

ASX ANNOUNCEMENT

1 FEBRUARY 2024

SUCCESSFUL IMPLEMENTATION OF AVL AND TMT MERGER

KEY HIGHLIGHTS

- The merger of Australian Vanadium Limited (ASX: AVL, the Company or AVL) and Technology Metals Australia Limited (TMT) has been successfully completed.
- The transaction consolidates two adjoining projects across one orebody, realising synergies through the advancement of a single integrated vanadium project.
- Work underway focussing on concentrate quality and coproduct optimisation to unlock reduced capital and operating costs and realise higher revenue, maximising project economics and shareholder value.

LETTER FROM THE CHAIR OF THE BOARD AND CEO OF AVL

Dear AVL Shareholders

Today sees the successful implementation of the merger of AVL and TMT, with AVL acquiring all shares in TMT.¹ On behalf of the Board of Directors and Management Team of AVL, we would like to welcome the shareholders of TMT to AVL's register. We firmly believe that the merger of AVL and TMT will unlock material benefits for all shareholders through the consolidation of adjoining projects on one contiguous orebody, to create one of the largest and most advanced vanadium development projects in the world.

Today AVL, a critical and battery metal company based in Western Australia, accelerates its journey to become a global leader in the vanadium supply chain. We are all now shareholders in one stronger company and we look forward to delivering the combined benefits to all our shareholders.

Since the announcement of the transaction in September,² AVL has been working diligently with the TMT team to integrate the two projects and to assess project enhancement opportunities and development strategies which can now be unlocked by the successful completion of the merger.

Wood Group has commenced work on an Optimised Feasibility Study (OFS). The first phase of the OFS, expected to be completed within the June quarter of 2024, will finalise trade off studies and

¹ See ASX announcement 1 February 2024 'Scheme of Arrangement has been Implemented'

² See ASX announcement dated 25 September 2023 'Australian Vanadium and Technology Metals Australia Agree A\$217 Million Merger'

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inform the preferred project development pathway for the integrated project. We look forward to updating you on our progress as we advance the project to production.

Key actions include:

- optimisation of mining and processing schedules with a focus on maximising concentrate quality and coproduct outcomes, maximising revenue and unlocking opportunities to reduce capital and operating costs;
- rationalisation of plant and infrastructure to improve mine plan and capital cost; and
- sharing of stakeholder relationships, technical knowledge, infrastructure and operating practices.

AVL remains committed to its strategic objective of developing a low operating cost vanadium project and delivering value to our shareholders and stakeholders through a profitable operation. Our immediate priorities, beyond the integration work, centre on:

- finalising a combined mineral resource statement;
- finalising funding and offtake for the combined project;
- completing regulatory, environmental and permitting requirements; and
- working with stakeholders to create a positive impact in our communities.

As we define the ideal integrated project development pathway, we will continue to engage actively with the Traditional Owners of the land where we operate, the Yugunga-Nya People, to collaborate on opportunities to reduce impact on their country and maximise benefit to their people.

The transaction significantly increases the Company's capital market profile and strategic investor appeal, delivering greater scale, improved liquidity and providing a stronger balance sheet to position us well for the next phase of development activities. AVL has a unique opportunity to leverage compelling market fundamentals and improved investor sentiment to provide significant improvement in our ability to raise equity, secure project financing and agree desirable offtake arrangements and strategic partnerships.

The Company will also continue to assess downstream opportunities. This includes pursuing growth initiatives in the vanadium flow battery (VFB) market through our wholly owned subsidiary, VSUN Energy Pty Ltd, and operating our recently constructed vanadium electrolyte manufacturing facility in Western Australia.³ AVL's long-term aim remains the pursuit of a pit-to-battery strategy for vanadium, with our intent to manufacture vanadium electrolyte using vanadium oxide from our project, demonstrating our commitment to onshore downstream processing and value-addition, while

³ See ASX announcement dated 15 December 2023 'Vanadium Electrolyte Facility Construction Complete'

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providing a large proportion of local content which is unrivalled by other battery technologies. We see inevitable growth in the VFB market as becoming central to domestic demand for vanadium.

AVL remains in a strong financial position to pursue the above initiatives, with cash on hand of approximately \$29.6 million as at 31 January 2024⁴ and with further progress payments to be received under the Company's \$49 million Modern Manufacturing Initiative grant.⁵ AVL's robust financial position, coupled with a strong and supportive shareholder base, which includes major shareholder Resource Capital Funds,⁶ delivers improved access to capital to support the project's development, including from government agencies.

In summary, the merger has enhanced AVL's long-term strategy, delivering additional impetus to the progress of the vanadium industry in Australia and enhanced value to shareholders.

The AVL Board and Management Team would like to thank existing AVL shareholders for the support shown during the merger process and we are pleased to have TMT shareholders join us on this exciting journey. From today, we are all shareholders in a more robust organisation, eagerly anticipating the advantages that come with this merger.

Kind regards



Cliff Lawrenson
Chair of the Board



Graham Arvidson
Chief Executive Officer

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

⁴ Includes cash on hand from both AVL and TMT as at close of business on 31 January 2024, the day prior to the implementation of the merger.

⁵ See ASX announcement dated 30 May 2023 '*\$49 Million Government Grant Agreement Executed*' and ASX announcement dated 6 June 2023 '*\$9.8 Million Received from Federal Grant*'

⁶ Resource Capital Funds to hold 18.2% of the combined group.

ASX CHAPTER 5 COMPLIANCE AND CAUTIONARY AND FORWARD LOOKING STATEMENTS

ASX Listing Rules 5.19 and 5.23

ASX Listing Rule 5.19

The information in this announcement relating to production targets, or forecast financial information derived from a production target, is extracted from the announcement entitled 'Bankable Feasibility Study for the Australian Vanadium Project' released to the ASX on 6 April 2022 which is available on the Company's website www.avl.au.

The Company confirms that all material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the original market announcement continue to apply and have not materially changed.

ASX Listing Rule 5.23

The information in this announcement relating to exploration results and mineral resource and ore reserve estimates for the Australian Vanadium Project is extracted from the announcement entitled 'Bankable Feasibility Study for the Australian Vanadium Project' released to the ASX on 6 April 2022 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.

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