

shortfall until at least 2025.

However, AVL has used a conservative long-term average V2O5 product pricing assumption of only US\$8.67/pound for financial modelling.

Key financial outcomes (US\$)

AVL managing director Vincent Algar said: "By completing this PFS on Gabanintha we have taken a major step towards bringing our world-class project into production.

"Announcing a maiden ore reserve is a key milestone and further embeds the project's low-risk mineral resource and strong economic potential.

"The PFS includes detail that allows us to understand and design a long-life, low-cost vanadium pentoxide and cobalt concentrate production facility.

"The company also holds an extensive strike of inferred resource for further definition.

READ: Australian Vanadium offers vanadium expertise to battery industry research centre

"We believe that the project will deliver a world-leading, life of mine mass recovery to concentrate of over 60%. The unique thickness of the Gabanintha high-grade zone adds to its potential.

"AVL shareholders can now have increased confidence in the value of the company, as we embark immediately onto a diamond drill program to provide feed for pilot scale flowsheet validation test work and other DFS (definitive feasibility study) work packages.

"The completed PFS will allow us to confidently engage with strategic partners in 2019, at a time when vanadium supplies are very much in demand.

"Vanadium's future is bright, with its traditional markets transitioning to higher quality steels and new energy metal markets developing."

15 Year V2O5 commodity price per pound - inflated to 2018 US\$

The body of work completed in the PFS will now feed into the Gabanintha DFS.

Due to the level of detail of many study aspects undertaken in the PFS, several areas are now at an advanced stage and work in 2019 will focus on optimisation and further refinement.

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