

The DFS indicates that the project generates significant levels of annual cashflow at the forecast vanadium pricing, with about \$1.09 billion of free cash flow generated over the first six years of the operation

TMT managing director Ian Prentice said: "The very high quality Gabanintha Vanadium Project DFS has generated an outstanding result delivering lowest quartile operating costs over a long initial mine life at a scale that will make the project the largest single primary vanadium producer in the world.

"Delivery of this study is a key milestone in progression of discussions with prospective development partners that the Company has engaged with over the past 12 to 18 months."

Cost advantage

Life of mine cash operating costs (C1) are estimated at a highly competitive, lowest quartile US\$4.04 per pound V₂O₅ with all in costs (AIC) including start-up and sustaining capital of US\$5.75 per pound V₂O₅.

The chart highlights the competitive advantage that these low cash operating costs provide relative to the global vanadium industry (black dots represent existing V₂O₅ producers) and provides confidence that the project will be sustained through vanadium price cycles. The chart also highlights the spread of cash costs across the varying V₂O₅ supply sources, with Chinese Stone Coal supply identified as being relatively high cost.

TMT's operating costs do not incorporate any revenue benefits that may be generated from by-product credits, such as base metal production as the study work on this product stream has not been completed to a DFS level.

Metallurgical test work completed as part of the DFS highlights the industry-leading vanadium recoveries of the massive magnetite hosted mineralisation at the project, with an end-to-end recovery of 77% for the undiluted massive fresh ore, which forms the majority of process plant feed for the first 12 years of the proposed operation.

The DFS mining and production schedule is based on the updated Ore Reserve of 29.6 Mt at a mined (diluted) grade of 0.88% vanadium pentoxide (V₂O₅).

The massive transitional ore, which has been used as the basis of design for the processing plant and represents about 50% of plant feed for the first three years, after which it rapidly reduces to less than 5% of feed, has an end-to-end recovery of 55%.

Vanadium market

The estimated life of mine revenue projections from the DFS are based on forecast V₂O₅ sales prices sourced from Roskill Consulting Group Ltd.

Roskill, which has been completing research on the global vanadium industry since the 1970's, has concluded that the vanadium market has entered into a period of structural deficit.

The consultant has developed a range of vanadium price forecasts for the outlook period from 2018 to 2028 based on its demand and supply forecasts.

Roskill expect the vanadium market to remain in deficit until the mid 2020's as demand is set to increase considerably while supply will remain tight. Supply response is forecast to emerge from 2024, subject to the presence of 'incentive pricing', when forecast new 'greenfields' supply begins to generate a moderate surplus.

Indicative project timeline

An indicative project implementation schedule has been developed based on the longest lead path activities to highlight the critical path items.

Indicative implementation timetable

Critical path items have been identified as the ordering of long lead items, including the roasting kiln, the receipt of environmental and operating approvals, mining tenure and delivery of gas supply.

The timeline contemplates the commencement of the Front End Engineering Design (FEED) study in late 2019 leading to a conditional Final Investment Decision (FID) early in the June quarter 2020.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such

calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Technology Metals Australia Ltd named herein, including the promotion by the Company of Technology Metals Australia Ltd in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).