



## \$49 MILLION GOVERNMENT GRANT AGREEMENT EXECUTED

*Collaboration grant agreement to support the development of the Australian Vanadium Project.*

### KEY POINTS

- AVL and the Commonwealth have executed a grant agreement under the Modern Manufacturing Initiative – Manufacturing Collaboration Stream.<sup>1</sup>
- The Agreement provides a grant of \$49 million to support the Australian Vanadium Project.
- The Australian Vanadium Project is one of the most advanced critical mineral vanadium projects being developed globally, with the potential to produce 11.2kt per annum of vanadium pentoxide over a 25+ year mine life.<sup>2</sup>

Further to the Company's announcement on 16 March 2022<sup>1</sup>, Australian Vanadium Limited (ASX: AVL, "the Company" or "AVL") is pleased to advise that AVL and the Commonwealth of Australia, represented by the Department of Industry, Science and Resources, have executed a Commonwealth Grant Agreement ("the Agreement") as part of the Modern Manufacturing Initiative - Manufacturing Collaboration Stream ("the Grant").

The Grant provides up to \$49 million in funding support for the Australian Vanadium Project ("the Project") to assist the Company, in collaboration with industry partners, to create an Australian vanadium battery industry. The Grant funds eligible activities to construct and commission a concentrator and high-purity vanadium processing facility capable of using green hydrogen as part of the extraction process for the Project. This critical mineral extraction process is a key precursor for vanadium electrolyte manufacturing. The scope of the Grant encompasses support for all stages of the vanadium production value chain, from mining and concentrating to vanadium processing for use in electrolyte production, a key enabler for the Australian vanadium redox flow battery industry. As part of the activities under the Grant, AVL will also collaborate with Bryah Resources Limited (ASX: BYH) to explore options to extract cobalt, nickel, copper and gold economically from the

<sup>1</sup> See ASX announcement dated 16 March 2022 'AVL Awarded \$49 Million Federal Government Manufacturing Collaboration Grant'

<sup>2</sup> See ASX announcement dated 6 April 2022 'Bankable Feasibility Study for the Australian Vanadium Project'

Project.<sup>3</sup> Broader activities needed to realise the overall Project, such as development of the mine and supporting infrastructure, will be funded from sources other than the Grant.

CEO, Graham Arvidson comments, *“AVL has been working closely with the Australian Government and we are pleased to announce execution of the Agreement. The Grant will be of great benefit to AVL as we seek to optimise and finalise our financing and offtake arrangements and continue to move the Project forward for the benefit of the mid-west region of Western Australia, and Australia more broadly. We are very grateful to the Australian Government and the grant team who worked tirelessly to finalise this important outcome.”*

The Agreement has a commencement date of 29 May 2023 and ends on 31 July 2026.

The Grant will be paid progressively over the term of the Agreement, subject to milestones and compliance by the Company with its obligations under the Agreement. An initial payment of \$9.8 million is scheduled to be received by the Company in June 2023, followed by three further payments, with the final payment scheduled for August 2025.

For further information, please contact:

**Graham Arvidson**

**CEO**

+61 8 9321 5594

---

*This announcement has been produced in accordance with the Company's published continuous disclosure policy and has been approved by the Board.*

---

<sup>3</sup> See Bryah Resources Ltd (ASX: BYH) ASX announcement dated 25 May 2022 '36 Million Tonne Nickel-Copper-Cobalt Mineral Resource at Gabanintha'

## 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 at Gabanintha and Tenindewa. 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 redox flow batteries for long duration energy storage. VSUN Energy was established in 2016 and is widely respected for its VRFB 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 VRFB 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.