

ASX ANNOUNCEMENT

12 DECEMBER 2023

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AVL INCREASES SCHEME CONSIDERATION TO BEST AND FINAL PROPOSAL

Australian Vanadium Limited (ASX: AVL) (**AVL**) and Technology Metals Australia Limited (ASX: TMT) (**TMT**) are pleased to announce AVL has increased the total consideration offered under the scheme of arrangement (**Scheme**) announced on 25 September 2023 (**Announcement Date**) from 12 AVL shares for every 1 TMT share (**Original Scheme Consideration**) to 14 AVL shares for every 1 TMT share (**Revised Scheme Consideration**).

Based on the closing price of AVL Shares on 8 December 2023 (being the last date that AVL and TMT shares traded prior to this announcement), the implied value of the Revised Scheme Consideration is \$0.308 per TMT share which represents a premium of 43.3% to the closing TMT share price of \$0.215 per TMT share on 8 December 2023.

Based on the Revised Scheme Consideration, if the Scheme is implemented, TMT shareholders will hold approximately 42% of the merged group, gaining greater exposure to the unique opportunity to realise operational and corporate synergies through creating a single integrated project.

AVL has confirmed the Revised Scheme Consideration is its **best and final** proposal as to consideration under the Scheme and AVL will not increase the consideration further, subject to no competing proposal for TMT emerging.

TMT Board Recommendation

The TMT board of directors (**TMT Board**) unanimously recommends that TMT shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the independent expert continuing to conclude that the Scheme is in the best interests of TMT shareholders. Subject to those same qualifications, each TMT director intends to vote all TMT Shares they control in favour of the Scheme. As at the date of this announcement, the TMT Board collectively holds 1.3% of TMT shares.

The full reasons for the TMT Board's recommendation are set out in TMT's scheme booklet dated 5 December 2023 (**Scheme Booklet**). The Scheme Booklet also includes a copy of the independent expert's report.

Supplementary Scheme Booklet

The Scheme Implementation Deed and the Scheme have been amended to reflect the Revised Scheme Consideration and a copy of the amending deed is attached. A supplementary Scheme Booklet, which will be released to the ASX and sent to TMT shareholders as soon as practicable, will provide further detail about the increased scheme consideration and related matters.

Voting on the Scheme

TMT is pleased to advise that shareholders who have not previously provided positive voting intention statements representing approximately 12.9% of the TMT shares on issue have provided written statements confirming their intention to vote the TMT shares they hold or control in favour of the revised Scheme, subject to no superior proposal emerging and the independent expert continuing to opine that the Scheme is in the best interests of the TMT shareholders. This is in addition to support statements previously received by TMT of approximately 26% as announced by TMT on 26 September 2023.

Further details regarding these statements and other information (including how to vote) will be contained in the supplementary scheme booklet to be despatched to shareholders in due course ("**Supplementary Scheme Booklet**").

Total support for the scheme now totals 38.6% as detailed in the two below tables.

Shareholders that have provided additional written statements of support in favour of the revised Scheme include:

Shareholder	Shares held or controlled	% of TMT's issued shares
Standard Pastoral Company Pty Ltd	14,000,000	5.5%
Chris Retzos	11,862,725	4.7%
Station Nominees Pty Ltd <Station Super Fund A/C>	5,000,000	2.0%
Mark Goulopoulos	1,905,000	0.7%
Total	32,767,725	12.9%

TMT has previously received written statements of support from the below TMT shareholders as announced by TMT on 26 September 2023:

Shareholder	Shares held or controlled	% of TMT's issued shares
Resource Capital Fund VII LP	45,821,428	18.0%
Regal Funds Management	12,042,858	4.7%
Atasa Holdings Pty Ltd	4,343,995	1.7%
Tribeca Investment Partners Pty Ltd	3,200,000	1.3%
Total	65,408,281	25.7%

TMT shareholders are encouraged to vote on the Scheme either by submitting a directed proxy online or completing and returning a hardcopy proxy form. Alternatively, shareholders can attend the Scheme Meeting scheduled for Tuesday, 16 January 2024 commencing at 10:00 am (AWST) at Level 3, 88 William Street, Perth WA 6000 in person, or by proxy, attorney or corporate representative.

Full details on how to vote will be included in the Supplementary Scheme Booklet to be despatched to shareholders shortly. Both TMT and AVL encourage all TMT Shareholders to cast their vote as soon as possible and in any event prior to the Scheme Meeting scheduled for Tuesday, 16 January 2024.

Further information

Further details regarding the Scheme Meeting are set out in the Notice of Scheme Meeting contained in the Scheme Booklet which will be supplemented by the Supplementary Scheme Booklet to be despatched to shareholders in due course.

TMT shareholders who have any questions in relation to the Scheme or would like to request a replacement proxy form should contact the TMT Shareholder Information Line on 08 9321 8533 between 8:30 am and 5:00 pm (AWST) Monday to Friday.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision.

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This announcement is approved for release to the ASX by the respective Boards of AVL and TMT.

A copy of the amending deed to the existing scheme implementation agreement is attached to this document.

For further information, please contact:

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Execution version

Australian Vanadium Limited

Technology Metals Australia Limited

Deed of Amendment

Contents

1	Definitions and interpretation	1
1.1	Definitions	1
1.2	Interpretation	1
2	Amendments to Scheme Implementation Deed	2
3	Amendment to Scheme	2
4	Continued force and effect	2
4.1	Amendments not to affect validity, rights, obligations	2
4.2	Confirmation regarding the Scheme Implementation Deed	3
4.3	Confirmation regarding the Deed Poll	3
4.4	Acknowledgements	3
5	General	3
5.1	Assignment	3
5.2	Further acts	3
5.3	Governing law and jurisdiction	3
5.4	Counterparts	4
5.5	Deed certainty	4
	Schedule 1 - Indicative Timetable	5
	Execution	6

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Date **11** **December 2023**

Parties

Australian Vanadium Limited ACN 116 221 740 of Level 2, 50 Kings Park Road, West Perth, Western Australia (**AVL**)

Technology Metals Australia Limited ACN 612 531 389 of Suite 9, 330 Churchill Avenue, Subiaco, Western Australia (**TMT**)

Background

- A The parties entered into a scheme implementation deed on 23 September 2023 (**Scheme Implementation Deed**).
 - B Clause 18.7 of the Scheme Implementation Deed provides that the Scheme Implementation Deed may only be varied by a document signed by or on behalf of each of the parties.
 - C The parties wish to amend the Scheme Implementation Deed in the manner set out in this document.
 - D The resolution proposed to be put at the Scheme Meeting is to approve the scheme of arrangement described in the Scheme Booklet, relevantly with any alterations as approved by the Court to which TMT and AVL agree.
 - E TMT and AVL wish to record their agreement to alterations to the Scheme set out in Appendix 2 of the Scheme Booklet.
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Agreed terms

1 Definitions and interpretation

1.1 Definitions

In this document, a term defined in the Scheme Implementation Deed has the same meaning as in the Scheme Implementation Deed.

1.2 Interpretation

Clauses 1.2 and 1.3 of the Scheme Implementation Deed apply to this document.

2 Amendments to Scheme Implementation Deed

The Scheme Implementation Deed is amended as follows:

- (a) by deleting the definition of Scheme Consideration in clause 1.1 and replacing it with:

“Scheme Consideration *The consideration to be provided to Scheme Shareholders for the transfer to AVL of each Scheme Share under the terms of the Scheme (subject to **clauses 4.5 and 4.6**), being 14 New AVL Shares for every 1 Scheme Share in accordance with the Deed Poll.”;*

- (b) by deleting schedule 2 and replacing with the **schedule** of this document; and
- (c) by replacing the Scheme in Annexure A with the Scheme set out in Appendix 2 of the Scheme Booklet as amended by **clause 3** of this document.

3 Amendment to Scheme

- (a) The proposed form of the Scheme (as contained in Appendix 2 of the Scheme Booklet and the subject of the resolution contained in the notice of scheme meeting (as contained in Appendix 4 of the Scheme Booklet)) is amended by deleting the definition of Scheme Consideration in clause 1.1 and replacing it with:

“Scheme Consideration *The consideration to be provided to Scheme Shareholders for the transfer to AVL of each Scheme Share under the terms of this Scheme, being 14 New AVL Shares for every 1 Scheme Share.”*

- (b) TMT must propose a resolution at the Scheme Meeting that will, if passed, amend the Scheme to reflect the increase in the Scheme Consideration as contemplated by **clause 3(a)**.

4 Continued force and effect

4.1 Amendments not to affect validity, rights, obligations

- (a) This document is intended only to vary the Scheme Implementation Deed and the terms of the Scheme, as applicable, and not to terminate, discharge, rescind or replace them.
- (b) The amendments to the Scheme Implementation Deed do not affect the validity or enforceability of the Scheme Implementation Deed.
- (c) Nothing in this document:
- (i) prejudices or adversely affects any right, power, authority, discretion or remedy which arose under or in connection with the Scheme Implementation Deed before the date of this document; or

- (ii) discharges, releases or otherwise affects any liability or obligation which arose under or in connection with the Scheme Implementation Deed before the date of this document.

4.2 Confirmation regarding the Scheme Implementation Deed

On and with effect from the date of this document, each party is bound by the Scheme Implementation Deed as amended by this document.

4.3 Confirmation regarding the Deed Poll

AVL acknowledges and agrees that:

- (a) the amendments to the terms of the Scheme do not affect the validity or enforceability of the Deed Poll in the form executed by AVL in favour of each Scheme Shareholder and dated 30 November 2023 (**Executed Deed Poll**); and
- (b) on and with effect from the date of this document, the Executed Deed Poll applies in respect of the Scheme as amended by this document.

4.4 Acknowledgements

- (a) Each party acknowledges and agrees that, in complying with clause 5.1(n) of the Scheme Implementation Deed, TMT will apply to the Court for orders approving the Scheme as amended by this document.
- (b) Each party acknowledges that this document is issued in accordance with the Scheme Implementation Deed and the Scheme.

5 General

5.1 Assignment

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this document without the prior written consent of each other party, which consent that other party may give or withhold in its absolute discretion.

5.2 Further acts

Each party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by any other party to give effect to this document.

5.3 Governing law and jurisdiction

- (a) This document is governed by and will be construed according to the laws of Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts.

5.4 Counterparts

- (a) This document may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the agreement of each party who has executed and delivered that counterpart. Each counterpart is an original but the counterparts together are one and the same agreement.
- (b) This document is binding on the parties on the exchange of duly executed counterparts.
- (c) The parties agree that a copy of an original executed counterpart sent by email to the email address of the other party specified in clause 17.3 of the Scheme Implementation Deed, instead of the original, is sufficient evidence of the execution of the original and may be produced in evidence for all purposes in place of the original.

5.5 Deed certainty

This document is a deed. Factors which might suggest otherwise are to be disregarded.

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Schedule 1

Indicative Timetable

Event	Date
Enter into Scheme Implementation Deed	Date of this document
Lodge Scheme Booklet with ASIC for review and comment, apply to court for a first hearing date and give notice of first hearing date to ASIC	15 November 2023
First Court Date*	4 December 2023
Scheme Booklet registered with ASIC	4 December 2023
Despatch Scheme Booklet to TMT Shareholders	12 December 2023
Scheme Meeting	16 January 2024
Second Court Date*	19 January 2024
Effective Date – lodge office copy of Court order approving the Scheme with ASIC	22 January 2024
Record Date	24 January 2024
Implementation Date – issue Scheme Consideration	1 February 2024

* Subject to Court availability.

Note: This is an indicative timetable only and is subject to change, including following any regulatory consultation and as may be required by the Court.

Execution

Executed as a deed.

Executed by Australian Vanadium Limited ACN 116 221 740:)
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[Signed 'Louis Mostert']

.....
Company Secretary/Director
Louis Mostert

.....
Name of Company Secretary/Director
(print)

[Signed 'Cliff Lawrenson']

.....
Director
Cliff Lawrenson

.....
Name of Director (print)

Executed by Technology Metals Australia Limited ACN 612 531 389:)
)

[Signed 'Sonu Cheema']

.....
Company Secretary/Director
Sonu Cheema

.....
Name of Company Secretary/Director
(print)

[Signed 'Ian Prentice']

.....
Director
Ian Prentice

.....
Name of Director (print)

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