

MINING LEASE GRANTED FOR AUSTRALIAN VANADIUM PROJECT

Key milestone reached to support vanadium project development

Australian Vanadium Limited (ASX: AVL, “the Company” or “AVL”) is pleased to announce the grant of Mining Lease M 51/878 by the Western Australian Government Department of Mines, Industry Regulation and Safety for the Australian Vanadium Project (“Project”). The initial term of the Mining Lease is 21 years from 28 August 2020.

The granting of the Mining Lease is a major milestone in the Company’s pathway to development of the Project.

The Project consists of 11 tenements covering 760 sq km and is held 100% by Australian Vanadium Limited. The granted Mining Lease M 51/878 covers approximately 70% of the declared Mineral Resources over a single continuous area, with the balance of the Inferred Mineral Resource located on the adjoining Mining Lease application MLA 51/890, owned 100% by AVL, (see Figure 1 and Appendix 1).

The grant of the Mining Lease combined with the strength of the Company’s technical studies creates a solid foundation for completion of the Project’s approvals to commence mining operations.

Managing Director Vincent Algar commented, ‘The grant of the Mining Lease is an important milestone for AVL and provides certainty to investors and potential project financiers in Australia and globally.’

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.

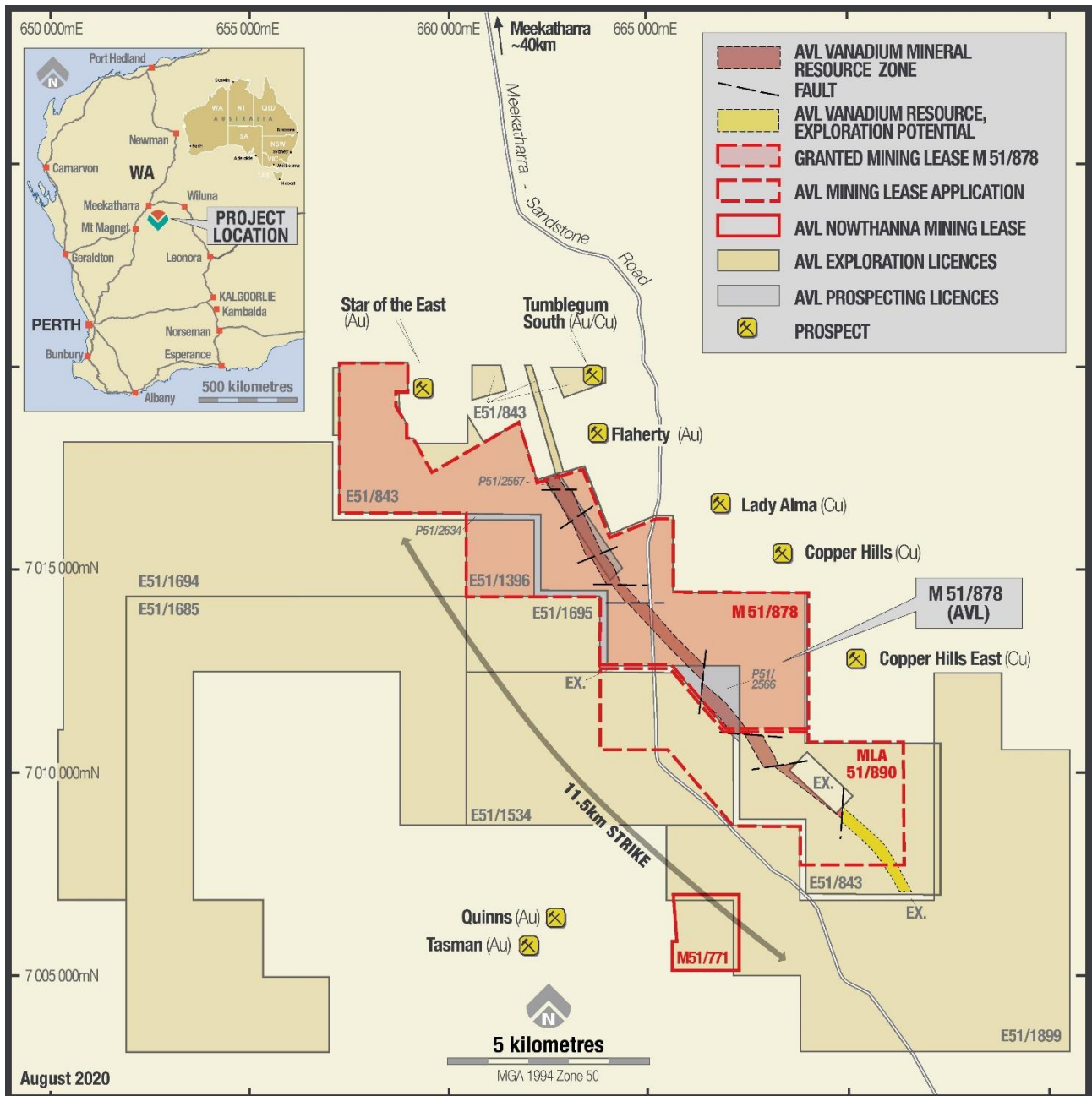


Figure 1 AVL Tenure over the Australian Vanadium Project and location of granted M 51/878

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 in Western Australia.

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) and containing a high-grade zone of 87.9Mt at 1.06% V_2O_5 reported in compliance with the JORC Code 2012 (see ASX announcement dated 4th March 2020 ‘Total Vanadium Resource at The Australian Vanadium Project Rises to 208 Million Tonnes’).

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.

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.

COMPETENT PERSON STATEMENT – MINERAL RESOURCES

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.

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).

	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