



ASX ANNOUNCEMENT

24th AUGUST 2021

AVL COMPLETES \$8.7M PLACEMENT

High demand from investors and institutions supporting rapid advancement of AVL projects

Australian Vanadium Limited (ASX: AVL, “the Company” or “AVL”) is pleased to announce that it has received firm commitments for the placement of 348,000,000 ordinary fully paid shares (Shares) in the Company at a price of \$0.025 each, to raise \$8.7 million before costs (Placement). For every Share issued under the Placement, one (1) free attaching listed option will be issued (Option). The Options will be in the same class as the Company’s existing listed options (ASX code: AVLOA) with an exercise price of \$0.025 and expire on 18 December 2022.

The Shares were placed to institutional and sophisticated investors that qualify under section 708 of the Corporations Act. The capital raising was managed by 180 Markets.

The Placement attracted interest from both existing shareholders and new investors, including new institutional cornerstone investors. The offer was strongly oversubscribed, with over \$14M of bids received. The 348 million shares represent approximately 12% of the Company’s existing Shares on issue. 180 Markets will be paid a standard 6% fee on all funds introduced and receive 25M Options. The Options to be issued to 180 Markets will be subject to shareholder approval.

The offer price of \$0.025 represented a 11% discount to the 15-day VWAP of \$0.028 and a 13.9% discount to the last closing price of \$0.029. The issue of Shares and Options is not subject to shareholder approval as the issuance will comprise 56,000,000 Shares and 348,000,000 Options under the Company’s ASX Listing Rule 7.1 issue capacity and 292,000,000 Shares under the Company’s ASX Listing Rule 7.1A issue capacity.

Funds raised from the Placement will be applied towards:

- Completion and delivery of the Bankable Feasibility Study for the Australian Vanadium Project;
- Finalise design and build Australia’s first vanadium redox flow battery (VRFB) electrolyte supply plant, with co-funding from the Australian Government under the Resources

Technology and Critical Minerals Processing National Manufacturing Priority Grant.¹ The AVL vanadium electrolyte manufacturing plant will be capable of producing 33MWh of energy storage capacity annually for Australian deployed VRFBs in both on and off grid situations;

- Design and manufacture of locally made residential and VRFB based stand-alone power system (SPS);
- Finalise offtake agreements for vanadium and FeTi co-products with steel makers and battery manufacturers;
- Prepare for the Australian Vanadium Project Front End Engineering Design (FEED) and Project execution;
- Coates Ni-Cu-Pt project airborne electromagnetics (geophysics) results and Pt-Ni-Cu drilling; and
- Other value addition projects and working capital.

It is anticipated that the Placement will settle on Friday 27 August 2021.

Managing Director, Mr Vincent Algar commented, “The strong demand from investors for AVL supports the view that the Company is now seen as the next global producer of vanadium based in Australia. The funds will allow us to add further value to the Company as we complete our BFS and move the Company towards final financial decision, approval and construction. The year ahead looks positive for vanadium in both steel and battery sectors. The funds raised through the Placement puts the Company in a strong financial position to deliver and realise further value for all stakeholders.”

For further information, please contact:

Vincent Algar, Managing Director +61 8 9321 5594

This announcement has been approved in accordance with the Company's published continuous disclosure policy and has been approved by the Board.

¹ See ASX announcement dated 22nd July 2021 ‘AVL Awarded \$3.69M Federal Government Manufacturing Grant’

ABOUT AUSTRALIAN VANADIUM LTD

AVL is a resource company focused on vanadium, seeking to offer investors a unique exposure to all aspects of the vanadium value chain – from resource through to steel and energy storage opportunities. AVL is advancing the development of its world-class Australian Vanadium Project. The Australian Vanadium Project is currently one of the highest-grade vanadium projects being advanced globally with 208.2Mt at 0.74% vanadium pentoxide (V_2O_5), containing a high-grade zone of 87.9Mt at 1.06% V_2O_5 with an Ore Reserve of 18.24Mt at 1.04% V_2O_5 comprised of a Proved Reserve of 9.82Mt at 1.07% V_2O_5 and a Probable Reserve of 8.42Mt at 1.01% V_2O_5 , reported in compliance with the JORC Code 2012 (see ASX announcement dated 19 December 2018 ‘*Gabanintha Pre-Feasibility Study and Maiden Ore Reserve*’ and ASX announcement dated 4 March 2020 ‘*Total Vanadium Resource at the Australian Vanadium Project Rises to 208 Million Tonnes*’).

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

APPENDIX 1

The Australian Vanadium Project – Mineral Resource estimate by domain and resource classification using a nominal 0.4% V₂O₅ wireframed cut-off for low-grade and nominal 0.7% V₂O₅ wireframed cut-off for high-grade (total numbers may not add up due to rounding).

2020 Feb	Category	Mt	V ₂ O ₅ %	Fe %	TiO ₂ %	SiO ₂ %	Al ₂ O ₃ %	LOI %
HG	Measured	10.1	1.14	43.9	13.0	9.2	7.5	3.7
	Indicated	25.1	1.10	45.4	12.5	8.5	6.5	2.9
	Inferred	52.7	1.04	44.6	11.9	9.4	6.9	3.3
	Subtotal	87.9	1.06	44.7	12.2	9.2	6.8	3.2
LG 2-5	Indicated	44.5	0.51	25.0	6.8	27.4	17.0	7.9
	Inferred	60.3	0.48	25.2	6.5	28.5	15.3	6.7
	Subtotal	104.8	0.49	25.1	6.6	28.0	16.1	7.2
Trans 6-8	Inferred	15.6	0.65	28.4	7.7	24.9	15.4	7.9
	Subtotal	15.6	0.65	28.4	7.7	24.9	15.4	7.9
Total	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
	Subtotal	208.2	0.74	33.6	9.0	19.8	12.1	5.6

COMPETENT PERSON STATEMENT — MINERAL RESOURCE ESTIMATION

The information in this announcement that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (consultant with Trepanier Pty Ltd) and Mr Brian Davis (consultant with Geologica Pty Ltd). Mr Barnes and Mr Davis are both members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Both have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Barnes is the Competent Person for the estimation and Mr Davis is the Competent Person for the database, geological model and site visits. Mr Barnes and Mr Davis consent to the inclusion in this announcement of the matters based on their information in the form and context in which they appear.