

AVL Completes Peak Hill Tenement Sale

New copper/gold focused IPO poised to unlock value for AVL Shareholders

Highlights:

- **AVL has completed the sale of 100% equity in the Peak Hill Project located in the Bryah Basin to Bryah Resources Limited.**
- **Consideration to AVL:**
 - **2,000,000 ordinary shares in Bryah, and**
 - **a 0.75% Net Smelter Return royalty upon commencement of production.**
- **Bryah Resources Limited's prospectus document to list on ASX in final due diligence. AVL to hold a 7 - 9% stake in Bryah Resources Limited upon listing.**
- **AVL shareholders to be given priority opportunity to participate in Bryah Resources Ltd IPO.**
- **Drilling crews mobilising to Blesberg Lithium Project to commence 4,500 metre drilling programme next week.**

Australian Vanadium Limited (ASX:AVL, "the Company" or AVL") is pleased to announce that it has completed the sale of its 100% equity in the Peak Hill Project tenement (E52/3349) to Bryah Resources Limited ("Bryah").

Bryah is presently an unlisted public company with a focus on gold and copper exploration and is now in the advanced stages of preparation to undertake an Initial Public Offering (IPO) on the ASX in the coming months. The Company understands that Bryah is well into the due diligence process required for the IPO document for its ASX listing (Prospectus).

In addition to the sale of the Peak Hill Project, the Company has agreed to sell the precious and base metal rights in the Gabanintha Project to Bryah, subject to Bryah listing on ASX (see AVL ASX announcement dated 20 January 2017).

3 March 2017

ASX ANNOUNCEMENT

Australian Vanadium Limited

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Projects:

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



The two transactions with Bryah represent an opportunity for AVL to realise value for the gold and base metals' potential of its Gabanintha and Peak Hill Projects, whilst it continues to pursue its strategic focus on energy storage minerals, primarily vanadium and lithium.

The Bryah tenements cover 700km² within the highly prospective and under-explored Bryah Basin, approximately 100km north of Meekatharra (see Figure 1).

AVL has now taken a significant equity position in Bryah Resources Limited (7-9% upon listing), allowing the Company to benefit from any Cu/Au exploration success at Gabanintha or on their Bryah Basin tenements which are in an area of significant mineral deposits.

The area is undergoing increased new exploration activity for copper, gold and other base metals by a number of ASX listed companies. RNI Ltd has recently announced some significant copper/gold VMS mineralisation in drilling at its Wodger and Forrest Projects (refer to RNI ASX announcement dated 16 January 2017) which are located within 2 kilometres of tenements held by Bryah.

Management of Bryah Resources Limited have confirmed that all AVL shareholders at the time of the capital raising will be given a priority opportunity to participate in the IPO. The IPO timetable will be advised as soon as it becomes available.

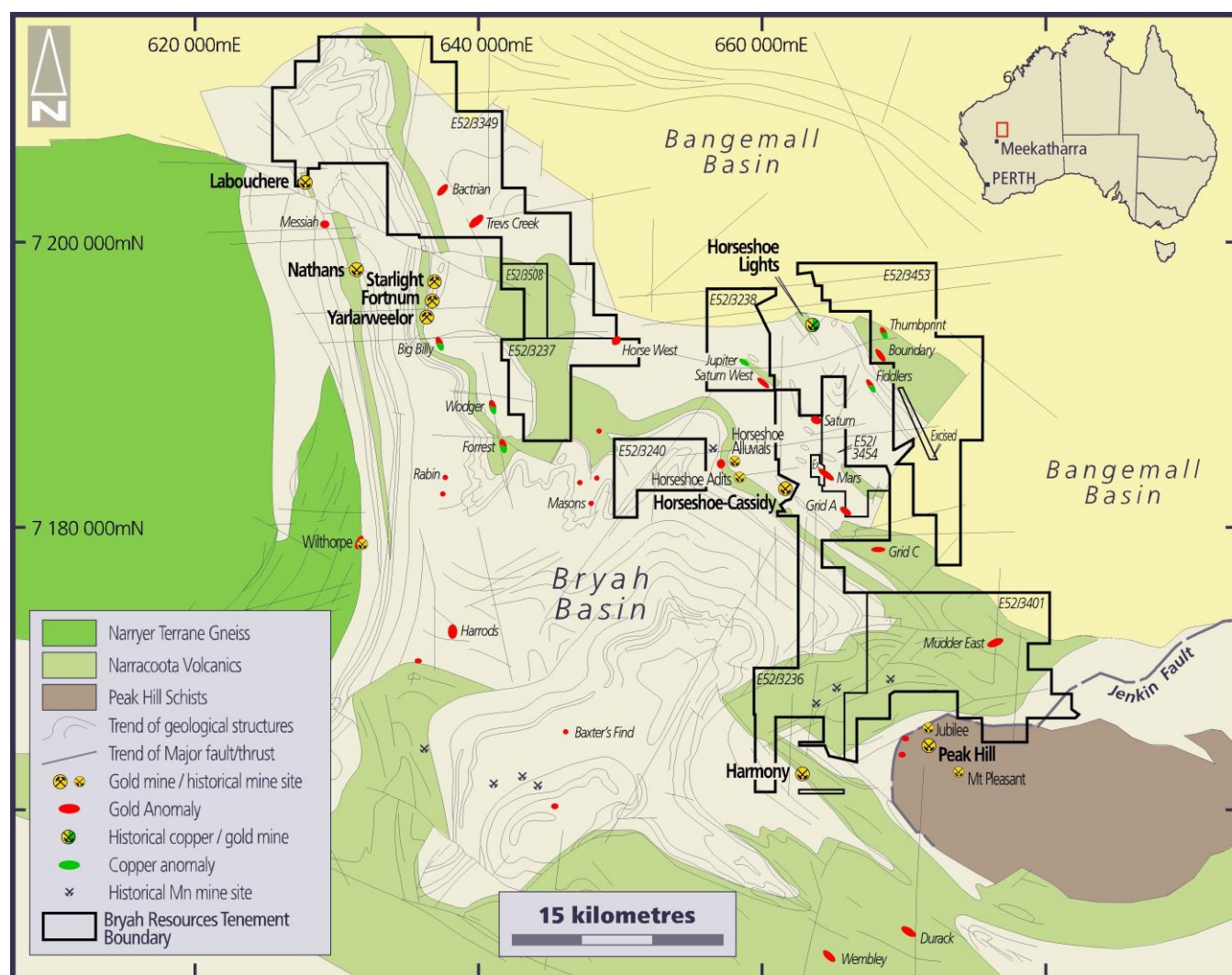


Figure 1 – Bryah Resources Limited's Bryah Basin Project Location Map

Blesberg Project Update

The Company is pleased to advise that the drilling rig and crews are presently mobilising to the Blesberg Lithium Project in South Africa to commence drilling next week.

The present plan is to drill approximately 4,000 metres of Reverse Circulation and 500 metres of diamond drilling to test the depth and lateral extensions of the main Blesberg pegmatite as shown in Figure 2 below.

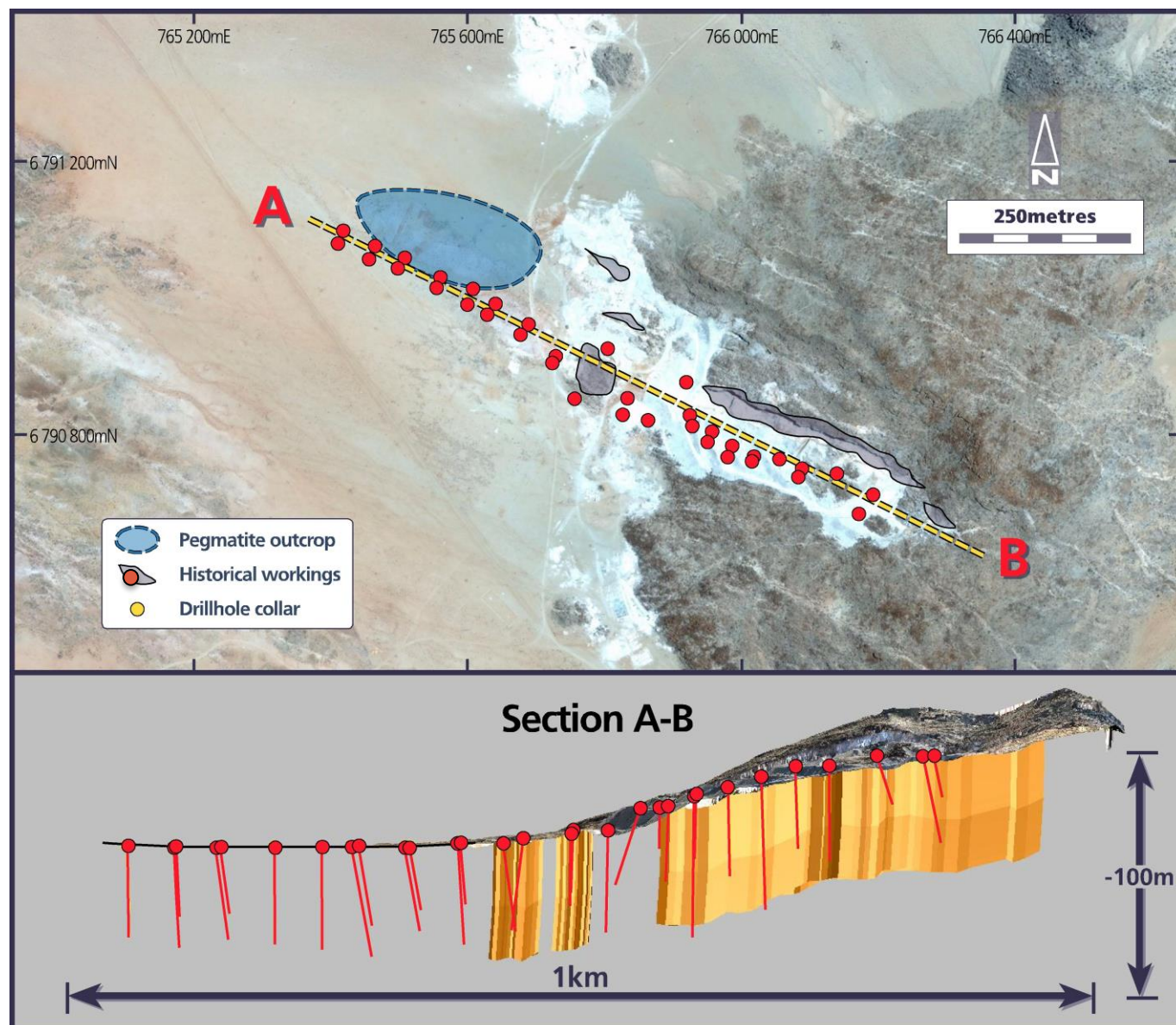


Figure 2 – Blesberg Hill showing old mine workings and outcropping pegmatite with inset pegmatite projections and planned drill holes

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About Australian Vanadium Limited

AVL is a diversified resource company with an integrated strategy with respect to energy storage, seeking to offer investors a unique exposure to all aspects of the vanadium value chain – from resource through to steel and energy storage opportunities as well as other energy storage metals exposure through the acquisition and evaluation of lithium/tantalum projects.

AVL is advancing the development of its 100%-owned, world-class Gabanintha vanadium project. Gabanintha is currently one of the highest-grade vanadium projects being advanced globally with Measured Resource of 7Mt, Indicated Resource of 17.8Mt and Inferred Resources of 66.7Mt, a total of 91.4Mt, grading 0.82% V₂O₅ and containing a discrete high-grade zone of 56.8Mt, grading 1.0% V₂O₅ reported in compliance with the JORC Code 2012 (see YRR ASX Announcement 10 November 2015).

AVL has developed a local production capacity for high-purity vanadium electrolyte, which forms a key component of vanadium redox flow batteries (VRB).

AVL, through its 100%-owned subsidiary VSUN Energy Pty Ltd, is actively marketing VRB in Australia through a distribution agreement with world-leading flow battery manufacturer, GILDEMEISTER Energy Storage GmbH.

As part of its broader energy metals focus, AVL has also commenced a staged acquisition of a controlling 50.03% interest in the Blesberg Lithium-Tantalum Project in South Africa (see ASX Announcement 21 December 2016).

Competent Person Statement – Blesberg Exploration Program

The information relating to the Blesberg Lithium-Tantalum Project exploration program reported in this announcement is based on information compiled by Mr Vincent Algar. Mr Algar is a Member of The Australian Institute of Mining and Metallurgy (AusIMM) and a full-time employee of the Company. Mr Algar has more than 25 years' experience in the field of mineral exploration. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr. Algar consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears.