

30 September 2024

Tivan writes down Mount Peake

The Board of Tivan Limited (ASX: TVN) (“Tivan” or the “Company”) provides a further update on the Mount Peake Project in the Northern Territory and the outcome of a detailed review of the carrying value of expenditure incurred for the project to 30 June 2024, as foreshadowed by the Company in its recent announcement titled “Update on Mount Peake Project” (see ASX announcement of 28 June 2024). Following completion of the review and further consideration by the Board, Tivan advises that it has recorded a non-cash impairment of the full carrying value of the Mount Peake Project in the Company’s financial statements for the year ended 30 June 2024.

In the June announcement, the Board confirmed its strategic focus as the Speewah Fluorite Project, Sandover Project and Speewah Vanadium Titanomagnetite Project, thereby further deprioritising the Mount Peake Project. This resulted in surrender of the remaining Mount Peake Mineral Lease and all but one ancillary Exploration Licence. The Company had spent more than 12 months evaluating its vanadium development pathways, including completion of testwork programs for the TIVAN+ critical minerals technology development with CSIRO and the salt roast technology pathway under consideration (refer to ASX announcement of 27 September 2024).

The Company flagged in the June announcement its intent to consider a non-cash impairment of the carrying value of the surrendered tenements and also of the broader carrying value of the Mount Peake Project (including the TIVAN® process) as part of the process of preparing its full year audited financial accounts. The likelihood of a write down in carrying value for Mount Peake was discussed by Executive Chairman, Mr Grant Wilson, in his Investor Briefing in late March (see ASX announcement of 25 March 2024).

The Board’s review of Mount Peake included consideration of the likelihood of recovery of the carrying value in the context of the revised tenement holding position, reduced activity and spend, and development and commercial outlook for the Project. The Board recognised the following circumstances as pertinent to the carrying value review:

- Tivan has achieved significant progress at Speewah, whilst deprioritising activity and expenditure for Mount Peake; further exploration and evaluation work for Mount Peake is not planned.
- The vanadium technology pathway assessment and development program will now only progress with Speewah; given the excellent testwork results achieved with Speewah concentrate (for both TIVAN+ and salt roast) no further testwork is now planned for Mount Peake concentrate.
- The TIVAN® Process, which underpinned the Mount Peake development strategy, has not been fully developed and is not ready for commercialisation; given the recent success with the TIVAN+ development with CSIRO, the TIVAN® Process will not be further pursued in its own right.
- All tenure supporting the former development strategy at Mount Peake (Mining Leases and Access Authorities) has been surrendered; supporting Exploration Licences have also been surrendered (excluding EL31850).
- Associated with this, Tivan provided notice of termination of the Indigenous Land Use Agreement (ILUA) related to Mount Peake to the Central Land Council in Q3 2024.
- Third party commercial interest in Mount Peake and the TIVAN® Process has not been realised.
- The material decline in the vanadium price over the last six months has reinforced the Company’s view of the importance of resource quality and location, validating its acquisition of the Speewah resource.

- The progress made with the Speewah Fluorite Project this year has provided Tivan with a staged development pathway that may provide significant commercial synergies for the Speewah Vanadium Titanomagnetite Project. No comparable pathway is available at Mount Peake.
- It follows that an updated development strategy for Mount Peake is no longer justifiable.

The Board has carefully considered the Mount Peake carrying value in view of the change in circumstances detailed above. The Board is of the view that it is now both prudent and appropriate to record a non-cash impairment of the full carrying value of the Mount Peake Project of \$57.35 million (net position after research and development rebates), reflected in the Company's financial statements for the year ended 30 June 2024. These statements have been finalised and audited by KPMG.

The Company notes that the impairment is a write-off of prior expenditure incurred and capitalised for the project and does not impact current cash reserves. The impaired exploration and evaluation expenditure will be expensed, resulting in an increase in the expected loss for the year ended 30 June 2024 detailed in the Company's Profit and Loss Statement. This expenditure has been previously deducted for income tax purposes and included in the Company's accumulated tax losses that are carried forward. Accumulated tax losses can be utilised in later years to reduce income tax payable should the Company generate future profits through successful project development.

The Company advises that a non-cash impairment of the carrying value of other non-core projects in the portfolio that have either been fully or partially relinquished, or are now considered of no or immaterial recoverable value, are also recorded in the Company's financial statements for the year ended 30 June 2024 - in the order of \$0.65 million including for the former Moonlight Project and the Kulgera Project.

Tivan Executive Chairman Mr Grant Wilson commented:

"The write down of Mount Peake has been extensively flagged and brings to a formal close the dismal history of TNG.

Since taking control, the team at Tivan has worked tirelessly to turn the Company around, and to establish robust pathways to project delivery and free cash flow. The write down will be used to reduce tax payable on the successful delivery of the Speewah Fluorite Project, significantly increasing its post-tax Net Present Value. We trust this knowledge provides some comfort to long standing shareholders of the Company."

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



tivan
a critical minerals company

asx announcement

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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.

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