Australian VANADIUM LIMITED

ASX ANNOUNCEMENT **27TH APRIL 2023**

QUARTERLY ACTIVITIES REPORT

Period ending 31st March 2023

HIGHLIGHTS

Australian Vanadium Project

- Successful Yugunga-Nya Native Title Aboriginal Corporation site visit undertaken and negotiations progressing.
- Mineral Resource classification upgrade drilling results.
- Wood appointed to undertake pyrometallurgical Early Contractor Involvement.
- Completion of Australian Government co-funded Co-operative Research Centres Project.
- Critical minerals collaboration signed with Neometals.
- Strategic bankable offtake partners being advanced.
- Increase in institutional investment, pursuit of export finance and project equity relationships progressing.

Vanadium in Energy Storage

- Vanadium electrolyte manufacturing facility site secured in Western Australia.

Corporate

- Appointment of Non-Executive Directors Miriam Stanborough and Peter Watson.
- Appointment of Chief Legal and Commercial Officer.
- Resource Capital Finance initial substantial holder notice lodged and subsequent additional on-market share purchases.
- Cash position of $23.2M as at 31st March 2023.

Management Comment

The March quarter has seen strong progress in AVL's journey to become a world class, vertically integrated "pit to battery" vanadium producer.

At all levels of the Company the right team is being built to ensure that the Australian Vanadium Project is progressed in a technically robust and financeable manner.

From a financing perspective, the Company is working to attract key investors such as RCF which has expanded its position on the register, working with HCF and Grant Thornton to pursue debt financing for the Project and pursuing avenues for project equity investment. Strategic offtake partners are being progressed, with a focus on bankability of the counterparty.

The Company ended the quarter in a robust cash position of $23.2 million with no debt.

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Activities for the quarter ended 31st March 2023 for Australian Vanadium Limited ("AVL" or "the Company") are as follows:

THE AUSTRALIAN VANADIUM PROJECT

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

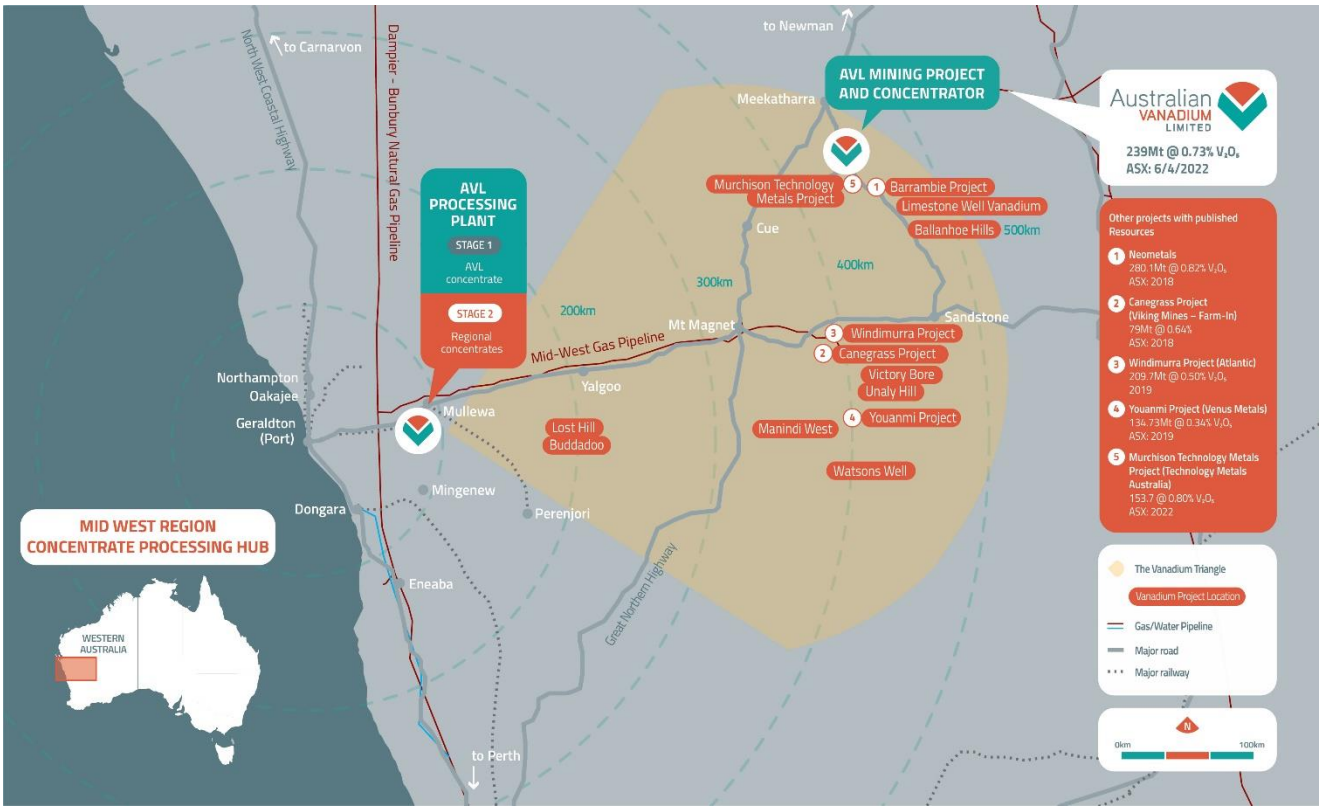

Figure 1 - Location of the Australian Vanadium Project

On Country site visit and negotiations with the Yugunga-Nya People

AVL is working closely with the Yugunga-Nya Native Title Aboriginal Corporation RNTBC (YN PBC) in relation to the negotiation of a comprehensive agreement for its Australian Vanadium Project. Directors and staff from YN PBC and the Company had the opportunity to spend a day on Yugunga-Nya Country inspecting the proposed layout of the Project. The exchange provided the Company with a greater appreciation for the Yugunga-Nya People's rich and complex connection to Country and their concerns about heritage, culture and environmental impacts. The two parties have entered into a Negotiation Protocol with a view to entering an agreement that ensures that the benefits gained

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from extracting vanadium from the site bring a positive outcome for the native title holders, in addition to other non-financial outcomes and ensuring minimising damage to cultural environmental values. The development of the Australian Vanadium Project will see wider global emission reduction outcomes that vanadium provides from both its use in steel and in energy storage.

Figure 2 - YN PBC and AVL directors and staff undertaking a site visit on Yugunga-Nya Country

Drilling results for Mineral Resource classification upgrade

See ASX announcement dated 4th April 2023 'High Grade Results from Infill Drilling at the Australian Vanadium Project'

Earlier this month, the Company announced results from infill drilling at the Project. The drilling was undertaken to support a Mineral Resource Estimate update. The infill drilling program confirms higher vanadium and iron grades and more shallow weathering profiles.

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The drill results improve the Company's geotechnical and geometallurgical understanding of the Mineral Resource inventory, which will play a key role in maximising the value of the Project. These positive results will enable the geometallurgical team to further optimise concentrate grade, yield and recovery outcomes, while maximising the Project economics and further de-risking the ramp-up period of the Project.

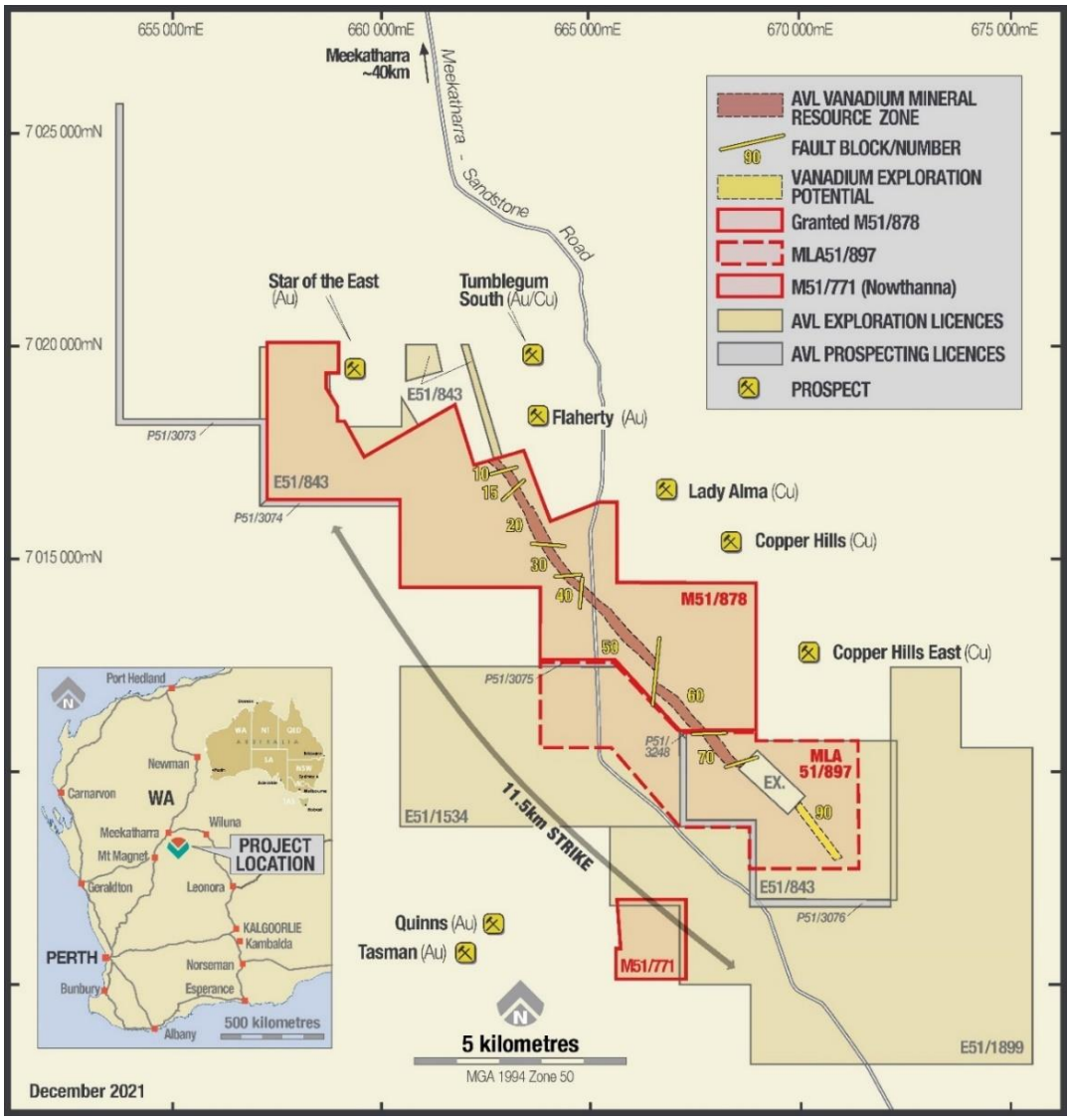

Figure 3 - The Australian Vanadium Project Site Location and Block Numbers for reference

With all results returned for the RC portion of the resource development program, an update of the geological model is underway. Diamond core drilled during 2022 will be used for variability and geometallurgy studies, as well as Mineral Resource QAQC purposes. Samples have been submitted to the laboratory with results pending. Sampling of the remainder of the 2020 and 2022 diamond core is planned, for geometallurgy programs which are aimed at further de-risking the Project.

During the remainder of the first half of 2023 the geological model update will be completed, followed by an update of the Mineral Resource for the Project.

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Wood appointed for processing plant pyrometallurgy circuit Early Contractor Involvement

See ASX announcement dated 20th February 2023 'Global Leader Wood Appointed for Vanadium Project Pyrometallurgy'

Wood Minerals and Metals has been appointed to undertake Early Contractor Involvement (ECI) services for the Project's pyrometallurgical processing plant. Wood has extensive experience with the Project and is qualified to deliver high quality results, as AVL progresses to the final design for the plant which will be located at Tenindewa east of Geraldton.

The ECI process will run through until Q2 2023, developing the design and execution strategy for the pelletisation and roasting area of the vanadium extraction process. This will involve updating and finalising the process design criteria, as well as revisiting the estimated capital expenditures (capex) and operating expenditures (opex) and updating the materials take-off (MTO) as necessary. Completion of the ECI will position AVL to select key vendors who will be pre-qualified for supply of key pyrometallurgical equipment as part of the process to expedite long lead time and critical equipment.

Successful completion of Australian Government co-funded critical mineral research and development project

See ASX announcement dated 2nd March 2023 'Completion of Co-operative Research Centre Project'

In February 2020[1] AVL was awarded a $1.25 million grant from the Australian Government for a Co-operative Research Centres Project (CRC-P). The grant formed the cornerstone for the overall project value of $4.9 million including cash and in-kind contributions. Industry and academic partners included Wood, ALS, Curtin University and the Australian Nuclear Science and Technology Organisation (ANSTO). The major outcome of project was the development of the salt-roast leach flowsheet, with vanadium extractions of 91% demonstrated at pilot scale.

The CRC-P was divided into six sub-projects or milestones. These were given a broad scope to allow flexibility as the project progressed. The milestones were entitled:

1. Pilot scale pelletising and roasting of the AVL concentrate
2. Hydrometallurgical testing, including high purity processes for battery applications
3. Downstream production of a vanadium electrolyte
4. Development of a process to recover vanadium from mine waste

[1] See ASX announcement dated 10th February 2020 *'AVL Awarded $1.25 Million Vanadium Research and Development Grant'*

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5. Value adding to process waste streams
6. Process set point improvement

The research AVL undertook during the CRC-P provided significant benefit to the Company through the high level of technical understanding of methods for vanadium processing acquired. The research will also offer significant benefits to downstream applications of ultra-high purity vanadium products, such as in master alloys and vanadium redox flow batteries (VRFBs). These applications are a growing segment of the vanadium market. The research outcomes represent a significant, enduring economic benefit to Australia, as well as a strong strategic boost to Australia's critical minerals capability.

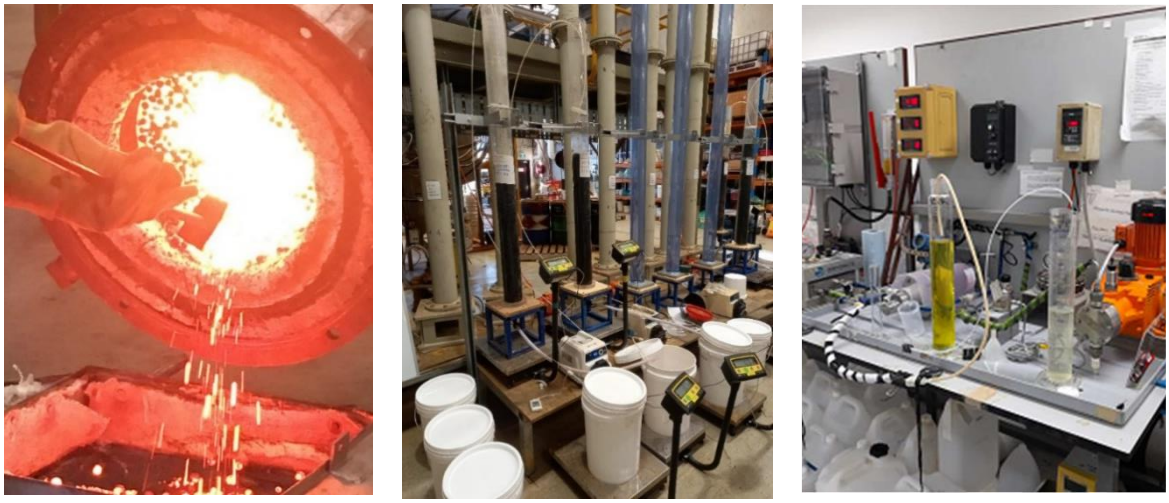

Figure 4 - L-R: Pilot process for pelletised roasting, column leach section of pilot scale leach process and ANSTO's nano-filtration apparatus

Term Sheet signed with Neometals to investigate opportunities for process concentrate

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

In January 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.

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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.

VANADIUM IN ENERGY STORAGE

Vanadium electrolyte facility location secured, detailed design completed and long lead equipment ordered

See ASX announcement dated 15th March 2023 'Vanadium Electrolyte Manufacturing Facility Update'

AVL has completed detailed design, ordered long lead items and secured a site for its first high purity vanadium electrolyte manufacturing facility which will be located in Western Australia. The facility will be capable of producing up to 33MWh per year of VRFB high purity electrolyte.

In 2021, AVL was awarded a $3.69M Australian Government grant,[2] with part of the funding allocated to building and operating a commercial vanadium electrolyte manufacturing facility to support the commercialisation of VRFBs.

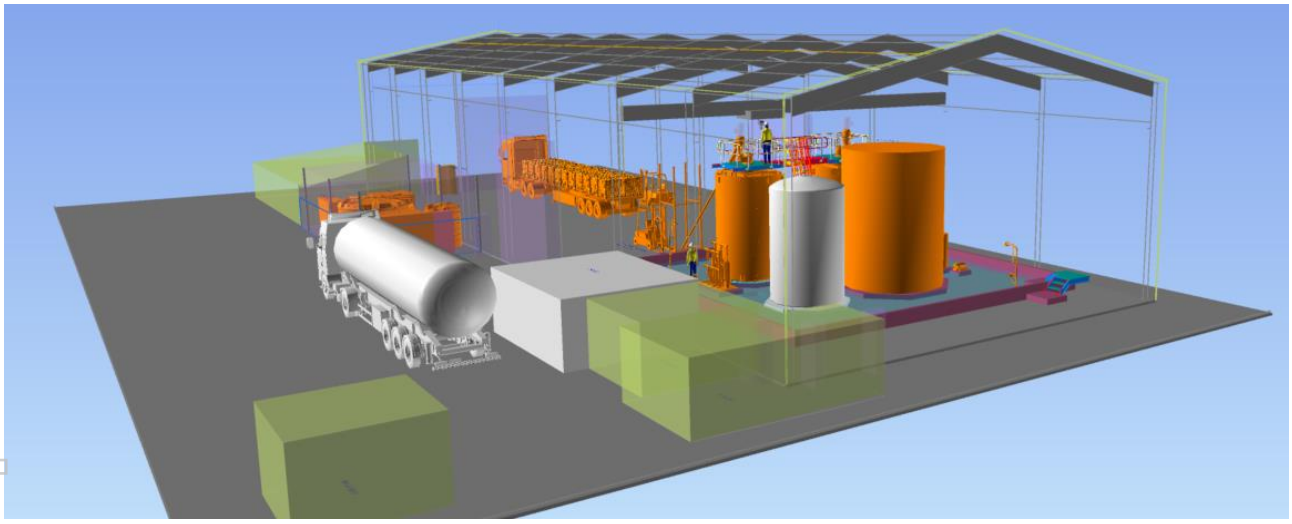

Figure 5 - AVL's Vanadium Electrolyte Facility Design

AVL holds the exclusive licence for Australia and New Zealand of the U.S. Vanadium LLC (USV) proven process technology for manufacturing vanadium electrolyte.[3] This technology has been used for the design of the vanadium electrolyte manufacturing facility which is to be built within the northern Perth suburb of Wangara. Partnering with WA based engineering company Primero Group

[2] See ASX announcement dated 21st July 2021 *'AVL Awarded $3.69M Federal Government Manufacturing Grant'*
[3] See ASX announcement dated 11th August 2021 *'AVL Secures Vanadium Electrolyte Manufacturing Technology'*

(subsidiary of NRW Holdings, ASX: NWH), AVL has developed the facility design to comply with Australian standards and requirements.

Until production of vanadium oxides from AVL's Midwest Processing Hub commences, vanadium feedstock will be sourced through AVL's agreement with USV. The development and subsequent operation of the vanadium electrolyte facility will provide AVL with the opportunity to incrementally mature its business processes, people and systems in project execution and operations. Successfully constructing, commissioning and operating the facility will be an important step towards becoming an operating company and improving governance and risk management at a small scale prior to AVL's flagship Project being developed.

Orders have been placed for all long lead equipment items for the electrolyte facility, with deliveries expected during the second quarter of 2023. Any statutory approvals required are being progressed.

Through AVL's wholly owned subsidiary VSUN Energy, the Company is positioned to play an integral role in an exciting pipeline of Australian decarbonisation focused projects. Achieving near term production of high-quality electrolyte positions AVL to be a supplier of choice for these projects. The Company plans to explore opportunities to replicate the electrolyte facility on the east coast of Australia, to supply additional electrolyte for VRFB projects slated to be deployed in a variety of States and Territories.

MINING GREEN METALS IPO

See ASX announcement dated 13th March 2023 'Update on Sale of Coates Nickel-Copper-PGE and Nowthanna Hill Uranium Projects'

In May 2022[4] AVL signed an option agreement with Mining Green Metals Limited (MG1) for MG1 to acquire a 100% interest in the Coates copper, nickel, PGE and Nowthanna Hill uranium projects. The option agreement provides AVL with 5,000,000 fully paid ordinary shares in MG1, a 0.75% net smelter return royalty from the value of the minerals mined from the Coates project and a cash payment of $100,000. The option is conditional on MG1 completing due diligence on the tenements and listing on the ASX.

MG1 has lodged its Initial Public Offering (IPO) prospectus dated 2nd March 2023 with the Australian Securities and Investments Commission (ASIC). The General Offer closes on 28th April 2023. The IPO intends to raise $5M at an issue price of $0.20, subject to regulatory approvals.

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

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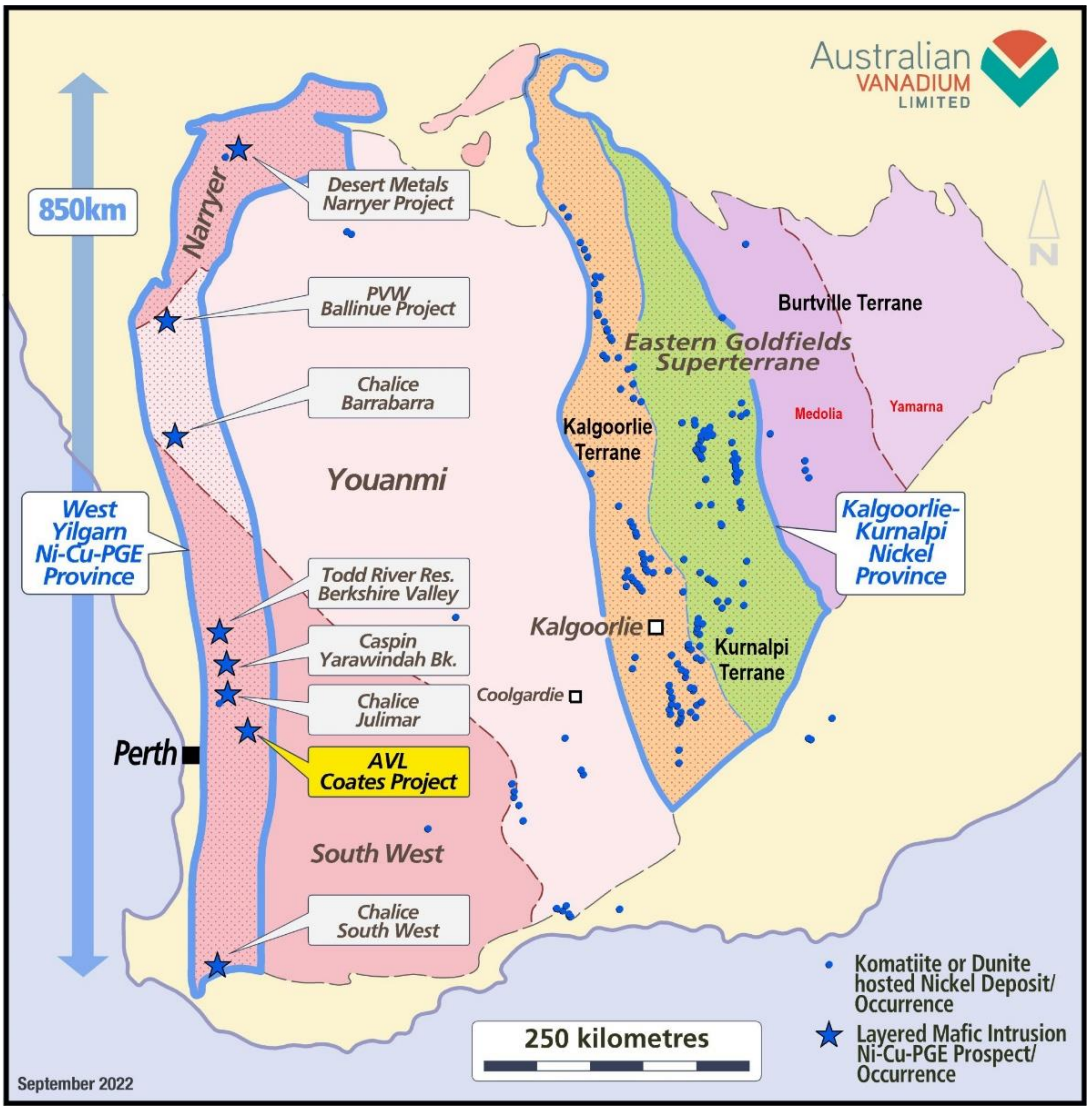

Figure 6 - Schematic of the Yilgarn Craton showing Nickel Provinces with the location of AVL Coates Project

Upon successful listing on the ASX, AVL will retain a significant shareholding of 11.24% in MG1.

The MG1 IPO will create a dedicated ASX-listed critical mineral focused vehicle for the exploration of minerals for the energy transition. Initial exploration assets are considered prospective for nickel, lithium, copper, platinum group elements and uranium.

CORPORATE

Appendix 5B – Quarterly cash flow report

The Company's consolidated cash was $23.2M as at 31st March 2023 (31st December 2022: $27.2M).

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were $351k, comprising Directors' fees, salaries and

superannuation. This amount included a payment of $138k to Executive Director, Mr Leslie Ingraham, on his retirement (included leave entitlements of $67k).

The majority of the $1.9M exploration and evaluation expenditure capitalised during the quarter was spent on activities to advance the Project.

During the period, $245k was received from the sale of the Company's fully written down investment in Blesberg (received by AVL's 100% owned subsidiary, South African Lithium Pty Limited).

No production and development activities were undertaken during the quarter.

Board Evolution

See ASX announcement dated 14th February 2023 'AVL Board of Directors Strengthened Through Appointment of Two Non-Executive Directors' and ASX announcement dated 9th March 2023 'Retirement of Executive Director Leslie Ingraham'

As the Company moves the Australian Vanadium Project towards production, the skillsets required at Board level are evolving. AVL appointed Ms Miriam Stanborough and Mr Peter Watson as Non-Executive Directors in February 2023. As part of the restructure, Mr Leslie Ingraham resigned from his position as Executive Director on the Board.

Ms Stanborough is a chemical engineer with over 20 years of experience in the mineral processing industry across a range of commodities. She has held senior roles at Monadelphous, Iluka Resources, Alcoa and WMC Resources. Her skill base spans innovation and technology, technical development, production management, project management, business improvement and people and culture.

Ms Stanborough is currently a Non-Executive Director of Pilbara Minerals Limited (ASX: PLS), BCI Minerals Limited (ASX: BCI), Chair of the Minerals Research Institute of Western Australia (MRIWA), Deputy Chair of the Northern Agricultural Catchments Council.

Mr Watson is also a chemical engineer, with 40 years of experience in senior technical, project and management roles, in addition to corporate experience running ASX-listed companies. He has significant board-level experience, particularly regarding safety, governance, financial reporting, risk management and strategy.

Mr Watson is currently a Non-Executive Director of Paladin Energy Ltd (ASX: PDN), New Century Resources (ASX: NCZ) and Strandline Resources Limited (ASX: STA).

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Figure 7 - pictured left to right, Miriam Stanborough, Peter Watson and Louis Mostert

Executive Appointment

See ASX announcement dated 15th February 2023 'Appointment of Chief Legal and Commercial Officer and Company Secretary'

Further strengthening the Company's executive leadership team, Mr Louis Mostert has been appointed as Chief Legal and Commercial Officer and Joint Company Secretary. Mr Mostert has been providing specialist advice to the Company on a consultancy basis for the past two years and has proved himself to be a valued member of the AVL team. He is a highly experienced general counsel and chartered company secretary, with previous executive experience. He brings to AVL leadership expertise gained in various industries, including international ASX-100 and FTSE-100 resources, engineering and construction businesses and a top-tier national law firm. Mr Neville Basset will continue as Joint Company Secretary alongside Mr Mostert.

Strategic and Financial Investor strategy

Investment firm Resource Capital Funds (RCF) lodged an ASIC Form 603 Notice of initial substantial holder on 24th March 2023, showing that its interest in AVL had increased to over 5% of the voting shares in the Company. Post quarter end RCF lodged a further notice, increasing its holding to over 6% through on-market purchases.

RCF is a global mining-focused alternative investment firm that partners with companies to build strong, successful, innovative and sustainable businesses that strive to produce superior returns to all stakeholders.

RCF's business is organised around investment strategies aimed at providing capital throughout the development and capital structure risk spectrum.

AVL has been working to attract larger strategic and financial investors to its register and welcomes RCF as a substantial shareholder.

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Marketing and Engagement

AVL is featured in the Association of Mining and Exploration Companies (AMEC) Critical Minerals Investment Opportunities document for 2023. The Company's Project is also included in the Chamber of Commerce and Industry WA (CCIWA) 'WA Investments' online platform for investment-ready projects. AVL and VSUN Energy provided input into the CSIRO Renewable Energy Storage Roadmap which was published this quarter. AVL also provided feedback to the Australian Government for both the Critical Mineral Strategy and Battery Strategy as part of the public consultation on the two strategies.

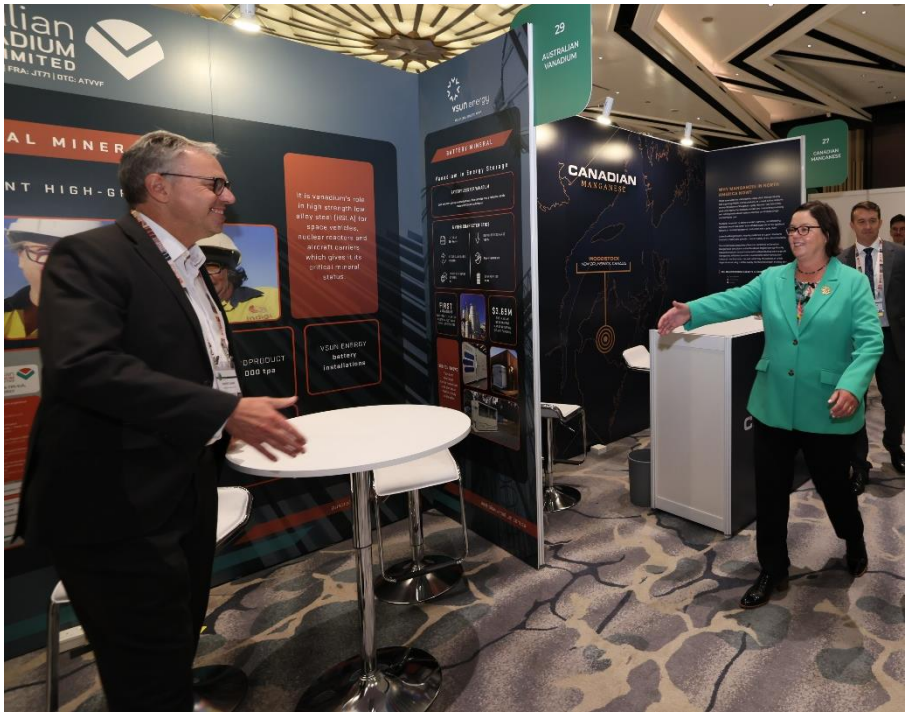

Figure 8 - AVL's MD Vincent Algar and Federal Minister for Resources and Northern Australia Hon Madeleine King MP at the Future Facing Commodities Conference in Singapore

Managing Director, Vincent Algar, was invited to participate in roundtables hosted by Ministers King and Husic for the respective strategies. AVL and VSUN Energy have joined the Australia – New Zealand Flow Battery Network which is an organisation created to help promote flow batteries and any work being undertaken in the field across the two countries.

During the March quarter AVL and VSUN Energy attended or presented at a wide variety of industry and regulatory events including several relevant conferences. Chief Operating Officer, Todd Richardson, represented the Company as part of the American Chamber of Commerce in Australia (AmCham) delegation for defence and critical minerals trade mission to London, New York and Washington DC.

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Figure 9 - AVL guests at the Business News breakfast featuring a presentation by Federal Resources and Minister for Northern Australia Hon Madeleine King MP. Pictured L-R: Labor Member for the Agricultural Region Sandra Carr MLC, AVL COO Todd Richardson, AVL CEO Graham Arvidson, Stephen Michael Foundation BDM Julie Jackson, Neometals CDO Darren Townsend, AVL MD Vincent Algar, AVL Non-executive Director Miriam Stanborough, AVL Marketing Manager Samantha McGahan and Minister Bill Johnston's Principal Policy Advisor Hope Smith. Not pictured, WA Chief Scientist Peter Klinken

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[5]

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

[5] 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 March 2023

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	0%		100%

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 MARCH 2023

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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	(828)	(2,157)
	(e) administration and corporate costs	(1,079)	(2,625)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	10
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	22	679
1.8	Other ($245k received from sale of investment)	284	372
1.9	**Net cash from / (used in) operating activities**	**(1,601)**	**(3,721)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(549)	(1,306)
	(d) exploration & evaluation	(1,883)	(5,626)
	(e) investments	-	(71)
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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**	**(2,432)**	**(7,003)**

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	-	6,947
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(9)	(45)
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**	**(9)**	**7,473**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	27,234	26,443
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,601)	(3,721)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,432)	(7,003)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9)	7,473

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**23,192**	**23,192**

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	5,987	15,029
5.2	Call deposits	17,031	12,031
5.3	Bank overdrafts	-	-
5.4	Other (bank guarantee)	174	174
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**23,192**	**27,234**

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	351
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)	(1,601)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,883)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,484)
8.4	Cash and cash equivalents at quarter end (item 4.6)	23,192
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	23,192
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	6.6

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: 27 April 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.