

AVL Appoints China Commodity Consultant

AVL engages China focused Commodity Marketing Group to promote Gabanintha

Highlights:

- **Appointment of China specialist commodity marketing and strategic advisor group Mastermines**
- **Mastermines brings experience to assist AVL with developing relationships in Asia with steel and battery market participants**
- **One-year engagement to assist AVL in promoting the Company as a future vanadium supplier into the energy storage and steel materials' markets.**

Australian Vanadium Limited (ASX:AVL, "the Company" or AVL") is pleased to announce that it has engaged China-specialist Mastermines to assist the Company with an Asia focused relationship and marketing strategy.

AVL is focused primarily on advancing Gabanintha towards feasibility and production. The resource upgrade announced on 5 September 2017, declared a Mineral Resource at Gabanintha comprising 179.6Mt at 0.75% vanadium pentoxide (V_2O_5), made up of a Measured Mineral Resource of 10.2Mt at 1.06% V_2O_5 , an Indicated Mineral Resource of 25.4Mt at 0.62% V_2O_5 , and an Inferred Mineral Resource of 144Mt at 0.75% V_2O_5 .

The updated Mineral Resource provides a solid basis for advancing the project towards detailed feasibility.

The Company has a focus on attracting interested investors and offtake partners at this stage of project development. New contacts and further development of existing contacts, will allow AVL to understand the vanadium products in highest demand for steel and energy storage in the Asian markets. These product requirements can be incorporated into our final designs.

Managing Director Vincent Algar commented, "Making inroads into China and Asia can be costly and time consuming, with Mastermines assisting we will be able to extend our current campaigns to the fastest growing region on the planet".

23 October 2017

ASX ANNOUNCEMENT

Australian Vanadium Limited

ASX: AVL
FRA: JT7.F
ABN: 90 116 221 740
T: +61 8 9321 5594
F: +61 8 6268 2699
E: nfo@australianvanadium.com.au
W: australiantanadium.com.au

Street Address:

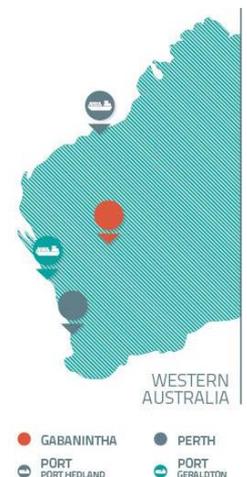
Level 1, 85 Havelock Street
West Perth WA 6005

Postal Address:

Level 1, 85 Havelock Street
West Perth WA 6005

Projects:

Gabanintha – Vanadium
Blesberg- Lithium/Tantalum/Feldspar
Nowthanna Hill –Uranium/Vanadium
Coates – Vanadium



China focused Materials Marketing

Mastermines is a mining materials promotion and marketing consultancy with an experienced China-focused team. The Mastermines' team has over 30 years' experience in Australia and Hong Kong and its websites at Lithium World and Vanadium World provide active commentary to analysts, media, investors, miners and funds. Strong local research from the Chinese mainland is supplied by the team.

Mastermines will provide AVL with an active approach towards Chinese investment in the future, as the Company seeks to develop interest in Gabanintha and markets for its potential products, as a steel additive and for an ever-widening range of energy storage related applications. .

Mastermines Director David Gillam commented, "Over the past few years the Vanadium sector has been frustrating for investors. The commencement of production at Brazil's Largo mine together with low prices has largely kept stocks in a holding pattern. Our research has shown that 2017 is now showing green shoots for Vanadium. New Chinese regulations for the increased inclusion of Vanadium along with new alloys and flow batteries have been notable. In addition, the advent of nano technology opens new possibilities for Vanadium, and we are monitoring developments carefully. It is this turning point in the market that leads us to believe we can make a real difference within Asian markets. We note that AVL management have many of the fundamentals in place that will allow for a focussed and proactive approach. The Mastermines team will be very active and we look forward to the months ahead."

AVL will work with Mastermines over an initial 12-month period.

For further information, please contact:

Vincent Algar, Managing Director

+61 8 9321 5594

Competent Person Statement — Mineral Resource Estimation

The information in this report that relates to Mineral Resources is based on and fairly represents information compiled by Mr Lauritz Barnes, (Consultant with Trepanier Pty Ltd) and Mr Brian Davis (Consultant with Geologica Pty Ltd). Mr Davis is a shareholder of Australian Vanadium Limited. Mr Barnes and Mr Davis are members of the Australasian Institute of Mining and Metallurgy and have sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Specifically, Mr Barnes is the Competent Person for the estimation and Mr Davis is the Competent Person for the database, geological model and site visits. Mr Barnes and Mr Davis consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

The information is extracted from the report entitled "Significant vanadium resource upgrade at Gabanintha" released to ASX on 5 September 2017 and is available on the company website at 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, in the case of estimates of Mineral Resource or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant 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 has not been materially modified from the original market announcement.

Appendix 1 - Mineral Resource estimate by domain and resource classification using a nominal 0.4% V₂O₅ wireframed cut-off for low grade and nominal 0.7% V₂O₅ wireframed cut-off for high grade (total numbers may not add up due to rounding)

| Zone | Classification | Mt | V ₂ O ₅ % | Fe % | TiO ₂ % | SiO ₂ % | Al ₂ O ₃ % | LOI % |
|-----------|------------------|--------------|---------------------------------|-------------|--------------------|--------------------|----------------------------------|------------|
| HG | Measured | 10.2 | 1.06 | 41.6 | 12.0 | 11.6 | 8.6 | 4.2 |
| | Indicated | 4.8 | 1.04 | 41.9 | 11.5 | 12.0 | 8.0 | 3.6 |
| | Inferred | 77.8 | 0.94 | 41.2 | 10.7 | 12.7 | 7.9 | 3.3 |
| | Sub-total | 92.8 | 0.96 | 41.3 | 10.9 | 12.6 | 8.0 | 3.4 |
| LG 2-5 | Measured | - | - | - | - | - | - | - |
| | Indicated | 20.5 | 0.52 | 24.3 | 7.1 | 27.9 | 17.6 | 8.4 |
| | Inferred | 61.8 | 0.50 | 26.2 | 7.0 | 26.9 | 16.1 | 7.2 |
| | Sub-total | 82.4 | 0.51 | 25.7 | 7.0 | 27.2 | 16.5 | 7.5 |
| Trans 6-8 | Measured | - | - | - | - | - | - | - |
| | Indicated | - | - | - | - | - | - | - |
| | Inferred | 4.5 | 0.66 | 28.4 | 7.2 | 24.5 | 16.6 | 8.4 |
| | Sub-total | 4.5 | 0.66 | 28.4 | 7.2 | 24.5 | 16.6 | 8.4 |
| Total | Measured | 10.2 | 1.06 | 41.6 | 12.0 | 11.6 | 8.6 | 4.2 |
| | Indicated | 25.4 | 0.62 | 27.7 | 7.9 | 24.9 | 15.8 | 7.5 |
| | Inferred | 144.1 | 0.75 | 34.4 | 9.0 | 19.2 | 11.7 | 5.2 |
| | Sub-total | 179.6 | 0.75 | 33.8 | 9.0 | 19.6 | 12.1 | 5.4 |