

VANADIUM ELECTROLYTE MANUFACTURING FACILITY UPDATE

Vanadium electrolyte facility location secured, detailed design completed and long lead equipment ordered

KEY POINTS

- AVL has completed detailed design, ordered long lead items and secured a site for its high purity vanadium electrolyte manufacturing facility in Western Australia.
- U.S. Vanadium LLC (USV) proven electrolyte manufacturing technology will be deployed, de-risking construction and start-up.¹
- Facility will be capable of producing up to 33MWh per year of vanadium redox flow battery (VRFB) high purity electrolyte.
- AVL to be early mover in supply of high purity vanadium electrolyte to the growing Australian long duration energy storage market in which VRFBs will play a key role.
- Australian Government grant of \$3.69M to co-fund commercial vanadium electrolyte facility development.²

Australian Vanadium Limited (ASX: AVL, “the Company” or “AVL”) provides an update on the development of its vanadium electrolyte manufacturing facility.

CEO, Graham Arvidson comments, “AVL is pleased to have secured a site for the location of its first high purity vanadium electrolyte manufacturing facility. With detailed design now complete and long lead equipment ordered, we are positioned to become a near term producer. This is an important step in our journey to become a world class, vertically integrated “pit to battery” vanadium producer. By leveraging USV’s proven technology we have confidence in successfully realising our goal of producing the highest quality electrolyte available to the Australian and New Zealand VRFB markets. Through our wholly owned subsidiary VSUN Energy, we are positioned to play an integral role in an exciting pipeline of Australian decarbonisation focused projects. Achieving near term production of high-quality electrolyte positions AVL to be a supplier of choice for these projects. The Company plans to explore opportunities to replicate this electrolyte facility on the east coast of Australia, to

¹ See ASX announcement dated 11th August 2021 ‘AVL Secures Vanadium Electrolyte Manufacturing Technology’

² See ASX announcement dated 21st July 2021 ‘AVL Awarded \$3.69M Federal Government Manufacturing Grant’

supply additional electrolyte for VRFB projects slated to be deployed in a variety of States and Territories.”

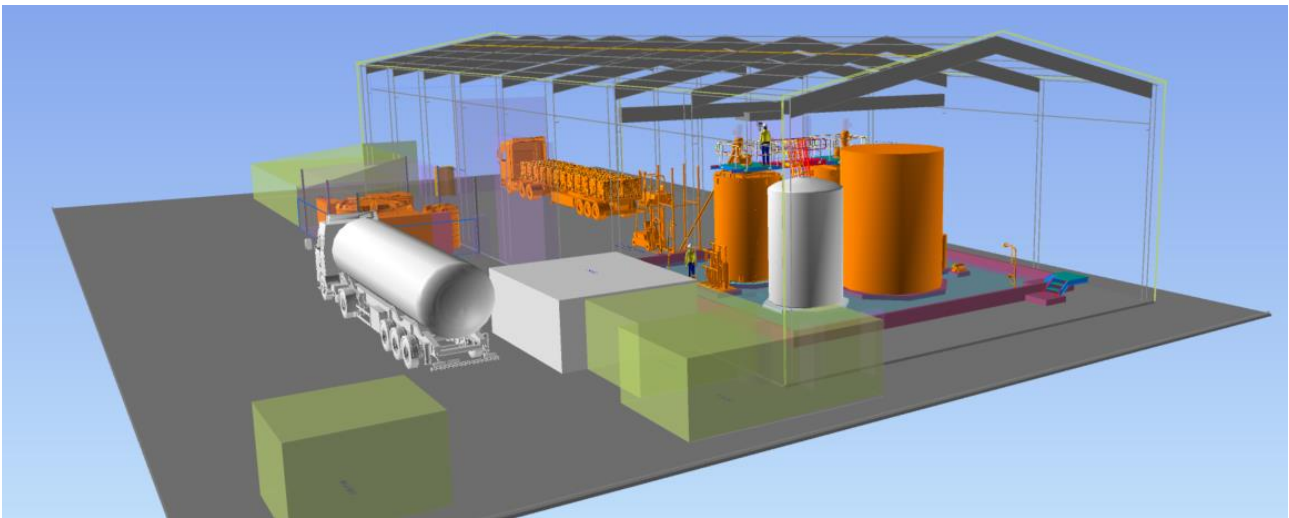


Figure 1 - AVL's Vanadium Electrolyte Facility

In 2021, AVL was awarded a \$3.69M Federal Government grant,² with part of the funding allocated to building and operating a commercial vanadium electrolyte manufacturing facility in Western Australia to support the commercialisation of VRFBs.

AVL holds the exclusive licence for Australia and New Zealand of USV's process technology for manufacturing vanadium electrolyte.¹ This technology has been used for the design of the vanadium electrolyte manufacturing facility to be built within the northern Perth suburb of Wangara. Partnering with WA based engineering company Primero Group (subsidiary of NRW Holdings, ASX: NWH), AVL has developed the facility design to comply with Australian standards and requirements.

Until production of vanadium oxides from AVL's Midwest Processing Hub commences, vanadium oxide feedstock for the electrolyte facility will be sourced through AVL's agreement with USV. The development and subsequent operation of the vanadium electrolyte facility will provide AVL with the opportunity to incrementally mature its business processes, people and systems in project execution and operations. Successfully constructing, commissioning and operating the facility will be an important step towards becoming an operating company and improving governance and risk management at a small scale prior to AVL's flagship Australian Vanadium Project being developed.

Orders have been placed for all long lead equipment items for the electrolyte facility, with deliveries expected during the second quarter of 2023. Any statutory approvals required are being progressed. Site preparation work at the Wangara facility is expected to commence during April, in anticipation of the arrival and assembly of the electrolyte manufacturing equipment.

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This announcement has been produced 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 1st November 2021 '*Mineral Resource Update at the Australian Vanadium Project*' and ASX announcement dated 6th 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% 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).

Zone	Category	Mt	V ₂ O ₅ %	Fe %	TiO ₂ %	SiO ₂ %	Al ₂ O ₃ %	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
	Subtotal	95.6	1.07	44.7	12.2	9.1	6.8	3.2
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
	Subtotal	128.5	0.49	24.9	6.6	28.2	16.1	7.2
Transported	Inferred	14.9	0.66	29.0	7.8	24.5	15.1	7.8
	Subtotal	14.9	0.66	29.0	7.8	24.5	15.1	7.8
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
	Subtotal	239.0	0.73	33.1	8.9	20.4	12.3	5.6

The Australian Vanadium Project - Ore Reserve Statement as at April 2022, at a cut-off grade of 0.7% V₂O₅.

Ore Reserve	Mt	V ₂ O ₅ %	Fe%	TiO ₂ %	SiO ₂ %	LOI%	V ₂ O ₅ 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
Total Ore	30.9	1.09	62.8	12.4	9.3	3.2	223.8	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 6th April 2022 which is available on the Company's website 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 6th April 2022 which is available on the Company's website 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.