

13 March 2018

Ms Isabelle Andrews
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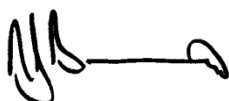
Dear Isabelle

Re: PRICE QUERY

Australian Vanadium Limited (“the Company”) refers to your letter dated 13 March 2018 and comments as follows:

1. The Company is not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in the securities of the Company.
2. Not applicable.
3. The Company is not able to offer any other explanation for the recent trading in its securities, other than:
 - (i) The recently announced metallurgical test work update (ASX announcement 20 February 2018), including commentary on further testwork being undertaken. Test results are not yet available and testwork is ongoing; and
 - (ii) The increase in the vanadium price, which is now at a 10 year high.
4. We confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. We confirm that the Company’s responses have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Yours faithfully



Neville Bassett
Company Secretary



13 March 2018

Mr Neville Bassett
Company Secretary
Australian Vanadium Limited

Dear Mr Bassett

Australian Vanadium Limited (“AVL”) price query

We note the change in the price of AVL’s securities from a low of \$0.037 on Monday 12 March 2018 to an intra-day high of \$0.054 today Tuesday 13 March 2018.

We also note the significant increase in the volume of AVL’s securities traded in the past few days.

In light of this, ASX asks AVL to respond separately to each of the following questions and requests for information:

1. Is AVL aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
 - a) Is AVL relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in AVL’s securities would suggest to ASX that such information may have ceased to be confidential and therefore AVL may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that AVL may have for the recent trading in its securities?
4. Please confirm that AVL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that AVL’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AVL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **6.30 am WST on Wednesday 14 March 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in AVL's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AVL's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at TradingHaltsPerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to AVL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that AVL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in AVL's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Isabelle Andrews

Adviser Listings Compliance (Perth)