

ASX ANNOUNCEMENT

16TH SEPTEMBER 2021

AVL APPOINTS GLOBAL FINANCIAL ADVISER

Structured finance specialist HCF International appointed, in partnership with Grant Thornton Australia, to secure funding to support the development of the Australian Vanadium Project

KEY POINTS

- HCF has extensive experience in providing structured finance advisory and raising substantial amounts of capital for the global mining sector, having raised over USD 12 billion in project financing since 2003.
- HCF, in collaboration with Grant Thornton, delivers significant execution capability across both international and Australian financial markets.
- The Australian Vanadium Project will be funded with a combination of debt and equity. With the Bankable Feasibility Study significantly advanced, AVL believes that it is the right time to engage with finance institutions, as the Company accelerates towards Financial Investment Decision in 2022.

Australian Vanadium Limited (ASX: AVL, “the Company” or “AVL”) is pleased to announce that it has appointed London based HCF International Advisers Limited (“HCF”), in partnership with Grant Thornton Australia, to assist with evaluating and arranging the debt financing to support the construction of the Australian Vanadium Project.

HCF is a leading independent corporate finance advisory boutique, with strong technical and financial expertise, focused on the global natural resources sectors and providing advice across the complete life cycle of projects.

HCF assists in securing finance for mining companies globally, from strategic and financial equity through to debt funding in the form of project and alternate finance, such as streams and royalties. Since its foundation in 2003, HCF has earned a reputation for delivering innovative solutions to clients through the execution of transactions with a value in excess of USD 12 billion.

Grant Thornton is one of the world's leading organisations of independent assurance, tax and advisory firms. In Australia, Grant Thornton provides a broad range of services to mining companies, with cross-disciplined, internationally focused teams.

Managing Director, Vincent Algar comments, *“The HCF team in London, working in partnership with the team at Grant Thornton in Sydney, will provide AVL with a level of experience and relationships in this key area of project finance that can see the Company through to full funding, construction and production. Validation by external experts is the key to success in funding for large-scale, long-life projects such as the Australian Vanadium Project at Gabanintha, strengthening our goal of becoming the next global primary producer of vanadium products for the customary steel and rapidly-growing battery markets”*

HCF Managing Director, Sean Gorman comments, *“We are very excited to be appointed alongside our partners at Grant Thornton to work on what we consider to be an important project in the Australian critical minerals space. The work that the AVL team has completed demonstrates the technical and financial viability of the project and we very much look forward to working with the AVL team in securing the full funding to bring the Australian Vanadium Project into operation.”*

The agreement is a contract for advisory services. The contract term is broken into three phases, each triggered by completion of project milestones. The final outcome is to secure project finance for the full development of the Project.

For further information, please contact:

Vincent Algar, Managing Director +61 8 9321 5594

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

ABOUT AUSTRALIAN VANADIUM LIMITED

AVL is a resource company focused on vanadium, seeking to offer investors a unique exposure to all aspects of the vanadium value chain – from resource through to steel and energy storage opportunities. AVL is advancing the development of its world-class Australian Vanadium Project at Gabanintha. The Australian Vanadium Project is 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 , reported in compliance with the JORC Code 2012 (see ASX announcement dated 4th March 2020 ‘Total Vanadium Resource at the Australian Vanadium Project Rises to 208 Million Tonnes’ and ASX announcement dated 22nd December 2020 ‘Technical and Financial PFS Update’).

VSUN Energy is AVL’s 100% owned subsidiary which is focused on developing the market for vanadium redox flow batteries for energy storage, including the manufacture and supply of vanadium electrolyte.

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

The Australian Vanadium Project - Ore Reserve Statement as at December 2020, at a cut-off grade of 0.7% V₂O₅

Ore Reserve	Mt	V ₂ O ₅ %	Fe ₂ O ₃ %	TiO ₂ %	SiO ₂ %	LOI%	V ₂ O ₅ production kt	Ore Reserve	Mt
Proved	9.8	1.08	59.9	12.4	8.7	3.5	63.2	Waste	244.5
Probable	22.4	1.04	61.7	11.8	8.3	2.8	158.9	Total Material	276.7
Total Ore	32.1	1.05	61.2	12.0	8.4	3.0	222.1	Strip Ratio	7.6

COMPETENT PERSON STATEMENT — MINERAL RESOURCE ESTIMATION

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

COMPETENT PERSON STATEMENT — ORE RESERVES

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