



19 February 2026

ASX ANNOUNCEMENT

OFS ENHANCEMENT TO ADDRESS EVOLVING HIGH PURITY DEMAND

OFS scope enhanced in response to developing high purity critical minerals market

KEY POINTS

- AVL has been progressing the Optimised Feasibility Study (OFS) for the Australian Vanadium Project which is targeted at vanadium products for steel and vanadium flow battery markets, consistent with AVL's vertically integrated strategy
- Recent government procurement activities and evolving critical minerals policy initiatives by allied jurisdictions are expected to increase the market for certified high purity vanadium oxides for aerospace, defence and advanced manufacturing applications
- In response, AVL has updated the scope of the OFS to assess commercial-scale aerospace, defence and advanced manufacturing product capability within the Project design
- This targeted approach is designed to position the Project to service the existing steel market along with the growing vanadium flow battery and high purity critical minerals markets, minimising the need for possible post-study reconfiguration
- Completion of the rescoped OFS, inclusive of high purity integration, is targeted in H2 CY2026 with no anticipated material impact to the Project's current critical path to financing and construction

Australian Vanadium Limited (ASX: AVL, the **Company** or **AVL**) provides an update on modifications to the OFS and related workstreams for its Australian Vanadium Project (**Project**), to incorporate consideration of high purity vanadium markets, including aerospace, defence and advanced manufacturing, reflecting evolving supply chain and procurement dynamics.

The OFS has progressed to an advanced stage, incorporating completed engineering work, regulatory requirements, stakeholder feedback and execution planning into a unified base case design for the delivery of vanadium products for steel and vanadium flow battery (**VFB**) markets.

AVL is progressing targeted refinements to incorporate high purity market capability for high purity market opportunities while positioning the completion of the OFS within the critical path timeline of regulatory approvals.

The focus of the OFS remains aligned with AVL's vertically integrated strategy, including electrolyte production capability and deployment of vanadium flow batteries through its wholly owned subsidiary, VSUN Energy Pty Ltd, and the objective of establishing a dependable, financeable base case configuration at commercial scale.

AVL CEO Graham Arvidson comments, *“As critical minerals markets rapidly evolve, particularly in aerospace and defence applications, it is prudent to expand the study basis to better position AVL to benefit from these potential market opportunities.”*

“Our Optimised Feasibility Study has, to date, been deliberately configured to deliver a robust base case aligned with steel and vanadium flow battery markets, consistent with our vertically integrated ‘pit-to-battery’ strategy. The work now underway as part of the finalisation of the OFS seeks to establish the ability to leverage critical minerals aerospace and defence opportunities by embedding optionality for commercial-scale high purity products. Importantly, this optimisation is not expected to alter our timeline to project implementation, which remains driven by a critical path set by the approvals pathways where we continue to achieve key milestones and make progress.”

The Optimised Feasibility Study for the Australian Vanadium Project

The Project comprises a mine and crushing, milling and beneficiation plant at Gabanintha near Meekatharra, Western Australia, and a downstream processing facility proposed at Tenindewa near Geraldton.

On completion of the merger with Technology Metals Australia Limited, AVL commenced work on the OFS to consolidate the two adjoining projects across one orebody, and has progressed extensive work to capture integration synergies, strengthen project economics and align the development configuration with stakeholder feedback and long-term operating intent.¹

AVL has completed the initial phase of the OFS, which included the delivery of an updated mineral resource estimate and the identification of an optimal location along the orebody for initial mining.²

AVL is well-progressed through the final phase of the OFS,³ advancing key workstreams across mining, processing, infrastructure and regulatory integration, including:

- expanded metallurgical campaigns refining recoveries and process stability, supported by complementary environmental and equipment test work to validate design parameters and operational performance;
- completion of in-fill geotechnical drilling supporting refined open pit design;
- completion of hydrogeological modelling integrated into staged dewatering strategies;
- completion of tailings and waste facility optimisation;
- completion of key plant and infrastructure refinements in consultation with relevant authorities and stakeholders;
- detailed definition of proposed long-term contracts including mining services, power and fuel supply arrangements; and
- incorporation of stakeholder engagement outcomes into engineering design workstreams, along with changes to align better with regulatory requirements which are expected to reduce rework risk and maintain consistency between feasibility-level engineering and approvals documentation.

¹ See ASX announcement dated 1 February 2024 ‘Successful Implementation of AVL and TMT Merger’

² See ASX announcement dated 2 July 2024 ‘Completion of First Phase of Optimised Feasibility Study’

³ See ASX announcement of the Company’s Quarterly Activities Report for the period ending 31 December 2025

Expanding the OFS basis to unlock access to high purity market opportunities

At the same time as progressing the finalisation of the OFS, it is becoming increasingly clear that global critical minerals supply chain opportunities are evolving rapidly, with growing emphasis on secure, traceable and specification-compliant supply of high purity vanadium oxides for aerospace alloys, defence systems and advanced manufacturing.

For example, recent procurement activity such as the February 2026 solicitation from the US Defense Logistics Agency (DLA)⁴ and broader allied industrial base policy initiatives, reinforce growing demand for certified high purity vanadium pentoxide with strict impurity thresholds, independent analytical verification and robust quality assurance frameworks. The DLA solicitation notes, “Vanadium pentoxide is a key component in many DOD systems, including the manufacturing of aerospace grade components. It is particularly essential for the production of aerospace grade titanium and aerospace master alloys. Vanadium pentoxide is also a critical material for vanadium flow batteries, which are of growing demand for the DOD.” The Company notes that this solicitation is industry-wide and does not represent a procurement commitment to the Company.

While AVL’s OFS configuration has to date targeted the production of vanadium oxides for use in the steel and VFB markets, the Company now considers it prudent to modify the study basis to consider high purity market capability at commercial scale, particularly for aerospace and defence applications.

Additional scope for high purity integration will now be incorporated into the already advanced OFS, enhancing strategic flexibility. This refined scope of the OFS targets:

- assessment of an effective process design, and operating strategy to enable production of a high purity vanadium pentoxide product stream, including marketing aspects;
- identifying opportunities to optimise impurity management and quality control parameters aligned with the requirements for aerospace, defence and advanced manufacturing sectors; and
- the integration of enhanced analysis, sampling and certification frameworks reflective of evolving industrial base procurement standards.

This represents a refinement of the Project configuration, building upon the steel and VFB-capable foundation already established while seeking to enable AVL to pursue additional market opportunities.

Timeline for completion of OFS

As previously disclosed,⁵ the Company had targeted completion of the final phase of the OFS in Q1 CY2026. The inclusion of high purity integration requires additional workstreams, which are expected to result in completion of the OFS during H2 CY2026. The revised time for the expected completion of the OFS is not anticipated to materially impact the Project’s expected progress to reach financing and construction.

⁴ See <https://sam.gov/workspace/contract/opp/a56d561807744f48abe84a25228872d8/view>

⁵ See ASX announcement of the Company’s *Quarterly Activities Report* for the period ending 31 December 2025

Based on current assumptions, the critical path towards financing and construction readiness is driven by the timeline for completion of key regulatory approvals. In particular, finalisation of primary environmental approvals.

The Company recently delivered significant milestones in relation to primary approvals for the Project, including approvals for modifications under sections 45C and 43A of the *Environmental Protection Act 1986 (WA)*.⁶ The completion of the complex process to enable these modifications enabled the integration of the environmental approvals of the consolidated project following the TMT merger, which were prerequisites for the progress of environmental approval of the Project as a whole. As a result of the finalisation of these modifications, in January 2026, AVL was able to submit a revised Environmental Review Document (ERD) for the Project, a key milestone in securing remaining project EPA approvals.

AVL has been advised that processes associated with the assessment of its ERD may lead to an outcome within calendar year 2026, subject to statutory assessment processes.

The sequencing of work on the OFS has now been structured such that completion of the OFS is expected to align better with the critical path timelines to financing and construction.

The Company continues to engage constructively with regulators regarding the assessment process and associated documentation requirements, which is greatly assisted by the Western Australian Government as part of the Project's award of lead agency status under the Western Australian Government's Lead Agency Framework.⁷

Vanadium market conditions

The Company notes that recent independent industry commentary, including analysis published by CRU Group in late 2025, has indicated the potential for strengthening vanadium market conditions during 2026 as supply and demand fundamentals rebalance.⁸ While the Company does not provide price forecasts and recognises that commodity markets are inherently uncertain, the revised OFS sequencing places study completion within that broader market context.

The Company considers that the incremental scope incorporated into the OFS may enhance access to potential strategic opportunities, confidence in the Project's market optionality, technical configuration, capital and operating cost assumptions and execution parameters.

The Company will continue to monitor regulatory progress, market conditions and funding considerations and will update the market should its assessment materially change.

For further information, please contact:

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

⁶ See ASX announcement dated 18 December 2025 'EPA Approves Amendments'

⁷ See ASX announcement dated 29 January 2025 'Green Energy Major Project Status Granted'

⁸ See <https://www.crugroup.com/en/communities/thought-leadership/2025/vanadium-prices-to-recover-by-end-of-2026/>

ABOUT AUSTRALIAN VANADIUM LTD

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

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

MINERAL RESOURCE ESTIMATE

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

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

Note: Totals may not add up due to rounding

ASX CHAPTER 5 COMPLIANCE AND CAUTIONARY AND FORWARD-LOOKING STATEMENTS

ASX Listing Rule 5.23

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

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

Forward-Looking Statements

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future matters. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "could", "nominal", "conceptual" and similar expressions. Forward-looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results and may cause AVL's actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include but are not limited to liabilities inherent in technology development, mine development and production, technology advancement, battery development, geological, mining and processing technical problems, skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rate, currency and interest fluctuations, various events which could disrupt operations including labour stoppages, the ability to secure adequate financing and management's ability to anticipate and manage the foregoing factors and risks. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. There can be no assurance that forward-looking statements will prove to be correct.