

ASX ANNOUNCEMENT

DRILL COMPLETION AT COATES NICKEL-COPPER-PGE PROJECT

First stage drilling completed to provide a stratigraphic section as part of EIS and CSIRO programs

KEY POINTS

- Initial stratigraphic drilling of Reverse Circulation (RC) and diamond drilling at Coates Mafic Intrusive Complex completed.
- The project covers similar geology to the sequence that is host to the Chalice Gold Mines' nickel-copper-PGE Julimar Project (ASX: CHN) 29 km NNW of Coates.
- Drilling was co-funded through the Western Australia Government Exploration Incentive Scheme (EIS), to identify new nickel-copper-PGE discoveries in the prospective wheatbelt region NE of Perth.
- New core is now available for Commonwealth Scientific and Industrial Research Organisation (CSIRO) Nickel Indicator Study.
- 840.6 metres of reverse circulation drilling over 11 holes and 169.6 metres of NQ diamond core drilling over three holes achieved for total 1,010.2 drilled metres.
- Diamond Core and RC samples to be logged and processed during coming quarter.
- Option agreement signed with Mining Green Metals Limited to acquire the project, subject to its listing on the ASX¹.

Australian Vanadium Limited (ASX: AVL, "the Company" or "AVL") is pleased to announce partial completion of a drill program at its AVL tenure in the Coates Mafic Intrusive Complex near Wundowie, 80km NE of Perth in Western Australia. Drilling followed a successful SkyTEM Airborne Electromagnetic (AEM) survey which identified three conductors, with the largest having a strike length of 1,900 metres². Figure 1 shows the location of the AEM target plates and the stratigraphic drilling completed at Coates Mafic Intrusive Complex.

An 11 hole program of Reverse Circulation (RC) pre-collar and diamond tail drilling was undertaken, with all pre-collars completed for 840.6 metres of RC. Partial completion of the diamond drilling

¹ See ASX announcement dated 11th May 2022 'Sale of Coates Nickel-Copper-PGE and Nowthanna Hill Uranium Projects'

² See ASX announcement dated 14th October 2021 'Electromagnetic Conductors at Coates Nickel-Copper-PGE-Project'

portion of the project was achieved, with 169.6 metres of diamond coring over three holes and cessation of the program early due to budget limitations. Two diamond tails were finished and one abandoned before the full planned depth, due to bogged rods. An additional nine diamond tails are required to complete the stratigraphic fence, including re-drilling of the hole that was abandoned. The drill line remains open and the Programme of Work (PoW) approval remains active. Drilling of the diamond tail portion of the program will be completed pending sale of the project to Mining Green Metals (MGM), subject to its successful listing on the Australian Securities Exchange (ASX)³.

Managing Director, Vincent Algar comments, *“With AVL’s focus firmly on the development of the Australian Vanadium Project at Gabanintha, we are pleased to have completed this first important phase of work at Coates. The AVL team will process the core with the support of the CSIRO Nickel Indicator team and we look forward to seeing what the drilling at Coates uncovers. On MGM’s successful listing, AVL shareholders will continue to hold a significant stake in future discovery in this very exciting region heralded by the discovery of Julimar. The incoming MGM team will be able to dedicate significant focus and resources to the project. The suite of potential minerals at Coates are currently in high and growing demand.”*

The drilling at Coates Project was co-funded through the WA Government’s Exploration Incentive Scheme (EIS)⁴. The grant was for up to \$112,500, representing half of the cost of the program. The drill program is designed to provide a stratigraphic section through the Coates Mafic Intrusion within AVL’s tenure, allowing for lithological and geochemical studies and focussing on nickel-copper-PGE prospectivity. The results from the SkyTEM survey strongly supported the validity of the drill program design to test mafic – ultramafic stratigraphy.

Despite being stopped early due to budget limitations, the program as completed to date provides a significant section of geochemical samples in the percussion components of the drill holes. Importantly, the diamond core now available for the Australian Government’s Commonwealth Scientific and Industrial Research Organisation (CSIRO) Nickel Indicator Study of the Coates Mafic Complex extends 350 to 500 metres further northeast into the intrusion and approaching the zone of the SkyTEM and surface Ni, Pt and Cr anomalism previously identified⁵. Other historical diamond core from the 1970s being utilised for the CSIRO study is restricted to the magnetite gabbro portion of the deposit which was drilled extensively for vanadium mineralisation by Garrick Agnew Pty Ltd and Mt Dempster Mining.

³ See ASX announcement dated 11th May 2022 ‘Sale of Coates Nickel-Copper-PGE and Nowthanna Hill Uranium Projects’

⁴ See ASX announcement dated 23rd April 2021 “Grant Funding for Nickel-Copper-PGE-Gold Drilling at Coates Project”

⁵ See ASX announcement dated 5th August 2021 “Nickel Chrome Copper PGE anomalies identified at Coates Project”

RC samples are being dispatched to a commercial laboratory this week and processing of the core, including logging, cutting and sampling, with submission of samples to the laboratory, is planned during June.

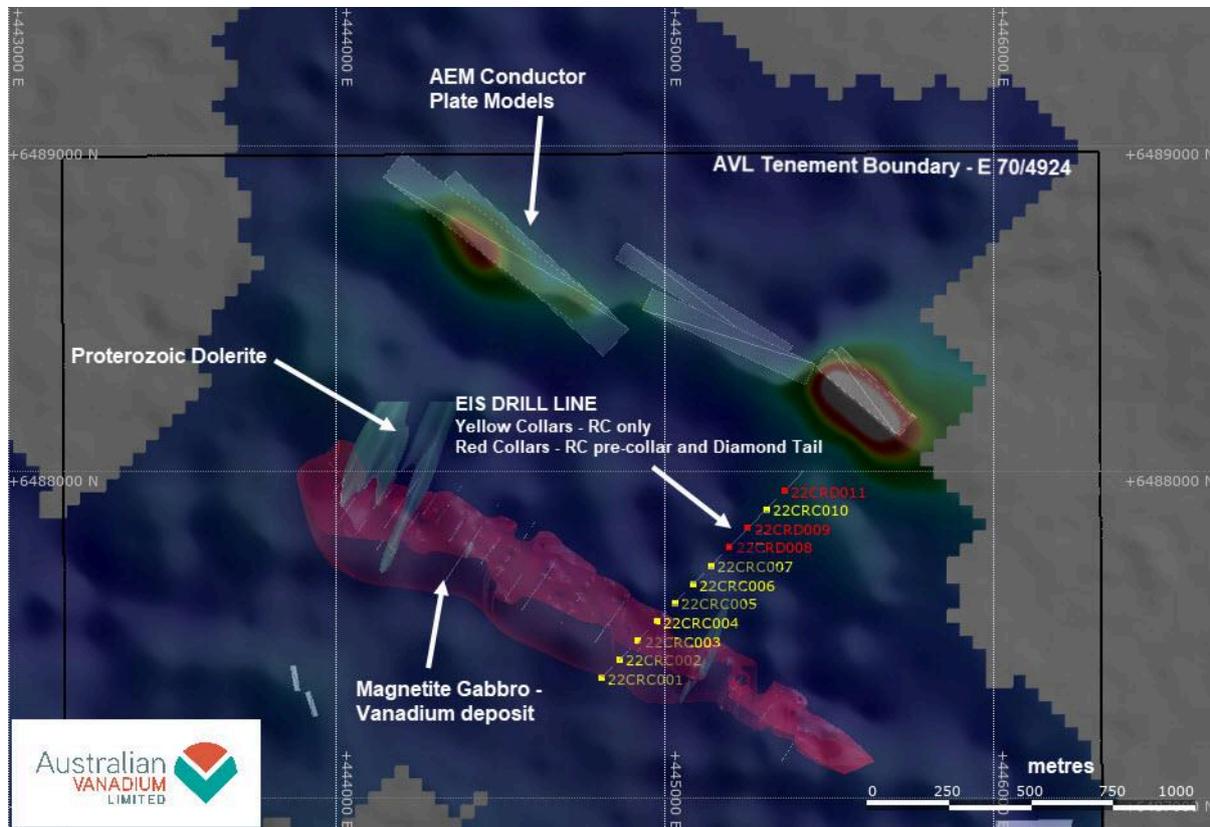


Figure 1: Plan view of EIS Drill Line with AEM imagery background and Plate Models

AVL signed an option agreement⁶ with MGM in May for MGM to acquire a 100% interest in the Coates Project. MGM is aiming to list on the ASX in 2022. The option agreement includes the Company's Nowthanna Hill uranium project and provides AVL with 6,500,000 fully paid ordinary shares in MGM, a 0.75% net smelter return royalty from the value of the minerals mined and a cash payment of \$190,000. The option is conditional on MGM completing due diligence on the tenements and listing on the ASX.

For further information, please contact:

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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.

⁶ See ASX announcement dated 11th May 2022 'Sale of Coates Nickel-Copper-PGE and Nowthanna Hill Uranium Projects'

APPENDIX 1

Collar Locations

HoleID	MGA94 East	MGA94 North	RL	RC Depth m	DDH Length m	TD m
22CRD011	445,364	6,487,942	420	89.9	38.2	128.1
22CRC010	445,308	6,487,884	424	75		75
22CRD009	445,252	6,487,827	427	75.4	71.17	146.57
22CRD008	445,197	6,487,769	432	75.3	60.21	135.51
22CRC007	445,141	6,487,712	429	75		75
22CRC006	445,085	6,487,655	435	75		75
22CRC005	445,030	6,487,597	435	75		75
22CRC004	444,974	6,487,540	444	75		75
22CRC003	444,918	6,487,482	443	75		75
22CRC002	444,862	6,487,425	435	75		75
22CRC001	444,807	6,487,368	417	75		75

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 subsidiary which is focused on developing the market for vanadium redox flow batteries for energy storage. The companies are also working together to produce and supply vanadium electrolyte for the batteries.

The Coates Project is a secondary project for AVL, initially demonstrating interest for its vanadium potential, but now being examined for nickel, base metals, gold and platinum group elements.

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.

COMPETENT PERSON STATEMENT – EXPLORATION RESULTS

The information in this statement that relates to Exploration Results is based on information compiled by independent consulting geologist Brian Davis BSc DipEd who is a Member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and is employed by Geologica Pty Ltd. Brian Davis 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Davis consents to the inclusion in the report 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.