



AVL COMPLETES \$5M PLACEMENT

Strong demand for capital raising to advance AVL projects

Australian Vanadium Limited (ASX: AVL, “the Company” or “AVL”) is pleased to announce that it has received firm commitments for the placement of 357,142,857 ordinary fully paid shares (Shares) in the Company at a price of \$0.014 each, to raise \$5 million before costs (Placement). Subject to shareholder approval, for every two (2) Shares issued under the Placement, one (1) free attaching option will be issued (Option). The Options will have an exercise price of \$0.025 and expire two years from the date of issue.

The Shares were placed to institutional and sophisticated investors that qualify under section 708 of the Corporations Act. The capital raising was managed by 180 Markets, Australia’s newest Capital Raising platform with a difference.

The Placement attracted strong interest from both existing shareholders and new investors, with the ~357 million Placement representing approximately 14% of the Company’s existing Shares on issue. 180 Markets will be paid a 6% Fee on all funds introduced and receive 7.5m options.

The offer price of \$0.014 represented a 10.02% discount to the 15-day VWAP of \$0.0156 and a 17.65% discount to the last closing price of \$0.017. The issue of Shares is not subject to shareholder approval as the issuance will comprise 254,142,857 Shares under the Company’s ASX Listing Rule 7.1 issue capacity and 103,000,000 Shares under the Company’s ASX Listing Rule 7.1A issue capacity. The Options will be issued subject to shareholder approval at the Company’s upcoming annual general meeting. Subject to meeting ASX requirements, it is the intention of the Company to seek quotation of the options.

Funds raised from the Placement will be applied towards:

- Delivery of the Bankable Feasibility Study for the Australian Vanadium Project
- Technical and financial Project delivery, including securing environmental and other approvals
- Coates (Ni-PGE exploration)

- Confirmatory soil sampling
- Airborne Electromagnetics
- Drill targeting
- Drilling
- VSUN Energy
 - New large battery sales and domestic battery product development
 - Vanadium electrolyte production
 - Vanadium electrolyte leasing
- Other value addition projects and working capital.

It is anticipated that the Placement will settle on Tuesday, 29 September 2020.

Managing Director, Mr Vincent Algar said he was delighted with the response to the Placement and that the funds raised puts the Company in a strong financial position moving forward.

For further information, please contact:

Vincent Algar, Managing Director +61 8 9321 5594

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

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. The Australian Vanadium Project is currently one of the highest-grade vanadium projects being advanced globally with 208.2Mt at 0.74% vanadium pentoxide (V_2O_5), containing a high-grade zone of 87.9Mt at 1.06% V_2O_5 with 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 (see ASX announcement dated 19 December 2018 ‘*Gabanintha Pre-Feasibility Study and Maiden Ore Reserve*’ and ASX announcement dated 4 March 2020 ‘*Total Vanadium Resource at the Australian Vanadium Project Rises to 208 Million Tonnes*’).

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, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant 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.

APPENDIX 1

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

2020 Feb	Category	Mt	V ₂ O ₅ %	Fe %	TiO ₂ %	SiO ₂ %	Al ₂ O ₃ %	LOI %
HG	Measured	10.1	1.14	43.9	13.0	9.2	7.5	3.7
	Indicated	25.1	1.10	45.4	12.5	8.5	6.5	2.9
	Inferred	52.7	1.04	44.6	11.9	9.4	6.9	3.3
	Subtotal	87.9	1.06	44.7	12.2	9.2	6.8	3.2
LG 2-5	Indicated	44.5	0.51	25.0	6.8	27.4	17.0	7.9
	Inferred	60.3	0.48	25.2	6.5	28.5	15.3	6.7
	Subtotal	104.8	0.49	25.1	6.6	28.0	16.1	7.2
Trans 6-8	Inferred	15.6	0.65	28.4	7.7	24.9	15.4	7.9
	Subtotal	15.6	0.65	28.4	7.7	24.9	15.4	7.9
Total	Measured	10.1	1.14	43.9	13.0	9.2	7.5	3.7
	Indicated	69.6	0.72	32.4	8.9	20.6	13.2	6.1
	Inferred	128.5	0.73	33.5	8.8	20.2	11.9	5.4
	Subtotal	208.2	0.74	33.6	9.0	19.8	12.1	5.6

COMPETENT PERSON STATEMENT — MINERAL RESOURCE ESTIMATION

The information in this announcement that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (consultant with Trepanier Pty Ltd) and Mr Brian Davis (consultant with Geologica Pty Ltd). Mr Barnes and Mr Davis are both members of the Australasian Institute of Mining and Metallurgy (AusIMM) and 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 Mr Davis is the Competent Person for the database, geological model and site visits. Mr Barnes and Mr Davis consent to the inclusion in this announcement of the matters based on their information in the form and context in which they appear.