

Sale of Precious and Base Metal Rights Completed

AVL unlocks value and becomes a substantial shareholder in copper/gold focused Bryah Resources Limited

Highlights:

- AVL has finalised the sale of its precious and base metals rights on the Gabanintha Project.
- AVL will hold a total of 13.4% in Bryah Resources Limited upon listing.
- Sales consideration for tenements and mineral rights was:
 - 5,000,000 shares in Bryah Resources Limited, and
 - a 0.75% Net Smelter Return royalty upon commencement of production.

Australian Vanadium Limited (ASX:AVL, “the Company” or AVL”) is pleased to announce the completion of the sale of the precious and base metal rights in the Gabanintha Project to Bryah Resources Limited (“Bryah”).

Details of the sale of the Gabanintha mineral rights, as well as the sale of an Exploration Licence in the Peak Hill Mineral Field, to Bryah were first announced to ASX on 20 January 2017.

The consideration for the sale of the AVL licences and mineral rights was:

- Peak Hill exploration licence, 2,000,000 Bryah shares which were issued in February 2017.
- 3,000,000 shares in Bryah upon listing for Gabanintha Mineral rights and;
- a 0.75% Net Smelter Return royalty upon the commencement of production.

Under the mineral rights sale agreement, AVL retains all mineral rights to vanadium, titanium, cobalt, chromium, uranium, lithium, tantalum, iron ore and manganese within the Gabanintha Project area and retains primary title over the licenses. The development by AVL of the world class high grade Vanadium-Titanium-Iron Project at Gabanintha will continue unabated.

16 October 2017

ASX ANNOUNCEMENT

Australian Vanadium Limited

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Projects:

Gabanintha - Vanadium
Blesberg, South Africa - Lithium/Tantalum
Northanna Hill – Uranium/Vanadium
Coates - Vanadium



Bryah Resources Limited, which lists on 17 October 2017, is focused on gold and copper exploration and has advised that it plans to undertake a drilling programme at the Tumblegum South prospect at Gabanintha in the coming weeks.

As part of the Initial Public Offering by Bryah, AVL has subscribed \$500,000 for a further 2,500,000 shares and 1,250,000 free listed options (exercise price \$0.30 and expiry 31/10/2020) to increase its equity position to 7,500,000 shares, representing a 13.4% stake in Bryah Resources Limited. AVL is the largest shareholder of Bryah.

AVL's Managing Director, Vincent Algar comments, "Having two companies working on the same project area allows for the potential to share infrastructure costs, building the financial case for our vanadium project at Gabanintha. We congratulate the Bryah team on their successful listing and look forward to watching Bryah's progress over the coming months."

AVL shareholders will benefit from the Company having a 13.4% holding in Bryah and through the 0.75% Net Smelter Return royalty upon commencement of any production.

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