



U.S. Titanium & Zircon Heavy Mineral Sand Project Acquisition

September 2020
ASX: TAO



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Titan Project: Highlights

Strategic U.S. Location

World-class location in Tennessee, U.S.A, on the doorstep of the titanium industry which is 94% import dependent on titanium minerals (A\$1 billion imported in 2019)

Potential Scale

Potential large & simple HMS project with assemblage high in titanium and zircon. Historical exploration by Dupont, BHP & others

Infrastructure & Cost Advantage

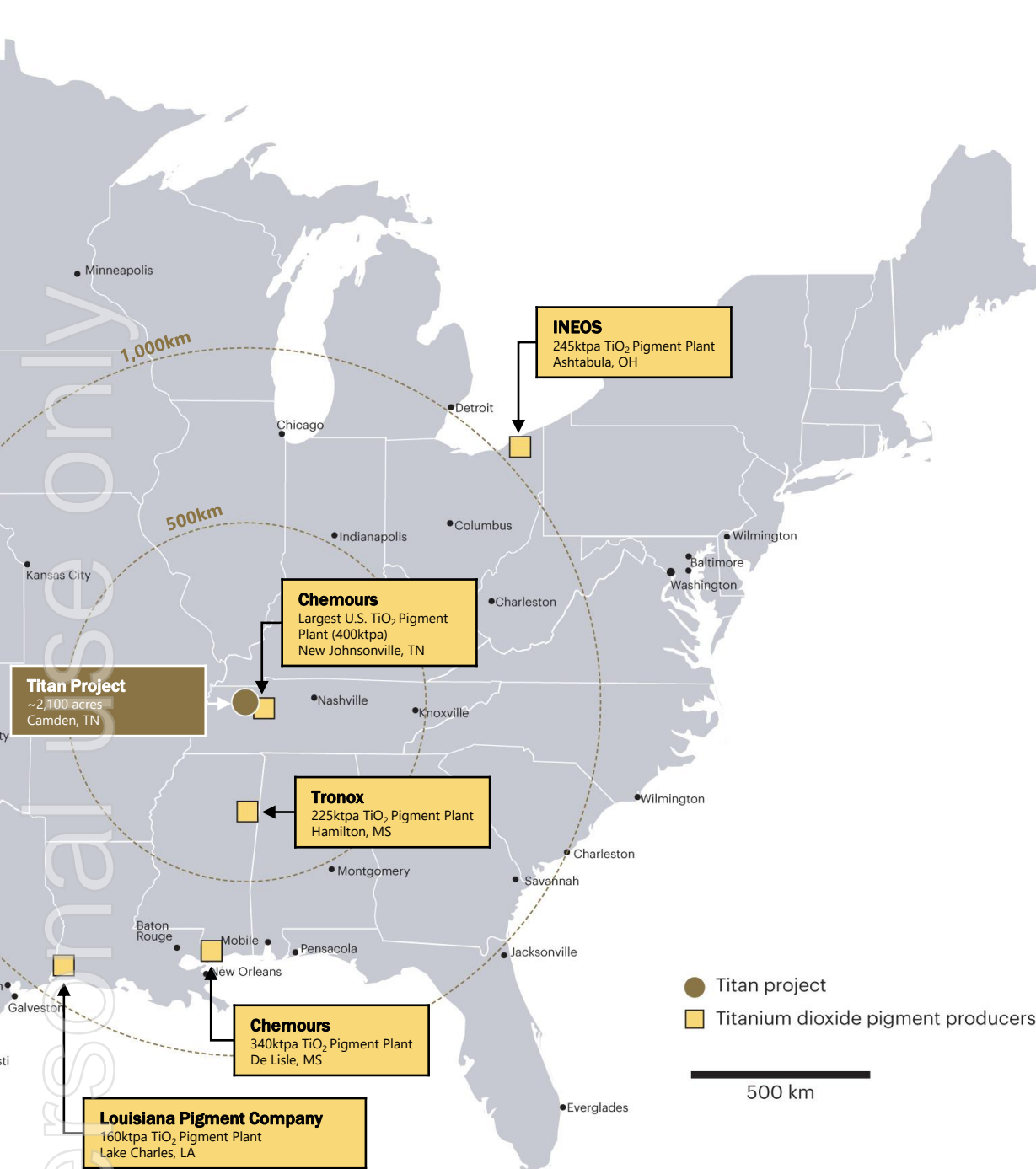
Unbeatable existing utility and logistics infrastructure in a very low-cost operating environment

Critical Minerals

Titanium and zircon are designated critical minerals to the U.S. – potential for access to Federal funding programs

Team

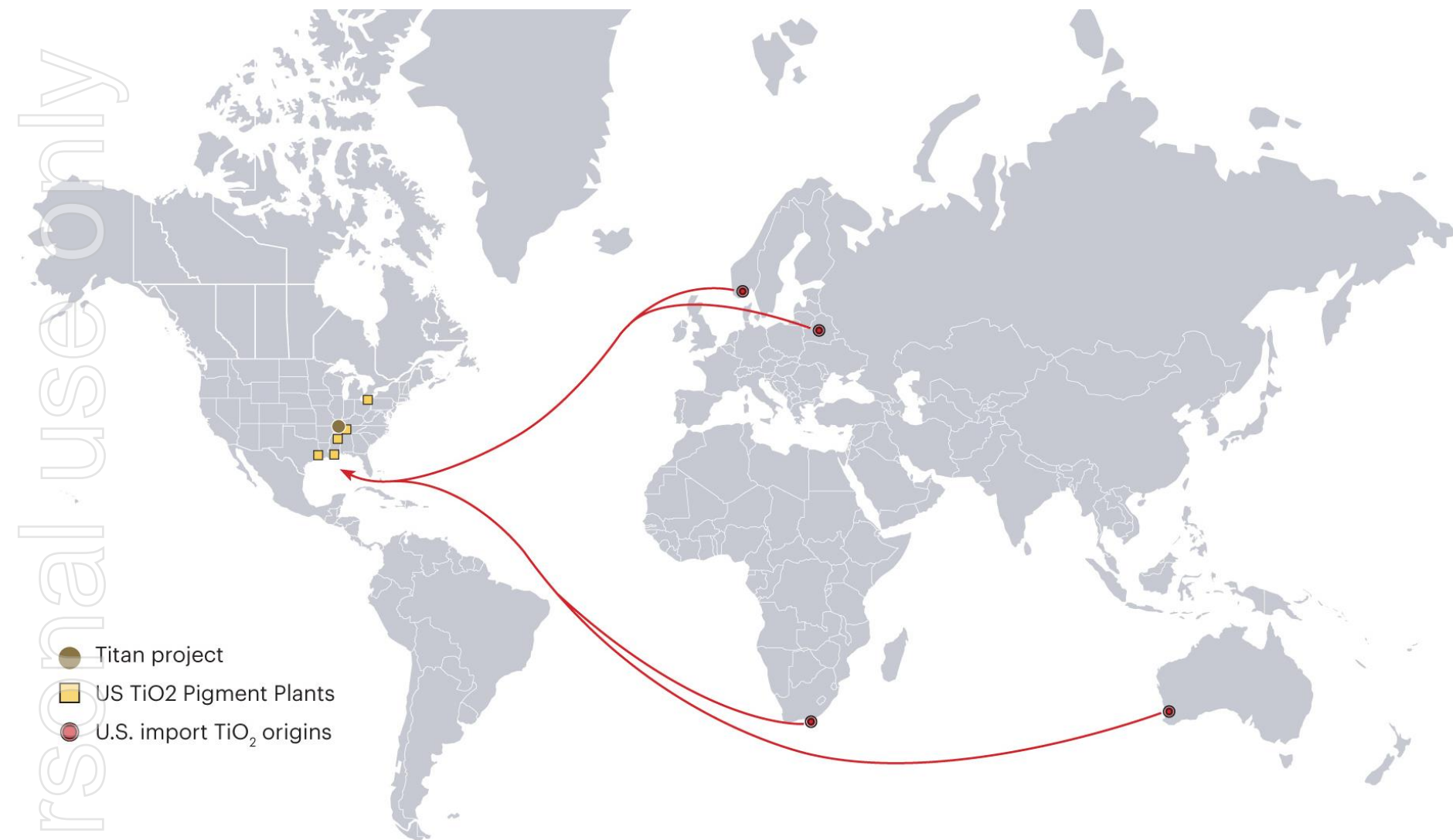
Highly experienced management team with a track record of development success in the U.S.



Titan Titanium & Zircon Heavy Mineral Sand Project

World-class location with outstanding logistical advantage to end users in the U.S. and export markets

Major U.S. Logistical Advantage

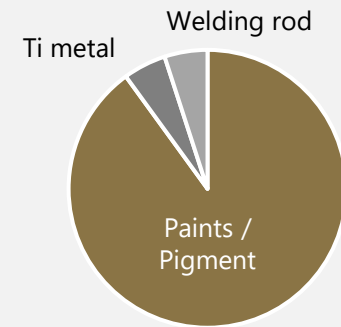


Critical minerals essential to U.S. development

Titanium and zircon are critical industrial minerals expected to benefit from U.S. and global infrastructure stimulus spending post COVID-19

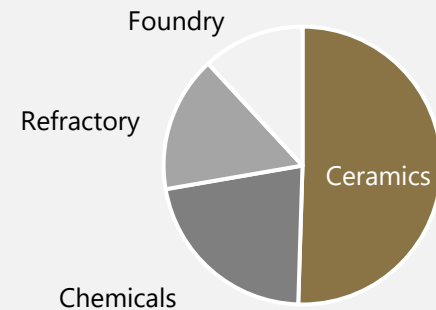
Titanium is a technology metal, critical to advanced U.S. manufacturing.

- Around 90% of TiO₂ is used as a pigment in paint, plastic, paper and fibre
- End applications for TiO₂ pigment include house and car paints, laminates, plastic pipes and packaging
- Titanium minerals are also used to produce titanium metal, which has the highest strength to weight ratio of all metals



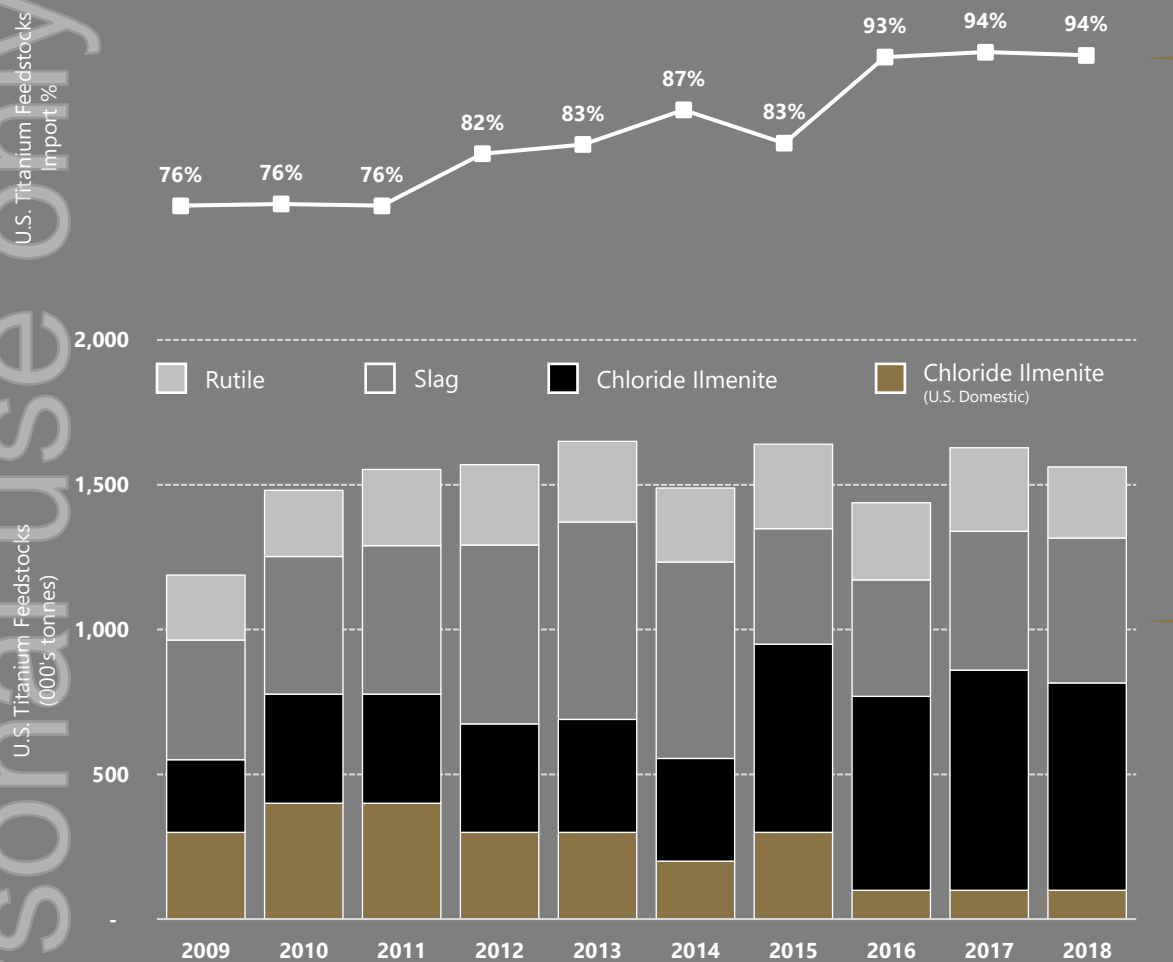
Zircon and its derivatives are essential for everyday life

- Over half of all zircon is used in the production of ceramics, providing whiteness, strength and corrosion resistance
- The most common use is in ceramic floor and wall tiles with others including sinks, sanitary ware and tableware
- Refractory linings and foundry castings also utilise zircon in their manufacturing to provide chemical and corrosion resistance



U.S. Titanium Market: A\$1B+ import dependent market

U.S. titanium feedstock: import % of requirements & value breakdown



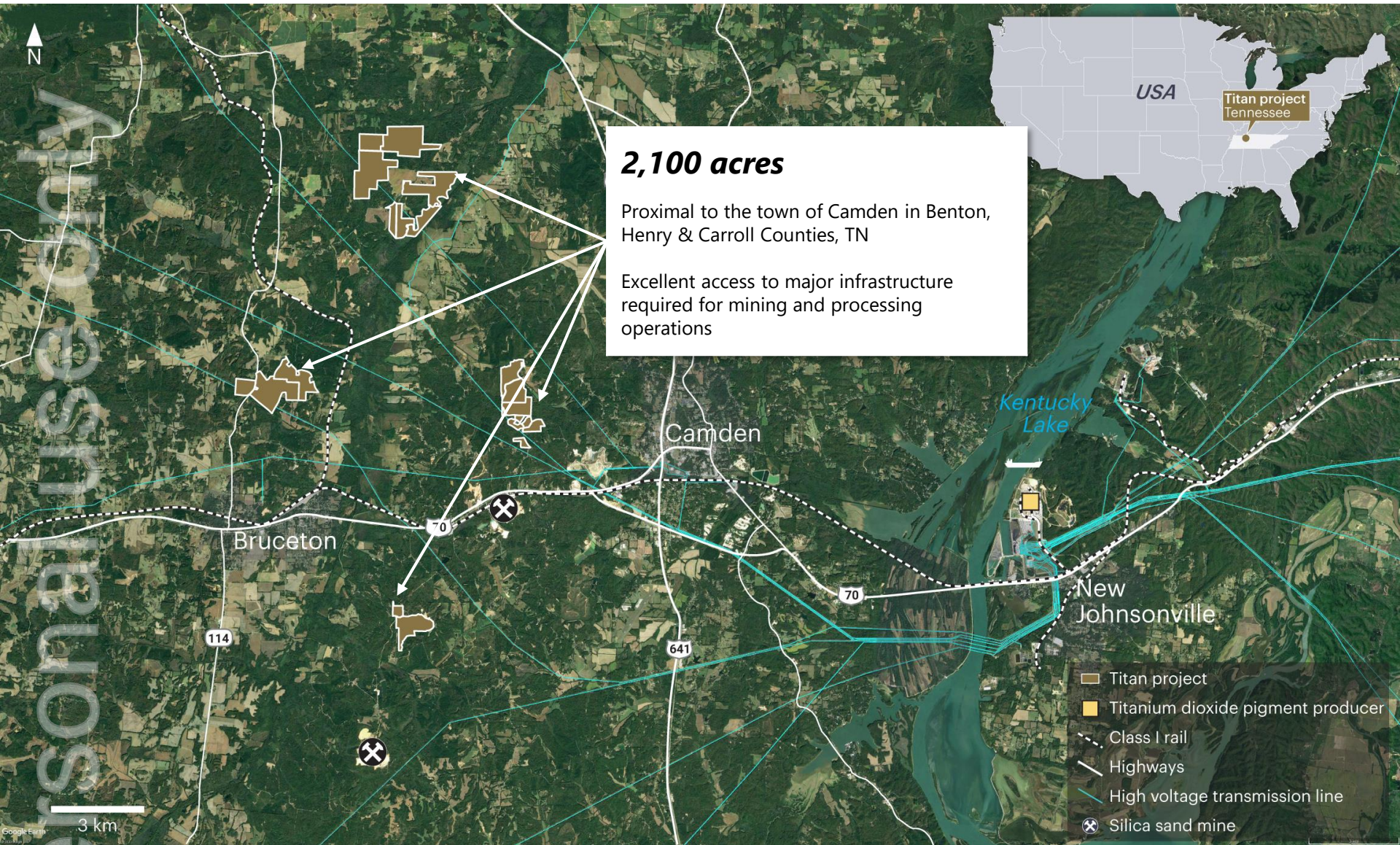
94%

U.S. import dependence
on titanium feedstock

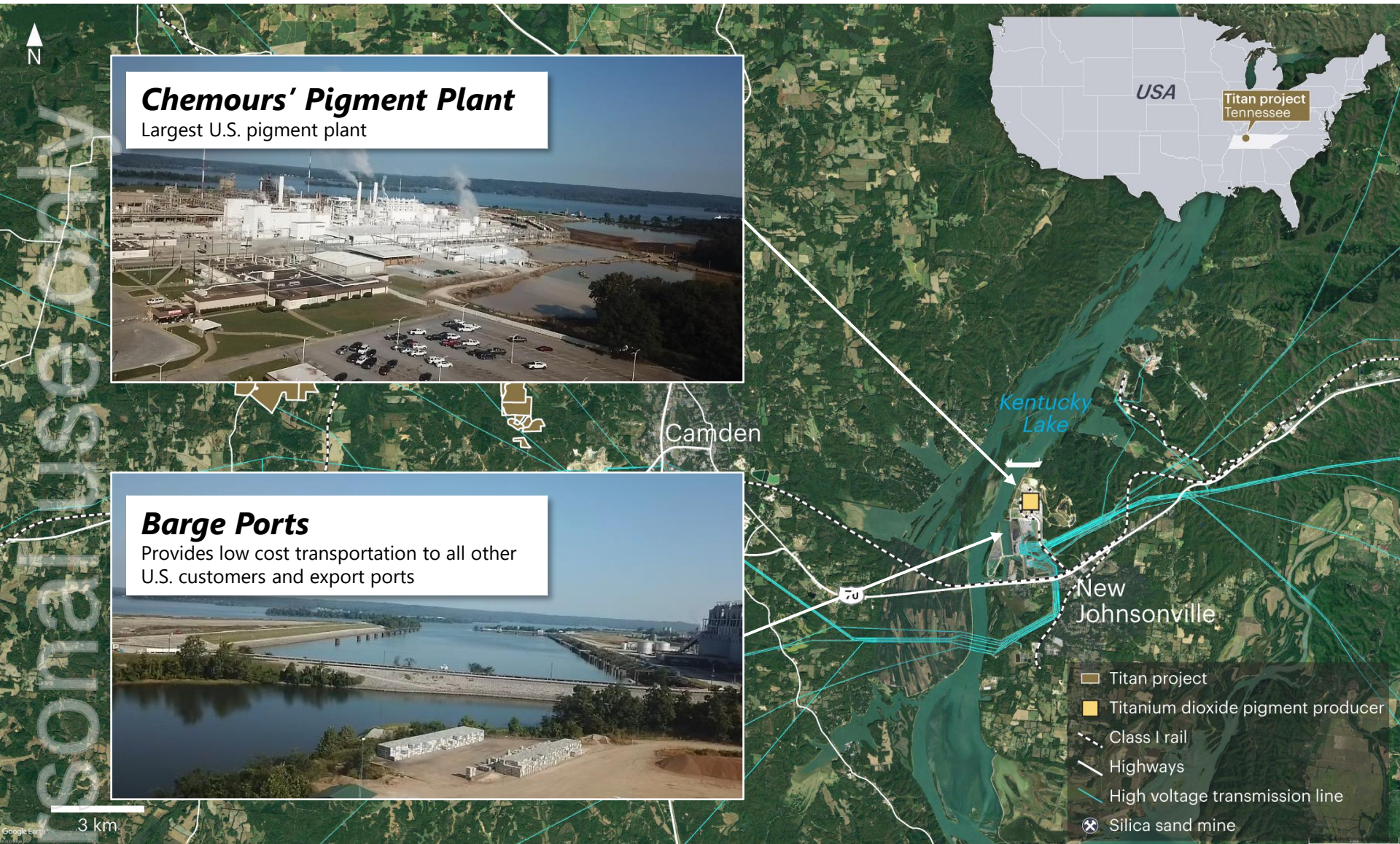
A\$1B

U.S. titanium feedstock value
breakdown
(1.5mtpa in 2019)

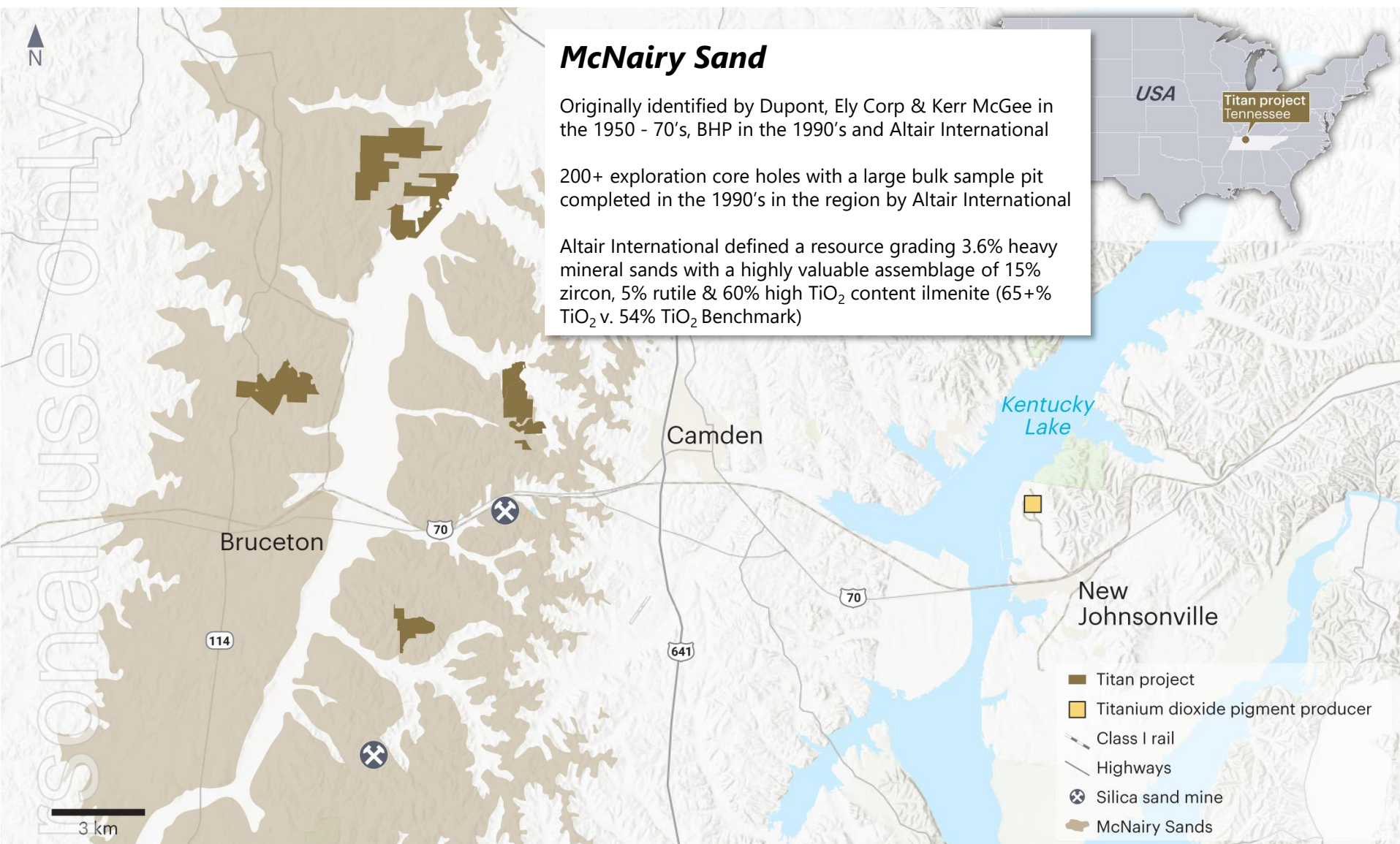
World-class, strategic location in Tennessee, USA



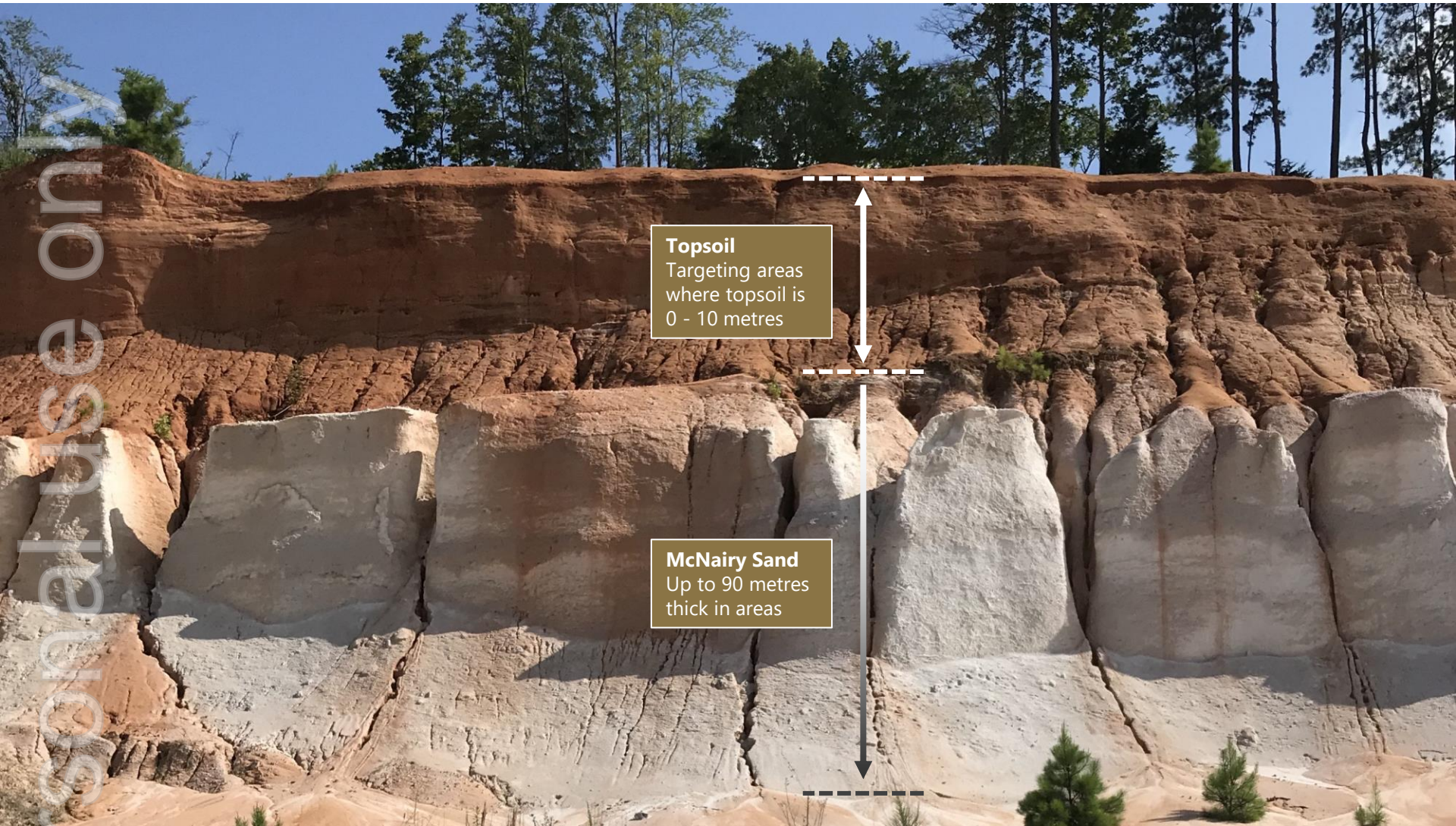
Proximity to the largest U.S. customer & barge port access



First mover with potential for world class scale



McNairy Sand: Thick, close to surface and simple



Unbeatable regional infrastructure

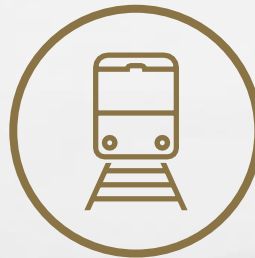
Power & Gas

High capacity transmission lines over project



Rail

Norfolk Southern mainline running through Camden, TN



Highways

I-40 10 miles south of Camden, TN



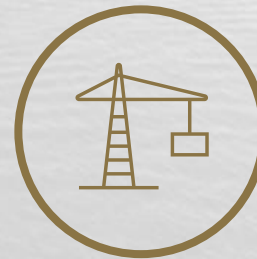
Skilled Workforce

*Camden, TN (pop. ~3,500)
~3 million pop. <90 min drive
Skilled in HME and plant operations*

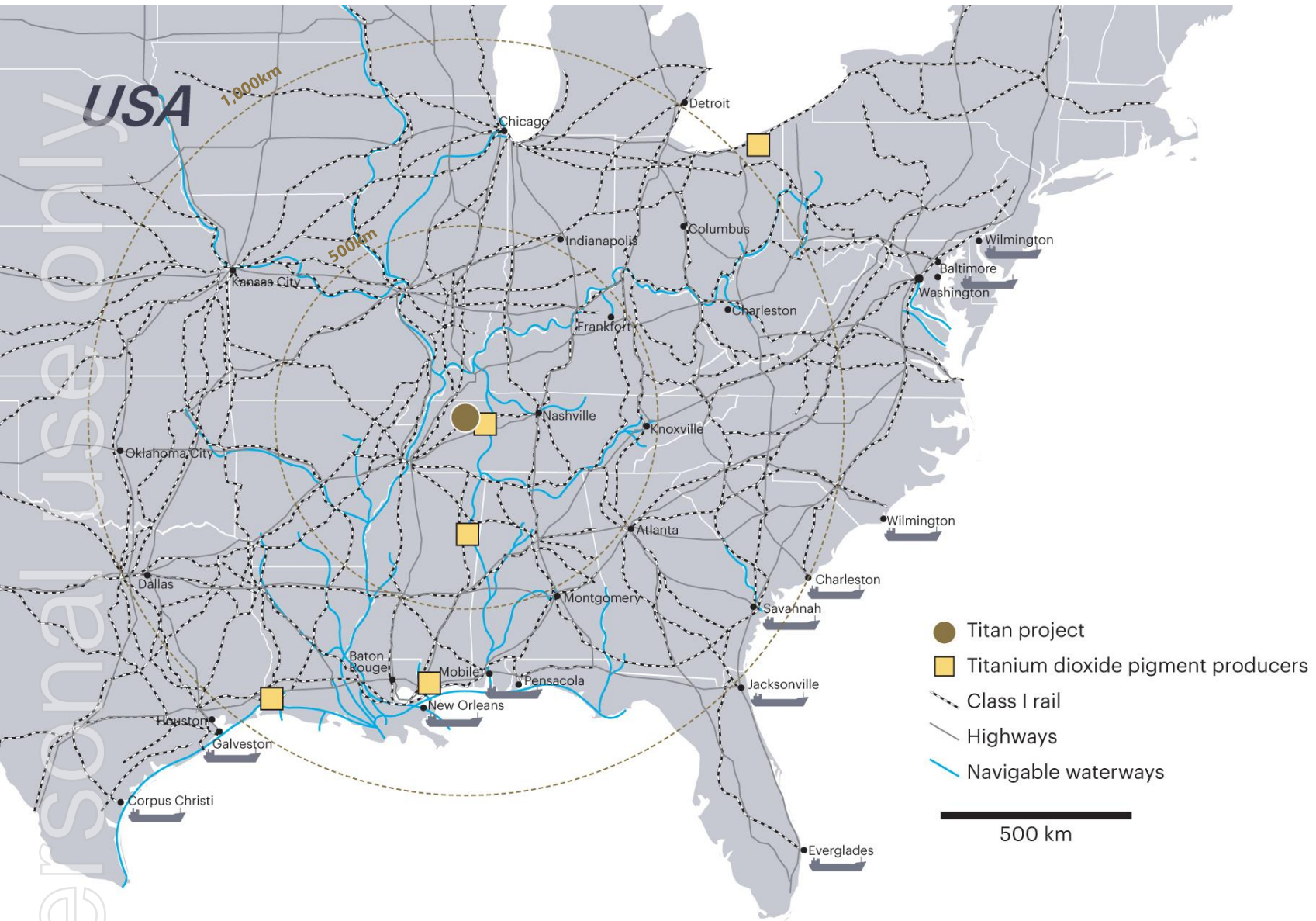


Ports

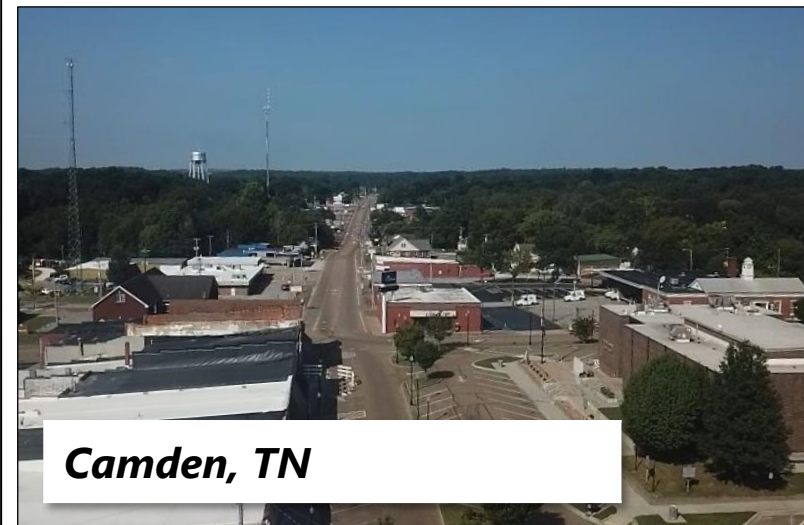
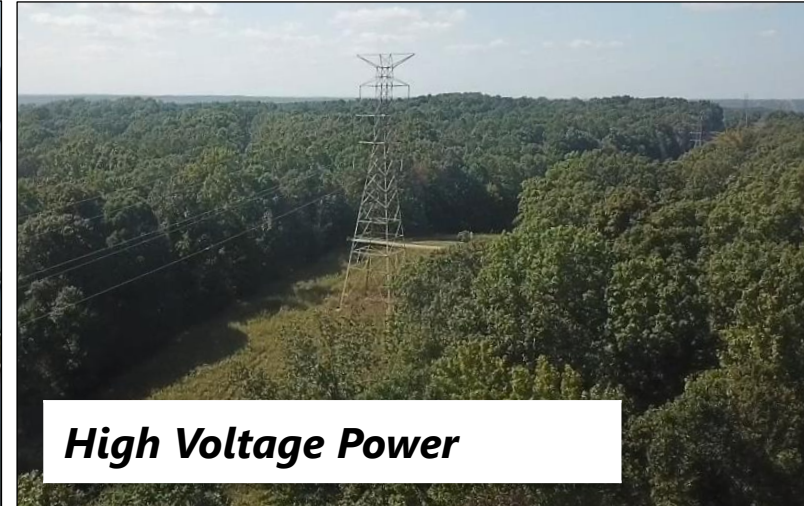
*Major barge-loading point 15 miles from
Project connecting to all major U.S.
customers in the southeast and export ports*



Low cost U.S. transportation infrastructure



Infrastructure reduces capital and operating costs



Skilled workforce with experience in mining & processing

High quality silica sand mining operation, Camden, TN



Low cost location compared to other HMS jurisdictions

| | Tennessee, USA | W.A. (Australia) | Vic. (Australia) | South Africa | Sri Lanka |
|---|----------------|------------------|------------------|--------------|-----------|
| Electricity | 5.41c / kWh | ↑↑ | ↑↑ | Brown-outs | ↑ |
| Natural gas | US\$3.21 / Mcf | ↑ | ↑ | ↑ | ↑ |
| Diesel | US\$0.57 / L | ↑↑ | ↑↑ | ↑↑ | ↑↑ |
| Labor | US\$42k / yr | ↑↑ | ↑↑ | ↓↓ | ↓↓ |
| Camp required | × | ✓ | × | × | × |
| Government / 3 rd party free-carry | × | × | × | ✓ | ✓ |
| Company tax | 21% | 30% | 30% | 28% | 28% |

U.S. critical minerals focus

Potential access for U.S. Federal funding programs as titanium and zircon are designated critical minerals

- In 2018, The U.S. Department of the Interior published a list of 35 mineral commodities considered critical to U.S. economic and national security
- Designed to break America's dependence on foreign minerals, the list includes titanium and zircon
- In February 2020 President Trump issued a Presidential Memoranda: Memorandum on the Effect of Titanium Sponge Imports on National Security.
- The focus is to assess and rectify the threat relying on imports of titanium sponge, as it is heavily used in the defense sector (a F-35 Joint Strike Fighter comprises 35% titanium)



Management team

Highly experienced, U.S. based team with a track record of exploration and permitting in the southeastern U.S.

Anastasios Arima

Executive Director

Founder of multiple mining & natural resources companies with successful record of identifying opportunities, raising finance and building strong teams. Founder of ASX / Nasdaq-listed Piedmont lithium Ltd.

Lamont Leatherman

Chief Geologist

Founder and Chief Geologist of ASX / Nasdaq-listed Piedmont Lithium Ltd responsible for the leasing and delineation of Piedmont Lithium's North Carolina lithium project. 25+ years experience in U.S. exploration, including senior positions with BHP.

Adam Karst

Geologist / Competent Person

An accomplished mineral sands geologist with experience in mining production, exploration, and resource development. Previously Head of Iluka's U.S. exploration programs.

Dominic Allen

Business Development

Finance professional with 15 years experience in the financing, development and operations of natural resource organisations, including senior roles with Rio Tinto Limited and Oyu Tolgoi LLC.

- The team has a strong network of high calibre U.S. based personnel and consultants spanning the geology, mine development, permitting and operational roles
- Field office, team house and an administration base to be established in Camden, TN

Key milestones and value drivers

| | |
|--|----------------------------------|
| ✓ Continued land consolidation | 4 th Quarter 2020 (-) |
| ✓ Key personnel & consultant appointments | 4 th Quarter 2020 |
| ✓ 1 st Phase drill program results | 4 th Quarter 2020 |
| ✓ Metallurgical test work results of zircon, rutile and ilmenite | 4 th Quarter 2020 |
| ✓ 2 nd Phase drill program commencement & results | 1 st Quarter 2021 |
| ✓ JORC compliant maiden resource | 1st Half 2021 |

- 1st Phase exploration and drilling program is scheduled to commence in the coming weeks post completion of due diligence
- Drilling and exploration is low cost, high impact value drivers

Post transaction capital structure

100% ownership of Hyperion Metals Pty Ltd

Staged share-based payments upon material project development hurdles

| Pro-forma valuation | A\$M |
|--|----------------|
| Market capitalisation (at \$0.22) | \$18.8M |
| Cash (at 30 June + placement proceeds) | \$3.7M |
| ENTERPRISE VALUE | \$15.1M |

UPFRONT CONSIDERATION & CAPITAL STRUCTURE

| | |
|---|-------------------|
| Current TAO shares | 31,386,667 |
| Shares issued for 100% acquisition of Hyperion Metals ¹ | 26,500,000 |
| Facilitation Fee ¹ | 2,650,000 |
| Capital raising (A\$2.0M at A\$0.080 / share) | 25,000,000 |
| Shares on issue post-transaction | 85,536,667 |
| Current listed options ² | 15,693,334 |
| Current performance rights ³ | 3,000,000 |
| Options issued for 100% acquisition of Hyperion Metals ^{1,4} | 5,000,000 |
| Proposed management options ^{1,5} | 3,500,000 |

DEFERRED CONSIDERATION

SHARES / OPTIONS

| | |
|---|------------------------|
| Performance: Tranche 1 ^{1,4} (PFS demonstrating greater than A\$200m NPV) | 18,000,000 / 4,000,000 |
| Performance: Tranche 2 ^{1,4} (First production) | 18,000,000 / 4,000,000 |

1. Subject to exercise of option to acquire Hyperion Metals Pty Ltd, transaction completion and shareholder approval

2. Listed options, exercise price \$0.20, expiry 31 August 2021

3. Expiry 25 November 2022, 1M converting upon a VWAP of at least A\$0.25 over 20 days, 1M converting upon a VWAP of at least A\$0.40 over 20 days, 1M converting upon a VWAP of at least A\$0.55 over 20 days

4. Unlisted options, exercise price \$0.20, 5-year expiry

5. Unlisted options, exercise price \$0.25, expiry 31 December 2023