

ASX ANNOUNCEMENT

31 JULY 2023

# WATER LICENCE APPROVAL FOR PROCESSING PLANT AT TENINDEWA

*Key approval received for the Australian Vanadium Project processing plant site*

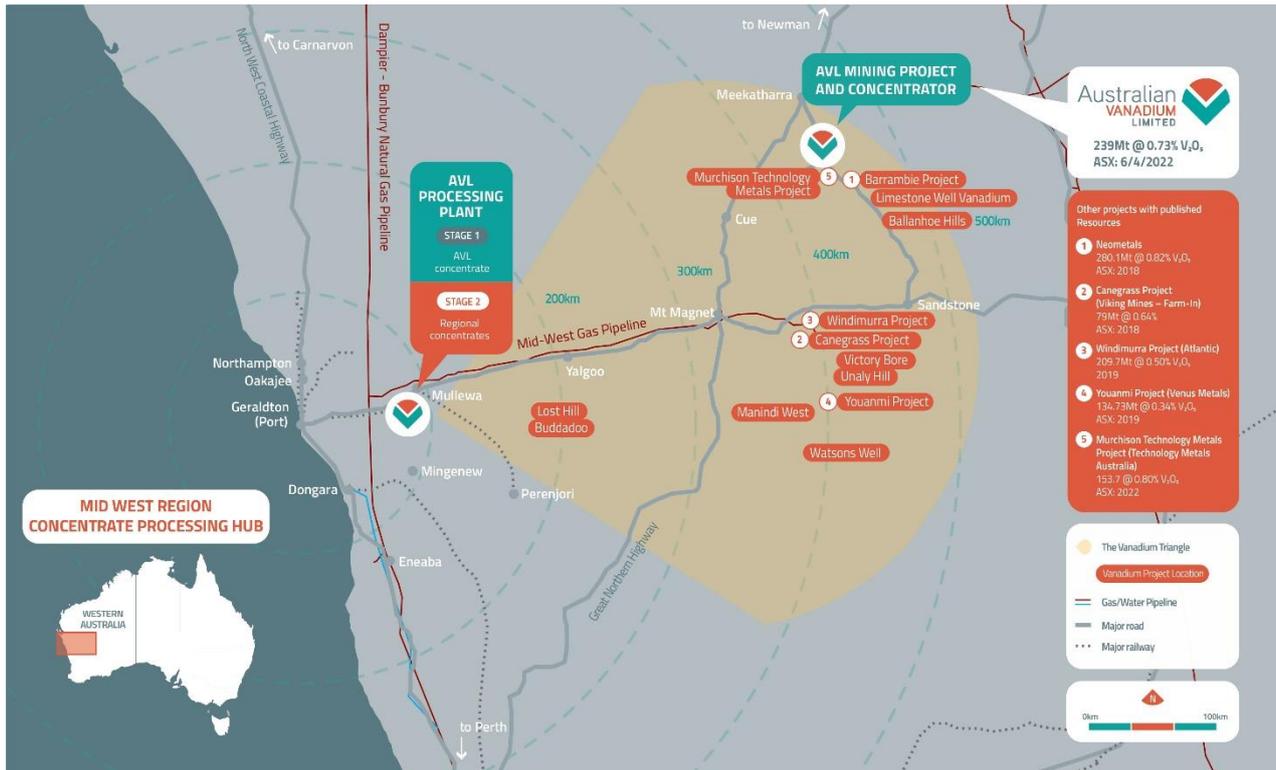
## KEY POINTS

- AVL has received a water licence approval for its proposed processing plant, which is to be situated close to the port city of Geraldton in Western Australia.
- Secures an independent water source which is expected to supply the demands of the processing plant for at least 10 years.
- Strong Federal, State and Local Government support for the location, offering increased Mid West region employment opportunities.
- Processing hub to provide capability to process concentrates from the Mid West region.

Australian Vanadium Limited (ASX: AVL, “the Company” or “AVL”) has received approval for a water licence (“Licence”) to extract groundwater for its strategically located vanadium processing plant (“Processing Plant”) near the city of Geraldton in Western Australia. The Licence was awarded under section 5C of the *Rights in Water and Irrigation Act 1914* by the Western Australian Department of Water and Environmental Regulation (“DWER”). The Licence entitles AVL to extract 1.2GL of water per annum to use for industrial processing purposes at the Processing Plant site. The Licence is initially granted for 10 years, after which it is expected that a standard renewal process will be followed to retain the Licence for ongoing operations.

CEO, Graham Arvidson commented, “*Securing water for the Processing Plant is a key step forward in the Company’s work to bring the Australian Vanadium Project into production. I would like to thank the AVL team, our external consultants, and the team at DWER for the detailed and diligent work undertaken, culminating in the successful approval of our water licence.*”

The mine site for the Australian Vanadium Project, which will supply the Processing Plant with vanadium concentrate, is located approximately 40km south of the mining town of Meekatharra in Western Australia. To ensure a low-cost operation, AVL will undertake crushing, milling and beneficiation of vanadium bearing magnetite ore at the mine site location and transport the resulting concentrate to the proposed Processing Plant where final refinement to high-quality, high-value vanadium products will take place.



**Figure 1 - Location of AVL Mining Project and Processing Plant Hub**

For further information, please contact:

**Graham Arvidson,**

**CEO**

+61 8 9321 5594

*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 1<sup>st</sup> November 2021 '*Mineral Resource Update at the Australian Vanadium Project*' and ASX announcement dated 6<sup>th</sup> 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 flow batteries for long duration energy storage. VSUN Energy was set up in 2016 and is widely respected for its VFB 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 VFB energy storage.

## APPENDIX 1

The Australian Vanadium Project – Mineral Resource estimate by domain and resource classification using a nominal 0.4% V<sub>2</sub>O<sub>5</sub> wireframed cut-off for low-grade and nominal 0.7% V<sub>2</sub>O<sub>5</sub> wireframed cut-off for high-grade (total numbers may not add up due to rounding).

Zone	Category	Mt	V <sub>2</sub> O <sub>5</sub> %	Fe %	TiO <sub>2</sub> %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %
HG	Measured	11.3	1.14	43.8	13.0	9.2	7.5	3.7
	Indicated	27.5	1.10	45.4	12.5	8.5	6.5	2.9
	Inferred	56.8	1.04	44.6	11.9	9.4	6.9	3.3
	<b>Subtotal</b>	<b>95.6</b>	<b>1.07</b>	<b>44.7</b>	<b>12.2</b>	<b>9.1</b>	<b>6.8</b>	<b>3.2</b>
LG	Indicated	54.9	0.50	24.9	6.8	27.6	17.1	7.9
	Inferred	73.6	0.48	25.0	6.4	28.7	15.4	6.6
	<b>Subtotal</b>	<b>128.5</b>	<b>0.49</b>	<b>24.9</b>	<b>6.6</b>	<b>28.2</b>	<b>16.1</b>	<b>7.2</b>
Transported	Inferred	14.9	0.66	29.0	7.8	24.5	15.1	7.8
	<b>Subtotal</b>	<b>14.9</b>	<b>0.66</b>	<b>29.0</b>	<b>7.8</b>	<b>24.5</b>	<b>15.1</b>	<b>7.8</b>
Total	Measured	11.3	1.14	43.8	13.0	9.2	7.5	3.7
	Indicated	82.4	0.70	31.7	8.7	21.2	13.5	6.2
	Inferred	145.3	0.71	33.0	8.7	20.7	12.0	5.4
	<b>Subtotal</b>	<b>239.0</b>	<b>0.73</b>	<b>33.1</b>	<b>8.9</b>	<b>20.4</b>	<b>12.3</b>	<b>5.6</b>

The Australian Vanadium Project - Ore Reserve Statement as at April 2022, at a cut-off grade of 0.7% V<sub>2</sub>O<sub>5</sub>.

Ore Reserve	Mt	V <sub>2</sub> O <sub>5</sub> %	Fe%	TiO <sub>2</sub> %	SiO <sub>2</sub> %	LOI%	V <sub>2</sub> O <sub>5</sub> production kt	Ore Reserve	Mt
Proved	10.5	1.11	61.6	12.8	9.5	3.7	70.9	Waste	238.5
Probable	20.4	1.07	63.4	12.2	9.2	3.0	152.9	Total Material	269.4
<b>Total Ore</b>	<b>30.9</b>	<b>1.09</b>	<b>62.8</b>	<b>12.4</b>	<b>9.3</b>	<b>3.2</b>	<b>223.8</b>	Strip Ratio	7.7

## **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 6<sup>th</sup> April 2022 which is available on the Company's website [www.australianvanadium.com.au](http://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 6<sup>th</sup> April 2022 which is available on the Company's website [www.australianvanadium.com.au](http://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.