

24 December 2024

Tivan and Sumitomo Corporation document joint venture terms for the Speewah Fluorite Project

- Tivan and Sumitomo Corporation have signed a Memorandum of Understanding (“MoU”) for the Speewah Fluorite Project. The MoU includes attachments which describe a range of key commercial and corporate terms for the planned development, financing and operation of the Project.
- The key terms set the basis for the negotiation of a subscription agreement, shareholders’ agreement, management agreement and offtake agreement, comprising a binding joint venture.
- Sumitomo Corporation is a leading Japanese trading house and Fortune Global 500 company with diversified global business interests including mineral resources and industrial chemicals.
- The MoU replaces the prior Strategic Alliance Agreement between Tivan and Sumitomo Corporation that facilitated an extensive phase of due diligence on the Project, inclusive of a delegation from Japan visiting the Speewah site in early November.
- The parties have agreed to commence the drafting of long-form binding agreements referred to above. The parties are targeting March 2025 for the binding agreements to be completed.
- Tivan has commenced the process of corporate restructuring required to facilitate the investment by Sumitomo Corporation. This restructure is intended to optimise the project financing and commercial aspects of Tivan’s fluorite and vanadium titanomagnetite resources held at Speewah.

The Board of Tivan Limited (ASX: TVN) (“Tivan” or the “Company”) is pleased to announce that the Company has signed a MoU with Sumitomo Corporation, a leading Japanese trading house and Fortune Global 500 company. The MoU records the key commercial and corporate terms for a planned incorporated joint venture (“IJV”) between the parties for the Speewah Fluorite Project in Western Australia (“Project”). These terms, although non-binding, provide a framework for the negotiation of the binding agreements which the parties are proposing to negotiate over Q1 2025.

In June 2024, the Company announced it had signed a Strategic Alliance Agreement with Sumitomo Corporation, providing a framework for the parties to negotiate agreements for the development, financing and operation of the Project (see ASX announcement of 7 June 2024).

The MoU, which replaces the Strategic Alliance Agreement, represents seven months of close collaboration and negotiation between the parties, with material progress achieved in negotiating the planned structure of the IJV. The agreements will be negotiated around the following key non-binding principles:

- Aggregate equity investment of up to A\$60 million via a Sumitomo Special Purpose Vehicle (“SSPV”) for an equity interest of up to 22.5% in the IJV.
- SSPV investments in the IJV will be following completion of the Tivan corporate restructure and the satisfaction of various conditions in the formal agreement. SSPV investment into the IJV will be in 3 instalments being:
 - \$5 million for 7.5% interest, to fund the Feasibility Study in relation to the Project;
 - \$5 million at SSPV’s election for an additional 7.5% interest to fund the Definitive Feasibility Study in relation to the Project; and
 - subject to the completion of the Definitive Feasibility Study and the parties making a final investment decision (“FID”) to proceed with the Project, \$50 million to provide part of the equity funds required to develop the Project for an additional 7.5% interest.
- SSPV may elect not to proceed with the funding of the second or third tranche of investment.



- If SSPV does not contribute to additional expenditure then its equity interest in the IJV dilutes but there is to be a Non-Dilution Floor in favour of SSPV of 20%.
- Upon the issue of the first 7.5% equity interest to SSPV and approval of the Commonwealth, Tivan is to novate the funding awarded to Tivan for the Project under the Australian Government's International Partnerships in Critical Minerals ("IPCM") Program to the IJV.
- Offtake for 100% of the life-of-mine production from the Project on commercial terms.
- Appointment of Tivan as Project Manager, including payment by the IJV to Tivan of a management fee of 7.5% for all direct costs incurred up until FID and 1.5% of all direct costs incurred after FID.
- Board structure and governance protocols for the IJV.

The parties have also agreed the IJV will be an Australian entity.

Notwithstanding that the key terms of the agreements set out in the MoU are non-binding, the MoU records the agreement of the parties to extend the exclusivity arrangements agreed to in the Strategic Alliance Agreement through to 31 March 2025.

There are no other material conditions to the MoU to be disclosed.

Project Overview

The Speewah Fluorite Project (100% Tivan) is located 100km south of the port of Wyndham and 110km south-west of Kununurra in the Kimberley region of north-east Western Australia. Tivan is focused on development planning for a mining and processing operation of fluorite ore to produce acidgrade fluorspar. The Company has completed a Pre-Feasibility Study ("PFS") for the Project, confirming its technical and economic robustness (see ASX announcement of 30 July 2024).

Acidgrade fluorspar is the fluorine source used for semiconductor manufacturing and electric vehicle batteries, critical industries that further the digital economy and the energy transition. In December 2023, the Australian Government added fluorine to Australia's Critical Minerals List. The Project is an Australian-first in targeting the commercial production of fluorspar.

Due Diligence Process

In support of executing the MoU and progressing IJV structuring, Tivan has facilitated an extensive corporate and technical due diligence process over the past nine months, extending to:

- Comprehensive sharing, and collaborative review of technical of Project data, including schedule, geology, metallurgy, engineering, market studies, financial models, and environmental and regulatory pathways.
- Independent due diligence on the Speewah Mineral Resource by a third-party geologist appointed by Sumitomo Corporation.
- Briefings related to land tenure, Speewah tenement holdings and agreements with Traditional Owners and Native Title Holders.
- Provision of the financial model for the Project, as well as life-of-mine extension scenarios.
- Corporate review of Tivan and its consolidated group of companies.
- Corporate and legal review for the restructure of Speewah Mining Pty Ltd (see further details below).
- Legal and tax due diligence on the IJV structure.
- Sharing of submissions to Government facilitation programs made by Tivan, including for the recently awarded \$7.4 million grant under the IPCM Program (see ASX announcement of 6 December 2024) and Major Project Status (see ASX announcement of 9 December 2024).



Tivan also facilitated a four-day visit by a delegation from Japan to Australia in early November. The visit advanced due diligence through meetings with Tivan's project partners and government representatives in Perth. The central focus of the visit was a two-day tour of the Speewah site to further geological and project related due diligence. The delegation also met with Tivan's project partners and stakeholders in the East Kimberley region.

Sumitomo Corporation has in turn advanced the marketing of the Project to potential product customers with a roadshow undertaken throughout Asia, the results of which have been shared with Tivan. The marketing campaign has centred upon Japan, India, Republic of Korea and China, and has confirmed the strong demand for production from the Speewah Fluorite Project with potential end customers.

Restructure of Speewah Mining Pty Ltd

The Project (Fluorite and Vanadium) is currently held in Tivan's wholly owned subsidiary, Speewah Mining Pty Ltd ("SMPL"). Tivan has commenced a phased corporate restructuring of these assets. This will not be completed until various consents have been obtained.

The restructuring will include the incorporation of new holding and special purpose vehicles for the IJV (also supporting project financing workstreams). The important purpose of the restructure is to delineate between the Fluorite and Vanadium titanomagnetite resources at the Project (see below for further details), ensuring that the IJV takes ownership of the fluorite deposit and all required project facilitation tenements leaving the Vanadium resources in a separate corporate structure, thereby enabling Tivan to continue its work on Vanadium assets.

The image below details the planned restructuring for the Speewah Fluorite and Vanadium Projects, and for the Sandover Fluorite Project, which Tivan has signed a binding term sheet to acquire (see ASX announcement of 22 November 2024).

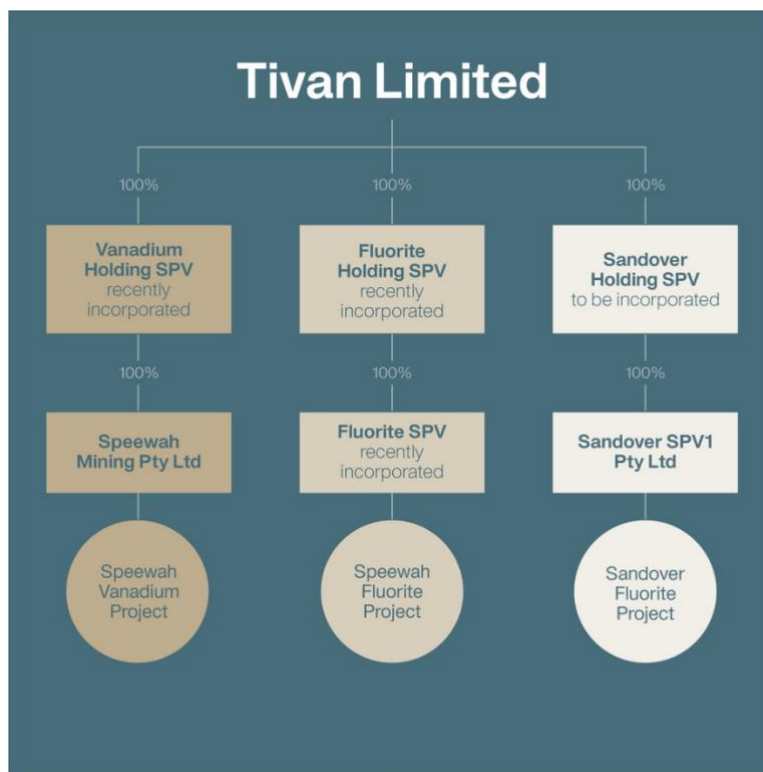


Figure 1: Planned corporate restructure for Tivan's fluorite and vanadium project holdings



Tivan recently commenced the restructuring process, with the incorporation of the additional three Speewah related entities. The restructure will be completed prior to the entry into the IJV by Sumitomo Corporation.

Delineation of Fluorite and Vanadium Resources

The Speewah Project comprises two separate Mineral Resources, a fluorite resource (the Speewah Fluorite Project) and a vanadium titanomagnetite resource (the Speewah Vanadium Project). The IJV is focused on the Speewah Fluorite Project.

The combined Speewah Project comprises seven granted mining tenements held by Tivan's wholly owned subsidiary SMPL: E80/2863, E80/3657, M80/267, M80/268, M80/269, L80/43 and L80/47. For the purpose of IJV structuring, it is planned that six of the seven tenements held by SMPL (ie, excluding E80/3657) will be transferred to the new fluorite special purpose vehicle (Fluorite SPV), with carrying values of these tenements and associated fluorite expenditure also to be transferred to Fluorite SPV at book value.

E80/3657 hosts vanadium resources and will remain with SMPL. E80/2863 is required for the Speewah Fluorite Project, however, also hosts vanadium resources. As part of the restructure, SMPL will be granted rights by Fluorite SPV to explore for and if appropriate, exploit any vanadium resource on defined areas on E80/2863 (blue shaded, hatched area on map below), including rights to use access roads to access these areas. SMPL will be able to apply for a Mining Lease over any part of the defined areas on E80/2863, other than where an area nominated may materially and adversely impact on the Speewah Fluorite Project held by Fluorite SPV. The arrangement will be formalised by way of a Mineral Sharing Agreement.

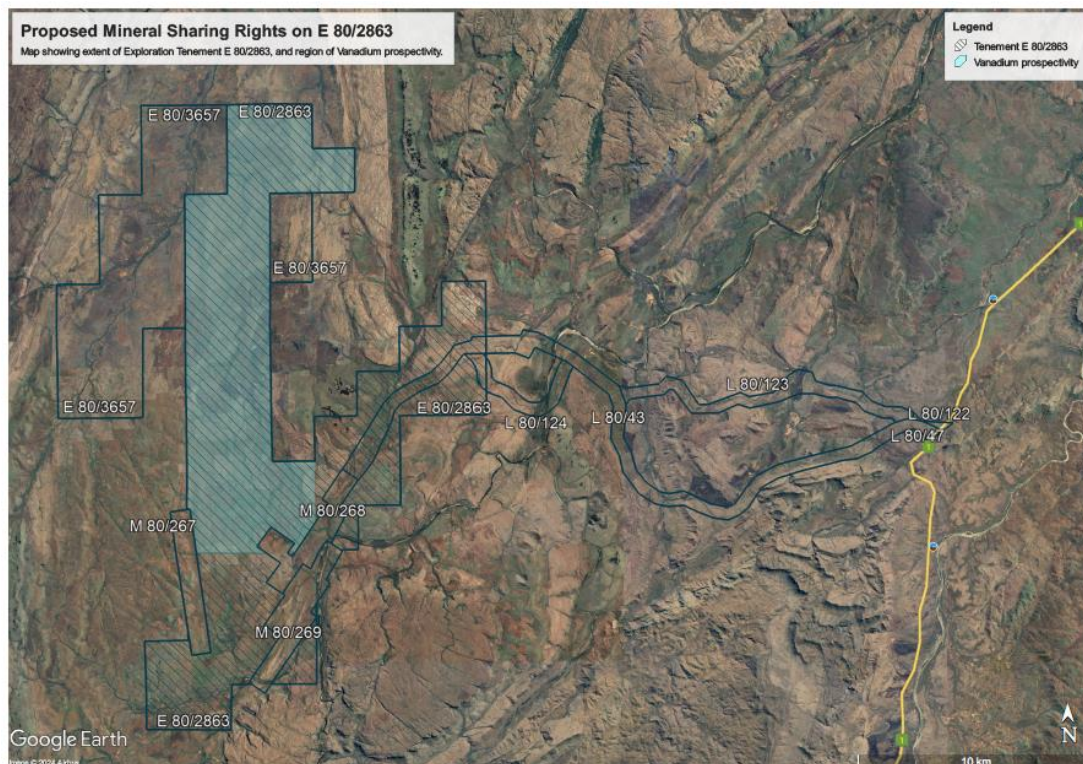


Figure 2: Speewah tenement map showing area covered by planned mineral sharing agreement



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Pathway to Binding Agreements

As detailed above, the parties have agreed to commence drafting of long-form binding agreements, targeting the execution of those agreements in March 2025. The MoU has an end date of 31 March 2025, aligning with the end of the financial year in Japan. Tivan and Sumitomo Corporation are working diligently together to achieve this schedule.

As detailed in the Strategic Alliance Agreement, negotiations between Tivan and Sumitomo Corporation are on an exclusive basis, inclusive of the Japan Organization of Metals and Energy Security (“JOGMEC”).

Comment from Tivan Executive Chairman

Mr Grant Wilson commented:

“To cap a year of material progress at Tivan, I am pleased to share the key terms of our proposed joint venture with Sumitomo Corporation. On behalf of the Board, I extend sincere thanks to our partners in Tokyo who have worked diligently with us all year to advance the Speewah Fluorite Project.

We are looking forward to finalising our joint venture in Q1 and to commencing a long-term partnership based on enterprising spirit and a common vision of shared prosperity”.

This announcement has been approved by the Board of the Company.

Inquiries:

Nicholas Ong

Company Secretary: + 61 8 9486 4036

Email: nicholas.ong@tivan.com.au

Registered Office

Level 1, 16 Bennett St, Darwin City
the Northern Territory, 0800

Contact

+61 8 9327 0900
engagement@tivan.com.au

tivan Limited

ABN 12 000 817 023
ASX Code: TVN

tivan.com.au



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Speewah Fluorite Project – Production Target and Forecast Financial Information

This announcement includes information extracted from the Company's ASX announcement entitled "Pre-Feasibility Study for Speewah Fluorite Project" dated 30 July 2024 in relation to a production target and forecast financial information disclosed in the Pre-Feasibility Study ("PFS") for the Speewah Fluorite Project. A copy of this announcement is available at www.asx.com.au or www.tivan.com.au/investors/asx-announcements/. The Company confirms that all the material assumptions underpinning the production target and forecast financial information derived from the production target disclosed in the announcement dated 30 July 2024 and titled "Pre-Feasibility Study for Speewah Fluorite Project" continue to apply and have not materially changed.

Forward looking statement

This announcement contains certain "forward-looking statements" and comments about future matters. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "estimate", "target", "outlook", and other similar expressions and include, but are not limited to, the timing, outcome and effects of the future studies, project development and other work. Indications of, and guidance or outlook on, future earnings, financial position, performance of the Company or global markets for relevant commodities are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this announcement speak only as of the date hereof, are preliminary views and are based on assumptions and contingencies subject to change without notice. Forward-looking statements are provided as a general guide only. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Any such forward looking statement also inherently involves known and unknown risks, uncertainties and other factors and may involve significant elements of subjective judgement and assumptions that may cause actual results, performance and achievements to differ. Except as required by law the Company undertakes no obligation to finalise, check, supplement, revise or update forward-looking statements in the future, regardless of whether new information, future events or results or other factors affect the information contained in this announcement.