

ASX ANNOUNCEMENT

14TH JANUARY 2021

AVL RECEIVES \$973,000 R&D REFUND

Refund paid under Research & Development Tax Incentive Scheme

Australian Vanadium Limited (ASX: AVL, “the Company” or “AVL”) is pleased to announce that it has received \$973,000 from the Australian Federal Government’s Research and Development (R&D) Tax Incentive Scheme for the 2019/20 tax year.

Administered jointly by the Australian Taxation Office and the Department of Industry, Science, Energy and Resources, the self-assessment scheme encourages companies to engage in R&D benefiting Australia, by providing a tax offset for eligible activities.

AVL’s R&D work for the period was focused on development of processing techniques to produce vanadium from a poly-metallic ore for vanadium redox flow batteries (VRFB) and steel applications. Metallurgical testwork has been a key research component for this project and is ongoing, with a key pilot program currently being finalised.

In addition to ongoing R&D programs, AVL was awarded a A\$5 million R&D grant through the Australian Cooperative Research Centres Projects (CRC-P) in February 2020¹. This grant focuses on specific innovative work to improve vanadium production technologies, minimise environmental impact, and maximise the value of products and coproducts. AVL has partnered with Australian research organisations Australian Nuclear Science and Technology Organisation (ANSTO) and Curtin University, along with other industry partners AMEC Foster Wheeler Australia Pty Ltd (Wood Group) and AMMTEC Laboratories (ALS) with four areas of focus. These are:

1. Production of ultra-high purity vanadium oxides for vanadium electrolyte and specialty chemical applications.
2. Utilisation of advanced leaching and separations technologies to improve mining and conversion costs.
3. Improvement of standard vanadium unit operations.
4. Recovery and upgrade of by-products and coproducts in vanadium processing.

¹ See ASX announcement dated 10th February 2020 ‘AVL Awarded \$1.25 Million Vanadium Research and Development Grant’

AVL is focused on building a world class vanadium production facility in WA to supply high purity vanadium products to the battery, chemical and steel markets. The Company continues to work to lower both operating and capital cost estimates, including the recent delivery of a significant update to the Australian Vanadium Project's PFS level study². The Company provides information to potential financiers and joint venture partners through its online Data Room and individual meetings. Negotiations on offtake agreements for vanadium and iron-titanium concentrate are continuing with parties in the USA, Europe and Asia.

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.

ABOUT AUSTRALIAN VANADIUM LIMITED

AVL is an Australian owned resource company focused on production of high value vanadium products in Australia. AVL is 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 and intends to produce a value-added vanadium product in Australia for sale to steel, battery and specialty chemical customers.

AVL has developed a local production capability for ultra-high purity vanadium electrolyte, which forms a key component of vanadium redox flow batteries (VRFBs). AVL, through its 100% owned subsidiary VSUN Energy Pty Ltd, is actively marketing VRFBs in Australia.

² See ASX announcement dated 22nd December 2020 'Technical and Financial PFS Update'