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ASX ANNOUNCEMENT **28TH OCTOBER 2022**

QUARTERLY ACTIVITIES REPORT

Period ending 30th September 2022

HIGHLIGHTS

Australian Vanadium Project, WA

- Mineral Resource classification upgrade drilling completed.
- First Term Sheet for iron titanium coproduct offtake sales signed with Tianzhu Steel.
- Environmental approvals for mining and processing site locations making good progress.
- Through HCF International and Grant Thornton, engagement with government and private funding partners accelerating.

Vanadium in Energy Storage

- Delivery of VSUN Energy's VRFB-based standalone power system to Western Australia for IGO's Nova Nickel Operation completed and Factory Acceptance Testing currently underway.
- Water Corporation VRFB trial successfully completed.
- 20kW/80kWh VRFB from Spanish VRFB manufacturer E22 for Victorian agricultural application due to leave Spain during October.

Coates Nickel-Copper-PGE Project

- Drill results from RC drilling confirm prospectivity for nickel, copper and PGEs.

Corporate

- CEO Graham Arvidson appointed.
- Trading of AVL shares commenced on USA OTCQB market.
- AVL's Managing Director included in Australian Government trade mission to India.
- Cash position of $24.7M as at 30th September 2022.

Management Comment

As the Company progresses towards construction and production its headcount is increasing. With the strategic appointment of Graham Arvidson as Chief Executive Officer, AVL has built a team with solid development, operation and technical capability. In addition, the Company has appointed Hayley Goodman as People and Culture Manager and brought on a range of engineering expertise through consultancy Jukes Todd.

Engineering design for the Project continues towards Front End Engineering Design (FEED) and engineering, procurement and construction/management (EPC/M) contractor selection.

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Approvals for the Project are progressing well, with acceptance by the WA Environmental Protection Agency (EPA) of an amendment to AVL's original project description for the Gabanintha site under s43A and a decision not to assess the processing plant site at Tenindewa.

Both globally and within Australia, the uptake of vanadium redox flow batteries (VRFBs) is accelerating. China continues to lead the way with installations, having recently energised the 100MW/400MWh first phase of Rongke Power's Dalian 200MW/800MWh project and announced a 250MW/1GWh VRFB in Xinjiang Province. AVL's 100% owned energy focused subsidiary, VSUN Energy, is working to deliver several projects, with a strong lead list beginning to mature.

The Company ended the quarter in a strong cash position of $24.7 million with no debt.

Activities for the quarter ended 30th September 2022 for Australian Vanadium Limited ("AVL" or "the Company") are as follows:

THE AUSTRALIAN VANADIUM PROJECT

The Australian Vanadium Project ("the Project") minesite location is south of Meekatharra in Western Australia, with a strategically located processing plant close to the port city of Geraldton (see Figure 1). The Project has a granted Mining Lease. Open cut mining of the Vanadium Titanium Magnetite orebody will be followed by crushing, milling and beneficiation onsite. Concentrate will be transported to the vanadium processing plant for conversion to high quality vanadium pentoxide for sale or further conversion and use in steel, energy storage, catalyst, chemical and defence applications.

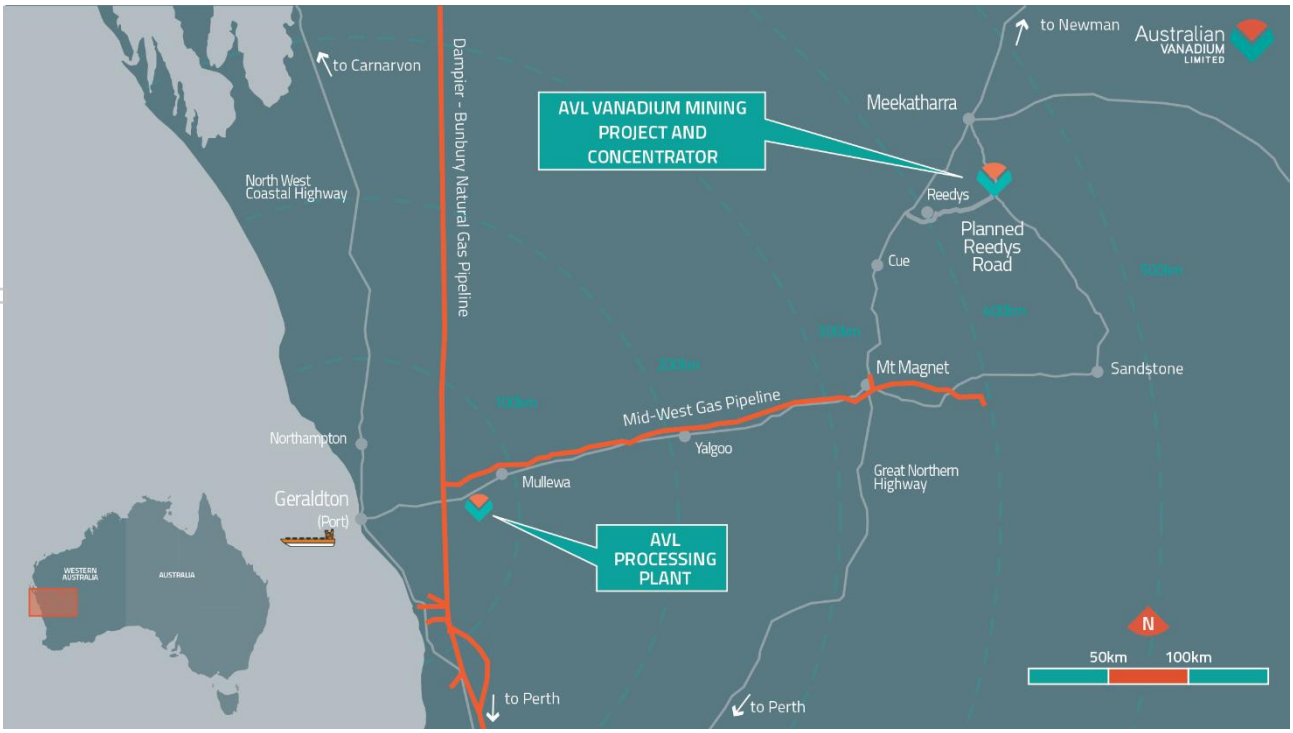

Figure 1 - Location of the Australian Vanadium Project

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Team expanded on pathway to production

See ASX announcement dated 17th October 2022 'Experienced Project Development and Operations Executive Appointed as CEO'

Post-quarter end, AVL announced the appointment of Graham Arvidson as Chief Executive Officer (CEO). Graham is an experienced business leader, project development and operations executive, with 18 years of experience in the minerals sector. His work has spanned feasibility, evaluation, successful development and operation of mineral assets globally and across a broad range of commodities including deep experience in vanadium, lithium, nickel and other future focused battery metals. Graham has held senior leadership roles through the development and operational phases of the Nova Nickel Project (Sirius Resources, IGO) and more recently ran the Operations and Maintenance division of Primero Group.

Further developing the team, AVL has appointed Hayley Goodman as People and Culture Manager. Hayley has 11 years of experience in HR consulting, business partnering, organisational development and strategic project experience. Hayley will be a key part of the Company's expansion strategy as it develops the organisational structures required for the next stage of development.

Figure 2 - Graham Arvidson and Hayley Goodman

Vanadium drill program for Mineral Resource classification and metallurgical confirmation of higher vanadium concentrate grades completed

See ASX announcement dated 23rd August 2022 'Vanadium Drill Program Commencement' and ASX announcement dated 25th October 2022 'Vanadium Resource Development Drill Program Completed'

During the quarter AVL undertook a diamond (813.5m) and reverse circulation drilling (7,283m) program to support Mineral Resource classification upgrades and metallurgical confirmation of

higher vanadium concentrate grades (see Figure 3). Core from the drill program is currently being transported to Perth for laboratory analysis.

Drilling in 2020 and metallurgical work in 2021 identified increased vanadium concentrate grades and iron titanium (FeTi) coproduct grades in the southern blocks at the Project. The recent drill program has increased the regularity of the diamond core material available to approximately 300m spaced sections through blocks 60 and 70 and provided a diamond core section in the centre of the designed pit in block 50. The initial mining pit at the Project will commence in block 60. This new data will further improve the mining schedule and potentially increase project value, while providing excellent definition of expected ore and concentrate grades.

When results are received and further characterisation work has been undertaken, improved quantification of the location and amount of material that will produce a higher iron-vanadium concentrate will be incorporated into an updated Mineral Resource Estimate, mine studies and financial modelling for the Project.

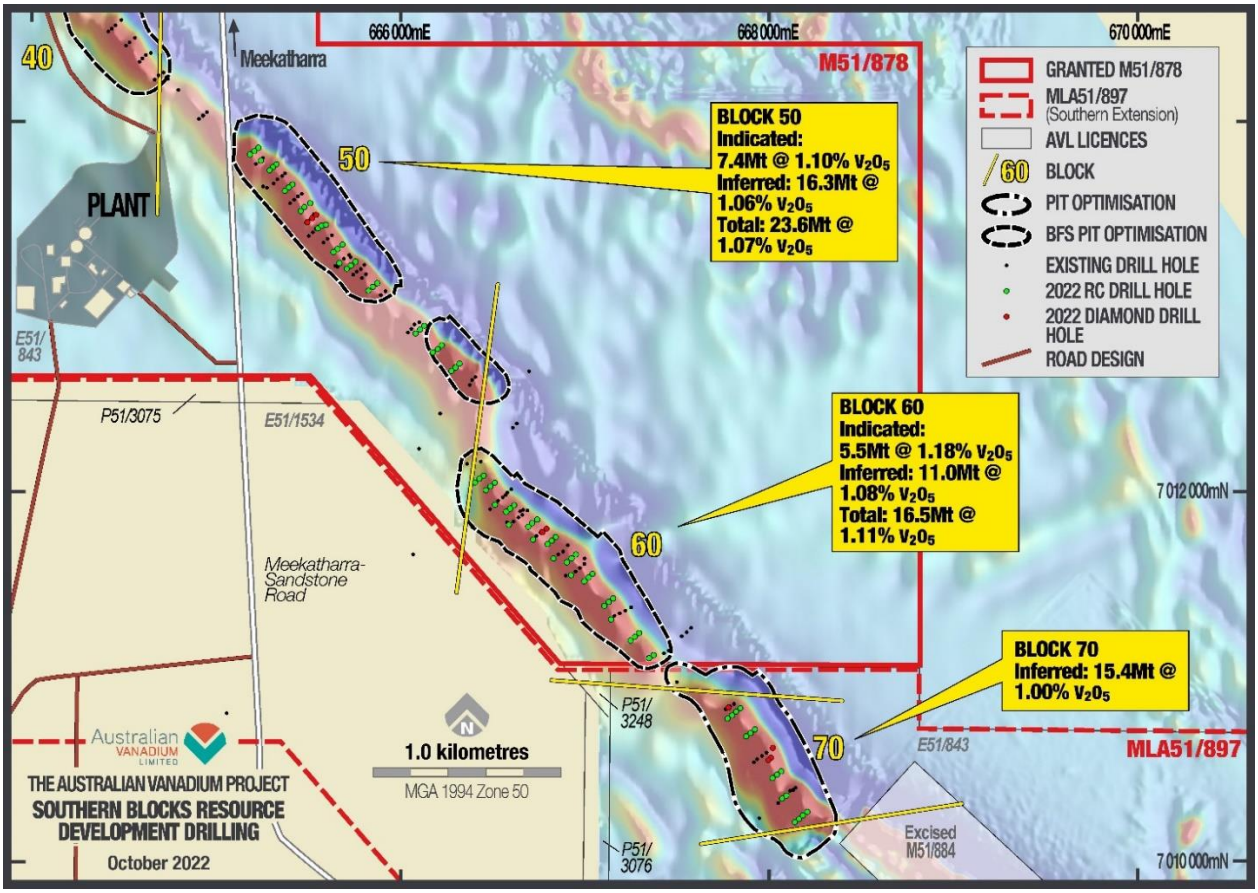

Figure 3 - Location of updated Drilling, Fault Blocks and Tenure

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First Term Sheet for FeTi coproduct offtake sales signed with Tianzhu Steel

See ASX announcement dated 1st September 2022 'First Term Sheet for Iron Titanium Coproduct Signed with Tianzhu Steel'

AVL completed its first term sheet for sale of its FeTi coproduct with Wingsing International Limited, the commercial arm of Tianzhu Steel. The agreement is for an initial 50,000 tonnes per annum (tpa) of AVL's FeTi coproduct, with an option to increase volumes after the first year.

Tianzhu Steel has an annual steel production of 5 million tonnes per annum (mtpa) from its mill in Hebei Province, P.R. China. AVL plans to produce approximately 900,000 tpa of FeTi coproduct from the Project, after production of approximately 11,200 tpa of vanadium pentoxide.

The FeTi coproduct will be shipped from port facilities at Geraldton.

Figure 4 - Location of Tianzhu Steel's steel mill in China

Environmental approvals remain on track for the Project

Key Project approvals at the mine site and processing plant site are progressing in line with the expected schedule for project development and construction.

Processing Plant Site at Tenindewa

Following voluntary submission by AVL, the EPA has provided official notification that a decision has been made not to assess the site at Tenindewa, under Part IV of the Environmental Protection Act 1986 (EP Act). This concludes the EPA assessment process for the proposed Tenindewa vanadium processing plant. The EPA decision recognises that the proposal is not expected to have a significant

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environmental impact and deems that any potential environmental impacts can be adequately managed through applications and approvals by the Department of Water and Environmental Regulation (DWER).

The EPA decision has allowed for the development application for the Tenindewa processing plant site to move ahead. This process is managed by the Strategic Development Assessment Unit (SDAU) of the Department of Lands and Heritage (DPLH), with scheme amendment assistance from the City of Greater Geraldton.

AVL has continued with a number of environmental studies in advance of DWER works and native vegetation clearing approval applications.

Minesite and CMB at Gabanintha

The EPA has accepted and approved all minor amendments to the original application for the mine site at Gabanintha for the planned development envelope of the 25 year mine life. Key changes to AVL's proposal included amending the development envelopes to reflect updates to the site layout plan, reducing the extent of native vegetation clearing, dealing with additional mine dewatering discharge and applying limits for groundwater drawdown associated with the proposal. The amendments were identified from studies completed to support the Company's Bankable Feasibility Study (BFS)[1]. An expanded hydrogeological study was undertaken, supported by installation and testing of additional groundwater bores. The expanded study included significant updates to the numerical groundwater model. The updated model predicted increased groundwater recharge and decreased groundwater drawdown extent, compared to earlier groundwater models.

AVL is currently developing and providing additional information required to be submitted with the Environmental Review Document (ERD) which is on track for submission in February 2023. These include a water management plan, greenhouse gas emissions and management plan, social surroundings surveys and draft cultural heritage management plan, peer reviews of hydrology and hydrogeological studies, together with flora and fauna surveys and impact studies. Upon submission and acceptance, the ERD will be published on the EPA website for public comment (Stage 3).

VANADIUM IN ENERGY STORAGE

Project Development Underway

AVL's 100% owned subsidiary VSUN Energy is focused on developing the vanadium redox flow battery (VRFB) market in Australia. The company is currently working on several projects and seeing a growth in interest from utilities and mining companies in particular.

[1] See ASX announcement dated 6th April 2022 *'Bankable Feasibility Study for the Australian Vanadium Project'*

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IGO standalone power system

VSUN Energy is installing a standalone power system (SPS) at IGO's Nova Nickel Operation[2]. The VRFB for this project has recently arrived in Western Australia from Spanish VRFB manufacturer E22. The battery is being installed at CDI Energy in Malaga where it is undertaking factory acceptance testing (FAT). E22 has provided an engineer from Spain to assist with FAT. Whilst the battery is undertaking FAT, VSUN Energy will be taking the opportunity to showcase the battery to the many interested parties across government, industry, mining and utilities.

When FAT is complete, the battery will be decommissioned and transported to site, alongside CDI Energy's solar module and a backup diesel generator. The system has been designed to provide a 100% renewable energy supply for much of the year, with periods of long cloud cover being supported by a diesel genset. Total renewable penetration of 85-90% is being targeted for the trial. The SPS will initially be used to power an existing process water pump, but the system is redeployable and can be used in a variety of locations across multiple minesites, including mining camps and EV charging stations.

Figure 5 IGO SPS VRFB en route to CDI Electrics for FAT

Water Corp trial completed

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 [3]. The VRFB

[2] See ASX announcement dated 11th November 2021 *'IGO's Nova Nickel Operation to Trial VSUN Energy Vanadium Battery Standalone Power System'*
[3] See ASX announcement dated 29th December 2021 *'VSUN Energy to Install VRFB at Water Corporation Site'*

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was trialled for use on a mobile water purification unit and provided 100% renewable power to the system via a solar PV and VRFB SPS.

The trial period has been successfully completed and Water Corp is now considering a field test using a VRFB at a site north of Perth.

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.

VRFB for agricultural client

VSUN Energy's second VRFB ordered from E22 is due to be shipped by the end of October. The battery is a 20kW/80kWh which will be paired with 100kW of solar and is destined for an agricultural client in Victoria. The system will be grid connected and help to achieve greater renewable energy penetration for our client.

VSUN Team Growth

During the quarter VSUN Energy welcomed new apprentice Corbin Klement to the team. Corbin will be working alongside senior electrician Lee Bourke to learn everything about VRFBs and their installation.

Figure 6 - Senior Electrician Lee Bourke and new apprentice Corbin Klement (L-R in left photo)

Global market for VRFBs

Many VRFB projects have been announced or commissioned globally during the past quarter. China continues to lead the way, having recently energised the 100MW/400MWh first phase of Rongke Power's Dalian 200MW/800MWh VRFB project and the recent announcement of a 250MW/1GWh VRFB in Xinjiang Province. HBIS Company Ltd announced plans to invest in the construction of a

300MW VRFB manufacturing facility and the Hongping 100MW/400MWh power station in Hunan Province was signed off, with the first phase of 50MW/200MWh to be installed by mid-2023.

In the USA the California Energy Commission has approved funding for an Invinity Energy Systems' 10MWh VRFB for the community of the Viejas Band of Kumeyaay Indians. Invinity has also received an order for a 1.3MWh VRFB for a data centre in Arizona, USA and an 800kWh VRFB for an energy and industrial equipment services company in Belgium. Invinity energised a 1.8MWh VRFB on the Orkney Islands which is integrated with tidal generation to optimise green hydrogen production. Also energised during the quarter was the Energy Superhub in Oxford, UK which is an electric vehicle charging hub utilising a 2MW/5MWh VRFB and a 50MW/50MWh lithium-ion battery. The VRFB is the first battery used in the setup, with the aim of reducing wear and tear on the lithium-ion battery. Following this successful deployment, Invinity Energy Systems has been awarded a project to supply a 10MW/40MWh VRFB which will again be hybridised with a lithium-ion battery.

Austrian VRFB manufacturer CellCube has launched a 2MW/8MWh VRFB project in Illinois, USA which will be installed in the Commercial and Industrial market in a microgrid setting. The microgrid will have the ability to work in islanded mode which will assist the local utility in times where peak load demand reduction is required and the battery will also provide peak load shaving for the customer. CellCube is also working with primary vanadium producer Bushveld Minerals which has secured funding for a 1MW/4MWh VRFB to be installed at its Vametco Mine in South Africa. Bushveld also owns an indirect 25.25% interest in CellCube.

Australian major superannuation fund Aware Super recently made an investment in North Harbour Clean Energy (NHCE). The superannuation fund manages around A$155 billion of savings for a million customers. VSUN Energy signed an MOU with NHCE[4] for collaboration on development and installation of VRFB projects and vanadium electrolyte supply. The investment by Aware Super helps to provide more financial input and awareness to the VRFB market in Australia.

VSUN Energy's social media accounts cover the latest developments in the VRFB market.

[4] See ASX announcement dated 26th May 2022 *'MOU with NHCE for Energy Market Vanadium Battery Project Development'*

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COATES NICKEL-COPPER-PGE PROJECT

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

Assay results from RC drilling of the stratigraphic drill section at AVL's Coates Project included highly anomalous copper and visual observations of sulphide in diamond core tails.

AVL's tenure is in the Coates Mafic Intrusive Complex near Wundowie, 80km NE of Perth in Western Australia. The AVL tenement at the Coates Project covers 11.68 km^2 over a southern extension of similar mafic-ultramafic rocks to the sequence that is host to the nickel-copper-PGE Julimar Project discovery by Chalice Gold Mines Limited (ASX: CHN).

Visual Sulphide Observations in Diamond Core

Diamond core drilled on 22CRD008 has multiple zones of sulphide. The mineral species identifiable by hand specimen examination are pyrrhotite and chalcopyrite presenting together. Textures of the sulphides range from blebby masses to network interstitial textures, and intergrowth between pyrrhotite and chalcopyrite is common. The main lithology these minerals are associated with are pyroxenite and melano-gabbro phases. One instance of chalcopyrite and pyrrhotite is a semi-massive, laminated accumulation along the sheared contact of a gabbro phase and melanocratic phase of the intrusion.

Results received for the 840.6m of Reverse Circulation (RC) drilling completed at Coates Project in May 2022 showed co-incident elevated Copper, Nickel, Palladium and/or Platinum over a 200m wide zone within the Coates Mafic Layered Intrusion.

Highlights from the returned assays include down hole intersections:

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

Among the rarest metals on earth, PGEs comprise ruthenium, rhodium, palladium, osmium, iridium, and platinum, which are elements with high melting points, corrosion resistance and catalytic qualities.

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Figure 7 - Core photos of significant visual sulphide occurrences

Top – 22CRD008 at 81.15m, Bottom 22CRD008 at 115.5m

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Proposed Divestment via proposed listing of Mining Green Metals (MGM)

AVL signed an option agreement with MGM in May for MGM to acquire a 100% interest in the Coates Project[5]. MGM is aiming to list on the ASX in 2022. The option agreement includes the Company's Nowthanna Hill uranium project and provides AVL with 6,500,000 fully paid ordinary shares in MGM, a 0.75% net smelter return royalty from the value of the minerals mined (Coates Project) and a cash payment of $190,000. The option is conditional on MGM completing due diligence on the tenements and listing on the ASX.

CORPORATE

Appendix 5B – Quarterly cash flow report

The Company's consolidated cash was $24.7M as at 30th September 2022 (30th June 2022: $26.4M).

$856k was received in proceeds from the exercise of options (exercise price $0.025, expiry 18th December 22).

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

During the quarter $1.3M exploration and evaluation expenditure was capitalised, of which $830k was spent on activities to advance the Australian Vanadium Project. The balance of exploration and evaluation expenditure comprised of other consultants and labour, transportation costs and tenement expenses.

No production and development activities were undertaken during the quarter.

Listing upgraded on the OTC USA market

See ASX announcement dated 5th October 2022 'AVL Commences Trading on USA OTCQB Market'

Post-quarter end, AVL's share listing in the USA was upgraded from the OTC Pink Market to the OTCQB which provides more liquidity to US investors and easier access to share trading. The OTCQB market allows US investors to trade AVL's ASX shares and is non-dilutive because no additional capital is required to be raised and no new shares will be issued in conjunction with inclusion on the market.

The Company trades under the code ATVVF.

Germany

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

AVL has appointed a marketing consultant in Germany where AVL shares trade on the Frankfurt exchange under code JT71.

Marketing

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

- International Flow Battery Forum, Brussels, Belgium (attended)
- Austrade Australian Government Indian trade delegation, India (attended)
- Sydney Energy Forum, Sydney (attended)
- Australian Clean Energy Summit, Sydney (attended)
- Energy Next Expo, Sydney (attended)
- Diggers and Dealers, Kalgoorlie (presented and exhibited)
- Energy in WA, Perth (attended)
- Mineral Resource Institute of WA (MRIWA) Net Zero Emission Conference, Perth (presented and also sponsored through VSUN Energy)
- Energy and Mines Summit, Perth (exhibited through VSUN Energy)
- Critical Minerals & Energy Investment, Perth (presented)
- Spark Plus Singapore Mining Day, Singapore (presented)

Figure 8 - Austrade Indian Trade Delegation (Vincent Algar pictured centre rear)

Upcoming conferences and events for the December quarter are:

- International Mining and Resource Conference (IMARC), Sydney (presenting and exhibiting)
- Young Energy Professionals 'Emerging Energy Storage Technologies', Perth (presenting)

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

For further information, please contact:

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

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MINERAL RESOURCE

Table 1 The Australian Vanadium Project Mineral Resource Estimate as at November 2021 by Domain and Resource Classification[6]

Zone	Category	Mt	V_2O_5 %	Fe %	TiO_2 %	SiO_2 %	Al_2O_3 %	LOI %
HG	Measured	11.3	1.14	43.8	13.0	9.2	7.5	3.7
	Indicated	27.5	1.10	45.4	12.5	8.5	6.5	2.9
	Inferred	56.8	1.04	44.6	11.9	9.4	6.9	3.3
	Subtotal	**95.6**	**1.07**	**44.7**	**12.2**	**9.1**	**6.8**	**3.2**
LG	Indicated	54.9	0.50	24.9	6.8	27.6	17.1	7.9
	Inferred	73.6	0.48	25.0	6.4	28.7	15.4	6.6
	Subtotal	**128.5**	**0.49**	**24.9**	**6.6**	**28.2**	**16.1**	**7.2**
Transported	Inferred	14.9	0.66	29.0	7.8	24.5	15.1	7.8
	Subtotal	**14.9**	**0.66**	**29.0**	**7.8**	**24.5**	**15.1**	**7.8**
Total	Measured	11.3	1.14	43.8	13.0	9.2	7.5	3.7
	Indicated	82.4	0.70	31.7	8.7	21.2	13.5	6.2
	Inferred	145.3	0.71	33.0	8.7	20.7	12.0	5.4
	Subtotal	**239.0**	**0.73**	**33.1**	**8.9**	**20.4**	**12.3**	**5.6**

Table 2 The Australian Vanadium Project - Ore Reserve Statement as at April 2022, at a cut-off grade of 0.7% V_2O_5

Ore Reserve	Mt	V_2O_5%	Fe%	TiO_2%	SiO_2%	LOI%	V_2O_5 production kt	Ore Reserve	Mt
Proved	10.5	1.11	61.6	12.8	9.5	3.7	70.9	Waste	238.5
Probable	20.4	1.07	63.4	12.2	9.2	3.0	152.9	Total Material	269.4
Total Ore	**30.9**	**1.09**	**62.8**	**12.4**	**9.3**	**3.2**	**223.8**	Strip Ratio	7.7

[6] Using a nominal 0.4% V_2O_5 wireframed cut-off for low grade and nominal 0.7% V_2O_5 wireframed cut-off for high grade (total numbers may not add up due to rounding).

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Table 3 Tenement Schedule

Tenement information as required by Listing Rule 5.3.3 for the quarter ended 30th September 2022

Project	Location	Tenements	Economic Interest	Notes	Change in Quarter %
Western Australia	**The Australian Vanadium Project**	E 51/843	100% Granted[1]		Nil
		E 51/1534	100% Granted[1]		Nil
		E 51/1899	100% Granted[1]		Nil
		E 51/1943	100% Granted[1]		Nil
		E 51/1944	100% Granted[1]		Nil
		E 51/2067		100%[1] on Application	Nil
		L 51/116		100% on Application	Nil
		L 51/119		100%[1] on Application	Nil
		M 51/878	100% Granted		Nil
		M 51/888	100% Granted[1]		Nil
		M 51/897		100%[1] on Application	Nil
		P 51/3073	100% Granted		Nil
		P 51/3074	100% Granted		Nil
		P 51/3075	100% Granted		Nil
		P 51/3076	100% Granted		Nil
		P 51/3248		100%[1] on Application	Nil
		P 51/3298		100%[1] on Application	100%
Western Australia	**Nowthanna**	M 51/771	100% Granted[2]		Nil
Western Australia	**Peak Hill**	E 52/3349	0.75% NSR Production Royalty		Nil
Western Australia	**Coates**	E 70/4924-I	100% Granted[2]		Nil
		E 70/5588	100% Granted[2]		Nil
		E 70/5589		100% on Application[2]	Nil
South Africa	**Blesberg**	(NC) 940 PR	10%		Nil

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

Note 2: Option agreement signed with Mining Green Metals. See ASX announcement dated 11th May 2022 'Sale of Coates Nickel-Copper-PGE and Nowthanna Hill Uranium Projects"

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ASX CHAPTER 5 COMPLIANCE AND CAUTIONARY AND FORWARD-LOOKING STATEMENTS

ASX Listing Rules 5.19 and 5.23

ASX Listing Rule 5.19

The information in this announcement relating to production targets, or forecast financial information derived from a production target, is extracted from the announcement entitled 'Bankable Feasibility Study for the Australian Vanadium Project' released to the ASX on 6th April 2022 which is available on the Company's website www.australianvanadium.com.au.

The Company confirms that all material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the original market announcement continue to apply and have not materially changed.

ASX Listing Rule 5.23

The information in this announcement relating to exploration results and mineral resource and ore reserve estimates for the Australian Vanadium Project is extracted from the announcement entitled 'Bankable Feasibility Study for the Australian Vanadium Project' released to the ASX on 6th April 2022 which is available on the Company's website www.australianvanadium.com.au.

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 that all material assumptions and technical parameters underpinning the estimates in the original 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.

Forward-Looking Statements

This release may contain certain forward-looking statements with respect to matters including but not limited to the financial condition, results of operations and business of AVL and certain of the plans and objectives of AVL with respect to these items.

These forward-looking statements are not historical facts but rather are based on AVL's current expectations, estimates and projections about the industry in which AVL operates and its beliefs and assumptions.

Words such as "anticipates," "considers," "expects," "intends," "plans," "believes," "seeks," "estimates", "guidance" and similar expressions are intended to identify forward looking statements and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the industry in which AVL operates.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the control of AVL, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Such risks include, but are not limited to resource risk, metal price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the countries and states in which we sell our product to, and government regulation and judicial outcomes. For more detailed discussion of such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings.

AVL cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of AVL only as of the date of this release.

The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made.

AVL will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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Name of entity

AUSTRALIAN VANADIUM LIMITED

ABN	Quarter ended ("current quarter")
90 116 221 740	30 SEPTEMBER 2022

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(553)	(553)
	(e) administration and corporate costs	(767)	(767)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	19	19
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,301)**	**(1,301)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(428)	(428)
	(d) exploration & evaluation	(1,329)	(1,329)
	(e) investments	(71)	(71)
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,828)**	**(1,828)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	571	571
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	856	856
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(24)	(24)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,403**	**1,403**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	26,443	26,443
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,301)	(1,301)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,828)	(1,828)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,403	1,403

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**24,717**	**24,717**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	22,522	24,423
5.2	Call deposits	2,195	2,020
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**24,717**	**26,443**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	192
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,301)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,329)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,630)
8.4	Cash and cash equivalents at quarter end (item 4.6)	24,717
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	24,717
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	9.4

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2022

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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