

China Marketing Update

Mastermines Consultancy Returns to China

Highlights:

- **Mastermines returns to China to follow up on previous marketing and engage with new targeted prospects.**
- **Australian Vanadium Limited to be actively involved in China's largest Vanadium Conference in Wuhan between April 18-20.**
- **Follow-up trip to China planned for May 2018 to include Australian Vanadium Limited management.**
- **A number of emerging vanadium enterprises have been earmarked from comprehensive research over preceding months.**

Australian Vanadium Limited (ASX:AVL, "the Company" or "AVL") is pleased to announce that Mastermines will undertake a second trip to China on behalf of the Company.

The purpose of the trip is to continue previous discussions and target new prospects that have been identified through comprehensive research carried out over recent months.

China-focused Materials Marketing

Mastermines is assisting AVL with an active approach towards future Chinese cooperation, as the Company seeks to develop interest in the Gabanintha vanadium project and markets for its potential products. In recent months the supply of vanadium has tightened considerably providing an excellent environment for negotiations.

Managing Director Vincent Algar commented, "We are very pleased with the advancement of the Gabanintha vanadium project. The Company is perfectly poised to capitalise on a vibrant vanadium market. Within this environment we intend to rapidly progress to our objective of being the world's next high-grade vanadium mine."

Mastermines' Director David Gillam commented, "Following on from our visit late last year we have spent considerable time researching the market and major players."

During our previous trip we met with the FerroAlloy group and committed to participating at the conference in Wuhan being held

16 April 2018

ASX ANNOUNCEMENT

Australian Vanadium Limited

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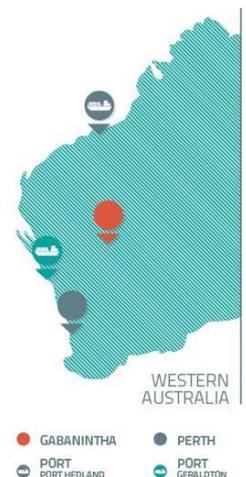
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Projects:

Gabanintha – Vanadium
Blesberg, South Africa –
Lithium/Tantalum/Feldspar
Nowthanna Hill –
Uranium/Vanadium
Coates – Vanadium



between 18-20 April 2018. Our strategy is to make AVL a household name amongst vanadium enterprises and we have organised that each participant, (around 120), will receive a Chinese version of the AVL presentation. We will also be on-hand to discuss the advancement of the Gabanintha project.

Importantly, our research has uncovered new enterprises that are forming to take advantage of the current market conditions. After the conference we will continue with meetings planned in a number of key cities and plan to return to China for follow up meetings next month. Our objective is to identify prospective partners that offer the greatest potential and develop those relationships right through to a successful vanadium mine at Gabanintha.”

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 Vanadium World and Lithium World provide active commentary to analysts, media, investors, miners and funds. Strong local research from the Chinese mainland is supplied by the team.

AVL is working with Mastermines over an initial 12-month period.

AVL’s current activities are focused on advancing the Gabanintha vanadium project towards a feasibility study and production.

The Company will undertake a follow-up trip with Mastermines to China in May 2018.

Australian Vanadium Limited holds 100% of the Gabanintha Project near Meekatharra in Western Australia. Gabanintha hosts a declared 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 Mineral Resource includes a distinct and globally significant, massive magnetite high-grade zone of 92.8 Mt at 0.96% V_2O_5 consisting of a Measured Mineral Resource of 10.2Mt at 1.06% V_2O_5 , an Indicated Mineral Resource of 4.8Mt at 1.04% V_2O_5 and an Inferred Mineral Resource of 77.8Mt at 0.94% V_2O_5 .

The Mineral Resource provides a solid basis for the current detailed metallurgical test work and advancing the project towards detailed feasibility.

For further information, please contact:

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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 is a member of the Australasian Institute of Mining and Metallurgy and Mr Davis is a member of the Australian Institute of Geoscientists and both 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.