

ASX ANNOUNCEMENT

6 SEPTEMBER 2019

MAJOR PROJECT STATUS AWARDED TO THE AUSTRALIAN VANADIUM PROJECT

Australian Vanadium Limited has received Federal Government recognition of its high-grade vanadium Project's importance to Australia.

KEY POINTS

- **Major Project Status awarded to The Australian Vanadium Project**
- **Award is formal recognition of the Project's national strategic significance due to:**
 - **Economic growth of the Australian vanadium market for steel and battery markets**
 - **Economic growth for the Mid-West region through direct and indirect jobs including opportunities for regional and national suppliers**
 - **Significant new job creation for the Mid-West region of Australia**
 - **Vanadium being on the critical minerals list for Australia and the US**
- **Award enables AVL to access streamlined assistance with Australian Government approvals**
- **Major Project Status awarded for a period of 3 years**

Australian Vanadium Limited (ASX: AVL, "the Company" or "AVL") is pleased to inform the market that the Minister for Industry, Science and Technology, The Hon Karen Andrews MP, in conjunction with the Minister for Resources and Northern Australia, Senator the Hon Matthew Canavan, has announced today that The Australian Vanadium Project ("the Project") has been awarded Major Project Status.

The award provides formal recognition of the national strategic significance of the Project, through its contribution to economic growth, employment and contribution to regional Western Australia. Major Project Status has been awarded for a period of 3 years and provides a single point of contact for assistance with navigating the approval process and relevant Government legislation. This streamlined approach has the potential to result in accelerated approvals.

In a media statement, the Hon Karen Andrews said, “Our Government sees the incredible economic potential these projects offer, not just for the regional areas where they’re located but for Australia more broadly.”

“These products are rare and in high demand, and these projects will generate millions for our economy, create jobs in regional areas and bring important permanent infrastructure investment.

The Hon Matthew Canavan added, “Vanadium is on the critical minerals list for Australia and the US, which means there is a market there for this globally significant resource,”

“This project will have a significant impact on the Western Australian economy, especially the Meekatharra region with the creation of around 400 direct construction jobs and a further 200 ongoing jobs.”

Managing Director Vincent Algar comments, “Formal recognition of the importance of The Australian Vanadium Project to Australia by the Federal Government demonstrates support and gives overseas investors comfort when considering investment in the Project, which is already located in a Tier 1 global mining destination. AVL has already defined a vanadium project of significant size and economic potential, and official endorsement by the Australian Government for Major Project Status recognises this. Assistance with the approval process which is currently underway by AVL will be most welcome.

We are delighted to join the select group of projects awarded Major Project Status and thank the Ministers for valuing the Project as we do.”

Major Project Status designation is expected to promote international investment by providing increased confidence in the permitting pathway. Major Project Status recognises the strategic significance of The Australian Vanadium Project to Australia, with only 15 other projects in Australia currently holding this status, none of which are vanadium projects.

Australian Vanadium Ltd is currently progressing through the feasibility studies required to bring its high-grade vanadium Project into production. A robust Pre-Feasibility Study has been released and a Pilot Scale Study is currently underway to prove the process at scale. The Company has a team of vanadium experts who are developing the Project in the most economically efficient and robust manner possible. The Project has an initial 17-year mine life, defined over just 2.5km of an 11km held strike which contains further Inferred Resources. Resource and Reserve upgrade drilling is planned, to extend the life of the Project.

Vanadium is traditionally used to strengthen steel. Alongside this demand there is a growing market for vanadium in energy storage using Australian-invented vanadium redox flow battery (VRFB) technology. AVL has a vertically integrated strategy, with its 100% owned subsidiary, VSUN Energy tasked with increasing knowledge and uptake of the VRFB. The Company has also installed a vanadium electrolyte plant at The University of Western Australia, where it has made battery-grade vanadium electrolyte.

The Company has recently announced the sale of a VRFB to an orchard in Victoria through VSUN Energy, (see ASX announcement dated 4 September 2019 'AVL Secures Vanadium Redox Flow Battery Sale').

For further information, please contact:

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ABOUT AUSTRALIAN VANADIUM LIMITED

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 40km south of Meekatharra in the Mid-West region of the mining friendly state of Western Australia.

The Australian Vanadium Project is currently one of the highest-grade vanadium projects being advanced globally with Resources of 183.6Mt at 0.76% vanadium pentoxide (V_2O_5), containing a high-grade zone of 96.7Mt at 1% V_2O_5 in Measured, Indicated and Inferred Resource categories. An Ore Reserve of 18.24Mt at 1.04% V_2O_5 comprised of a Proved Reserve of 9.82Mt at 1.07% V_2O_5 and a Probable Reserve of 8.42Mt at 1.01% V_2O_5 , reported in compliance with the JORC Code 2012, has been defined by the Company (see ASX announcement dated 19 December 2018 'Gabanintha Pre-Feasibility Study and Maiden Ore Reserve').

