

AVL Secures Key Project Water Supply Opportunity

AVL signs MOU with gold miner Westgold for delivery of Life-of-Mine water requirements from Westgold's mining areas

Key Points:

- **Memorandum of Understanding (MOU) signed with Westgold Resources Limited (ASX: WGX) to co-operate on supply of Life-of-Mine (LOM) water requirements for The Australian Vanadium Project.**
- **AVL's intention is to enter into a binding access agreement with Westgold within 6 months.**
- **Potential benefits of this MOU for water access include:**
 - **shortening of the environmental approvals process;**
 - **reduced groundwater and environmental impacts;**
 - **substantial de-risking of the water volume and quality requirements and;**
 - **the opportunity to receive funding assistance from NAIF (Northern Australian Infrastructure Fund) during construction by meeting their condition to provide community benefits.**

Australian Vanadium Limited (ASX: AVL, "the Company" or "AVL") is pleased to announce that it has signed a Memorandum of Understanding (MOU) with Australian gold miner Westgold Resources Limited ("Westgold") to access water for AVL's Australian Vanadium Project south of Meekatharra, in Western Australia.

Westgold's Meekatharra Gold Operations comprises several active and inactive mines south of Meekatharra (see figure 1). Continuous inflows into a number of these active and inactive pits and underground mines, lead to the generation of significant amounts of water surplus to its requirements, which is potentially suitable for processing AVL's vanadium.

The MOU establishes the collaborative environment AVL requires to thoroughly investigate and design the diversion and delivery of water of a minimum standard which is in keeping with The Australian Vanadium Project LOM water requirements, as discussed in AVL's Pre-Feasibility

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ASX ANNOUNCEMENT

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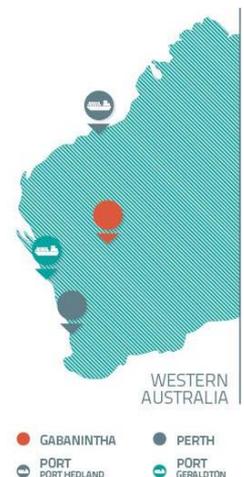
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Projects:

The Australian Vanadium Project – Vanadium
 Blesberg, South Africa – Feldspar
 Northanna Hill – Uranium/Vanadium
 Coates – Vanadium



Study (PFS), (see ASX announcement dated 19 December 2018 ‘Gabanintha Pre-Feasibility and Maiden Ore Reserve’ for details of the PFS).

The MOU paves the way for AVL and Westgold to enter into a formal and binding water access agreement within six months, subject to statutory conditions.

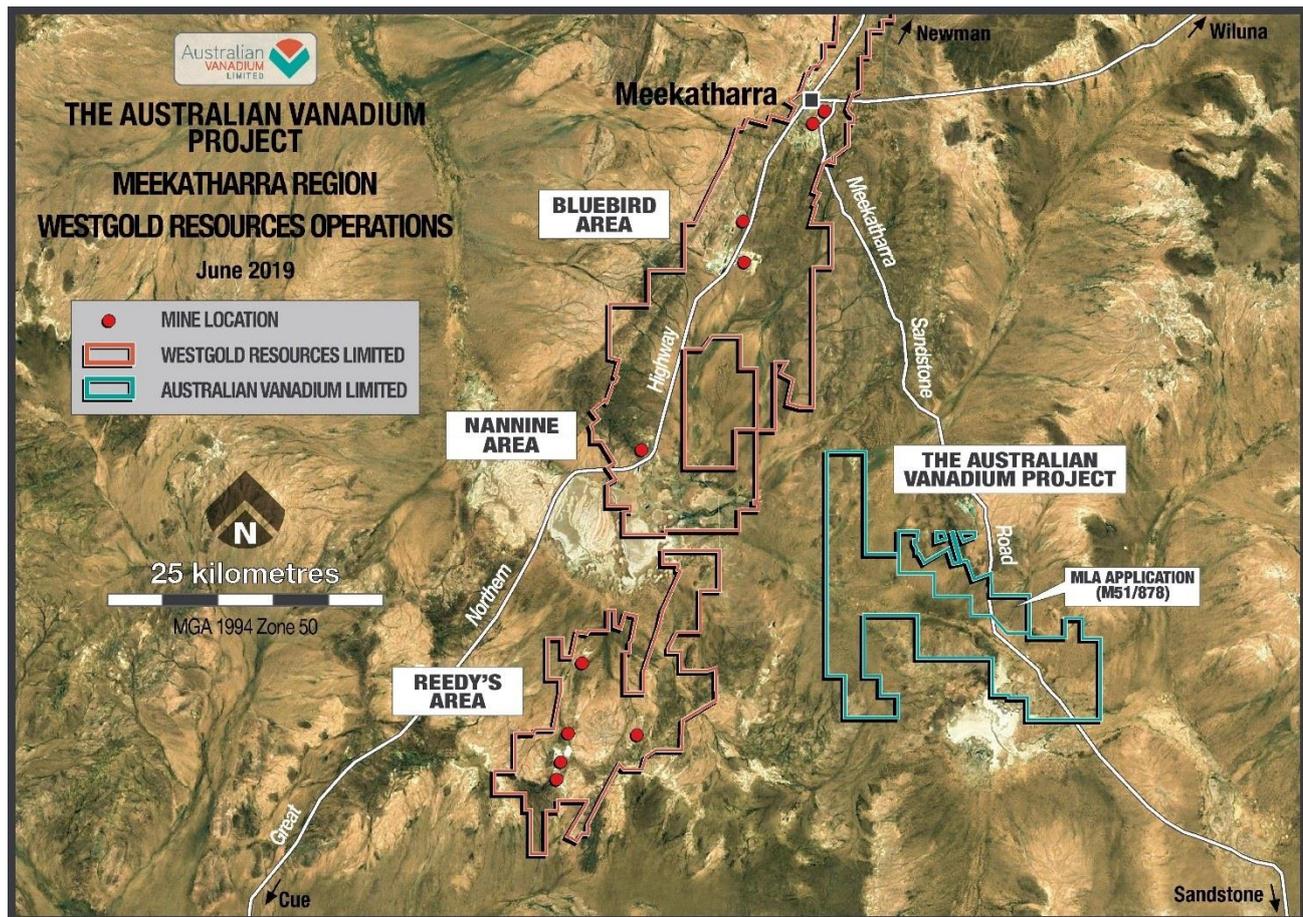


Figure 1 Westgold Resources and AVL, Meekatharra Region Tenement Locations

Groundwater drilling continues at The Australian Vanadium Project in order to ensure the extent of groundwater resources near the project are fully understood.

AVL’s Managing Director Vincent Algar comments, “Westgold Resources have a known quantity and quality of water flowing into open pits close to The Australian Vanadium Project. Signing the MOU to deliver this water to our project ensures we are de-risking a key project requirement and advancing an essential aspect of the project’s environmental approvals process. AVL looks forward to developing the relationship with Westgold further as we move to become significant mining neighbours in the region.”

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. The Australian Vanadium Project is currently one of the highest-grade vanadium projects being advanced globally with 183.6Mt at 0.76% vanadium pentoxide (V_2O_5), containing a high-grade zone of 96.7Mt at 1% V_2O_5 with an Ore Reserve of 9.82Mt at 1.07% V_2O_5 Proved and 8.42Mt at 1.01% V_2O_5 Probable Resource, reported in compliance with the JORC Code 2012 (see ASX announcement dated 19 December 2018 ‘Gabanintha Pre-Feasibility Study and Maiden Ore Reserve’)

AVL has developed a local production capacity for high-purity vanadium electrolyte, which forms a key component of VRFB.

AVL, through its 100%-owned subsidiary VSUN Energy Pty Ltd, is actively marketing VRFB in Australia.

About Westgold

Westgold Resources Limited has commissioned and operates four production facilities in Western Australia - the Murchison Gold Operations, Fortnum Gold Project, Higginsville Gold Operations and Cue Gold Operations.

The Central Murchison Gold Project (CMGP) is located in the Murchison Goldfields of Western Australia around the regional towns of Cue and Meekatharra. The CMGP project strategy has a number of current and proposed underground mines and open pits being developed over time. After a refurbishment, integration of assets and completion of an initial development strategy, the project started in the second half of 2015 with the plant commissioned in October 2015.

The Meekatharra Gold Operations (MGO) is a subset of the CMGP which covers the northern areas and uses the 1.6 – 1.8M tpa Bluebird Plant as a processing hub. The underground mining at MGO is supplemented by open pits from the Paddy’s Flat, Meekatharra North, Yaloginda, and Nannine groups of open pit mines on a progressive basis over the 10 year plan.