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ASX ANNOUNCEMENT **30TH JANUARY 2023**

QUARTERLY ACTIVITIES REPORT

Period ending 31st December 2022

HIGHLIGHTS

Australian Vanadium Project

- Mineral Resource classification upgrade drilling completed.
- Appointment of Primero Group and GR Engineering Services to undertake a dual-party Early Contractor Involvement process for the Crushing, Milling and Beneficiation plant Engineering, Procurement and Construction package.
- Road reserve closure approved by Shire of Meekatharra for the minesite area.
- Critical minerals collaboration signed with Neometals
- Offtake and project finance discussions progressing.

Vanadium in Energy Storage

- Factory Acceptance Testing of VSUN Energy's VRFB-based standalone power system for IGO's Nova Nickel Operation currently underway.
- Proprietary residential battery design underway.

Coates Nickel-Copper-PGE Project

- Diamond drilling results received for 169.6m of diamond core drilling which showed co-incident elevated copper, nickel, palladium and platinum.

Corporate

- CEO Graham Arvidson appointed.
- Trading of AVL shares commenced on USA OTCQB market.
- R&D Tax Incentive refund of $618,904 received.
- $6.1M (net of costs) received from exercise of options (exercise price $0.025, expiry 18/12/22).
- Cash position of $27.2M as at 31st December 2022.

Management Comment

AVL is rapidly accelerating the Australian Vanadium Project and downstream opportunities in the vanadium market. During the quarter the Company appointed contractors to undertake the next steps in engineering for the mining process. CEO, Graham Arvidson, has worked to analyse all aspects of the Company's business and set priorities for staff and contractors alike.

2023 is already becoming a busy year for AVL. The Company and its staff are ready for the challenge of progressing the Project, the vanadium electrolyte manufacturing plant and opportunities in the vanadium redox flow battery market through VSUN Energy.

The Company ended the quarter in a strong cash position of $27.2 million with no debt.

Australian Vanadium Limited
Level 2, 50 Kings Park Road
West Perth, WA 6005

Phone: +61 8 9321 5594
Fax: +61 8 6268 2699
Email: info@australianvanadium.com.au

ASX: AVL
FRA: JT7.F
OTCQB: ATVVF
ABN: 90 116 221 740

Activities for the quarter ended 31st December 2022 for Australian Vanadium Limited ("AVL" or "the Company") are as follows:

THE AUSTRALIAN VANADIUM PROJECT

The Australian Vanadium Project ("the Project") comprises a minesite located 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.

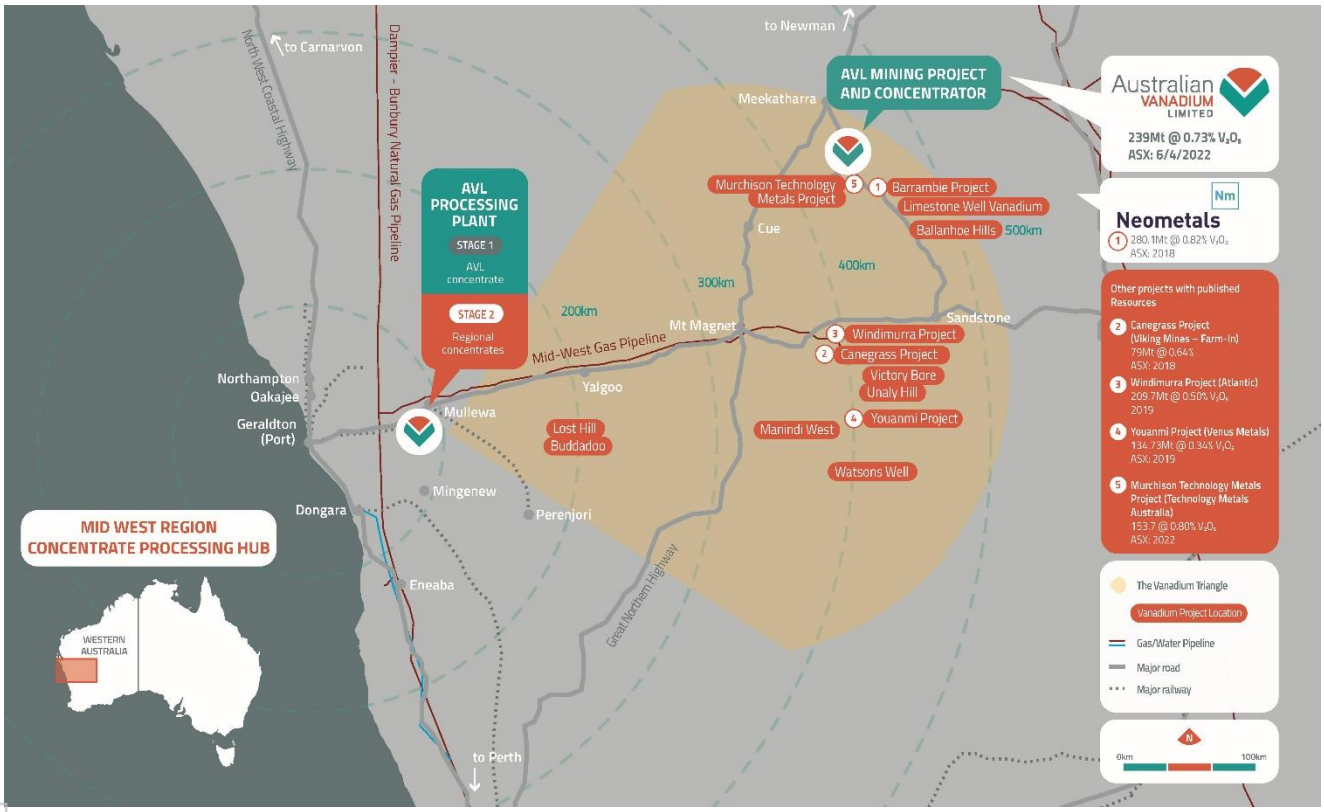

Figure 1 - Location of the Australian Vanadium Project

Chief Executive Officer appointed to drive Project development

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

In October 2022 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

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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 play a key role in the Company's expansion strategy as it develops the organisational structures required for the next stage of project development.

Figure 2 - Graham Arvidson and Hayley Goodman

As the AVL team expands, office space requirements have increased. During the quarter the Company moved to a larger office on Kings Park Road in West Perth which better suits the growing headcount.

GR Engineering Services and Primero Group appointed to undertake dual-party ECI

See ASX announcement dated 6th December 2022 'Early Contractor Involvement Appointments for Crushing, Milling and Beneficiation Plant'

GR Engineering Services Ltd and Primero Group Ltd have been appointed to undertake a dual-party Early Contractor Involvement (ECI) process for the Australian Vanadium Project's Crushing Milling and Beneficiation plant Engineering, Procurement and Construction (EPC) package. The ECI process will run through until Q2 2023, with the final deliverable being an EPC tender proposal from each company.

The ECI process was endorsed as the appropriate way forward as it allows AVL and the ECI contractors the opportunity to build key relationships by collaborating in design development, optimising risk allocation and preparation of EPC pricing.

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Both Primero and GR Engineering are industry leaders in EPC delivery and AVL sees the ECI process as a critical part of being execution ready once a final investment decision is made. Completion of the ECI is scheduled for Q2 2023, with the final preferred EPC contractor being notified within the same quarter.

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

See ASX announcement dated 25th October 2022 'Vanadium Resource Development Drill Program Completed'

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 has been transported to Perth for laboratory analysis.

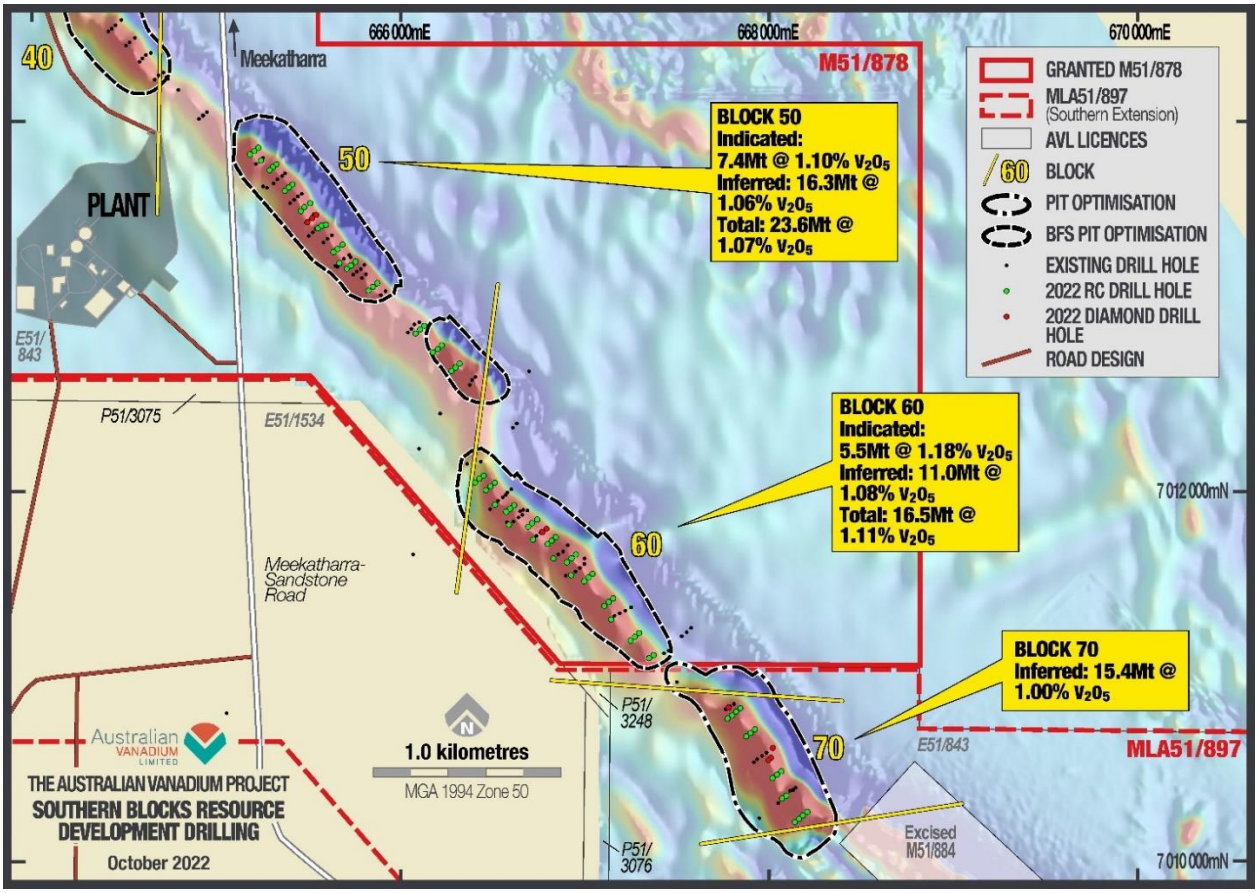

Figure 3 - Location of updated Drilling, Fault Blocks and Tenure

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

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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.

Front End Engineering Design

Members of AVL's technical team undertook a visit to Whyalla in South Australia to examine a grate kiln similar to the one that AVL will be using at its processing plant.

Figure 4 - Whyalla Grate Kiln visit

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Road Reserve Closure

AVL intends to operate open pits which would be intersected by two existing road reserves. An application was presented to the Shire of Meekatharra who, with public consultation, resolved to remove the reserves. AVL is now awaiting Ministerial approval for the closure.

The road reserves do not currently contain any roads and the closure of these reserves is not expected to result in any changes to traffic or access in the area.

Offtake and Project Financing

AVL is pursuing offtake agreements for vanadium pentoxide and its FeTi coproduct with parties from steel and battery markets. Conversion of existing MOUs and creation of new agreements in key geographical locations are the main focus.

In conjunction with debt advisors HCF International and Grant Thornton, AVL continues to progress discussions with interested parties, including Australian and international export finance agencies and international commercial banks.

AVL's advisory team has prepared scopes for the qualification of an Independent Technical Expert (ITE) which is required by the lenders. The ITE will be appointed during the current quarter, progressing lender engagement and detailed due diligence through the Company's Data Room.

The selection process for the lenders' legal and insurance advisors is also underway.

Further information will be released to shareholders through the ASX as agreements become binding and funding is secured.

Term Sheet signed with Neometals to investigate opportunities for process concentrate

See ASX announcement dated 25th January 2023 'Critical Minerals Collaboration Signed with Neometals'

Post quarter end, AVL signed a non-binding Term Sheet with Neometals (ASX: NMT and AIM: NMT) to explore opportunities for AVL to process co-product vanadium concentrate from Neometals' 100% owned Barrambie Project and to co-locate or share non-process infrastructure near AVL's proposed Tenindewa processing plant site.

The collaboration will provide synergies, allowing the two projects to move forward even more confidently, using mutual understanding of the ores and processing. The Vanadium Triangle in the Midwest contains many remnants of the once massive Murchison Layered Intrusive Complex, a Bushveld Complex sized intrusion which hosts a number of potentially economic vanadium titanium magnetite (VTM) deposits. As per Figure 1, Stage 1 involves AVL being able to process its own concentrates and Stage 2 enables the Company to offer processing infrastructure to other projects.

This will bring great benefit to the region and to Australia as a whole and establish Australia as a cornerstone producer of vanadium products for green steel and energy storage applications. AVL welcomes discussions with other companies in the region that see benefit in the hub approach that AVL and Neometals are considering.

Community Consultation

At the end of November, AVL held a Community Consultation Day in Meekatharra. Members of the public were invited to attend the event in the town's Lloyds Plaza to ask questions and provide feedback on the Company's environmental impact assessment findings and mine closure planning.

Figure 5 - Pictured L-R Shire of Meekatharra's Youth Services Manager Lachlan Macdonald, President of the Meekatharra Shire Council Harvey Nichols, AVL's Project Manager Trevor Smith and AVL's Principal Environmental Consultant Emma Molloy

Shooting Stars Sponsorship

During the quarter, AVL partnered with Shooting Stars to support girls in the Mid West, particularly in Meekatharra and Mullewa. Shooting Stars empowers Aboriginal girls and women across Western and South Australia to make informed choices about their education and employment journey. This sponsorship complements the ongoing support AVL provides to the Stephen Michael Foundation across the region.

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VANADIUM IN ENERGY STORAGE

AVL's 100% owned subsidiary VSUN Energy is focused on developing the vanadium redox flow battery (VRFB) market in Australia.

IGO standalone power system

VSUN Energy is installing a standalone power system (SPS) at the IGO (ASX: IGO) Nova Nickel Operation[1]. The VRFB for this project is currently under factory acceptance testing (FAT) by the VSUN Energy team at CDI Energy's site in Malaga, WA. 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 6 - E22's engineer Veselin Miroslavov and VSUN Energy's Principal Electrician Lee Bourke pictured alongside the VRFB for IGO

[1] See ASX announcement dated 11th November 2021 *'IGO's Nova Nickel Operation to Trial VSUN Energy Vanadium Battery Standalone Power System'*

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Residential VRFB development

VSUN Energy has been working to develop a residential version of the VRFB. This product is of interest to many people who are looking for an alternative to a lithium-ion battery solution.

The company initially started working with a Chinese manufacturer to use its basic battery as a starting point for the product, but difficulties with control systems and compliant inverters meant that it wasn't suitable for the Australian market. VSUN Energy has therefore decided to design and build its own, fully Australian-made VRFB to add long-term value and internal intellectual property for the company. Existing designs from WA based design and consultancy group CADDS Group will be utilise for the product.

The residential battery will be 5kW/15kWh in size, which will provide enough power to take an average house through the evening and into the morning when the solar begins to generate power. For example, at 2.5kW use, this battery would provide 6 hours of energy supply.

Figure 7 - Initial design for a 5kW/30kWh VRFB

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Further information will be shared as the project progresses. Some of the funding for the project is being sourced from the $3.69 million that AVL was awarded under the Australian Government Resources Technology and Critical Minerals Processing National Manufacturing Priority Grant.[2]

VFlow Tech Factory and Office Visit in Singapore

Vincent Algar took the opportunity while in Singapore to visit VFlow Tech's factory and office. VSUN Energy is working with VFlow Tech on three 5kW/30kWh VRFBs which are in Perth. Feedback has been provided to VFlow and improvements made to the systems.

VSUN Energy installed one of the 5kW/30kWh VRFBs 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 was successfully 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 other two batteries are being prepared for use by clients in Western Australia.

Figure 8 - Vincent Algar pictured alongside VFlow Tech's Co-founder and CTO Arjun Bhattarai and Co-founder and CEO Avishek Kumar

[2] See ASX announcement dated 22nd July 2021 *'AVL Awarded $3.69M Federal Government Manufacturing Grant'*
[3] See ASX announcement dated 29th December 2021 'VSUN Energy to Install VRFB at Water Corporation Site'

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COATES NICKEL-COPPER-PGE PROJECT

See ASX announcement dated 19th December 2022 'Diamond Results for Coates Nickel-Copper-PGE Project'

Results received for 169.6m of diamond core drilling which was completed at the Coates Project in May 2022 showed co-incident elevated copper, nickel, palladium and platinum.

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).

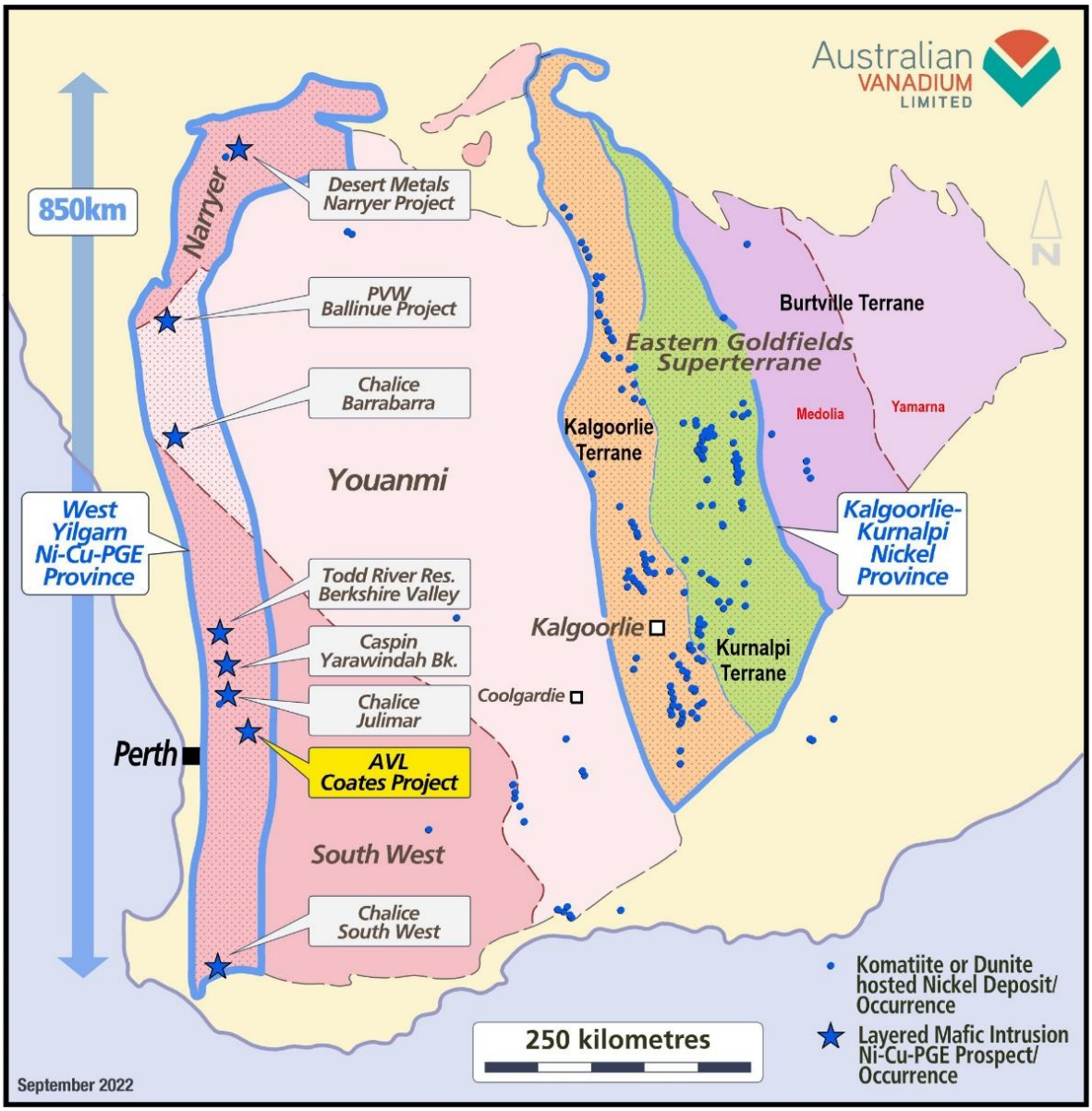

Figure 9 - Schematic of the Yilgarn Craton showing Nickel Provinces with the location of AVL Coates Project

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Highlights from the returned assays included down hole intersections:

- 22CRD008 – 3.25 m at 0.15% Cu, 757ppm Ni, 40ppb Pd, and 27ppb Pt from 81.15m
- 22CRD008 – 0.6 m at 0.65% Cu, 180ppm Ni from 115.5m
  - *Including 0.35m at 1.02% Cu, 180ppm Ni, 5ppb Pd from 115.5m*
- 22CRD009 – 0.15m at 0.11% Cu, 1,000ppm Ni, 25ppb Pd and 20ppb Pt from 114.55m
- 22CRD009 – 0.3m at 0.05% Cu, and 1,020ppm Ni from 129.2m
- 22CRD011 – 1.85m at 40ppb Pd and 51ppb Pt from 96.15m

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

Despite being stopped early, the program as completed to date provides a significant section of geochemical samples from the drill holes. Importantly, the diamond core available to the CSIRO Nickel Indicator Study of the Coates Mafic Complex extends information 350 to 500 metres further northeast into the intrusion than any previous historical drilling,[5] approaching the zone of the SkyTEM conductors and surface Ni, Pt and Cr anomalism previously identified.[6] Samples of core from these 2022 drill holes are currently with CSIRO to facilitate this study. Other historical diamond core from the 1970s being utilised for the CSIRO study is restricted to the magnetite gabbro portion of the deposit which was drilled extensively for vanadium mineralisation by Garrick Agnew Pty Ltd and Mt Dempster Mining.

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.[7] MGM is aiming to list on the ASX in 2023. The option agreement includes the Company's Nowthanna Hill uranium project and provides AVL with 5,000,000 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 $100,000. The option is conditional on MGM completing due diligence on the tenements and listing on the ASX.

[4] See ASX announcement dated 23rd April 2021 *'Grant Funding for Nickel-Copper-PGE-Gold Drilling at Coates Project'*
[5] See ASX announcement dated 17th September 2020 *'Historical Data at Coates Project supports PGE exploration'*
[6] See ASX announcement dated 5th August 2021 *'Nickel Chrome Copper PGE anomalies identified at Coates Project'*
[7] See ASX announcement dated 11th May 2022 *'Sale of Coates Nickel-Copper-PGE and Nowthanna Hill Uranium Projects'*

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CORPORATE

Appendix 5B – Quarterly cash flow report

The Company's consolidated cash was $27.2M as at 31st December 2022 (30th September 2022: $24.7M).

During the quarter $6.1M (net of costs) was received in proceeds from the exercise of options (exercise price $0.025, expiry 18th December 2022).

The Company received a Research and Development (R&D) Tax Incentive Refund of $619k in November for eligible R&D activities undertaken during the 2020/21 financial year, and $18k in funding was received as part of the Australian Government's Cooperative Research Centres Project (CRC-P) grant.

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were $198k, comprising Directors' fees, salaries and superannuation.

The majority of the $2.4M exploration and evaluation expenditure capitalised during the quarter was spent on activities to advance the Australian Vanadium Project.

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'

AVL's share listing in the USA has been 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.

Research & Development Tax Incentive Scheme Refund

See ASX announcement dated 21st November 2022 'AVL Receives $618,904 R&D Refund for 2020/21 Tax Year'

AVL received $618,904 from the Australian Government Research & Development (R&D) Tax Incentive Scheme. The refund applied to work undertaken in the 2020/21 tax year.

The innovative work undertaken during the period was focused on development of processing techniques to produce steel and battery grade vanadium pentoxide and vanadium electrolytes, while recovering iron and titanium from a vanadiferous titanomagnetite (VTM) ore. Work was also undertaken on pilot scale pelletising and roasting of AVL concentrate utilising a grate kiln;

hydrometallurgical process testwork; process work to recover titanium and iron from waste streams; production of FeTi coproduct samples; concentrate recovery variability testwork and vanadium electrolyte analysis.

AVL's unique combination of physical beneficiation, pyrometallurgical and hydrometallurgical steps has been combined to underline a patent application which was published by the International Bureau in October 2022.

Figure 10 - Pellets being unloaded from the pot grate, pilot testwork set-up showing rotating drum and filtering operations and counter-current 1m leach column arrangement

Marketing and Engagement

AVL is included in the Australian Trade and Investment Commission (Austrade) Critical Minerals Prospectus, which was released in the middle of December. Austrade offices in Australian and overseas have provided valuable assistance to AVL, as it builds a strong business network to advance offtake and financing for the Project. The prospectus covers 55 projects in Australia which offer potential investment opportunities. The document highlights the strengths that Australian projects have in the global landscape, with 'a skilled workforce, world-leading environmental, social and governance (ESG) practices and a transparent regulatory environment.'

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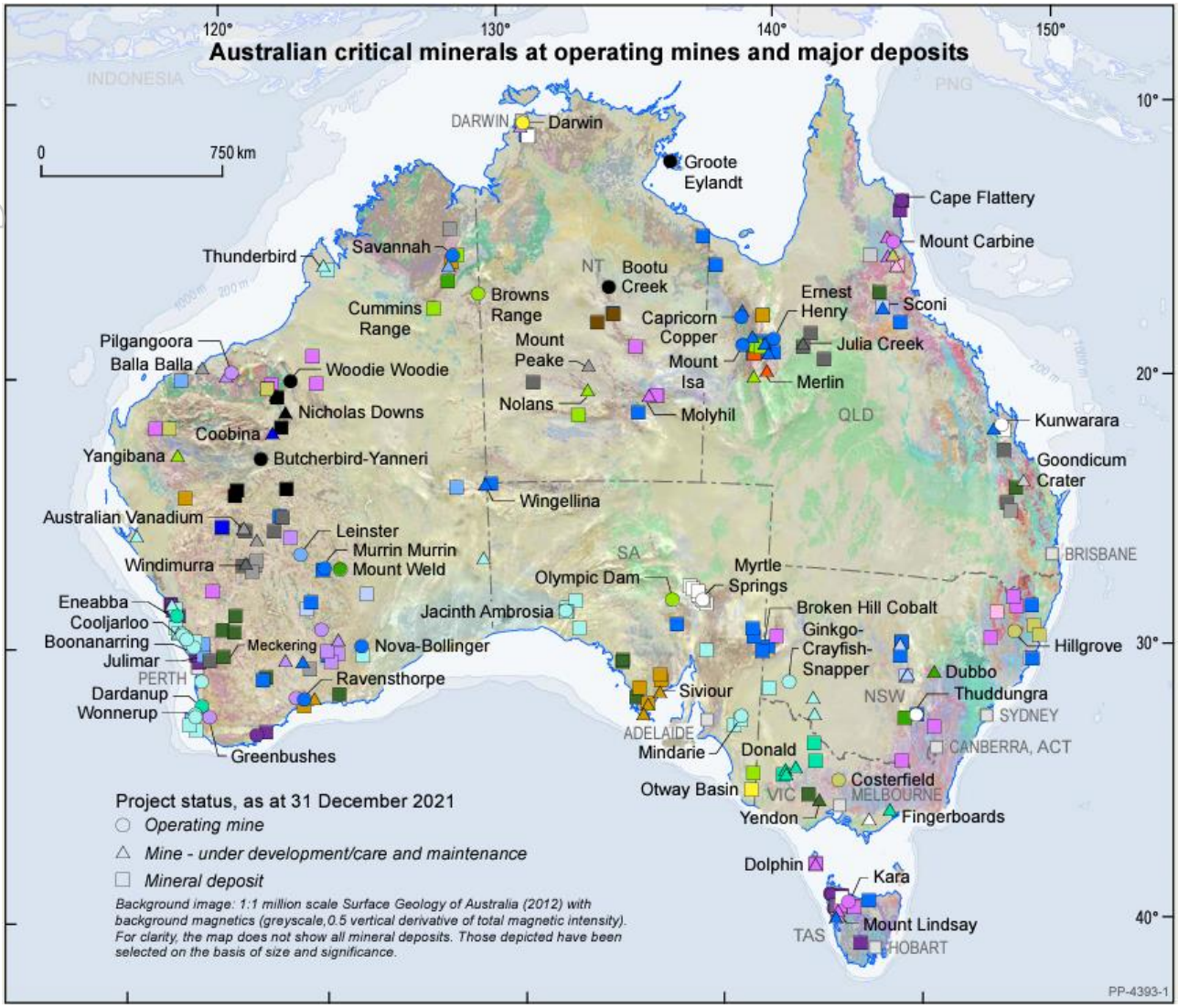

Figure 11 - Australian critical minerals at operating mines and major deposits (from Austrade Critical Minerals Prospectus)

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

- Mid West Major Projects Conference (presented)
- American Chamber of Commerce 'Meet the Ambassador – The Hon Arthur Sinodinos AO' (attended)
- Murlpirrmarra Connection Fundraiser. The Murlpirrmarra Connection is a not-for-profit organisation that exists to provide Aboriginal youth in the remote communities of Wiluna, Leonora and surrounding regions with educational opportunities (attended)
- Meekatharra Outback Festival (sponsored)
- Vanitec 103rd meeting (attended)
- Energy Club WA 'Road to Decarbonisation with Energy Storage' (presented)
- International Mining and Resource Conference (IMARC), Sydney (presented and exhibited)
- Young Energy Professionals 'Emerging Energy Storage Technologies', Perth (presented)

- Australian British Chamber of Commerce 'ESG panel discussion' (attended)
- American Chamber of Commerce 'Critical Minerals presentation by Tom O'Leary from Ilkuka Resources' (attended)
- Business News 'Success and Leadership with Dale Henderson, Pilbara Minerals' (attended)
- Association of Mining and Exploration Companies (AMEC) Awards Night (attended)
- Midwest Charity Begins at Home gala. Over the past 15 years the charity has raised over $2.6 million to support families facing medical challenges across the Mid West region (attended and sponsored)

Figure 12 – Vincent Algar presenting at the Young Energy Professionals 'Emerging Energy Storage Technologies'

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Figure 13 - Vincent Algar presenting at IMARC

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:

Vincent Algar, Managing Director
+61 8 9321 5594

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[8]

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

[8] 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 31st December 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	Nil
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	31 DECEMBER 2022

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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	(776)	(1,329)
	(e) administration and corporate costs	(779)	(1,546)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	10	10
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	637	657
1.8	Other (provide details if material)	89	88
1.9	**Net cash from / (used in) operating activities**	**(819)**	**(2,120)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(329)	(757)
	(d) exploration & evaluation	(2,414)	(3,743)
	(e) investments	-	(71)
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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**	**(2,743)**	**(4,571)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	571
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	6,091	6,947
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(12)	(36)
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**	**6,079**	**7,482**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	24,717	26,443
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(819)	(2,120)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,743)	(4,571)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,079	7,482

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**27,234**	**27,234**

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	15,029	22,522
5.2	Call deposits	12,031	2,195
5.3	Bank overdrafts	-	-
5.4	Other (bank guarantee)	174	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**27,234**	**24,717**

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	198
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)	(819)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,414)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,233)
8.4	Cash and cash equivalents at quarter end (item 4.6)	27,234
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	27,234
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	8.4

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.

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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: 30 January 2023

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.