

## AVL SIGNS WATER ACCESS AGREEMENT WITH WESTGOLD

*Co-operation agreement sets out mutually beneficial water solution for the Australian Vanadium Project.*

### KEY POINTS

- **Co-operation and Access Agreement signed with Westgold Resources Limited (ASX: WGX) for access to excess water from Westgold Operations to support the Australian Vanadium Project.**
- **Letter of Agreement to progress to a formal agreement within 3 years.**
- **Potential benefits to arise from the agreement include:**
  - Reduced groundwater and environmental impacts.
  - Substantial de-risking of the water volume and quality requirements.
  - The opportunity to provide community benefits with new pipeline and road.
- **Agreement indicates responsible and innovative management of water resources.**

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Australian Vanadium Limited (ASX: AVL, “the Company” or “AVL”) is pleased to announce that it has signed a letter agreement for co-operation and assistance for water access with Australian gold miner Westgold Resources Limited (“Westgold”) for AVL’s Australian Vanadium Project (“the Project”) south of Meekatharra, in Western Australia.

Westgold’s Meekatharra Gold Operations comprise several active and inactive mines south of Meekatharra (see Figure 1) located 25km to the west of the Australian Vanadium Project. Continuous inflows into a number of these active and inactive pits and underground mines lead to the generation of significant amounts of water, surplus to Westgold’s requirements, which can be utilised in processing AVL’s vanadium ore.

In addition to the water access, the agreement provides a platform for friendly collaboration over access and the use of new and existing roads to move ore, materials and products within the companies’ tenements.

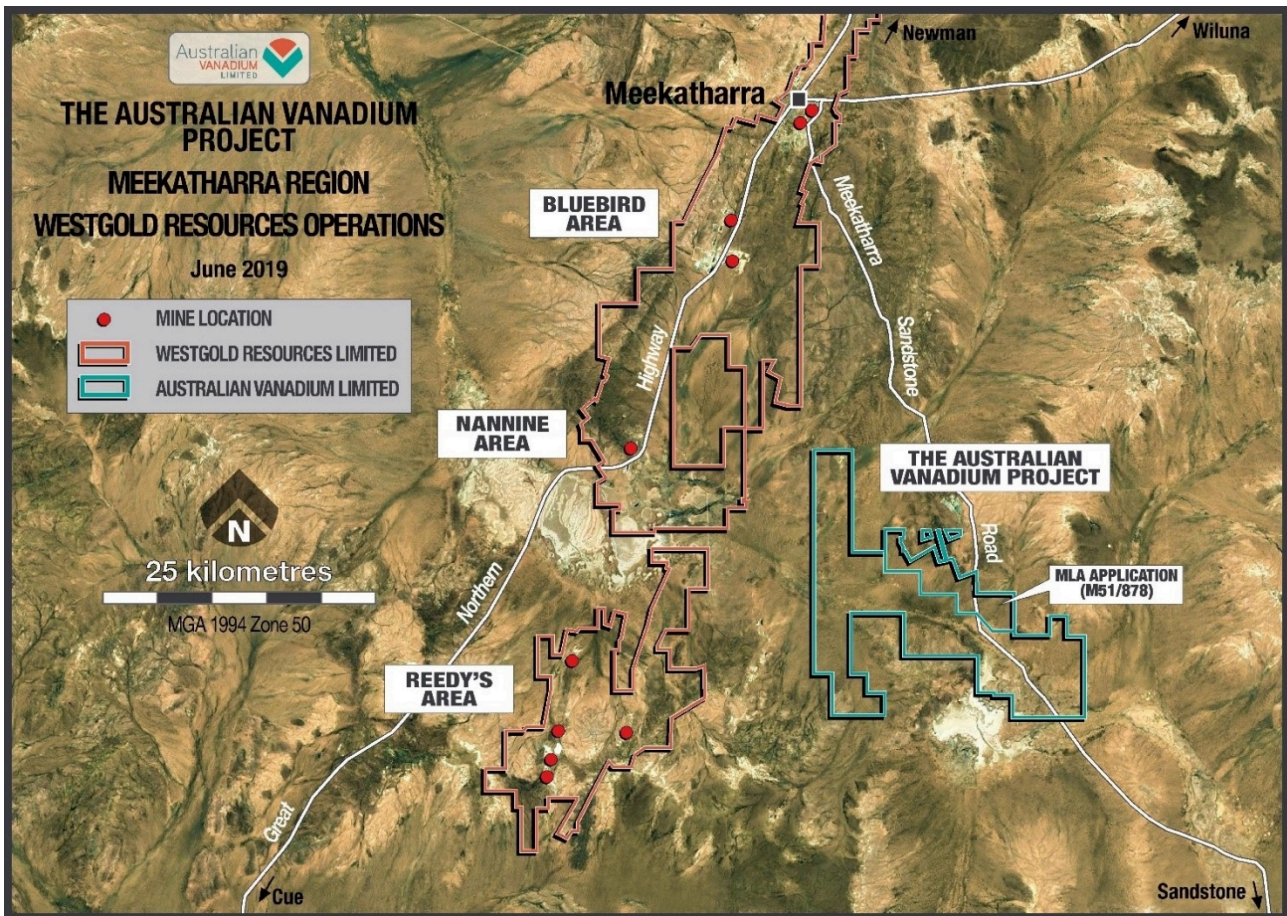


Figure 1 Westgold Resources and AVL, Meekatharra Region Tenement Locations.

AVL’s Managing Director Vincent Algar comments, “AVL continues to de-risk the Australian Vanadium Project. Securing access to sufficient quality water resources to use in the mining and Crushing Milling and Beneficiation Plant planned for the nearby Australian Vanadium Project is one of our highest priorities. Access to excess water flowing into Westgold’s pits allows us to progress the Project with increasing confidence. WA has limited high quality water resources, so innovative collaborations such as this agreement with Westgold can assist both the EPA and DWER with their water management and environmental custodianship, whilst allowing this critical project to progress.”

Building strong relationships within both the mining and the local community is a key AVL strategy. We have been working with Westgold through the Meekatharra Industry Group and through our shared sponsorship of the Stephen Michael Foundation, for which the companies and the Foundation received the inaugural AMEC (Association of Mining and Exploration Companies) Community Award in December 2019. Having a relationship with an established mining company in the region enables us to draw on lessons they’ve learnt and the spirit of the agreement is to pursue an outcome that will be of benefit to both parties and the region.

The key terms of the agreement are:

- Westgold will not object to AVL's proposed Miscellaneous Licence applications to enable AVL to access, extract and establish infrastructure for pumping and relocation of water from one of the Reedy's location open pits to the Company's desired location.
- Any works will be undertaken at AVL's cost and risk.
- Access to Westgold and AVL's access roads will be permitted on a reciprocal basis.
- Co-operation will be undertaken in good faith and in a timely manner.
- A formal access agreement to secure AVL's Miscellaneous Licences and associated pumping infrastructure can be established if required.
- The letter of agreement is set to progress to a formal agreement within 3 years, otherwise the agreement expires.

For further information, please contact:

**Vincent Algar, Managing Director** +61 8 9321 5594

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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 LIMITED**

AVL is an Australian-owned resource company focused on production of high value vanadium products in Australia. AVL is 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 and intends to produce a value-added vanadium product in Australia prior to sale to steel, battery and specialty chemical customers.

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*').

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.

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.

## **ABOUT WESTGOLD**

Westgold Resources Limited has commissioned and operates four production facilities in Western Australia - the Murchison Gold Operations, Fortnum Gold Project, Higginsville Gold Operations and Cue Gold Operations.

The Central Murchison Gold Project (CMGP) is located in the Murchison Goldfields of Western Australia around the regional towns of Cue and Meekatharra. The CMGP project strategy has a number of current and proposed underground mines and open pits being developed over time. After a refurbishment, integration of assets and completion of an initial development strategy, the project started in the second half of 2015 with the plant commissioned in October 2015.

The Meekatharra Gold Operations (MGO) is a subset of the CMGP which covers the northern areas and uses the 1.6 – 1.8M tpa Bluebird Plant as a processing hub. The underground mining at MGO is supplemented by open pits from the Paddy's Flat, Meekatharra North, Yaloginda, and Nannine groups of open pit mines on a progressive basis over the 10 year plan.

## 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).

2020 Feb	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 %
<b>HG</b>	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
	<b>Subtotal</b>	<b>87.9</b>	<b>1.06</b>	<b>44.7</b>	<b>12.2</b>	<b>9.2</b>	<b>6.8</b>	<b>3.2</b>
<b>LG 2-5</b>	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
	<b>Subtotal</b>	<b>104.8</b>	<b>0.49</b>	<b>25.1</b>	<b>6.6</b>	<b>28.0</b>	<b>16.1</b>	<b>7.2</b>
<b>Trans 6-8</b>	Inferred	15.6	0.65	28.4	7.7	24.9	15.4	7.9
	<b>Subtotal</b>	<b>15.6</b>	<b>0.65</b>	<b>28.4</b>	<b>7.7</b>	<b>24.9</b>	<b>15.4</b>	<b>7.9</b>
<b>Total</b>	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
	<b>Subtotal</b>	<b>208.2</b>	<b>0.74</b>	<b>33.6</b>	<b>9.0</b>	<b>19.8</b>	<b>12.1</b>	<b>5.6</b>

## 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.