



Australian
VANADIUM
LIMITED



Annual Report
2022

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Directors

Cliff Lawrenson – (Non-Executive Chairman)
Vincent Algar (Managing Director)
Leslie Ingraham (Executive Director)
Daniel Harris (Non-Executive Director)

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Ordinary shares – AVL
Listed options – AVLOA

Dear Shareholders,

On behalf of your Board of Directors, I have pleasure in presenting the 2022 Annual Report of Australian Vanadium Limited ("AVL" or the "Company") for the financial year ending 30 June 2022.

The 2022 financial year has been a breakthrough year for AVL as the Company completed its Bankable Feasibility Study and secured a highly competitive Modern Manufacturing Initiative Collaboration stream federal government grant of \$49 million, creating a substantial foundation for the Company to become the world's next primary vanadium producer.

The year encompassed the full impact of the global pandemic, with continued exposure to complex and volatile capital markets. Despite these difficult conditions, the AVL team delivered technically outstanding work in support of the Australian Vanadium Project. This work has been recognised by shareholders, new investors and the established broker community, which led to our share price and market capitalisation achieving new highs during the year. We took the opportunity to raise \$20 million in new capital in May 2022 and, while the subsequent Share Purchase Plan largely missed the equity window, we learned a great deal about funding in what we expect to be continued complex capital and debt markets.

From a macro perspective, the growing investor interest in vanadium as a critical metal and the demand for vanadium in the flow battery market contributed to the support AVL is receiving in both technical and capital markets. This increasingly positive sentiment supported the capital raise which has placed the Company in a strong financial position for the Project's next stages.

AVL's greatest strength is the quality and commitment of its people and its collaboration partners. This is evidenced in ongoing and new support from the Australian Government for the Company's downstream processing plans through the Manufacturing Translation Stream - Resources Technology and Critical Minerals Processing Priority, as well as the Modern Manufacturing Initiative Collaboration stream grants, both administered by the Department of Industry, Science, Energy and Resources. AVL looks forward to being the first company in Australia to successfully and sustainably build and operate a vanadium mine, processing plant, battery electrolyte plant and be involved in vanadium based battery applications. These activities confirm AVL's commitment to the entire vanadium value chain. Ongoing thoughtful development and collaboration with like-minded ESG-centric participants will bring meaningful economic benefit and certainty of supply to our country, while enabling the creation of more jobs and a valuable domestic skill set.

The Company's subsidiary, VSUN Energy, continued to make progress during the year in the renewable energy market. The shift towards a greater understanding of the need for long duration energy batteries, such as can be ideally provided by the deployment of vanadium redox flow batteries, accelerated during the year as more and more organisations and countries committed to net zero carbon emission goals for 2030 and 2050. It is most important, at this time, that proper consideration and priority be given to electricity storage to ensure that renewable electricity generation is optimised.

Vanadium's critical role in both the steel and battery markets has a positive impact on global carbon emission reduction. AVL is accelerating its ESG policies and goals, aligning itself with international standards and refining internal and external policies and frameworks within which the Company will operate.

As AVL progresses on its journey to vanadium production, I would like to thank shareholders for their continued support throughout the year, welcome new investors and extend my sincere thanks to the Board, management and staff for their ongoing commitment to the Company.

Yours sincerely,



Cliff Lawrenson
Non-Executive Chairman

CORPORATE HIGHLIGHTS

The Australian Vanadium Project

- Bankable Feasibility Study (BFS) released confirming AVL's Australian Vanadium Project as a potential globally significant primary vanadium producer (development of the asset is subject to raising finance)
- Total vanadium Mineral Resource updated to **239 million tonnes (Mt) at 0.73% V₂O₅** (vanadium pentoxide)
- Updated Ore Reserve of **30.9Mt at 1.09% V₂O₅** comprised of a Proved Reserve of 10.5Mt at 1.11% V₂O₅ and a Probable Reserve of 20.4Mt at 1.07% V₂O₅
- Combined Measured and Indicated high-grade vanadium resource increased to **38.8Mt at 1.11% V₂O₅**
 - 11.3Mt at 1.14% V₂O₅ Measured Resources
 - 27.5Mt at 1.10% V₂O₅ Indicated Resources
- Strong financial metrics:
 - 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**
- **\$49M** Australian Government grant awarded towards Project funding under the Modern Manufacturing Initiative Collaboration stream
- Three **Letters of Intent** for iron titanium coproduct offtake sales signed with significant Chinese steel producers, one converting to a non-binding Term Sheet post year-end
- Joint Co-operation Agreement signed with Geraldton Port for the future use of facilities and services
- Globally significant combined roast/leach overall vanadium extraction of 92% confirmed
- Test data identified potential for increased vanadium resources and higher FeTi coproduct grades in southern blocks, with drilling currently underway
- Processing plant water drilling and site rezoning applications completed

Electrolyte Plant

- Awarded **\$3.69M** grant from the Australian Government as part of the Manufacturing Translation Stream – Resources Technology and Critical Minerals Process Priority grant opportunity in a competitive process for downstream vanadium processing, including:
 - High-purity vanadium pentoxide processing circuit
 - Building and operating a commercial vanadium electrolyte plant in WA
 - Manufacture of residential and stand-alone power systems in WA
- Memorandum of Understanding for offtake of V₂O₅ and vanadium electrolyte sales signed with Spanish vanadium redox flow battery (VRFB) manufacturer
- Licence signed with U.S. Vanadium LLC for high purity vanadium oxide supply and vanadium electrolyte manufacturing technology
- Primero appointed to undertake Early Contractor Involvement for the building of AVL's vanadium electrolyte manufacturing plant

VSUN Energy

- Water Corporation VRFB trial for water purification and pumping applications commenced in 2022 and is continuing
- Manufacture of VRFB-based standalone power system (SPS) for the IGO Limited Nova Nickel Operation completed and currently under testing at a facility in Perth prior to being installed on site
- Electric vehicle charging test and demonstration successfully conducted using VRFB with Tesla and Mini EVs
- Memorandum of Understanding signed with North Harbour Clean Energy (NHCE) to help facilitate the development of VRFBs into existing and future NHCE projects
- Three 5kW/30kWh VRFBs manufactured by AVL's Singaporean partner V-Flow Tech arrived in Perth, which when installed will provide further valuable local operating examples of the Australian-invented storage technology

Coates

- Nickel, chrome, copper and PGE soil anomalies confirmed prospectivity
- Significant airborne electromagnetic conductor identified and airborne electromagnetic surveys completed at Coates in preparation for drilling using pre-approved EIS (WA Government Exploration Incentive Scheme) funding
- Three significant new conductors identified, including 1,900m long coherent bedrock anomaly corresponding with topographic low and magnetic high zones, factors considered highly conducive to further searches for Ni-PGE mineralisation based on regional activity
- Drilling as part of EIS and CSIRO Research project commenced
- Option agreement signed with Mining Green Metals (MGM) for MGM to acquire a 100% interest in the Coates Project

Corporate

- Structured finance specialist **HCF International** appointed, in partnership with **Grant Thornton Australia**, to secure funding to support the development of the Project
- **\$8.7M** (before costs) raised via a Placement to institutional and sophisticated investors
- **\$20.57M** (before costs) raised via a Placement and Share Purchase Plan
- Cash at bank at 30 June 2022 of **\$26.4M**
- Successful completion of ESG gap analysis by global consultancy Advisian, demonstrating that AVL is performing well relative to its stage of development

The annual financial statements for the Group have been prepared based on assumptions and conditions prevalent at 30 June 2022.

REVIEW OF OPERATIONS

During the year, the Company made substantial progress in its objective to develop the Australian Vanadium Project (the Project) in Western Australia.

The Australian Vanadium Project

A globally significant vanadium resource with strong business fundamentals, a long mine life and downstream manufacturing opportunities in the battery sector.

The Australian Vanadium Project

The Australian Vanadium Project is located approximately 40km south of Meekatharra within the northern Murchison region of Western Australia. Access from Perth is via the Great Northern Highway and the Meekatharra-Sandstone Road (refer Figure 1).

The Project is based on a proposed open cut mine of the Vanadium Titanium Magnetite (VTM) Orebody and a crushing, milling and beneficiation plant (CMB) 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 (V_2O_5) 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.

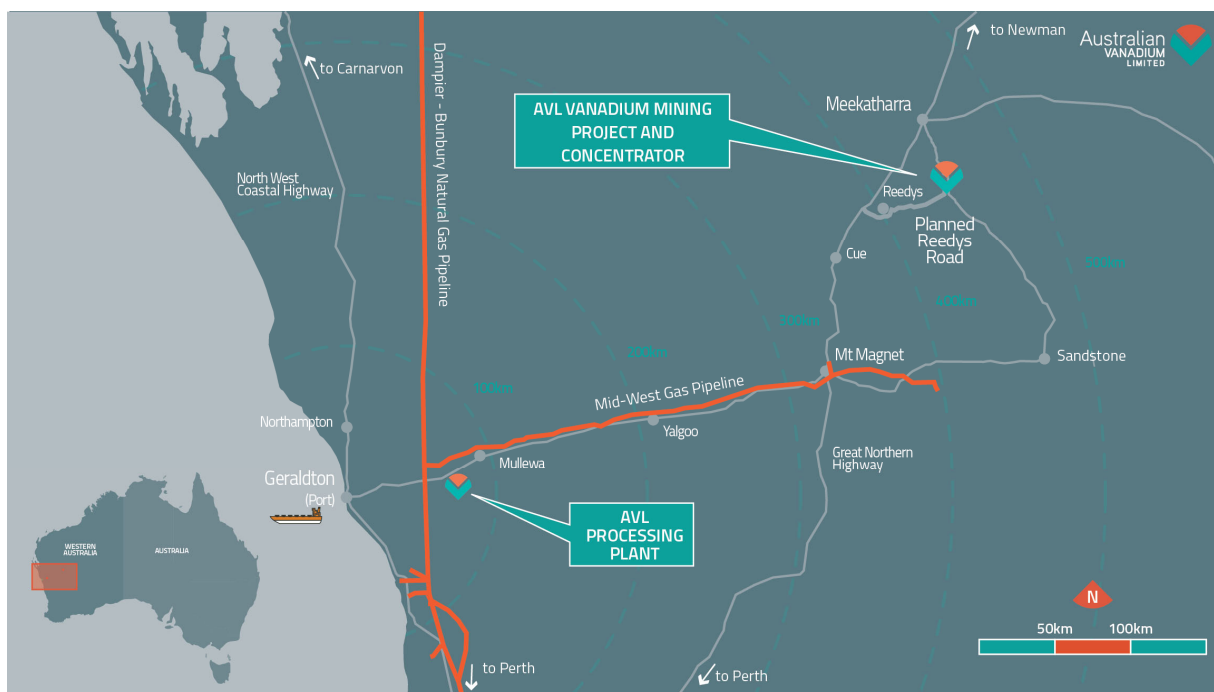


Figure 1: Location of The Australian Vanadium Project

Bankable Feasibility Study (BFS)

During the year, the Company released a Bankable Feasibility Study (BFS) which confirmed the Project as a potential globally significant primary vanadium producer targeting **critical mineral, steel and energy storage** markets. Development of the Project is subject to raising finance.

Highlights from the BFS for the Project include:

- 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% V₂O₅¹**.
- 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 development². 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%.

The level of study provides a basis for engagement with financing institutions including the Northern Australia Infrastructure Facility (NAIF), Export Finance Australia and many of the international resource banks. The key financial outcomes are:

- 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.

¹ Rounding is applied

² 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

Figure 2 below summarises the key metrics of the Australian Vanadium Project.

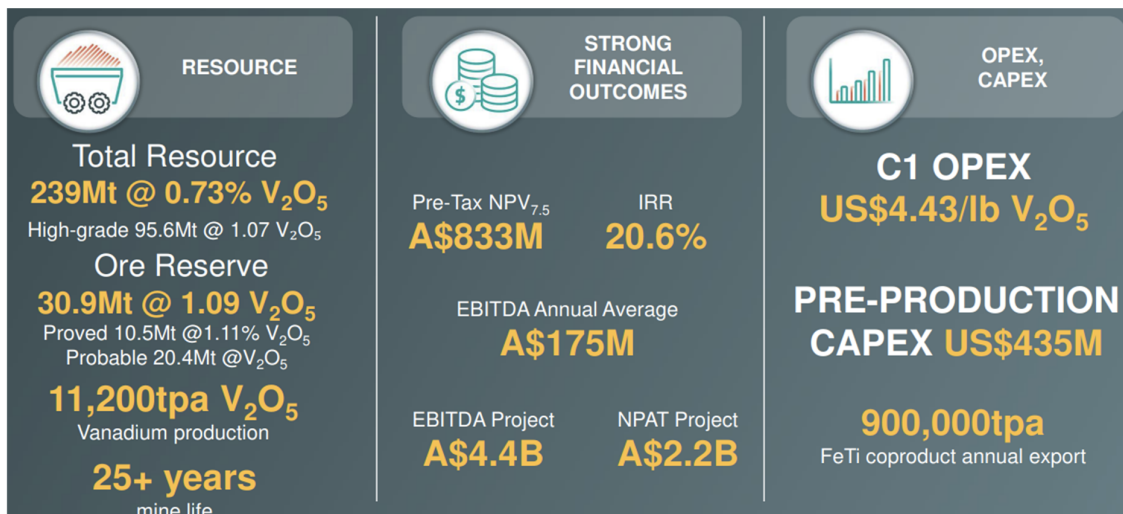


Figure 2: Key metrics of the Project

For full details of the BFS, please see ASX announcement dated 6 April 2022 'Bankable Feasibility Study for the Australian Vanadium Project'.



Figure 3 Top: CMB layout, Bottom: Processing Plant layout

\$49M Grant Awarded to AVL by Australian Government

In March 2022 AVL was awarded a \$49M grant under the Australian Government's Modern Manufacturing Initiative Collaboration stream to support the development of the Project. The grant will have the effect of reducing the equity component required and providing comfort to both debt and equity investors.

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 V_2O_5 product, suitable for the critical mineral and battery markets. The V_2O_5 will subsequently be processed into vanadium electrolyte to fill vanadium redox flow batteries (VRFBs) at the AVL vanadium electrolyte manufacturing plant, which 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 road map.

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.

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, specifically the Development of Electrolytes Project which is being led by Professor Aleks Nikoloski at Murdoch University.

Mineral Resource update

In November 2021 AVL announced an update to the Mineral Resource at the Project which was subsequently used in the BFS.

The Company updated the Measured, Indicated and Inferred Mineral Resource contained within a massive magnetite high-grade (HG) horizon and overlying lower grade (LG) disseminated magnetite horizons for a total of **239 million tonnes (Mt) at 0.73% V_2O_5** . This updated figure included an **8.6% increase** in the HG massive magnetite portion of the Mineral Resource from that previously reported in March 2020³. The Project economics are driven by the extraction and processing of the HG resources.

The revised Mineral Resource includes a geologically distinct, massive vanadium-bearing magnetite HG zone which remains the focus of economic studies. The Measured, Indicated and Inferred Mineral Resource estimate for this massive magnetite HG portion is 95.6Mt at 1.07% V_2O_5 , which includes:

- Measured: 11.3Mt at 1.14% V_2O_5 ;
- Indicated: 27.5Mt at 1.10% V_2O_5 ; and
- Inferred: 56.8Mt at 1.04% V_2O_5 .

The below table shows the Global Mineral Resource reported as in-situ vanadium pentoxide by geological domain (HG, combined LG and combined Transported) for all fault blocks at the Project.

³ See ASX announcement dated 5 March 2020, 'Total Vanadium Resource Rises to 208 Million Tonnes'

GEOLOGY & MINING

Resource table

DOMAINS	CATEGORY	Mt	V ₂ O ₅ %	Fe %	TiO ₂ %	SiO ₂ %	Al ₂ O ₃ %	LOI %
HG 10	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	Measured	-	-	-	-	-	-	-
	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
Trans 6-8	Measured	-	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-	-
	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 1: Mineral Resource estimate by Zone

Overall, the total Mineral Resource increased by 30.8Mt (14.8%), as a result of additional studies and increased understanding of the density of rocks within the deposit. The deposit remains open at depth and if required in the future, there is potential to convert further Inferred Resources located along the Company's 11.5km of strike length to the Measured and Indicated categories.

AVL is continuously seeking to improve its understanding of the Mineral Resource as it moves the Project towards production. Vanadium Titanium Magnetite deposits display a clear correlation between iron content and density. New information that was captured and analysed by AVL was used to upgrade and increase the vanadium resources at the Project. Density measurement and analysis is a critical and key component of mineral resource estimation and is used to de-risk mining and processing. As such, further understanding of density, geological and metallurgical parameters will be gained as the Project develops.

Southern Blocks

Beneficiation testwork from the southern resource blocks indicated higher vanadium and iron concentrate grades. The iron grades in fresh magnetic concentrate are up to 61.0% Fe, demonstrating potential to improve the value of AVL's FeTi coproduct after vanadium extraction is completed.

The work that the AVL team has undertaken across the Project has provided the Company with a unique understanding of the mining recoveries that can be achieved. Grades of up to 1.51% V₂O₅ in concentrate confirm near surface opportunities for higher vanadium concentrate grades and recoveries.

New detailed ground geophysics in southern Block 90 confirmed 1.5km extension of vanadium magnetite trend, with limited previous drilling.

High purity V_2O_5 averaging 99.5% produced as an end-product

AVL produced high-purity 99.5% V_2O_5 marketing samples during the final stage of metallurgical testing for the BFS. The feed materials for this sequence of pilot programs comprised two composites of drill core, designed to be indicative of the average first five years of production and life of mine production. A sample of V_2O_5 , alongside AVL's pelletised vanadium concentrate and a sample of ore is shown in Figure 4.

Figure 4: Sample of V_2O_5 precipitate generated from pilot program alongside roasted pellets and a vanadium ore sample.



Vanadium leach extraction

Overall combined roast and leach vanadium extraction including first and second leach stages was validated at 92%, a key differentiator for AVL's pellet roast and leach processing circuit.

The water-leach and wash processes impressively removed 99% of soluble vanadium from the FeTi coproduct, enhancing its value for direct use in steelmaking.

AVL's unique mechanical water leach circuit has been shown to be a viable, cost-effective design, maximising onshore Australian extraction of high value critical mineral vanadium products.

The work was conducted at ALS Metallurgy Pty Ltd (ALS) testing facilities in Perth – a research partner in AVL's Australian Government's Cooperative Research Centre Projects scheme entitled: "Production of 99.95% Pure Vanadium Pentoxide and Vanadium Electrolytes".



Figure 5: Process Engineer Greg O'Connor and Project Manager Trevor Smith inspecting the final stage of the heap leach test

FeTi coproduct

During the year, AVL signed three Letters of Intent (LOI) for its iron titanium (FeTi) coproduct. AVL plans to produce approximately 900,000 tonnes per annum (tpa) of FeTi coproduct from the Project, in addition to approximately 11,200 tpa of vanadium pentoxide from its proposed mine and processing facility in the Mid-West region of Western Australia⁴. Sale of the FeTi coproduct is part of the AVL strategy to reduce overall Project risk.

The first LOI was signed with Guangxi Shenglong Metallurgy International Pte Limited, the commercial arm of Shenglong Metallurgy Co. Ltd.

Wingsing International Limited, the commercial arm of Tianzhu Steel signed the second LOI which has subsequently been progressed to a non-binding Term Sheet post year end. The non-binding term sheet extends the terms of the LOI and is the next step towards finalising a binding offtake agreement.

A third LOI for FeTi coproduct offtake sales was signed with Rizhao Steel Holding Group Co. Limited.

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 of its 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 enabled these figures to be included in the 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.

International Patent Application

Following a provisional patent application submission in 2021 AVL has progressed to filing a full international patent application for its vanadium processing circuit to assist with the protection of intellectual property (IP) generated during the BFS. The IP comprises an innovative combination of processes to maximise vanadium recovery. The basis for the patent application is the specific sequence of beneficiation, pyrometallurgy and hydrometallurgy which combine to produce a high purity vanadium product with exceptional recoveries.

A distinctive feature of the patent application is the ability to economically recover vanadium from oxidised and transitional zones common to VTM deposits worldwide.

The pyrometallurgy process utilises pelletisation and a grate-kiln for roasting, which has been shown to considerably improve vanadium extraction in comparison to conventional roasting. The hydrometallurgy process includes a washing stage to produce a clean iron titanium coproduct. A combination of nanofiltration and solvent extraction generates ultra-high purity vanadium for specialty applications.

AVL has built on established beneficiation and roast-leach technologies, with step-change improvements to deliver superior vanadium recoveries. These processes have been demonstrated at pilot scale as shown in Figure 6.

⁴ See ASX announcement dated 6th April 2022 'Bankable Feasibility Study for the Australian Vanadium Project'



Figure 6: AVL's process includes reverse flotation, pelletisation, salt-roasting and leaching; demonstrated at full pilot-scale from left-right

The patent application also covers a nano-filtration and solvent extraction stage for producing an ultra-high purity vanadium as a value-added product. The feed for this operation is the wash solution generated in the previous step. The nanofiltration stage upgrades the vanadium content of the solution, solvent extraction removes impurities. The V_2O_5 product from this process will have a purity of >99.9%.

The patent application is recognised across 156 countries through the Patent Cooperation Treaty (PCT). Work contributing to this patent application was partly funded by the Australian Government's CRC-P grant.

Nickel-Copper-Gold-PGE at Gabanintha

Bryah Resources Limited (Bryah) undertook a 5,000m aircore drilling program at Gabanintha to investigate the extent and zonation of the Lady Alma Layered Igneous Complex, which has significant potential to host nickel-copper-gold and Platinum Group Elements (PGE) mineralisation. The Lady Alma Layered Igneous Complex hosts the Australian Vanadium Project.

Samples were assayed for an extensive suite of elements, with the drilling being co-funded for up to \$53,000 by the Western Australian State Government under its Exploration Incentive Scheme (EIS). The remainder of the funding was split between Bryah and AVL. AVL is testing for new cobalt, chromium, vanadium and titanium horizons in the drilling.

At Gabanintha, the location of the Australian Vanadium Project, Bryah holds the rights to all minerals except vanadium, uranium, cobalt, chromium, titanium, lithium, tantalum, manganese and iron ore (Excluded Minerals). AVL retains 100% rights in the Excluded Minerals on the Gabanintha Project.

Vanadium Electrolyte

AVL has signed a Memorandum of Understanding (MOU) with U.S. Vanadium LLC (USV) for the supply of vanadium oxides for vanadium electrolyte production in Australia. The MOU includes a licence for low cost USV technology to convert vanadium oxides to vanadium electrolyte for use in vanadium redox flow batteries (VRFBs). The MOU covers exclusivity over the technology licence for Australia and New Zealand.

USV is a global leader in the production of high purity vanadium oxide products and a key vanadium battery electrolyte supplier based in the USA. An initial order for USV vanadium oxides has arrived in Perth for conversion and will be used in a commercial flow battery deployment.

Under the agreement, high purity vanadium oxides can be sourced from either USV or AVL and be used to produce vanadium electrolyte for Australian battery installations. The agreement enables AVL to commence commercial vanadium electrolyte production ahead of planned production of its own vanadium products, thus leading Australian VRFB market development.

The technology and supply agreement complements AVL's Manufacturing Translation Stream - Resources Technology and Critical Minerals Processing Priority grant awarded in July 2021 to co-fund commercial vanadium electrolyte manufacturing plant development in WA. The AVL facility will be the first full scale vanadium electrolyte manufacturing plant in Australia.

Western Australian engineering group Primero (a subsidiary of NRW Holdings), has been appointed to undertake the Early Contractor Involvement (ECI) for the building of AVL's vanadium electrolyte manufacturing plant. This will form stage 1 of the vanadium electrolyte manufacturing plant build process, with stage 2 being the engineering, procurement, and construction (EPC).

The ECI stage incorporates analysis of the U.S. Vanadium LLC plant design, including alignment with Australian standards, design layouts and EPC contract preparation. Vanadium electrolyte is the key component of VRFBs which are used to store and redeploy renewable energy. The vanadium electrolyte plant will initially be able to produce enough electrolyte per annum to fill VRFBs that can store up to 33MWh of energy. For comparison, a single Tesla Powerwall stores 13.5kWh of energy, with the electrolyte plant producing the equivalent energy storage capacity of 2,444 Powerwalls per year.

The facility will support the anticipated rapid growth of the long duration, renewable energy powered VRFB market in Australia.

VSUN Energy

VSUN Energy Pty Ltd is the Company's wholly owned subsidiary, with the sole focus of developing the Australian market for vanadium redox flow batteries (VRFBs). The expansion of the Australian and global VRFB market opens up significant new opportunities for additional consumption of high-purity vanadium products used in vanadium electrolyte.

Vanadium Redox Flow Batteries

As the demand for renewable energy grows, so does the demand for solutions that can store renewable energy for regulated use. The renewable energy market is rapidly growing on a global scale, with significant investment in new and developing technology.

Water Corp trial

VSUN Energy 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. The VRFB was initially trialed for use on a mobile water purification unit, providing up to 100% renewable power to the system via a solar PV and VRFB SPS.

VSUN Energy continues to work 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 off grid 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.

Standalone power system for IGO's Nova Nickel Operation

VSUN Energy is installing a Standalone Power System (SPS) based on VRFB energy storage technology at the IGO Limited (IGO) Nova Nickel Operation. A 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 is based around a 65kW/300kWh VRFB from E22 which arrived in Western Australia in August 2022 (see Figure 7). 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 7: VRFB en route to testing facility in Perth

V-Flow Tech



Figure 8: VSUN Energy branded V-Flow Tech 5kW/30kWh VRFBs

Three 5kW/30kWh VRFBs manufactured by AVL's Singaporean partner V-Flow Tech arrived in Perth in September 2021. AVL and VSUN Energy have previously signed an MOU with V-Flow for vanadium pentoxide offtake, vanadium electrolyte supply, VRFB sales, installation, service and maintenance.

The companies have developed a strong relationship with V-Flow Tech, with the

three batteries being the first from the manufacturer in Australia. The installations will further increase the companies' in-house experience and provide valuable local operating examples of the Australian-invented storage technology.

Coates and Nowthanna Hill Projects

The Coates vanadium deposit is situated approximately 35km east of metropolitan Perth in the Shire of Wundowie. Exploration at Coates was undertaken in the 1970s after its discovery in the early 1960s. Mining plans have previously been produced by Agnew Clough Ltd on the Coates vanadium deposit, although no significant mining was undertaken.

The Nowthanna Hill uranium-vanadium deposit is located 50km south of Meekatharra in Western Australia and is hosted within calcrete and clay deposits, formed within the inland drainage as a result of the weathering of granites containing high background radiation.

Copper and PGE soil anomalism (Coates)

An initial soil survey undertaken by AVL at Coates highlighted a prospective sequence of Ni, Cu, PGE bearing rock untested by recent exploration. Copper anomalism at the project is comparable with significant soil signatures at Chalice Gold Mines' Julimar Project. Elevated nickel and chrome were present in soils in a new PGE anomaly identified in NW of soil grid.

The Company also secured 200m of historical diamond drill core from Coates Project for PGE and base metals analysis.

Three conductors were identified by a SkyTEM Airborne Electromagnetics (AEM) survey at Coates, with the largest having a strike length of 1,900 metres. This coherent 1,900m long bedrock conductor is present to the northeast and parallel to the Coates magnetite gabbro. The AEM results are highly encouraging considering the success of the method in other discoveries in the area. The new data supports the matching geological setting for Ni-PGE bearing host rocks.

In June 2022, the Company announced the partial completion of a drill program at Coates. 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 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. 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)⁵. The drilling at Coates Project was co-funded through the WA Government's Exploration Incentive Scheme (EIS)⁶. The grant was for up to \$112,500, representing half of the cost of the program.

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 identified.

The assays for the eleven pre-collars were submitted in June 2022 for analysis with results received subsequent to year end.⁷ Elevated copper, nickel and/or palladium and platinum was intersected in four of the RC pre-collars, holes being 22CRC007, 22CRD008, 22CRC009 and 22CRD011. Most anomalous results are:

- 22CRC007 – 10 m @ 0.13% Cu, 493ppm Ni, 39ppb Pd and 21ppb Pt from 64m
 - Including 7m @ 0.14% Cu, 544ppm Ni, 43ppb Pd and 23ppb Pt from 67m
- 22CRC007 – 1m @ 700ppm Ni, 40ppb Pd and 40ppb Pt from 55m
- 22CRD008 – 6m @ 358ppm Ni, 54ppb Pd and 41ppb Pt from 11m
- 22CRC009 – 6m @ 0.12% Cu and 525ppm Ni from 38m
- 22CRD011 – 1m @ 45ppb Pd and 45ppb Pt from 66m
- 22CRD011 – 1m @ 60ppb Pd and 55ppb Pt from 81m.

⁵ See ASX announcement dated 11th May 2022 'Sale of Coates Nickel-Copper-PGE and Nowthanna Hill Uranium Projects'

⁶ See ASX announcement dated 23rd April 2021 "Grant Funding for Nickel-Copper-PGE-Gold Drilling at Coates Project"

⁷ See ASX announcement dated 15th September 2022 "Drill Results at Coates Nickel-Copper-PGE Project Confirm Prospectivity"

The location of these holes and the downhole results listed above are shown in Figure 9 below.

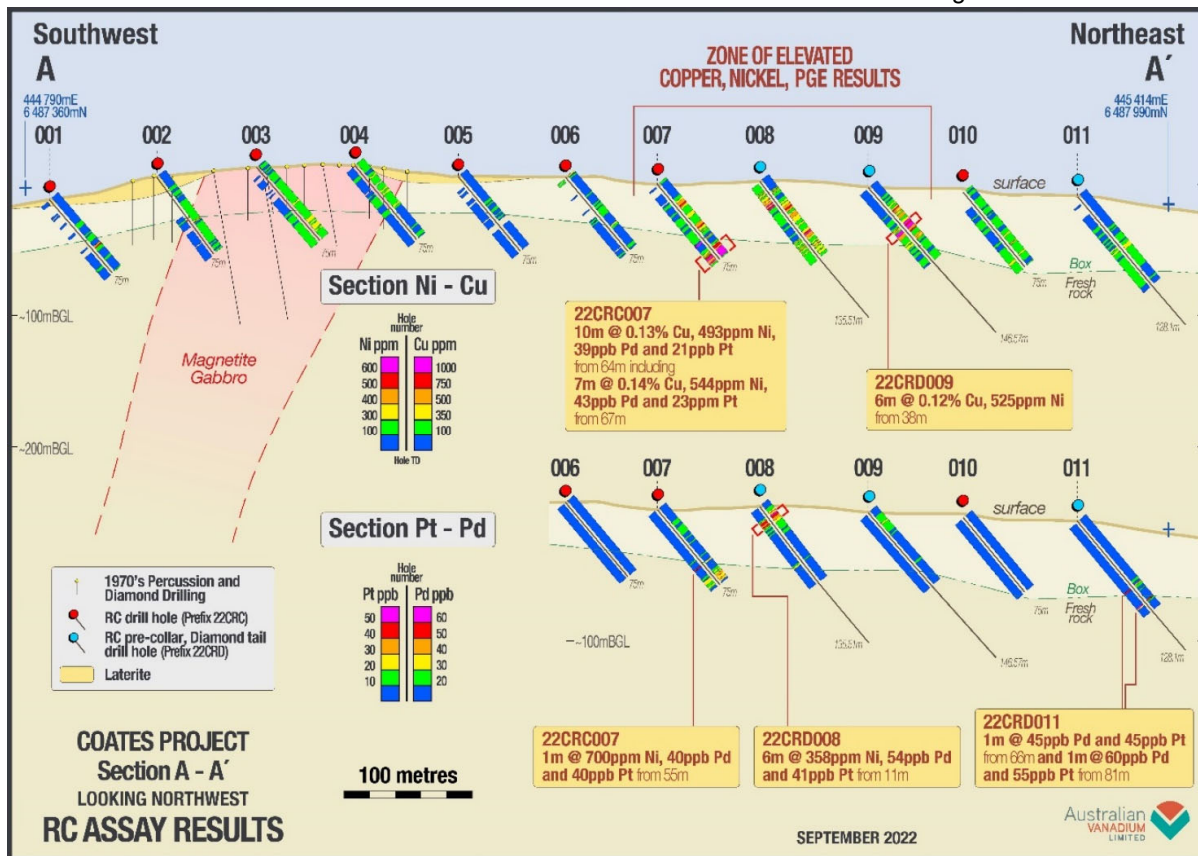


Figure 9: Section view of EIS Drill Line with Copper, Nickel, Palladium and Platinum Results

Sale of Coates Nickel-Copper-PGE and Nowthanna Hill Uranium Projects

An option agreement was signed in May 2022 with Mining Green Metals (MGM) for MGM to acquire a 100% interest in the Coates and Nowthanna Hill Project tenements, application and associated mining information.⁵

The Option will provide the following benefits to AVL and its shareholders:

- AVL to receive 6,500,000 fully paid ordinary shares in MGM
- A 0.75% net smelter return royalty from the value of the minerals mined (Coates Project)
- A cash payment of \$190,000.

The tenements included in the Option are:

- E70/4924-I (Coates Project)
- E70/5588 (Coates Project)
- ELA 70/5589 (upon grant); (Coates Project) and
- M51/771 (Nowthanna Hill Project).

MGM may exercise the Option by giving written notice exercising the Option to AVL at any time between the period commencing on the execution date and ending 12 months after the execution date. If the Option is not exercised by MGM during the option exercise period, the Option shall lapse.

If MGM exercises the Option, completion of the acquisition is subject to, and conditional on the satisfaction of the following conditions precedent on or before the period ending 2 months after the date of the option exercise notice:

- (a) MGM advising AVL that it has completed its due diligence investigations on the Tenements and Application to the satisfaction of MGM in its absolute discretion;

- (b) MGM having received listing approval from ASX for its shares to be admitted to the official list of ASX, subject only to completion of the Acquisition and such other conditions as are acceptable to MGM (acting reasonably); and
- (c) AVL either obtaining approval from its shareholders, if necessary, or ASX providing written advice to AVL that such shareholder approval is not required.

Bryah Resources Limited

As at the date of this report, AVL holds 13.88 million shares in Bryah, which represents a 4.97% holding in that company (11.25 million shares were held at 30 June 2022, representing a 4.97% holding). Bryah Resources Limited is a gold, base metals and manganese exploration company with tenements exclusively in Western Australia.

DIRECTORS

The names of the Directors of the Company in office during or since the end of the financial year and up to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Cliff Lawrenson	Non-Executive Chairman
Vincent Algar	Managing Director
Leslie Ingraham	Executive Director
Daniel Harris	Non-Executive Director

The qualifications, experience and special responsibilities of each Director are as follows:

Cliff Lawrenson – BCom (Hons)

Mr Cliff Lawrenson holds postgraduate qualifications in commerce and finance and has worked extensively in project development and investment banking around the world, including in South Africa, Australia, USA and Singapore. Mr Lawrenson is an experienced mining executive and director with deep expertise in minerals and energy sectors derived from his considerable global experience. He has a successful track record of leading strategic direction in companies and executing corporate transactions.

Mr Lawrenson's previous roles include Managing Director of Atlas Iron Ltd from January 2017 until its acquisition in 2018 by Hancock Prospecting Pty Ltd. Prior to this he led several ASX listed companies through various stages of development. Mr Lawrenson held the position of Group Chief Executive Officer of GRD Ltd from 2006 to 2009 which incorporated GRD Minproc Ltd, OceanaGold Ltd and Global Renewables. Prior to joining GRD Ltd, Mr Lawrenson was a senior executive and vice president of CMS Energy Corporation in the USA and Singapore for seven years. An investment banking career preceded the above.

Other ASX listed company directorships (current and past three years):

- Paladin Energy Ltd (since 2019)
- Caspin Resources (since 2020)
- Canyon Resources (since 2020, resigned August 2022)

Mr Lawrenson is also non-executive director of Onsite Rental Group (since 2020) and Pacific Energy Pty Limited (since 2010).

Committee membership:

- Member of the Audit & Risk Committee
- Chairperson of the Remuneration, Nomination and Governance Committee
- Member of the Technical and Sustainability Committee

Vincent Algar – BSC (Hons) Geology MAusIMM

Mr Vincent Algar is a geologist by profession with over 32 years of experience in the mining industry spanning underground and open cut mining operations, greenfields exploration, project development and mining services in Western Australia and Southern Africa. He has significant experience in the management of publicly listed companies, which includes the entire compliance, marketing and management process and encompasses the development of internal geological and administrative systems, exploration planning and execution, plus project acquisition and deal completion.

Other directorships (current and past three years):

- Nil.

Leslie Ingraham

Mr Ingraham has been in private business for over 30 years and is an experienced mineral prospector and professional investor. He has successfully worked as a consultant for both private companies and companies listed on the ASX. Core competencies include capital raising and shareholder liaison.

Other directorships (current and past three years):

- Bryah Resources Limited - since 2017

Committee membership:

- Member of the Audit & Risk Committee
- Member of the Remuneration, Nomination and Governance Committee
- Member of the Technical and Sustainability Committee

Daniel Harris

Mr Harris brings with him a vast amount of expertise in the vanadium industry and an understanding of the resource sector from both a technical and financial perspective. Recent roles include the interim CEO and Managing Director at Atlas Iron Limited; CEO & Chief Operating Officer at Atlantic Ltd; Vice President & Head of Vanadium Assets at Evraz Group; Managing Director at Vametco Alloys; General Manager of Vanadium Operations at Strategic Minerals Corporation and as an independent technical and executive consultant to GSA Environmental Limited in the United Kingdom.

During the past three years, Mr Harris was a director of the following ASX listed companies:

- Atlas Iron Limited – resigned 2019
- Paladin Energy Limited – resigned 2019
- QEM (Queensland Energy Minerals) Limited – since 2018
- Flinders Mines Limited – appointed 8 August 2022

Committee membership:

- Chairperson of the Audit & Risk Committee
- Member of the Remuneration, Nomination and Governance Committee
- Chairperson of the Technical and Sustainability Committee

COMPANY SECRETARY

Neville Bassett

Mr Bassett is a Chartered Accountant with over 35 years of experience. He has been involved with a diverse range of Australian public listed companies in directorial, company secretarial and financial roles.

INTERESTS IN SHARES AND PERFORMANCE RIGHTS OF THE COMPANY

As at the date of this report, the interests of the Directors and executives in the shares and rights of Australian Vanadium Limited were:

	Number of Ordinary Shares	Number of Unlisted Performance Rights ¹
Vincent Algar	7,663,436	48,000,000
Leslie Ingraham	30,478,774	32,000,000
Cliff Lawrenson	-	24,000,000
Daniel Harris	2,500,000	20,000,000
Todd Richardson	3,013,125	7,500,000
Liesl Strachan ²	731,250	-

¹ As at reporting date these performance rights have not been exercised by directors and/or executives.

² Ms Strachan was appointed 1 July 2021. Ms Strachan exercised 121,875 performance rights on 5 September 2022.

MEETINGS OF DIRECTORS

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

Directors	Directors' Meetings		Remuneration Committee Meetings		Audit and Risk Committee Meetings		Technical and Sustainability Committee Meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Cliff Lawrenson	6	6	1	1	2	2	1	1
Vincent Algar	6	6	-	-	-	-	-	-
Leslie Ingraham	6	6	1	1	2	2	1	1
Daniel Harris	6	6	1	1	2	2	1	1

INSURANCE OF OFFICERS

The Company has in place an insurance policy insuring Directors and Officers of the Company against any liability arising from a claim brought by a third party against the Company or its Directors and Officers, and against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in their capacity as a Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

In accordance with a confidentiality clause under the insurance policy, the amount of the premium paid to the insurers has not been disclosed. This is permitted under Section 300(9) of the *Corporations Act 2001*.

ENVIRONMENTAL REGULATIONS

The Group's operations are subject to various environmental laws and regulations under government legislation. The exploration tenements held by the Group are subject to these regulations and there have not been any known breaches of any environmental regulations during the year under review and up until the date of this report.

CORPORATE INFORMATION

Nature of Operations and Principal Activities

The principal continuing activities during the year of entities within the Consolidated Entity were the advancement of the Australian Vanadium Project, exploration for vanadium/titanium and other economic resources, development of vanadium electrolyte production and the sale of VRFB systems.

Corporate Structure

Australian Vanadium Limited is a limited liability company that is incorporated and domiciled in Australia. The Company has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

Australian Vanadium Limited	Parent entity
VSUN Energy Pty Ltd	100% owned controlled entity
South African Lithium Pty Ltd	100% owned controlled entity
Australian Uranium Pty Ltd	100% owned controlled entity
Cabe Resources Limited	100% owned controlled entity

OPERATING AND FINANCIAL REVIEW

Operating Review

A review of operations for the financial year is contained within this Directors' Report. The consolidated loss after income tax for the financial year was \$5,036,430 (2021: \$3,140,752).

Financial Position

At 30 June 2022, the Group had cash reserves of \$26,443,986 (2021: \$3,495,613). The net assets of the Group have increased by \$29,137,291. The increase is largely a result of funds received from capital raisings and conversion of options exceeding payments for the advancement of the Australian Vanadium Project, exploration and general overheads.

Refer to Note 1(b) for further disclosures regarding the Group's financial position.

Dividends

No dividends were paid during the year and no recommendation is made as to dividends.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial year are detailed in the Company's review of operations. In the opinion of the Directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this Annual Report.

EVENTS SUBSEQUENT TO REPORTING DATE

On 11 August 2022 the Company issued 4,000,000 shares for the conversion of options (exercisable at \$0.025, expiring 18 December 2022) which raised \$100,000.

On 18 August 2022 the Company issued 17,800,000 shares for the conversion of options (exercisable at \$0.025, expiring 18 December 2022) which raised \$445,000.

On 25 August 2022 the Company issued 1,306,666 shares for the conversion of options (exercisable at \$0.025, expiring 18 December 2022) which raised \$32,667.

Following the exercise of performance rights (expiry 30 July 2026) the Company issued 3,218,875 shares for nil consideration on 5 September 2022.

On 8 September 2022 the Company issued 400,000 shares for the conversion of options (exercisable at \$0.025, expiring 18 December 2022) which raised \$10,000.

On 15 September 2022 the Company issued 6,338,260 shares for the conversion of options (exercisable at \$0.025, expiring 18 December 2022) which raised \$158,456.50.

No other matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years, other than as outlined in the Company's review of operations which is contained in this Annual Report.

DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue to focus on mineral exploration and development opportunities, as outlined in the Company's review of operations, with the objective of developing a profitable and sustainable mining operation.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director and executive of Australian Vanadium Limited. The information provided in the remuneration report includes remuneration disclosures that are audited as required by section 308(3C) of the *Corporations Act 2001*.

For the purposes of this report Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report the term “executive” includes those Key Management Personnel who are not Directors of the parent company.

Remuneration Policy

The Board policy is to remunerate Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of Directors' fees that can be paid is subject to approval by shareholders in a general meeting, from time to time. Fees for non-executive directors are not linked to the performance of the Consolidated Entity. However, to align Directors' interests with shareholders' interests, the Directors are encouraged to hold shares in the Company.

The Company's aim is to remunerate at a level that will attract and retain high-calibre directors and employees. Company Directors and Officers are remunerated to a level consistent with the size of the Company.

The Executive Directors and full-time Executives receive a superannuation guarantee contribution required by the government and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to Directors and Executives is valued at the cost to the Company and expensed. The Board believes that it has implemented suitable practices and procedures that are appropriate for an organisation of its size and maturity. As part of the remuneration policy, the Company issues incentive options and performance rights to Directors and other Key Management Personnel.

Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive director and executive compensation is separate and distinct.

Non-Executive Director Compensation***Objective***

The Board seeks to set aggregate compensation at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination approved by shareholders was an aggregate compensation of \$500,000 per year.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Non-Executive Directors' remuneration may include an incentive portion consisting of either options, performance rights, service rights, deferred shares, exempt shares, cash right or stock appreciation rights (as defined in the Australian Vanadium Employee Incentive Plan), as considered appropriate by the Board, which may be subject to shareholder approval in accordance with ASX Listing Rules.

Separate from their duties as Directors, the Non-Executive Directors may undertake work for the Company directly related to the evaluation and implementation of various business opportunities, including mineral exploration/evaluation and new business ventures, for which they receive a daily rate. These payments are made pursuant to individual agreement with the Non-Executive Directors and are not taken into account when determining their aggregate remuneration levels.

Executive Compensation***Objective***

The entity aims to reward Executives with a level and mix of compensation commensurate with their position and responsibilities within the entity so as to:

- reward Executives for company and individual performance against targets set by appropriate benchmarks;
- align the interests of Executives with those of shareholders;
- link rewards with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. The Company has established a separate remuneration committee.

Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Remuneration consists of a fixed remuneration and a long-term incentive portion as considered appropriate. Compensation may consist of the following key elements:

- Fixed Compensation;
- Variable Compensation;
- Short Term Incentive (STI); and
- Long Term Incentive (LTI).

Fixed Remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board having regard to the Company and individual performance, relevant comparable remuneration in the mining exploration sector and external advice. The fixed remuneration is a base salary or monthly consulting fee.

Variable Pay - Long Term Incentives

The objective of long-term incentives is to reward directors/executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. The incentive portion is payable based upon attainment of objectives related to the Director's/Executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

Long term incentives (LTIs) granted to directors and executives are delivered in the form of options or performance rights. LTIs granted to executives are delivered in the form of employee share options or performance rights. Options are issued at an exercise price determined by the Board at the time of issue. The employee share options generally vest over a selected period.

The objective of the granting of options or rights is to reward executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. As such LTIs are made to executives who are able to influence the generation of shareholder wealth and thus have an impact on the Company's performance.

The level of LTIs granted is, in turn, dependent on the Company's recent share price performance, the seniority of the executive, and the responsibilities the executive assumes in the Company.

Typically, the grant of LTIs occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time.

Employment Contracts of Directors and Senior Executives

The employment arrangements of the Executive Director is not formalised in a contract of employment. Remuneration and other terms of employment for the Managing Director and Key Management Personnel are formalised in employment contracts. Major provisions are set out below.

Vincent Algar is engaged as Managing Director

Remuneration is as follows:

- Gross base salary of \$320,000 plus statutory superannuation
- 20 days annual leave per annum and statutory long service leave
- Notice period required to be given by the Company – 6 months, except in the case of gross misconduct
- Notice period required to be given by the Executive – 3 months
- Termination payment – 12 months, inclusive of notice period

Employment Contracts of Directors and Senior Executives (ctd)

Todd Richardson is engaged as Chief Operating Officer

Remuneration is as follows:

- Gross base salary of \$310,000 plus statutory superannuation
- 20 days annual leave per annum and statutory long service leave
- Notice period required to be given by the Company – 2 months, except in the case of gross misconduct
- Notice period required to be given by the Executive – 2 months
- Termination payment – payment equal to notice period

Liesl Strachan (appointed 1 July 2021) is engaged as Chief Financial Officer (part-time)

Remuneration is as follows:

- Gross base salary of \$94,936 plus statutory superannuation
- 20 days annual leave per annum (pro-rata) and statutory long service leave
- Notice period required to be given by the Company – 1 month, except in the case of gross misconduct
- Notice period required to be given by the Executive – 1 month
- Termination payment – payment equal to notice period

Details of Remuneration for the Year

The key management personnel (KMP) include the directors of Australian Vanadium Limited and the Executive KMP (the Chief Operating Officer (COO) and the Chief Financial Officer (CFO)) who have authority for planning, directing and controlling the major activities of the Group, directly or indirectly. The KMP for the 2022 financial year are as follows:

		Short-Term Benefits	Post Employment	Share-Based Payments	Long-Term Benefits	Total	Performance Based Remuneration
		Salary & Fees	Super-annuation	Perf. Rights	Long Serv. Leave		
<i>Directors</i>	<i>Year</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>%</i>
Cliff Lawrenson ¹	2022	95,000	-	161,043	-	256,043	63%
	2021	58,310	3,628	71,758	-	133,696	54%
Vincent Algar	2022	310,000	30,875	322,084	6,735	669,694	48%
	2021	325,000	30,875	143,516	-	499,391	29%
Leslie Ingraham ²	2022	193,200	19,242	214,722	5,204	432,368	50%
	2021	192,467	18,284	95,677	4,150	310,578	31%
Brenton Lewis ³	2022	-	-	-	-	-	-
	2021	66,667	6,333	-	-	73,000	0%
Daniel Harris	2022	100,000	-	134,202	-	234,202	57%
	2021	100,000	-	59,798	-	159,798	37%
Total Directors	2022	698,200	50,117	832,051	11,939	1,592,307	52%
	2021	742,444	59,120	370,749	4,150	1,176,463	32%
Executives							
Todd Richardson (Chief Operating Officer)	2022	305,000	30,645	140,393	-	476,038	29%
	2021	324,423	30,820	3,083	-	358,326	1%
Liesl Strachan ⁴ (Chief Financial Officer)	2022	94,936	9,494	13,957	-	118,387	12%
	2021	-	-	-	-	-	-
Total Executives	2022	399,936	40,139	154,350	-	594,425	26%
	2021	324,423	30,820	3,083	-	358,326	1%
Key Management Personnel	2022	1,098,136	90,256	986,401	11,939	2,186,732	45%
	2021	1,066,867	89,940	373,832	4,150	1,534,789	24%

¹ Mr Lawrenson was appointed Non-Executive Director on 12 October 2020; appointed Non-Executive Chairman on 25 November 2020.

² The Group paid Streamline Capital Pty Ltd (a related party of Mr Leslie Ingraham) \$97,913 during the period (refer to Note 18b).

³ Mr Lewis resigned 25 November 2020.

⁴ Ms Strachan was appointed 1 July 2021.

No other performance-related payments were made during the year. Performance hurdles are not attached to remuneration options if issued, however the Board determines appropriate vesting periods to provide rewards over a period of time to Key Management Personnel.

Compensation Options Granted to Key Management Personnel

No options were granted to Directors or Executives during the year ended 30 June 2022.

Performance Rights and Shares Issued to Key Management Personnel on Exercise of Compensation Options

On 17 February 2022, 609,375 performance rights held by Ms Strachan converted to ordinary shares.

Compensation Options Lapsed During the Year

No options previously issued to Key Management Personnel lapsed during the year.

Share Holdings of Key Management Personnel

	Balance 1 July 2021	Received as Remuneration	Shares Issued on Conversion of Performance Rights	Acquired/ (Disposed)	Net Change/ Other	Balance 30 June 2022
Directors						
Cliff Lawrenson	-	-	-	-	-	-
Vincent Algar	7,663,436	-	-	-	-	7,663,436
Leslie Ingraham	30,478,774	-	-	-	-	30,478,774
Daniel Harris	2,500,000	-	-	-	-	2,500,000
Todd Richardson	4,213,125	-	-	(1,200,000)	-	3,013,125
Liesl Strachan ^{1,2}	-	-	609,375	-	-	609,375

1 Ms Strachan was appointed 1 July 2021.

2 On 17 February 2022, 609,375 performance rights held by Ms Strachan converted to ordinary shares.

Performance Rights Granted as Remuneration

There were 8,231,250 performance rights issued to Key Management Personnel during the year (2021: 124,000,000 issued to Directors).

The fair value of each tranche of performance rights granted to Key Management Personnel during the year were determined using a trinomial options pricing model with the following inputs:

- Effective interest rate: 0.56%
- Volatility: 101.81%
- Expiry date: 29 July 2026
- Share price at grant date: \$0.02
- Exercise price: nil

The performance rights were granted for nil consideration and vested subject to certain market and performance conditions being met, as outlined in the table below. As at 30 June 2022, all conditions had been met and the performance rights were fully vested.

Name	Number	Performance Condition	Fair Value per Tranche
Todd Richardson	2,250,000	Tranche 6: Completion of a bankable feasibility study on the Australian Vanadium Project.	\$0.02
	1,750,000	Tranche 7: Share price of at least \$0.025 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.	\$0.0188
	1,750,000	Tranche 8: Share price of at least \$0.03 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.	\$0.0183
	1,750,000	Tranche 9: Share price of at least \$0.04 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.	\$0.0174
Liesl Strachan	365,625	Tranche 5: Continuous employment from the date of grant of performance right until 31 December 2021.	\$0.02
	121,875	Tranche 7: Share price of at least \$0.025 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.	\$0.0188
	121,875	Tranche 8: Share price of at least \$0.03 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.	\$0.0183
	121,875	Tranche 9: Share price of at least \$0.04 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.	\$0.0174

The fair value of the performance rights granted to the directors during the year end 30 June 2021 were determined using a trinomial options pricing model with the following inputs:

- Effective interest rate: 0.335%
- Volatility: 107.63%
- Expiry date: 2 December 2025
- Share price at grant date: \$0.013
- Exercise price: nil

The performance rights were granted for nil consideration and vest subject to certain market performance conditions being met, as outlined in the below table. Tranche 1, being 31,000,000 performance rights, had fully vested at 30 June 2021. As at 30 June 2022, all conditions had been met and the remainder of the performance rights were fully vested.

Name	Number	Performance Condition	Fair Value
Vincent Algar	12,000,000	Share price of at least \$0.025 over 20 consecutive trading days on which the Company's shares have actually traded (fully vested at 30 June 2021)	\$0.009
	12,000,000	Share price of at least \$0.03 over 20 consecutive trading days on which the Company's shares have actually traded	\$0.0123
	12,000,000	Share price of at least \$0.04 over 20 consecutive trading days on which the Company's shares have actually traded	\$0.0089
	12,000,000	Share price of at least \$0.05 over 20 consecutive trading days on which the Company's shares have actually traded	\$0.0086
Leslie Ingraham	8,000,000	Share price of at least \$0.025 over 20 consecutive trading days on which the Company's shares have actually traded (fully vested at 30 June 2021)	\$0.009
	8,000,000	Share price of at least \$0.03 over 20 consecutive trading days on which the Company's shares have actually traded	\$0.0123
	8,000,000	Share price of at least \$0.04 over 20 consecutive trading days on which the Company's shares have actually traded	\$0.0089
	8,000,000	Share price of at least \$0.05 over 20 consecutive trading days on which the Company's shares have actually traded	\$0.0086
Cliff Lawrenson	6,000,000	Share price of at least \$0.025 over 20 consecutive trading days on which the Company's shares have actually traded (fully vested at 30 June 2021)	\$0.009
	6,000,000	Share price of at least \$0.03 over 20 consecutive trading days on which the Company's shares have actually traded	\$0.0123
	6,000,000	Share price of at least \$0.04 over 20 consecutive trading days on which the Company's shares have actually traded	\$0.0089
	6,000,000	Share price of at least \$0.05 over 20 consecutive trading days on which the Company's shares have actually traded	\$0.0086
Daniel Harris	5,000,000	Share price of at least \$0.025 over 20 consecutive trading days on which the Company's shares have actually traded (fully vested at 30 June 2021)	\$0.009
	5,000,000	Share price of at least \$0.03 over 20 consecutive trading days on which the Company's shares have actually traded	\$0.0123
	5,000,000	Share price of at least \$0.04 over 20 consecutive trading days on which the Company's shares have actually traded	\$0.0089
	5,000,000	Share price of at least \$0.05 over 20 consecutive trading days on which the Company's shares have actually traded	\$0.0086

Performance Rights Holdings of Key Management Personnel

	Balance 1 July 2021	Granted as Remuneration	Vested & Converted	Lapsed/ Cancelled	Balance 30 June 2022	Number Vested & Exercisable
Directors						
Cliff Lawrenson	24,000,000	-	-	-	24,000,000	24,000,000
Vincent Algar	48,000,000	-	-	-	48,000,000	48,000,000
Leslie Ingraham	32,000,000	-	-	-	32,000,000	32,000,000
Daniel Harris	20,000,000	-	-	-	20,000,000	20,000,000
Todd Richardson	-	7,500,000	-	-	7,500,000	7,500,000
Liesl Strachan ^{1,2}	-	731,250	(609,375)	-	121,875	121,875

1 Ms Strachan was appointed 1 July 2021.

2 During the year, Ms Strachan converted 609,375 performance rights into ordinary shares. On 5 September 2022, Ms Strachan converted 121,875 performance rights into shares.

On vesting and notice of exercise, each right converts to one ordinary share. If the employee ceases employment before the rights vest, the rights will be forfeited, except in limited circumstances that are approved by the Board.

All equity transactions with Key Management Personnel have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Loans and Other Transactions with Key Management Personnel

There were no loans to or from, or other transactions with, Key Management Personnel.

This ends the audited Remuneration Report

SHARE OPTIONS

As at the date of this report, unissued ordinary shares under option are as follows:

	Number	Exercise Price	Expiry Date
Listed options (AVLOA)	325,540,427	\$0.025	18 December 2022

AUDITOR

Armada Audit & Assurance Pty Ltd continues in office in accordance with Section 327 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

No non-audit services were provided by our auditors, Armada Audit & Assurance Pty Ltd during the year ended 30 June 2022.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2022, as required under section 307C of the *Corporations Act 2001*, has been received and is included within the financial report.

Signed in accordance with a resolution of Directors.



Cliff Lawrenson

Chairman

30 September 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	Consolidated	
		2022 \$	2021 \$
Battery revenue	2(a)	(34,329)	34,329
Cost of sales	2(a)	26,433	(26,433)
Gross profit		(7,896)	7,896
Other income	2(a)	90,672	146,033
Exploration and evaluation expenditure	9	(133,780)	(648,663)
Depreciation	8(a)	(65,522)	(57,394)
Amortisation of lease liability		(46,394)	(75,320)
Finance costs	2(b)	(9,077)	(22,540)
Share-based payments	14(g)	(1,480,445)	(400,832)
Directors' fees and benefits expense		(195,000)	(234,938)
Employee benefits expense	2(c)	(1,231,002)	(942,999)
Other expenses	2(d)	(1,957,986)	(911,995)
Loss before income tax expense		(5,036,430)	(3,140,752)
Income tax expense	3	-	-
Net loss for year		(5,036,430)	(3,140,752)
Other comprehensive income			
Other comprehensive income for the year, net of tax			
Items that cannot be subsequent reclassified to profit and loss			
Movement in fair value of investment classified as fair value through OCI	10	(326,250)	123,750
Total comprehensive loss attributable to members of Australian Vanadium Limited		(5,362,680)	(3,017,002)
		Cents	Cents
Basic/diluted earnings per share	5	(0.15)	(0.11)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		CONSOLIDATED	
	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	26,443,986	3,495,613
Trade and other receivables	7	1,265,497	567,337
Total current assets		27,709,483	4,062,950
Non-current assets			
Plant and equipment	8	620,143	238,775
Exploration and evaluation expenditure	9	35,627,356	28,502,403
Financial assets	10	337,500	663,750
Right-of-use assets		36,926	83,320
Total non-current assets		36,621,925	29,488,248
TOTAL ASSETS		64,331,408	33,551,198
LIABILITIES			
Current liabilities			
Trade and other payables	11	899,779	1,888,174
Provisions	12	150,467	108,524
Grant liability	13	2,581,947	-
Lease liability		32,314	44,288
Total current liabilities		3,664,507	2,040,986
Non-current liabilities			
Provisions	12	133,698	81,404
Lease liability		-	32,896
Total non-current liabilities		133,698	114,300
TOTAL LIABILITIES		3,798,205	2,155,286
NET ASSETS		60,533,203	31,395,912
EQUITY			
Issued capital	14(a)	127,025,901	94,152,977
Reserves	14(f),(g)	1,197,576	(103,221)
Accumulated losses		(67,690,274)	(62,653,844)
TOTAL EQUITY		60,533,203	31,395,912

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	CONSOLIDATED			
	Issued Capital \$	Accumulated Losses \$	Other Reserves \$	Total \$
Balance as at 1 July 2020	89,457,105	(59,513,092)	(592,572)	29,351,441
Loss for the year	-	(3,140,752)	-	(3,140,752)
Total loss for the year	-	(3,140,752)	-	(3,140,752)
Movement in fair value of investments recognised in equity	-	-	123,750	123,750
Total comprehensive loss	-	(3,140,752)	123,750	(3,017,002)
Ordinary shares issued	5,000,000	-	-	5,000,000
Shares issued as consideration	28,000	-	-	28,000
Shares issued on conversion of performance rights	58,731	-	(42,648)	16,083
Recognition of share-based payments – for services provided by third parties	-	-	37,500	37,500
Recognition of share-based payments - directors	-	-	370,749	370,749
Share issue costs	(390,859)	-	-	(390,859)
Balance as at 1 July 2021	94,152,977	(62,653,844)	(103,221)	31,395,912
Loss for the year	-	(5,036,430)	-	(5,036,430)
Total loss for the year	-	(5,036,430)	-	(5,036,430)
Movement in fair value of investments recognised in equity	-	-	(326,250)	(326,250)
Total comprehensive loss	-	(5,036,430)	(326,250)	(5,362,680)
Ordinary shares issued ¹	29,737,800	-	-	29,737,800
Shares issued as consideration	54,007	-	-	54,007
Shares issued on conversion of options	5,092,152	-	-	5,092,152
Shares issued on conversion of performance rights	118,398	-	(118,398)	-
Recognition of share-based payments – for services provided by third parties	-	-	265,000	265,000
Recognition of share-based payments – directors and KMPs	-	-	986,401	986,401
Recognition of share-based payments - employees	-	-	494,044	494,044
Options issued as consideration for share issue costs	(265,000)	-	-	(265,000)
Share issue costs	(1,864,433)	-	-	(1,864,433)
Balance as at 30 June 2022	127,025,901	(67,690,274)	1,197,576	60,533,203

1. \$571,000 received 18 July 2022 for shares issued 23 June 2022.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

		CONSOLIDATED	
	Note	2022 \$	2021 \$
Cash flows from operating activities			
Payments to suppliers and employees		(4,489,618)	(3,116,229)
Interest received		2,251	18,901
Net receipts from other entities		64,838	119,916
Net cash used in operating activities	6(a)	(4,422,529)	(2,977,412)
Cash flows from investing activities			
Expenditure on mining interests		(7,562,511)	(4,834,973)
Receipts from Government Grants		3,032,901	331,245
Receipts from Research and Development Tax Incentives		-	973,307
Payment for plant and equipment	8(a)	(446,890)	(57,306)
Net cash used in investing activities		(4,976,500)	(3,587,727)
Cash flows from financing activities			
Proceeds from issue of shares	14(b)	29,166,800	5,000,000
Proceeds from conversion of options	14(b)	5,092,152	-
Repayment of lease liabilities		(47,117)	(127,592)
Payment of capital raising costs		(1,864,433)	(353,359)
Net cash provided by financing activities		32,347,402	4,519,049
Net increase/(decrease) in cash held		22,948,373	(2,046,090)
Cash at beginning of the financial year		3,495,613	5,541,703
Cash at the end of the financial year	6	26,443,986	3,495,613

The accompanying notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of Australian Vanadium Limited (the “Company”) and Controlled Entities (the “Consolidated Entity” or “Group”) for the year ended 30 June 2022.

Australian Vanadium Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Company is domiciled in Western Australia. The nature of operations and principal activities of the Group are described in the Directors' Report.

1(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures the Consolidated Financial Report of the Group complies with International Financial Reporting Standards (“IFRSs”). The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Material accounting policies adopted in preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The Group's financial statements are presented in Australian dollars.

1(b) Financial position

The financial report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the year ended 30 June 2022 the Group incurred a net loss of \$5,036,430 (2021: \$3,140,752) and had a net current asset position of \$24,044,976 (2021: net current asset position of \$2,021,964). Cash and cash equivalents totalled \$26,443,986 as at 30 June 2022 (30 June 2021: \$3,495,613). The Group has prepared a cash flow forecast and has the ability to cut back and reduce discretionary costs and reduce/defer budgeted exploration expenditure as necessary.

Based on the working capital surplus at 30 June 2022, the cash flow forecast prepared by management, and the Group's ability to reduce discretionary costs and defer budgeted exploration costs, the Directors consider the going concern basis of preparation to be appropriate.

1(c) Statement of compliance

The financial report was authorised for issue on 30 September 2022.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

1(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Australian Vanadium Limited ("Company" or "Parent Entity") and its subsidiaries as at 30 June each year ("Consolidated" or "Group"). Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Investments in subsidiaries are accounted for at cost in the individual financial statements of Australian Vanadium Limited. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

1(e) Other income

Interest income

Interest earned is recognised as it accrues, taking into account the effective yield on the financial asset.

Research and Development Tax Incentive ("R&DTI")

Income derived from successful R&D claims is recognised on receipt of payment. Research and Development Tax Incentive ("R&DTI") are accounted for under AASB 120 *Government Grants*. R&DTI are recognised on receipt. R&DTI that relate to the acquisition or construction of an asset are deducted from the carrying amount of the asset in accordance with AASB 120.

Government grants

Government grants are recognised as revenue when the conditions attached to the grant are satisfied. Grants that relate to construction of asset are deducted from the carrying amount of the asset in accordance with AASB 120

1(f) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts.

1(g) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Impairment losses in respect of debtors is calculated on an expected credit losses method as required by AASB 9 *Financial Instruments*.

1(h) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

1(h) *Income tax (continued)*

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

1(i) Other taxes

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

1(j) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement (financial liabilities)

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 *Business Combinations* (AASB 3) applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

The Company does not measure any financial liabilities at fair value through profit or loss. All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount of initial recognition. A financial liability cannot be reclassified.

Classification and subsequent measurement (financial assets)

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income (debt instruments);
- fair value through other comprehensive income (equity – no recycling); or
- fair value through profit or loss

Based on the two primary criteria, being:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- it gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

1(j) *Financial instruments (continued)*

The Group has financial assets that are measured at amortised cost including trade and other receivables and cash at bank (including term deposits). The Group investment in listed shares (Note 10) is measured at fair value through other comprehensive income.

De-recognition

Financial liabilities:

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Financial assets:

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for de-recognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the association no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

Impairment

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument. The Group uses the simplified approach to impairment, as applicable under AASB 9 for trade debtors.

1(k) *Leases*

The Company, as a lessee, will assess whether a contract is, or contains, a lease under AASB 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

If the contract is assessed to be, or contains, a lease, the Company will recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability.

Depreciation is based on the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

1(k) Leases (continued)

The lease liability is subsequently increased by the interest cost on the lease liability, offset by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Recognition exemption - Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases with a lease term of 12 months or less and leases for low-value assets. The Company will recognise the payments associated with these leases as an expense on a straight-line basis over the lease term.

1(l) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - a. the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
 - b. the exploration and evaluation activities in the area have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

1(m) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

1(n) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

1(o) Share-based payment transactions

The Group may provide benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

When provided, the cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model or a Hoadley trinomial barrier option model, as appropriate.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Australian Vanadium Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

1(o) *Share-based payment transactions (continued)*

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the extent to which the vesting period has expired, and
- (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The amount charged or credited to the statement of profit or loss and other comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

1(p) *Issued capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1(q) *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Group. The Group operates in two segments, being mineral exploration within Australia and the sale of VRFB systems.

1(r) *Earnings per share*

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

1(s) *Investments in associates*

An associate is an entity over which the Consolidated Entity has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for in the parent entity using the cost method and in the Consolidated Entity using the equity method of accounting. Under the equity method, the investment in an associate is initially recorded at cost. The carrying amount of the investment is adjusted to recognise changes in the Consolidated Entity's share of net assets of the associate since the acquisition date. The Consolidated Entity's share of post-acquisition profits or losses is recognised in the statement of profit or loss and its share of post-acquisition movements in other comprehensive income is presented as part of the Consolidated Entity's other comprehensive income.

Unrealised gains or transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

1(t) *Plant and equipment*

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment	5 to 10 years
Motor vehicles	8 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) *Impairment*

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

(ii) *Derecognition and disposal*

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1(t) Plant and equipment (continued)

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the year the asset is derecognised.

1(u) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs of disposal. Any impairment loss on a disposal group is allocated to the assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

1(v) Adoption of new and revised standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021. The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

1(w) New standards, interpretation and amendments issued but not yet effective

The Directors have reviewed all Standards and Interpretations on issue but not yet adopted for the year ended 30 June 2022. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations on issue but not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

1(x) Significant accounting estimates and judgments

Significant accounting judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Exploration and evaluation assets

The Group's accounting policy for exploration and evaluation expenditure is set out at Note 1(l). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the Statement Profit or Loss and Other Comprehensive Income.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

1(x) Significant accounting estimates and judgments (continued)

(i) Impairment of assets

In determining the recoverable amounts of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(ii) Deferred tax

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be deducted. Recognition, therefore, involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

(iii) Share-based payment transactions

The fair value of share-based payments is discussed in Note 14(g). The fair values of options are determined using Option Pricing Models that take into account the exercise price, the term of the option, the impact of dilution, the share price at valuation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Judgement has been exercised on the probability and timing of achieving milestones related to the options.

2. REVENUE AND EXPENSES

	CONSOLIDATED	
	2022	2021
	\$	\$
2(a) Income		
Battery revenue	(34,329)	34,329
Cost of sales	26,433	(26,433)
	(7,896)	7,896
Battery sales recognised in the year end 30 June 2021 have been reversed in the current period.		
Other income		
Interest received	2,251	23,508
Administrative services and other income	88,421	122,525
	90,672	146,033
2(b) Finance costs		
Interest paid	-	987
Interest on leases	9,077	21,553
	9,077	22,540
2(c) Employee benefits expense		
Salaries and wages	902,475	693,343
Superannuation	218,841	142,344
Payroll tax	106,855	74,734
Recruitment expenses	2,831	32,577
	1,231,002	942,998
2(d) Other expenses		
Stock exchange and registry fees	227,776	100,285
Property and office facility expenses	127,765	41,453
Legal fees	165,150	89,565
Audit fees	38,950	30,000
Accounting and consulting fees	453,826	109,025
Travel and accommodation	70,417	37,060
Other corporate and administrative expenses	874,102	504,608
	1,957,986	911,996

3. INCOME TAX

3(a) Income tax expense

Major components of income tax expense for the years ended 30 June 2022 and 30 June 2021 are as follows:

	CONSOLIDATED	
	2022	2021
	\$	\$
<i>Income statement</i>		
<i>Current income</i>		
Current income tax charge (benefit)	(2,846,503)	(2,405,027)
Current income tax not recognised	2,846,503	2,405,027
Research and development concession	-	-
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	705,649	823,194
Deferred tax benefit not recognised	(705,649)	(823,194)
Income tax expense (benefit) reported in income statement	-	-

A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate for the years ended 30 June 2022 and 30 June 2021 is as follows:

	CONSOLIDATED	
	2022	2021
	\$	\$
Accounting profit (loss) before tax from continuing operations	(5,036,430)	(3,140,752)
Accounting profit (loss) before income tax	(5,036,430)	(3,140,752)
At the statutory income rate of 25% (2021: 26%)	(1,259,108)	(816,596)
<i>Add:</i>		
Non-deductible expenses	373,313	106,811
Temporary differences and losses not recognised	885,795	982,995
<i>Less:</i>		
Non-assessable income	-	(20,150)
R&D tax offset	-	(253,060)
At effective income tax rate of 0% (2021: 0%)	-	-
Income tax expense reported in income statement	-	-
<i>Total income tax expense</i>	-	-

3(b) Deferred tax assets

Deferred tax assets/(liabilities) have not been recognised in respect of the following items:

	CONSOLIDATED	
	2022	2021
	\$	\$
Liabilities:		
Receivables	-	-
Property, plant and equipment	(89,977)	(13,536)
Prepaid expenditure	(46,217)	(27,629)
Capitalised exploration expenditure	(8,693,146)	(7,185,807)
	(8,829,340)	(7,226,972)
Assets:		
Investments	282,188	194,025
Right of Use Assets	(1,153)	(1,595)
Trade and other payables	19,078	15,509
Provisions	73,554	53,510
Business related costs	562,461	254,529
Tax losses	25,983,090	24,093,325
	26,919,218	24,609,303
Net deferred tax	18,089,878	17,382,331

The benefit of these losses has not been brought to account at 30 June 2022 because the Directors do not believe it is appropriate to regard realisation of the deferred tax asset as being probable at this point in time or that there are sufficient deferred tax liabilities to offset these losses. These tax losses are also subject to final determination by the Taxation authorities when the Company derives taxable income. The benefits will only be realised if:

- The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deduction for the losses to be realised;
- The Company continues to comply with the conditions for the deductibility imposed by law; and
- No changes in the tax legislation adversely affect the Company in realising the benefit of the losses.

4. AUDITORS' REMUNERATION

Amounts paid or due and payable to Armada Audit & Assurance Pty Ltd for:

	CONSOLIDATED	
	2022	2021
	\$	\$
Audit and review	38,950	30,000
	38,950	30,000

5. EARNINGS PER SHARE

	CONSOLIDATED	
	2022	2021
	\$	\$
	Cents	Cents
Basic earnings per share	(0.15)	(0.11)
<i>The earnings and weighted average number of ordinary shares used in the calculated of basic earnings per share is as follows:</i>		
Net loss for the year	(5,036,430)	(3,140,752)
Weighted average number of ordinary shares used in the calculation of basic EPS	3,384,156,412	2,837,011,273

6. CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2022	2021
	\$	\$
Cash at bank	24,423,100	972,147
Short-term deposits	2,020,886	2,523,466
	26,443,986	3,495,613

Cash at bank earns interest at floating rates based on daily deposit rates. Cash and cash equivalents for the purpose of the statement of cash flows are comprised of cash at bank and short-term deposits.

6(a) Reconciliation of loss for the year to net cash flows used in operating activities

Loss for the year	(5,036,430)	(3,140,752)
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Non-cash flows in profit/loss

Interest Expense on Leases	9,077	21,553
Depreciation and amortisation	111,916	132,714
Exploration and evaluation write off	133,780	648,663
Share based payments	1,480,445	400,832

Changes in operating assets and liabilities

(Increase)/decrease in trade and other receivables	(698,161)	(342,141)
Increase/(decrease) in trade and other payables	(465,099)	(700,629)
Increase/(decrease) in provisions	41,943	2,348

Net cash flows from operating activities	(4,422,529)	(2,977,412)
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6(b) Non-cash financing and investing activities

In the year the following non-cash financing and investing activities occurred:

	CONSOLIDATED	
	2022	2021
	\$	\$
Options issued as consideration for share issue costs	265,000	37,500
	265,000	37,500

7. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2022	2021
	\$	\$
Current		
GST receivable	119,955	278,296
Other receivables	855,315	213,197
Trade debtors	306,108	91,725
Less: provision for doubtful debts	(15,881)	(15,881)
	1,265,497	567,337

Other receivables are non-interest bearing and generally repayable within 12 months. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

8. PLANT AND EQUIPMENT

	CONSOLIDATED	
	2022	2021
	\$	\$
Plant and equipment		
At cost	679,229	447,326
Accumulated depreciation	(281,549)	(227,082)
	397,680	220,244
Motor vehicles		
At cost	144,018	60,600
Accumulated depreciation	(38,124)	(42,069)
	105,894	18,531
Assets under construction		
At cost	116,569	-
	116,569	-
Total		
At cost	939,816	507,926
Accumulated depreciation	(319,673)	(269,151)
	620,143	238,775

8(a) Movements in Carrying Amounts

Movements in the carrying amounts for each class of plant and equipment during the financial year:

	Plant & equipment	Motor vehicles	Assets under construction	Total
Balance at 1 July 2020	212,730	26,133	-	238,863
Additions	57,306	-	-	57,306
Depreciation expense	(49,792)	(7,602)	-	(57,394)
Balance at 30 June 2021	220,244	18,531	-	238,775
Additions	231,903	98,418	116,569	446,890
Depreciation expense	(54,467)	(11,055)	-	(65,522)
Balance at 30 June 2022	397,680	105,894	116,569	620,143

9. EXPLORATION AND EVALUATION EXPENDITURE

	CONSOLIDATED	
	2022	2021
	\$	\$
Expenditure brought forward	28,502,403	23,479,022
Receipts for exploration and mining activities	(257,153)	(1,304,552)
Expenditure incurred during the year	7,515,886	6,976,596
Amounts expensed during the period	(133,780)	(648,663)
Expenditure carried forward	35,627,356	28,502,403

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploration, or alternatively, sale of the respective areas of interest, at amounts at least equal to the carrying value. The directors have assessed the carrying value of the projects for impairment triggers under AASB 6 *Exploration for and Evaluation of Mineral Resources* considering all available information and based on their assessment no impairment triggers were noted.

Receipts are for Government grants related to exploration and evaluation expenditure. These costs are deducted from the cost of the asset in accordance with AASB 120 *Government Grants*.

As announced 11 May 2022, the Company have entered into an option agreement with Mining Green Metals ("MGM") for the sale of the Coates and Nowthanna projects. Under the terms of the agreement, MGM will pay cash and MGM shares comprised of the following:

- 6,500,000 fully paid ordinary shares of MGM.
- 0.75% net smelter return royalty from the value of the minerals mined (Coates Project).
- \$190,000 cash payment.

The tenements included in the Option are:

- E70/4924-I (Coates Project),
- E70/5588 (Coates Project),
- ELA 70/5589 upon grant (Coates Project), and
- M51/771 (Nowthanna Hill Project).

The tenements included in the Option Agreement have been classified as an exploration and evaluation asset due to the conditional nature of the sale.

Completion of the sale remains subject to and conditional on:

- MGM advising AVL that it has completed its due diligence investigations on the tenements,
- MGM having received listing approval from ASX for its shares to be admitted to the official list, and
- AVL either obtaining approval from its shareholders as is necessary to proceed or ASX providing written advice to AVL that such shareholder approval is not required.

The exploration and evaluation expenditure carried forward relates to:

The Australian Vanadium Project	34,918,513
Coates Project	475,305
Nowthanna Project	233,538
Expenditure carried forward	35,627,356

10. FINANCIAL ASSETS

				CONSOLIDATED	
				2022	2021
				\$	\$
Purchase price of investment in Bryah Resources				1,410,000	1,410,000
Fair value movement				(1,072,500)	(746,250)
Investments at fair value				337,500	663,750

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest		Carrying Amount of Investment	
				2022	2021	2022	2021
				%	%	\$	\$
Bryah Resources Limited ¹	Mineral Exploration	Australia	Listed: Ordinary	4.97	5.71	337,500	663,750

¹ Investments in Bryah Resources Limited has been classified as an equity instrument at FVTOCI in accordance with AASB 9 *Financial Instruments* with the movements in the investment presented in Other Comprehensive Income. The fair value movement of \$326,250 has been recognised in Equity in accordance with AASB 9 *Financial Instruments*.

11. TRADE AND OTHER PAYABLES

			CONSOLIDATED	
			2022	2021
			\$	\$
Current				
Trade payables and accruals			861,926	1,873,230
Mining Rehabilitation Fund			22,632	-
Payroll tax			7,000	9,943
Fringe benefits tax			8,221	5,001
			899,779	1,888,174

Trade creditors are non-interest bearing and are normally settled on 30-day terms. Due to the short-term nature of trade payables and accruals, their carrying value is assumed to approximate their fair value.

12. PROVISIONS

			CONSOLIDATED	
			2022	2021
			\$	\$
Current				
Employee entitlements – annual leave			150,467	108,524
			150,467	108,524
Non-current				
Employee entitlements – long service leave			133,698	81,404
			133,698	81,404

13. GRANT LIABILITY

During the year the Company received \$2,766,148 in grant funding from the Australian Government under the Manufacturing Translation Stream – Resources Technology and Critical Minerals Processing Priority scheme. (Total funding to be paid to the Company under the scheme is \$3,688,197.) The purpose of the grant is to co-fund:

- piloting of an ultra-high purity vanadium pentoxide manufacturing circuit,
- design and construction of a full-scale vanadium electrolyte manufacturing plant, and
- design and development of a residential Vanadium Redox Flow Battery and Standalone Power System.

As at 30 June 2022, \$184,201 has been deducted from the funds received for the cost of constructing the asset. An amount of \$2,581,947 is recognised as a liability at 30 June 2022.

14. ISSUED CAPITAL AND RESERVES

14(a) Issued and paid up capital

	CONSOLIDATED	
	2022	2021
	\$	\$
Ordinary shares – fully paid	131,512,774	96,509,217
Ordinary shares – partly paid	6,800	8,000
Share issue costs written off against issued capital	(4,493,673)	(2,364,240)
	127,025,901	94,152,977

14(b) Movement in ordinary shares on Issue

	2022 Number	2022 \$	2021 Number	2021 \$
(i) Ordinary shares – fully paid				
Balance at beginning of year	2,931,158,814	96,509,217	2,566,322,832	91,422,486
Issue of ordinary shares via placements *	773,531,915	28,700,000	357,142,857	5,000,000
Issue of ordinary shares via Share Purchase Plan ¹	12,148,824	571,000	-	-
Issue of ordinary shares as consideration for option fee for land acquisition	583,625	14,007	1,120,000	14,000
Issue of ordinary shares as consideration for corporate and consulting services received from suppliers	1,666,667	40,000	1,000,000	14,000
Issue of ordinary shares on conversion of service rights	-	-	1,000,000	13,000
Issue of shares on conversion of performance rights	6,080,012	118,398	4,573,125	45,731
Issue of ordinary shares on conversion of options	203,686,075	5,092,152	-	-
Partly paid shares fully paid *	12,000,000	468,000	-	-
Balance at end of year	3,940,855,932	131,512,774	2,931,158,814	96,509,217
(ii) Ordinary shares – partly paid (\$0.0389 unpaid)				
Balance at beginning of year	80,000,000	8,000	80,000,000	8,000
Partly paid shares fully paid *	(12,000,000)	(1,200)	-	-
Balance at end of year	68,000,000	6,800	80,000,000	8,000
Total issued shares	4,008,855,932	131,519,574	3,011,158,814	96,517,217

1. \$571,000 received 18 July 2022 for shares issued 23 June 2022.

* Total cash from share capital was \$29,166,800.

14(c) Terms and Conditions of Issued Capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Fully paid ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Options and partly paid ordinary shares do not entitle their holder to any voting rights.

14(d) Share Options

At 30 June 2022, the following options over unissued ordinary shares were outstanding:

No. shares under option	Class of shares under option	Exercise price (\$)	Expiry date of options
355,385,353	Ordinary	0.025	18 December 2022

14(e) Performance Rights

At 30 June 2022, the following performance rights were outstanding:

	CONSOLIDATED	
	2022 No.	2021 No.
Opening performance rights	124,000,000	64,573,125
Issue of performance rights to employees ^{1,2}	35,716,525	-
Conversion of performance rights issued to employees	(6,080,012)	(4,573,125)
Cancellation of performance rights issued to directors	-	(60,000,000)
Issue of performance rights to directors	-	124,000,000
Closing performance rights	153,636,513	124,000,000

¹ 35,116,525 performance rights were issued to employees during the period (expiry 29 July 2026). Refer to note 14(g). The rights fully vested during the period.

² 600,000 performance rights were issued to employees during the period (expiry 10 April 2027).

14(f) Fair Value Reserve

The fair value reserve records movements in financial assets classified as fair value through Other Comprehensive Income in accordance with AASB 9 *Financial Instruments*.

	CONSOLIDATED	
	2022 \$	2021 \$
Balance at the beginning of the year	(746,250)	(870,000)
Change in fair value of investments	(326,250)	123,750
Balance at the end of the year	(1,072,500)	(746,250)

14(g) Share-Based Payment Reserve

The share-based payments reserve is used to recognise the fair value of options or performance rights issued.

	CONSOLIDATED	
	2022	2021
	\$	\$
Balance at the beginning of the year	643,029	277,428
Fair value of options recognised in share issue costs ¹	265,000	37,500
Fair value of performance rights converted to shares	(118,398)	(58,731)
Fair value of performance rights issued to directors and Key Management Personnel ^{2,3}	986,401	373,832
Fair value of performance rights issued to employees ³	494,044	13,000
Balance at the end of the year	2,270,076	643,029

The share-based payment reserve records the cumulative value of services received for the issue of share options and/or performance rights. When the securities are exercised the amount in the share-based payment reserve is transferred to share capital.

A total of \$1,480,445 was expensed as share-based payments for the period ended 30 June 2022 (2021: \$400,832).

	CONSOLIDATED	
	2022	2021
	\$	\$
Share-Based Payments		
Shares issued in consideration for services rendered	-	14,000
Performance rights issued fully vested to Directors during the period ²	832,051	370,749
Performance rights issued to Key Management Personnel fully vested during the period ³	154,350	3,083
Performance rights issued to employees and third parties fully vested during the period ³	494,044	13,000
Share based payments expensed recognised in profit or loss	1,480,445	400,832

¹The Company issued 25 million options during the year as part consideration for capital raising fees. The options issued have been valued using a Black-Scholes model with the following parameters:

- Option exercise price: \$0.025
- Underlying share price at issue: \$0.026
- Volatility: 100.08%
- Effective interest rate: 0.535%
- Expiry date: 18 December 2022
- Fair value of option \$0.011

The total fair value of the options issued being \$265,000.

14(g) Share-Based Payment Reserve (continued)

² Following shareholder approval at the general meeting held on 25 November 2020, 124,000,000 performance rights were issued to Directors. The fair value of the performance rights granted were determined using a binomial options pricing model with the following inputs:

- Effective interest rate: 0.335%
- Volatility: 107.63%
- Expiry date: 2 December 2025
- Share price at grant date: \$0.013
- Exercise price: nil

The performance rights were granted for nil consideration and vested subject to certain market performance conditions and service conditions being met (refer to Remuneration Report for details). The performance rights fully vested during the year with an expense of \$832,052 recognised in the profit and loss.

³ The Group issued 8,231,250 performance rights issued to Key Management Personnel during the year and 26,885,275 performance rights with market conditions to employees. The fair value of the performance rights granted were determined using a trinomial options pricing model, as outlined in the below table:

Tranche	Effective interest rate	Volatility	Number of Instruments	Share price at grant date	Expiry date	Fair value
Tranche 5	0.56%	101.81%	5,808,262	\$0.02	29-Jul-26	\$0.02
Tranche 6	0.56%	101.81%	2,250,000	\$0.02	29-Jul-26	\$0.02
Tranche 7	0.56%	101.81%	7,686,087	\$0.02	29-Jul-26	\$0.0188
Tranche 8	0.56%	101.81%	7,686,088	\$0.02	29-Jul-26	\$0.0183
Tranche 9	0.56%	101.81%	7,686,088	\$0.02	29-Jul-26	\$0.0174
Tranche 10	0.56%	101.81%	4,000,000	\$0.02	29-Jul-26	\$0.0165
Tranche 11	2.475%	100.88%	400,000	\$0.068	10-Apr-27	\$0.068
Tranche 12	2.475%	100.88%	100,000	\$0.068	10-Apr-27	\$0.0692
Tranche 13	2.475%	100.88%	100,000	\$0.068	10-Apr-27	\$0.0688

The vesting conditions relating to the performance rights issued are as follows:

Tranche	Vesting Conditions
Tranche 5	Continuous employment, as defined in the Plan, from the date of grant of the performance rights until 31 December 2021.
Tranche 6	Completion of a bankable feasibility study on the Australian Vanadium Project.
Tranche 7	The Company achieves a share price of at least \$0.025 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.
Tranche 8	The Company achieves a share price of at least \$0.03 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.
Tranche 9	The Company achieves a share price of at least \$0.04 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.
Tranche 10	The Company achieves a share price of at least \$0.05 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.
Tranche 11	Continuous employment, as defined in the Plan, from the grant date of the Performance Rights until 31 December 2022.
Tranche 12	Share price of at least \$0.08 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.
Tranche 13	Share price of at least \$0.09 VWAP over 20 consecutive trading days on which the Company's shares have actually traded.

15. COMMITMENTS

The Group has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the accounts.

Mining Tenement Commitments	CONSOLIDATED	
	2022	2021
	\$	\$
Minimum expenditure commitment on the tenements is:		
Payable no later than 1 year	622,700	622,634
Payable between 1 year and 5 years	3,378,500	2,675,536
	4,001,200	3,298,170
Capital Commitments		
E22 – 65kW/300kWh vanadium redox flow battery (30% deposit paid)	235,723	-
Primero – design and costing for electrolyte plant	180,904	-
Australian Vanadium Project	1,433,621	-
	1,850,248	-

16. CONTINGENT ASSETS AND LIABILITIES

It is possible that native title, as defined in the *Native Title Act 1993*, might exist over land in which the Group has an interest. It is impossible at this stage to quantify the impact (if any) that the existence of native title may have on the operations of the Group. However, at the date of this report, the Directors are aware that applications for native title claims have been accepted by the Native Title Tribunal over Group tenements.

As at the date of this report a contingent asset existed in relation to an option agreement between the Company and Mining Green Metals Limited (“MGM”) for the sale of tenements.

Under the terms of the agreement, MGM will pay cash and MGM shares comprised of the following:

- 6,500,000 fully paid ordinary shares of MGM.
- A 0.75% net smelter return royalty from the value of the minerals mined (Coates Project).
- \$190,000 cash payment.

Refer to Note 9 for details of the agreement.

17. SEGMENT INFORMATION

AASB 8 requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

The Group has identified two operating segments for 2022 being:

Exploration	Consisting of The Australian Vanadium Project and other exploration projects
Energy storage	VSUN Energy Pty Limited’s vanadium redox flow battery marketing and sales activities.

Segment revenues, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and primarily consist of plant and equipment and project tenements. Segment liabilities consist primarily of trade and other creditors and employee entitlements.

The following table presents revenue, expenditure and asset information regarding operating segments for the year ended 30 June 2022.

	Exploration Consolidated \$	Energy Storage \$	Unallocated \$	Total \$
Sales to external customers	-	(34,329)	-	(34,329)
Cost of sales	-	26,433	-	26,433
Gross profit	-	(7,896)	-	(7,896)
Other revenue	-	-	90,672	90,672
Total segment revenue	-	(7,896)	90,672	82,776
Total segment results	(790,104)	(334,656)	(3,911,670)	(5,036,430)
Total segment assets	35,627,356	448,578	28,255,474	64,331,408
Total segment liabilities	3,643,284	29,240	125,681	3,798,205
Exploration and evaluation expenditure	(133,780)	-	-	(133,780)
Depreciation and amortisation	-	(29,671)	(82,245)	(111,916)
Finance costs	-	-	(9,077)	(9,077)
Interest income	-	-	2,251	2,251

18. RELATED PARTY TRANSACTIONS

18(a) Subsidiaries

The consolidated financial statements include the financial statements of Australian Vanadium Limited and the subsidiaries listed in the following table.

	Country of Incorporation	Equity 2022 %	Holding 2021 %	Principal Activities
Australian Uranium Pty Ltd	Australia	100	100	Mineral exploration
Cabe Resources Ltd	Australia	100	100	Mineral exploration
VSUN Energy Pty Ltd	Australia	100	100	Energy storage
South African Lithium Pty Ltd	South Africa	100	100	Mineral exploration

18(b) Director-Related Entities

The Group engaged the following entities during the financial year for the following services on normal commercial terms:

- Streamline Capital Pty Ltd (a company wholly owned by Mr Leslie Ingraham) - expenses totalling \$97,913 (2021: \$83,129) paid for rental of storage facility for the year ended 30 June 2022 (amount owing at 30 June 2022: nil).

19. PARENT ENTITY DISCLOSURES

19(a) Summary Financial Information

	PARENT	
	2022	2021
	\$	\$
Assets		
Current assets	27,527,724	3,845,017
Non-current assets	36,648,763	29,507,448
Total assets	64,176,487	33,352,465
Liabilities		
Current liabilities	3,509,589	1,883,321
Non-current liabilities	133,698	-
Total Liabilities	3,643,287	1,883,321
Equity		
Issued capital	127,025,856	94,152,933
Reserves	1,197,575	(103,222)
Accumulated losses	(67,690,231)	(62,580,567)
Total equity	60,533,200	31,469,144
Financial performance		
Loss for the year	(4,698,925)	(2,944,492)
Other comprehensive income	(326,250)	123,750
Total comprehensive loss	(5,025,175)	(2,820,742)

19(b) Guarantees

Australian Vanadium Limited has not entered into any guarantees.

19(c) Other Commitments and Contingencies

Australian Vanadium Limited (parent entity) has exploration commitments as described in Note 15. It has no contingent liabilities other than those discussed in Note 16.

20. KEY MANAGEMENT PERSONNEL DISCLOSURES

20(a) Compensation of Key Management Personnel

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel. Refer to the remuneration report for performance rights and shares held by the directors and executives of the Company.

	CONSOLIDATED	
	2022	2021
	\$	\$
Director and executive disclosures		
Compensation of key management personnel		
Short-term personnel benefits	1,098,136	1,066,867
Post-employment benefits	90,256	89,940
Other long-term benefits	11,939	4,150
Share based payments	986,401	373,832
	2,186,732	1,534,789

20(b) Loans and Other Transactions with Key Management Personnel

There were no loans to key management personnel or their related entities during the financial year. Other transactions with key management personnel are described in Note 18(b).

21. SHARE-BASED PAYMENTS

Refer to Note 14 for assumptions used in the valuation of the share-based payments.

22. FINANCIAL RISK MANAGEMENT

The Consolidated Entity manages its exposure to key financial risks in accordance with the Consolidated Entity's financial risk management policy. The objective of the policy is to support the delivery of the Consolidated Entity's financial targets while protecting future financial security.

Categories of financial instruments:

	CONSOLIDATED	
	2022	2021
	\$	\$
Financial assets		
Cash and cash equivalents	26,443,986	3,495,613
Trade debtors	1,265,497	567,337
Investments	337,500	663,750
	28,046,983	4,726,700
Financial liabilities		
Trade payables	899,779	1,888,174
Lease liability	32,314	77,184
Grant liability	2,581,947	-
	3,514,040	1,965,358

The main risks arising from the Consolidated Entity's financial instruments are interest rate risk, credit risk and liquidity risk. The Consolidated Entity does not speculate in the trading of derivative instruments. The Consolidated Entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below. Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1 to the financial statements.

22(a) Interest Rate Risk

The Consolidated Entity's exposure to risks of changes in market interest rates relates primarily to the Consolidated Entity's cash balances. The Consolidated Entity constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Consolidated Entity has no interest-bearing borrowings its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At the reporting date, the Consolidated Entity had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	CONSOLIDATED	
	2022	2021
	\$	\$
Financial assets		
Cash and cash equivalents (interest bearing accounts)	26,443,986	3,495,613
	26,443,986	3,495,613

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At the reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, post-tax profit and equity relating to financial assets of the Consolidated Entity would have been affected as follows:

	CONSOLIDATED	
	2022	2021
	\$	\$
Estimates of reasonably possible movements:		
Post tax profit – higher/(lower)		
+0.5%	49,737	31,506
-0.5%	(49,737)	(31,506)
Equity – higher/(lower)		
+0.5%	49,737	31,506
-0.5%	(49,737)	(31,506)

22(b) Liquidity Risk

The Consolidated Entity has no significant exposure to liquidity risk as there is effectively no debt. The Consolidated Entity manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

22(c) Credit Risk

Credit risk arises from the financial assets of the Consolidated Entity, which comprise deposits with banks and trade and other receivables. The Consolidated Entity's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. The carrying amounts of financial assets included in the statement of financial position represents the Consolidated Entity's maximum exposure to credit risk in relation to those assets.

The Consolidated Entity does not hold any credit derivatives to offset its credit exposure. The Consolidated Entity trades only with recognised, creditworthy third parties and as such collateral is not requested nor is it the Consolidated Entity's policy to securitise its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Consolidated Entity does not have a significant exposure to bad debts.

There are no significant concentrations of credit risk within the Consolidated Entity.

22(d) Capital Management Risk

Management controls the capital of the Consolidated Entity in order to maximise the return to shareholders and ensure that the Group can fund its operations and continue as a going concern.

Management effectively manages the Group's capital by assessing the Consolidated Entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of expenditure and debt levels and share and option issues.

The Consolidated Entity has no external loan debt facilities other than trade payables. There have been no changes in the strategy adopted by management to control capital of the Consolidated Entity since the prior year.

22(e) Commodity Price and Foreign Currency Risk

The Consolidated Entity's exposure to price and currency risk is minimal given the Consolidated Entity is still in the exploration phase.

22(f) Fair Value

The methods of estimating fair value are outlined in the relevant notes to the financial statements. All financial assets and liabilities recognised in the statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

23. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 11 August 2022 the Company issued 4,000,000 shares for the conversion of options (exercisable at \$0.025, expiring 18 December 2022) which raised \$100,000.

On 18 August 2022 the Company issued 17,800,000 shares for the conversion of options (exercisable at \$0.025, expiring 18 December 2022) which raised \$445,000.

On 25 August 2022 the Company issued 1,306,666 shares for the conversion of options (exercisable at \$0.025, expiring 18 December 2022) which raised \$32,667.

Following the exercise of performance rights (expiry 30 July 2026) the Company issued 3,218,875 shares for nil consideration on 5 September 2022.

On 8 September 2022 the Company issued 400,000 shares for the conversion of options (exercisable at \$0.025, expiring 18 December 2022) which raised \$10,000.

On 15 September 2022 the Company issued 6,338,260 shares for the conversion of options (exercisable at \$0.025, expiring 18 December 2022) which raised \$158,456.50.

No other matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years, other than as outlined in the Company's review of operations which is contained in this Annual Report.

The Directors of the Company declare that:

- (a) in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion the attached Financial Statements and Notes thereto are in accordance with the Corporations Act 2001 (Cth), including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Consolidated entity;
- (c) in the Directors' opinion, the Financial Statements and Notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1; and
- (d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001 (Cth).

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act 2001 (Cth).



Cliff Lawrenson

Non-Executive Chairman

Perth

30 September 2022

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF**

AUSTRALIAN VANADIUM LIMITED

I declare that, to the best of my knowledge and belief, during the audit for the year ended 30 June 2022 there have been:

- i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii) No contraventions of any applicable code of professional conduct in relation to the audit.

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**Nigel Dias
Director
Perth, 30 September 2022**

Independent Auditor's Report To the Members of Australian Vanadium Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Australian Vanadium Limited ('the Company') and its subsidiaries ('the "Group"') which, comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Australian Vanadium Limited is in accordance with the *Corporations Act 2001*, Including

- Giving a true and fair view of the Group's financial position as at 30 June 2022, and of its financial performance for the year then ended and;
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has given to directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separated opinion on these matters.

Exploration and Evaluation Assets - Note 9

At 30 June 2022, the Group's carrying value of Exploration and Evaluation Assets was \$35,627,356

The exploration and evaluation assets are required to be assessed for impairment when facts and circumstances suggest that the carrying amount may exceed their recoverable amounts. Any impairment losses are then measured in accordance with AASB 136 *Impairment of Assets*.

This area is a key audit matter as significant judgement is required in determining whether:

- The capitalised Exploration and Evaluation assets meet the recognition criteria in terms of AASB 6 *Exploration for and Evaluation of Mineral Resources*; and
- Facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount in accordance with AASB 6.

Our Procedures, amongst others, included:

- Agreeing a sample of capitalised exploration and evaluation expenditure to invoices and other documentation. We verified whether the amounts capitalised was in accordance with the recognition criteria of AASB 6 *Exploration for and Evaluation of Mineral Resources*;
- Confirming whether the rights to tenure for the areas of interest were current at the reporting date as well as confirming that the rights to tenure are expected to be renewed for tenements that will expire in the near future;
- Obtaining evidence of the Group's intention to carry out exploration and evaluation activities in the relevant areas of interest. This included checking future budgeted exploration expenditure, reading board minutes and checking related exploration work programmes;
- Assessing whether the Group has the ability to fund its planned exploration and evaluation activities;
- Evaluating Group documents such as announcements made by the Company to the ASX, geologist and technical reports and board minutes to check whether exploration and evaluation activities in the relevant area of interest were unsuccessful; and
- Assessing the appropriateness of the accounting treatment and disclosure in terms of AASB 6.

Share Based Payments – Note 14 (g)

At 30 June 2022, the Company had recorded \$1,745,445 of share based payments of which \$265,000 was recognised as share issue costs and \$1,480,445 was recognised in the statement of profit or loss. The fair values of options are determined using option pricing models that take into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, and the risk-free interest rate for the term of the option. Judgement has been exercised on the probability and timing of achieving milestones related to the options and performance rights.

This area is a key audit matter as the valuation of share based payments is subject to significant management estimates and judgements.

Our procedures, amongst others, included:

- Verifying the key terms and conditions of the equity settled share based payments including number of equity instruments granted, exercise price and vesting conditions to the relevant agreements and award letters;
- Assessing the fair value of the share based payments by testing the key inputs used in option pricing model. This included checking the share price on grant date, exercise price, option life, volatility and risk free rate to supporting documentation and market information;
- Testing the accuracy of the share based payments amortisation over the relevant vesting periods;
- Assessing the Group's accounting treatment in accordance with AASB 2 *Share Based Payments*; and
- Testing the related financial statement disclosures relating to share based payments.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 32 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Australian Vanadium Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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Nigel Dias
Director
Dated, 30 September 2022
Perth

1. THE AUSTRALIAN VANADIUM PROJECT - MINERAL RESOURCE STATEMENT

A summary of the Mineral Resources at The Australian Vanadium Project as at 30 June 2022 is shown in Table 1 **Error! Reference source not found.** below.

The updated Mineral Resource estimation was carried out Trepanier Pty Ltd and Geologica Pty Ltd, resulting in the estimation of Measured, Indicated, and Inferred Mineral Resources. All mineralised domains are reported above 0.4% V₂O₅ for the low-grade ore zones and above 0.7% V₂O₅ within the high-grade zones.

The Mineral Resource estimate consists of:

- 239 million tonnes at 0.73% V₂O₅ containing 1,741,800 tonnes of V₂O₅;
- A discrete massive high-grade zone of 95.6 million tonnes at 1.07% V₂O₅ containing 1,017,500 tonnes of V₂O₅;
- Discrete low-grade zones of 128.5 million tonnes at 0.49% V₂O₅ containing 625,500 tonnes of V₂O₅, and
- Combined Measured and Indicated Mineral Resources of 93.7 Million tonnes at 0.75% V₂O₅ in low and high-grade zones containing 704,800 tonnes of V₂O₅.

Table 1 The Australian Vanadium Project Mineral Resources Statement (as at 30 June 2022)

Zone	Classification	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
	Sub-total	95.6	1.07	44.7	12.2	9.1	6.8	3.2
LG 2-5	Measured	-	-	-	-	-	-	-
	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
	Sub-total	128.5	0.49	24.9	6.6	28.2	16.1	7.2
Transported 6-8	Measured	-	-	-	-	-	-	-
	Indicated	-	-	-	-	-	-	-
	Inferred	14.9	0.66	29.0	7.8	24.5	15.1	7.8
	Sub-total	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
	Sub-total	239.0	0.73	33.1	8.9	20.4	12.3	5.6

2. MATERIAL CHANGES AND RESOURCE STATEMENT COMPARISON

A comparison between the 2021 and 2022 Mineral Resource Estimates for The Australian Vanadium Project is shown in Table 2 below.

Table 2 The Australian Vanadium Project Comparison Between 2021 and 2022 Mineral Resource Estimates

JORC Class	Resource Tonnes Million	V ₂ O ₅ %	Fe %	TiO ₂ %	SiO ₂ %	Al ₂ O ₃ %	LOI %
Estimate as at 30 June 2022							
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
Total	239.0	0.73	33.1	8.9	20.4	12.3	5.6
Estimate as at 30 June 2021							
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
Total	208.2	0.74	33.6	9.0	19.8	12.1	5.6

The updated estimation represented an increase of 11.5% in vanadium tonnes at a similar vanadium grade.

The Group is not aware of any new information or data that materially affects the information as previously released in the ASX announcement “Mineral Resource Update at the Australian Vanadium Project” of 1st November 2021 and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

3. GOVERNANCE ARRANGEMENTS AND INTERNAL CONTROLS

The Group has appropriate systems in place and suitably qualified and competent geological consultants to complete any resource estimation or review to the required standards as shown in the 2012 JORC Code Guidelines. The Quality Assurance, Sampling Systems, Assay Procedures, Data Recording, Interpretation Standards and Resource Estimation Methods and other parameters as set out in Table 1 of the JORC Code 2012 Guidelines are closely followed. The mineral resources reported have been generated by independent external consultants where appropriate who are experienced in best practices in modelling and estimation methods. The consultants have also undertaken reviews of the quality and suitability of the underlying information used to determine the resource estimate. In addition, management carries out regular reviews and audits of internal processes and external contractors that have been engaged by the group.

The Company policy is that all steps are recorded during the resource drilling program and then the estimation stage. All results from field logs and assays to database entries and modelling data are validated, reviewed and checked by independent and qualified geological personnel.

Competent Person Statement – Mineral Resource Estimation

The information in this report relating to The Australian Vanadium Project Mineral Resource estimate reported 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 members of the Australasian Institute of Mining and Metallurgy and 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 report of the matters based on their information in the form and context in which they appear.

Competent Person Statement – Exploration Results and Exploration Targets

The information in this report 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). Mr Davis is a member of the Australasian Institute of Mining and Metallurgy and has 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 consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Competent Person Statement – Ore Reserves

The technical information in this report 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 report 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 report that relates to Metallurgical Results is based on information compiled by independent consulting metallurgist Brian McNab (CP. B.Sc Extractive Metal-lurgy), Mr McNab is a Member of AusIMM. Brian McNab 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 this report of the matters based on the information made available to him, in the form and context in which it appears.

4. SCHEDULE OF INTERESTS IN MINING TENEMENTS AS AT 20 SEPTEMBER 2022

Project	Tenement	Area	Equity	Annual Expenditure Commitment
Australian Vanadium	E51/843	12 blocks	100% ¹	\$70,000
Australian Vanadium	E51/1534	8 blocks	100% ¹	\$70,000
Australian Vanadium	E51/1899	16 blocks	100% ¹	\$20,000
Australian Vanadium	E51/1943	5 blocks	100% ¹	\$15,000
Australian Vanadium	E51/1944	1 block	100% ¹	\$10,000
Australian Vanadium	M51/878	3,565.86 ha	100% ¹	\$356,600
Australian Vanadium	P51/3073	175.12 ha	100% ¹	\$7,040
Australian Vanadium	P51/3074	46.37 ha	100% ¹	\$2,000
Australian Vanadium	P51/3075	26.59 ha	100% ¹	\$2,000
Australian Vanadium	P51/3076	123.53 ha	100% ¹	\$4,960
Australian Vanadium	M51/897	1,812.05 ha	100% ¹	Application
Australian Vanadium	L51/116	830.50 ha	100%	Application
Australian Vanadium	P51/3248	5.01 ha	100% ¹	Application
Australian Vanadium	E51/2067	14 blocks	100%	Application
Australian Vanadium	L51/119	916.86 ha	100%	Application
Coates	E70/4924-I	4 blocks	100%	\$20,000
Coates	E70/5588	3 blocks	100%	\$15,000
Coates	E70/5589	15 blocks	100%	Application
Nowthanna Hill	M51/771	301.0 ha	100%	\$30,100
Blesberg	(NC) 940 PR	887 ha	Nil ²	-
Total				\$622,700

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

² AVL has the right to acquire up to 50.03% interest in the holding company that owns 100% interest in Prospecting Right (NC) 940 PR.

Additional information required by the ASX Listing Rules not disclosed elsewhere in this Annual Report is set out below. The information is current as at 20 September 2022.

1. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of equity security holders by size of holding:

Listed Shares, Fully Paid Ordinary		
Range	No of Holders	Number of shares
1 – 1,000	237	40,738
1,001 – 5,000	264	917,950
5,001 – 10,000	1,348	11,169,144
10,001 – 100,000	9,444	416,062,947
100,001+	4,997	3,545,728,954
Total	16,290	3,973,919,733

Listed Options, ASX code AVLOA (exercisable at \$0.025, expiring 18/12/2022)		
Range	No of Holders	Number of shares
1 – 1,000	6	39
1,001 – 5,000	2	4,454
5,001 – 10,000	5	43,842
10,001 – 100,000	126	6,708,485
100,001+	238	318,783,607
Total	377	325,540,427

Unlisted Shares, Partly Paid Ordinary		
Range	No of Holders	Number of shares
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001+	5	68,000,000
Total	5	68,000,000

Unmarketable Parcels

There were 2,223 holders of less than a marketable parcel of ordinary shares and 16 holders of less than a marketable parcel of listed options.

2. UNQUOTED SECURITIES

Holders of more than 20% of the abovementioned unquoted securities are:

Holder Name	Unlisted Shares, Partly Paid Ordinary
Woolmaton Pty Ltd <Woolmaton A/C>	16,000,000
Mr Muhamad Nur	15,000,000
Lisen Zhang	28,000,000

3. RESTRICTED SECURITIES

There are no restricted securities or securities subject to voluntary escrow as at 20 September 2022.

4. SUBSTANTIAL SHAREHOLDERS

There were no substantial holders as at 20 September 2022.

5. CORPORATE GOVERNANCE

The Company's Corporate Governance Statement is located on its website at: australianvanadium.com.au

6. TOP 20 SHAREHOLDERS AS AT 20 SEPTEMBER 2022

	Name	Number of Shares	% of Shares
1	Citicorp Nominees Pty Limited	295,171,054	7.43
2	BNP Paribas Nominees Pty Ltd ACF Clearstream	146,345,623	3.68
3	Mr Leendert Hoeskema & Mrs Aaltje Hoeksema	91,000,000	2.29
4	HSBC Custody Nominees (Australia) Limited	69,480,702	1.75
5	Kalemois Pty Ltd	65,937,212	1.66
6	BNP Paribas Nominees Pty Ltd <IB Au Noms Retail Client DRP>	60,866,376	1.53
7	BNP Paribas Noms Pty Ltd <DRP>	39,933,573	1.00
8	Mr Peter James Muir	30,000,001	0.75
9	Mr Jian Wang	26,076,687	0.66
10	Mr Nigel Charles Redvers Duffey <Trading Account A/C>	22,000,000	0.55
11	Jalein Pty Ltd <Elbaja A/C>	20,000,000	0.50
12	HSBC Custody Nominees (Australia) Limited – A/C 2	19,148,205	0.48
13	Superhero Securities Limited <Client A/C>	17,917,754	0.45
14	Mr Ian Ross Freeman	17,000,000	0.43
15	Mr Neale Parsons	15,000,000	0.38
16	J P Morgan Nominees Australia Pty Limited	14,446,476	0.36
17	Mr Fred Chi Kit Teng	14,000,000	0.35
18	Mr Robert Glyn Salathiel & Mrs Danielle Louise Salathiel <RDSalathiel S/F A/C>	13,966,424	0.35
19	Mr Hoang Huy Nguyen <Hoang Huy Nguyen Family A/C>	12,800,000	0.32
20	Mr Brenton David Witcombe	11,033,791	0.28
	Total	1,002,123,878	25.22
	Total Remaining Holders Balance	2,971,795,855	74.78

7. TOP 20 OPTION HOLDERS AS AT 20 SEPTEMBER 2022

	Name	Number of Shares	% of Shares
1	Merrill Lynch (Australia) Nominees Pty Limited	25,714,285	7.90
2	J & R Superannuation Pty Ltd <J & R Super A/C>	25,078,400	7.70
3	HSBC Custody Nominees (Australia) Limited	20,000,000	6.14
4	Matthew Burford Super Fund Pty Ltd <Burford Superfund A/C>	11,414,982	3.51
5	JJ Sunrise Investment Pty Ltd <JJ Shen Family A/C>	10,250,000	3.15
6	Mr Daniel Aaron Hylton Tuckett	10,027,940	3.08
7	Mr Richard Merlin O'Sullivan	8,253,231	2.54
8	Mr James Shein	7,350,000	2.26
9	The Victor Van Superannuation Fund Pty Ltd <The Victor Van S/F A/C>	7,092,042	2.18
10	Mr Dean Andrew Kent <The Wattle A/C>	7,000,000	2.15
11	Mr Michael James Ashby	5,294,349	1.63
12	Sunarp Pty Ltd <Whittle Investment A/C>	5,000,000	1.54
12	Mr Peter John Corbett	5,000,000	1.54
12	Finepoint Holdings Pty Ltd	5,000,000	1.54
13	Mr Fred Chi Kit Teng	4,888,888	1.50
14	Mr Peter John Richards Baskin	4,000,000	1.23
14	Munrose Investments Pty Ltd <McKenzie Super Fund A/C>	4,000,000	1.23
14	Mr Muhammed Salih Yilmaz	4,000,000	1.23
15	Mr Martin McCleave	3,615,400	1.11
16	Mr Andrew Blair Pirrit	3,497,982	1.07
17	Mrs Marie Hemmings	3,200,000	0.98
18	Mr Christopher Mark Worthy	3,000,465	0.92
19	Mr David Lipari & Mrs Paula Lipari & Mrs Janice Lipari <Lipari Super Fund A/C>	3,000,000	0.92
20	P A Shakespeare Investing Pty Ltd	2,950,000	0.91
	Total	188,627,964	57.94
	Total Remaining Holders Balance	136,912,463	42.06



Australian Vanadium Limited

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