoxide product into electrolyte has progressed with TMT's strong association with Japanese vanadium electrolyte company LE System Co. We are also a key partner in the Federal Government-backed Future Battery Industries Cooperative Research Centre (FBICRC) in the "Development of Electrolyte Project" and continue to work with global battery manufacturers and the renewable energy sector on the application of VRFB technology.

The Company continues to keep our environmental, social and governance responsibilities top of mind as we progress into the Implementation Phase of the project. During this reporting period we have continued to engage and consult with relevant stakeholders as the key environmental and statutory approvals are being advanced.

The next twelve months for our company will be very exciting as we move towards a Development Decision and progress the development of the project.

Michael Fry
Chairman

¹ <https://www.vanadiumprice.com/>

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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 2022.

In order to comply with the provisions of the Corporations Act 2001, the Directors' report is provided 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 Securities 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



Mrs Jacqueline Murray
 Non-Executive Director
Appointed 13 October 2021

Jacqueline Murray is a Partner at Resource Capital Funds (RCF) and has worked within the mining industry for over 20 years. Mrs Murray joined RCF in 2012 after working in business analysis and improvement roles with BHP Billiton.

Prior to this she worked in various geotechnical engineering roles in underground and open pit operations within BHP Billiton and WMC Resources. Mrs. Murray holds an MBA from Melbourne Business School and a Bachelor of Geological Engineering from RMIT University.

She is a graduate of the Australian Institute of Company Directors and currently serves on the Board of Directors of Alliance Mining Commodities and previously, Khoemacau Copper Mining.

Ms Jacqueline Murray held no directorships within listed companies in the 3 years immediately before the end of the financial year.



Dr. Carmen Letton
 Non-Executive Director
Appointed 10 August 2022

Dr. Carmen Letton is a mining engineer and mineral economist with 35 years of global mining experience and a diverse background in senior leadership roles in operations, business improvement and operational excellence.

More recently focused on corporate and asset strategy development, she has extensive technical expertise in open pit and underground mines across multiple commodities and the many stages of asset development. Dr. Letton was most recently the Head of Resource Development and Life of Asset Planning (Asset Strategy Development) at Anglo American, having previously worked at BHP Billiton, Rio Tinto, Newmont, Newcrest and a number of other international mining companies.

Dr. Carmen Letton held no directorships within listed companies in the 3 years immediately before the end of the financial year.



Mr Sonu Cheema
 Company Secretary
Appointed 20 May 2016

Resigned as Non-executive Director on 10 August 2022

Mr Cheema holds the position of Director for Cicero Group Pty Ltd and has over 12 years' experience working with public and private companies in Australia and abroad.

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) and Austin Metals Limited (Appointed 29 May 2020).

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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 Number | Share options Number | Performance Rights Number |
|-------------------|-----------------------------------|----------------------|---------------------------|
| Michael Fry | 300,000 | 3,000,000 | - |
| Ian Prentice | 667,712 | 8,000,000 | 1,000,000 |
| Jacqueline Murray | - | - | - |
| Carmen Letton | - | - | - |
| Sonu Cheema | 162,857 | 1,000,000 | - |

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 |
|----------------------|-------------------------------|--------------------------|-----------------------|
| 7 June 2022 | 500,000 | \$0.60 | 30 June 2025 |
| 7 June 2022 | 300,000 | \$0.50 | 1 January 2024 |
| 19 April 2022 | 1,575,000 | \$0.60 | 30 June 2025 |
| 19 November 2022 | 2,000,000 | \$0.60 | 30 June 2025 |
| 23 April 2021 | 3,500,000 | \$0.50 | 1 January 2024 |
| 29 January 2021 | 275,000 | \$0.50 | 1 January 2024 |
| 4 May 2020 | 8,000,000 | \$0.20 | 10 May 2023 |

Principal Activities

The principal activities of the entities within the Group during financial year ending 30 June 2022 were mineral exploration which includes:

- The flagship Murchison Technology Metals Project located 50km southeast 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 flow battery (VRFB) market; and
- The Company initiated & advanced work an Integration Study to incorporate the Yarrabubba Project ("Yarrabubba") into the Murchison Technology Metals Project mine plan and demonstrate scope to produce an ilmenite by-product in conjunction with the primary vanadium production whilst mining at Yarrabubba.



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REVIEW OF OPERATIONS

Technology Metals Australia is moving into the implementation phase for its large, advanced Murchison Technology Metals Project, located near Meekatharra in Western Australia.

The vanadium-focused project, comprising the Gabanintha and Yarrabubba deposits, will produce vanadium pentoxide when production commences.

Based on receiving all approvals and securing financing for the project, the company aims to be in production from 2024 with a planned mine life of greater than 25 years.

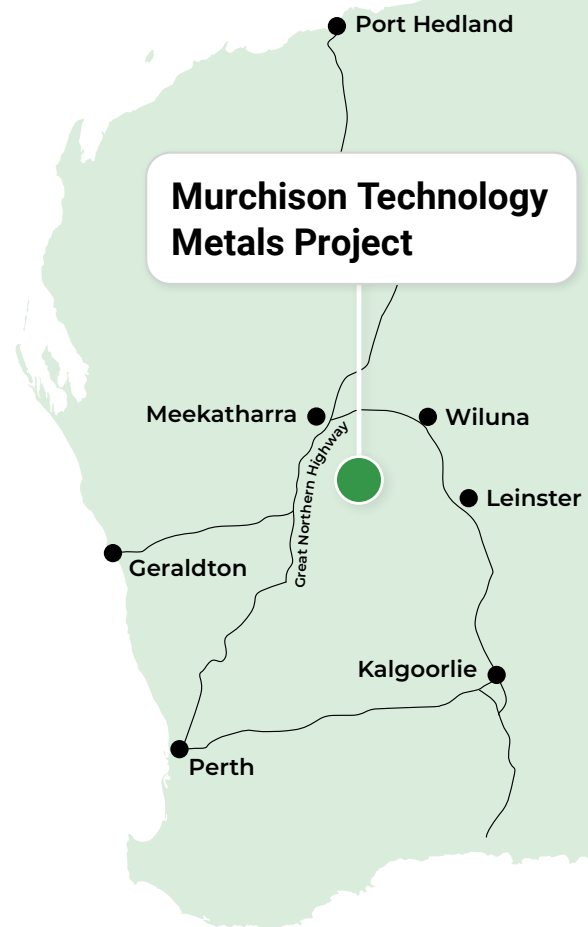
Vanadium is a key ingredient in steel production, with benefits including making steel harder as well as requiring less carbon emissions in its production. It is also a key component of vanadium redox flow batteries, a stationary battery system that can be used in conjunction with renewable energy sources.

Vanadium redox flow batteries have been around for several decades, however the larger scale deployment of these batteries is only just starting to ramp up. As other battery minerals are running into supply issues, which has a flow on effect due to the complex chemistry of the batteries, the vanadium flow batteries have an advantage as they only have one element – vanadium – and they don't degrade over time.

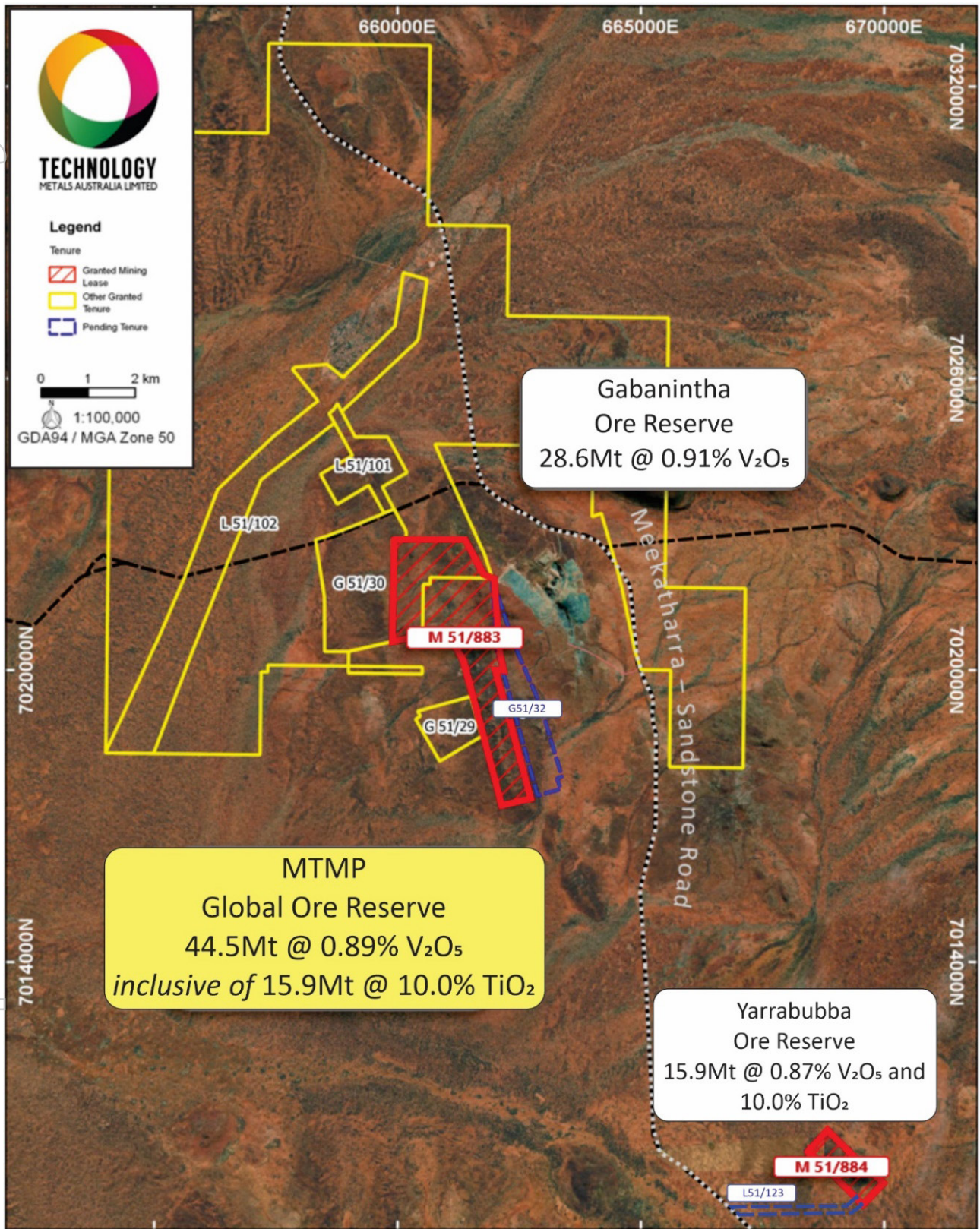
A major focus for the reporting period was an integration study for the Murchison Technology Metals Project, with results announced post the end of the reporting period.

The integration of the higher grade Yarrabubba deposit into the mine plan increased the mine life to more than 25 years, increased production in the early years and added in additional revenue from the production of ilmenite that forms part of the Yarrabubba deposit.

The company recently committed to early works on the project, commissioning the front end engineering and design (FEED) for the kiln as well as commencement of work on the gas pipeline that will supply energy for the project.



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Yarrabubba Exploration and Mineral Resource Estimate

During the reporting period, the Company undertook an infill and extensional drilling program at Yarrabubba, with broad zones of mineralisation containing vanadium, iron and ilmenite intersected².

Drilling in the south east of the Mineral Resource identified thickening of the orebody with results including:

GBRC145:

24m @ 50.2% Fe, 1.13% V2O5 and 12.8% TiO2 from 176m

GBDD057:

26.5m @ 46.6% Fe, 1.06% V2O5 and 12.1% TiO2 from 21.5m

Following the completion of the program, the Yarrabubba deposit has now been drilled out to better than 100m x 50m spacing, with these results used in an updated Mineral Resource and Ore Reserve estimate.

In November, the Company announced an updated Mineral Resource estimate for Yarrabubba³, with the deposit growing by 32% to 36.6Mt at 0.8% V2O5. The Indicated Mineral Resource estimate of 20.2Mt at 0.9% V2O5 represents a 110% increase on the previous maiden Indicated Mineral Resource estimate.

The upgrade includes a high-grade component of 19Mt at 1.1% V2O5, increasing the Murchison Technology Metals Project (MTMP) high grade component to 79.8Mt at 1.1% V2O5.

The global Measured and Indicated Mineral Resource Estimate for the MTMP increased by 27% to 50.2Mt at 0.9% V2O5 following the estimate.

The global Mineral Resource for the MTMP only includes fresh mineralisation classified as Measured and Indicated based on high metallurgical recovery factors.

A subsequent round of infill and extensional drilling was completed at both Yarrabubba and Gabanintha in the second half of the period, with data from this program being incorporated into a further update of the MTMP global Mineral Resource estimate, with the primary aim of expanding the Measured component of the resource and thereby increasing the Proven ore reserve component for the Project.

² ASX Announcement 16 September 2021 – Drilling confirms thickening of massive magnetite zones
³ ASX Announcement 10 November 2021 – 110% increase to Yarrabubba Indicated Mineral Resource



Yarrabubba Integration Study

A key focus for the Company during the reporting period was an Integration Study for the Yarrabubba Vanadium Project. When the Definitive Feasibility Study was completed in 2019, it was focused only on the development of the Gabanintha deposit.

The Yarrabubba Integration Study was designed to investigate the addition of Yarrabubba into the MTMP production schedule as well as assessing how Yarrabubba ore performs through the Gabanintha processing circuit.

In April⁴, the Company announced that roast-leach testwork on Yarrabubba ore produced outstanding results, with high vanadium recoveries of up to 96% delivered from batch kiln roast – leach testwork. In addition, new batch kiln roast – leach testwork on an original Gabanintha pilot sample delivered rapid conversion and vanadium recoveries up to 98%, in excess of the 2019 DFS program under slightly modified conditions.

The Integration Study results were announced post the end of the reporting period. The mine life has been extended from 16 to 25 years, with higher grade Yarrabubba ore to be mined before Gabanintha. This results in higher vanadium production in the early years as well as additional revenue from the production of ilmenite from Yarrabubba. The Company has commenced a commercial competitive tender process for the MTMP processing plant, with a Development Decision expected towards the end of 2022.

⁴ ASX Announcement 21 April 2022 – Outstanding results from MTMP roast-leach testwork

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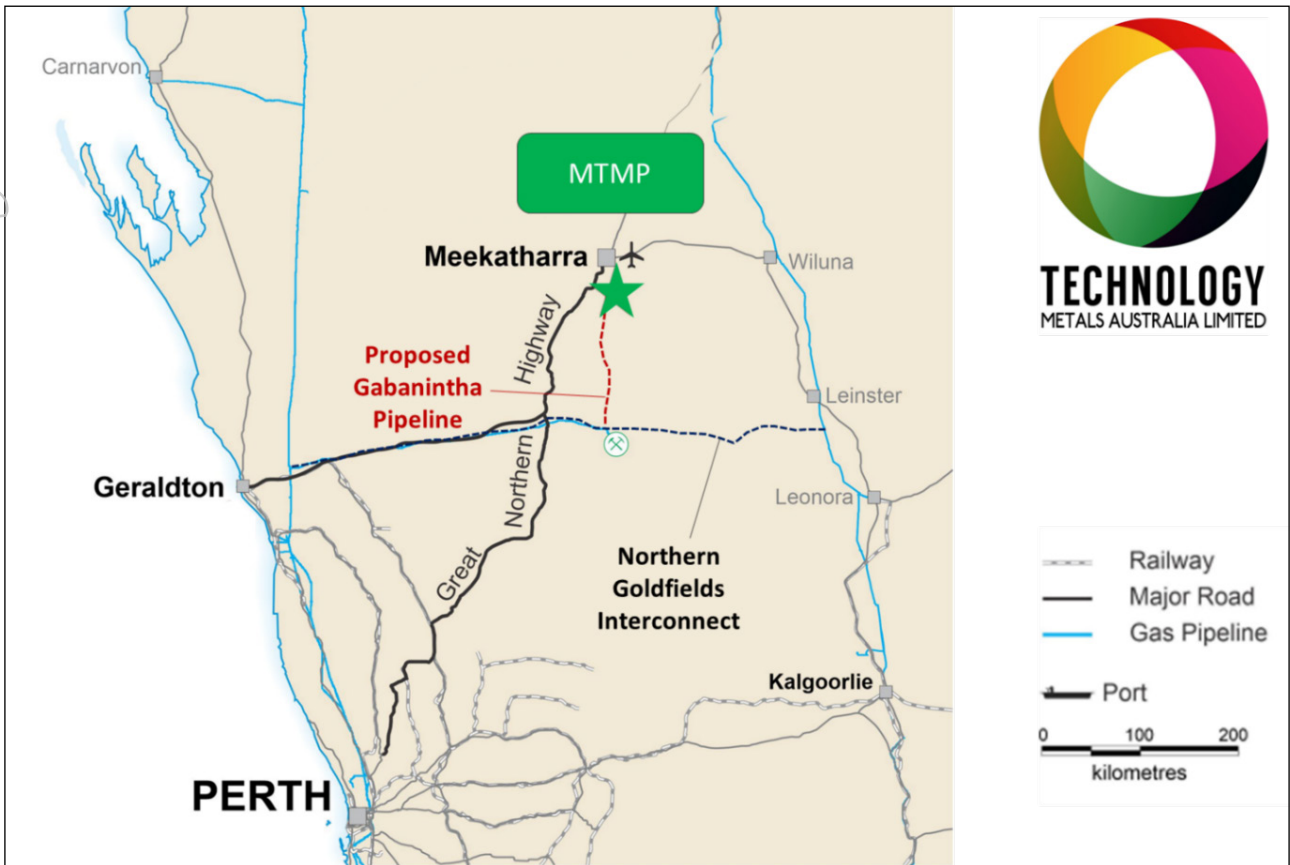


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“ Vanadium RFBs are state-of-the-art due to comparatively high energy density, low maintenance costs and long operational lifetimes. ”

The Future of Energy Storage,
An Interdisciplinary MIT Study, 2022





Implementation Phase

In April, the Company launched the Implementation Phase for the MTMP with a Notice to Proceed (**NtP**) with Front-End Engineering and Design (**FEED**) Services to FLS_{MIDTH} as per the binding Notice of Award (**NoA**) executed in June 2020⁵.

The NoA contemplates FLS_{MIDTH} supplying the key roasting kiln section of the MTMP processing plant.

FLS_{MIDTH} is a Danish engineering company based in Copenhagen, Denmark with almost 10,100 employees worldwide. It is a leading supplier of production facilities, equipment and service solutions to the mining and cement industries and has demonstrated World leading expertise in rotary roasting kilns.

In June⁶, the Company executed an Early Works Agreement with APA Operations Pty Ltd, a wholly owned subsidiary of APA Group Limited.

APA Operations is currently constructing the Northern Goldfields Interconnect pipeline, from which the proposed Gabanintha Gas Pipeline would be connected.

Under the agreement, APA Operations will progress early works for the Proposed Pipeline, which includes the preparation of licences, initial engineering design and identification of long lead procurement items.

The early works for the Proposed Pipeline are a key risk mitigation activity for TMT as part of the timely development and implementation of the MTMP. The Proposed Pipeline is anticipated to provide a cost effective, low risk and efficient energy supply solution with opportunity to source gas from the emerging Perth Basin.

⁵ ASX Announcement 28 April 2022 – Kiln FEED award launches MTMP Implementation Phase

⁶ ASX Announcement 8 June 2022 – Gas pipeline early works agreement executed with APA

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Vanadium Electrolyte Agreement

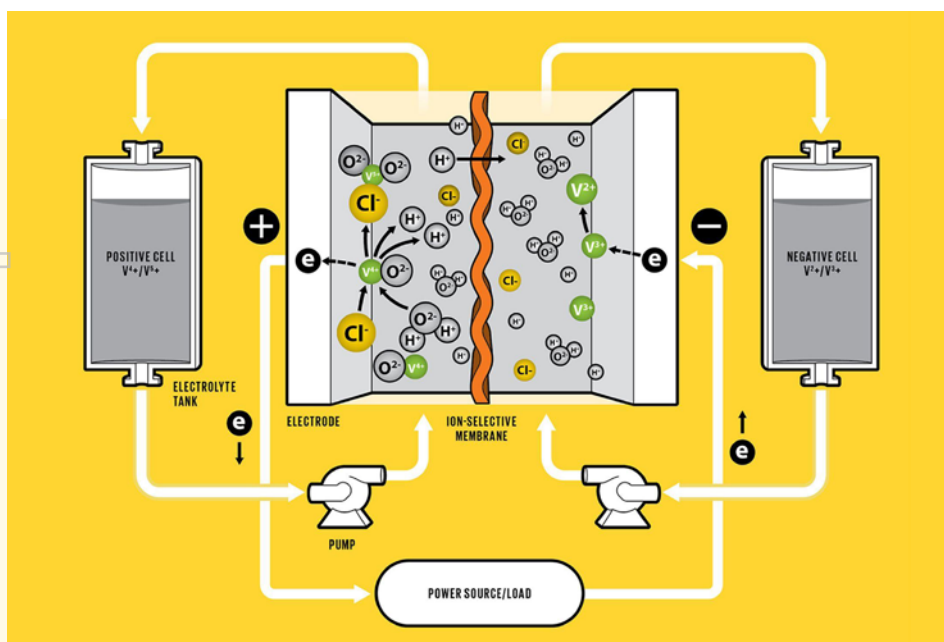
In March 2021, the Company announced that it had entered into a MOU for the potential use of LE System’s vanadium electrolyte technology to support the development of the VRFB industry in Australia using vanadium produced from the MTMP⁷. LE System Co., Ltd. is a leading supplier of electrolytes to VRFB manufacturers.

Established in 2011, the company is the top vanadium electrolyte supplier in Japan and is located in Fukuoka, Japan.

Following the end of the reporting period, the MOU was extended until at least 30 June 2023⁸. Under the MOU, Technology Metals will undertake a feasibility study to produce vanadium electrolyte in Australia using low cost, high purity vanadium produced from the MTMP.

LE System will provide technical support for the feasibility study from its knowledge, expertise and experience from operating its own vanadium electrolyte plant in Namie, Fukushima Prefecture, Japan.

Technology Metals continues to work with both Western Australian and Federal Government agencies to advance the potential production of vanadium electrolyte in Australia, using Australian produced vanadium. The development of this downstream business will support the roll out of VRFB’s in Australia as a key component of the critically required long duration storage solutions to improve renewable energy efficiency.



⁷ ASX Announcement 15 March 2021 – MoU signed with Japanese VRFB electrolyte company
⁸ ASX Announcement 14 July 2022 – Vanadium electrolyte study to supply Australian batteries

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2023 Development Plans

The Company has commenced a competitive commercial tender process for the processing plant for the MTMP. The Company intends to make a Development Decision towards the end of 2022 and award construction contracts.

The Company envisages that, subject to financing and remaining statutory approvals, construction will commence in 2023 with first production from the MTMP in late 2024 / early 2025.

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.



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Competent Persons Statement

The information in this report that relates to Exploration Results are based on information compiled by Mr John McDougall. Mr McDougall is the Company's Exploration Manager and a member of the Australian Institute of Geoscientists.

Mr McDougall has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this report and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr McDougall consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Aaron Meakin. Mr Aaron Meakin is a Principal Consultant of CSA Global Pty Ltd and is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy.

Mr Aaron Meakin has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Aaron Meakin consent to the disclosure of the information in this announcement in the form and context in which it appears.

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

The information in this report that relates to the Processing and Metallurgy for the Murchison Technology Metals project is based on and fairly represents, information and supporting documentation compiled by Mr Brett Morgan, a full-time employee of Technology Metals Australia.

Mr Morgan is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Person in terms of the JORC (2012 Edition). The Competent Person, Brett Morgan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

There have not been any other significant changes in the state of affairs during the year ended 30 June 2022 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Group.

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.

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 2022. 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 |
| Jacqueline Murray | Non-executive Director |
| Carmen Letton | Non-executive Director (appointed 10 August 2022) |
| Sonu Cheema | Non-executive Director (resigned 10 August 2022) |

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

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.

At this point in the Company's development, the Board does not believe it is appropriate to link director and executive officers' remuneration with Company financial performance but rather project milestones.

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|----------------------------------|---------|---------|--------|---------|---------|
| Net Profit/(Loss) (\$'m) | (1,552) | (1,568) | 1,282 | (1,862) | (2,429) |
| Share price at year end (\$) | \$0.40 | \$0.30 | \$0.18 | \$0.21 | \$0.45 |
| Basic EPS (cents) | (0.82) | (1.14) | 1.34 | (2.57) | (5.93) |
| Total Dividend (cents per share) | Nil | Nil | Nil | Nil | Nil |

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. 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. There has not been any use of remuneration consultants during the year ended 30 June 2022. 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 \$50,000 per annum (2022: \$40,000) and \$80,000 (2022: \$60,000) per annum for the non-executive chairman. An additional fee may also be 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.

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. The fixed remuneration component is detailed in Key Management Personnel remuneration for the year ended 30 June 2022 table.

Employment Contracts

Effective 1 July 2022, the Group entered into an executive director service agreement with Mr Prentice (Managing Director Agreement). Under the Managing Director Agreement, Mr Prentice is engaged to provide services to the Group in the capacity of Managing Director, based in Perth, Western Australia. Mr Prentice is to be paid remuneration of \$300,000 per annum (2022: \$240,000). The Managing Director Agreement can be terminated by six month's written notice from the Company, while Mr Prentice can terminate by providing three months' written notice.

Remuneration of Key Management Personnel

| | Short-term employee benefits | | Share-based payments | | Total | Performance Related |
|--------------------------------|------------------------------|---------------|----------------------|---------|-------|---------------------|
| | Salary & fees | Share options | Performance Rights | | | |
| 30 June 2022 | \$ | \$ | \$ | \$ | \$ | % |
| Non-executive Directors | | | | | | |
| Michael Fry | 86,663 | 128,092 | - | 214,755 | | 60% |
| Jacqueline Murray | 28,710 | - | - | 28,710 | | - |
| Sonu Cheema | 30,000 | 55,357 | - | 85,357 | | 65% |
| Executive Director | | | | | | |
| Ian Prentice | 240,000 | 292,960 | 84,552 | 617,512 | | 61% |
| | 385,373 | 476,409 | 84,552 | 946,334 | | - |

REVIEW OF OPERATIONS

| 30 June 2021 | Short-term employee benefits | Share-based payments | | Total \$ | Performance Related % |
|--------------------------------|---------------------------------|-------------------------|-----------------------------|-------------|-----------------------------|
| | Salary & fees \$ | Share options \$ | Performance Rights \$ | | |
| Non-executive Directors | | | | | |
| Michael Fry | 63,333 | 45,978 | - | 109,311 | 42% |
| Sonu Cheema | 24,000 | 18,317 | - | 42,317 | 43% |
| Executive Director | | | | | |
| Ian Prentice | 225,000 | 91,949 | - | 316,949 | 29% |
| | 312,333 | 156,244 | - | 468,577 | - |

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. 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 Number | Granted as compensation Number | Received on exercise of options Number | Net change other Number | Balance at end of period Number | Balance held nominally Number |
|----------------------|------------------------------------------------|--------------------------------------|-------------------------------------------------|-------------------------------|---------------------------------------|-------------------------------------|
| Directors | | | | | | |
| Michael Fry | 300,000 | - | - | - | 300,000 | - |
| Jacqueline Murray | - | - | - | - | - | - |
| Sonu Cheema | 162,857 | - | - | - | 162,857 | - |
| Executives | | | | | | |
| Ian Prentice | 667,712 | - | - | - | 667,712 | - |
| | 1,130,569 | - | - | - | 1,130,569 | - |

Share options

| | Balance at beginning of period Number | Granted as compensation Number | Share Options expired Number | Balance at end of period Number | Vested and exercisable Number | Options vested during the period Number |
|----------------------|------------------------------------------------|--------------------------------------|------------------------------------|---------------------------------------|-------------------------------------|-----------------------------------------------------|
| Directors | | | | | | |
| Michael Fry | 1,000,000 | - | - | 1,000,000 ⁽ⁱ⁾ | - | 1,000,000 ⁽ⁱ⁾ |
| | 1,000,000 | - | - | 1,000,000 ⁽ⁱⁱ⁾ | - | - |
| | 1,000,000 | - | - | 1,000,000 ⁽ⁱⁱⁱ⁾ | - | - |
| Jacqueline Murray | - | - | - | - | - | - |
| Sonu Cheema | 250,000 | - | - | 250,000 ⁽ⁱ⁾ | - | 250,000 ⁽ⁱ⁾ |
| | 250,000 | - | - | 250,000 ⁽ⁱⁱ⁾ | - | - |
| | 500,000 | - | - | 500,000 ⁽ⁱⁱⁱ⁾ | - | - |
| Executives | | | | | | |
| Ian Prentice | 2,000,000 | - | - | 2,000,000 ⁽ⁱ⁾ | - | 2,000,000 ⁽ⁱ⁾ |
| | 2,000,000 | - | - | 2,000,000 ⁽ⁱⁱ⁾ | - | - |
| | 2,000,000 | - | - | 2,000,000 ⁽ⁱⁱⁱ⁾ | - | - |
| | - | 2,000,000 | - | 2,000,000 ^(iv) | - | - |
| | 10,000,000 | 2,000,000 | - | 12,000,000 | - | 3,250,000 |

- (i) Class A Incentive Options: Class A Incentive Options vested upon grant of mining licence M51/883 (Gabanintha Project) to the Company (Class A Milestone). Granted on 4 May 2020 at value of \$0.0564. Refer to Note 13 for further details.
- (ii) 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). Granted on 4 May 2020 at value of \$0.0564. Refer to Note 13 for further details. The options have not vested at balance date.

(iii) Class C Incentive Options: Class C Incentive Options vest, subject to the terms of the employee incentive scheme and subject to the Company making a final investment decision (FID) for the Yarrabubba Project prior to 30 October 2023 (Class C Milestone). Granted on 16 April 2021 at the general meeting of shareholders. Refer to Note 13 for further details. The fair value of the options granted to KPM was \$608,268 or \$0.1738 per option. The options have not vested at balance date.

(iv) Class E Incentive Options: Class E Incentive Options vest, subject to the terms of the employee incentive scheme and subject to the Company achieving first commercial production at MTMP prior to 30 June 2025. Granted on 19 November 2021 at the general meeting of shareholders. Refer to Note 13 for further details. The options have not vested at balance date.

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

Performance Rights

| | Balance at beginning of period Number | Granted as compensation Number | Share Options expired Number | Balance at end of period Number | Vested and exercisable Number | Options vested during the period Number |
|-------------------|------------------------------------------|-----------------------------------|---------------------------------|------------------------------------|----------------------------------|--------------------------------------------|
| 30 June 2022 | | | | | | |
| Directors | | | | | | |
| Michael Fry | - | - | - | - | - | - |
| Jacqueline Murray | - | - | - | - | - | - |
| Sonu Cheema | - | - | - | - | - | - |
| Executives | | | | | | |
| Ian Prentice | - | 1,000,000 | - | 1,000,000 | - | - |
| | - | 1,000,000 | - | 1,000,000 | - | - |

ⁱ 500,000 Class B Performance Rights: are an existing class of performance rights which had been issued by the Company and vest upon final investment decision (FID) on the Yarrabubba Vanadium Project. The Yarrabubba Vanadium Project and the Gabanintha Vanadium Project (GVP) collectively form the flagship Murchison Technology Metals Project (MTMP). Development of the MTMP enables the Company to accelerate the delivery of vanadium to market benefiting from all of the GVP Definitive Feasibility Study (DFS) and the integration study for the Yarrabubba Vanadium Project. As a result, FID on MTMP captures and consolidates both GVP and the Yarrabubba Vanadium Project, therefore satisfying the vesting condition for Class B Performance Rights prior to 30 October 2023. Refer to Note 13 for fair value disclosure.

ⁱⁱ 500,000 Class D Performance Rights: Each Class D Performance Right is a right to receive one fully paid ordinary share in TMT, subject to the terms of the employee incentive scheme and subject to the Company achieving first production at MTMP prior to 30 June 2025. Class B and Class D rights were valued on the closing price of TMT on grant date being the Company's AGM on 19 November 2021. The performance rights were issued to Director Ian Prentice. Refer to Note 13 for fair value disclosure.

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 2022 is \$161,277 (exc. GST) of which \$6,667 (exc. GST) is payable. The fees paid are inclusive of IT service costs which are on-charged at the same amount to TMT through the office administration process.

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:

| | <u>Directors' meetings</u> |
|------------------------------|----------------------------|
| Number of meetings held: | 10 |
| Number of meetings attended: | |
| Michael Fry | 10 |
| Ian Prentice | 10 |
| Jacqueline Murray | 7 |
| Sonu Cheema | 10 |

In addition, there were 10 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 2022 or 2021 financial year.

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 24 and forms part of this Directors' report for the period ended 30 June 2022.

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 2022.

Signed in accordance with a resolution of the Directors.



Michael Fry
Chairman
Perth, Western Australia; Dated this 27th day of September 2022

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 2022, 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
27 September 2022

D I Buckley
Partner

hl**b.com.au**

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

| | | Consolidated Year ended 30 June 2022 \$ | Consolidated Year ended 30 June 2021 \$ |
|--------------------------------------------------------------------------|--------------|-----------------------------------------------------|-----------------------------------------------------|
| | Notes | | |
| Continuing operations | | | |
| Other income | 2 | 45,070 | 36,246 |
| Administration expense | | (738,714) | (568,089) |
| Director fees | | (379,088) | (299,333) |
| Exploration expenses | | (628,242) | (560,048) |
| Share-based payments expense | 13 | (772,505) | (714,618) |
| Depreciation | | (43,647) | (23,539) |
| Loss before income tax | | (2,517,126) | (2,129,381) |
| Income tax benefit | 3 | 964,964 | 560,916 |
| Net loss for the year | | (1,552,162) | (1,568,465) |
| Other comprehensive income, net of income tax | | - | - |
| Other comprehensive (loss)/income for the year, net of income tax | | - | - |
| Total comprehensive loss for the year | | (1,552,162) | (1,568,465) |
| Basic and diluted loss per share (cents per share) | 5 | (0.82) | (1.14) |

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

| | Notes | Consolidated 30 June 2022 \$ | Consolidated 30 June 2021 \$ |
|-------------------------------------------------|-------|---------------------------------------|---------------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 18,599,913 | 5,586,108 |
| Trade and other receivables | 7 | 541,639 | 297,975 |
| Total current assets | | 19,141,552 | 5,884,083 |
| Non-current assets | | | |
| Property, plant and equipment | 8 | - | - |
| Deferred exploration and evaluation expenditure | 9 | 34,633,646 | 27,650,137 |
| Total non-current assets | | 34,633,646 | 27,650,137 |
| Total assets | | 53,775,198 | 33,534,220 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 10 | 1,096,886 | 667,224 |
| Total current liabilities | | 1,096,886 | 667,224 |
| Total liabilities | | 1,096,886 | 667,224 |
| Net assets | | 52,678,312 | 32,866,996 |
| Equity | | | |
| Issued capital | 11 | 55,328,854 | 34,737,881 |
| Reserves | 12 | 3,814,012 | 3,041,507 |
| Accumulated losses | | (6,464,554) | (4,912,392) |
| Total equity | | 52,678,312 | 32,866,996 |

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

| | | Issued capital | Reserves | Accumulated Losses | Total equity |
|--------------------------------------------------------------------|-------|-------------------|------------------|--------------------|-------------------|
| | Notes | \$ | \$ | \$ | \$ |
| Balance at 1 July 2020 | | 25,765,250 | 2,553,709 | (3,343,927) | 24,975,032 |
| Loss for the period | | - | - | (1,568,465) | (1,568,465) |
| Other comprehensive income for the year, net of income tax | | - | - | - | - |
| Total comprehensive income for the period | | - | - | (1,568,465) | (1,568,465) |
| Proceeds from shares Issued | 11 | 8,996,153 | - | - | 8,996,153 |
| Share-based payments – Acquisition | 11 | 90,000 | - | - | 90,000 |
| Share-based payments – Options issued to directors and consultants | | 248,000 | 660,298 | - | 908,298 |
| Conversion of performance rights | 12 | 172,500 | (172,500) | - | - |
| Share issue costs | 11 | (534,022) | - | - | (534,022) |
| Balance at 30 June 2021 | | 34,737,881 | 3,041,507 | (4,912,392) | 32,866,996 |
| | | | | | |
| | Notes | Issued capital | Reserves | Accumulated Losses | Total equity |
| | | \$ | \$ | \$ | \$ |
| Balance at 1 July 2021 | | 34,737,881 | 3,041,507 | (4,912,392) | 32,866,996 |
| Loss for the period | | - | - | (1,552,162) | (1,552,162) |
| Other comprehensive income for the year, net of income tax | | - | - | - | - |
| Total comprehensive loss for the period | | - | - | (1,552,162) | (1,552,162) |
| Proceeds from shares Issued | 11 | 20,000,000 | - | - | 20,000,000 |
| Share-based payments – Options issued to directors and consultants | 12 | - | 772,505 | - | 772,505 |
| Exercise of options | 11,12 | 1,578,293 | - | - | 1,578,293 |
| Share issue costs | 11 | (987,320) | - | - | (987,320) |
| Balance at 30 June 2022 | | 55,328,854 | 3,814,012 | (6,464,554) | 52,678,312 |

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

| | Notes | Consolidated Year ended 30 June 2022 \$ | Consolidated Year ended 30 June 2021 \$ |
|-----------------------------------------------------------|-------|-----------------------------------------------------|-----------------------------------------------------|
| Cash flows from operating activities | | | |
| Payments to suppliers and employees | | (1,560,046) | (1,612,313) |
| Other income | 2 | 19,725 | 16,939 |
| Interest received | 2 | 25,345 | 19,307 |
| Research and development incentive received | 3 | 964,964 | 560,916 |
| Net cash outflow from operating activities | 6 | (550,012) | (1,015,151) |
| Cash flows from investing activities | | | |
| Property, plant and equipment | 8 | (43,647) | (10,832) |
| Deferred exploration expenditure | 9 | (6,983,509) | (5,210,874) |
| Net cash outflow from investing activities | | (7,027,156) | (5,221,706) |
| Cash flows from financing activities | | | |
| Proceeds from the issue of shares | 11 | 21,578,293 | 8,996,153 |
| Payments for share issue costs | 11 | (987,320) | (354,022) |
| Net cash inflow from financing activities | | 20,590,973 | 8,642,131 |
| Net increase in cash held | | 13,013,805 | 2,405,274 |
| Cash and cash equivalents at beginning of period | | 5,586,108 | 3,180,834 |
| Cash and cash equivalents at the end of the period | 6 | 18,599,913 | 5,586,108 |

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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, Australian Accounting Standards and Interpretations and comply with the other requirements of the law. The financial statements cover the consolidated group comprising Technology Metals Australia Limited (the Company) and its subsidiaries, together referred to as the Group. The Company is a for-profit entity limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Stock Exchange. 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 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 2022 the Company recorded a loss before income tax expense of \$1,552,162 (2021: \$1,568,465), a net operating cash outflow of \$550,012 (2021: \$1,015,151), had a net asset position of \$52,678,312 (2021: \$32,866,996).

The Directors have noted that, while the Company continues to operate at a loss, the Company has progressed its Gabanintha Vanadium Project with the completion of its Definitive Feasibility Study (DFS). 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 2022, the Group has successfully completed the following capital raising initiatives.

- Issue of 16,976,319 Ordinary shares at \$0.375 per share were issued in November following shareholder approval, raising \$6.4 million as the second tranche of the \$20 million raising announced in September.
- \$1,578,293 raised from exercise of unlisted options at \$0.25 per option.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2022

In the year ended 30 June 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the year reporting periods beginning on or after 1 July 2021.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and therefore no material change is necessary to Group accounting policies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

Standards and Interpretations on issue not yet adopted

The Directors have also reviewed all the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Group and effective for the year reporting periods beginning on or after 1 July 2022.

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 Group and therefore no material change is necessary to Group accounting policies.

(c) Statement of compliance

The financial report was authorised for issue on 27th September 2022.

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 and consultants performing services 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

(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.

(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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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

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.

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.

(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.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

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 9, 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).

(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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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

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.

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 |
|---------------------|---------|

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. For the year ended 30 June 2022, all expenditure incurred for plant and equipment was depreciated in full due to the amount of expense incurred deemed not material.

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

(q) Earnings/(Loss) per share

Basic earnings/(loss) per share is calculated as net profit/(loss) 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/(loss) per share is calculated as net profit/(loss) 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.

(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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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

(f) GST

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

(u) Share-based payments

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted using a Black-Scholes option pricing model or another appropriate valuation model, that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted using a Black-Scholes option pricing model.

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.

(v) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 2: REVENUE AND EXPENSES

| | Consolidated Year Ended 30 June 2022 \$ | Consolidated Year Ended 30 June 2021 \$ |
|---------------------------------|--------------------------------------------------|--------------------------------------------------|
| Other income | | |
| Finance revenue - bank interest | 25,345 | 19,307 |
| Rental facility on-charge | 19,725 | 16,939 |
| | 45,070 | 36,246 |

NOTE 3: INCOME TAX

Income tax recognised in the statement of comprehensive income

| | Consolidated Year Ended 30 June 2022 \$ | Consolidated Year Ended 30 June 2021 \$ |
|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| The major components of tax benefits are: | | |
| Current tax | - | - |
| Deferred tax | - | - |
| | - | - |

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 2022 \$ | Consolidated Year Ended 30 June 2021 \$ |
|-----------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Accounting (loss) before income tax | (2,517,126) | (2,129,381) |
| Income tax benefit calculated at 30% | (755,138) | (638,814) |
| Tax effect of amounts which are not deductible/(taxable) in calculating taxable income: | | |
| • Tax effect of other non-deductible expenses | 231,776 | 214,385 |
| • Tax effect of Non-assessable income | - | - |
| • Adjustment recognised in current year in relation to current tax of previous years | 665,463 | 386,862 |
| • Effect of temporary differences that would have been recognised directly in equity | (288,767) | (116,768) |
| • Prior year under/over | - | - |
| • Movement in net deferred tax assets not recognised | 146,666 | 154,335 |
| • Research and Development tax offset | (964,964) | (560,916) |
| Income tax (benefit) | (964,964) | (560,916) |

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 2022**

NOTE 3: INCOME TAX (CONT'D)

Deferred tax assets and liabilities not recognised comprise:

| | Consolidated 30 June 2022 \$ | Consolidated 30 June 2021 \$ |
|-------------------------------------|------------------------------------|------------------------------------|
| <u>Deferred Tax Assets</u> | | |
| Trade & other payables | 7,560 | 6,900 |
| Unused tax losses | 7,902,167 | 6,020,902 |
| Other future deductions | 355,790 | 203,799 |
| Net deferred tax assets | 8,265,517 | 6,231,601 |
| <u>Deferred Tax Liabilities</u> | | |
| Deferred exploration and evaluation | (8,506,677) | (6,626,844) |
| Other assets | (7,416) | - |
| Net deferred tax liability | (8,514,093) | (6,626,844) |

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: LOSS PER SHARE

| | Consolidated 30 June 2022 Cents per share | Consolidated 30 June 2021 Cents per share |
|------------------------------|----------------------------------------------------|----------------------------------------------------|
| Basic (loss) per share | | |
| Continuing operations | (0.82) | (1.14) |
| Total basic (loss) per share | (0.82) | (1.14) |
| | \$ | \$ |
| (Loss) for the period | (1,552,162) | (1,568,465) |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 5: EARNINGS PER SHARE (CONT'D)

| | 30 June 2022 No. | 30 June 2021 No. |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Weighted average number of ordinary shares for the purposes of basic loss per share: | 188,294,460 | 137,855,548 |
| 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 2022 \$ | Consolidated 30 June 2021 \$ |
|--------------------------|---------------------------------------|---------------------------------------|
| Cash at bank and on hand | 18,599,913 | 5,586,108 |
| | <u>18,599,913</u> | <u>5,586,108</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, net of outstanding bank overdrafts.

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

| | Consolidated 30 June 2022 \$ | Consolidated 30 June 2021 \$ |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Net loss for the year | (1,552,162) | (1,568,465) |
| Share based payments expense | 772,505 | 714,618 |
| Depreciation | 43,647 | 23,539 |
| (Increase)/decrease in assets: | | |
| - Trade and other receivables | (243,585) | (125,414) |
| Increase/(decrease) in liabilities: | | |
| - Trade and other payables | 429,583 | (59,429) |
| Net cash used in operating activities | <u>(550,012)</u> | <u>(1,015,151)</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 7: TRADE AND OTHER RECEIVABLES

| | Consolidated 30 June 2022 \$ | Consolidated 30 June 2021 \$ |
|----------------------------|---------------------------------------|---------------------------------------|
| GST receivable | 254,232 | 289,387 |
| Insurance claim receivable | 250,000 | - |
| Other | 37,407 | 8,588 |
| | <u>541,639</u> | <u>297,975</u> |

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

| | Consolidated \$ | |
|-------------------------|------------------------|----------|
| | Plant and equipment | Total |
| Balance at 1 July 2021 | - | - |
| Additions | 43,647 | 43,647 |
| Depreciation | (43,647) | (43,647) |
| Balance at 30 June 2022 | <u>-</u> | <u>-</u> |
| | Plant and equipment | Total |
| Balance at 1 July 2020 | 12,707 | 12,707 |
| Additions | 10,832 | 10,832 |
| Depreciation | (23,539) | (23,539) |
| Balance at 30 June 2021 | <u>-</u> | <u>-</u> |

NOTE 9: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

| | Consolidated 30 June 2022 \$ | Consolidated 30 June 2021 \$ |
|-----------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Balance at beginning of the period | 27,650,137 | 21,904,076 |
| Expenditure during the period | 6,983,509 | 5,656,061 |
| Ordinary shares issued for acquisition of tenements and royalty during the period | - | 90,000 |
| | <u>34,633,646</u> | <u>27,650,137</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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 10: TRADE AND OTHER PAYABLES

| | Consolidated 30 June 2022 \$ | Consolidated 30 June 2021 \$ |
|--------------------|---------------------------------------|---------------------------------------|
| Trade payables (i) | 1,071,686 | 644,224 |
| Accruals | 25,200 | 23,000 |
| | <u>1,096,886</u> | <u>667,224</u> |

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

NOTE 11: ISSUED CAPITAL

| | Consolidated 30 June 2022 \$ | Consolidated 30 June 2021 \$ |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Ordinary shares issued and fully paid | <u>55,328,854</u> | <u>34,737,881</u> |

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 11: ISSUED CAPITAL (CONTINUED)

| | Consolidated 30 June 2022 | Consolidated 30 June 2022 | Consolidated 30 June 2021 | Consolidated 30 June 2021 |
|--------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Number | \$ | Number | \$ |
| (i) Movement in ordinary shares | | | | |
| Balance at beginning of the period | 150,178,057 | 34,737,881 | 122,400,000 | 25,765,250 |
| Shares issued for Royalty Payments on 2 September 2020 | - | - | 500,000 | 90,000 |
| Shares issued to an advisor of the Company on 2 September 2020 | - | - | 100,000 | 18,000 |
| Shares issued to a consultant of the Company on 26 October 2020 | - | - | 200,000 | 50,000 |
| Options exercised on 18 November 2020 | - | - | 200,000 | 70,000 |
| Performance Rights converted on 18 November 2020 | - | - | 500,000 | 172,500 |
| Shares Issues as part of a placement on 3 December 2020 | - | - | 22,857,142 | 8,000,000 |
| Shares issued to a consultant of the Company on 3 December 2020 | - | - | 514,285 | 180,000 |
| Shares issues as part of a Share Purchase Plan on 21 December 2020 | - | - | 2,119,963 | 741,987 |
| Options exercised on 2 February 2021 | - | - | 250,000 | 50,000 |
| Options exercised on 25 March 2021 | - | - | 500,000 | 125,000 |
| Options exercised on 11 May 2021 | - | - | 36,667 | 9,166 |
| Shares issued as part of a placement on 5 October 2021 | 36,357,014 | 13,633,880 | - | - |
| Options exercised on 26 Nov 2021 | 150,000 | 37,500 | - | - |
| Shares issued as part of a placement on 26 November 2021 | 16,976,319 | 6,366,120 | - | - |
| Options exercised on 1 April 2022 | 916,666 | 229,167 | - | - |
| Options exercised on 8 April 2022 | 3,063,166 | 765,792 | - | - |
| Options exercised on 13 May 2022 | 916,667 | 229,167 | - | - |
| Options exercised on 7 June 2022 | 1,266,668 | 316,667 | - | - |
| Share issue costs | - | (987,320) | - | (534,022) |
| Balance at end of period | 209,824,557 | 53,328,854 | 150,178,057 | 34,737,881 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
NOTE 11: ISSUED CAPITAL (CONTINUED)

OPTIONS

| | Consolidated As at 30 June 2022 Number | Consolidated As at 30 June 2021 Number |
|-----------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Movement in options | | |
| Unquoted Options exercisable on or before 12 January 2021 | | |
| Balance at start of period | - | 2,750,000 |
| Options expired during period | - | (2,550,000) |
| Options exercised during period | - | (200,000) |
| Balance at end of period | - | - |
| Unquoted Options exercisable on or before 10 May 2023 | | |
| Balance at start of period | 8,000,000 | 8,250,000 |
| Options exercised during period | - | (250,000) |
| Balance at end of period | 8,000,000 | 8,000,000 |
| Unquoted Options exercisable on or before 15 June 2022 | | |
| Balance at start of period | 6,313,167 | 6,849,834 ⁽ⁱ⁾ |
| Exercised during period | (6,313,167) | (536,667) |
| Balance at end of period | - | 6,313,167 |
| Unquoted Options exercisable on or before 1 January 2024 | | |
| Balance at start of period | 4,350,000 | - |
| Options issued during period | 300,000 | 4,350,000 |
| Options forfeited during period | (575,000) | - |
| Balance at end of period | 4,075,000 | 4,350,000 |
| Unquoted Options exercisable on or before 30 June 2025 | | |
| Balance at start of period | - | - |
| Options issued during period | 4,075,000 | - |
| Balance at end of period | 4,075,000 | - |
| Balance at end of period | 16,150,000 | 18,663,167 |

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

NOTE 11: ISSUED CAPITAL (CONTINUED)

PERFORMANCE RIGHTS

| | Consolidated As at 30 June 2022 Number | Consolidated As at 30 June 2021 Number |
|--------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Movement in performance rights | | |
| Balance at start of period | 2,650,000 | - |
| Granted during period | 4,350,000 | 3,150,000 |
| Performance rights converted during period | - | (500,000) |
| Performance rights cancelled during period | (1,475,000) | - |
| Balance at end of period | 5,525,000 | 2,650,000 |
| Balance at end of period | 5,525,000 | 2,650,000 |

During the year ended 30 June 2022, the Company issued 1,775,000 Class B performance rights and 2,575,000 Class D performance rights to the Managing Director and eligible participants of the Company under the Incentive Plan and in accordance with shareholder approval at the Annual General Meeting held in November 2021. The remaining Class B and D performance rights as at 30 June 2022 remain unvested. Refer to note 13 for further disclosures in relation to the performance rights which were all related to share-based payments.

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, consultants and Directors as part of their remuneration. Refer to note 13 for further details of these plans.

| | Consolidated 30 June 2022 \$ | Consolidated 30 June 2021 \$ |
|------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Balance at beginning of period | 3,041,507 | 2,553,709 |
| Issue of incentive securities to consultants and directors | 568,443 | 219,462 |
| Vesting of performance rights | 339,066 | 440,836 |
| Forfeiture of incentive securities | (135,004) | - |
| Conversion of performance rights to shares | - | (172,500) |
| | 3,814,012 | 3,041,507 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 13: SHARE-BASED PAYMENTS

The expense recognised in the statement of comprehensive income is \$772,505 comprising of vested and unvested options and performance rights for the year.

Share 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 | 3,875,000 | 04/05/2020 | 10/05/2023 | \$0.20 | \$0.0564 | (i) |
| Unquoted Options | 4,125,000 | 04/05/2020 | 10/05/2023 | \$0.20 | - | (ii) |
| Unquoted Options | 3,500,000 | 23/04/2021 | 1/01/2024 | \$0.50 | \$0.1738 | (iii) |
| Unquoted Options | 275,000 | 29/01/2021 | 1/01/2024 | \$0.50 | \$0.1816 | (iii) |
| Unquoted Options | 150,000 | 19/02/2021 | 1/01/2024 | \$0.50 | \$0.1586 | (iii) |
| Unquoted Options | 275,000 | 29/01/2021 | 1/01/2024 | \$0.50 | \$0.1816 | (iv) |
| Unquoted Options | 150,000 | 19/02/2021 | 1/01/2024 | \$0.50 | \$0.1586 | (iv) |
| Unquoted Options | 2,000,000 | 19/11/2021 | 30/06/2025 | \$0.60 | \$0.1088 | (v) |
| Unquoted Options | 1,575,000 | 19/04/2022 | 30/06/2025 | \$0.60 | \$0.3118 | (v) |
| Unquoted Options | 300,000 | 07/06/2022 | 1/01/2024 | \$0.50 | \$0.1423 | (iii) |
| Unquoted Options | 500,000 | 07/06/2022 | 30/06/2025 | \$0.60 | \$0.1886 | (v) |

- (i) Class A Incentive Options: Class A Incentive Options vested upon grant of mining licence M51/883 (Gabanintha Project) to the Company (Class A Milestone).
- (ii) 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 expense was recognised during the year in relation to these options based on agreed forfeiture.
- (iii) Class C Incentive Options: Class C Incentive Options vest, subject to the terms of the employee incentive scheme and subject to the Company making a final investment decision (FID) for the Yarrabubba Project prior to 30 October 2023 (Class C Milestone).
- (iv) Class D Incentive Options: Class D Incentive Options vest, subject to the terms of the employee incentive scheme and subject to the Company achieving first commercial production from the Yarrabubba Project prior to 30 October 2023 (Class D Milestone). These options were cancelled via forfeiture during the year.
- (v) Class E Incentive Options: Class E Incentive Options vest, vest upon first production at Murchison Technology Metals Project (MTMP). Option Exercise Price of \$0.60 per Option and an Expiry Date of 30 June 2025. (Class E Milestone).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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

The table below outlines the inputs used to fair value options granted during the year ended 30 June 2022 and 2021.

| Grant Date | Number | Underlying share price \$ | Exercise Price \$ | Expected volatility | Expected dividends | Risk free rate (%) | Value per option \$ |
|------------|-----------|------------------------------|----------------------|---------------------|--------------------|--------------------|------------------------|
| 23/04/2021 | 3,500,000 | \$0.37 | \$0.50 | 90% | Nil | 0.24 | \$0.1738 |
| 29/01/2021 | 550,000 | \$0.37 | \$0.50 | 90% | Nil | 0.24 | \$0.1816 |
| 19/02/2021 | 300,000 | \$0.34 | \$0.50 | 90% | Nil | 0.24 | \$0.1586 |
| 19/11/2021 | 2,000,000 | \$0.35 | \$0.60 | 62% | Nil | 0.95 | \$0.1088 |
| 19/04/2022 | 1,575,000 | \$0.57 | \$0.60 | 82% | Nil | 2.54 | \$0.3128 |
| 07/06/2022 | 300,000 | \$0.40 | \$0.50 | 90% | Nil | 0.24 | \$0.1423 |
| 07/06/2022 | 500,000 | \$0.40 | \$0.60 | 90% | Nil | 0.24 | \$0.1886 |

The fair value of the options at grant date was determined using a Black Scholes pricing method that took into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The table above lists the inputs to the model used for valuation of the unlisted options. There has been no alteration of the terms and conditions of the above share-based payment arrangement since grant date. 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.

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

| | 30 June 2022 | |
|--------------------------------------------|--------------|---------------------------------------|
| | Number | Weighted average exercise price \$ |
| Outstanding at the beginning of the period | 12,350,000 | \$0.31 |
| Unlisted options granted during the period | 4,375,000 | \$0.59 |
| Cancelled during the period | (575,000) | \$0.50 |
| Outstanding at the end of period | 16,150,000 | \$0.38 |
| Exercisable at the end of period | - | - |
| | 30 June 2021 | |
| | Number | Weighted average exercise price \$ |
| Outstanding at the beginning of the period | 11,000,000 | \$0.24 |
| Unlisted options granted during the period | 4,350,000 | \$0.50 |
| Exercised during the period | (450,000) | \$0.27 |
| Expired during the period | (2,550,000) | \$0.35 |
| Outstanding at the end of period | 12,350,000 | \$0.31 |
| Exercisable at the end of period | - | - |

The share options outstanding at the end of the year had a weighted average exercise price of \$0.38 and weighted average time to maturity of 1.83 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

Performance Rights Granted During Year ended 30 June 2022

| Performance Rights | Class B ⁱ | Class D ⁱ |
|--------------------|-----------------------------|-----------------------------|
| Number | 1,775,000 | 2,575,000 |
| Grant date | Various dates ⁱ | Various dates ⁱ |
| Expiry date | 30 October 2023 | 30 June 2025 |
| Probability (%) | 100% | 100% |
| Value per Right | Various values ⁱ | Various values ⁱ |
| Total Value | \$814,250 | \$1,270,250 |
| Charge in the year | \$129,517 | \$98,260 |

ⁱ Class B Performance Rights: are an existing class of performance rights which had been issued by the Company and vest upon final investment decision (FID) on the Yarrabubba Vanadium Project. The Yarrabubba Vanadium Project and the Gabanintha Vanadium Project (GVP) collectively form the flagship Murchison Technology Metals Project (MTMP). Development of the MTMP enables the Company to accelerate the delivery of vanadium to market benefiting from all of the GVP Definitive Feasibility Study (DFS) and the integration study for the Yarrabubba Vanadium Project. As a result, FID on MTMP captures and consolidates both GVP and the Yarrabubba Vanadium Project, therefore satisfying the vesting condition for Class B Performance Rights prior to 30 October 2023. 500,000 Class B Performance Rights granted on 19 November 2021 at value of \$0.35 per right. 775,000 Class B Performance Rights granted on 19 April 2022 at value of \$0.57 per right. 500,000 Class B Performance Rights granted on 7 June 2022 at value of \$0.42 per right. The rights were valued on the closing price of TMT shares on grant date.

ⁱⁱ Class D Performance Rights: Each Class D Performance Right is a right to receive one fully paid ordinary share in TMT, subject to the terms of the employee incentive scheme and subject to the Company achieving first production at MTMP prior to 30 June 2025. The rights were valued on the closing price of TMT on grant date. 500,000 Class D Performance Rights granted on 19 November 2021 at value of \$0.35 per right. 1,575,000 Class D Performance Rights granted on 19 April 2022 at value of \$0.57 per right. 500,000 Class D Performance Rights granted on 7 June 2022 at value of \$0.42 per right.

Performance Rights Granted During Year ended 30 June 2021 and affecting expense during the year

| Performance Rights | Class B ⁱ | Class C ⁱ |
|--------------------|-----------------------------|-----------------------------|
| Number | 1,325,000 | 1,325,000 |
| Grant date | Various dates ⁱ | Various dates ⁱ |
| Expiry date | 30 October 2023 | 30 October 2023 |
| Probability (%) | 100% | 100% |
| Value per Right | Various values ⁱ | Various values ⁱ |
| Total Value | \$465,750 | \$465,750 |
| Charge in the year | \$96,631 | (\$101,836) |

ⁱ 900,000 Class B and C Performance Rights granted on 6 November 2020 at value of \$0.35 per right. 425,000 Class B and C Performance Rights granted on 29 January 2021 at value of \$0.37 per right. 425,000 Class B and C Performance Rights granted on 19 February 2021 at value of \$0.37 per right.

Class B Performance Rights: Each Class B Performance Right is a right to receive one fully paid ordinary share in TMT, subject to the terms of the employee incentive scheme and subject to the Company making a formal investment decision (FID) for the Yarrabubba Project prior to 30 October 2023.

Class C Performance Rights: Each Class C Performance Right is a right to receive one fully paid ordinary share in TMT, subject to the terms of the employee incentive scheme and subject to the Company achieving first commercial production for the Yarrabubba Project prior to 30 October 2023. Cancellation due to agreed forfeiture was processed during the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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 2022 | | |
| <u>Financial assets</u> | | |
| Cash and cash equivalents | 2.5% | 18,599,913 |
| Other financial assets (GST receivables) | - | 541,639 |
| <u>Financial liabilities</u> | | |
| Trade and other payables | - | 1,096,886 |
| As at 30 June 2021 | | |
| <u>Financial assets</u> | | |
| Cash and cash equivalents | 0.21% | 5,586,108 |
| Other financial assets (GST receivables) | - | 297,975 |
| <u>Financial liabilities</u> | | |
| Trade and other payables | - | 667,224 |

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.

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 \$18,600 (2021: \$5,217)
- Net equity would increase/decrease by \$18,600 (2021: \$5,217)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 14: FINANCIAL INSTRUMENTS (CONT'D)

The fair value of the Group's financial assets and financial liabilities at balance date approximates their carrying amounts.

A maturity analysis of financial instruments is not presented due to the short-term nature all financial instruments at balance date.

NOTE 15: COMMITMENTS

Tenement Related Commitments

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 \$164,620 (2021: \$164,604) 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.

| | Consolidated 30 June 2022 | Consolidated 30 June 2021 |
|-------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| Commitments for exploration expenditure on Western Australian Projects | \$ | \$ |
| Not longer than 1 year | 164,620 | 164,604 |
| Longer than 1 year and less than 2 years | 350,440 | 184,604 |
| Longer than 2 year and less than 5 years | 849,100 | 258,024 |
| | <hr/> 1,364,160 | <hr/> 607,232 |

NOTE 16: RELATED PARTY DISCLOSURES

Transactions with Key Management Personnel

| | Consolidated 30 June 2022 | Consolidated 30 June 2021 |
|------------------------------|------------------------------------------|------------------------------------------|
| Short-term employee benefits | 385,373 | 312,333 |
| Share-based payments | 560,961 | 156,244 |
| | <hr/> 946,334 | <hr/> 468,577 |

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 2022 is \$161,277 (exc. GST) of which \$6,667 (exc. GST) is payable. The fees paid are inclusive of IT service costs which are on-charged at the same amount to TMT through the office administration process.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

There have not been any other significant changes in the state of affairs subsequent to 30 June 2022 that have significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Group.

NOTE 18: CONTINGENT LIABILITIES

There were no contingencies as at 30 June 2022 (2021: \$Nil).

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.

| | | % Equity interest 30 June 2022 \$ | % Equity interest 30 June 2021 \$ |
|------------------------------|-----------------------------|--------------------------------------------|--------------------------------------------|
| | Country of incorporation | | |
| The Kop Ventures Pty Ltd (i) | Australia | 100% | 100% |
| vLyte Pty Ltd (ii) | Australia | 100% | - |

- (i) Technology Metals Australia Limited is the ultimate Australian parent entity and ultimate parent of the Group.
- (ii) Investment in vLyte Pty Ltd follows incorporation of the company on 18 April 2022 for the financial year ended 30 June 2022.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 20: PARENT ENTITY DISCLOSURES

Financial position

| | Year Ended 30 June 2022 \$ | Year Ended 30 June 2021 \$ |
|---------------------|-------------------------------------|-------------------------------------|
| <u>Assets</u> | | |
| Current assets | 19,141,150 | 5,883,680 |
| Non-current assets | 34,622,144 | 27,639,269 |
| Total assets | <u>53,763,294</u> | <u>33,522,949</u> |
| <u>Liabilities</u> | | |
| Current liabilities | 1,084,982 | 655,953 |
| Total liabilities | <u>1,084,982</u> | <u>655,953</u> |
| <u>Equity</u> | | |
| Issued capital | 55,328,854 | 34,737,881 |
| Reserves | 3,814,012 | 3,041,507 |
| Accumulated losses | (6,464,554) | (4,912,392) |
| Total equity | <u>52,678,312</u> | <u>32,866,996</u> |

Financial performance

| | Year Ended 30 June 2022 \$ | Year Ended 30 June 2021 \$ |
|----------------------------|-------------------------------------|-------------------------------------|
| (Loss) for the period | (1,552,162) | (1,583,189) |
| Other comprehensive income | - | - |
| Total comprehensive (loss) | <u>(1,552,162)</u> | <u>(1,583,189)</u> |

NOTE 21: AUDITOR'S REMUNERATION

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

| | Year Ended 30 June 2022 \$ | Year Ended 30 June 2021 \$ |
|---------------------------------------------|-------------------------------------|-------------------------------------|
| <i>Auditor of the parent entity</i> | | |
| Audit or review of the financial statements | 38,988 | 35,501 |
| | <u>38,988</u> | <u>35,501</u> |

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 2022 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 2022.

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



Michael Fry
Chairman

Dated this 27th day of September 2022

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 2022, 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 2022 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.

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.

We have determined the matters described in the next page 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 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p data-bbox="239 347 813 392">Deferred exploration and evaluation expenditure</p> <p data-bbox="239 392 813 425">Refer to Note 9 of the financial report</p> <hr/> <p data-bbox="239 436 813 627">In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition.</p> <p data-bbox="239 660 813 873">Exploration and evaluation expenditure was determined to be a key audit matter as it is important to the users' understanding of the financial statements as a whole and was an area which involved the most audit effort and communication with those charged with governance.</p> | <p data-bbox="813 436 1441 504">Our procedures included but were not limited to the following:</p> <ul data-bbox="813 504 1441 965" 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 future planned ongoing activities; - Substantiating a sample of expenditure by agreeing to supporting documentation; and - Examining the disclosures made in the annual report. |

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 2022 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.

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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 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 the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Technology Metals Australia Limited for the year ended 30 June 2022 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
27 September 2022



D I Buckley
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 19 September 2022. TMT has a total issued capital of 209,824,557 ordinary fully paid shares.

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 | 110 | 43,263 | 0.02% |
| above 1,000 up to and including 5,000 | 645 | 1,862,097 | 0.89% |
| above 5,000 up to and including 10,000 | 328 | 2,632,973 | 1.25% |
| above 10,000 up to and including 100,000 | 748 | 26,319,866 | 12.54% |
| above 100,000 | 206 | 178,966,358 | 85.29% |
| Totals | 2,037 | 209,824,557 | 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 | CITICORP NOMINEES PTY LIMITED | 37,830,286 | 18.03% |
| 2 | BNP PARIBAS NOMS PTY LTD <DRP> | 20,928,054 | 9.97% |
| 3 | STANDARD PASTORAL COMPANY PTY LTD | 14,000,000 | 6.67% |
| 4 | RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C> | 6,900,000 | 3.29% |
| 5 | MR COLIN DAVID ILES | 5,719,355 | 2.73% |
| 6 | STATION NOMINEES PTY LTD <STATION SUPER FUND A/C> | 5,000,000 | 2.38% |
| 7 | DR ADEL WAGDI AWISS MORSI | 4,470,000 | 2.13% |
| 8 | ATASA HOLDINGS PTY LTD <TS3A FAMILY A/C> | 4,343,995 | 2.07% |
| 9 | MR DAVID JAMES HARRINGTON | 2,400,000 | 1.14% |
| 10 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 2,396,887 | 1.14% |
| 11 | RETZOS FAMILY PTY LTD <RETZOS FAMILY S/FUND A/C> | 2,150,000 | 1.02% |
| 12 | PERRIWINKLE INVESTMENTS PTY LTD | 2,114,764 | 1.01% |
| 13 | MR RICHARD THOMAS HAYWARD DALY & MRS SARAH KAY DALY <DALY FAMILY S/F TOM A/C> | 2,020,513 | 0.96% |
| 14 | SHAYDEN NOMINEES PTY LTD | 1,964,866 | 0.94% |
| 15 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 1,815,859 | 0.87% |
| 16 | MR PAUL VENDA DIVIN | 1,659,012 | 0.79% |
| 17 | MR JACOB EDWARDS & MRS CATHY EDWARDS | 1,620,000 | 0.77% |
| 18 | RONAY INVESTMENTS PTY LTD | 1,440,437 | 0.69% |
| 19 | PASIAS HOLDINGS PTY LTD | 1,375,811 | 0.66% |
| 20 | MR GRAHAM DENNIS CARTER & MRS YVONNE MARIA CARTER <CARTEGRA SUPER FUND A/C> | 1,250,000 | 0.60% |
| | Total | 121,399,839 | 57.86% |
| | Total issued capital - selected security class(es) | 209,824,557 | 100.00% |

3. Securities Table

| Security | Units |
|--------------------------------------------------|-----------|
| UNLISTED OPTIONS CLASS A EXP 10/5/2023 @ \$0.20 | 3,875,000 |
| UNLISTED OPTIONS CLASS B EXP 10/5/2023 @ \$0.20 | 4,125,000 |
| UNLISTED OPTIONS CLASS C EXP 1/1/2024 @ \$0.50 | 4,075,000 |
| UNLISTED OPTIONS CLASS E @ \$0.60 EXP 30/06/2025 | 4,075,000 |
| PERFORMANCE RIGHTS - CLASS B | 2,950,000 |
| PERFORMANC RIGHTS - CLASS D | 2,575,000 |

ADDITIONAL SECURITIES EXCHANGE INFORMATION

| Holding Ranges | Holders | Total Units | % Issued Share Capital |
|------------------------------------------|-----------|-------------------|------------------------|
| above 0 up to and including 1,000 | - | - | - |
| above 1,000 up to and including 5,000 | - | - | - |
| above 5,000 up to and including 10,000 | - | - | - |
| above 10,000 up to and including 100,000 | - | - | - |
| above 100,000 | 17 | 21,675,000 | 100.00% |
| Totals | 17 | 21,675,000 | 100.00% |

4. Substantial Shareholders

As at 19 September 2022 the substantial shareholders were as follows:

| Holder Name | Holding Balance | % IC |
|-----------------------------------|-----------------|--------|
| CITICORP NOMINEES PTY LIMITED | 37,830,286 | 18.03% |
| BNP PARIBAS NOMS PTY LTD <DRP> | 20,928,054 | 9.97% |
| STANDARD PASTORAL COMPANY PTY LTD | 14,000,000 | 6.67% |

5. Voting Rights

At a general meeting of shareholders:

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

6. Unmarketable parcels

There were 169 holders of less than a marketable parcel of ordinary shares.

7. Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets for the year ended 30 June 2022 consistent with its business objective and strategy.

9. Restricted Securities Subject

There are no shares subject to escrow

10. Tenement interests

| LOCATION | Tenement | Interest ACQUIRED OR disposed | ECONOMIC Interest |
|-------------------|----------|-------------------------------|-------------------|
| MTMP Project (WA) | E51/1510 | Nil | 100% |
| MTMP Project (WA) | E51/1818 | Nil | 100% |
| MTMP Project (WA) | G51/0029 | Nil | 100% |
| MTMP Project (WA) | G51/0030 | Nil | 100% |
| MTMP Project (WA) | G51/0031 | Nil | 100% |
| MTMP Project (WA) | L51/0101 | Nil | 100% |
| MTMP Project (WA) | L51/0102 | Nil | 100% |
| MTMP Project (WA) | L51/0117 | Nil | 100% |
| MTMP Project (WA) | L51/0121 | Nil | 100% |
| MTMP Project (WA) | M51/0883 | Nil | 100% |
| MTMP Project (WA) | M51/0884 | Nil | 100% |
| MTMP Project (WA) | P51/2930 | Nil | 100% |
| MTMP Project (WA) | P51/3140 | Nil | 100% |
| MTMP Project (WA) | E51/2056 | Application | 100% Application |
| MTMP Project (WA) | E51/2117 | Application | 100% Application |
| MTMP Project (WA) | E51/2123 | Application | 100% Application |
| MTMP Project (WA) | G51/0032 | Application | 100% Application |
| MTMP Project (WA) | L51/0123 | Application | 100% Application |

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