

6 May 2016

Mr Dale Allen  
Senior Adviser, ASX Listing Compliance  
ASX Compliance Pty Ltd  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

**Re: APPENDIX 3Y – CHANGE OF DIRECTOR’S INTEREST NOTICE**

We refer to your letter dated 5 May 2016, in relation to the Appendix 3Y’s lodged by the Company on 29 April 2016, and respond to the questions raised in your letter as follows:

**1. Please explain why the Appendix 3Ys were lodged late.**

For each director, the change in director’s interest related to the take up of their entitlement pursuant to the non-renounceable entitlement issue offer dated 9 March 2016. Allotment of the securities occurred on 15 April 2016.

The Directors notified the company of the changes on 29 April 2016, incorrectly assuming the date of closure of the shortfall allotment under the entitlement issue. Due to this administrative oversight, the company inadvertently failed to lodge the Appendix 3Y’s with ASX to reflect the resulting change in directors’ interests.

**2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?**

The Directors of the Company are fully aware of and understand their obligations under listing rule 3.19A and section 205G of the Corporations Act.

The Company has a standard “Consent to Act as a Director and Statutory Information” form which incorporates all the initial requirements to satisfy both Corporations Act and ASX listing rule requirements. The form also incorporates an obligation in relation to ongoing notification of any changes to reportable information. In addition, the company has a standard letter agreement in the form set out in attachment 1 of Guidance Note 22 of the ASX listing rules. The Company’s Corporate Governance Manual incorporates these disclosure obligations.

**3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?**

The company believes that the arrangements in place are adequate to ensure compliance with listing rule 3.19B, with the non-disclosure having been an internal administrative oversight, however the notification received from ASX has been circulated to all directors and they have been reminded of their obligations under listing rule 3.19A and section 205G of the Corporations Act.

Yours faithfully



N J Bassett  
Company Secretary



5 May 2016

Mr Neville Bassett  
Company Secretary  
Australian Vanadium Limited

*By email:*

Dear Mr Bassett

**Australian Vanadium Limited (the "Company"): Appendix 3Y**

We refer to the following:

1. The Company's announcements lodged with ASX Ltd ("ASX") on 29 April 2016 regarding the change of director's interest notices for Mr Brenton Lewis and Mr Brian Davis ("Appendix 3Ys")
2. Listing rule 3.19A which requires an entity to tell ASX the following:
  - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times:
    - On the date that the entity is admitted to the official list.
    - On the date that a director is appointed.

The entity must complete an Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

- 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete an Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
  - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete an Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

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As the Appendix 3Ys indicate that the changes of notifiable interests occurred on 15 April 2016, the Appendix 3Ys for these changes should have been lodged with ASX by 22 April 2016. As the Appendix 3Ys were lodged on 29 April 2016, it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions.

1. Please explain why the Appendix 3Ys were lodged late?
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail to [dale.allen@asx.com.au](mailto:dale.allen@asx.com.au). It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than **3:00 pm WST on Tuesday 10 May 2016**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely

*[sent electronically without signature]*

Dale Allen  
**Senior Adviser, ASX Listings Compliance**