

ASX ANNOUNCEMENT

21ST NOVEMBER 2022

AVL RECEIVES \$618,904 R&D REFUND FOR 2020/21 TAX YEAR

Refund paid under Research & Development Tax Incentive Scheme

KEY POINTS

- **\$618,904 received from Australian Federal Government Research & Development (R&D) Tax Incentive Scheme**
- **Refund applies to work undertaken in 2020/21 tax year**
- **R&D activities support technical strength in AVL's processes**
- **Innovative work includes:**
 - **Production of high purity 99.4% vanadium pentoxide (V₂O₅) using simplified circuit¹**
 - **Energy efficiency and world leading vanadium extraction from pyrometallurgy roast-leach testwork²**
 - **High vanadium extractions of greater than 92% in two-stage leach process³⁴**
 - **Production of FeTi coproduct representative samples⁵**
- **Unique vanadium processing circuit to be protected through patent application⁶**

Australian Vanadium Limited (ASX: AVL, "the Company" or "AVL") is pleased to announce that it has received \$618,904 from the Australian Federal Government's Research and Development (R&D) Tax Incentive Scheme for the 2020/21 tax year.

Administered jointly by the Australian Taxation Office (ATO) 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.

¹ See ASX announcement dated 2nd November 2020 'The Australian Vanadium Project to Produce High Purity Vanadium Pentoxide'

² See ASX announcement dated 10th March 2021 'Final Pyrometallurgy Results Confirm World Leading Vanadium Extraction'

³ See ASX announcement dated 8th June 2021 'High Vanadium Extractions Confirmed in Pellet Leach Pilot as BFS Progresses'

⁴ See ASX announcement date 28th July 2021 'Vanadium Water Leach Meets Target for World Leading Extraction'

⁵ See ASX announcement dated 20th August 2020 'Iron-Titanium Co-Product Sale Opportunities to Differentiate AVL'

⁶ See ASX announcement dated 12th April 2021 'AVL Lodges Patent Application for Vanadium Processing Circuit'

Managing Director, Vincent Algar comments, *“The R&D scheme is an excellent program which encourages companies to develop their processes and find innovative ways to achieve the best results. AVL has undertaken industry leading work over the past few years and the 2020/21 program included work that was vital for inputs into the Bankable Feasibility Study (BFS) which was released earlier this year.⁷ The Company continues to set itself apart from other vanadium projects, through thorough testing and research work which enables scaling during project build to be as far de-risked as is possible. Doing this work before construction reduces project cost blowouts and issues having to be resolved once processes are in place – a problem that has been seen in many projects over the years where technical work has not been as robust.”*



Figure 1 - Pellets being unloaded from the pot grate, pilot testwork set-up showing rotating drum and filtering operations and counter-current 1m leach column arrangement

AVL's R&D work for the period during 2020/21 was focused on development of processing techniques to produce steel and battery grade vanadium pentoxide and vanadium electrolytes, while recovering iron and titanium from a vanadiferous titanomagnetite (VTM) ore. Work was also undertaken on pilot scale pelletising and roasting of AVL concentrate utilising a grate kiln; hydrometallurgical process testwork; process work to recover titanium and iron from waste streams; production of FeTi coproduct samples; concentrate recovery variability testwork and vanadium electrolyte analysis.

AVL's unique combination of physical beneficiation, pyrometallurgical and hydrometallurgical steps has been combined to underline a patent application which was published by the International Bureau in October 2022.

The AVL team continues to advance the Australian Vanadium Project at Gabanintha towards a development decision.

For further information, please contact:

Vincent Algar, Managing Director

⁷ See ASX announcement dated 6th April 2022 'Bankable Feasibility Study for the Australian Vanadium Project'

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 at Gabanintha. The Australian Vanadium Project is one of the most advanced vanadium projects being developed globally, with 239Mt at 0.73% vanadium pentoxide (V_2O_5), containing a high-grade zone of 95.6Mt at 1.07% V_2O_5 and an Ore Reserve of 30.9Mt at 1.09% V_2O_5 comprised of a Proved Reserve of 5Mt at 1.11% V_2O_5 and a Probable Reserve of 20.4Mt at 1.07% V_2O_5 , reported in compliance with the JORC Code 2012 (see ASX announcement dated 1st November 2021 '*Mineral Resource Update at the Australian Vanadium Project*' and ASX announcement dated 6th April 2022 '*Bankable Feasibility Study for the Australian Vanadium Project*').

VSUN Energy is AVL's 100% owned renewable energy and energy storage subsidiary which is focused on developing the Australian market for vanadium redox flow batteries for long duration energy storage. VSUN Energy was set up in 2016 and has since become world-renowned for its VRFB 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 VRFB energy storage.

ASX CHAPTER 5 COMPLIANCE AND CAUTIONARY AND FORWARD-LOOKING STATEMENTS

ASX Listing Rules 5.19 and 5.23

ASX Listing Rule 5.19

The information in this announcement relating to production targets, or forecast financial information derived from a production target, is extracted from the announcement entitled 'Bankable Feasibility Study for the Australian Vanadium Project' released to the ASX on 6th April 2022 which is available on the Company's website www.australianvanadium.com.au.

The Company confirms that all material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the original market announcement continue to apply and have not materially changed.

ASX Listing Rule 5.23

The information in this announcement relating to exploration results and mineral resource and ore reserve estimates for the Australian Vanadium Project is extracted from the announcement entitled 'Bankable Feasibility Study for the Australian Vanadium Project' released to the ASX on 6th April 2022 which is available on the Company's website www.australianvanadium.com.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

This release may contain certain forward-looking statements with respect to matters including but not limited to the financial condition, results of operations and business of AVL 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. For more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings.

AVL cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of AVL only as of the date of this release.

The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made.

AVL will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.