

ASX ANNOUNCEMENT

25TH FEBRUARY 2022

JOINT CO-OPERATION AGREEMENT SIGNED WITH MID WEST PORTS AUTHORITY FOR GERALDTON PORT

Access to port a key strategic global differentiator for AVL on its pathway to development of the Australian Vanadium Project

KEY POINTS

- **AVL signs a Joint Co-operation Agreement with Mid West Ports Authority.**
- **Joint Co-operation Agreement paves the way for both parties to work together to achieve:**
 - **Direct export of AVL's FeTi coproduct;**
 - **Import of key reagents;**
 - **Import of large equipment required for plant construction and operation, such as kiln parts; and**
 - **Import of renewable energy hardware.**
- **Acceptance of the agreement by MWPA demonstrates confidence in the Australian Vanadium Project.**

Australian Vanadium Limited (ASX: AVL, "the Company" or "AVL") is pleased to announce that it has signed a Joint Co-operation Agreement with Mid West Ports Authority (MWPA) for the future use of facilities and services at the key mid-west resources sector port facility, as it moves towards approval, funding and development of the Australian Vanadium Project ("the Project").

The Project is one of the most advanced vanadium projects being developed globally. It is based on a high-grade V-Ti-Fe Mineral Resource¹ located in the Murchison Province approximately 43kms south of the mining town of Meekatharra in Western Australia and 740km north-east of Perth. The Project will produce a vanadium concentrate at the resource site and complete production of a high purity vanadium and an iron titanium (FeTi) coproduct at a processing plant located near the port city of Geraldton.

¹ See Appendix 1 for Mineral Resource details

The generation of a FeTi coproduct for sale, in addition to the production of a high purity vanadium pentoxide product for steel and battery industries, is a key differentiator for AVL. The Company's chosen strategic location for its vanadium processing facility, near Geraldton, enables the sale of the FeTi coproduct which enhances the Project's economic resilience through the addition of a secondary revenue stream. This opportunity is globally unique to AVL due to the strategic location of the processing plant.

The Project will ship approximately 900,000 dry tonnes per annum (tpa) of FeTi coproduct through the Port of Geraldton for the 25 year life of the Project. Signing a Joint Co-operation Agreement allows AVL and MWPA to work co-operatively to define the best alternatives for the storage and shipping needs of the Project. MWPA is actively planning for future growth of the port facilities and AVL will become a key long-term partner in the Port's proposed expanded capabilities.

AVL is in discussions to secure multiple offtake agreements for this FeTi coproduct, primarily used in blast furnace applications. In November 2021, AVL signed its first letter of intent for sale of the product to Shenglong Metallurgy International in Hong Kong, the commercial arm of Guangxi Shenglong Metallurgy Co Ltd².

The Port of Geraldton will also be used as a receiving port for AVL's processing reagents and large break-bulk equipment needed for the processing plant and crushing, milling and beneficiation plant at Meekatharra. It will also enable the company to import renewable energy hardware for both Project sites.

MWPA has provided indicative quotes for AVL to access the Port at Geraldton for shipping and product storage, which enables these figures to be included in the Company's Bankable Feasibility Study (BFS). Through this relationship, AVL and MWPA also seek to define a long-term plan which integrates the needs of AVL with the strategic growth strategies of MWPA.

Managing Director, Vincent Algar comments, *"Having confidence that Mid West Ports Authority will be able to directly accommodate our requirements is another big step in our pathway to production. Improving confidence levels in our costings and providing necessary assurances for future access and communication is a major benefit as we finalise our BFS and move towards approvals and funding."*

Acting MWPA CEO, Damian Tully said, *"We look forward to working with Australian Vanadium to develop the export and import capacity at Mid West Ports to facilitate their trade requirements. This is an exciting project for the Mid West and we look forward to playing a key role in its future development"*.

² See ASX announcement dated 9th November 2021 'First Letter of Intent for Iron Titanium Coproduct Offtake Sales'



Figure 1 Port of Geraldton

AVL's selection of Geraldton as the preferred port for export of its FeTi coproduct was the catalyst for the agreement. The Company intends to export volumes of around 900,000 tpa of the FeTi coproduct for approximately 25 years. The Port does not currently have the necessary storage or ship loading infrastructure and capability required to support the handling, loading and export of the product. AVL is also proposing to use the Port of Geraldton for import of key reagents and equipment. The two parties have agreed to co-operate and work together to investigate AVL's requirements and the Port's future capability to accommodate them.

The agreement does not oblige MWPA or AVL to enter into any agreements or undertakings, but provides an intention to co-operate and work together to the benefit of both parties. The term of the agreement is 12 months, with extensions subject to the agreement of MWPA and the Minister if required. Following the Joint Co-operation, a negotiation for Port access, capacity reservations, loading and handling service and product export contracts may be undertaken, with AVL paying costs and expenses if required by MWPA.

For further information, please contact:

Vincent Algar, Managing Director +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 , 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 22nd December 2020 *‘Technical and Financial PFS Update’*).

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).

2021 Nov	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 2-5	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	15.3	6.6
	Subtotal	128.5	0.49	24.9	6.6	28.2	16.1	7.2
Trans 6-8	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	20.7	12.0	5.4
	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

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.

COMPETENT PERSON STATEMENT — ORE RESERVES

The technical information in this announcement that relates to the Ore Reserve estimate for the Project is based on information compiled by Mr Ross Cheyne, an independent consultant to AVL. Mr Cheyne is a Fellow of the Australasian Institute of Mining and Metallurgy. He is an employee and Director of Orelogy Mine Consulting Pty Ltd. Mr Cheyne has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a competent person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cheyne consents to the inclusion in the announcement of the matters related to the Ore Reserve estimate in the form and context in which it appears.

COMPETENT PERSON STATEMENT – METALLURGICAL RESULTS

The information in this announcement that relates to Metallurgical Results is based on information compiled by independent consulting metallurgist Brian McNab (CP. BSc Extractive Metallurgy). Mr McNab is a Member of AusIMM. He is employed by Wood Mining and Metals. Mr McNab has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaken, to qualify as a Competent Person as defined in the JORC 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McNab consents to the inclusion in the announcement of the matters based on the information made available to him, in the form and context in which it appears.

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.