

QUARTERLY ACTIVITIES REPORT

Period ending 31st March 2022

HIGHLIGHTS

Australian Vanadium Project, WA

- Bankable Feasibility Study released confirming AVL's Australian Vanadium Project as a potential globally significant primary vanadium producer.
- \$49M Australian Government grant awarded towards Project funding under the Modern Manufacturing Initiative Collaboration Stream.
- Second and third Letters of Intent for iron titanium coproduct offtake sales signed with significant Chinese steel producers.
- Joint Co-operation Agreement signed with Geraldton Port for the future use of facilities and services.

Vanadium in Energy Storage

- Water Corporation VRFB trial for water purification and pumping applications underway.
- Manufacture of VSUN Energy's VRFB-based standalone power system for IGO's Nova Nickel Operation nearing completion.

Corporate

- Cash at bank on 31st March 2022 was \$5.09M.

Management Comment

AVL continues to make strong progress on the path to vanadium production, with the release of a highly technical and robust bankable feasibility study, the receipt of a substantial grant from the Australian Government, signing two further Letters of Intent for offtake of the FeTi coproduct produced from the Project and a joint co-operation agreement to develop access to critical port infrastructure for both import and export of products and materials.

As we move the Project through the engineering, approvals and financial steps required to bring it into production, the team's knowledge and capability grows. We are now at an important and exciting stage in the Project's development as we look forward on our pathway to Australian vanadium production for the global battery, steel and critical mineral markets.

Activities for the quarter ended 31st March 2022 for Australian Vanadium Limited ("AVL" or "the Company") are as follows:

THE AUSTRALIAN VANADIUM PROJECT

Bankable Feasibility Study for the Australian Vanadium Project Released

See ASX announcement dated 6th April 2022 ‘Bankable Feasibility Study for the Australian Vanadium Project’

AVL released its Bankable Feasibility Study (BFS) for the Australian Vanadium Project (“the Project”) at the beginning of April. The Project consists of 15 tenements covering 200 sq km and held 100% by AVL. Mining Lease M51/878 has been granted for a period of 21 years and covers 87% of the Mineral Resource, with the balance of the Inferred Mineral Resource located on E51/843, overlain by Mining Lease Application MLA51/897, owned 100% by AVL.

The Project is based on a proposed open cut mine of the Vanadium Titanium Magnetite orebody, a crushing, milling and beneficiation (CMB) plant and a vanadium processing plant. Concentrate produced at the CMB will be transported to a vanadium processing plant located near Geraldton, for final conversion to high quality vanadium pentoxide, for sale or further conversion and use in steel and energy storage, catalyst, chemical and defence applications.

The coastal processing plant location is a key strategic differentiator to all current global primary vanadium producers, utilising the unique gas, road and port infrastructure of the world class mining region of mid-western Western Australia (see Figure 1).

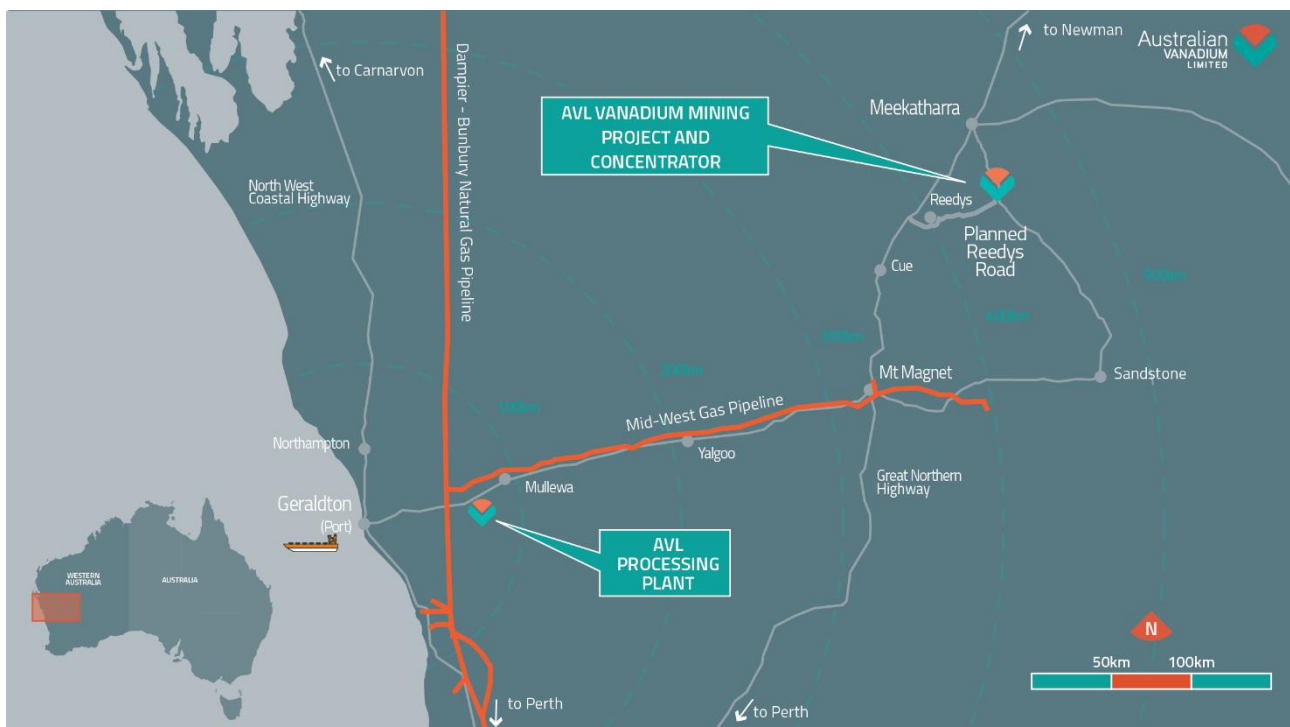


Figure 1 Location of the Australian Vanadium Project

Key highlights from the BFS for the Project include:

- Confirmation of the Australian Vanadium Project as a potential globally significant primary vanadium producer targeting **critical mineral**, **steel** and **energy storage** markets.
- Australian Government grant of A\$49M awarded under the Modern Manufacturing Initiative Collaboration Stream¹ to support the Project to production.
- Technical studies completed, including three years of extensive piloting testwork, supporting robust processing flowsheets, de-risking the Project towards funding and delivery.
- Pre-tax **NPV_{7.5} of A\$833M** and **equity IRR 20.6%** based on US\$10.50/lb V₂O₅ price, **A\$604M** upfront pre-production capital excluding contingency.
- Updated **Ore Reserve of 30.9Mt at 1.09% V₂O₅** comprised of a **Proved Reserve of 10.5Mt at 1.11% V₂O₅** (vanadium pentoxide) and a **Probable Reserve of 20.4Mt at 1.07% V₂O₅**².
- Anticipated initial **mine life of 25 years**, supporting a long-life, consistent ore feed operation on AVL's granted mining lease.
- Strategic separation of processing plant from minesite and concentrator allows access to competitive natural gas near Geraldton, local workforce and Iron Titanium (**FeTi**) coproduct sales opportunities through the Port of Geraldton.
- Average annual vanadium production of **24.7 Mlbs V₂O₅ (11,200t)** as a **99.5% V₂O₅** high purity flake and **900,000 dry tonnes per annum of FeTi** coproduct.
- Forecast vanadium **recovery to concentrate of 74.2%** life of mine, supported by pilot testing and comparable to current international primary vanadium operations.
- Innovative process flowsheet recovers **90%** of vanadium in concentrate, utilising tried-and-tested grate kiln technology, with valuable reductions in gas consumption and CO₂ emissions.
- Approvals well advanced and Environmental, Social and Governance (ESG) standards and action plans in place.
- Global critical mineral vanadium market seeing strong growth in demand and pricing (currently over **US\$12/lb V₂O₅**) with the battery sector showing accelerated uptake in vanadium redox flow batteries.

Financial outcomes from the study are robust and provide a strong commercial case for Project development³:

- Wood Australia Pty Ltd (Wood), a leading engineering firm with valuable expertise in vanadium and similar mineral processing, has undertaken the engineering and design, providing an overall accuracy for the capital and operating cost estimates of ±15%.
- Level of study provides a basis for engagement with financing institutions including NAIF, Export Finance Australia and many of the international resource banks.

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

² Rounding is applied

³ Assumptions 0.72 USD/1 AUD; US\$10.50/lb long term average V₂O₅ price; cost estimation at ±15% level of accuracy; All \$ figures are A\$ unless stated otherwise

- Australian Government grant of A\$49M awarded under the Modern Manufacturing Initiative Collaboration Stream¹ provides strong additional support to Project funding requirements.
- Project pre-tax NPV_{7.5} of A\$833M.
- Equity Project IRR 20.6%.
- Project payback of 7.3 years after first production.
- Project annual EBITDA average for 25 years of A\$175M.
- Total Project EBITDA of \$4.4B.
- Upside case offers pre-tax NPV_{7.5} of \$1,287M assuming US\$12/lb V₂O₅ price. This increases to \$1,450M with additional improvements in operating expense of 10%.
- C1 operating cost of US\$4.43/lb V₂O₅ competitive with world primary vanadium producers, includes FeTi coproduct credit.
- Pre-production plant and associated infrastructure capital cost of US\$435M (A\$604M), excluding any grant payments and before contingency.



Figure 2 Top: CMB layout, Bottom: Processing Plant layout

\$49M Grant Awarded to AVL by Australian Government

See ASX announcement dated 16th March 2022 'AVL Awarded \$49 Million Federal Government Manufacturing Collaboration Grant'

Towards the end of the quarter, AVL was awarded a \$49M grant under the Australian Government's Modern Manufacturing Initiative Collaboration Stream. The grant will be used to support the development of the Project. The Project, supported by the grant, enables new critical mineral production through the establishment of an integrated onshore Australian vanadium supply chain for steel and battery markets. Collaboration with ATCO Australia for green hydrogen and Bryah Resources Limited (ASX: BYH) for recovery of nickel, copper and cobalt from the tails stream was a key component of the application.

Working with ATCO to incorporate green hydrogen into the Project will fuel the processing of vanadium to a >99.9% pure V₂O₅ product, suitable for the critical mineral and battery markets. The V₂O₅ will subsequently be processed into vanadium electrolyte to fill vanadium redox flow batteries at the AVL vanadium electrolyte manufacturing plant. AVL's vanadium electrolyte manufacturing plant is currently being built in Kwinana, Western Australia. The plant is partly funded through the Australian Government's Resources Technology and Critical Minerals Processing National Manufacturing Priority Roadmap.⁴

Through AVL's 100% owned battery subsidiary VSUN Energy, VRFBs will be installed in industries from agriculture and mining, through to residential energy storage and charging infrastructure for electric vehicles. By establishing manufacturing capabilities across both critical minerals and recycling as well as clean energy within Australia, AVL's collaborative project will create hundreds of jobs, whilst enabling technologically driven solutions towards a low carbon economy.

Working with Bryah Resources, AVL intends to explore the opportunity to process an economic critical battery mineral resource from what was previously a waste stream at the Project. A tailings stream from AVL's CMB circuit contains sulphides and the base metals cobalt, nickel, copper and gold. This collaboration will provide further downstream critical and battery mineral processing capabilities.

AVL's business to research collaborations as part of the grant include Curtin University, Queensland University of Technology and Australian Nuclear Science and Technology (ANSTO), enabling AVL to further improve the manufacturing process for high purity vanadium and vanadium electrolytes. AVL is an associate participant in the Future Battery Industries Cooperative Research Centre (FBICRC) and is contributing to its activities.

⁴ See ASX announcement dated 21st July 2021 'AVL Awarded \$3.69M Federal Government Manufacturing Grant'

Second Letter of Intent for iron titanium coproduct offtake sales signed

See ASX announcement dated 17th March 2022 'Letter of Intent for Iron Titanium Coproduct Offtake Sales'

AVL signed a Letter of Intent (LOI) with Wingsing International Limited, the commercial arm of Tianzhu Steel, for the supply of its iron titanium (FeTi) coproduct. Tianzhu Steel is a private owned enterprise (POE) with a mill located in the coastal Hebei province of China. It has an annual capacity of 5mtpa steel. Tianzhu Steel is also one of the top H section steel producers in China, with an annual capacity of 1.2mtpa. Tianzhu Steel is innovative in using various types of ironmaking raw materials and is currently under relocation and expansion project to increase the steel capacity to approximately 7mtpa.



Figure 3 Location of Tianzhu Steel's steel mill in China

Third Letter of Intent for iron titanium coproduct offtake sales signed with Rizhao Steel

See ASX announcement dated 20th April 2022 'Third Letter of Intent For Iron Titanium Coproduct Offtake Sales'

AVL subsequently signed a third LOI with Rizhao Steel Holding Group Co. Limited (Rizhao Steel). Rizhao Steel is ranked at the world's 26th and China's 15th largest integrated steel producer and produces 15 mtpa of steel from its steel mill in the Shandong Province in China. It is also the largest importer of titanium bearing concentrate.



Figure 4 Location of Rizhao Steel's steel mill in China

Joint Co-operation Agreement Signed for Geraldton Port

See ASX announcement dated 25th February 2022 'Joint Co-operation Agreement Signed with Mid West Ports Authority for Geraldton Port'

AVL 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. 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.

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.

PROJECT DELIVERY

Post-BFS the AVL team has turned its focus fully towards Project delivery of the world's next primary vanadium production:

- Working with appointed debt advisers HCF International and Grant Thornton.
- Finalising an implementation plan, including contracting strategy for the processing plant, CMB, mine, logistics and power.
- Progression of environmental approvals towards final approval.
- Engagement with partners in the region, such as ATCO, for proposed green hydrogen supply to reduce greenhouse gas emissions from the processing plant.
- Ongoing advancement of vanadium offtake agreements for the steel and battery markets as announced with US Vanadium⁵.
- Confirmation of strategic value generation by way of further Letters of Intent for sale of FeTi coproduct after vanadium production through the Port of Geraldton.
- Building Australia's first commercial vanadium electrolyte manufacturing plant as part of downstream processing opportunities and early cash flows being pursued by AVL.
- Ongoing support of 100% owned renewable and vanadium battery subsidiary VSUN Energy and the active development of the vanadium redox flow battery market in Australia.

VANADIUM IN ENERGY STORAGE

Water Corp trial progressing

AVL's 100% owned subsidiary VSUN Energy has installed a 5kW/30kWh VRFB for use on a trial basis at Water Corporation's Innovation Hub in Shenton Park, WA at its Water, Research and Innovation Precinct ⁶. The VRFB is initially being trialled for use on a mobile water purification unit and will provide 100% renewable power to the system via a solar PV and VRFB SPS.

VSUN Energy is working with Water Corporation to test, collect data and provide suitable options for potential future use cases for VRFBs throughout Water Corporation's operations. Of particular interest are remote pumping applications and for supplying power to remote offgrid energy loads, currently powered by diesel generators.

Water Corporation is the principal supplier of water, wastewater, drainage and bulk irrigation services in Western Australia and is owned by the Western Australian Government. Water Corporation manages almost 35,000km of water mains across an area greater than 2.6 million kilometres. Water Corporation has a commitment to reducing its environmental footprint, with the use of renewable energy being one of the solutions for doing this.

⁵ See ASX Announcement 11th September 2021 "AVL Secures Vanadium Electrolyte Manufacturing Technology"

⁶ See ASX announcement dated 29th December 2021 'VSUN Energy to Install VRFB at Water Corporation Site'

IGO battery manufacture being completed by E22 in Spain

AVL, in conjunction with VSUN Energy, signed an agreement with ASX 100 listed mining company IGO Limited (IGO) for a project utilising an SPS based on VRFB energy storage technology⁷. An SPS supplies power independently to the electricity grid and typically comprises a combination of solar, wind, battery and backup generation from diesel or gas.

The SPS being installed at IGO's nickel operation will be based around a 300kWh VRFB from E22 which is currently nearing completion (see Figure 5). The system has been designed to provide a 100% renewable energy supply for much of the year for a bore field, with periods of long cloud cover being supported by a diesel genset. Total renewable penetration of 85-90% is being targeted for the trial of the VRFB based SPS system. The SPS can be redeployed for use on multiple mines sites and locations over its 20+ year service life. The target of long periods with diesel-off will not only significantly reduce the carbon emissions of diesel generator powered bore fields, but also offer substantial reductions in operating hours for service personnel. These two significant benefits indicate a potentially rapid growth market segment for this robust technology.



Figure 5 VRFB for standalone power system at IGO's Nova Nickel Operation under construction

The SPS forms part of the project partly funded through the Modern Manufacturing Initiative (MMI) Australian Government grant that AVL was awarded in July 2021⁸.

⁷ See ASX announcement dated 11th November 2021 'IGO's Nova Nickel Operation to Trial VSUN Energy Vanadium Battery Standalone Power System'

⁸ See ASX announcement dated 21st July 2021 'AVL Awarded \$3.69M Federal Government Manufacturing Grant'

CORPORATE

Appendix 5B – Quarterly cash flow report

The cash position of AVL at 31st March 2022 was \$5.09M.

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were \$192k, comprising Directors' fees, salaries and superannuation.

During the quarter \$10k was expensed for exploration and evaluation which related to tenement management. Of the \$1,098k exploration and evaluation expenditure capitalised, \$63k was spent on activities related to the Cooperative Research Centre Project. A further \$1M was spent on the BFS update including engineering work (\$646k), environmental work (\$88k), hydrogeology (\$44k), mine study and reserve schedule (\$41k), laboratory work (\$99k), and other consultants (\$82k). The balance of exploration and evaluation expenditure comprised of other consultants and labour, transportation costs and tenement expenses.

During the quarter the Company received \$1.57M for the conversion of options with an exercise price of \$0.025 and an expiry date of 18 December 2022.

No production and development activities were undertaken during the quarter.

Marketing

During the March quarter AVL and VSUN Energy attended or presented at:

- RIU Explorers Conference, Fremantle (attended)
- Paydirt Battery Minerals Conference, Perth (presented and exhibited)

Vincent Algar has been invited to present at the Diggers & Dealers Forum in Kalgoorlie in August. There are limited presentation slots at the event and a wide-ranging global audience attendance is anticipated this year.

The Company maintains a strong presence on social media platforms and through its mailing list, summarising Company and vanadium related news and developments. The Company is promoted under Australian Vanadium, AVL and VSUN Energy brand names.

For further information, please contact:

Vincent Algar, Managing Director +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.

MINERAL RESOURCE

Table 1 The Australian Vanadium Project Mineral Resource Estimate as at November 2021 by Domain and Resource Classification⁹

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

Table 2 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

⁹ 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).

Table 3 Tenement Schedule

Tenement information as required by Listing Rule 5.3.3 for the quarter ended 31st March 2022

Project	Location	Tenements	Economic Interest	Notes	Change in Quarter %
Western Australia	The Australian Vanadium Project	E51/843	100% Granted ¹		Nil
		E51/1534	100% Granted ¹		Nil
		E51/1899	100% Granted ¹		Nil
		E51/1943	100% Granted ¹		Nil
		E51/1944	100% Granted ¹		Nil
		L51/116		100% on Application	Nil
		P51/3073	100% Granted		Nil
		P51/3074	100% Granted		Nil
		P51/3075	100% Granted		Nil
		P51/3076	100% Granted		Nil
		PLA51/3248		100% ¹ on Application	Nil
		M51/878	100% Granted		Nil
		M51/888	100% Granted ¹		Nil
		MLA51/897		100% ¹ on Application	Nil
		L51/119		100% ¹ on Application	Nil
ELA51/2067		100% ¹ on Application	Nil		
Western Australia	Nowthanna	M51/771	100% Granted		Nil
Western Australia	Peak Hill	E52/3349	0.75% NSR Production Royalty		Nil
Western Australia	Coates	E70/4924-I	100% Granted		Nil
		E70/5588	100% Granted		Nil
		ELA70/5589		100% on Application	Nil
South Africa	Blesberg	(NC) 940 PR	10%		Nil

Note 1: Australian Vanadium Limited retains 100% rights in V/U/Co/Cr/Ti/Li/Ta/Mn & iron ore on The Australian Vanadium Project. Bryah Resources Limited holds the Mineral Rights for all minerals except V/U/Co/Cr/Ti/Li/Ta/Mn & iron ore only.

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.

COMPETENT PERSON STATEMENT – EXPLORATION RESULTS AND TARGETS

The information in this announcement that relates to Exploration Results and Exploration Targets is based on and fairly represents information and supporting documentation prepared by Mr Brian Davis (Consultant with Geologica Pty Ltd) and Ms Gemma Lee who is employed by Australian Vanadium Ltd as Principal Geologist. Mr Davis is a member of the Australasian Institute of Mining and Metallurgy and Ms Lee is a member of the Australian Institute of Geoscientists. Both Mr Davis

and Ms Lee 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 Davis and Ms Lee 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 — 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 – METALLURGICAL RESULTS

The information in this announcement that relates to Metallurgical Results is based on information compiled by independent consulting metallurgist Brian McNab (CP. B.Sc Extractive Metallurgy). Mr McNab is a Member of AusIMM. He is employed by Wood Australia Pty Ltd. 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.

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 Principal Consultant of Orelogy 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.

REPORTING CONFIRMATION

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves or material assumptions underpinning production targets, that all material assumptions and technical parameters underpinning the estimates or production targets 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.