



\$14.7 MILLION RECEIVED FROM FEDERAL GRANT

Milestone payment received supporting the development of the Australian Vanadium Project.

KEY POINTS

- Milestone payment of \$14.7 million* received from Australian Government grant under the Modern Manufacturing Initiative – Manufacturing Collaboration Stream.
- The grant provides up to \$49 million* to support the Australian Vanadium Project to enable new critical mineral production which will support the domestic vanadium supply chain in the battery market.

Australian Vanadium Limited (ASX: AVL, 'Company' or 'AVL') is pleased to announce the receipt of the second milestone payment of \$14.7 million* from the Federal Government under a Commonwealth Grant Agreement as part of the Modern Manufacturing Initiative - Manufacturing Collaboration Stream ('Grant'). AVL has now received a total of \$24.5 million in milestone payments related to the Grant.

On 30 May 2023 the Company announced the execution of a Commonwealth Grant Agreement with the Commonwealth of Australia, represented by the Department of Industry, Science and Resources.¹ The Grant provides up to \$49 million* in funding support for the Australian Vanadium Project to assist the Company, in collaboration with industry partners, to create an Australian vanadium battery industry. The first milestone payment of \$9.8 million* was received in June 2023.²

The Grant funds eligible activities required to construct and commission a crushing, milling and beneficiation plant and a high-purity vanadium processing facility capable of using green hydrogen to partly fuel the extraction process for the project. This critical mineral extraction process is a key precursor for vanadium electrolyte manufacturing which AVL is already undertaking at its vanadium electrolyte manufacturing facility in Perth.³ The scope of the Grant encompasses support for all stages of the vanadium production value chain, from mining and concentrating to vanadium

* Excluding GST

¹ See ASX announcement dated 30 May 2023 '*\$49 Million Government Grant Agreement Executed*'

² See ASX announcement dated 6 June 2023 '*\$9.8 Million Received from Federal Grant*'

³ See ASX announcement dated 19 March 2024 '*Battery Ready Vanadium Electrolyte Produced*'

processing for use in electrolyte production, a key enabler for the Australian vanadium flow battery (VFB) industry.

CEO, Graham Arvidson comments, *“AVL continues to work closely with the Australian Government and we are grateful to receive this second milestone payment. It is testament to the outstanding work being undertaken to progress the Australian Vanadium Project, which will benefit not only the Mid West region of Western Australia where the Project will operate, but Australia more broadly, as we continue to realise the onshore vanadium value chain from pit-to-battery that will support Australia’s energy transition ambitions.*

“Our project is expected to create hundreds of jobs in mining and processing and will expand to battery manufacturing value chains around the country, as vanadium flow batteries are more widely adopted to meet the long duration energy storage requirements of renewable energy generation. We continue to collaborate with industry partners and look forward to sharing these developments as they advance.”

The receipt of this second milestone payment follows the release of the Federal Government’s recent Budget 2024-25 *Future Made in Australia* strategy, which provides support for the refining and processing of critical minerals and manufacturing of clean energy technologies, including battery supply chains. Support provided by this strategic initiative will be in the form of a proposed Critical Minerals Production Tax Incentive from 2027-28 to 2040-41,⁴ which is expected to be applicable in relation to eligible production costs at two stages of the Company’s vertically integrated operations: at the processing stage of vanadium oxide production at the vanadium processing facility and in the production of vanadium electrolyte at its vanadium electrolyte manufacturing facility.

Payment of the remainder of the Grant remains subject to milestones and compliance by the Company with its obligations pursuant to the Grant.

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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 Commonwealth Government of Australia, *Budget 2024-25 Budget Paper No. 2 – Budget Measures*

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.

APPENDIX 1

The Australian Vanadium Project – Mineral Resource estimate by domain and resource classification using a nominal 0.4% V₂O₅ wireframed cut-off for low-grade and nominal 0.7% V₂O₅ wireframed cut-off for high-grade (total numbers may not add up due to rounding).

Zone	Category	Mt	V ₂ O ₅ %	Fe %	TiO ₂ %	SiO ₂ %	Al ₂ O 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

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 which 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 announcement, 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 announcement.

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.