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# ANNUAL REPORT 2025

Australian  
VANADIUM  
LIMITED



ACN 116 221 740



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## Forward-Looking Statements

This document may contain certain forward-looking statements with respect to matters including but not limited to the financial condition, results of operations and business of Australian Vanadium Limited (AVL or the Company) 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. AVL cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which relate only to events as of the date on which the statements are made.



## Corporate Information

ABN 90 116 221 740

### Directors

Mr Cliff Lawrenson  
Non-Executive Chair

Ms Jo Gaines  
Non-Executive Director

Mr Daniel Harris  
Non-Executive Director

Ms Miriam Stanborough AM  
Non-Executive Director

Ms Anna Sudlow (resigned 31 December 2024)  
Non-Executive Director

Mr Peter Watson  
Non-Executive Director

### Chief Executive Officer

Mr Graham Arvidson

### Chief Financial Officer

Mr Tom Plant

### Joint Company Secretaries

Mr Neville Bassett  
Mr Louis Mostert

### Registered Office and Principal Place of Business

Level 2, 50 Kings Park Road  
West Perth WA 6005  
Telephone: +61 8 9321 5594  
Email: info@avl.au

### Share Registry

Automatic Pty Ltd  
Level 5, 191 St Georges Terrace  
Perth WA 6000

Telephone (Australia): 1300 288 664  
Telephone (international): +61 2 9698 5414

### Auditors

BDO Audit Pty Ltd  
Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth WA 6000  
Telephone: +61 8 6382 4600

### Stock Exchange Listing

Australian Securities Exchange  
ASX: AVL

## Acknowledgement of Country

Australian Vanadium Limited acknowledges the Traditional Custodians of the lands on which we work and we pay our respects to the Elders past and present. We celebrate the stories, traditions and the living cultures of Aboriginal and Torres Strait Islander people who also work and live on this land.

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# » Letter from the Chair

Dear Shareholders,

**Australia's energy landscape is undergoing a profound transformation. As thermal generation retires and renewables grow, there is a clear and pressing need for large-scale energy storage to maintain grid reliability and support the decarbonisation of Australia's electricity network. In its 2024 Integrated System Plan for the National Electricity Market (2024 Integrated System Plan), the Australian Energy Market Operator (AEMO) estimates around 120 GWh of long-duration energy storage will be required by 2040, a challenge that presents an equally significant opportunity for long-duration energy storage technologies.**

Vanadium flow batteries (VFBs) are well suited to this task. They are a proven solution for long-duration energy storage offering safety, scalability, and longevity. Encouragingly, policy momentum is building too, from the Federal Government's National Battery Strategy to the Western Australian Government's \$150 million commitment to a locally manufactured VFB battery energy storage system (BESS) in Kalgoorlie.

Against this backdrop, Australian Vanadium Limited (AVL) is well-positioned. Through Project Lumina, we are developing a VFB architecture tailored to cost-effective deployment in Australian conditions and designed to maximise local content. Together with our upstream Australian Vanadium Project in Western Australia and our midstream electrolyte facility in Perth, AVL is one of the few companies globally with capability across the full vanadium supply chain – from resource extraction to electrolyte manufacture to integrated storage solutions. This makes AVL a compelling and differentiated investment proposition.

Australia has a timely opportunity to establish a sovereign VFB supply chain – spanning mining and vanadium oxide production

through electrolyte manufacturing to battery deployment – delivering resilience for the energy transition and aligning with the Australian Government's National Battery Strategy and ARENA's \$500 million Battery Breakthrough Initiative, which is part of the Government's Future Made in Australia policy agenda. As highlighted by AEMO's 2024 Integrated System Plan, long-duration energy storage will be required at a significant scale. By creating this domestic capability, AVL can help our nation avoid reliance on offshore mineral processing and battery manufacturing and contribute materially to meeting Australia's emerging energy storage needs.

Our downstream ambitions are underpinned by the scale and quality of the Australian Vanadium Project, which is among the most advanced vanadium developments globally. During the year, we advanced key approvals and received further government recognition, including Green Energy Major Project Status, while maintaining momentum on our Optimised Feasibility Study (OFS) and strengthening partnerships to support downstream deployment.

AVL's vertically integrated model is unique, and we are fortunate to have an excellent management team led by Chief Executive Officer Graham Arvidson, who continues to guide AVL through this important phase with focus and strategic clarity.

We remain focused on disciplined delivery: progressing the OFS, permitting and approvals to move the Australian Vanadium Project toward construction readiness, and ensuring AVL plays a meaningful role in Australia's energy transition by delivering a sovereign, full-circle solution to long-duration energy storage. We are confident in our ability to create value for shareholders while contributing to a more sustainable energy future.

Finally, I would like to thank you for your continued support. I also extend my appreciation to the Board and our people for their dedication and hard work throughout the year.

Yours sincerely,

Cliff Lawrenson  
Non-Executive Chair



# » Insights from the CEO

Dear Shareholders,

**FY2025 was a year of focused execution as we aligned our strategy with Australia's accelerating energy transition. As the nation moves away from fossil fuels, the need for reliable, long-duration energy storage (LDES) has never been greater.**

Vanadium flow batteries offer a proven, safe and cost-effective solution for utility-scale energy storage and are well-suited to Australian conditions. Through our vertically integrated model, AVL is well positioned to capture value across the full vanadium supply chain - from mining and processing to electrolyte production and battery deployment.

During the year, we strengthened commercial partnerships, advanced our downstream capabilities (including Project Lumina) and continued to progress the world-class Australian Vanadium Project in Western Australia. These foundations support our clear objective: to deliver long-term, sustainable value for shareholders while making a meaningful contribution to Australia's energy transition.

## » Sovereign VFB supply chain

Meeting AEMO's projection of 120 GWh of installed LDES by 2040 requires average annual additions of around 7 GWh. AVL's vertically integrated strategy positions the Company to develop a resilient, sovereign VFB supply chain in Australia. This approach aligns with the Australian Government's National Battery Strategy and ARENA's \$500 million Battery Breakthrough Initiative under the Future Made in Australia agenda. AVL's Project Lumina is engineered to maximise local content and capability, while the Australian Vanadium Project and AVL's electrolyte manufacturing capacity enable us to capture value across the vanadium supply chain.

## » Vanadium flow batteries are ready now

**VFBs are not a future concept—they are a commercially proven, safe, and long-life solution for utility-scale storage that is deployable today.**

In 2025, the world's largest VFB, with 1GWh of storage capacity, was successfully commissioned in China. Globally, more than 6GWh of VFB capacity has been deployed, demonstrating the technology's safety, scalability, and cost competitiveness. VFBs offer a suite of advantages over lithium-ion alternatives:



Non-flammable chemistry with zero thermal event risk



>99% electrolyte recyclability at end of commercial life



Nearly 20 years of grid-connected operating history



Competitive levelised cost of storage (LCOS), especially at longer durations



30+ year asset life with minimal performance degradation

Australia is particularly well-suited for VFB deployment: the grid has high and growing renewable penetration, it hosts world-class vanadium resources, such as the Australian Vanadium Project (AVP or the Project), and a domestic VFB BESS industry is emerging. Strong policy support - at both State and Federal levels - further strengthens the case, particularly for solutions with high local content.

## PROJECT LUMINA our turnkey VFB BESS architecture

A major focus for AVL over the past year has been the advancement of Project Lumina, our flagship program to deliver a utility-scale, build-own-operate VFB BESS designed for Australian conditions and high local content.



Through our wholly owned subsidiary, VSUN Energy, and in collaboration with our partners GenusPlus Group Ltd, Sedgman Pty Ltd and CellCube Energy Storage GmbH, we have progressed a cost-effective, scalable and locally tailored product platform that enables:

- A simple, modular supply chain using locally available components (electrolyte, tanks, pumps, piping, etc.)
- Flexible configurations to match power and duration requirements
- Grid services capability, including frequency control ancillary services, black start and firming
- >70% local content
- Low-cost duration augmentation for evolving market needs

Recent detailed engineering work has confirmed an estimated LCOS of A\$214/MWh ( $\pm 30\%$ ) for an 8-hour system, underscoring competitiveness in a market focused on cost and sustainability. The architecture is designed for low-capex brownfield expansion, allowing storage capacity to scale with demand.

### Kalgoorlie VFB BESS opportunity

During the year, we welcomed the Western Australian Government's \$150 million commitment toward the development of a 500MWh locally manufactured VFB in Kalgoorlie.

The strategic initiative is expected to strengthen energy reliability in the Goldfields, catalyse a domestic vanadium supply chain and create regional jobs.

AVL is well placed to support this program. Our early leadership across the vanadium supply chain, established local electrolyte manufacturing and the Project Lumina platform – together with our delivery partners – provide the technical readiness and capacity to deliver a high-local-content solution aligned with the Government's objectives.

“

*"This (Kalgoorlie VBESS) project reflects our commitment to strengthening regional energy resilience, supporting long-duration storage solutions, and advancing Western Australia's vanadium and battery manufacturing industries. We acknowledge AVL's early leadership in this sector, including progress on upstream vanadium processing at Tenindewa and work to develop domestic battery supply chains. AVL's integrated approach aligns well with the Government's ambitions to support significant local content and industrial development."*

Hon Amber-Jade Sanderson  
MLA - Minister for Energy and  
Decarbonisation; Manufacturing; Skills  
& TAFE; Pilbara

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# THE AUSTRALIAN VANADIUM PROJECT a key competitive advantage

At the heart of AVL’s strategy is the Australian Vanadium Project, one of the most advanced and significant vanadium projects globally. Located in the Tier-1 mining jurisdiction of Western Australia, the Project features a conventional open-pit mining operation and standard magnetite concentrator flowsheet. It has a global Mineral Resource of 395.4 Mt at 0.77% V<sub>2</sub>O<sub>5</sub>, including 104.5 Mt at 1.12% V<sub>2</sub>O<sub>5</sub> in the Measured and Indicated categories.

In FY2025, we continued to advance the OFS to enhance project economics and bankability, with a focus on:

- Approvals and environmental permitting
- Ongoing, respectful engagement with Traditional Owners
- Engaging offtake partners for vanadium and iron concentrate products
- Funding pathways across equity, debt and government support
- Developing a sustainability strategy with community outcomes at its core

We will continue to progress the OFS and remaining milestones to position the Project for construction readiness.



## OUR PEOPLE

At Australian Vanadium Limited, our people are the foundation of everything we do. Their health, safety and wellbeing are critical to our success. Over the past year, we have continued to strengthen our processes and workplace culture to support a safe, inclusive, and high-performing environment.

I am pleased to report that during the financial year there were no recordable injuries and no regulatory reportable incidents across AVL’s operations – an excellent outcome that reflects our proactive safety culture.

I am incredibly proud of the talented and dedicated team we are building at AVL, and I would like to thank our employees and contractors for their commitment, contribution, and safe work throughout the year.

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## FUNDING AND THE BALANCE SHEET

AVL continues to make strong progress in advancing the Australian Vanadium Project, underpinned by the strategic support of the Australian Government.

After year-end, we signed a variation to the agreement for the \$49 million Modern Manufacturing Initiative – Manufacturing Collaboration Stream (MMI-C Grant) supporting the Project. The variation aligns the funding with our integrated development plan following the merger with Technology Metals Australia, reflecting the benefits of bringing together two adjoining projects on a single orebody. The scope and total value of the grant are unchanged.

This funding is a key enabler of our strategy to reduce project execution risk. We expect to receive up to \$4.9 million in FY2026 as we continue to deploy the remaining grant funds, with up to a further \$19.6 million across FY2027–FY2028, subject to the achievement of milestones and compliance with the revised agreement.

In parallel, we are actively engaging with other State and Federal Government agencies, including those offering grant, debt and other forms of funding support, to strengthen the financial platform for our upstream, midstream and downstream activities.

As at 30 June 2025, AVL held a cash balance of \$11.5 million, including \$4.2 million to be applied to eligible activities under the MMI-C Grant agreement and \$0.5 million of restricted cash, and retains access to the remaining grant funding noted above.

Our financial position enables us to continue progressing critical workstreams while maintaining flexibility as we evaluate a range of strategic partnering and funding options at both the corporate and project levels.

## SUSTAINABILITY



Sustainability remains at the heart of AVL's strategy. We are committed to embedding environmental, social and governance (ESG) principles into every stage of the Australian Vanadium Project's lifecycle, from initial design and development through to construction and operation.

In FY2025, we continued to advance our ESG framework towards alignment with global best practice. Our focus remains on ethical conduct, minimising environmental impact, respectful engagement with the communities where we operate and delivering measurable, long-term benefits for all stakeholders.

We are also proud of the values that guide us – Safety, Integrity, Excellence, Respect, Collaboration and Honesty. These values are more than words; they shape the way we work and how we engage with our people, partners and communities.

Looking ahead, we will continue to strive for improvement in our sustainability performance and increase the transparency of our reporting as we pursue our goal of being a responsible, long-term supplier to the global energy transition.

» **Outlook**

**AVL is well placed to play a pivotal role in Australia's long-duration energy storage future. We are focused on bringing cost-competitive, sustainable solutions to market using proven VFB technology.**

The Australian Vanadium Project is globally significant for its scale and quality, and our vertically integrated strategy across the VFB supply chain positions us to unlock the full value of Western Australia's vanadium advantage. This uniquely sovereign, end-to-end capability places AVL at the centre of Australia's next step in the energy transition: long-duration energy storage.

I thank our stakeholders, partners and team for their continued support. We look forward to advancing the Project, scaling our downstream VFB solutions and delivering long-term value for shareholders.

**Join us as we unlock Australia's long-duration energy storage revolution.**

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Yours sincerely,



**Graham Arvidson**  
Chief Executive Officer



## Executive Leadership Team

Australian Vanadium is staffed with highly credentialed personnel at both the Board and executive management levels and throughout the business. The executive leadership team has decades of experience in the minerals sector, spanning exploration, feasibility, design, development, and operation of mineral assets spanning vanadium, lithium, nickel, cobalt, and gold. The team is well placed to ensure the successful execution of the Group's strategy.



» **Graham Arvidson**  
Chief Executive Officer

*BSc (Mech Eng), MBA, MSc (Mineral Economics), FIEAust CPEng, FAusIMM CPMet, PMP, GAICD*

Mr Arvidson has 20 years of experience in the minerals sector spanning feasibility, evaluation, successful development and operation of mineral assets globally, including both upstream and downstream processing of vanadium and lithium.

Mr Arvidson has proven project development expertise, a deep Western Australian project development network specific to resource project development, commercial acumen borne of managing contracts from both the client and contractor side and extensive project management experience, including tendering, negotiation, conforming and executing O&M, EPC, EPCM, and BOO forms of project delivery.

He is a passionate industry advocate for project development and operational excellence, supporting these causes as an Adjunct Lecturer for the University of Western Australia MBA program, speaking as an industry practitioner on the topics of best practice in project management, operational excellence and commodity markets including vanadium and lithium.



» **Tom Plant**  
Chief Financial Officer

*BCom, MBA, CA, MSc (Mineral Economics)*

Mr Plant is a seasoned finance executive with almost 30 years of experience in various corporate and commercial roles. He has a strong background in debt and equity funding solutions, investment evaluation and corporate transactions. Mr Plant's experience in these areas complements the existing capabilities in the AVL team as it progresses the Australian Vanadium Project.

Mr Plant is a Chartered Accountant (CAANZ) and holds an MBA from INSEAD, an MSc (Mineral Economics) from Curtin University, a Bachelor of Commerce from The University of Western Australia and a Graduate Diploma of Applied Corporate Governance and Risk Management from the Governance Institute of Australia.

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» **Louis Mostert**  
Chief Legal and Commercial Officer,  
Joint Company Secretary

*BEng (Hons), LLB (Hons), GAICD, FGIA*

Mr Mostert has over 20 years of experience in project contracting and finance, corporate advisory, mergers and acquisitions, insurance management, dispute resolution, work health and safety, employment and industrial relations, intellectual property, corporate governance and compliance.

Mr Mostert graduated from the University of Western Australia with a Bachelor of Engineering (Hons) and a Bachelor of Laws (Hons) and has a Diploma of Applied Corporate Governance from the Governance Institute of Australia. He is admitted as a barrister and solicitor of the Supreme Court of Western Australia, a Fellow of the Chartered Institute of Secretaries, a Fellow of the Governance Institute of Australia and a member of the Australian Institute of Company Directors.



» **Todd Richardson**  
Chief Operating Officer

*BSc (Chem Eng), MBA*

Mr Richardson is an expert in vanadium process design, commissioning and operations with over 25 years' experience in vanadium. He has an extensive background in operations management and technical services, both in the USA and Australia, encompassing all phases of plant operation, from process design through to commissioning, ramp-up, and operation.

Mr Richardson leads the development of the Australian Vanadium Project, AVL's world-class vanadium project.



» **Craig Sainsbury**  
Executive General Manager -  
Strategy and Business Development

Mr Sainsbury has over 18 years of experience as a financial markets professional within the mining sector. He brings with him deep knowledge and experience in capital markets, investor relations, business development and stakeholder engagement.

Craig was working with AVL in an advisory capacity prior to his appointment and continues being instrumental in advising the company on decisions relating to equity markets, corporate finance and strategy and business development.

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# Our Strategy

## Building Australia's sovereign vanadium supply chain

Australian Vanadium Limited is a vertically integrated vanadium company advancing the Australian Vanadium Project, operating a Perth electrolyte facility, and deploying utility-scale vanadium flow battery (VFB) battery energy storage systems (BESS) via VSUN Energy to meet Australia's long-duration energy storage needs.

Through its integrated vanadium operations, AVL is uniquely positioned to unlock Australia's vanadium advantage and deliver competitive, sustainable outcomes across the entire supply chain from resource extraction to energy storage markets.

### AVL's Vertically Integrated Strategy

#### UPSTREAM



##### Australian Vanadium Project

Vanadium mining and processing

#### MIDSTREAM



##### Electrolyte manufacturing facility

Vanadium electrolyte manufacture

#### DOWNSTREAM



##### VSUN Energy

Utility-scale vanadium flow batteries

### FY2025 Principal Activities



Progression of approvals and post-merger feasibility study



Continued constructive engagement with the Yugunga-Nya people



Undertook an ESG materiality assessment to identify key issues for our stakeholders



Strengthened government relationships



Successfully deployed electrolyte into an operational VFB – demonstrates AVL's capability to competitively supply electrolyte into utility-scale VFBs



Ongoing product qualification with leading VFB OEMs



Initiation of Project Lumina – positions VSUN Energy for deployment of Lumina design into utility-scale energy storage opportunities

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## »» AVL Competitive Advantage

- High-grade, long-life project in a Tier-1 jurisdiction with strong government backing
- Potential to supply local vanadium oxides for domestic vanadium electrolyte production
- Operational electrolyte facility
- Proven local manufacturing with a direct VSUN Energy sales channel
- Commercially deployed electrolyte into an operating VFB
- Project Lumina: a turnkey, Australia-tailored VFB BESS platform with competitive LCOS for 8-hour systems and high local content
- Robust partner ecosystem



## »» FY2026 Strategic Focus Areas

- Continue progress towards construction readiness and FID – complete the Optimised Feasibility Study (OFS) and advance permitting and approvals
- Advance funding discussions (debt/equity/grants/government agencies)
- Secure offtake to enable FID
- Continue to mature ESG systems and reporting
- Win product qualifications and near-term electrolyte orders
- Pursue Kalgoorlie 50MW 10-hour VFB BESS EOI (when released) and other utility-scale opportunities
- Progress Project Lumina to construction-ready design
- Advance discussions with funding partners and energy off-takers

See page 23 for AVL's material business risks.



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## »» Our Values

As AVL builds a sovereign vanadium supply chain in Australia – from mining and electrolyte production to long-duration energy storage – how we work matters as much as what we deliver. Our values guide the way we develop projects, operate safely, and engage with our people, partners and communities.



**Safety**



**Integrity**



**Excellence**



**Respect**



**Collaboration**



**Honesty**

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# Operating and Financial Review

Australian  
VANADIUM  
LIMITED



# Operating and Financial Review

For the year ended 30 June 2025, Australian Vanadium advanced its vertically integrated strategy—progressing the Australian Vanadium Project towards construction readiness, deploying AVL-manufactured electrolyte, and expanding its downstream VFB BESS activities. This vertically integrated approach (see diagram below) is intended to capture value at multiple points across the vanadium supply chain, creating clear value opportunities for AVL shareholders.



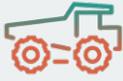
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## FY2025 highlights

- Advanced the OFS, progressing detailed mine planning and project economics for the Australian Vanadium Project.
- Secured key approvals, including Environmental Protection Authority (EPA) approval for Technology Metals Australia’s Gabanintha Vanadium Project – now integrated into the Australian Vanadium Project – and, post year-end, development approval for the Tenindewa processing plant.
- Achieved first deployment of AVL-manufactured electrolyte in an operating VFB with leading Western Australian utility Horizon Power.
- Deepened downstream capabilities at VSUN Energy; initiated Project Lumina to develop a utility-scale VFB BESS design; advanced early-contractor involvement; and established supply-chain partnerships.
- Maintained a strong safety performance with a Total Recordable Injury Frequency Rate (TRIFR) of zero during the period.
- Continued to access Federal funding under the Modern Manufacturing Initiative – Manufacturing Collaboration Stream and received a non-binding Letter of Interest from the Export-Import Bank of the United States (US EXIM) for potential debt financing support for the Project.
- Achieved recognition for the Australian Vanadium Project under the Western Australian Government’s Green Energy Major Projects framework and, more broadly, strengthened engagement with all levels of government, including visits by Federal and State leaders to AVL’s electrolyte facility.



## » Upstream — Australian Vanadium Project



The Company's 100% owned Australian Vanadium Project (AVP or the Project) is a high-grade, multi-decade vanadium project of significant national importance located in the Tier-1 mining jurisdiction of Western Australia. As at 30 June 2025, the Project's Mineral Resource Estimate is 395.4 Mt at 0.77% V<sub>2</sub>O<sub>5</sub>, including a high-grade domain of 173.2 Mt at 1.09% V<sub>2</sub>O<sub>5</sub>. Within this domain, 105.4 Mt at 1.12% V<sub>2</sub>O<sub>5</sub> is classified as Measured and Indicated. The Company continues to advance the development of the Project, which includes a mine site and a crushing, milling, and beneficiation plant (CMB plant or concentrator) located at Gabanintha, near Meekatharra, as well as a processing plant at Tenindewa, near Geraldton.

### Optimised Feasibility Study

AVL commenced the OFS in FY2024 to maximise value from integrating the Gabanintha Vanadium Project – acquired through the Technology Metals Australia merger – into the Australian Vanadium Project. The first phase was completed in the June quarter of 2024. During the year ended 30 June 2025, the second phase was progressed using AVL's combined Mineral Resource Estimate, as reported on 7 May 2024, to develop a mine plan focused on grade optimisation and strip ratio, forming the basis of design for subsequent work.

Building on these outcomes, the final phase is continuing with the definition of a preferred development pathway that balances production capacity, cost efficiency and long-term sustainability. This phase includes finalisation of project economics (capital and operating cost estimates) and optimised engineering design for the mine, concentrator, processing plant and associated infrastructure.

### Environmental approvals

During the year, approval was granted by the Western Australian Minister for Environment, under section 45 of the *Environmental Protection Act 1986 (WA)*, to implement a proposal by Technology Metals Australia (a wholly owned subsidiary) as outlined in EPA Report 1755 for the Gabanintha Vanadium Project, now incorporated into the Australian Vanadium Project. This is a significant milestone, and the decision provides EPA approval for the original Gabanintha Vanadium Project, which comprises a mine, concentrator, processing plant, and other key non-process infrastructure, including a bore field and camp. This approval is considered a positive indicator for environmental approvals for the Australian Vanadium Project, which has been designed to achieve a reduced environmental footprint at Gabanintha.

### Traditional Owner engagement

AVL engaged with relevant Traditional Owner groups to obtain the necessary consents under the *Native Title Act 1993 (Cth)* and to support ongoing heritage and environmental assessment obligations. During the period, AVL worked closely with the Yugunga-Nya Native Title Aboriginal Corporation (the prescribed body corporate representing the Yugunga-Nya People) through surveys, field programs, and heritage monitoring activities, ensuring appropriate consultation and statutory compliance. These activities reflect AVL's broader commitment to respectful, transparent consultation.

### Planning approval — Tenindewa processing plant

After year-end, the Western Australian Planning Commission approved the development application for AVL's proposed Tenindewa vanadium processing plant (~65 km east of Geraldton). The plant is a core element of the Project, complementing the Gabanintha mine and concentrator and the Perth vanadium electrolyte facility, enabling production of high-purity vanadium oxides, electrolyte manufacture and support for VFB deployment within Western Australia.

### Green Energy Major Projects status

The Australian Vanadium Project was selected as a lead agency advice and support project under the Western Australian Government's Lead Agency Framework, which is designed to focus government efforts on projects aligned with the State's decarbonisation and economic diversification agenda. The Green Energy Major Projects group was established to enable State Government agencies to collaborate on developing clear assessment pathways and providing high-quality, fit-for-purpose, and timely support to proponents and investors. This recognition strengthens AVL's ability to secure remaining approvals efficiently, drive local job creation and establish Western Australia as a leader in the global critical minerals supply chain.

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## » Midstream — Vanadium Electrolyte Manufacture



AVL has built and is operating its first high-purity vanadium electrolyte manufacturing facility, located in Perth, Western Australia. The facility can produce up to 33MWh per year equivalent of high-purity electrolyte for vanadium flow batteries.

### Commercial progress and certification

AVL successfully deployed its first vanadium electrolyte into an operating VFB with customer Horizon Power, Western Australia’s regional energy provider, and continued the product qualification process with several international VFB OEMs. Certification of electrolyte manufactured at AVL’s facility paves the way for future commercial sales of electrolyte to global VFB OEMs.

### Government engagement and grant support

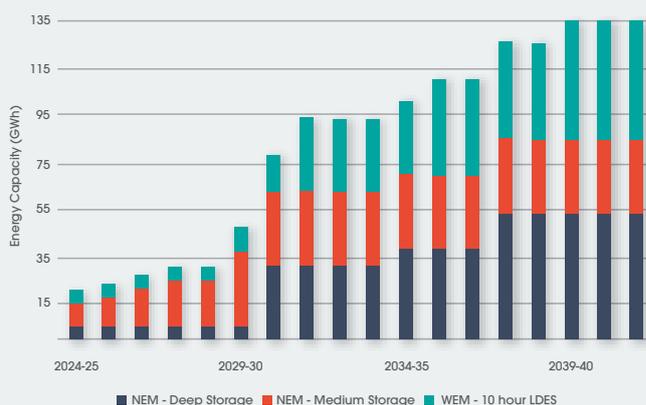
During FY2025, the Company hosted a number of Federal representatives at its vanadium electrolyte facility, including the Hon Anthony Albanese MP (Prime Minister of Australia), the Hon Dr Jim Chalmers MP (Treasurer), the Hon Madeleine King MP (Minister for Resources), Senator the Hon Katy Gallagher (Minister for Finance), the Hon Dr Anne Aly MP (Minister for Small Business), Senator Varun Ghosh and Ms Tracey Roberts MP (Member for Pearce). Construction of the plant was supported by a \$3.69 million Modern Manufacturing Initiative – Manufacturing Translation Stream grant awarded by the Federal Government in 2021. The Hon Roger Cook MLA, Premier of Western Australia, also visited AVL’s vanadium electrolyte facility.

### Strategic significance

These visits by government representatives provided a forum for Australian Vanadium to present its sovereign, integrated VFB supply-chain solution and to brief Federal and State leaders on its readiness to deliver competitive VFB BESS solutions tailored to Australia’s rapidly growing long-duration energy storage (LDES) market. AVL also highlighted how local manufacturing can stimulate economic activity and diversification, while deploying VFB technology enhances the longevity and safety of critical energy-storage infrastructure.

The engagements were also used to communicate Australia’s opportunity to establish a sovereign VFB supply chain – spanning mining and vanadium oxide production, electrolyte manufacturing and battery deployment – enhancing the nation’s supply chain resilience for the energy transition and aligning with the Australian Government’s National Battery Strategy and ARENA’s \$500 million Battery Breakthrough Initiative under the Future Made in Australia agenda. Consistent with AEMO’s 2024 Integrated System Plan, which projects around 120 GWh of LDES by 2040 (refer to the chart below), Australia’s energy system will require LDES at scale. By building this domestic capability, AVL’s integrated platform is positioned to help Australia reduce its reliance on offshore mineral processing and battery manufacturing and to contribute materially to meeting the nation’s energy storage needs.

### Deep/medium energy storage (excluding pumped hydro) – National Electricity Market and Wholesale Electricity Market<sup>1</sup>



### Australia’s addressable market for VFB BESS



**120 GWh by 2040**  
(excluding pumped hydro)



**Annual growth of 7 GWh over ~25 years**



**Implied average duration 11 hours**  
(excluding pumped hydro)

Source: AEMO, 2024 Integrated System Plan for the National Electricity Market

Notes:

1. The Wholesale Electricity Market is the electricity market of Western Australia’s South-West Interconnected System (SWIS).

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## » Downstream — VSUN Energy



VSUN Energy, a wholly owned subsidiary, is positioned to deliver end-to-end energy-storage solutions through established capabilities and relationships with battery and equipment partners. Continued expansion of the Australian and global VFB market is expected to create additional demand for high-purity vanadium products used in the manufacture of vanadium electrolyte.



### Partnerships and market engagement

During the year ended 30 June 2025, the Company continued to make significant progress in establishing the key partnerships required to underpin an energy storage solutions strategy for VSUN Energy. This involved multiple engagements with electricity market participants across the National Electricity Market (NEM) and the Western Australian Wholesale Electricity Market (WEM) who are seeking solutions for LDES. Collaboration with VFB original equipment manufacturers (OEMs) and deployment contractors was progressed to optimise the development of grid-scale VFB BESS. In addition, potential debt and equity funding partners were engaged and specialist consultants were retained to quantify the value of VFB BESS to the electricity market.

### Project Lumina

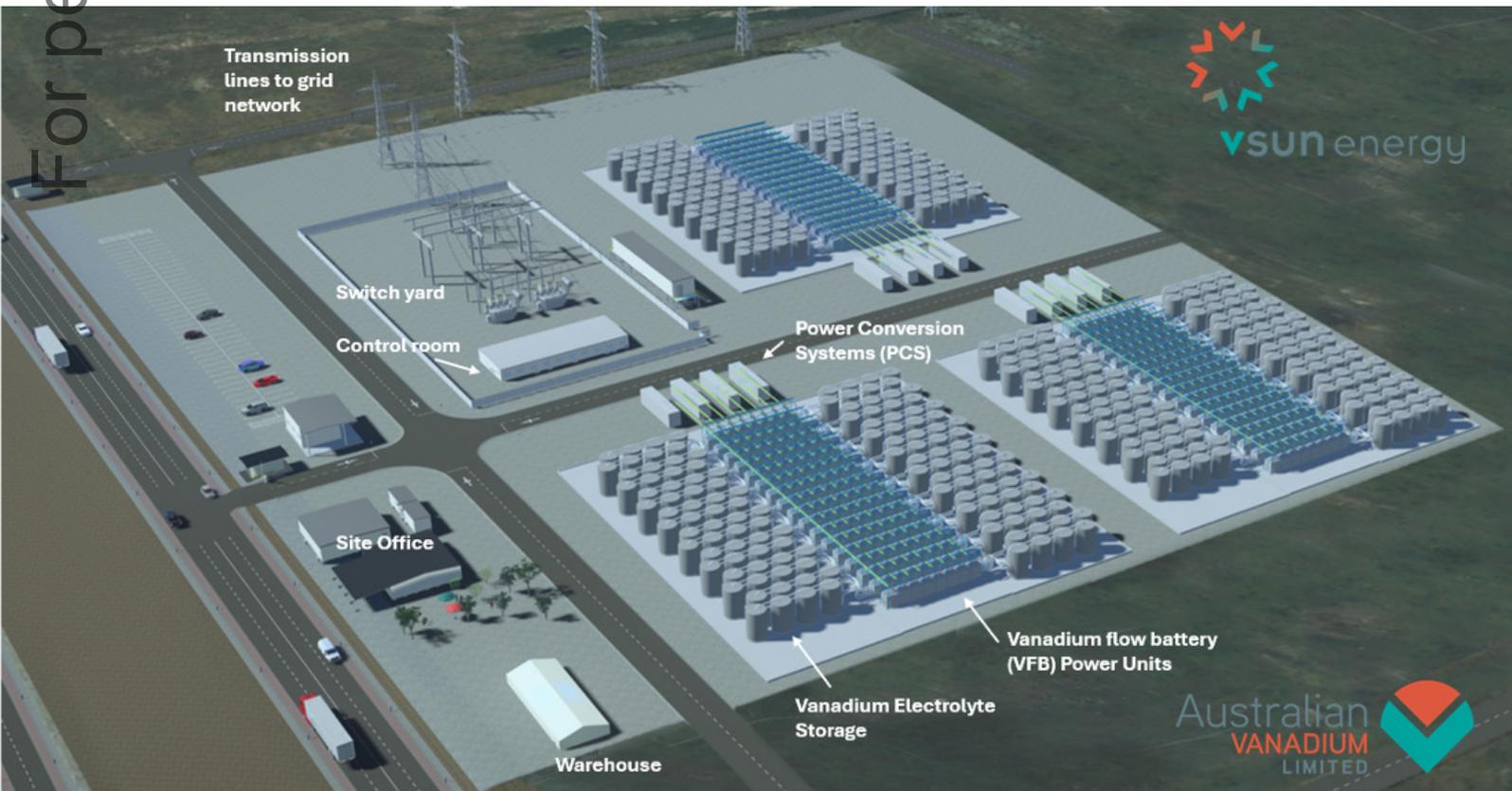
The Company initiated Project Lumina in FY2025 to engineer and design a scalable, competitive, utility-scale VFB BESS tailored to Australian conditions and incorporating high

local content. The project validated the merits of a scalable, turnkey VFB BESS, indicating a levelised cost of storage (LCOS) of A\$214/MWh ( $\pm 30\%$ ) for an 8-hour system, which remains competitive with the LCOS of similar capacity lithium-ion BESS products currently in the market.

Early-contractor-involvement (ECI) activities with GenusPlus Group Ltd and Sedgman Pty Limited (a CIMIC Group company), and with leading global VFB manufacturer CellCube Energy Storage GmbH, advanced design and costing for Project Lumina's VFB BESS product. The design focuses on delivering potential benefits, including:

- faster deployment,
- reduced construction, shipping and logistics capital costs,
- increased local content, and
- simple, low capital intensity of future power or duration expansions.

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**Project Lumina (continued)**

The Project Lumina system architecture employs a modular array; each array has 15 MW rated power, which has been identified as the optimal technical and capital configuration to build scale (e.g., a 90 MW VFB BESS would comprise six arrays). The storage capacity (which equates to duration) of the solution is designed to be flexible, from 4 up to 12 hours and beyond.

Work completed to date continues to give the Company confidence to proceed with the remaining Project Lumina activities, including:

- development of a construction-ready detailed design and delivery strategy for a commercial, turnkey, utility-scale VFB BESS;
- advancement of discussions with potential energy-offtake partners;
- progression of land-access discussions for future deployments;
- continued development of a funding strategy (debt and equity) to enable rapid deployment; and
- assessment of the merits of a VSUN Energy build-own-operate model alongside engineering and project-delivery solutions.

A range of funding options are being considered for deployments arising from Project Lumina, with a mix of debt and strategic or cornerstone equity under evaluation along with potential participation by Australian Government agencies. The Company will continue to progress discussions to deliver funding options to support a future Final Investment Decision on a VFB BESS project.

Project Lumina has the potential to position the Company as a globally competitive supplier of utility-scale VFB BESS solutions and battery materials, realising its vertically

integrated business model in Australia. This facilitates the delivery of value across the supply chain from the Company’s upstream Australian Vanadium Project, through its operational midstream vanadium electrolyte manufacturing capability and into VSUN Energy’s downstream activities in long-duration energy storage.

**Kalgoorlie VFB BESS opportunity**

During the year, the Western Australian Government announced a \$150 million commitment to support the development of a locally manufactured 50 MW, 10-hour (500 MWh) VFB in Kalgoorlie. The initiative is intended to enhance energy reliability in the Goldfields, catalyse a domestic vanadium supply chain and create regional jobs. The Western Australian Government has stated that it will open expressions of interest for the Kalgoorlie VFB BESS opportunity (EOI) in the second half of 2025.

AVL is well-positioned to support the program and intends to pursue the opportunity. Early leadership across the vanadium value chain, established local electrolyte manufacturing capability, and the Project Lumina platform, together with delivery partners, provide AVL with the technical readiness and capacity to deliver a high-local-content solution aligned with State Government objectives.

Discussions with funding partners have been initiated across both debt and equity, with potential participation by Australian Government agencies under evaluation, given the project’s alignment with investment mandates and national priorities. These discussions will be progressed with the objective of delivering funding options to support AVL’s response to the EOI and a potential future Final Investment Decision on the project.

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**Horizon Power VFB BESS project**

VSUN Energy achieved a significant milestone during the year when it successfully commissioned and handed over a 220 kWh VFB BESS (up to 78 kW power) to Horizon Power at Kununurra, Western Australia, for a long-duration energy storage pilot. The system utilises vanadium electrolyte manufactured in Perth, marking the first operational deployment of the Company’s electrolyte and its first approval for commercial use by a leading VFB manufacturer, Invinity Energy Systems plc, following a stringent quality assessment.

Using VFBs as a long-duration storage solution could assist Horizon Power in the decarbonisation of its 140 energy networks across a service area of 2.3 million km<sup>2</sup>. The Kununurra VFB BESS is serving as a reference case for utilities, industrial users and project developers assessing long-duration energy storage in remote, high-temperature environments. Operating data from the pilot is being used to demonstrate performance, availability and maintainability under challenging real-world conditions.

Performance in Kununurra’s harsh climate has been noteworthy. The system has operated effectively in high ambient temperatures without air conditioning or other active cooling, consistent with public commentary by Horizon Power personnel, underscoring the suitability of VFB technology for hot, tropical conditions and sites with limited thermal management infrastructure.

The project has generated strong inbound interest in VFB solutions, including enquiries and site-visit requests from domestic and international stakeholders across utilities, mining, and commercial/industrial sectors, particularly for applications requiring long-duration energy storage.

**OTHER PROJECTS**

**Nowthanna Hill Uranium-Vanadium Project**

The Nowthanna Hill Uranium-Vanadium Project is located 50 km south of Meekatharra in Western Australia and is hosted in carnotite within silicified calcrete layers and carbonate-rich sandy clays. Vanadium and uranium are co-mineralised at Nowthanna Hill. The project is located on granted mining lease M51/771 with an executed native title agreement. No new uranium mining is currently permitted in Western Australia.

**Coates Nickel-Copper-PGE Project**

The Coates Nickel-Copper-PGE Project is in the Coates Mafic Intrusive Complex near Wundowie, 80 kilometres north-east of Perth in Western Australia. The AVL tenement at the Coates Project covers 11.66 km<sup>2</sup> over a southern extension of similar mafic-ultramafic rocks to the sequence that is host to the nickel-copper-PGE Julimar Project discovery by Chalice Mining Limited (ASX: CHN). AVL has a second, larger tenement under application.

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From left: Zamien Sumich (VSUN Sales Manager), Hon Katy Gallagher (Minister for Finance), Senator Varun Ghosh (WA Senator), Hon Dr Jim Chalmers MP (Treasurer), Graham Arvidson (AVL Chief Executive Officer), Hon Dr Anne Aly MP (Minister for Small Business), Greg O'Connor (AVL Senior Process Engineer).

» **Corporate**

**Grant funding**

AVL continues to benefit from grant funding from the Federal Government. To date, AVL has received \$24.5 million of the \$49 million grant under the Modern Manufacturing Initiative – Manufacturing Collaboration Stream (MMI-C Grant). The funding contributes to unlocking value in the Project during the OFS, allowing for enhanced project definition, detailed engineering of key infrastructure, progression of project approvals and other activities to minimise project execution risk.

Subsequent to year-end, AVL and the Commonwealth of Australia (Department of Industry, Science and Resources) executed a variation to the MMI-C Grant Agreement. The variation aligns the grant with the integrated development plan for the Australian Vanadium Project following AVL’s merger with Technology Metals Australia. The grant scope and total value are unchanged.

**Letter of Interest for finance support for the Australian Vanadium Project**

AVL received a non-binding Letter of Interest from US EXIM for up to US\$31 million in debt financing for the development and construction of the Project. US EXIM’s support is related to the potential for equipment to be sourced from the U.S. for the Project. As part of the Company’s OFS, AVL will continue to identify opportunities to expand the scope of the Project’s U.S. content, including equipment, goods and services, which may increase the size of the potential financing offered by US EXIM. The Letter of Interest is non-binding, and future financing support from US EXIM, if any, is subject to US EXIM’s policies, procedures, due diligence and approval by US EXIM’s board of directors.

**Board change**

Ms Anna Sudlow resigned as a Non-Executive Director effective 31 December 2024.

**Annual General Meeting**

The Company held its Annual General Meeting on 21 November 2024. All resolutions were passed on a poll.

» **Outlook**



**Upstream**

In FY2026, AVL will focus on continuing its progress towards construction readiness by completing the OFS and advancing final environmental approvals and detailed engineering for the Australian Vanadium Project. Government pathways (including WA’s Green Energy Major Projects support) and existing Federal programs will continue to be leveraged alongside product offtake discussions and targeted project and corporate funding options to position the Project for construction readiness and a Final Investment Decision at the appropriate time.



**Midstream**

Product qualification will continue with international VFB manufacturers and the Company will continue to pursue near-term supply opportunities.



**Downstream**

Project Lumina will be progressed to a construction-ready, modular VFB BESS product (15 MW array building blocks; 4–12+ hour duration), while AVL pursues the Kalgoorlie VFB BESS opportunity (EOI expected in the second half of 2025) and advances funding discussions across debt, strategic/cornerstone equity and potential participation by Australian Government agencies to support future investment decisions. The Horizon Power Kununurra project will be used as a reference case to underpin pipeline development and partner engagement.

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**Vanadium market**

Vanadium pricing remains subdued, but medium-term conditions are expected to improve with potential supply rationalisation, recovery in steel-related demand and rapidly accelerating demand for battery-grade vanadium oxides resulting from the ongoing acceleration of VFB adoption in China and a growing adoption in Western countries. In addition, a premium for high-purity oxides, such as those that AVL proposes to produce, could emerge as VFB deployments scale. The VFB growth story in China in and of itself is likely to shape the demand story for vanadium to 2030 and beyond.

Quoting respected vanadium specialist and forecaster TTP Squared LLC: *“Vanadium deployed annually in VFBs is projected to grow from 11,600 metric tonnes of vanadium (MTV) in 2024 to 154,500 MTV in 2030”.*

CRU Group, a global market analysis and consultancy focused on mining and metals markets and a respected forecaster of commodities, has forecast that the enforcement of new rebar standards in China, coupled with VFB demand growth, is potentially leading to a situation where China becomes a net importer of vanadium beyond 2025 if no new supply comes online.

**VFB market and demand for long-duration energy storage**

Policy settings and market signals are strengthening in favour of long-duration energy storage globally and in Australia. AEMO’s 2024 Integrated System Plan indicates ~120 GWh of LDES will be required by 2040. Governments are translating this into tangible demand. In Australia, the Western Australian Government has committed \$150 million to a locally manufactured 50 MW, 10-hour (500 MWh) VFB BESS project in Kalgoorlie; and New South Wales’ Long-Term Energy Service Agreements regime – established to provide revenue certainty for LDES – commenced competitive tenders in 2022, with the most recent round seeking 1.03 GW / 13.79 GWh of storage capacity.

In the United Kingdom, the recently implemented LDES cap-and-floor regime provides regulated revenue support for proven technologies (Technology Readiness Level ≥ 8) with a minimum 50 MW output, at least eight hours of continuous discharge, and asset lives exceeding 25 years. VFBs align strongly with these criteria. In the first tender round under this scheme, developers traditionally focused on lithium-ion submitted proposals totalling approximately 2.4 GWh using VFB solutions, signalling growing confidence in VFB technology and significant potential for non-China VFB adoption.

VFBs are a proven LDES solution offering inherent safety, scalability, deep-cycling capability and long service life. With an LCOS that remains competitive with that of similar capacity lithium-ion BESS products currently in the market and other operational advantages relative to lithium-ion, VFBs are well placed to meet emerging LDES requirements at scale.

With a sovereign, vertically integrated platform and a Western Australian Government-backed VFB BESS opportunity emerging, AVL is well-positioned to compete for long-duration grid and industrial storage deployments.

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## Risk

**The Board is responsible for ensuring that risks, including emerging risks, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks identified by the Board.**

The Board sets the risk appetite and oversees the Group's risk management framework, supported by the Audit & Risk Committee.

The CEO is responsible for implementing effective risk management systems, controls, and assurance activities to manage risk within the specified risk appetite.

### Material business risks

There are specific risks associated with the activities of the Group and general risks that are largely beyond the control of the Group and the Directors. The Group faces the usual risks encountered by companies engaged in exploration and evaluation activities and the development of mining operations and BESS projects. The risks are categorised as follows:

- Business risks
- Finance risks
- Market risks

Set out below is a non-exhaustive summary of the material business risks — being exposures and uncertainties that could materially affect AVL's ability to deliver its strategy and business plans, its financial and operating performance, and the market price of its shares:

### 1. Business Risks

#### Development of the Australian Vanadium Project

The Group's ability to develop and commercialise the Australian Vanadium Project depends on a range of factors, including macroeconomic conditions, commodity prices, obtaining approvals, access to funding (both debt and equity), securing customer offtake, commissioning and ramp-up timing, cost control, and the plant performing to design. In addition, rising interest rates, inflationary pressures, and cost escalation in construction materials, equipment, and labour may increase capital

and operating costs.

If these risks are not effectively managed, the Project may:

- be delayed or not proceed as planned;
- deliver lower output or returns than expected; or
- cost more and take longer to construct than forecast.

Any of these outcomes could adversely affect the Group's financial position and the Company's share price.

#### Offtake and product qualification – vanadium pentoxide, iron concentrate and vanadium electrolyte

There is no certainty that the Group will be able to enter into acceptable binding offtake agreements (based on counterparty, tonnage or price) or do so in a timely manner. Offtake agreements may also be entered into at a lower price than estimated and are subject to counterparty risk. Deterioration in Australia's trading relationships with potential offtake countries or the application of trade tariffs may adversely affect the Group's prospects for securing offtake agreements. Any of these circumstances may adversely impact the Group's financial performance and position, including the Group generating less revenue than anticipated.

Sales of vanadium pentoxide ( $V_2O_5$ ), iron concentrate and vanadium electrolyte may require product verification and qualification to customer specifications. Qualification may involve multiple parties across the supply chain, not just the Group's direct counterparties. Failure to qualify, or delays in qualification, could defer sales, increase costs, and reduce revenue and profit relative to plan.

### Operating and technology scale-up

The Group’s work programs and cash-use forecasts rely on assumptions about the scope and timing of exploration, metallurgical test work and technical and feasibility studies. These assumptions are inherently uncertain; actual costs and schedules may differ materially. There is no assurance that estimated costs—or the assumptions underpinning them—will be realised, which could adversely affect the Group’s viability.

Project studies depend on economic inputs such as commodity prices, metallurgical recoveries, product specifications and market testing. Unfavourable inputs may delay, defer or prevent completion of studies, or result in negative economics. There is no assurance the Group will achieve commercial viability through successful:

- exploration, mining and processing of its mineral interests;
- operation and expansion of its vanadium electrolyte manufacturing facility; or
- development and deployment of VFB energy storage solutions by VSUN Energy.

Until the Group realises value from its projects, it is likely to incur ongoing operating losses and negative operating cash flows.

The Company has successfully piloted its flowsheet and continues to pursue value and technical improvements at laboratory and pilot-plant scale with preferred OEMs and technology partners. Nevertheless, scale-up from pilot to commercial operations carries risk: operating parameters and costs may vary, commissioning may take longer than expected, and additional capital or design changes may be required to achieve nameplate performance.

Investment in the Company should be considered in light of the risks, expenses and difficulties frequently encountered by companies at this stage of development, including factors such as design and construction of efficient mining and processing facilities within capital expenditure budgets and the nascent market for vanadium flow batteries.

### Market development for VFBs in Australia

The Australian vanadium-flow battery market is still nascent, and the broader Australian energy-storage sector is evolving rapidly. Key variables — future demand, grid-scale technical and economic performance, and achievable operating costs — remain uncertain. Changes to energy-market design, government policy settings and incentives, and competition from alternative storage technologies may materially affect the pace and scale of adoption relevant to AVL’s business. Similar uncertainties exist in other international markets outside China where the adoption of VFB technology in grid scale energy storage also remains at an early but growing stage.

### Climate change

Climate-related factors may affect the Group’s proposed operations, development schedule and financial position. The key risks include:

- **Transition risks (policy and market):** The emergence of new or expanded requirements associated with the move to a lower-carbon economy – such as carbon pricing, emissions reporting, environmental taxes or penalties, and changes to permitting and market design – may increase compliance costs or constrain operating flexibility at local, state, federal or international levels. While the Group will seek to manage these risks and limit any consequential impacts, the timing, scope and financial effect of potential changes are uncertain, and the cost of compliance cannot be reliably estimated at this time.
- **Physical climate risks:** Climate change may increase the frequency and severity of extreme heat and other adverse weather events, which could damage assets, disrupt construction and operations, and affect logistics and supply chains. High ambient temperatures may reduce the efficiency of vanadium flow battery energy storage systems; similar thermal derating is also experienced by most battery technologies. These risks cannot be fully predicted or eliminated.

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### Mineral Resources and Ore Reserves

Mineral Resource and Ore Reserve estimates are professional judgements based on available data, modelling and assumptions. They are inherently uncertain and may change as new information, techniques or interpretations emerge. Actual results can differ – positively or negatively – from current estimates.

Changes to estimates or assumptions may require updates to mine plans, development timing and economics, which could affect the Group’s operations, financial performance and share price.

The Group engages independent Competent Persons to prepare public Mineral Resource Estimates in accordance with the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results and Chapter 5 of the ASX listing rules. Estimates are reviewed and updated as assumptions change and new information such as additional drilling, sampling, test work and reconciliation data become available.

### Changes in energy policy

The Group’s downstream strategy—deploying VFB battery energy storage systems through VSUN Energy—depends on stable and transparent policy settings and market rules that govern how storage connects to the grid and is paid for its services. Australia’s energy markets (including the National Electricity Market and Western Australia’s Wholesale Electricity Market) continue to evolve, and policy or rule changes can materially affect project timing, bankability and returns for long-duration storage.

The Group monitors policy developments and engages with regulators, market bodies and customers. The Group will endeavour to ensure that commercial models are structured to remain flexible (e.g., capacity, availability or tolling-style arrangements) and to accommodate changes in market design and incentives where practicable. Nonetheless, the timing, scope and financial effects of future changes are uncertain and may adversely affect project pipelines, margins, cash flow and earnings.

### Offtake and commercialisation – prospective VFB BESS projects

Through VSUN Energy, the Group is advancing a prospective pipeline of VFB energy storage projects in Australia. All are at an early stage and none have reached Final Investment Decision or secured binding long-term revenue contracts.

Commercialisation depends on the Group’s ability to secure bankable customer agreements (e.g., capacity/availability or tolling-style services, ancillary services, etc), suitable sites, obtain required approvals and grid connections, achieve performance and acceptance milestones, access equipment and integration services, and arrange financing on acceptable terms. Macroeconomic conditions, supply-chain availability and customer procurement timelines also influence outcomes.

There is no certainty that customer offtake contracts will be executed on the expected price, tenor or timetable, or that all technical, regulatory and connection requirements will be met. Delays, lower-than-expected pricing, more onerous performance guarantees or counterparty credit issues could defer or prevent project conversion, increase costs and reduce returns. Failure to convert the prospective pipeline into operating BESS assets would adversely affect the Group’s business, financial performance and prospects.

### Exploration risk

Mineral exploration is high risk and capital intensive, with no guarantee of discovery or commercial viability. The Group’s exploration activities are exposed to typical exploration hazards, including severe weather and heat, access and logistics in remote areas, health and safety risks from operating plant and vehicles, and potential environmental or cultural heritage constraints.

Exploration conclusions drawn during exploration and evaluation are subject to the uncertainties associated with all sampling techniques and the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

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**Title and tenure**

Mining and exploration tenements are granted under State legislation and evidenced by leases or licences. The Group holds the tenements and mineral rights required to develop the Australian Vanadium Project.

Each tenure has a fixed term and conditions (including minimum expenditure, reporting and other compliance obligations). Renewals are made by application and are not automatic. Whilst AVL expects to be able to satisfy the conditions for renewal of granted licences and leases, there is no guarantee that a renewal will be automatically granted, except in accordance with the applicable state mining legislation. Regulators may impose new conditions, require partial relinquishment of ground or, in some cases, refuse renewal if obligations are not met.

Failure to comply with tenure conditions or expenditure commitments could result in penalties, reduction or loss of title. This may delay or prevent development, increase costs and adversely affect the Group’s financial performance.

**Native Title, Aboriginal heritage and land claims**

Parts of the Project area may be subject to Native Title rights or claims, as well as protections for Aboriginal cultural heritage under applicable Commonwealth and Western Australian laws. Progressing from exploration to development and mining may require agreements with Traditional Owners, cultural heritage surveys and specific approvals. Any areas of cultural significance may be restricted from disturbance, and additional conditions may apply.

Delays, restrictions, or objections arising from Native Title or heritage matters could affect the timing, cost, and scope of planned activities.

AVL continues to work with Traditional Owners to identify and manage cultural values, including through surveys by appointed representatives and the development of Cultural Heritage Management Plans for the regions where work is proposed.

**Legislative changes, government policy and approvals**

Changes to government policy, laws, taxation or monetary settings in Australia or overseas may affect the Group’s operations, project timing and valuation.

The Group requires multiple regulatory approvals and licences for the Australian Vanadium Project. Any future VFB developments will likely need similar approvals. As at the date of this report, not all local, state and federal approvals for the Australian Vanadium Project have been obtained. Decisions, delays or additional conditions imposed by regulators can affect access to land and infrastructure, environmental compliance, construction and exploration activity, and electricity network connections for VFB deployments.

There is no assurance that all required permits, approvals, authorisations, agreements or licences will be granted or renewed when needed, or on acceptable terms. Any delay, refusal or new conditions could increase costs, constrain activities or defer revenues.

The timing and outcome of environmental and other approvals are inherently uncertain. Extended timeframes or conditions imposed late in the process could materially delay project development or increase development and compliance costs. Any such delays may affect AVL’s ability to meet development schedules, secure financing, or commence operations within planned timeframes.

**Environment**

The Australian Vanadium Project – and VSUN Energy’s future VFB deployments – are subject to environmental laws and regulations, including rehabilitation obligations. While the Group aims to operate responsibly and comply with all requirements, breaches or incidents could result in penalties, remedial costs, operational restrictions and reputational damage.

New or stricter environmental laws, regulations or enforcement policies may increase compliance costs or require additional investment. The timing and impact of any changes are uncertain and could be material.

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### Occupational health and safety

Exploration, construction and operations involve hazardous environments. Injuries, illnesses or serious incidents involving employees or contractors could lead to harm, regulatory action, fines, higher insurance and operating costs, delays, loss of licences and reputational damage.

### Reliance on key management

The responsibility for overseeing the day-to-day operations and strategic management of the Group rests heavily on its senior management and key personnel. While the key management team is well-established and stable, the loss of such employees and high turnover could result in loss of knowledge, expertise and reduced productivity, which may have a detrimental impact on the Group, the Project, future VFB BESS projects and the Group's ability to meet its strategic objectives.

### Litigation risk

The Group is subject to the risk of legal and regulatory proceedings, including contractual disputes, native title and tenure challenges, environmental claims, occupational health and safety matters, intellectual property disputes and employment-related claims. Such proceedings can be costly and protracted; outcomes are inherently uncertain and may involve damages, penalties, injunctive relief or settlement payments. They can also divert significant management and Board attention. Adverse outcomes could materially affect the Group's operations, reputation, liquidity and financial performance.

### Supply chain

AVL's activities are reliant on third-party suppliers and contractors for raw materials and reagents, services, plant and equipment, construction and maintenance, and on logistics providers to deliver products and mobilise resources. Failure or under-performance within this supply chain could delay schedules, increase costs or impair operating performance. Risks associated with contractors or service providers include:

- inability or unwillingness of counterparties to fulfil contractual obligations;
- counterparties taking actions contrary to AVL's instructions or standards; and
- financial distress, insolvency or default of counterparties.

Securing and mobilising replacement suppliers or contractors on acceptable terms may be difficult, particularly for critical or long-lead items, and could adversely affect the Group's operations and financial results.

## 2. Finance Risks

### Future capital requirements

AVL's vertical integration strategy across the vanadium supply chain – developing the Australian Vanadium Project, manufacturing vanadium electrolyte and deploying VFB energy storage systems – will require substantial capital. The Group's funding needs and timing depend on Final Investment Decision, project scope, contracting strategy, procurement of long-lead items, cost escalation, commissioning and ramp-up.

No decision has yet been made on the development or funding of the Australian Vanadium Project or any VFB projects, including the Kalgoorlie VFB BESS opportunity. The Group may seek additional funding through equity or debt, joint ventures, product offtake prepayments, grants or other instruments. There is no assurance that financing will be available when required, on acceptable terms, or in amounts sufficient to meet the Group's needs. Equity raisings may dilute existing shareholders; debt funding may include restrictive covenants, security over assets and terms that constrain operations.

Failure to secure adequate funding could require the Group to defer or scale back exploration, feasibility studies, growth activities or investment, or to forgo opportunities, which may adversely affect the Group's operations, financial position and outlook. Unfavourable market conditions, including commodity price outlook and volatility, equity market sentiment, interest rates and inflation or negative government policy settings in relation to the energy transition, may impair access to capital regardless of operating performance.

### Future grant receipts

AVL has been awarded a \$49 million grant under the Australian Government’s Modern Manufacturing Initiative – Manufacturing Collaboration Stream for the Australian Vanadium Project. To 30 June 2025, the Company has received \$24.5 million, with the balance contingent on meeting specified milestones and other conditions under the grant agreement. There is no assurance that future milestones will be achieved on the expected timetable or at all. Delays in project advancement or development, regulatory approvals, technical outcomes or other factors could defer or jeopardise access to remaining funds. This could negatively impact AVL’s funding position and its capacity to finance and advance the Project. Terms of the grant also include reporting and compliance obligations, including spending grant funds on eligible expenditure under the grant agreement. Non-compliance could result in payment deferral or, in certain cases, clawback.

### 3. Market Risks

#### Substitution

##### *Alternative solutions for long-duration energy storage*

Vanadium flow batteries are a proven option for long-duration energy storage, including at grid scale. Through its work on Project Lumina and its observation of recent VFB product developments, AVL considers that, at scale, VFBs can achieve a competitive LCOS, especially at longer durations, given their 30-plus-year service life, operating flexibility, minimal performance degradation and the residual value of the vanadium electrolyte.

Notwithstanding this, VFBs face substitution risk from other long-duration energy storage solutions and battery chemistries. The evolving energy storage landscape presents a range of competing solutions, each with its own advantages and capabilities. Adoption outcomes are influenced by factors largely outside the Group’s control, including:

- capital, operating and end-of-life costs (including LCOS competitiveness);
- technology progress and performance improvements by alternatives;
- availability and pricing of key inputs

(e.g., minerals, chemicals, land and equipment);

- application fit (duty cycle, ambient conditions, footprint and integration needs);
- customer familiarity and market perception; and
- regulatory and policy settings (including market design and incentives).

##### *Steel additives*

Vanadium and niobium are widely used micro-alloys in high-strength, low-alloy (HSLA) steels; the steel sector represents the majority of demand for both commodities. Vanadium faces substitution risk from niobium in some applications due to overlapping performance benefits (strength, toughness and corrosion resistance). That risk is mitigated in part because niobium cannot satisfactorily replace vanadium in all micro-alloyed steel grades and processes.

Substitution dynamics are driven by relative prices and volatility, supply chain considerations, metallurgical performance, customer specifications and evolving standards—factors that are largely outside the Group’s control.

Material substitution in either the energy storage or steel end-markets could reduce demand and/or realised prices for vanadium products, including high-purity V<sub>2</sub>O<sub>5</sub>, which is one of the products proposed to be produced by the Australian Vanadium Project, with adverse impacts on financial performance and funding capacity.

## Competition

The Group faces competition from existing and emerging vanadium producers and explorers, as well as from operators recovering vanadium from secondary sources (for example, recycling of industrial by-products, steel slag, petroleum residues and spent catalysts). New mining, processing, secondary recovery and recycling projects could add supply and place downward pressure on prices. Competition also extends to securing access to attractive deposits, secondary feedstock streams and development opportunities needed to sustain or grow future production.

The Group, through wholly owned subsidiary VSUN Energy, is pursuing entry into Australia's long-duration energy storage market via deployment of vanadium flow battery systems. The Australian BESS market is crowded and rapidly evolving, with competitors including integrated utilities, independent power producers, engineering and construction firms, global BESS integrators and multi-chemistry technology providers. New entrants and incumbents compete for customers and long-term energy offtake contracts, suitable sites and grid capacity, capital and government incentives, critical equipment, and skilled talent. Heightened competition may pressure pricing and terms, lengthen sales cycles and development timelines, and raise acquisition and delivery costs, which could compress margins, delay market entry, reduce investment returns and adversely affect cash flow and earnings.

## Commodity prices and foreign exchange rates

If production is achieved, the Group's revenues will be exposed to commodity price and currency movements. Commodity prices, which are generally denominated in US dollars, are volatile and influenced by global supply-demand balances, technological change, competitor pricing behaviour, costs of production, availability of substitutes, geopolitical events (including trade tensions and tariffs) and broader macroeconomic conditions.

Unlike most base and precious metals, vanadium pentoxide, which is expected to be the Project's principal revenue driver, is not exchange-traded; prices are set

through bilateral transactions, with limited transparency despite reporting by price-assessment agencies. The iron concentrate co-product is also expected to vary from benchmark specifications, with pricing determined by bilateral negotiation.

In addition, the Group is exposed to foreign exchange risk where product revenues and certain costs are denominated in US dollars, euros or other currencies while financial reporting is in Australian dollars. Movements in exchange rates may increase earnings volatility and impact cash flows, reported results and valuations.

Given the above factors, realised prices in Australian dollars, the Group's functional currency, and therefore the Group's Australian dollar revenue are inherently uncertain. Changes in price and foreign exchange assumptions may affect Mineral Resource Estimates and Ore Reserves, project economics and the recoverable amount of the Group's assets.

# » Sustainability

**AVL aims to build an enduring business — one that does the right thing by people and the planet. This means making ethical choices, respecting the communities in which the Group operates, and minimising environmental impact from initial design through to operations. Vanadium is expected to play a critical role in the clean energy transition, and the Company's focus is to ensure its products help drive that change responsibly.**

In FY2025, the Company undertook a detailed ESG materiality assessment to identify what matters most to its stakeholders and to the business. This work pinpointed key issues – from safety and climate impacts to community partnerships – and will guide alignment with both Australian and global ESG standards. AVL is also establishing the systems and processes required for the next steps in its sustainability reporting journey.

Oversight of health, safety, environment, community, and sustainability rests with the Board's Technical & Sustainability Committee. This oversight supports accountability and alignment with AVL's values: Safety, Integrity, Excellence, Respect, Collaboration and Honesty.

Australia's new Sustainability Reporting Standards are phasing in climate-related disclosures across governance, strategy, risk, and performance metrics. The Company is preparing now, building the systems to track not only climate impacts but broader ESG performance across the value chain.

AVL's sustainability activities extend across its vertically integrated business: from mining and processing, to the production of battery-grade electrolyte, and the deployment of vanadium flow batteries. This reflects a commitment to sustainability not just at a single project, but right across the Group's operations.

## FY2025 SUSTAINABILITY HIGHLIGHTS



Achieved a **Total Recordable Injury Frequency Rate of zero**



**Nil regulatory or externally reportable environmental events or incidents**



**Proactive environmental stewardship:** AVL has commenced ongoing **baseline monitoring** of noise, air quality and water



**Indigenous participation:** partnered with Indigenous-owned **Yamatji Water** to deliver ongoing water monitoring



**Engineering lower impacts:** OFS refinements are minimising site footprint, consolidating infrastructure, and improving overall site impacts



**EPA Assessed and Approved:** Secured EPA environmental approval for the Gabanintha Vanadium Project, highlighting AVL's environmental credentials

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# » Mineral Resource Statement



## The Australian Vanadium Project - Mineral Resource Statement

The Company's Exploration Results and Mineral Resource are reported in accordance with the ASX Listing Rules and the requirements and guidelines of the 2012 edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code).

The Company's Mineral Resource Statement for the Australian Vanadium Project as at 30 June 2025 is listed below in Table 1. The Mineral Resource Statement is split by domain (High Grade (HG), Low Grade (LG) and transported (Trans)).

The Mineral Resource, as reported on 7 May 2024, is 395.4Mt at 0.77%  $V_2O_5$  and includes a high-grade domain of 173.2Mt at 1.09%  $V_2O_5$ , of which 105.4Mt at 1.12%  $V_2O_5$  is classified as combined Measured and Indicate.

The Competent Person Statement for the Mineral Resource is included on page 32 of this Annual Report.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resource as reported on 7 May 2024, and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company carries out an annual review of its Mineral Resource, as required by the ASX Listing Rules. The review was carried out as at 30 June 2025.

**Table 1: Mineral Resource Statement as at 30 June 2025 (as reported on 7 May 2024)**

Domains	Category	Mt	$V_2O_5$ %	Fe %	$TiO_2$ %	$SiO_2$ %	$Al_2O_3$ %
<b>HG</b>	Measured	30.6	1.13	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
	<b>Subtotal</b>	<b>173.2</b>	<b>1.09</b>	<b>46.5</b>	<b>12.5</b>	<b>7.8</b>	<b>6.1</b>
<b>LG 2-5</b>	Measured	-	-	-	-	-	-
	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
	<b>Subtotal</b>	<b>204.3</b>	<b>0.50</b>	<b>25.3</b>	<b>6.8</b>	<b>28.2</b>	<b>15.5</b>
<b>Trans 6-8</b>	Measured	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-
	Inferred	17.9	0.65	31.0	7.3	24.1	14.4
	<b>Subtotal</b>	<b>17.9</b>	<b>0.65</b>	<b>31.0</b>	<b>7.3</b>	<b>24.1</b>	<b>14.4</b>
<b>Global</b>	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
	<b>Total</b>	<b>395.4</b>	<b>0.77</b>	<b>34.8</b>	<b>9.3</b>	<b>19.1</b>	<b>11.4</b>

Note: Totals may not add up due to rounding

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**Governance Arrangements and Internal Controls**

The Company ensures that all Mineral Resource estimations are subject to appropriate governance and internal controls. The Company has appropriate systems in place and suitably qualified and competent geological consultants to complete any resource estimation or review to the required standards as outlined in the 2012 JORC Code. The Quality Assurance, Sampling Systems, Assay Procedures, Data Recording, Interpretation Standards and Resource Estimation Methods and other parameters set out in Table 1 of the 2012 JORC Code are closely followed. The Mineral Resource Estimate reported has been generated by independent external consultants, where appropriate, who are experienced in best practices in modelling and estimation methods. The consultants have also undertaken reviews of the quality and suitability of the underlying information used to determine the resource estimate. In addition, management carries out regular reviews and audits of internal processes and external contractors engaged by the Group.

The Company’s policy is that all steps are recorded during the resource drilling program and then the estimation stage. All results from field logs and assays to database entries and modelling data are validated, reviewed and checked by independent and qualified geological personnel.

**Competent Person Statement**

**Mineral Resource**

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier) and Ms Gemma Lee (Consultant with Gem Geological Services Pty Ltd). Mr Barnes is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and both Mr Barnes and Ms Lee are members of the Australian Institute of Geoscientists (AIG). Both have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically,

Mr Barnes is the Competent Person for the estimation and Ms Lee is the Competent Person for the database, geological model and site visits. Mr Barnes and Ms Lee consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The Annual Mineral Resource Statement is based on and fairly represents the information and supporting documentation prepared by the above-mentioned Competent Persons. It is approved as a whole by Ms Gemma Lee and Mr Lauritz Barnes.

**Competent Person Statement - Exploration Results and Targets**

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Ms Gemma Lee (Consultant with Gem Geological Services Pty Ltd). Ms Lee is a member of the Australian Institute of Geoscientists. Ms Lee has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Ms Lee consents to the inclusion in this report of the matters based on their information in the form and context in which they appear.

**Metallurgical Results**

The information in this report that relates to Metallurgical Results is based on information compiled by independent consulting metallurgist Brian McNab (CP. B.Sc Extractive Metallurgy), Mr McNab is a Fellow of the Australasian Institute of Mining and Metallurgy and is employed by Wood Mining and Metals. Mr McNab has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McNab consents to the inclusion in this report of the matters based on the information made available to him, in the form and context in which it appears.

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# Tenement Schedule

The Group's schedule of interests in mining tenements as required by ASX Listing Rule 5.20 (as at 2 September 2025).

## Australian Vanadium Project

Tenement	Holder	Status	Location	Interest held by AVL Group		
E51/843	Australian Vanadium Ltd	Granted	WA	100% <sup>1</sup>		
E51/1534		Granted		100% <sup>1</sup>		
E51/1899		Granted		100%		
E51/1943		Granted		100%		
E51/1944		Granted		100%		
E51/2067		Granted		100%		
E51/2111		Granted		100%		
E51/2215		Application		100%		
G51/37		Application		100%		
G51/38		Application		100%		
G51/39		Application		100%		
L51/116		Granted		100%		
L51/119		Granted		100%		
L51/130		Application		100%		
L51/132		Application		100%		
L51/133		Application		100%		
L51/137		Application		100%		
M51/878		Granted		100% <sup>1</sup>		
M51/897		Application		100% <sup>1</sup>		
P51/3073		Granted		100%		
P51/3074		Granted		100%		
P51/3075		Granted		100%		
P51/3076		Granted		100%		
P51/3298		Application		100%		
E51/1510-I		The KOP Ventures Pty Ltd <sup>2</sup>		Granted	WA	100%
E51/1818				Granted		100%
E51/2056				Application		100%
E51/2117				Application		100%
G51/29				Granted		100%
G51/30				Granted		100%
G51/31				Granted		100%
G51/32				Application		100%
G51/34				Application		100%
G51/36	Granted		100%			
L51/101	Granted		100%			
L51/102	Granted		100%			
L51/117	Granted		100%			
L51/121	Granted		100%			
L51/123	Application		100%			
L51/134	Application		100%			
L51/135	Granted		100%			
M51/883	Granted		100%			
M51/884	Granted		100%			
P51/3140	Granted		100%			

<sup>1</sup> Mineral Rights for V/U/Co/Cr/Ti/Li/Ta/Mn and iron ore only. Bryah Resources Limited holds the mineral rights for all other minerals.

<sup>2</sup> The KOP Ventures Pty Ltd is a wholly owned subsidiary of Australian Vanadium Limited.

**Coates**

Tenement	Holder	Status	Location	Interest held by AVL Group
E70/4924-I	Australian Vanadium Ltd	Granted	WA	100%
E70/5588		Dead		0% - Surrendered during the period
E70/5589		Application		100%

**Nowthanna Hill**

Tenement	Holder	Status	Location	Interest held by AVL Group
M51/771	Australian Vanadium Ltd	Granted	WA	100%

**Royalties held by Australian Vanadium Ltd**

Project	Tenement	Tenement holder	Status	Location	Interest held by AVL Group
Peak Hill	E 52/3349	Bryah Resources Limited	Granted	WA	0.75% NSR Royalty
Tumblegum South	M 51/888	White Star Minerals Pty Ltd	Granted	WA	0.75% NSR Royalty

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# Directors' Report

Australian  
VANADIUM  
LIMITED





# Directors' Report

**The Board of Directors (the Board or the Directors) of Australian Vanadium Limited (AVL, the Company or Parent Entity) and its controlled entities (the Consolidated Entity or the Group) are pleased to present their Directors' Report together with the consolidated financial statements of the Group for the year ended 30 June 2025.**

## Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report unless otherwise stated:

Mr Cliff Lawrenson	Non-Executive Chair
Ms Jo Gaines	Non-Executive Director
Mr Daniel Harris	Non-Executive Director
Ms Miriam Stanborough AM	Non-Executive Director
Ms Anna Sudlow	Non-Executive Director (Resigned 31 December 2024)
Mr Peter Watson	Non-Executive Director

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### Information on Directors

The names, qualifications, experience and special responsibilities of the Directors in office during or since the end of the financial year are as follows:



**Mr Cliff Lawrenson**  
Non-Executive Chair

*BCom (Hons), FGIA*

Mr Lawrenson was appointed Non-Executive Chair in October 2020. Mr Lawrenson is an experienced Non-Executive Director having served on or chaired public and private companies for over 15 years after a successful career in executive leadership, including in investment banking. Mr Lawrenson holds postgraduate qualifications in commerce and finance and has worked extensively in the resources and energy sectors across the world. He has a successful track record of leading strategic direction in companies and executing complex corporate transactions.

**Special Responsibilities:**

None

**Current listed company Directorships:**

Non-Executive Chair of Paladin Energy Ltd (ASX: PDN)

**Former listed company Directorships:**

Non-Executive Chair of Caspin Resources Ltd (ASX: CPN)



**Ms Jo Gaines**  
Non-Executive Director

*B.Arts, GradDipOHS, GAICD*

Ms Gaines is an experienced, highly regarded leader and strategic policy director, having previously worked as the Deputy Chief of Staff to the Premier of Western Australia. She was a leader in the development of the WA Recovery Plan in response to the COVID-19 pandemic. Prior to this position, Ms Gaines served as Branch Assistant Secretary for the Community and Public Sector Union/Civil Service Association for over 10 years.

Ms Gaines is a graduate of the Australian Institute of Company Directors and holds a Bachelor of Arts from the University of Western Australia and a Post Graduate Diploma in Occupational Health and Safety from Curtin University. Ms Gaines is currently the Executive Director of Gaines Advisory, Chair of the Government Employees Superannuation Board and a director of DevelopmentWA.

**Special Responsibilities:**

- Member of the Technical & Sustainability Committee
- Member of the Remuneration, Nomination & Governance Committee

**Current listed company Directorships:**

None

**Former listed company Directorships:**

Non-Executive Director of Chalice Mining Limited (ASX: CHN)

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**Mr Daniel Harris**  
Non-Executive Director

*BSc ChE*

Mr Harris brings with him a vast amount of expertise in the vanadium industry and an understanding of the resource sector from both a technical and financial perspective. Past roles include the interim CEO and Managing Director at Atlas Iron Limited, CEO & Chief Operating Officer at Atlantic Limited, Vice President & Head of Vanadium Assets at Evraz Group, Managing Director at Vametco Alloys, CEO and CFO of Strategic Minerals Corporation and as an independent technical and executive consultant to GSA Environmental Limited in the United Kingdom and Bushveld Vametco in South Africa.

Mr Harris was, until recently, an executive director of U.S. Vanadium LLC.

**Special Responsibilities:**

- Chair of the Audit & Risk Committee
- Member of the Technical & Sustainability Committee
- Member of the Remuneration, Nomination & Governance Committee

**Current listed company Directorships:**

Non-Executive Director of QEM Limited (ASX: QEM)

**Former listed company Directorships:**

Non-Executive Director of Red Hawk Mining Limited (ASX: RHK)



**Ms Miriam Stanborough AM**  
Non-Executive Director

*BA (Hons), BE (Chem) (Hons), MSc (Mineral Economics), FAusIMM, GAICD*

Ms Stanborough is a chemical engineer with over 25 years of experience in the mineral processing industry across a range of commodities. She has held senior roles at Monadelphous, Iluka Resources, Alcoa and WMC Resources. Her skill base spans innovation and technology, technical development, production management, project management, business improvement and government and community relations.

Ms Stanborough is currently chair of the Minerals Research Institute of Western Australia, Chair of the MARS Centre Advisory Board and Deputy Chair of ChemCentre.

**Special Responsibilities:**

- Chair of the Remuneration, Nomination & Governance Committee
- Member of the Technical & Sustainability Committee

**Current listed company Directorships:**

Non-Executive Director of Pilbara Minerals Ltd (ASX: PLS)

Non-Executive Director of BCI Minerals Ltd (ASX: BCI)

**Former listed company Directorships:**

None

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**Mr Peter Watson**  
Non-Executive Director

*BEng (Hons) (Chem), FIEAust, Dip (Acct)*

Mr Watson is a chemical engineer, with 40 years of experience in senior technical, project and management roles, in addition to corporate experience running ASX-listed companies. He has significant board-level experience, particularly regarding safety, governance, financial reporting, project oversight, risk management and strategy.

Mr Watson was the Managing Director and Chief Executive Officer of Sedgman Limited, an engineering, project delivery and operations company focused on the global minerals sector and listed on ASX prior to its acquisition by CIMIC Group Limited.

**Special Responsibilities:**

- Chair of the Technical & Sustainability Committee
- Member of the Audit & Risk Committee

**Current listed company Directorships:**

Non-Executive Director of Paladin Energy Ltd (ASX: PDN)

**Former listed company Directorships:**

Non-Executive Director of Strandline Resources Ltd (ASX: STA)

Non-Executive Director of New Century Resources Ltd (ASX: NZC)



From left: Graham Arvidson (AVL Chief Executive Officer) and Gemma Lee (Consultant Geologist)

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## Joint Company Secretaries

### Mr Neville Bassett

Mr Bassett is a Chartered Accountant with over 35 years of experience. He has been involved with a diverse range of Australian public listed companies in directorial, company secretarial and financial roles.

### Mr Louis Mostert

Mr Mostert graduated from the University of Western Australia with a Bachelor of Engineering (Hons) and a Bachelor of Laws (Hons) and has a Diploma of Applied Corporate Governance from the Governance Institute of Australia. He is admitted as a barrister and solicitor of the Supreme Court of Western Australia, a Fellow of the Chartered Institute of Secretaries, a Fellow of the Governance Institute of Australia and a Member of the Australian Institute of Company Directors.

## Board and Committee Meetings

The number of Directors' meetings and meetings of committees held during the financial year and the number of meetings attended by each Director in the period they held office were:

Name	Board of Directors		Remuneration and Nomination Committee		Audit and Risk Committee		Technical and Sustainability Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Cliff Lawrenson	10	10	2	2	2	2	2	2
Jo Gaines	10	10	2	2	2	2	2	2
Daniel Harris	10	10	2	2	2	2	2	2
Miriam Stanborough AM	10	10	2	2	2	2	2	2
Anna Sudlow <sup>1</sup>	5	5	1	1	1	1	1	1
Peter Watson	10	10	2	2	2	2	2	2

1. Resigned 31 December 2024.

## Principal Activities

During the year, the principal and continuing activities of the Group consisted of:

	<b>Upstream</b>	Evaluation and feasibility of the Australian Vanadium Project
	<b>Midstream</b>	Manufacturing of vanadium electrolyte
	<b>Downstream</b>	Sale, development and deployment of utility-scale vanadium flow battery energy storage solutions by VSUN Energy

Refer to the Operating and Financial Review on pages 14 to 22 of the Annual Report for further details.

## Dividends

No dividends were paid or declared for the year ended 30 June 2025 and the Directors have not recommended the payment of a dividend.

## Review of Operations

A detailed review of the Group's operations for the year ended 30 June 2025 and its material business risks can be found in the Operating and Financial Review on pages 14 to 22 of the Annual Report.

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## Financial Results and Position

The consolidated financial statements of the Group for the year ended 30 June 2025 have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2025, the Group recorded an after-tax loss of \$11.9 million (2024: after-tax loss of \$15.2 million).

The Group had cash outflows from operating activities of \$13.5 million and investing activities of \$11 million for the year ended 30 June 2025 (2024: cash outflows from operating activities of \$8.7 million and cash inflows from investing activities of \$3.2 million).

At 30 June 2025, the Group held cash and cash equivalents of \$11.5 million (2024: \$36.4 million), including grant funds of \$4.2 million (2024: \$18.1 million). The Group had net working capital as at 30 June 2025 (excluding grant liability) of \$5.4 million (2024: \$28.7 million).

The Group had outstanding commitments at 30 June 2025 of \$0.9 million relating to the Australian Vanadium Project and \$0.8 million of exploration obligations, all due within 12 months (refer to Note 14 of the consolidated financial statements).

Based on the Group's cash flow forecast, the Group will require additional funding in the next 12 months to enable it to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due, including progression of its projects and development activities.

The ability of the Group to continue as a going concern is dependent upon the Group securing additional funding through raising equity, debt or undertaking a whole or partial sale of interests in its assets.

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to raise additional funds to meet its debts as and when they fall due, and it is appropriate for the financial statements to be prepared on a going concern basis. Should the Group not be able to raise additional funds, the Group may:

- scale back certain activities that are non-essential so as to conserve cash; and/or
- undertake a whole or partial sale of assets.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in its consolidated financial statements. The consolidated financial statements do not include any adjustments relating to the recoverability or amounts and classification of liabilities that might be necessary if the Group were not to continue as a going concern.

## Significant Changes in State of Affairs

There have been no significant changes in the state of affairs other than those noted elsewhere in this Annual Report.

## Significant Events Since the End of the Financial Year

Other than disclosed below, the Directors are not aware of any other matter or circumstance since the end of the year not otherwise dealt with in this report that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent periods except for the following, the financial effects of which have not been provided for in the consolidated financial statements for the year ended 30 June 2025:

- On 4 August 2025, the Western Australian Planning Commission approved the development application for AVL's proposed vanadium processing plant at Tenindewa, approximately 65 km east of Geraldton in Western Australia's Mid-West region.
- On 21 August 2025, AVL and the Commonwealth of Australia (Department of Industry, Science and Resources) executed a variation to the Modern Manufacturing Initiative – Manufacturing Collaboration Stream Grant Agreement for up to \$49 million. The variation aligns the grant with the integrated development plan for the Australian Vanadium Project following AVL's merger with Technology Metals Australia in February 2024. The grant scope and total value are unchanged.
- On 3 September 2025, AVL announced that it had signed a variation to extend the term of its option agreement to purchase land for its proposed vanadium processing plant at Tenindewa. The variation provides for three additional 12-month option terms.
- On 30 September 2025, AVL announced that it had entered into a US\$10 million secured loan facility with major shareholder RCF Private Equity Fund I L.P. (formerly Resource Capital Fund VII L.P.) and Resource Capital Fund (Cardinal) L.P., a Delaware limited partnership managed by RCF Management L.L.C. The facility provides prudent medium-term funding, giving AVL the time and flexibility to progress key workstreams for the Australian Vanadium Project towards construction readiness and to advance its downstream initiatives.

## Likely Developments and Expected Results

In the opinion of the Directors, the likely developments and expected results of the activities of the Group have been set out in the Insights from the CEO section and the Operating and Financial Review on pages 5 to 9 and 14 to 22 respectively of the Annual Report.

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

## Shares Under Option

At the date of this report, there are no unissued ordinary shares of the Company under option.

## Performance Rights Over Unissued Capital

Details of performance rights granted over unissued ordinary shares of the Company as at the date of this Report are:

Expiry date	Vested and unexercised	Unvested	Number <sup>1</sup>
10 April 2027	-	200,000	200,000
6 December 2027	-	30,000,000	30,000,000
20 March 2028	1,000,000	3,000,000	4,000,000
25 April 2028	-	4,500,000	4,500,000
26 July 2028	2,300,000	44,833,334	47,133,334
21 August 2028	-	3,333,330	3,333,330
21 September 2028	-	2,000,000	2,000,000
16 November 2028	-	20,000,000	20,000,000
25 January 2029	-	10,000,000	10,000,000
1 May 2029	1,000,000	2,400,000	3,400,000
13 May 2029	666,666	3,333,334	4,000,000
3 June 2029	484,666	2,423,334	2,908,000
13 September 2029	-	5,400,000	5,400,000
26 September 2029	-	5,400,000	5,400,000
11 October 2029	416,000	1,668,000	2,084,000
<b>Total</b>	<b>5,867,332</b>	<b>138,491,332</b>	<b>144,358,664</b>

1. Includes 20,284,000 performance rights that were granted during FY2025 but were not issued as at the date of this report.

All performance rights were granted for nil consideration and vest subject to certain market and non-market conditions. Holders of performance rights are not entitled to dividends and are not entitled to vote in relation to the rights during the vesting period.

On vesting and notice of exercise, each right converts to one ordinary share.

No person entitled to exercise performance rights had or has any right under the performance rights to participate in any other share issue of the Company or any other entity.

During the year ended 30 June 2025, 3,633,332 performance rights were converted to 3,633,332 ordinary shares.

## Corporate Governance Statement

The Company's 2025 Corporate Governance Statement was released to the ASX on 30 September 2025 and is available at <https://www.avl.au/about-us/corporate-governance/>.

## Environmental Legislation

The Group is subject to environmental legislation and obligations under the laws of the Commonwealth of Australia and the State of Western Australia.

The Group has policies and procedures in place that are designed to ensure that, where activities are subject to any particular and significant environmental regulation, those obligations are identified and appropriately addressed, and any breaches promptly notified.

So far as the Directors are aware, there have been no material breaches of the Group's licence conditions and environmental regulations to which the Group is subject during the year ended 30 June 2025 and to the date of this report.

## Indemnification and Insurance of Directors and Officers

The Company has agreed, to the maximum extent permitted by law, to indemnify each of its Directors and Officers who have held office during the year, against all liabilities to a third party (other than the Company or a related body corporate of the Company) that may arise from their position as a Director or Officer of the Company or a related body corporate of the Company. The indemnity stipulates that the Company will meet the full amount of any such liabilities, including legal costs incurred.

During the year, the Group has paid insurance premiums in respect of a contract insuring Directors and Officers of the Group against a liability incurred as a Director or Officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the coverage and the amount of the premium.

## Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## Audit and Non-Audit Services

The Company may decide to employ the auditor on assignments that are in addition to their statutory audit duties where the auditor's expertise and experience with the Group is important.

No non-audit services were provided by the Company's auditor, BDO Audit Pty Ltd, during the year. During the year, \$87,570 was paid or payable for services provided by BDO Audit Pty Ltd (2024: \$72,707). Details of amounts paid or payable to the auditor for services provided during the period by the auditor are outlined in Note 20 to the financial statements.

## Rounding of Amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

# » Remuneration Report (Audited)

## Introduction

The Directors present the Australian Vanadium Limited 2025 Remuneration Report (Report), which sets out the remuneration framework and outcomes for the Group's key management personnel (KMP) and explains how remuneration supports the Group's strategy and the creation of long-term shareholder value.

The information provided in this Report has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards, and the Report has been audited in accordance with section 308(3C) of the *Corporations Act 2001*.

The Group's KMP are the Executives who have authority and responsibility for planning, directing, and controlling the major activities of the Group, directly or indirectly, including any director, whether executive or otherwise, of the parent company. KMP comprise the Non-Executive Directors of the Company and key Executives (Executive KMP). For the purposes of this Report, the term Executive includes the Chief Executive Officer (CEO) and other Executive KMP.

The Report is structured as follows:

1. KMP covered in this report
2. FY2025 Overview
3. Remuneration principles and governance
4. Elements of remuneration
5. Link between remuneration and performance
6. Remuneration expense for Executive KMP
7. Contractual arrangements with Executive KMP
8. Non-Executive Director remuneration
9. Other statutory information

## 1. KMP covered in this report

Details of KMP of the Company and their movements during the year ended 30 June 2025 are set out in Table 1 below:

**Table 1: FY2025 Key Management Personnel**

Name	Role	Term as KMP
<b>Non-Executive Directors</b>		
Mr Cliff Lawrenson	Non-Executive Chair	Full financial year
Ms Jo Gaines	Non-Executive Director	Full financial year
Mr Daniel Harris	Non-Executive Director	Full financial year
Ms Miriam Stanborough AM	Non-Executive Director	Full financial year
Ms Anna Sudlow	Non-Executive Director	Resigned 31 December 2024
Mr Peter Watson	Non-Executive Director	Full financial year
<b>Executive KMP</b>		
Mr Graham Arvidson	Chief Executive Officer	Full financial year
Mr Louis Mostert	Chief Legal & Commercial Officer and Joint Company Secretary	Full financial year
Mr Tom Plant	Chief Financial Officer	Full financial year
Mr Todd Richardson	Chief Operating Officer	Full financial year

There have been no changes to KMP since the end of the reporting period.



### 3. Remuneration principles and governance

#### Principles

The Board recognises that the performance of the Group depends on the quality, capability and motivation of its Directors and Executives. AVL's remuneration framework is designed to align remuneration with shareholder interests, support the execution of the Company's strategy and attract and retain high-calibre personnel.

In line with section 300A(1)(a) of the *Corporations Act 2001*, the Board has adopted a policy that links remuneration with performance. The key principles underpinning this policy are:

- Alignment to strategy and performance: remuneration structures support strategy execution and long-term value creation. Performance rights issued under the Employee Securities Incentive Plan (ESIP) include a mix of market-based conditions (share-price targets) and non-market conditions centred on project milestones, directly linking rewards to shareholder returns.
- Attraction and retention: remuneration levels are set to attract and retain talented individuals with the skills and experience required to support the execution of the Company's strategy across the vanadium supply chain, having regard to market benchmarks, the Company's size, industry and stage of development, and the scarcity of specialised expertise.
- Reward for performance: fixed remuneration appropriately reflects role responsibilities and is reviewed annually. Variable remuneration, delivered through performance rights and occasional cash or share-based incentives, is linked to:
  - the performance of the Group;
  - the performance of the relevant business unit; and
  - the individual's performance and contribution.
- Fairness and transparency: the Board aims to ensure remuneration outcomes are fair, competitive and free from bias, with reference to external benchmarking where appropriate.

Directors and Executives receive the statutory superannuation guarantee contribution but no additional retirement benefits. Individuals may elect to salary-sacrifice into superannuation at their discretion.

All remuneration is recognised at cost in accordance with applicable accounting standards and expensed, except where remuneration of Executives working on the Australian Vanadium Project is capitalised. The Board is satisfied that AVL's remuneration practices are appropriate for a company of its size and maturity.

As part of the Company's remuneration standard, the Company may issue performance rights to Directors and Executives.

### 3. Remuneration principles and governance (continued)

#### Governance

KMP remuneration decision making is guided by the following remuneration governance framework:

<b>Board</b>	Oversees the remuneration framework for Directors and Executives.  Delegates detailed oversight to the Remuneration, Nomination and Governance Committee (RNG Committee).
<b>Remuneration, Nomination and Governance Committee</b>	Comprises independent Non-Executive Directors.  Makes recommendations to the Board on remuneration arrangements for Non-Executive Directors and Executives.  Reviews remuneration annually, considering benchmarking data, market conditions, the Company's growth trajectory, strategic objectives, the skills and competencies of individuals, talent scarcity, and role complexity.
<b>External remuneration consultants</b>	May be engaged by the RNG Committee to provide independent advice at the Company's expense.  The RNG Committee engaged RemSmart Pty Ltd in FY2025 to benchmark executive and director remuneration and to advise on the Group's FY2026 remuneration strategy. The scope included a review of remuneration structures across the Upstream, Midstream and Downstream business units to support execution of the Group's vertically integrated vanadium supply chain strategy.

The RNG Committee members during the year were Ms Miriam Stanborough AM (Chair), Ms Jo Gaines, Mr Daniel Harris and Ms Anna Sudlow, until her resignation on 31 December 2024.

### 4. Elements of remuneration

AVL's approach to Executive remuneration is to provide rewards that are commensurate with the position and role responsibilities while also attracting, retaining and motivating the calibre of personnel required to deliver the Company's strategic objectives.

The objectives of the Company's executive remuneration framework are to:

- attract, retain and motivate a highly skilled executive team capable of delivering on AVL's strategy;
- link remuneration to performance against long-term objectives;
- provide fair and competitive remuneration relative to the market;
- reward both individual and Group performance, thereby promoting accountability and collaboration; and
- enable Executives to share in the upside of the Company's long-term success.

Executive remuneration consists of fixed remuneration and performance-based variable remuneration, structured to balance short and long-term incentives.

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## 4. Elements of remuneration (continued)

### Total Fixed Remuneration (TFR)

TFR comprises base salary and statutory superannuation contributions. It is reviewed on appointment and annually thereafter.

Executive TFR is benchmarked against market data for comparable roles in peer companies of similar market capitalisation, industry and complexity. The RNG Committee seeks to position executive TFR at or near the market median of its peer group, while retaining flexibility to take into account capability, experience, value to the organisation, and both Group and individual performance. External, independent advice may be sought at the Company's expense.

Apart from the adjustment arising from the legislated increase in the Superannuation Guarantee (from 11.5% to 12%), the Board has determined that Executive KMP TFR will remain unchanged until January 2026, at which time it will be reviewed. In addition, Executive KMP voluntarily agreed to a temporary 10% reduction in TFR for up to six months commencing 1 July 2025.

### Variable Remuneration – Short-Term Incentives (STI)

The Company does not currently operate a formal short-term performance incentive plan. However, to attract and retain Executives, performance rights may be granted on commencement of employment some of which will typically vest after 12 months of continuous service. Granted at no cost, the rights convert into one ordinary share upon satisfaction of the vesting conditions and receipt of an exercise notice.

Under the Company's remuneration standard, the CEO may also approve discretionary performance bonuses of up to 15% of TFR for Executives or other employees. These may be delivered in cash or as performance shares under the ESIP. No performance bonuses were awarded in relation to FY2025.

### Variable Remuneration – Long-Term Incentives (LTI)

At the Board's discretion, Executives may be offered long-term incentive opportunities through the grant of performance rights under the ESIP. Subject to vesting and continued service conditions, these rights convert to fully paid ordinary shares at no cost. The LTI framework is designed to align Executive rewards with sustained shareholder value creation.

LTI grants are determined with reference to the Company's share price performance, the seniority and responsibilities of the executive, and the individual's experience. Grants typically occur at the commencement of employment or upon promotion and are not adjusted for performance in subsequent years.

No new LTI grants were made to Executive KMP in FY2025. Details of performance rights held by Executive KMP at 30 June 2025 are provided in Sections 9.2 and 9.3 of this Report.

## 5. Link between remuneration and performance

### Statutory key performance indicators

Executive remuneration is designed to align the Group's strategic and business objectives with the creation of shareholder wealth. Table 2 below shows the statutory measures of the Group's financial performance over the last five years as required by the *Corporations Act 2001*. Given the Company's pre-development stage, the measures used to determine Executive KMP variable remuneration may differ from the statutory performance measures. As a result, variable awards may not always correlate directly with the outcomes of the statutory performance measures.

**Table 2: Statutory key performance indicators over the last five years**

Measure		2025	2024	2023	2022	2021
<b>Loss after tax</b>	\$'000	(11,912)	(15,204)	(7,240)	(5,036)	(3,141)
<b>Basic and diluted loss per share</b>	cps	(0.14)	(0.24)	(0.17)	(0.15)	(0.11)
<b>Share price at start of year</b>	\$	0.015	0.033	0.032	0.019	0.009
<b>Share price at end of year</b>	\$	0.008	0.015	0.033	0.032	0.019
<b>(Decrease)/increase in share price</b>	%	(47%)	(55%)	3%	68%	111%

## 6. Remuneration expense for Executive KMP

Table 3 below presents the remuneration expenses recognised for the Group's Executive KMP for the current and prior financial year, measured in accordance with the requirements of the accounting standards.

**Table 3: Executive KMP remuneration**

Year	Fixed remuneration				Variable remuneration			Performance related %
	Cash salary \$	Post-employment benefits \$	Annual and long service provision \$	Other \$	Performance rights \$	Short-term incentive (performance shares) \$	Total \$	
<b>Executive Directors</b>								
<b>2025</b>	-	-	-	-	-	-	-	-
2024	82,500	9,075	(47,342)	332,547	-	-	-	376,780
<b>2025</b>	<b>452,866</b>	<b>30,113</b>	<b>7,542</b>	<b>-</b>	<b>96,555</b>	<b>-</b>	<b>587,076</b>	<b>16%</b>
2024	431,086	29,052	26,677	-	137,984	69,000	693,799	30%
<b>2025</b>	<b>366,666</b>	<b>42,167</b>	<b>(3,959)</b>	<b>-</b>	<b>36,252</b>	<b>-</b>	<b>441,125</b>	<b>8%</b>
2024	333,333	36,798	17,171	-	76,545	55,500	519,347	25%
<b>2025</b>	<b>358,393</b>	<b>30,114</b>	<b>(6,523)</b>	<b>-</b>	<b>51,400</b>	<b>-</b>	<b>433,384</b>	<b>12%</b>
2024	332,915	28,721	14,493	-	141,090	55,500	572,719	34%
<b>2025</b>	<b>361,774</b>	<b>29,999</b>	<b>47,795</b>	<b>-</b>	<b>11,898</b>	<b>-</b>	<b>451,465</b>	<b>3%</b>
2024	386,560	32,116	2,688	-	17,530	-	438,894	4%
<b>2025</b>	<b>1,539,699</b>	<b>132,393</b>	<b>44,855</b>	<b>-</b>	<b>196,104</b>	<b>-</b>	<b>1,913,051</b>	<b>10%</b>
2024	1,566,394	135,762	13,687	332,547	373,149	180,000	2,601,539	21%
<b>2025</b>	<b>665,129</b>	<b>25,871</b>	<b>-</b>	<b>-</b>	<b>27,631</b>	<b>-</b>	<b>718,631</b>	<b>4%</b>
2024	586,529	12,463	-	-	65,978	-	664,970	10%
<b>2025</b>	<b>2,204,828</b>	<b>158,264</b>	<b>44,855</b>	<b>-</b>	<b>223,735</b>	<b>-</b>	<b>2,631,682</b>	<b>9%</b>
2024	2,152,923	148,225	13,687	332,547	439,127	180,000	3,266,509	19%
<b>Other Executive KMP</b>								
Graham Arvidson								
Louis Mostert								
Tom Plant								
Todd Richardson								
<b>Total Executive Directors and other Executive KMP</b>								
<b>Total Non-Executive Director remuneration<sup>2</sup></b>								
<b>Total Executive KMP and Non-Executive Director remuneration expensed</b>								

1. Mr Vincent Algar retired effective 14 July 2023. Other benefits paid to Mr Algar in FY2024 include termination benefits and leave entitlements.

2. Refer to Section 8 of this Report for further information on Non-Executive Director remuneration for FY2025 and FY2024.

## 7. Contractual arrangements with Executive KMP

Current remuneration and other terms of employment for Executive KMP are formalised in employment contracts. Major provisions are set out in Table 4 below. Refer to Table 3 above for details of the individual Executive KMP remuneration.

**Table 4: Contractual arrangements with Executive KMP**

Component	CEO	Other Executive KMP
<b>Total Fixed Remuneration<sup>1</sup></b>	\$485,032	Range between \$390,000 and \$411,000
<b>Contract duration</b>	Ongoing	
<b>Notice by the individual/company</b>	Six months' notice required by either the Company or the individual. No notice applies in cases of serious misconduct.	
<b>Termination of employment (without cause)</b>	<p>Any unvested performance rights lapse on the earlier of:</p> <ul style="list-style-type: none"> <li>• six months after employment ends, or</li> <li>• the original expiry date,</li> </ul> <p>unless the Board exercises its discretion to extend this period. Vesting conditions remain unchanged.</p> <p>The Company may either:</p> <ol style="list-style-type: none"> <li>a) pay the Executive an amount equal to their remuneration for the notice period in lieu of service, or</li> <li>b) require the Executive to work all or part of the notice period, with payment in lieu of any remaining balance.</li> </ol> <p>Statutory entitlements are paid.</p>	
<b>Termination of employment (with cause)</b>	<p>Immediate termination with no notice period.</p> <p>All unvested STI and LTI are forfeited upon cessation of employment (classified as a "bad leaver").</p> <p>Statutory entitlements are paid.</p>	

1. Stated TFR amounts are shown as at 1 July 2025, prior to the voluntary temporary 10% reduction agreed for a period of up to six months from that date.

Apart from the adjustment arising from the legislated increase in the Superannuation Guarantee (from 11.5% to 12%), the Board has determined that Executive KMP TFR will remain unchanged until January 2026, at which time it will be reviewed.

Executive KMP voluntarily agreed to a temporary 10% reduction in total fixed remuneration for a period of up to six months commencing 1 July 2025.

## 8. Non-Executive Director remuneration

### Overview

The Company's Non-Executive Director fee policy is designed to attract and retain high-calibre directors who can discharge the roles and responsibilities required for good governance, strong oversight, independence and objectivity. The fees reflect the demands and responsibilities of the Directors whilst incurring a cost that is acceptable to shareholders.

The RNG Committee reviews Non-Executive Director remuneration annually against comparable companies operating in the same industries and may consider advice from external advisers if necessary.

From time to time, the Committee will also review the appropriateness of the aggregate fee pool limit of Non-Executive Directors. The current maximum annual aggregate directors' fee pool limit is \$750,000 and was approved by shareholders at the Company's Annual General Meeting held on 16 November 2023.

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms of appointment, including remuneration, relevant to the office of a director of the Company.

### Non-Executive Director remuneration structure

The table below summarises the Non-Executive Director fees (including superannuation where applicable) for the year ended 30 June 2025 and 30 June 2024.

**Table 5: Non-Executive Director fees inclusive of superannuation**

	2025	2024
Non-Executive Chair	\$141,000	\$141,000
Non-Executive Directors	\$100,000	\$100,000

There is no change to Directors' fees for FY2026. However, Non-Executive Directors have voluntarily agreed to a temporary 50% reduction in fees for a six-month period commencing 1 July 2025.

No additional fees are currently paid to Non-Executive Directors for participation in Board Committees.

Non-Executive Directors are not entitled to retirement benefits other than statutory superannuation in accordance with applicable laws. There is no entitlement to compensation on termination of Non-Executive Directorships.

Non-Executive Directors' remuneration may include an incentive portion consisting of performance rights issued under the Company's ESIP, as considered appropriate by the Board and which may be subject to shareholder approval in accordance with ASX Listing Rules.

Separate from their duties as directors, Non-Executive Directors may perform extra services or make special exertions on behalf of AVL or its business, for which they may be separately remunerated (Additional Fees). Such arrangements, which are subject to Board approval, will be entered into pursuant to a separate agreement with the relevant Non-Executive Director and such compensation will be in addition to the Board fees referred to above.

During the year, the Company entered into a casual employment agreement with Mr Peter Watson, a Non-Executive Director of the Company, to provide technical and project development support in the advancement of the Company's strategy and other key business functions. The agreement with Mr Watson is for an annual fee of \$100,000, including superannuation, payable in equal monthly instalments and is not for a fixed term. Mr Watson's contract has been temporarily suspended, for an interim period of six months, effective 1 July 2025.

Directors are entitled to be reimbursed for reasonable expenses incurred whilst engaged on Company business. Payments for, or reimbursement of, expenses and any Additional Fees are not included in the aforementioned fee pool limit.

## 8. Non-Executive Director remuneration (continued)

The statutory disclosures required under the *Corporations Act 2001* and in accordance with the accounting standards are set out in Table 6 below:

**Table 6: Non-Executive Director remuneration**

Year	Fixed remuneration				Variable remuneration		Performance related %
	Board fee \$	Remuneration for other services \$	Superannuation \$	Total Board fees and superannuation \$	Performance rights \$	Total remuneration \$	
Cliff Lawrenson	2025 128,881	-	12,119	141,000	-	141,000	0%
	2024 148,917 <sup>1</sup>	-	-	148,917	-	148,917	0%
Jo Gaines <sup>2</sup>	2025 100,000	-	-	100,000	6,359	106,359	6%
	2024 41,667	-	-	41,667	8,884	50,551	18%
Daniel Harris	2025 100,000	-	-	100,000	-	100,000	0%
	2024 108,333 <sup>1</sup>	-	-	108,333	-	108,333	0%
Miriam Stanborough AM	2025 89,686	-	10,314	100,000	24,757	124,757	20%
	2024 90,090	-	9,910	100,000	16,662	116,662	14%
Anna Sudlow <sup>3</sup>	2025 50,000	-	-	50,000	(28,242)	21,758	(130%)
	2024 97,522	-	2,515	100,037 <sup>4</sup>	23,770	123,807	19%
Peter Watson	2025 99,140	97,422 <sup>5</sup>	3,438	200,000	24,757	224,757	11%
	2024 100,000	-	38	100,038 <sup>4</sup>	16,662	116,700	14%
<b>Total Non-Executive Directors</b>	<b>2025 567,707</b>	<b>97,422</b>	<b>25,871</b>	<b>691,000</b>	<b>27,631</b>	<b>718,631</b>	<b>4%</b>
	2024 586,529	-	12,463	598,992	65,978	664,970	10%

1. Mr Cliff Lawrenson's and Mr Daniel Harris' reported Board fees for FY2024 were higher than the fees indicated in the Board fee summary in Table 5 above due to timing. Due to a change in FY2024 to the date Board fees were paid from the first day of the following month to the middle of the current month, there were 13 pay periods during the year. No accruals were made at the end of FY2023 for the June 2023 Board fees of Messrs Lawrence or Harris, which were paid on 1 July 2024. Instead, this payment was included in the FY2024 Board fees paid to Messrs Lawrence and Harris.

2. Ms Gaines was appointed on 1 February 2024.

3. Ms Sudlow resigned effective 31 December 2024. Upon resignation, all unvested performance rights were forfeited and the previously recognised share-based payment expense was reversed.

4. On 30 June 2023, accruals were raised for the Board fees (including superannuation at 11%) for Ms Anna Sudlow and Mr Peter Watson. When the Board fees and accompanying superannuation were paid on 1 July 2024, the superannuation guarantee rate had increased to 11.5%.

5. Additional Fees paid to Mr Peter Watson during FY2025 pursuant to his casual employment agreement with the Company, which is detailed above.

## 8. Non-Executive Director remuneration (continued)

### Performance rights granted to Non-Executive Directors during the year

No new performance rights were granted to Non-Executive Directors during FY2025.

During the year ended 30 June 2024, 10,000,000 performance rights were granted to Ms Jo Gaines, a Non-Executive Director of the Company, subject to shareholder approval at the Company's 2024 Annual General Meeting. On 21 November 2024, shareholders approved the issue to Ms Gaines.

Refer to Section 9.4 for details of the performance rights issued to Non-Executive Directors during FY2025.

## 9. Other statutory information

### 9.1 Shareholdings of KMP

Table 7 below summarises the movement in ordinary shares in AVL held by each Director and Executive KMP (including their personally related parties) during FY2025.

**Table 7: Movement in shareholdings of KMP**

	Balance at 1 July 2024	Held at commence- ment date	Exercise of performance rights	Net acquisitions/ (disposals)	Other	Balance at 30 June 2025
<b>Non-Executive Directors</b>						
Cliff Lawrenson	24,000,000	-	-	-	-	24,000,000
Jo Gaines	100,000	-	-	-	-	100,000
Daniel Harris	22,500,000	-	-	-	-	22,500,000
Miriam Stanborough AM	1,400,000	-	-	-	-	1,400,000
Anna Sudlow	300,000	-	-	-	(300,000) <sup>1</sup>	-
Peter Watson	500,000	-	-	-	-	500,000
<b>Executive KMP</b>						
Graham Arvidson	6,000,000	-	-	-	4,539,474 <sup>2</sup>	10,539,474
Louis Mostert	2,000,000	-	-	-	3,651,316 <sup>2</sup>	5,651,316
Tom Plant	-	-	-	-	3,651,316 <sup>2</sup>	3,651,316
Todd Richardson	9,793,125	-	-	-	-	9,793,125
<b>Total</b>	<b>66,593,125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,542,106</b>	<b>78,135,231</b>

1. Ms Sudlow resigned on 31 December 2024. Ms Sudlow's reported shareholding as at that date was removed from the list of KMP shareholdings on resignation.

2. FY2024 short-term incentive award provided to Messrs Graham Arvidson, Louis Mostert and Tom Plant in the form of performance shares and issued to them (or their respective nominees) during FY2025.

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## 9. Other statutory information (continued)

### 9.2 Summary of performance rights held by KMP

As at 30 June 2025, the Company had 86,500,000 performance rights on issue to KMP, comprising 30,000,000 rights held by Non-Executive Directors and 56,500,000 rights held by Executive KMP. Table 8 below summarises the rights by tranche, vesting condition and the number of rights outstanding. As at 30 June 2025, no Non-Executive Director held any vested but unexercised performance rights.

**Table 8: Performance rights held by Non-Executive Directors and Executive KMP at 30 June 2025**

Tranche	Vesting condition	Number on issue		
		Non-Executive Directors	Executive KMP	
		Unvested	Unvested	Vested and unexercised
Tranche 15	The Company achieves a share price of at least \$0.10 VWAP over 20 consecutive trading days on which the Company's shares have traded	9,999,999	10,000,000	-
Tranche 16	The Company achieves a share price of at least \$0.15 VWAP over 20 consecutive trading days on which the Company's shares have traded	9,999,999	10,000,000	-
Tranche 17	The Company achieves a share price of at least \$0.20 VWAP over 20 consecutive trading days on which the Company's shares have traded	10,000,002	10,000,000	-
Tranche 18	Final Investment Decision <sup>1</sup>	-	12,000,000	-
Tranche 19	Achievement of Nameplate Capacity for the Australian Vanadium Project	-	12,500,000	-
Tranche 20	Continuous employment for 12 months from commencement of employment	-	-	2,000,000 <sup>2</sup>
<b>Total</b>		<b>30,000,000</b>	<b>54,500,000</b>	<b>2,000,000</b>

1. In relation to the Australian Vanadium Project.

2. As at 30 June 2025, Mr Tom Plant held 2,000,000 vested Tranche 20 performance rights which had not been exercised.

#### *Terms and conditions of performance rights held by Non-Executive Directors and Executive KMP*

The performance rights carry no dividend or voting rights and are granted for nil consideration. On vesting and notice of exercise, they convert to one ordinary share each.

If a performance right holder is deemed a "bad leaver" (e.g., resignation or termination for cause), all unvested rights will be automatically forfeited. In all other cases, any unvested rights will lapse on the earlier of:

- six months after cessation of employment, or
- the original expiry date, unless the Board exercises its discretion to extend this period. The applicable vesting conditions for the security will remain unchanged.

There were no changes to the terms of performance rights during FY2025.

### 9.3 Reconciliation of performance rights and share options held by Non-Executive Directors and Executive KMP

#### Performance rights

The table below outlines movements in performance rights held by Non-Executive Directors and Executive KMP, including their personally related parties, during the year. No new performance rights were granted to Non-Executive Directors or Executive KMP during the year.

**Table 9: Movement in performance rights held by Non-Executive Directors and Executive KMP during FY2025**

	Year granted	Balance at 1 July 2024	Granted as compensation	Movements during FY2025				Balance at 30 June 2025		Maximum value yet to vest <sup>2</sup>
				Number	Number	Vested	Exercised	Forfeited	Number	
<b>Non-Executive Directors</b>										
Jo Gaines	2024	10,000,000	-	-	-	-	-	-	10,000,000	50,826
Miriam Stanborough AM	2023	10,000,000	-	-	-	-	-	-	10,000,000	83,768
Anna Sudlow <sup>1</sup>	2023	10,000,000	-	-	-	(10,000,000)	100	-	-	-
Peter Watson	2023	10,000,000	-	-	-	-	-	-	10,000,000	83,768
<b>Executive KMP</b>										
Graham Arvidson	2023	30,000,000	-	-	-	-	-	-	30,000,000	244,165
Louis Mostert	2023	10,000,000	-	-	-	-	-	-	10,000,000	107,064
Tom Plant <sup>3</sup>	2023	12,000,000	-	-	-	-	-	2,000,000	10,000,000	147,926
Todd Richardson	2023	4,500,000	-	-	-	-	-	-	4,500,000	29,367

1. Ms Sudlow resigned effective 31 December 2024. Performance rights held by her on this date were forfeited on her resignation.

2. The maximum value of the performance rights yet to vest has been determined as the amount of the fair value of the rights at the grant date that is yet to be expensed. The minimum value of performance rights yet to vest is nil, as the shares will be forfeited if the vesting conditions are not met.

3. As at 30 June 2025, Mr Tom Plant had not exercised his right to convert 2,000,000 performance rights, which vested in FY2024, into ordinary shares.

All performance rights are subject to the terms and conditions detailed in Section 9.2 of this Report.

All equity transactions with KMP have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length, however the performance rights are granted to KMP at zero cost as part of their remuneration.

## 9. Other statutory information (continued)

### Share options

As at 30 June 2025, no options over unissued ordinary shares of the Company were held by any Non-Executive Director or Executive KMP. No such options were granted to, or forfeited by, Non-Executive Directors or Executive KMP during the year ended 30 June 2025.

### 9.4 Performance based remuneration issued, granted or forfeited during the year

#### Performance rights - Non-Executive Directors.

During the year ended 30 June 2024, the Company granted 10,000,000 performance rights to Ms Jo Gaines, a Non-Executive Director of the Company. At 30 June 2024, the issue of these performance rights was subject to shareholder approval at the Company's 2024 Annual General Meeting. On 21 November 2024, shareholders approved the issue to Ms Gaines. In accordance with AASB 2 *Share-based Payment*, these performance rights were revalued as at the date of shareholder approval.

The performance rights were issued under the Company's ESIP and are subject to the terms and conditions set out in Section 9.2 of this Report.

Table 10 below sets out the performance rights issued to Ms Gaines in FY2025, along with the valuation assumptions used to estimate their fair value as at 21 November 2024, the date on which shareholder approval was obtained.

10,000,000 performance rights previously granted to Ms Anna Sudlow, a former Non-Executive Director who resigned effective 31 December 2024, were forfeited during the year.

**Table 10: Performance rights issued to Non-Executive Directors during FY2025**

Ms Jo Gaines	Tranche 15	Tranche 16	Tranche 17
Valuation methodology		Monte Carlo	
Issue date (date of shareholder approval)		21 Nov 2024	
Number	3,333,333	3,333,333	3,333,334
Value of the underlying security at grant date		\$0.014	
Exercise price		Nil	
Dividend yield		Nil	
Risk free rate		4.113%	
Volatility		70%	
Expiry date		26 Nov 2029	
Fair value of performance right on grant date	\$0.0068	\$0.0051	\$0.0041

#### Performance rights - Executive KMP

No new performance rights were issued or granted to Executive KMP during FY2025.

No performance rights previously granted were forfeited during FY2025.

### Share options

No options over unissued ordinary shares of the Company were granted to or forfeited by Directors or Executive KMP during the year ended 30 June 2025.

### 9.5 Conversion of performance rights previously granted as compensation

No performance rights previously granted as compensation to Directors or Executive KMP were converted into ordinary shares during the reporting period.

As at 30 June 2025, Mr Tom Plant had not exercised his right to convert 2,000,000 Tranche 20 performance rights, which vested during FY2024, into ordinary shares.

### 9.6 Other information

#### Loans with Directors and other KMP

There were no loans to, or from, Directors or other KMP, including their personally related parties, during the year ended 30 June 2025.

#### Transactions with Directors and Executive KMP

There were no transactions with any Directors or Executive KMP during the reporting period that were on more favourable terms than those available, or which might reasonably be expected to be available, to non-related parties on an arm's length basis.

During the year, the Company entered into a casual employment agreement with Mr Peter Watson, a Non-Executive Director of the Company, to provide technical and project development support in the advancement of the Company's strategy and other key business functions. The agreement with Mr Watson is for an annual fee of \$100,000, including superannuation, payable in equal monthly instalments and is not for a fixed term. This fee is in addition to Mr Watson's Board fee detailed in Section 8 of this Report. Mr Watson's contract has been temporarily suspended, for an interim period of six months, effective 1 July 2025.

No other transactions were entered into with Directors and Executive KMP during the reporting period.

#### Reliance on external remuneration consultants

RemSmart Pty Ltd was engaged by the Group in FY2025 to benchmark executive and director remuneration and to advise on the Group's FY2026 remuneration strategy. The scope included a review of remuneration structures across the Upstream, Midstream and Downstream business units to support execution of the Group's vertically integrated vanadium supply chain strategy.

#### Voting of shareholders at last year's Annual General Meeting

The Remuneration Report for the financial year ended 30 June 2024 received positive shareholder support at the 2024 Annual General Meeting held on 21 November 2024, with a vote of 90.66% in favour.

#### Share trading policy

All KMP and employees are subject to the Company's Securities Trading Policy, which sets out the governance approach for dealing in the Company's securities. A copy is available at <https://www.avl.au/about-us/corporate-governance/>.

This concludes the Remuneration Report, which has been audited

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## Auditor's Declaration of Independence

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 60.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



**Cliff Lawrenson**  
Non-Executive Chair

30 September 2025

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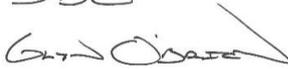
Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth, WA 6000  
PO Box 700 West Perth WA 6872  
Australia

**DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF AUSTRALIAN VANADIUM LIMITED**

As lead auditor of Australian Vanadium Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Vanadium Limited and the entities it controlled during the period.

BDO  


Glyn O'Brien  
Director

BDO Audit Pty Ltd  
Perth  
30 September 2025

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of A.C.N. 050 110 275 Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and A.C.N. 050 110 275 Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation

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# Financial Report

Australian  
VANADIUM  
LIMITED



# » Consolidated Financial Statements

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## GENERAL INFORMATION

The consolidated financial statements cover Australian Vanadium Limited as a Group and consist of Australian Vanadium Limited and the entities it controlled at the end of, or during, the year ended 30 June 2025. The consolidated financial statements are presented in Australian dollars, which is Australian Vanadium Limited's functional and presentation currency.

Australian Vanadium Limited is a public company limited by shares, incorporated and domiciled in Australia, whose shares are listed on the Australian Securities Exchange (ASX: AVL). Its registered office and principal place of business is:

Australian Vanadium Limited  
Level 2, 50 Kings Park Road,  
West Perth, Western Australia.

A description of the nature of the Group's operations and its principal activities is included in the Directors' report, which is not part of the consolidated financial statements.

The consolidated financial statements were authorised for issue by the Directors on 30 September 2025. The Directors have the power to amend and reissue the consolidated financial statements.

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Notes	Consolidated	
		2025 \$'000	2024 \$'000
Revenue from contracts with customers		624	-
Cost of sales		(626)	2
<b>Gross (loss) / profit</b>		<b>(2)</b>	<b>2</b>
Other income		7	65
Interest revenue		1,155	778
<b>Expenses</b>			
Depreciation and amortisation expense	6	(1,067)	(754)
Exploration and evaluation expenditure expensed		(38)	(1,074)
Capitalised exploration and evaluation expenditure written off		-	(2,875)
Inventory write-down		(46)	(632)
Finance costs		(230)	(191)
Decrease / (increase) in make good provision for leases		277	(465)
Directors' fees and benefits expense		(719)	(665)
Employee benefits expense	3(a)	(5,657)	(5,652)
General and administrative expenses	3(b)	(5,592)	(3,741)
<b>Loss before income tax expense</b>		<b>(11,912)</b>	<b>(15,204)</b>
Income tax expense	4	-	-
<b>Net loss after income tax expense for the year</b>		<b>(11,912)</b>	<b>(15,204)</b>
<b>Other comprehensive loss</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Movement in fair value of investment classified as fair value through OCI (FVOCI)		130	(204)
<b>Total comprehensive loss for the year attributable to owners of Australian Vanadium Limited</b>		<b>(11,782)</b>	<b>(15,408)</b>
		<b>Cents</b>	Cents
<b>Basic and diluted loss per share</b>	21	<b>(0.14)</b>	(0.24)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated Statement of Financial Position

As at 30 June 2025

	Notes	Consolidated	
		2025 \$'000	2024 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	11,491	36,420
Trade and other receivables		762	522
Inventories		381	749
<b>Total current assets</b>		<b>12,634</b>	<b>37,691</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	6,533	6,482
Exploration and evaluation asset	7	124,108	126,069
Financial assets		222	92
<b>Total non-current assets</b>		<b>130,863</b>	<b>132,643</b>
<b>TOTAL ASSETS</b>		<b>143,497</b>	<b>170,334</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	8	6,295	8,329
Provisions		409	288
Grant liability	9	4,156	18,130
Lease liabilities		508	340
<b>Total current liabilities</b>		<b>11,368</b>	<b>27,087</b>
<b>Non-current liabilities</b>			
Provisions		226	589
Lease liabilities		2,025	1,712
<b>Total non-current liabilities</b>		<b>2,251</b>	<b>2,301</b>
<b>TOTAL LIABILITIES</b>		<b>13,619</b>	<b>29,388</b>
<b>NET ASSETS</b>		<b>129,878</b>	<b>140,946</b>
<b>EQUITY</b>			
Issued capital	10	231,796	231,051
Reserves	11	(106)	29
Accumulated losses		(101,812)	(90,134)
<b>TOTAL EQUITY</b>		<b>129,878</b>	<b>140,946</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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## Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Consolidated				
	Issued capital \$'000	Accumulated losses \$'000	Fair value reserve \$'000	Share-based payment reserve \$'000	Total \$'000
<b>Balance as at 1 July 2023</b>	<b>135,569</b>	<b>(74,930)</b>	<b>(1,273)</b>	<b>1,122</b>	<b>60,488</b>
Total loss for the year	-	(15,204)	-	-	(15,204)
Movement in fair value of investments recognised in equity	-	-	(204)	-	(204)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(15,204)</b>	<b>(204)</b>	<b>-</b>	<b>(15,408)</b>
Issued pursuant to institutional placement	15,671	-	-	-	15,671
Issued as consideration for services	32	-	-	-	32
Recognition of share-based payments (Note 12)	-	-	-	778	778
Issued on conversion of performance rights (Note 10)	394	-	-	(394)	-
Issue under acquisition of Technology Metals Australia	79,772	-	-	-	79,772
Share issue costs	(387)	-	-	-	(387)
<b>Balance as at 30 June 2024</b>	<b>231,051</b>	<b>(90,134)</b>	<b>(1,477)</b>	<b>1,506</b>	<b>140,946</b>
<b>Balance as at 1 July 2024</b>	<b>231,051</b>	<b>(90,134)</b>	<b>(1,477)</b>	<b>1,506</b>	<b>140,946</b>
Total loss for the year	-	(11,912)	-	-	(11,912)
Movement in fair value of investments recognised in equity	-	-	130	-	130
<b>Total comprehensive loss</b>	<b>-</b>	<b>(11,912)</b>	<b>130</b>	<b>-</b>	<b>(11,782)</b>
Issued as consideration for services	131	-	-	-	131
Recognition of share-based payments (Note 12)	-	234	-	176	410
Issued on conversion of performance rights (Note 10)	138	-	-	(138)	-
FY24 Performance bonus – shares issued	180	-	-	-	180
Expiry of securities	303	-	-	(303)	-
Cancellation of ordinary partly paid shares	(7)	-	-	-	(7)
<b>Balance as at 30 June 2025</b>	<b>231,796</b>	<b>(101,812)</b>	<b>(1,347)</b>	<b>1,241</b>	<b>129,878</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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# Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Notes	Consolidated	
		2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(13,755)	(7,672)
Interest paid on leases		(204)	(177)
Exploration and evaluation expenditure expensed		(25)	(1,074)
Net receipts from other entities		443	261
<b>Net cash outflow from operating activities</b>	18	<b>(13,541)</b>	<b>(8,662)</b>
<b>Cash flows from investing activities</b>			
Interest received		1,174	778
Expenditure on mining interests		(16,882)	(10,973)
Receipts from government grants		-	15,622
Receipts from Research and Development Tax Incentives		4,869	675
Payments for property, plant and equipment		(91)	(7,072)
Payments for other non-current assets		(45)	-
Cash acquired upon acquisition of asset		-	7,586
Costs associated with acquisition of subsidiary		-	(3,398)
<b>Net cash (outflow) / inflow from investing activities</b>		<b>(10,975)</b>	<b>3,218</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	10	-	15,671
Repayment of lease liabilities		(413)	(293)
Payment of capital raising costs		-	(388)
<b>Net cash (outflow) / inflow from financing activities</b>		<b>(413)</b>	<b>14,990</b>
Net (decrease) / increase in cash and cash equivalents		(24,929)	9,546
Cash and cash equivalents at the beginning of the year		36,420	26,874
<b>Cash and cash equivalents at the end of the year</b>	5	<b>11,491</b>	<b>36,420</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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# Notes to the Consolidated Financial Statements



From left: Nigel Dilkes (AVL Manager - Technical Services), Flormirza Cabalteja (AVL General Manager Engineering)

## 1. BASIS OF PREPARATION

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### Material accounting policies

Material accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the consolidated financial statements. Where possible, wording has been simplified to provide clearer commentary on the financial report of the Group. Accounting policies determined non-significant are not included in the consolidated financial statements. There have been no changes to the Group's accounting policies that are no longer disclosed in the consolidated financial statements.

### Key judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management has made a number of judgements and assumptions and applied estimates of future events. Judgements, estimates and assumptions which are material to the financial report are found in the following notes:

Note 4	'Income tax'
Note 6	'Property, plant and equipment'
Note 7	'Exploration and evaluation assets'
Note 12	'Share-based payments'

### New or amended Accounting Standards and Interpretations

The Group has adopted all the new or amended Accounting Standards or Interpretations issued by AASB that are mandatory for the current reporting period. The adoption of these new or amended standards has not resulted in any change to the Group's accounting policies.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Reclassifications of items in the financial statements

Minor reclassifications of items in the financial statements of the previous period have been made in accordance with the classification of items in the financial statements for the year ended 30 June 2025.

## 1. BASIS OF PREPARATION (continued)

### Going Concern

The consolidated financial statements of the Group for the year ended 30 June 2025 have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2025, the Group recorded an after-tax loss of \$11.9 million (2024: after-tax loss of \$15.2 million).

The Group had cash outflows from operating activities of \$13.5 million and investing activities of \$11 million for the year ended 30 June 2025 (2024: cash outflows from operating activities of \$8.7 million and cash inflows from investing activities of \$3.2 million).

At 30 June 2025, the Group held cash and cash equivalents of \$11.5 million (2024: \$36.4 million), including grant funds of \$4.2 million (2024: \$18.1 million). The Group had net working capital as at 30 June 2025 (excluding grant liability) of \$5.4 million (2024: \$28.7 million).

The Group had outstanding commitments at 30 June 2025 of \$0.9 million relating to the Australian Vanadium Project and \$0.8 million of exploration obligations, all due within 12 months (refer to Note 14 of the consolidated financial statements).

Based on the Group's cash flow forecast, the Group will require additional funding in the next 12 months to enable it to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due, including progression of its projects and development activities.

The ability of the Group to continue as a going concern is dependent upon the Group securing additional funding through raising equity, debt or undertaking a whole or partial sale of interests in its assets.

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to raise additional funds to meet its debts as and when they fall due, and it is appropriate for the financial statements to be prepared on a going concern basis. Should the Group not be able to raise additional funds, the Group may:

- scale back certain activities that are non-essential so as to conserve cash; and/or
- undertake a whole or partial sale of assets.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability or amounts and classification of liabilities that might be necessary if the Group were not to continue as a going concern.

### Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for the financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment, and investment property measured at fair value or revalued amount.

### Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about Australian Vanadium Limited, the parent entity, is disclosed in Note 16 of the consolidated financial statements.

## 1. BASIS OF PREPARATION (continued)

### Principles of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and statement of changes in equity, respectively.

### Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case, it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from or payable to the tax authority are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

At each reporting date, the Group assesses whether indicators exist that a previously recognised impairment loss has decreased or no longer exists. If so, the recoverable amount is re-estimated and the loss is reversed to the extent supported by updated estimates. The carrying amount is increased to the recoverable amount, but not above the amount that would have been determined, net of depreciation, had no impairment been recognised. Reversals are recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. Depreciation is then adjusted prospectively to allocate the revised carrying amount over the remaining useful life.

### Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## 2. SEGMENT INFORMATION

### Description of segments

The Group identified its operating segments based on the internal reports reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and determining the allocation of resources. The operating segments of the Group are:

	<b>Upstream</b>	<b>Australian Vanadium Project</b>	Evaluation and feasibility of the Australian Vanadium Project
	<b>Midstream</b>	<b>Electrolyte Plant</b>	Manufacturing of vanadium electrolyte
	<b>Downstream</b>	<b>Energy Storage</b>	Sale, development and deployment of utility-scale vanadium flow batteries by VSUN Energy

### Recognition and measurement

The accounting policies used by the Group in reporting segments internally are the same as those contained throughout the notes to the financial statements and in the prior period.

Intersegment transactions were made at market rates. Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans and transactions are eliminated on consolidation.

### Operating segment information

The following tables present segment information provided to the executive management team for the reportable segments for the years ended 30 June 2025 and 30 June 2024, respectively.

	 <b>Upstream</b> <b>Australian Vanadium Project</b> <b>\$'000</b>	 <b>Midstream</b> <b>Electrolyte Plant</b> <b>\$'000</b>	 <b>Downstream</b> <b>Energy Storage</b> <b>\$'000</b>	<b>Corporate</b> <b>\$'000</b>	<b>Total</b> <b>\$'000</b>
<b>30 June 2024</b>					
Sales to external customers	-	-	-	-	-
Other revenue	-	-	11	54	65
Interest received	-	-	1	777	778
<b>Total segment revenue</b>	-	-	<b>12</b>	<b>831</b>	<b>843</b>
<b>Total segment results</b>	<b>(4,058)</b>	<b>(738)</b>	<b>(1,167)</b>	<b>(9,241)</b>	<b>(15,204)</b>
<b>Total segment assets</b>	<b>126,069</b>	<b>5,048</b>	<b>857</b>	<b>38,360</b>	<b>170,334</b>
<b>Total segment liabilities</b>	<b>18,594</b>	<b>983</b>	<b>340</b>	<b>9,471</b>	<b>29,388</b>
Exploration write off	(2,875)	-	-	-	(2,875)
Inventory write off	-	-	(632)	-	(632)
Depreciation and amortisation	-	(344)	(27)	(383)	(754)
Finance costs	(27)	(81)	-	(83)	(191)

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## 2. SEGMENT INFORMATION (continued)

	 <b>Upstream</b>	 <b>Midstream</b>	 <b>Downstream</b>		
	<b>Australian Vanadium Project</b>	<b>Electrolyte Plant</b>	<b>Energy Storage</b>	<b>Corporate</b>	<b>Total</b>
<b>30 June 2025</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Sales to external customers	-	11	613	-	624
Other revenue	-	-	-	7	7
Interest received	-	-	1	1,154	1,155
<b>Total segment revenue</b>	<b>-</b>	<b>11</b>	<b>614</b>	<b>1,161</b>	<b>1,786</b>
<b>Total segment results</b>	<b>(308)</b>	<b>(1,449)</b>	<b>(3,414)</b>	<b>(6,741)</b>	<b>(11,912)</b>
<b>Total segment assets</b>	<b>125,113</b>	<b>4,300</b>	<b>240</b>	<b>13,844</b>	<b>143,497</b>
<b>Total segment liabilities</b>	<b>5,205</b>	<b>1,106</b>	<b>243</b>	<b>7,065</b>	<b>13,619</b>
Inventory write off	-	-	(46)	-	(46)
Depreciation and amortisation	(197)	(794)	(26)	(50)	(1,067)
Finance costs	(73)	(76)	-	(81)	(230)

## 3. OTHER EXPENSES

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Employee benefits expense</b>		
Salaries and wages	<b>3,952</b>	4,104
Superannuation	<b>446</b>	387
Payroll tax	<b>301</b>	350
Recruitment expenses	<b>-</b>	68
Redundancy payments	<b>395</b>	-
Bonus	<b>180</b>	-
Share-based payments (refer to Note 12)	<b>383</b>	743
	<b>5,657</b>	<b>5,652</b>
<b>(b) General and administrative expenses</b>		
Stock exchange and registry fees	<b>178</b>	208
Property and office facility expenses	<b>287</b>	324
Legal fees	<b>378</b>	262
Consultancy fees	<b>2,944</b>	1,382
Travel and accommodation	<b>244</b>	305
Other corporate and administrative expenses	<b>1,561</b>	1,260
	<b>5,592</b>	<b>3,741</b>

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## 4. INCOME TAX

Australian Vanadium Limited and its wholly owned Australian-controlled entities formed a tax consolidation group with effect from 1 July 2021. Australian Vanadium Limited is the head entity of the tax consolidated group.

Members of the tax consolidated group have entered into a tax sharing agreement, which limits the joint and several liabilities of the wholly owned entities in the case of a default by the head entity on its tax payment obligations.

Technology Metals Australia Pty Ltd (Technology Metals Australia) and its wholly owned Australian-controlled entities became members of the AVL tax consolidated group on completion of the merger on 1 February 2024 and acceded to the tax sharing agreement on 1 February 2024.

Members of the tax consolidated group have also entered into a tax funding agreement under which the wholly owned entities fully compensate Australian Vanadium Limited for any current tax payable assumed and are compensated by Australian Vanadium Limited for any current tax receivable. Technology Metals Australia and its wholly owned Australian-controlled entities acceded to the tax funding agreement on 1 February 2024.

### Recognition and measurement

#### *Current taxes*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Research and development tax offsets are recognised and deducted from the carrying amount of exploration and evaluation assets when received.

#### *Deferred taxes*

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

#### 4. INCOME TAX (continued)

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

##### *Offsetting deferred tax balances*

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **(a) Income tax expense/(benefit)**

Major components of income tax expense for the years ended 30 June 2025 and 30 June 2024 are as follows:

	<b>Consolidated</b>	
	<b>2025 \$'000</b>	<b>2024 \$'000</b>
<b>Statement of profit or loss and other comprehensive income</b>		
Current income		
Current income tax benefit	<b>(7,737)</b>	(11,978)
Current income tax not recognised	<b>7,737</b>	11,978
Research and development concession	-	-
<b>Deferred income tax</b>		
Relating to origination and reversal of temporary differences	<b>1,374</b>	(13,539)
Deferred tax benefit not recognised	<b>(1,374)</b>	13,539
<b>Income tax expense / (benefit)</b>	<b>-</b>	<b>-</b>

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#### 4. INCOME TAX (continued)

##### (a) Income tax expense/(benefit) (continued)

A reconciliation of income tax expense / (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended 30 June 2025 and 30 June 2024 is as follows:

	Consolidated	
	2025 \$'000	2024 \$'000
Accounting loss before income tax	(11,912)	(15,204)
At the statutory income rate of 25% (2024: 25%)	(2,978)	(3,801)
<b>Add:</b>		
Non-deductible expenses	106	205
Temporary differences and losses not recognised	1,667	3,436
R&D tax offset	1,217	169
<b>Less:</b>		
Non-assessable income	12	9
At effective income tax rate of 0% (2024: 0%)	-	-
<b>Total income tax expense / (benefit)</b>	<b>-</b>	<b>-</b>

##### (b) Deferred tax assets / (liabilities)

Deferred tax assets / (liabilities) have not been recognised in respect of the following items:

	Consolidated	
	2025 \$'000	2024 \$'000
<b>Liabilities:</b>		
Inventory	164	6
Property, plant and equipment	422	485
Prepaid expenditure	(113)	(1)
Capitalised exploration expenditure	(15,317)	(16,603)
<b>Total deferred tax liabilities</b>	<b>(14,844)</b>	<b>(16,113)</b>
<b>Assets:</b>		
Investments	344	51
Right of Use Assets	65	42
Trade and other payables	14	12
Provisions	163	223
Business related costs	797	1,055
Tax losses	47,029	37,484
<b>Total deferred tax assets</b>	<b>48,412</b>	<b>38,867</b>
<b>Net deferred tax asset not recognised</b>	<b>33,568</b>	<b>22,754</b>

## 4. INCOME TAX (continued)

### (b) Deferred tax assets (continued)

#### Key judgements, estimates and assumptions

The benefit of these losses has not been brought to account at 30 June 2025 because the Directors do not believe it is appropriate to regard realisation of the deferred tax asset as being probable at this point in time or that there are sufficient deferred tax liabilities to offset these losses. These tax losses are also subject to final determination by the taxation authorities when the Group derives taxable income. The benefits will only be realised if:

- The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deduction for the losses to be realised;
- The Group continues to comply with the conditions for the deductibility imposed by law; and
- No changes in the tax legislation adversely affect the Group in realising the benefit of the losses.

## 5. CASH AND CASH EQUIVALENTS

### Recognition and measurement

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

	Consolidated	
	2025 \$'000	2024 \$'000
Cash at bank	580	1,754
Short-term deposits <sup>1</sup>	10,911	34,666
	<b>11,491</b>	<b>36,420</b>

1. Short-term deposits include \$4.2 million (2024: \$18.1 million) that may be applied only to eligible activities under the Australian Government's \$49 million Modern Manufacturing Initiative – Manufacturing Collaboration Stream (MMI-C) grant for the Australian Vanadium Project, of which the Company is a beneficiary. They also include \$0.5 million (2024: \$0.4 million) of restricted cash held for cash-backed bank guarantees. Refer to Notes 7 and 9 for further information on the MMI-C grant and the Group's grant liability.

## 6. PROPERTY, PLANT AND EQUIPMENT

### Recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

## 6. PROPERTY, PLANT AND EQUIPMENT (continued)

### *Right of use assets*

The Group leases various buildings, resulting in right-of-use assets. Right-of-use assets are measured at cost and subsequently depreciated in line with the Group's accounting policy of like assets.

Cost comprises the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- any restoration costs.

### *Depreciation*

Depreciation is recognised as an expense when incurred and is calculated using the straight-line method over the asset's estimated useful life to the Group as follows:

Plant and equipment	5 -10 years
Motor vehicles	8 years
Buildings	Lease term

The assets' residual values and useful lives are reviewed and adjusted where appropriate at the end of each reporting period.

### *Derecognition*

An item of plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is no longer expected to bring about future economic benefits to the Group.

Any gain or loss from derecognising the asset is included in the profit or loss in the period the item is derecognised.

### *Assets under construction*

The value of assets under construction is measured at the cost of the asset less impairment. The cost of the asset also includes the cost of assembly and replacement parts that are eligible for capitalisation. Depreciation does not commence until the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

6. PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant & equipment \$'000	Motor vehicles \$'000	Assets under construction \$'000	Right of use assets \$'000	Total \$'000
<b>Balance at as at 1 July 2023</b>	<b>261</b>	<b>170</b>	<b>1,424</b>	<b>1,815</b>	<b>3,670</b>
Additions	65	-	4,041	465	4,571
Capitalisation of electrolyte plant <sup>1</sup>	4,124	-	(4,124)	-	-
Acquisition of Technology Metals Australia	5	11	-	-	16
Transfer to inventory	-	-	(502)	-	(502)
Assets under construction costs written off	-	-	(517)	-	(517)
Disposal	(2)	-	-	-	(2)
Depreciation and amortisation expense	(320)	(38)	-	(396)	(754)
<b>Balance as at 30 June 2024</b>	<b>4,133</b>	<b>143</b>	<b>322</b>	<b>1,884</b>	<b>6,482</b>
Cost	4,861	242	322	2,502	7,927
Accumulated depreciation	(728)	(99)	-	(618)	(1,445)
<b>Balance at 30 June 2024</b>	<b>4,133</b>	<b>143</b>	<b>322</b>	<b>1,884</b>	<b>6,482</b>
<b>Balance at as at 1 July 2024</b>	<b>4,133</b>	<b>143</b>	<b>322</b>	<b>1,884</b>	<b>6,482</b>
Additions	91	-	167	895	1,153
Transfer to inventory	-	-	(35)	-	(35)
Depreciation and amortisation expense	(533)	(26)	-	(508)	(1,067)
<b>Balance as at 30 June 2025</b>	<b>3,691</b>	<b>117</b>	<b>454</b>	<b>2,271</b>	<b>6,533</b>
Cost	4,952	242	454	3,397	9,045
Accumulated depreciation	(1,261)	(125)	-	(1,126)	(2,512)
<b>Balance as at 30 June 2025</b>	<b>3,691</b>	<b>117</b>	<b>454</b>	<b>2,271</b>	<b>6,533</b>

1. In accordance with AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*, this reflects the capital cost of the electrolyte plant, net of the \$2.4 million in total proceeds received for this initiative from the Australian Government under the Manufacturing Transition Stream – Resources Technology and Critical Minerals Processing Priority program.

**Key judgements, estimates and assumptions**

The estimations of useful lives, residual value and depreciation methods require management judgement and are reviewed annually. If they need to be modified, the change is accounted for prospectively from the date of reassessment until the end of the revised useful life (for both the current and future years). Such revisions are generally required when there are changes in economic circumstances that impact specific assets or groups of assets, such as changes to contract length or when an asset designation from idle to non-idle occurs. These changes are limited to specific assets and, as such, any reasonably possible change in the estimate is unlikely to have a material impact on the estimations of useful lives, residual value or amortisation methods.

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## 7. EXPLORATION AND EVALUATION ASSETS

### Recognition and measurement

Exploration and evaluation costs include the acquisition of rights to explore and the costs of exploring and evaluating separate areas of interest for which rights of tenure are current. These costs are carried as non-current assets in the consolidated statement of financial position when either:

- it is expected that the expenditure will be recovered through successful development and exploitation of the area of interest or by its sale; or
- exploration and evaluation activities are continuing and have not yet reached a stage at which a reasonable estimate of the existence (or otherwise) of economically recoverable ore reserves can be made.

Costs incurred before the Group obtains the legal right to explore an area are expensed in the consolidated statement of profit or loss and other comprehensive income.

Government grants and incentives, such as the Research and Development Tax Incentive (R&DTI), that relate to exploration and evaluation assets or to the acquisition or construction of qualifying assets are accounted for under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance*. In relation to R&DTI payments, these are recognised and deducted from the carrying amount of the related asset when received. In relation to Government grants, eligible amounts are deducted from the carrying amount of the related asset as the eligible expenditure incurred and is paid. Grant funds received in advance of recognising eligible expenditure is recorded as a grant liability. Refer to Note 9 for further detail on the Group's grant liability.

No amortisation is charged during the exploration and evaluation phase.

	Consolidated	
	2025 \$'000	2024 \$'000
<b>Balance as at 1 July</b>	<b>126,069</b>	44,731
Acquisition of Technology Metals Australia	-	79,206
Expenditure capitalised during the period	<b>16,882</b>	10,973
R&D tax incentives on capitalised costs	<b>(4,869)</b>	(675)
Eligible grant expenditure recognised – MMI-C Grant (refer to Note 9) <sup>1</sup>	<b>(13,974)</b>	(5,291)
Capitalised expenditure written off	-	(2,875)
<b>Balance as at 30 June</b>	<b>124,108</b>	<b>126,069</b>

1. In the year ended 30 June 2025, the Group recognised \$14 million in eligible expenditure under the MMI-C Grant in relation to the Australian Vanadium Project, which was offset against the carrying amount of the exploration and evaluation assets in accordance with AASB 120. Refer to Note 9 for further details.

### Key judgements, estimates and assumptions

Key judgements are applied to make certain estimates as to future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. At each reporting date, the Group considers facts and circumstances that may indicate the carrying amount of its exploration and evaluation assets exceeds its recoverable amount. If such indicators exist, the relevant asset (or cash-generating unit) is tested for impairment in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* and AASB 136 *Impairment of Assets*. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which the determination is made. No indicators of impairment were identified as at 30 June 2025.

## 8. TRADE AND OTHER PAYABLES

	Consolidated	
	2025 \$'000	2024 \$'000
<b>Current</b>		
Trade payables	1,668	2,447
Accruals <sup>1</sup>	4,551	5,333
Other liabilities	76	549
	<b>6,295</b>	<b>8,329</b>

1. The accruals balance as at 30 June 2025 includes \$3.7 million for stamp duty payable in connection with the merger with Technology Metals Australia. Post year-end, a payment arrangement has been agreed with RevenueWA, a directorate within the Western Australian Department of Treasury and Finance, which will be further reviewed in September 2026.

## 9. GRANT LIABILITY

### Recognition and measurement

Government grants are recognised when there is reasonable assurance that the grant will be received and that all attached conditions will be met.

When a grant is related to the acquisition, construction, or production of a qualifying asset (including exploration and evaluation assets) and is received in advance of incurring eligible expenditure on the asset, the grant is initially recognised as a liability in the consolidated statement of financial position upon receipt. As eligible expenditure is incurred and paid, the grant is applied as a deduction from the carrying amount of the related asset, with a corresponding reduction in the grant liability.

For grants related to operating expenditure, income is recognised on a systematic basis over the periods in which the related expenses, for which the grant is intended as compensation, are recognised.

If grant conditions are not fully satisfied, a portion of the grant may be repayable, subject to the requirements of the relevant performance conditions.

	Consolidated	
	2025 \$'000	2024 \$'000
<b>Balance as at 1 July</b>	<b>18,130</b>	9,959
Grant funds received	-	14,700
Eligible expenditure recognised (offset against assets) <sup>1</sup>	<b>(13,974)</b>	(6,529)
<b>Balance as at 30 June</b>	<b>4,156</b>	<b>18,130</b>

1. In the year ended 30 June 2025, the Group recognised \$14 million in eligible expenditure under the MMI-C Grant in relation to the Australian Vanadium Project, which was deducted from the cost of the exploration and evaluation asset in relation to the Australian Vanadium Project in accordance with AASB 120. No additional MMI-C Grant funds were received during the year. Refer to Note 7 for further details regarding the MMI-C Grant and the Group's exploration and evaluation assets.

## 10. ISSUED CAPITAL

### Recognition and measurement

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	Consolidated			
	2025 Number	2024 Number	2025 \$'000	2024 \$'000
Ordinary shares – fully paid	8,634,658,076	8,610,503,149	236,402	235,952
Ordinary shares – partly paid	-	68,000,000	-	7
Share issue costs written off against issued capital	-	-	(4,606)	(4,908)
<b>Total</b>	<b>8,634,658,076</b>	<b>8,678,503,149</b>	<b>231,796</b>	<b>231,051</b>

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands, every member present at a meeting in person or by proxy shall have one vote, and upon a poll, each share shall have one vote.

#### *Movement in fully paid ordinary shares*

	Number	\$'000
<b>Opening balance as at 1 July 2023</b>	<b>4,364,911,176</b>	<b>140,082</b>
Issue of shares for institutional placement	602,746,809	15,671
Issued under the acquisition of Technology Metals Australia	3,626,004,702	79,772
Issue of shares as consideration for services	948,795	32
Issue of shares on conversion of performance rights	15,891,667	395
<b>Closing balance as at 30 June 2024</b>	<b>8,610,503,149</b>	<b>235,952</b>
<b>Opening balance as at 1 July 2024</b>	<b>8,610,503,149</b>	<b>235,952</b>
Issue of shares as consideration for services	8,679,489	132
Issue of shares on conversion of performance rights	3,633,332	138
Issue of performance shares	11,842,106	180
<b>Closing balance as at 30 June 2025</b>	<b>8,634,658,076</b>	<b>236,402<sup>1</sup></b>

1. The movement in fully paid ordinary shares is before taking into account share issue costs written off against issued capital as shown below.

## 10. ISSUED CAPITAL (continued)

### Partly paid shares

The Company issued unquoted partly paid shares under a prospectus in 2009. On a poll, the partly paid shares would confer a fraction of a vote pro-rata to the amount paid on an ordinary share in the Company.

On 5 July 2024, AVL made a call on the holders of the unquoted partly paid shares of \$0.005 per partly paid share. The call was payable no later than 16 August 2024. AVL did not receive any payments on the call and proceeded with the process for forfeiture and cancellation of the partly paid shares on issue.

The unquoted partly paid shares were cancelled on 21 November 2024 following shareholder approval of the cancellation at the Company's 2024 Annual General Meeting on the same day.

#### *Movement in partly paid shares*

	Number	\$'000
<b>Opening balance as at 1 July 2023</b>	<b>68,000,000</b>	<b>7</b>
<b>Closing balance as at 30 June 2024</b>	<b>68,000,000</b>	<b>7</b>
Partly paid shares cancelled during the year	<b>(68,000,000)</b>	(7)
<b>Closing balance as at 30 June 2025</b>	<b>-</b>	<b>-</b>
<b>Share issue costs written off against issued capital</b>	<b>-</b>	(4,606)
<b>Group issued capital balance as at 30 June 2025</b>	<b>8,634,658,076</b>	<b>231,796</b>

## 11. RESERVES

### Recognition and measurement

#### *Fair value reserve*

The fair-value reserve records movements in financial assets classified as fair value through Other Comprehensive Income in accordance with AASB 9 *Financial Instruments*.

#### *Share-based payment reserve*

The share-based payment reserve is used to record the value of equity benefits provided to employees and Directors as part of remuneration. When the securities are exercised, the amount in the share-based payment reserve is transferred to issued capital.

	Consolidated	
	2025 \$'000	2024 \$'000
Fair value reserve	(1,347)	(1,477)
Share-based payment reserve	1,241	1,506
	<b>(106)</b>	<b>29</b>

### Fair value reserve

	Consolidated	
	2025 \$'000	2024 \$'000
<b>Balance as at 1 July</b>	<b>(1,477)</b>	<b>(1,273)</b>
Change in fair value of investments in Bryah Resources Ltd	130	(204)
<b>Balance as at 30 June</b>	<b>(1,347)</b>	<b>(1,477)</b>

**11. RESERVES (continued)****Share-based payment reserve**

	<b>Consolidated</b>	
	<b>2025 \$'000</b>	<b>2024 \$'000</b>
<b>Balance as at 1 July</b>	<b>1,506</b>	<b>1,122</b>
Fair value of performance rights converted to ordinary shares	<b>(138)</b>	(394)
Expiry of securities	<b>(303)</b>	-
Share-based payment expense following issue of performance rights – Directors	<b>28</b>	66
Share-based payment expense following issue of performance rights – Executive KMP and employees	<b>148</b>	712
<b>Balance as at 30 June</b>	<b>1,241</b>	<b>1,506</b>

Further information regarding the Group's share-based payments is contained in Note 12.

**12. SHARE-BASED PAYMENTS****Recognition and measurement***Share-based payments*

As part of the Company's remuneration framework, the Company may issue performance rights to Directors and employees through its incentive plan. Further details of the Company's remuneration framework, incentive plans and vesting criteria are set out in the FY2025 Remuneration Report and in this note. Participation in the Group's incentive plan is at the discretion of the Board. No individual has a contractual right to participate in the plan or to receive any guaranteed award.

From time to time, the Group may also issue shares as payment to non-employees (suppliers or consultants) in exchange for goods or services provided (equity-settled transactions).

*Employees and Directors*

Unless stated otherwise, awards are equity-settled. The fair value of performance rights and other equity instruments granted to employees and Directors is recognised as an employee benefits expense in the statement of profit or loss and other comprehensive income, with a corresponding increase in equity (share-based payment reserve). The expense is recognised over the vesting period, being the period during which the specified service and/or performance conditions are satisfied.

The total amount to be expensed is measured by reference to the fair value of the performance rights at the grant date, which incorporates any market conditions and non-vesting conditions. After grant, the initial estimate of fair value is not adjusted for subsequent differences between the number of awards granted and the number that ultimately vest.

Service and non-market conditions are not included in the determination of fair value at the grant date; instead, they are taken into account when estimating the number of rights expected to vest. These estimates are revised at the end of each reporting period, and adjustments are recognised in the statement of profit or loss and other comprehensive income and the share-based payment reserve.

*Non-employees – suppliers and consultants*

For equity-settled transactions with non-employees, the Group recognises an expense or an asset (depending on the nature of the goods or services received), with a corresponding increase in equity. Measurement is at the fair value of the goods or services received or, if that cannot be reliably measured, at the fair value of the equity instruments granted and recorded at the date the goods or services are received.

## 12. SHARE-BASED PAYMENTS (continued)

### *Measurement of fair value*

Fair value is measured at the grant date. For performance rights with non-market conditions, fair value is based on the Company's share price at grant date. For awards with market conditions, fair value is independently determined using a Monte Carlo valuation model. Key inputs in the Monte Carlo valuation typically include the share price at the grant date, the term of the award, expected price volatility of the underlying share, the risk-free interest rate, expected dividends (if any) and the assessed probability of the market conditions being realised.

### *Modifications, cancellations and replacements*

If an equity-settled award is cancelled (other than for forfeiture when vesting conditions are not met), the award is treated as if it had vested on the cancellation date and any unrecognised expense is recognised immediately in the statement of profit or loss and other comprehensive income. If a new award is granted as a replacement for a cancelled award and designated as such on the date that it is granted, the arrangement is accounted for as a modification of the original award. In that case, the original grant-date fair value continues to be recognised over the original vesting period, and any incremental fair value arising from the replacement is recognised over the period from the modification date to the new vesting date.

### *Forfeited equity-settled instruments*

Where equity-settled instruments such as performance rights are forfeited (other than through cancellation), no expense is recognised for those instruments. Previously recognised expenses are reversed in the period of forfeiture so that the total expense reflects only the rights that are ultimately expected to vest.

### *Settlement and share capital*

On exercise of the rights, the appropriate number of shares are issued to the employee. Any consideration received on exercise, net of directly attributable transaction costs, is credited to share capital.

### **(a) Reconciliation of movement in performance rights during the year**

The following table shows the performance rights granted and outstanding at the beginning and end of the reporting period:

	2025 Number	2024 Number
<b>Outstanding as at 1 July</b>	<b>126,850,000</b>	<b>44,391,667</b>
Granted <sup>1</sup>	<b>33,191,996</b>	98,350,000
Forfeited	<b>(12,050,000)</b>	-
Vested and exercised	<b>(3,633,332)</b>	(15,891,667)
<b>Outstanding as at 30 June</b>	<b>144,358,664</b>	<b>126,850,000</b>
<b>Vested and exercisable as at 30 June<sup>2</sup></b>	<b>5,867,332</b>	<b>5,200,000</b>

1. As at 30 June 2025, 20,284,000 performance rights granted to employees during FY2025 were yet to be issued.

2. These performance rights are included in the number of outstanding performance rights for the Company as at 30 June 2025.

## 12. SHARE-BASED PAYMENTS (continued)

### (b) Summary of granted performance rights as at 30 June 2025

The Company had granted 144,358,664 performance rights as at 30 June 2025, including 5,867,332 rights that had vested and are exercisable but not exercised.

The table below provides the number of granted performance rights by tranche, the vesting condition for each tranche and the valuation methodology used in determining the fair value of the performance rights.

Tranche	Vesting condition	Number on issue	Valuation methodology
Tranche 12	The Company achieves a share price of at least \$0.08 VWAP over 20 consecutive trading days on which the Company's shares have traded	100,000	Trinomial barrier option pricing model
Tranche 13	The Company achieves a share price of at least \$0.09 VWAP over 20 consecutive trading days on which the Company's shares have traded	100,000	Trinomial barrier option pricing model
Tranche 15	The Company achieves a share price of at least \$0.10 VWAP over 20 consecutive trading days on which the Company's shares have traded	29,760,663	Monte Carlo
Tranche 16	The Company achieves a share price of at least \$0.15 VWAP over 20 consecutive trading days on which the Company's shares have traded	29,760,663	Monte Carlo
Tranche 17	The Company achieves a share price of at least \$0.20 VWAP over 20 consecutive trading days on which the Company's shares have traded	29,760,666	Monte Carlo
Tranche 18	Final Investment Decision <sup>1</sup>	23,160,664	Share price on grant date
Tranche 19	Achievement of name plate capacity for the Australian Vanadium Project	24,864,676	Share price on grant date
Tranche 20	Continuous employment for 12 months from commencement of employment	984,000	Share price on grant date
	Vested and exercisable	5,867,332	n/a
<b>Total</b>		<b>144,358,664</b>	

1. In relation to the Australian Vanadium Project.

The weighted average remaining contractual life of the outstanding performance rights is 3.2 years (30 June 2024: 4.0 years).

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## 12. SHARE-BASED PAYMENTS (continued)

### (c) Performance rights granted during the year

The table below summarises the 33,191,996 performance rights granted to employees during FY2025 and the key assumptions applied in estimating their fair value at the respective grant dates.

During the year ended 30 June 2024, 10,000,000 performance rights were granted to Ms Jo Gaines, a Non-Executive Director of the Company, subject to shareholder approval at the Company's 2024 Annual General Meeting. On 21 November 2024, shareholders approved the issue to Ms Gaines.

No new performance rights were granted to Non-Executive Directors or Executive KMP during the year.

	Tranche					
	15	16	17	18	19	20
Valuation methodology	Monte Carlo			Share price on grant date		
Grant date	13 Sep 2024 - 21 Nov 2024					
Number of rights <sup>1</sup>	7,460,665	7,460,665	7,460,666	4,527,332	2,571,336	3,711,332
Value of the underlying security at grant date	\$0.014 - \$0.016					
Exercise price	Nil					
Dividend yield	Nil					
Risk free rate	3.412% - 4.113%					
Volatility	90.73% - 91.33%					
Expiry date	13 Sep 2029 - 21 Nov 2029					
Weighted fair value of performance right	\$0.0067 - \$0.0093	\$0.0051 - \$0.0075	\$0.0041 - \$0.0062	\$0.014 - \$0.016	\$0.014 - \$0.016	\$0.014 - \$0.016
<b>Total fair value of performance rights</b>	<b>\$52,780</b>	<b>\$40,507</b>	<b>\$32,572</b>	<b>\$65,192</b>	<b>\$31,452</b>	<b>\$37,692</b>

1. As at 30 June 2025, 20,284,000 of the 33,191,996 performance rights granted to employees during FY2025 were yet to be issued.

#### *Terms and conditions of performance rights granted during the year*

All performance rights granted or issued during the year ended 30 June 2025 were granted for nil consideration and vest subject to certain market and non-market conditions. Holders of performance rights are not entitled to dividends and are not entitled to vote in relation to the rights during the vesting period.

On vesting and notice of exercise, each right converts to one ordinary share.

No person entitled to exercise performance rights had or has any right under the performance rights to participate in any other share issue of the Company or any other entity.

Performance rights will be forfeited automatically if the recipient becomes a 'bad leaver', such as through resignation or termination for cause. Any unvested performance rights lapse on the earlier of:

- six months after employment ends, or
- the original expiry date,

unless the Board exercises its discretion to extend this period. Vesting conditions remain unchanged.

There have been no changes to the terms and conditions of performance rights issued or granted in FY2025 or prior years.

## 12. SHARE-BASED PAYMENTS (continued)

### (d) Change in performance right valuation assumption

The Directors assessed that, as of 30 June 2025, the probability of the vesting condition for Tranche 19 performance rights with a vesting period that commenced prior to 31 July 2024 was 0%.

Accordingly, the estimated fair value as at 30 June 2025 of the 16,810,000 Tranche 19 performance rights that are impacted has been revalued to nil.

The impact of this assumption change, which does not impact all Tranche 19 performance rights on issue, is reflected in the share-based payment expense in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2025.

All other performance rights with non-market conditions have been assessed at 100% probability of vesting.

### (e) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period are included in employee benefits expense in the consolidated statement of profit or loss and other comprehensive income (refer to Note 3(a) for further details). The table below shows the details of the total expenses arising from share-based payment transactions during the period.

	Consolidated	
	2025 \$	2024 \$
Purchase of goods and services	-	31,500
Performance rights – Non-Executive Directors	<b>27,631</b>	65,978
Performance rights – Executive KMP	<b>196,104</b>	373,149
Performance rights – Employees	<b>186,553</b>	338,702
Share-based payment expense recognised in profit or loss	<b>410,288</b>	<b>809,329</b>

### Key judgements, estimates and assumptions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of equity instruments at grant date. Fair value is determined by an independent external valuer using an appropriate valuation model.

Key judgements, estimates and assumptions include the expected number of awards that will vest (for service and non-market conditions), expected volatility, expected term of the awards, risk-free interest rates and expected dividends. These inputs affect both the measured fair value of awards and the timing and amount of expense recognised. The valuation methodology and assumptions are set out in the FY2025 Remuneration Report and in this note.

The Company's historical share price volatility has been used as the basis for expected volatility, as it is considered a reasonable indicator of future movements. The valuation model also assumes no dividends are declared or paid during the term of the performance rights.

Directors regularly review service and non-market conditions to assess the likelihood of vesting. As at 30 June 2025, the Directors determined that the probability that the Tranche 19 performance rights issued prior to 31 July 2024, which are subject to the condition that the Australian Vanadium Project achieve nameplate capacity within five years of the grant date, will vest was 0%. Refer to part (d) of this note for further details.

### 13. CONTINGENT LIABILITIES

There are no contingent liabilities at the end of the period.

### 14. COMMITMENTS

In order to maintain current rights of tenure to exploration and mining tenements, the Group has certain obligations for payment. While these costs are discretionary, the associated exploration and mining leases may be relinquished if the expenditure commitments are not met. These obligations may be varied from time to time, subject to approval, and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the consolidated financial statements.

	Consolidated	
	2025 \$'000	2024 \$'000
Minimum expenditure commitment on the tenements is:		
Payable no later than 1 year	836	828
Payable between 1 year and 5 years	4,712	4,573
	<b>5,548</b>	<b>5,401</b>

#### The Group has the following commitments in relation to the Australian Vanadium Project.

Payable no later than 1 year	876	1,056
Payable between 1 year and 5 years	-	-
	<b>876</b>	<b>1,056</b>

### 15. RELATED PARTY TRANSACTIONS

#### Parent entity

Australian Vanadium Limited is the parent entity of the Group.

#### Subsidiaries

Interests in subsidiaries are set out in Note 17.

#### Key management personnel compensation

The aggregate compensation made to Directors and Executive KMP of the Group is set out below:

	Consolidated	
	2025 \$	2024 \$
Short-term employee benefits	2,249,683	2,346,610
Post-employment benefits	158,264	148,225
Termination benefits	-	332,547
Share-based payments	223,735	439,127
	<b>2,631,682</b>	<b>3,266,509</b>

Detailed remuneration disclosures are provided in the Remuneration Report on pages 45 to 58 of this Annual Report.

## 15. RELATED PARTY TRANSACTIONS (continued)

### Transactions with other related parties

There were no transactions with other related parties during the years ended 30 June 2025 and 30 June 2024.

### Receivable from and payable to related parties

There were no outstanding receivables from or payables to related parties at the current and previous reporting date.

### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

## 16. PARENT ENTITY FINANCIAL INFORMATION

### Recognition and measurement

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, other than investments in subsidiaries, which have been recorded at cost less any impairments.

	PARENT	
	2025 \$'000	2024 \$'000
<b>Statement of profit or loss and other comprehensive income</b>		
Loss for the period	(8,858)	(10,626)
Other comprehensive income	130	(204)
<b>Total comprehensive loss</b>	<b>(8,728)</b>	<b>(10,830)</b>
<b>Statement of financial position</b>		
<b>Assets</b>		
Current assets	12,119	36,518
Non-current assets	56,910	56,069
<b>Total assets</b>	<b>69,029</b>	<b>92,587</b>
<b>Liabilities</b>		
Current liabilities	11,143	26,696
Non-current liabilities	2,241	1,834
<b>Total liabilities</b>	<b>13,384</b>	<b>28,530</b>
<b>Net assets</b>	<b>55,645</b>	<b>64,057</b>
<b>Equity</b>		
Issued capital	231,796	231,051
Reserves	(106)	29
Accumulated losses	(176,045)	(167,023)
<b>Total equity</b>	<b>55,645</b>	<b>64,057</b>

## 16. PARENT ENTITY FINANCIAL INFORMATION (continued)

### Guarantees entered into by the parent entity

The parent entity did not have any guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

As at 30 June 2025, the parent entity had outstanding cash-backed bank guarantees of \$484,252 (2024: \$395,934).

### Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2025 and 30 June 2024.

### Contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any contractual commitments for the acquisition of property, plant and equipment as at 30 June 2025 and 30 June 2024.

## 17. INTERESTS IN SUBSIDIARIES

### Recognition and measurement

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, and consolidated statement of changes in equity, respectively.

The consolidated financial statements incorporate the assets, liabilities and results of Australian Vanadium Limited (parent entity) and the following subsidiaries:

Entity Name	Principal place of business / country of incorporation	Ownership interest (%)	
		2025	2024
VSUN Energy Ltd	Australia	100%	100%
Technology Metals Australia Pty Ltd	Australia	100%	100%
The KOP Ventures Pty Ltd	Australia	100%	100%
Australian Uranium Pty Ltd	Australia	100%	100%
Cabe Resources Pty Ltd	Australia	100%	100%
vLYTE Pty Ltd	Australia	100%	100%
South African Lithium (Pty) Ltd	South Africa	100%	100%

Australian Vanadium Limited and its subsidiaries are not parties to any deed of cross guarantee.

## 18. CASH FLOW INFORMATION

### Reconciliation of loss after income tax to net cash outflow from operating activities

	Consolidated	
	2025 \$'000	2024 \$'000
Loss for the year	(11,912)	(15,204)
<b>Adjustments for:</b>		
Interest expense on leases	203	177
Depreciation and amortisation	1,067	754
Exploration and evaluation written off	-	2,875
Inventory write-down	46	632
(Decrease)/increase in make good provision for leases	(277)	465
Share-based payments	410	810
Foreign exchange	4	(6)
<b>Changes in operating assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(240)	1,149
Decrease/(increase) in inventories	368	(567)
Decrease in trade and other payables	(2,968)	(385)
(Decrease)/increase in provisions	(242)	638
<b>Net cash outflow from operating activities</b>	<b>(13,541)</b>	<b>(8,662)</b>

## 19. RISK MANAGEMENT

### Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, pay dividends to shareholders, issue new shares or sell assets.

As at 30 June 2025 and 30 June 2024, the Group had lease liabilities and trade payables but no borrowings.

There have been no changes in the strategy adopted by the Group to manage its capital since the prior year.

### Financial risk management

The Group's activities expose it to a variety of financial risks:

- Market risk (including foreign currency risk, commodity price risk and interest rate risk);
- Credit risk; and
- Liquidity risk.

The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies, and processes for measuring and managing these risks.

The Board is responsible for establishing and overseeing the risk management framework. The Board reviews and agrees on policies for managing the Group's financial risks where the risk is considered sufficiently material, as summarised below. Management monitors and manages the Group's financial risks through regular reviews of the risks and mitigating strategies.

The Group's principal financial instruments comprise cash and term deposits, the main purpose of which is to maximise interest earned at a low risk to the Group.

**19. RISK MANAGEMENT (continued)***Market risk*

## a) Foreign currency risk

Foreign currency risk arises from future commercial transactions and from recognised financial assets and liabilities denominated in currencies other than the Australian dollar, the Group's functional currency. This risk is assessed through sensitivity analysis and cash flow forecasting.

The Group's exposure to foreign currency risk is currently minimal, as it remains in the pre-development phase, does not currently produce or sell vanadium oxides, vanadium electrolyte or iron concentrate, has no international operations, and incurs only limited non-Australian dollar expenditure. Given the assessed materiality of the risk, no sensitivity analysis is presented.

## b) Commodity price risk

Commodity price risk refers to the potential financial impact of fluctuations in the cost of production inputs (including fuel, reagents, chemicals, energy and vanadium oxides used in electrolyte production) and in the prices of saleable products (such as vanadium oxides, vanadium electrolyte or iron concentrate). These fluctuations can affect profitability by increasing production costs or reducing sales revenue.

At present, the Group's exposure to commodity price risk is minimal, as it remains in the pre-development phase, and does not currently produce or sell vanadium oxides, vanadium electrolyte or iron concentrate. However, this exposure is expected to increase as the Australian Vanadium Project advances towards production and electrolyte manufacturing expands. The Group will continue to monitor and evaluate commodity price movements and, where appropriate, implement measures to mitigate its risk exposure. Given the assessed materiality of the risk, no sensitivity analysis is presented.

## c) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will affect the fair value and cash flows of the Group's financial instruments. The Group's main exposure arises from its cash and cash equivalents, other financial assets, and financial liabilities held with financial institutions.

The Group manages this risk by utilising short-term fixed-rate instruments where appropriate and maintaining a spread of term deposit maturities. As the Group has no interest-bearing borrowings, its exposure to interest rate risk is currently minimal.

## 19. RISK MANAGEMENT (continued)

The tables below summarise the sensitivity of the Group's financial assets and liabilities to movements in interest rates. The analysis assumes all other variables remain constant and has been performed on a consistent basis for both 2025 and 2024.

**30 June 2025**

	<b>Consolidated</b>				
	<b>Interest rate risk</b>				
	<b>Carrying amount \$'000</b>	<b>+1%</b>		<b>-1%</b>	
<b>Profit \$'000</b>		<b>Equity \$'000</b>	<b>Profit \$'000</b>	<b>Equity \$'000</b>	
<b>Financial assets</b>					
Cash and cash equivalents <sup>1</sup>	11,491	115	115	(115)	(115)
Receivables <sup>2</sup>	243	-	-	-	-
Investments	222	-	-	-	-
<b>Financial liabilities</b>					
Trade and other payables	6,295	-	-	-	-
Lease liability	2,533	(25)	(25)	25	25
Grant liability	4,156	(42)	(42)	42	42

**30 June 2024**

	<b>Consolidated</b>				
	<b>Interest rate risk</b>				
	<b>Carrying amount \$'000</b>	<b>+1%</b>		<b>-1%</b>	
<b>Profit \$'000</b>		<b>Equity \$'000</b>	<b>Profit \$'000</b>	<b>Equity \$'000</b>	
<b>Financial assets</b>					
Cash and cash equivalents <sup>1</sup>	36,420	364	364	(364)	(364)
Receivables <sup>2</sup>	522	-	-	-	-
Investments	92	-	-	-	-
<b>Financial liabilities</b>					
Trade and other payables	8,329	-	-	-	-
Lease liability	2,052	(21)	(21)	21	21
Grant liability	18,130	(181)	(181)	181	181

1. Cash and cash equivalents are denominated in AUD and include floating rate deposits at call and short-term term deposits at fixed interest rates.

2. The receivables balance excludes prepayments and tax balances which do not meet the definition of financial assets and liabilities.

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## 19. RISK MANAGEMENT (continued)

### *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations. The Group's exposure to credit risk arises from its financial assets, including cash and cash equivalents, deposits with financial institutions, and receivables from customers and committed transactions.

The carrying values of financial assets in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to those assets. The Group does not hold any credit derivatives to offset its credit exposure.

To manage credit risk on cash, cash equivalents, and other financial assets, the Group only engages with banks and financial institutions that meet the credit rating requirements set out in its Treasury Investment Policy. Cash deposits are held on-call or in term deposits with maturities of less than three months, earning market rates of interest for short-term investments.

In relation to receivables, the Group limits exposure by trading only with recognised, creditworthy counterparties. Collateral is not required, nor does the Group securitise its receivables. Receivable balances are monitored on an ongoing basis to minimise the risk of default.

There are no significant concentrations of credit risk within the Group.

### *Liquidity risk*

Liquidity risk is the risk that the Group may be unable to meet its financial obligations as they fall due. The Group seeks to manage this risk by ensuring it has sufficient liquidity available to settle liabilities on time, under both normal and stressed conditions, without incurring unacceptable losses or reputational damage. The Board maintains ongoing oversight of liquidity levels.

The Group manages liquidity risk through maintaining adequate cash reserves, regularly monitoring forecast and actual cash flows, and aligning the maturity profiles of financial assets and liabilities. As at the balance date, the Group did not have access to any undrawn credit facilities.

At balance date, the carrying value of trade payables was equal to their contractual cash outflow, with all amounts due within 12 months.

## 20. REMUNERATION OF AUDITORS

During the year, the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the parent entity, Australian Vanadium Limited, and its network firms:

	<b>Consolidated</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Audit or review of the financial statements of the Group	<b>87,570</b>	72,707

## 21. LOSS PER SHARE

### Recognition and measurement

#### Basic loss per share

Basic earnings per share is calculated by dividing:

- the profit/(loss) attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### Diluted loss per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	<b>Consolidated</b>	
	<b>2025 \$'000</b>	<b>2024 \$'000</b>
Loss after income tax attributable to the owners of Australian Vanadium Limited	<b>(11,912)</b>	(15,204)
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	<b>(0.14)</b>	(0.24)
Diluted loss per share	<b>(0.14)</b>	(0.24)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic loss per share	<b>8,607,928,713</b>	6,304,147,790
Weighted average number of ordinary shares used in calculating diluted loss per share	<b>8,607,928,713</b>	6,304,147,790
The number of potential ordinary shares not considered dilutive are as follows:		
Performance rights	<b>144,358,664</b>	126,850,000

### Potential ordinary shares

Performance rights granted to employees are considered to be potential ordinary shares. Details relating to performance rights are set out in Note 12. They have not been included in the determination of basic loss per share. Performance rights outstanding are not included in the calculation of diluted loss per share because they are antidilutive for the years ended 30 June 2025 and 30 June 2024. These performance rights could potentially dilute basic earnings per share in the future.

## 22. EVENTS SUBSEQUENT TO THE REPORTING DATE

Other than disclosed below, the Directors are not aware of any other matter or circumstance since the end of the year not otherwise dealt with in this report that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent periods except for the following, the financial effects of which have not been provided for in the consolidated financial statements for the year ended 30 June 2025:

- On 4 August 2025, the Western Australian Planning Commission approved the development application for AVL's proposed vanadium processing plant at Tenindewa, approximately 65 km east of Geraldton in Western Australia's Mid-West region.
- On 21 August 2025, AVL and the Commonwealth of Australia (Department of Industry, Science and Resources) executed a variation to the Modern Manufacturing Initiative – Manufacturing Collaboration Stream Grant Agreement for up to \$49 million. The variation aligns the grant with the integrated development plan for the Australian Vanadium Project following AVL's merger with Technology Metals Australia. The grant scope and total value are unchanged.
- On 3 September 2025, AVL announced that it had signed a variation to extend the term of its option agreement to purchase land for its proposed vanadium processing plant at Tenindewa. The variation provides for three additional 12-month option terms.
- On 30 September 2025, AVL announced that it had entered into a US\$10 million secured loan facility with major shareholder RCF Private Equity Fund I L.P. (formerly Resource Capital Fund VII L.P.) and Resource Capital Fund (Cardinal) L.P., a Delaware limited partnership managed by RCF Management L.L.C. The facility provides prudent medium-term funding, giving AVL the time and flexibility to progress key workstreams for the Australian Vanadium Project towards construction readiness and to advance its downstream initiatives.



# Consolidated Entity Disclosure Statement

For the year ended 30 June 2025



*Basis of preparation (for financial years beginning on or after 1 July 2024)*

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. These amendments apply for financial years beginning on or after 1 July 2024. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

## *Determination of Tax Residency*

Section 295(3B)(a) of the *Corporation Acts 2001* defines Australian resident as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295 (3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining tax residency, the consolidated entity has applied the following interpretations:

1. Australian tax residency: The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.
2. Foreign tax residency: Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency in those foreign jurisdictions and ensure compliance with applicable foreign tax legislation.

Entity name	Type of entity	Trustee, partner or participant in joint venture	Body corporates		Tax residency	
			% of share capital	Place formed / country of incorporation	Australian resident	Foreign jurisdiction(s) of foreign residents
Australian Vanadium Limited	Body corporate	-	n/a	Australia	Yes	n/a
VSUN Energy Ltd	Body corporate	-	100%	Australia	Yes	n/a
Technology Metals Australia Pty Ltd	Body corporate	-	100%	Australia	Yes	n/a
The KOP Ventures Pty Ltd	Body corporate	-	100%	Australia	Yes	n/a
Australian Uranium Pty Ltd	Body corporate	-	100%	Australia	Yes	n/a
Cabe Resources Pty Ltd	Body corporate	-	100%	Australia	Yes	n/a
vLYTE Pty Ltd	Body corporate	-	100%	Australia	Yes	n/a
South African Lithium (Pty) Ltd	Body corporate	-	100%	South Africa	No	South Africa

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## Directors' Declaration



In the Directors' opinion:

- a. The consolidated financial statements and notes set out on pages 61 to 96 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date.
- b. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- c. The consolidated entity disclosure statement on page 97 is true and correct.

Note 1 confirms that the consolidated financial statements and notes thereto also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors.

**Cliff Lawrenson**  
Director and Non-Executive Chair

Perth | 30 September 2025

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## INDEPENDENT AUDITOR'S REPORT

To the members of Australian Vanadium Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Australian Vanadium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

#### Carrying Value of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
<p>At 30 June 2025, we note that the carrying value of the Exploration and Evaluation Asset is significant to the financial statements, as disclosed in Note 7 of the Financial Report.</p> <p>As a result, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> (“AASB 6”). In particular:</p> <ul style="list-style-type: none"> <li>• Whether the conditions for capitalisation are satisfied;</li> <li>• Which elements of exploration and evaluation expenditures qualify for recognition; and</li> <li>• Whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment.</li> </ul> <p>As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date;</li> <li>• Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group’s exploration budgets, ASX announcements and directors’ minutes;</li> <li>• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;</li> <li>• Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6;</li> <li>• Considering whether any facts of circumstances existed to suggest impairment testing was required; and</li> <li>• Assessing the adequacy of the related disclosures in Note 7 of the Financial Report.</li> </ul>

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### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



45A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf)

This description forms part of our auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

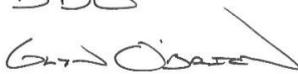
We have audited the Remuneration Report included in pages 45 to 58 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Australian Vanadium Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO  


Glyn O'Brien

Director

Perth, 30 September 2025

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## Additional Information



Additional information required by the ASX Listing Rules not disclosed elsewhere in this Annual Report is set out below. The information is current as at 1 September 2025.

### 1. DISTRIBUTION OF EQUITY SECURITIES

The table below shows the distribution of holders of AVL ordinary shares and performance rights by holding size, together with the proportion of each security class held in each category.

Holding Ranges	Ordinary shares			Performance rights		
	No. of holders	No. of shares	% of shares on issue	No. of holders	No. of rights	% of rights on issue
1 – 1,000	263	42,335	0.00%	-	-	-
1,001 – 5,000	222	755,431	0.00%	-	-	-
5,001 – 10,000	945	7,835,640	0.01%	-	-	-
10,001 – 100,000	8,712	402,101,244	4.65%	-	-	-
100,001+	6,064	8,223,923,426	95.34%	20	140,124,668	100.00%
<b>Total</b>	<b>16,206</b>	<b>8,634,658,076</b>	<b>100.00%</b>	<b>20</b>	<b>140,124,668</b>	<b>100.00%</b>

#### Unmarketable Parcels of ordinary shares

As at 1 September 2025, there were 6,557 holders of less than marketable parcels of ordinary shares.

### 2. RESTRICTED SECURITIES

There are no restricted securities or securities subject to voluntary escrow as at 1 September 2025.

### 3. SUBSTANTIAL SHAREHOLDERS

The name of the substantial shareholder who has notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

Name	No. of shares	% of shares on issue
Resource Capital Fund VII LP <sup>1</sup>	920,048,826	18.52

1. As released on ASX on 2 October 2023.

### 4. ON MARKET SHARE BUY-BACK

There is no current on-market buy-back.

### 5. VOTING RIGHTS

All fully paid ordinary shares carry one vote per share without restriction.

6. TOP 20 SHAREHOLDERS AS AT 1 SEPTEMBER 2025 - FULLY PAID ORDINARY SHARES

	<b>Name</b>	<b>No. of shares</b>	<b>% of shares on issue</b>
1	Citicorp Nominees Pty Limited	1,754,093,485	20.31
2	Mr Leendert Hoeksema	390,000,000	4.52
3	BNP Paribas Noms Pty Ltd	352,809,882	4.09
4	BNP Paribas Nominees Pty Ltd <Clearstream>	177,029,308	2.05
5	Mr Mathew Donald Walker	175,000,000	2.03
6	Jeffress Nominees Pty Ltd	106,250,000	1.23
7	Dr Adel Wagdi Awiss Morsi	80,000,000	0.93
8	Mr Keming He	70,406,178	0.82
9	Epic Capital Invest Pty Ltd <Eric Capital Investment A/C>	66,397,257	0.77
10	Mr Philip Mark Ward	64,937,212	0.75
11	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	57,587,632	0.67
12	Mr Kenneth Joseph Hall <Hall Park A/C>	53,290,000	0.62
13	HSBC Custody Nominees (Australia) Ltd	51,464,286	0.60
14	Atasa Holdings Pty Ltd <TS3A Family A/C>	49,578,805	0.57
15	Jeffress Nominees Pty Ltd <AIHWS A/C>	44,750,000	0.52
16	Ms Giselle Lloyd	41,909,798	0.49
17	Khazanah Pty Ltd	41,656,109	0.48
18	Mrs Susie Retzos	32,340,000	0.37
19	Uruz Pty Ltd <Jefferies Super Fund A/C>	32,300,000	0.37
20	Mr Jacob Edwards & Mrs Cathy Edwards	32,000,000	0.37
	<b>Total top 20 shareholders</b>	<b>3,673,799,952</b>	<b>42.55</b>
	Total remaining holders balance	4,960,858,124	57.45
	<b>Total</b>	<b>8,634,658,076</b>	<b>100.00</b>

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