

ASX ANNOUNCEMENT

3RD JUNE 2020

AVL RECEIVES \$1.83 MILLION 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 \$1,834,184 from the Australian Federal Government’s Research and Development (R&D) Tax Incentive Scheme for the 2018/19 tax year. As a result of this refund, the Company’s cash at bank is currently \$5.5m.

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 programme currently being finalised.

The Company is in the process of compiling a claim for the 2019/20 period which covers further work on these R&D activities and additional processing research and development work related to the recovery of vanadium products from the Australian Vanadium Project.

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 lower both operating and capital costs and provide information to potential financiers and joint venture partners through its online Data Room and individual meetings. Negotiations on offtake agreements 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 prior to 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 (VRFB). AVL, through its 100% owned subsidiary VSUN Energy Pty Ltd, is actively marketing the VRFB in Australia.