Australian VANADIUM LIMITED

ASX ANNOUNCEMENT **21 AUGUST 2025**

MODERN MANUFACTURING INITIATIVE GRANT ALIGNED WITH INTEGRATED PROJECT

KEY POINTS

- **AVL has signed a variation to its Grant Agreement with the Commonwealth for the $49 million grant under the Modern Manufacturing Initiative – Manufacturing Collaboration Stream. The variation aligns the Grant Agreement with AVL's ongoing work to create an integrated project following the successful merger with Technology Metals Australia.**
- **The grant supports construction and commissioning of the crushing, milling and beneficiation plant and the high-purity vanadium processing facility of the Australian Vanadium Project in Western Australia.**
- **To date, AVL has received $24.5 million in progress payments under the Grant Agreement. Subject to the achievement of project milestones and compliance with the Grant Agreement, ongoing funding is to be delivered through re-profiled progress payments totalling up to a further $24.5 million.**

Australian Vanadium Limited (ASX: AVL, Company or AVL) is pleased to announce that AVL and the Commonwealth of Australia, represented by the Department of Industry, Science and Resources (DISR), have signed a variation to the Grant Agreement[1] for the grant of up to $49 million (plus GST) under the Modern Manufacturing Initiative – Manufacturing Collaboration Stream (Variation).

The Variation reflects the integrated development plan for the Australian Vanadium Project to achieve the benefits of the synergies of the two adjoining projects on a single orebody following AVL's merger with Technology Metals Australia.[2] The updated agreement incorporates the outcomes of the almost completed Optimised Feasibility Study (OFS),[3] provides for an expanded program of work to unlock additional value from the combined projects and includes the provision of a new date for completion of activities under the Grant Agreement of 31 March 2028 with the Grant Agreement ending on 31 July 2029.

The scope and total value of the grant remain unchanged. The grant continues to support the development and construction of AVL's concentrator and high-purity vanadium processing facility

[1] See ASX announcement dated 30 May 2023 '*$49 Million Government Grant Agreement Executed*'
[2] See ASX announcement dated February 2024 '*Successful Implementation of AVL and TMT Merger*'
[3] See ASX announcement dated 2 July 2024 '*Completion of First Phase of Optimised Feasibility Study*'

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capable of using green hydrogen, which will form the foundation of AVL's vertically integrated vanadium supply chain. The Variation provides a well-structured pathway for delivering the Australian Vanadium Project, aligning the Commonwealth funding with the integrated project schedule and supports opportunities for accelerated procurement of equipment.

AVL has so far received $24.5 million (plus GST) in progress payments.[4] Ongoing progress payments will continue to be subject to the achievement of agreed project milestones and compliance with the Grant Agreement with the final payment now scheduled for March 2028.

AVL's Chief Executive Officer, Graham Arvidson comments, *"This grant variation represents another strong endorsement of the Australian Vanadium Project and AVL's commitment to building a fully integrated, value-adding vanadium supply chain in Australia. We are very grateful for DISR's strong engagement and understanding of our integrated project requirements following our recent merger.*

"Our 'pit to battery' strategy is advancing – producing vanadium concentrate from our proposed mine near Meekatharra, processing it into high-purity vanadium at our planned facility near Geraldton and converting it into vanadium electrolyte at our operating plant in Perth.

"The grant plays a pivotal role in enabling these stages and strengthening sovereign capability. Our activities directly support the Federal Government's Future Made in Australia and National Battery Strategy and align with the Western Australian Government's commitment to deploying 500 MWh of vanadium flow battery capacity using locally manufactured electrolyte.

"We thank the Department of Industry, Science and Resources and all levels of government for their continued support of AVL and the broader vanadium and energy storage sectors in Australia."

AVL remains focused on progressing its integrated project, completing feasibility and engineering activities and advancing construction readiness.

The grant is expected to deliver up to $4.9 million in the current FY26 financial year as AVL exhausts the unspent grant funds on hand, with up to a further $17.6 million expected over FY27 and FY28, subject to the achievement of milestones and compliance with the Grant Agreement.

The Company continues to work closely with government and industry stakeholders to support the establishment of a sovereign vanadium supply chain and enable the energy transition.

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This announcement has been produced in accordance with the Company's published continuous disclosure policy and has been approved by the Board.

[4] See ASX announcement dated 20 June 2024 '*$14.7 Million Received from Federal Grant*'

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ABOUT AUSTRALIAN VANADIUM LTD

AVL is a resource company focused on vanadium, seeking to offer investors a unique exposure to all aspects of the vanadium value chain – from resource through to steel and energy storage opportunities. AVL is advancing the development of its world-class Australian Vanadium Project at Gabanintha. The Australian Vanadium Project is one of the most advanced vanadium projects being developed globally, with 395.4Mt at 0.77% vanadium pentoxide (V_2O_5), containing a high-grade zone of 173.2Mt at 1.09% V_2O_5, reported in compliance with the JORC Code 2012 (see ASX announcement dated 7 May 2024 *'39% Increase in High Grade Measured and Indicated Mineral Resource'*).

VSUN Energy is AVL's 100% owned renewable energy and energy storage subsidiary which is focused on developing the Australian market for vanadium flow batteries for long duration energy storage. VSUN Energy was set up in 2016 and is widely respected for its VFB expertise. AVL's vertical integration strategy incorporates processing vanadium to high purity, manufacturing vanadium electrolyte and working with VSUN Energy as it develops projects based on renewable energy generation and VFB energy storage.

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APPENDIX 1

The Australian Vanadium Project – Mineral Resource estimate by domain and resource classification using a nominal 0.4% V_2O_5 wireframed cut-off for low-grade and nominal 0.7% V_2O_5 wireframed cut-off for high-grade (total numbers may not add up due to rounding).

Zone	Category	Mt	V_2O_5 %	Fe %	TiO_2 %	SiO_2 %	Al_2O_3 %
HG	Measured	30.6	1.14	46.3	12.9	7.4	6.2
	Indicated	74.8	1.11	47.5	12.6	7.0	5.7
	Inferred	67.9	1.06	45.3	12.1	9.0	6.6
	Subtotal	**173.2**	**1.09**	**46.5**	**12.5**	**7.8**	**6.1**
LG	Indicated	61.8	0.55	26.1	7.1	26.6	16.3
	Inferred	142.5	0.48	24.9	6.6	28.9	15.2
	Subtotal	**204.3**	**0.50**	**25.3**	**6.8**	**28.2**	**15.5**
Transported	Inferred	17.9	0.65	31.0	7.3	24.1	14.4
	Subtotal	**17.9**	**0.65**	**31.0**	**7.3**	**24.1**	**14.4**
Total	Measured	30.6	1.13	46.3	12.9	7.4	6.2
	Indicated	136.6	0.85	37.8	10.1	15.8	10.5
	Inferred	228.2	0.66	31.4	8.3	22.6	12.6
	Subtotal	**395.4**	**0.77**	**34.8**	**9.3**	**19.1**	**11.4**

Note: Totals may not add up due to rounding

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ASX CHAPTER 5 COMPLIANCE AND CAUTIONARY AND FORWARD-LOOKING STATEMENTS

ASX Listing Rule 5.23

The information in this announcement relating to mineral resource estimates for the Australian Vanadium Project is extracted from the announcement entitled '39% Increase in High Grade Measured and Indicated Mineral Resource' released to the ASX on 7 May 2024. The relevant announcement is available on the Company's website www.avl.au.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original market announcements.

Forward-Looking Statements

This release may contain certain forward-looking statements with respect to matters including but not limited to the financial condition, results of operations and business of AVL and certain of the plans and objectives of AVL with respect to these items.

These forward-looking statements are not historical facts but rather are based on AVL's current expectations, estimates and projections about the industry in which AVL operates and its beliefs and assumptions.

Words such as "anticipates," "considers," "expects," "intends," "plans," "believes," "seeks," "estimates", "guidance" and similar expressions are intended to identify forward looking statements and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the industry in which AVL operates.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the control of AVL, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Such risks include, but are not limited to resource risk, metal price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which we sell our product to, and government regulation and judicial outcomes. For more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings.

AVL cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of AVL only as of the date of this release.

The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made.

AVL will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

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