

ASX ANNOUNCEMENT

24TH NOVEMBER 2020

GEOTECH DRILLING AT THE AUSTRALIAN VANADIUM PROJECT

Drilling commences in southern Gabanintha Resource blocks at the Australian Vanadium Project to gather key metallurgy and geotechnical information

KEY POINTS

- Eight hole diamond drilling program commences in southern Resource blocks 50 and 60.
- Drilling to focus on metallurgical variability sampling and pit wall geotechnical information to be used in AVL's Bankable Feasibility Study (BFS).
- Southern Resource blocks on granted M51/878 exhibit attractive geometallurgical qualities for mine scheduling.
- AVL's dominant strike position of over 11km of the deposit offers flexibility for blending and schedule optimisation.
- AVL is advancing the Australian Vanadium Project at Gabanintha towards completion of a BFS in mid-2021, strongly focused on the Project's ability to become the lowest cost primary vanadium producer.

Australian Vanadium Limited (ASX: AVL, "the Company" or "AVL") is pleased to advise that it has commenced a diamond drilling program on the Australian Vanadium Project ("the Project") southern Resource blocks 50 and 60 (see Figure 1). The drilling is designed to gather data for metallurgical and geotechnical purposes which are required for the BFS.

The drill core collected for metallurgical testwork will be used in further variability work and will quantify any potential differences in the massive magnetite horizon between the northern and southern Resource blocks. Diamond holes completed in 2009 and 2015 indicate that the weathering of material in block 60 is shallower than northern blocks 20 and 30. This drilling is designed to confirm the observations and is required for the BFS.

Diamond holes will also be drilled for geotechnical data to determine important pit slope information. The intention is to include the southern Indicated Resources in the BFS mining schedule on granted Mining Lease M51/878.

Diamond drilling

A program of 8 diamond drill holes for 895m are to be drilled, split evenly between blocks 50 and 60. Four will be drilled through mineralisation towards the east and are designed to collect metallurgical samples. They will also extend through the proposed pit wall to characterise the rock conditions for pit slope angle design.

Four of the holes will be drilled toward the west to intersect the SW proposed pit wall position. These holes will be used for geotechnical slope design.

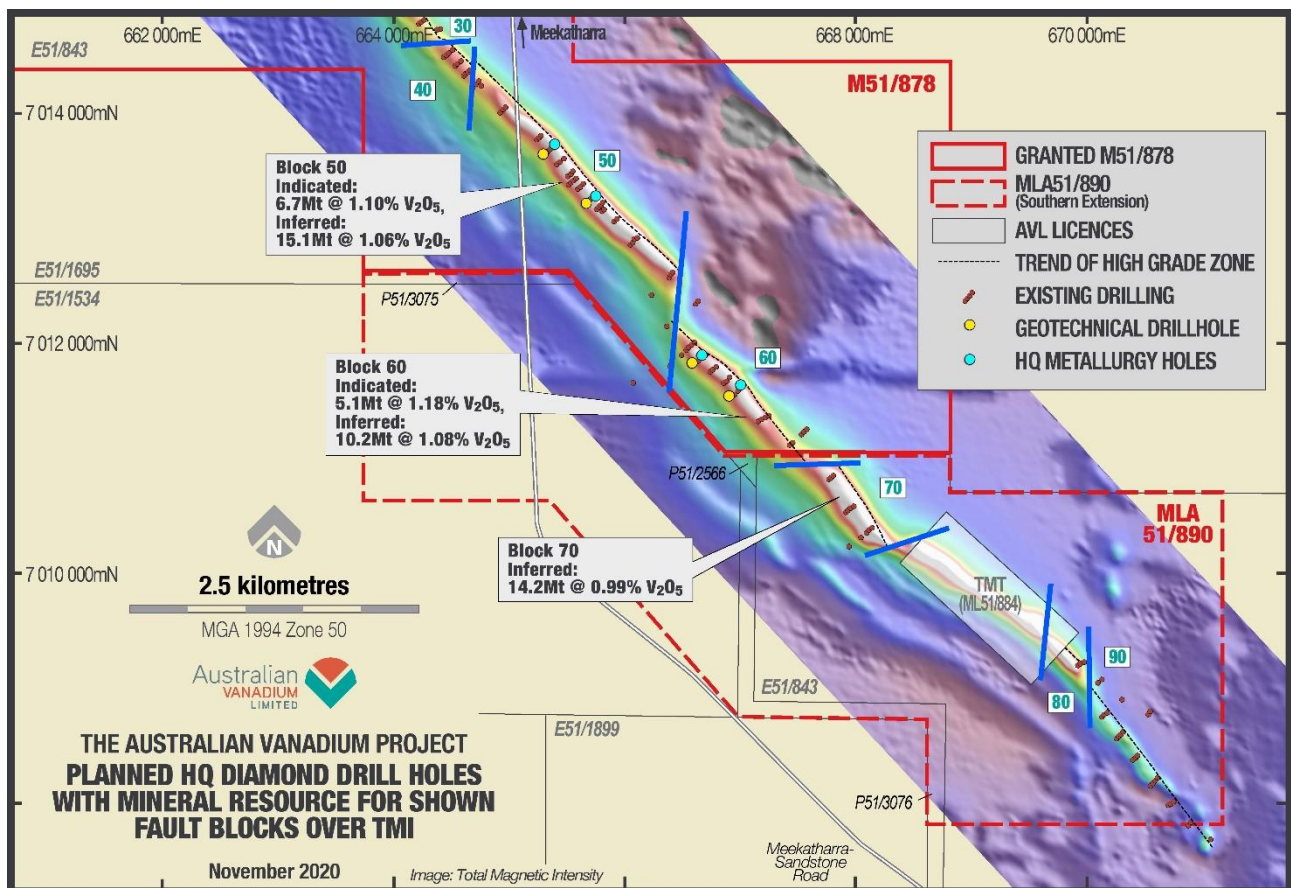


Figure 1 Planned diamond drilling in Resource blocks 50 and 60

The southern blocks 50 and 60, which were drilled to the Indicated Resource category in December 2019, have become increasingly important to the Project overall. The planned inclusion of the blocks in the mine schedule offer flexibility in mining, to ensure that the blend of material to be delivered to

the plant is the optimal ratio to maximise plant operation, without requiring large waste pre-stripping and the stockpiling of lower recovery mineralisation.

The drilling program is anticipated to be underway for 4 weeks.

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 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 currently one of the highest-grade vanadium projects being advanced globally with 208.2Mt at 0.74% vanadium pentoxide (V_2O_5), 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 19 December 2018 '*Gabanintha Pre-Feasibility Study and Maiden Ore Reserve*' and ASX announcement dated 4 March 2020 '*Total Vanadium Resource at the Australian Vanadium Project Rises to 208 Million Tonnes*').

VSUN Energy is AVL's 100% owned subsidiary which is focused on developing the market for vanadium redox flow batteries for energy storage.

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.

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).

2020 Feb	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

COMPETENT PERSON STATEMENT — MINERAL RESOURCE ESTIMATION

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 2

The Australian Vanadium Project – Mineral Resource estimate by domain, fault block 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 by fault block).

	Block #	Cat	Mt	V ₂ O ₅ %	Fe %	TiO ₂ %	SiO ₂ %	Al ₂ O ₃ %	LOI %
HG 10	15	Measured	1.0	1.13	42.6	13.1	9.4	8.6	4.7
	20		9.1	1.14	44.0	13.0	9.2	7.4	3.6
		Subtotal	10.1	1.14	43.9	13.0	9.2	7.5	3.7
	15	Indicated	0.7	1.11	41.3	12.9	10.9	9.4	5.1
	20		5.5	1.10	45.2	12.5	9.0	6.7	3.2
	25		0.2	1.09	46.7	12.4	7.8	5.9	2.3
	30		4.5	1.04	44.4	11.5	10.9	6.6	2.8
	40		2.4	0.99	45.2	12.5	8.1	6.3	2.5
	50		6.7	1.10	47.3	13.3	5.9	5.7	2.5
	60		5.1	1.18	45.0	11.9	10.0	6.9	3.3
		Subtotal	25.1	1.10	45.5	12.4	8.7	6.5	2.9
	10	Inferred	4.9	1.01	42.3	11.6	11.9	7.4	4.0
	15		2.6	1.00	39.8	12.6	12.5	10.3	5.8
	20		2.4	1.12	45.2	12.6	9.0	6.9	3.6
	25		0.02	1.15	49.7	12.7	5.9	5.5	1.8
	30		1.5	0.96	42.7	11.0	12.4	7.4	3.2
	40		1.8	1.01	44.9	11.6	10.2	6.5	2.4
	50		15.1	1.06	44.8	12.0	9.1	7.1	2.4
	60		10.2	1.08	46.1	12.4	7.6	6.1	3.1
	70		14.2	0.99	44.9	11.3	9.3	6.3	3.8
		Subtotal	52.7	1.04	44.6	11.9	9.4	6.9	3.3
	Sum	HG Total	87.9	1.06	44.8	12.1	9.2	6.8	3.2
LG 2-5	15	Indicated	2.6	0.52	25.0	7.1	26.5	17.6	9.2
	20		20.4	0.51	24.4	7.1	27.6	17.6	8.2
	25		0.3	0.50	26.7	6.8	28.3	15.4	7.1
	30		7.2	0.51	26.2	6.9	26.8	17.6	8.3
	40		2.3	0.46	26.1	6.3	27.1	16.5	7.9
	50		6.3	0.48	25.2	6.2	28.0	14.9	6.8
	60		5.3	0.54	25.3	6.7	27.2	16.7	7.2
		Subtotal	44.5	0.51	25.0	6.8	27.4	17.0	7.9
	10	Inferred	5.2	0.44	25.5	6.4	27.2	17.4	9.7
	15		5.3	0.46	26.5	6.8	26.3	16.5	8.9
	20		3.6	0.50	24.8	7.1	27.6	16.8	7.9

	Block #	Cat	Mt	V ₂ O ₅ %	Fe %	TiO ₂ %	SiO ₂ %	Al ₂ O ₃ %	LOI %
	25		0.0	0.47	25.3	6.5	30.0	12.7	5.9
	30		4.9	0.52	26.5	7.1	27.1	17.1	7.8
	40		2.1	0.44	26.0	6.2	27.8	15.2	7.3
	50		16.5	0.50	26.5	6.7	27.5	13.9	6.4
	60		12.7	0.52	25.3	6.6	28.3	15.1	6.2
	70		9.9	0.41	21.2	5.4	33.4	15.0	3.7
		Subtotal	60.3	0.48	25.2	6.5	28.5	15.3	6.7
	Sum	LG Total	104.8	0.49	25.1	6.6	28.0	16.1	7.2
Transported 6-8	10	Inferred	0.6	0.47	27.2	5.7	26.2	16.4	10.1
	15		0.4	0.44	22.4	5.8	28.2	16.9	12.3
	20		4.4	0.57	21.1	7.7	28.9	20.4	9.8
	25		0.2	0.56	16.6	10.8	30.5	22.3	10.0
	30		0.6	0.58	24.5	8.5	28.3	17.6	8.0
	40		0.2	0.43	21.4	6.8	26.4	15.5	8.0
	50		1.1	0.52	25.4	6.5	30.7	14.8	6.8
	60		6.1	0.76	33.1	8.2	21.6	12.6	6.9
	70		2.1	0.72	36.4	7.8	20.4	11.2	5.8
	Sum	Transported Total	15.6	0.65	28.4	7.7	24.9	15.4	7.9
Total		Measured	10.1	1.1	43.9	13.0	9.2	7.5	3.7
		Indicated	69.6	0.72	32.4	8.84	20.7	13.2	6.1
		Inferred	128.5	0.73	33.5	8.84	20.2	11.9	5.4
		Grand Total	208.2	0.74	33.6	9.0	19.8	12.1	5.6