

7 August 2017

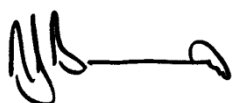
ASX Market Announcements  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Australian Vanadium Limited ("the Company") is pleased to announce that it has reached agreement for the placement of 50,000,000 ordinary fully paid shares ("Shares"), together with 50,000,000 free attaching listed options exercisable at \$0.02 each on or before 31 December 2018 ("Options"), to raise \$750,000 before costs ("Placement").

The Company is focused on the delivery of key milestones at its flagship Gabanintha Vanadium deposit in Western Australia. Funds raised will assist the Company in advancing the project towards feasibility and approval. With rising demand for vanadium in steel and energy storage applications, AVL is well placed to advance off-take discussions with key market participants.

The Placement, to sophisticated and professional investors, will be completed in two tranches, with 50,000,000 Shares and 25,000,000 Options being issued under the Company's available placement capacity under ASX Listing Rules 7.1 and the balance of 25,000,000 Options subject to shareholder approval.

Yours faithfully



N J Bassett  
Company Secretary