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TECHNOLOGY
METALS AUSTRALIA LIMITED

ABN 64 612 531 389

and its Controlled Entities

Interim Condensed Consolidated Financial Report

31 December 2022



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Corporate Information

ABN 64 612 531 389

Directors

Mr Michael Fry (Non-executive Chairman)

Mr Ian Prentice (Managing Director)

Ms Carmen Letton (Non-executive Director)

Company secretary

Mr Sonu Cheema

Registered Office & Principal Place of Business

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Share Register

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

Competent Person's Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Matthew Clark. Mr Clark is a Senior Resource Geologist of CSA Global Pty Ltd and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Clark has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Clark consents to the disclosure of information in this report in the form and context in which it appears.

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

Forward-Looking Statements

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

Directors' Report

The directors present their report of Technology Metals Australia Limited (TMT or the **Company**) for the half-year ended 31 December 2022.

Directors

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

Mr Michael Fry Non-Executive Chairman
Mr Ian Prentice Managing Director
Ms Jacqueline Murray Non-Executive Director (resigned 22 February 2023)
Ms Carmen Letton Non-Executive Director (appointed 10 August 2022)
Mr Sonu Cheema Non-Executive Director (resigned 10 August 2022)

Review and Results of Operations

Results

Consolidated net loss after tax for the half-year ended 31 December 2022 was \$2,505,000 (31 December 2021: net loss of \$1,596,000).

The Company's focus during the period was the completion of the Integration Study for its Murchison Technology Metals Project (**MTMP** or the **Project**) and progression through the Implementation Phase and formalisation of its Environmental, Social and Governance (**ESG**) strategy.

Environment, Social and Governance (ESG)

The Company engaged with WSP-Golder and other key stakeholders to advise on the development of its ESG strategy, including a priority action plan and reporting structure. The key guiding principles developed through workshop sessions with WSP-Golder encompass TMT's goal to:

- Contribute to global decarbonisation efforts through an energy and water efficient project,
- Deliver a critical mineral fundamental to the energy transition, and
- Build a positive legacy and long-term value for the regional community and relevant stakeholders.

TMT is committed to developing MTMP to the highest standards and has sought this expert advice to ensure compliance with international ESG, Sustainability, and Responsible Mining frameworks.

During the period, the Company assessed relevant ESG reporting frameworks through completing a gap analysis and initial benchmarking exercise against respected international governance frameworks. This exercise provides an important benchmark for the ongoing development of the Company's ESG approach as well as a foundation for engagement with government funding agencies, commercial banks, strategic investors and institutional financiers, all of which have ESG as a key consideration in funding decisions.

Murchison Technology Metals Project

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

Directors' Report (continued)

Integration Study and Implementation Phase

The Integration Study was designed to investigate the addition of high grade, high quality Yarrabubba ore into the MTMP production schedule as well as assessing how Yarrabubba ore performs through the Gabanintha processing circuit. Drilling and metallurgical test work confirmed the Yarrabubba deposit is similar to Gabanintha, with the exception of high levels of recoverable ilmenite. Results of the Integration Study were announced in August 2022 and confirmed an increase in mine life from 16 to 25 years. The higher vanadium in concentrate grades (1.61% V₂O₅), excellent recoveries and the ilmenite by-product revenue from Yarrabubba is expected to enhance the economic metrics in the early years of the Project and lower development risk on the MTMP.

The Company commenced a commercial competitive tender process for the MTMP processing plant, all non-process infrastructure and site establishment works. The engagement with contractors for major work packages will form the basis of commercial pricing and development schedule inputs into the MTMP Bankable Financial Model.

Data received from the commercial competitive tender process was evaluated and verified during the period and, subsequent to period end, the Company engaged its preferred tenderers to progress detailed construction planning, schedule definition and site establishment work streams. GR Engineering Services Limited will focus on detailed construction planning for the MTMP process plant and schedule definition with key equipment supplier FLSmidth. Iron Mine Contracting will progress the development of site establishment and supporting infrastructure workstreams and the schedule interfaces with bulk earthworks, source of construction materials and the process plant construction activities.

The Company's early engagement with its key contractors to refine Project inputs, along with mine production schedules from an updated Proven and Probable Ore Reserve estimate, underpin the completion of the MTMP Bankable Financial Model. Delivery of the updated Ore Reserve, following the updated Global Mineral Resource Estimate (MRE) announced in November 2022, will be a key determining factor in the timing of the release of outputs from the Implementation Phase.

Mineral Resource and Ore Reserves

Open pit mine modelling and scheduling work was completed by independent consultant Orelogy Consulting Pty Ltd (**Orelogy**) across both Gabanintha and Yarrabubba, based on the pre November 2022 MRE, as part of the Integration Study.

The updated Yarrabubba Probable Ore Reserve Estimate of 15.88Mt at 0.87% V₂O₅ represented at 69% increase on the previous Ore Reserve Estimate and included a maiden Ilmenite (TiO₂) Ore Reserve Estimate of 15.88Mt at 10.03% TiO₂.

Orelogy re-estimated the Gabanintha Ore Reserve as part of the Integration Study, delivering an updated Global Proven and Probable Ore Reserve estimate for the MTMP of 44.48Mt at 0.89% V₂O₅. This global ore reserve represented an 88.6% conversion from the pre November 2022 Global Measured and Indicated Mineral Resource estimate for the MTMP.

Table 1: Update to Global MTMP Ore Reserve Estimate (ASX Announcement 5 August 2022)

Deposit	Ex-Pit Ore				Magnetic Conc.		Non-Magnetic Conc.		Rec. V ₂ O ₅	Rec. Ilmenite	Waste	Total
	Mt	V ₂ O ₅ %	TiO ₂ %	Mass Yield	Mt	V ₂ O ₅ %	Mt	TiO ₂ %	M lb	kt	Mt	Mt
Yarrabubba	15.88	0.87%	10.0%	44.4%	7.04	1.61%	8.84	12.35%	202.7	1,132.6	110.10	125.98
Gabanintha	28.60	0.91%	10.7%	57.6%	16.47	1.31%	-	-	387.9	-	154.48	183.08
Total	44.48	0.89%	10.5%	52.9%	23.52	1.40%	8.84	12.35%	590.6	1,132.6	264.58	309.06

Directors' Report (continued)

Infill drilling at Gabanintha and Yarrabubba completed in the first half of CY2022 was aimed at generating additional data to enable the upgrade of a significant portion of the current Indicated MRE to the highest confidence Measured mineral resource category.

In November 2022, the Company announced this upgrade to the Global MRE for the MTMP to 153.7Mt at 0.8% V₂O₅ including a Measured and Indicated component of 63.2Mt at 0.9% V₂O₅, a 26% increase on the previous MRE.

Table 2: Global MTMP Mineral Resource Estimate by Ore Type & Classification (ASX Announcement 5 November 2022)

Classification	Material	Mt	V ₂ O ₅ %	Fe %	Al ₂ O ₃ %	SiO ₂ %	TiO ₂ %	LOI %	P %	S %
Measured (Yarrabubba)	Massive	4.4	1.1	48.1	5.5	7.3	12.4	-0.4	0.01	0.3
	Disseminated	1.5	0.6	30.0	10.8	23.4	7.7	2.5	0.01	0.2
Measured (Gabanintha)	Massive	5.1	1.1	46.9	5.7	8.4	12.1	-0.2	0.01	0.3
	Disseminated	1.1	0.8	36.4	7.9	19.6	9.0	0.5	0.01	0.2
Measured	Massive + Disseminated	12.1	1.0	44.3	6.5	10.9	11.4	0.1	0.01	0.2
Indicated (Yarrabubba)	Massive	8.0	1.1	48.1	5.4	7.1	12.5	0.0	0.01	0.3
	Disseminated	6.9	0.6	28.4	12.5	25.2	7.2	2.6	0.02	0.3
Indicated (Gabanintha)	Massive	19.5	1.1	48.9	5.2	6.2	12.8	-0.1	0.01	0.2
	Disseminated	16.7	0.6	27.3	13.3	26.7	7.0	3.0	0.03	0.2
Indicated	Massive + Disseminated	51.2	0.9	39.0	8.9	15.6	10.1	1.3	0.02	0.2
Measured plus Indicated	Massive + Disseminated	63.2	0.9	40.0	8.4	14.7	10.4	1.1	0.02	0.2
Inferred (Yarrabubba)	Massive	5.7	1.1	47.4	5.6	7.8	12.3	0.1	0.01	0.3
	Disseminated	11.4	0.6	27.9	12.6	25.8	7.2	2.0	0.02	0.4
Inferred (Gabanintha)	Massive	36.5	1.1	46.7	3.0	8.3	12.3	0.4	0.01	0.2
	Disseminated	36.9	0.5	26.6	12.9	27.6	6.9	3.4	0.03	0.3
Inferred	Massive + Disseminated	90.5	0.8	36.2	9.6	18.3	9.5	1.8	0.02	0.2
Total	Massive + Disseminated	153.7	0.8	37.7	9.1	16.8	9.8	1.5	0.02	0.2

Notes to Table 2:

- Mineral Resources are reported in accordance with the JORC Code (2012 Edition).
- Mineral Resources were estimated within constraining wireframe solids using a nominal 0.9% V₂O₅ lower cut-off grade for the massive magnetite zones and using a nominal 0.4% V₂O₅ lower cut-off grade for the banded and disseminated mineralisation zones.
- Mineral Resources are quoted from all classified blocks within the wireframe solids above a lower cut-off grade of 0.4% V₂O₅.
- Differences may occur due to rounding. Yarrabubba Measured and Indicated Mineral Resources are reported above an open pit optimised pit shell. Inferred Mineral Resources are reported to a lower RL limit of 250 mRL. Gabanintha Measured and Indicated Mineral Resources are reported above a lower RL limit of 240 to 280 mRL that approximates the Ore Reserve pit shells. Inferred Mineral Resources are reported to a lower RL limit of 170 mRL.

The upgraded Global MRE will be used by Oreology to update the Project's open pit mine designs, informed by the latest geotechnical parameters, enabling the completion of mine schedule optimisation work and ultimately generating an updated Global Proven and Probable Ore Reserve estimate for the MTMP, with a focus on growing the Proven component of the Ore Reserve estimate.

Environmental Permitting

The Company has referred the Project to the WA Environmental Protection Authority (EPA) and continues to work collaboratively with the EPA through its environmental approval steps. This approach is consistent with the

Directors' Report (continued)

Company's ESG philosophy and is an important foundation in ensuring the long-term success of the Project and the engagement with, and support of, all stakeholders.

An updated Environmental Review Document (**ERD**) was submitted early in the period to address queries raised by the EPA. A further detailed review of this updated ERD was undertaken by EPA Services and other relevant government agencies; with additional queries received from the EPA on expanded requirements. The additional queries are being addressed by the Company and its consultants, with the expectation of a further update to the ERD being submitted in the second half of FY2023.

Traditional Owner Engagement

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

During the half-year, TMT and the YN PBC agreed on a Negotiation Protocol to facilitate the progression of discussions regarding Yugunga-Nya engagement in the development of the MTMP. A joint site visit by directors and management of TMT and the YN PBC provided the opportunity to execute the Negotiation Protocol on country. The Company attended a meeting of members of the YN PBC in Meekatharra and held its own briefing sessions for the Yugunga-Nya community members in Geraldton, Meekatharra, and Perth to outline proposed activities associated with the MTMP and provide opportunity for consultation and dialogue.

Further community briefing sessions are planned for the second half of the financial year.

The Company continues to engage with the Yugunga-Nya on heritage protection, including the development of a Cultural Heritage Management Plan (**CHMP**). The co-design of a CHMP with the Yugunga-Nya is a key step in establishing the long-term respectful management of culture and heritage and a very important component of the long-term success of the Project to deliver benefits to all stakeholders.

Potential Offtake

In October 2022, the Company executed a Memorandum of Understanding (**MoU**) with leading Indian steelmaker, Tata Steel Limited (**Tata Steel**), part of the global Tata Group. Ferrovanadium and vanadium nitride are used in the steel alloying process in Tata Steel's facilities to increase strength and wear resistance. Under the MoU, the parties will undertake discussions on the technical requirements for downstream vanadium processing in India and Australia, potential commercial collaboration on the MTMP and downstream production facilities, supply of vanadium pentoxide and other downstream vanadium products and potential investment by Tata Steel into TMT and/or the MTMP.

EKF Letter of Interest

Subsequent to the end of the half-year, TMT received a Letter of Interest from EKF Denmark's Export Credit Agency (**EKF**) with regard to potential financing support of around A\$150 million for the MTMP. The support is subject to:

- Sufficient Danish economic interest in the MTMP
- Approvals
- Satisfactory documentation, and
- Customary due diligence.

The Company is progressing discussions with Danish company FLSmidth regarding the supply of various key equipment items, including the roasting kiln section, for the MTMP. EKF has had extensive and positive experience with FLSmidth on projects worldwide for more than 90 years.

Directors' Report (continued)

Electrolyte Studies

LE System MoU

During the period, the Company incorporated a new, wholly-owned subsidiary, vLYTE Pty Ltd (**vLYTE**), for the production, marketing and sales of vanadium electrolyte. Through vLYTE, the Group is progressing studies with Japanese technology partner, LE System Co., Ltd (**LE System**) on the production of vanadium electrolyte using vanadium products from the MTMP and established LE System process. This work is part of an ongoing feasibility study for the development of TMT's downstream vanadium electrolyte production capacity in Australia to support and facilitate the roll out of vanadium redox flow batteries (**VRFBs**) for long duration stationary energy storage in the Australian market. TMT is funding and managing the feasibility study, whilst LE System is providing their knowledge, experience, and expertise.

Subsequent to period end, LE System successfully produced high quality vanadium electrolyte from MTMP feedstock. LE System completed the manufacture, and subsequent performance testing, of the electrolyte in its Tsukuba Technical Centre, in Ibaraki, Japan.

FBICRC Vanadium Electrolyte Project

The Company is a key investor in the Future Battery Industries Co-operative Research Centre's (**FBICRC**) Vanadium Electrolyte Project designed to enhance the performance of VRFBs. TMT is the largest shareholder in this research project and will gain valuable insights that can be leveraged by vLYTE, as well as further support the development of the MTMP as a supplier of critical minerals vanadium and titanium. The project will run for three years and further demonstrates the Company's commitment to downstream vanadium industry development in Australia.

Tenements

As at 31 December 2022, the Group held interests in the following tenements:

Location	Tenement	Interest acquired or disposed during the period	Economic interest
Gabarintha Project (WA)	E51/1510	Nil	100%
Gabarintha Project (WA)	E51/1818	Nil	100%
Gabarintha Project (WA)	E51/2056	Application	100%
Gabarintha Project (WA)	G51/29	Nil	100%
Gabarintha Project (WA)	G51/30	Nil	100%
Gabarintha Project (WA)	G51/31	Nil	100%
Gabarintha Project (WA)	G51/32	Application	100%
Gabarintha Project (WA)	L51/101	Nil	100%
Gabarintha Project (WA)	L51/102	Nil	100%
Gabarintha Project (WA)	L51/117	Nil	100%
Gabarintha Project (WA)	L51/121	100%	100%
Gabarintha Project (WA)	M51/883	Nil	100%
Gabarintha Project (WA)	P51/2930	Nil	100%
Gabarintha Project (WA)	P51/3140	Nil	100%
Yarrabubba Project (WA)	M51/884	Nil	100%
Yarrabubba Project (WA)	L51/123	Application	100%



Directors' Report (continued)

Corporate

On 10 August 2022, the Company appointed Dr Carmen Letton as a non-executive director. Dr Letton is a mining engineer and mineral economist with 35 years of global mining experience and a diverse background in senior leadership roles in operations, business improvement and operational excellence. More recently focused on corporate and asset strategy development, she has extensive technical expertise in open pit and underground mines across multiple commodities and the many stages of asset development. Dr Letton was most recently the Head of Resource Development and Life of Asset Planning (Asset Strategy Development) at Anglo American, having previously worked at BHP Billiton, Rio Tinto, Newmont, Newcrest and a number of other international mining companies.

On 5 September 2022, Ms Elisha Civil, commenced her role as the Company's Chief Financial Officer. Ms Civil has over 20 years' experience as a finance professional in the resources sector since commencing her career and qualifying as a Chartered Accountant with Ernst & Young in both Australia and Canada. Her experience includes General Manager Finance at Regis Resources, where she was integral in the establishment of key financial management systems and processes as the company built from an explorer to a producer, and most recently Group Manager Finance and Tax at Fortescue Metals Group, responsible for all aspects of financial reporting and tax governance for the group.

Events After Balance Date

There have been no events subsequent to balance date that would significantly affect the amounts reported in the interim condensed consolidated financial statements as at and for the half-year ended 31 December 2022.

Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on the following page and forms part of the Directors' Report for the half-year ended 31 December 2022.

Rounding

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

Signed in accordance with a resolution of the directors.

Michael Fry
Chairman

Perth, 14 March 2023

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the interim consolidated financial report of Technology Metals Australia Limited for the half-year ended 31 December 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
14 March 2023



D I Buckley
Partner

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Interim Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2022

	Note	31 December 2022 \$'000	31 December 2021 \$'000
<i>Continuing operations</i>			
Other income – equipment hire income		33	8
Administrative expenses	4	(2,523)	(1,481)
Exploration and evaluation expenditure		(58)	(129)
Finance income – interest revenue		43	6
Loss before income tax		(2,505)	(1,596)
Income tax benefit		-	-
Net loss for the period		(2,505)	(1,596)
Other comprehensive income, net of income tax		-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the period		(2,505)	(1,596)
Basic and diluted loss per share (cents per share)		(1.19)	(0.95)

The accompanying notes form part of these financial statements.

Interim Condensed Consolidated Balance Sheet

As at 31 December 2022

	Note	31 December 2022 \$'000	30 June 2022 \$'000
<i>Current assets</i>			
Cash and cash equivalents		11,965	18,600
Trade and other receivables		371	517
Other current assets		214	25
Total current assets		12,550	19,142
<i>Non-current assets</i>			
Property, plant and equipment		6	-
Deferred exploration and evaluation expenditure	5	40,463	34,634
Total non-current assets		40,469	34,634
Total assets		53,019	53,776
<i>Current liabilities</i>			
Trade and other payables		1,912	1,097
Total current liabilities		1,912	1,097
Total liabilities		1,912	1,097
Net assets		51,107	52,679
<i>Equity</i>			
Issued capital	6	55,329	55,329
Reserves		4,747	3,814
Accumulated losses		(8,969)	(6,464)
Total equity		51,107	52,679

The accompanying notes form part of these financial statements.

Interim Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2022

	Note	Issued capital	Reserves	Accumulated Losses	Total Equity
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021		34,738	3,041	(4,912)	32,867
Loss for the period		-	-	(1,596)	(1,596)
Other comprehensive income for the period, net of income tax		-	-	-	-
Total comprehensive loss for the period		-	-	(1,596)	(1,596)
<i>Transactions with owners:</i>					
Proceeds from shares issued		20,000	-	-	20,000
Exercise of options		38	-	-	38
Share-based payments	7	-	663	-	663
Share issue costs		(963)	-	-	(963)
Balance at 31 December 2021		53,813	3,704	(6,508)	51,009

	Note	Issued capital	Reserves	Accumulated Losses	Total Equity
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022		55,329	3,814	(6,464)	52,679
Loss for the period		-	-	(2,505)	(2,505)
Other comprehensive income for the period, net of income tax		-	-	-	-
Total comprehensive loss for the period		-	-	(2,505)	(2,505)
<i>Transactions with owners:</i>					
Proceeds from shares issued		-	-	-	-
Share-based payments	7	-	933	-	933
Share issue costs		-	-	-	-
Balance at 31 December 2022		55,329	4,747	(8,969)	51,107

The accompanying notes form part of these financial statements.

Interim Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2022

	Note	31 December 2022 \$'000	31 December 2021 \$'000
<i>Cash flows from operating activities</i>			
Payments to suppliers and employees		(1,662)	(696)
Other income		250	-
Interest received		43	6
Research and development incentive received		-	-
Net cash used in operating activities		(1,369)	(690)
<i>Cash flows from investing activities</i>			
Payments for property, plant and equipment		(7)	(35)
Payments for deferred exploration and evaluation expenditure		(5,259)	(2,139)
Net cash outflow from investing activities		(5,266)	(2,174)
<i>Cash flows from financing activities</i>			
Proceeds from the issue of shares		-	19,902
Proceeds from the exercise of options		-	38
Payments for share issue costs		-	(963)
Net cash inflow from financing activities		-	18,977
Net (decrease)/increase in cash held		(6,635)	16,113
Cash and cash equivalents at 1 July		18,600	5,586
Cash and cash equivalents at 31 December		11,965	21,699

The accompanying notes form part of these financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the half-year ended 31 December 2022

NOTE 1: CORPORATE INFORMATION

The interim condensed consolidated financial statements of Technology Metals Australia Limited and its subsidiaries (collectively, the Group) for the six months ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 14 March 2023.

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

NOTE 2: BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

The interim condensed consolidated financial statements for the six months ended 31 December 2022 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 30 June 2022, and any public announcements made by the Company during the half-year ended 31 December 2022 in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

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

(b) Going concern

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

For the half-year ended 31 December 2022 the Company recorded a loss before income tax expense of \$2,505,000 (2021: \$1,596,000), a net operating cash outflow of \$1,369,000 (2021: \$690,000), had a net asset position of \$51,107,000 (30 June 2022: \$52,679,000).

(c) Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2022, except for the adoption of new standards effective as of 1 July 2022 disclosed below.

Notes to the Interim Financial Statements (continued)
NOTE 2: BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)
(d) New standards, interpretations and amendments adopted by the Group

The Group has adopted the following new and revised accounting standards, amendments and interpretations as of 1 July 2022:

- AASB 2020-3 Amendments to AASB 116 – Property Plant and Equipment: Proceeds before Intended Use
- AASB 2020-3 Amendment to AASB 9 – Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities (Part of Annual Improvements 2018-2020 Cycle)
- AASB 2020-3 Amendment to AASB 137 – Onerous Contracts – Cost of Fulfilling a Contract

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

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

NOTE 3: SEGMENT INFORMATION

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

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

NOTE 4: EXPENSES

	Note	31 December 2022 \$'000	31 December 2021 \$'000
<i>(a) Administrative expenses</i>			
Directors' fees		93	181
Personnel costs		330	147
Consulting and professional fees		546	36
Share-based payments expense	7	933	663
Corporate, marketing and investor relations costs		362	429
Travel and accommodation		126	-
Rent and occupancy costs		52	2
Other expenses		81	23
		2,523	1,481

NOTE 5: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Note	6 months to 31 December 2022 \$'000	12 months to 30 June 2022 \$'000
<i>Murchison Technology Metals Project</i>			
Balance at beginning of the period		34,634	27,650
Expenditure during the period		5,829	6,984
Balance at end of the period		40,463	34,634

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

Notes to the Interim Financial Statements (continued)

NOTE 6: ISSUED CAPITAL

	Note	6 months to 31 December 2022	
<i>Ordinary shares, issued and fully paid</i>		<i>Number</i>	<i>\$'000</i>
On issue at 1 July 2022 & 31 December 2022		209,824,557	55,329

NOTE 7: SHARE-BASED PAYMENTS
(a) Employee Securities Incentive Plan

During the period, the Board granted options and performance rights to eligible participants under the terms of the Technology Metals Australia Limited Employee Securities Incentive Plan (the "Plan") approved at the Company's Annual General Meeting on 24 November 2022.

The objective of the Plan is to attract, motivate and retain key employees, directors and other service providers and provide them with the opportunity to participate in the future growth of the Company.

Under the Plan, the Board may issue to eligible participants, options to acquire shares in the future at an exercise price fixed by the Board on grant of the options or performance rights that convert into ordinary shares in the future for nil consideration.

The vesting of all options and performance rights are subject to service conditions being met whereby the recipient must remain an eligible participant as defined in the Plan, as well as the satisfaction of performance conditions as defined by the Board at the time of grant.

During the six months ended 31 December 2022, options and performance rights were issued to key management personnel ("KMP") as part of their remuneration with the following performance conditions:

Security Class	Performance Condition	Number granted
Class C Options	Vest upon final investment decision ("FID") on the Yarrabubba Vanadium Project prior to 30 October 2023. The Yarrabubba Vanadium Project and the Gabanintha Vanadium Project collectively form the Murchison Technology Metals Project ("MTMP"). FID on the MTMP captures and consolidates FID on both Yarrabubba and Gabanintha.	1,300,000
Class E Options	Vest upon the Company achieving first commercial production at MTMP prior to 30 June 2025.	1,350,000
Class B Performance Rights	Vest upon FID on the Yarrabubba Vanadium Project prior to 30 October 2023. The Yarrabubba Vanadium Project and the Gabanintha Vanadium Project collectively form the MTMP. FID on the MTMP captures and consolidates FID on both Yarrabubba and Gabanintha Vanadium Projects.	300,000
Class D Performance Rights	Vest upon the Company achieving first commercial production at MTMP prior to 30 June 2025.	350,000

In accordance with the Group's accounting policy, the grant date fair values of the options and performance rights issued will be recognised as an expense over the vesting period. For the six months ended 31 December 2022, the Group has recognised share-based payments expense (for new and existing grants) of \$933,000 (31 December 2021: \$663,000) in the statement of comprehensive income.

Except as disclosed above, there have been no cancellations or modifications to any of the plans during the current or prior periods.

Notes to the Interim Financial Statements (continued)
NOTE 7: SHARE-BASED PAYMENTS (CONTINUED)
(b) Measurement of Fair Values – Options granted to KMP

The fair value of services received in return for the grant of options to KMP has been measured using the Black-Scholes formula. The inputs used to calculate the grant date fair value of these options are set out below

Grant Date	5 Sep. 2022	24 Nov. 2022
Share price at grant date	\$0.355	\$0.350
Exercise price	\$0.50 - \$0.60	\$0.50 - \$0.60
Expected dividends	0%	0%
Risk-free interest rate	0% - 3.29%	0% - 3.24%
Expected volatility	70.36% - 81.87%	73.33% - 77.38%
Expected life/performance period (years)	1.2 – 2.8	0.9 – 2.6
Fair value per option/right at grant date	\$0.065 - \$0.143	\$0.056 - \$0.122

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 historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

(c) Measurement of Fair Values – Performance rights granted to KMP

The fair value of services received in return for the grant of performance rights to KMP has been measured using the Black-Scholes formula. The inputs used to calculate the fair value of these options are set out below

Grant Date	5 Sep. 2022
Share price at grant date	\$0.355
Exercise price	Nil
Expected dividends	0%
Risk-free interest rate	0% - 3.29%
Expected volatility	70.36% - 81.87%
Performance period (years)	1.2 – 2.8
Fair value per option/right at grant date	\$0.355

NOTE 8: COMMITMENTS AND CONTINGENCIES

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

NOTE 9: SUBSEQUENT EVENTS

There have been no events subsequent to balance date that would significantly affect the amounts reported in the interim condensed consolidated financial statements as at and for the half-year ended 31 December 2022.

Directors' Declaration

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

In the opinion of the directors:

- (a) the interim financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the six months ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Michael Fry
Chairman

Perth, 14 March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Technology Metals Australia Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year condensed consolidated financial report of Technology Metals Australia Limited ("the company") which comprises the interim condensed consolidated balance sheet as at 31 December 2022, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year (the group").

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

- (a) giving a true and fair view of the group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Independence

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
14 March 2023



D I Buckley
Partner

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