

29 November 2018

Dear Option Holder

OPTION EXPIRY NOTICE

The directors of Australian Vanadium Limited (**AVL** or **the Company**) wish to advise that the final date for exercising the Company's listed options (ASX Code: AVLO) (**Options**) is 5.00pm (AWST) on 31 December 2018. The exercise price is A\$0.02 (2 cents) per Option and for every Option exercised, the Option holder will be issued with one ordinary fully paid share (**Share**) in AVL.

Options not exercised by 31 December 2018 will automatically lapse and will no longer be available for exercise. Quotation of the options on the ASX will cease on 21 December 2018 (being 4 business days prior to expiry).

How to exercise your AVL Options

If you choose to exercise your Options, simply complete the attached exercise form and include payment for the number of Options you exercise at \$0.02 per Share. We have established a Bpay facility for your convenience. Alternatively, you can complete the option exercise form and enclose a cheque in the reply-paid envelope provided.

Cheques and exercise requests must be received by Automic Registry Services before 31 December 2018 and be in Australian currency and made payable to Australian Vanadium Limited.

If you have any queries on how to complete the form, please contact the Company's share registry from 8.30am to 5.00pm (Eastern Standard Time) Monday to Friday:

Automic Registry Services
1300 288 664 (within Australia) or
+61 2 9698 5414 (outside Australia)

The following information is supplied for your consideration in respect of the Company's fully paid ordinary shares as traded on the ASX:

1. **3 month high:** A\$0.06 (6 cents) on 26 September 2018;
2. **3 month low:** A\$0.026 (2.6 cents) on 26 November 2018;
3. **Latest market price on last trading day prior to the date of this notice:** A\$0.035 (3.5 cents)

Yours faithfully

Neville Bassett
Company Secretary

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

SRN/HIN: [HolderNumber]
ASX Code: AVLO
Number of Options held: [AVLOHolding]
Option Expiry Date: 31 December 2018
Exercise Price: \$0.02

NOTICE OF EXERCISE OF OPTIONS EXPIRES AT 5.00PM (WST) ON 31 December 2018

Please complete below

I/we hereby exercise the following number of options and make payment in Australian currency for the amount payable. Please allot me/us Ordinary Shares calculated on the basis of one Ordinary Share for every one Option which I/we exercise. I/We agree to accept such Shares subject to the Constitution of Australian Vanadium Limited.

1 Number of Options Exercised
(Enter all or part of AVLO Options)

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2 Total Payment Required
Payment Amount (A\$0.02 per AVLO Options exercised)

□ □ □ □	□ □ □ □	□ □ □ □	□ □ □ □
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3 Payment Option 1 – payment by BPAY

Contact your participating institution and make the payment via BPAY. You should also check the processing cut off time for BPAY transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.



Biller Code: 235812
Ref: [BpayCRN]

Telephone & Internet Banking – BPAY®
Contact your bank or financial institution to make this payment from your cheque, savings, debit, credit card or transaction account. More info: www.bpay.com.au

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.

4 Payment Option 2 – payment by Cheque

Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to Australian Vanadium **Limited** crossed “Not Negotiable” and forwarded to Automic to arrive no later than 5:00pm (AEDT) on 31 December 2018.

<i>Cheque Number</i>	<i>BSB</i>	-	<i>Account Number</i>
□ □ □ □ □ □ □ □ □ □	□ □ □ □		□ □ □ □ □ □ □ □ □ □ □ □ □ □ □ □

5 Contact Details

Please use details where we can contact you between the hours of 9:00am and 5:00pm should we need to speak to you about your application.

Contact Name	Email Address*	Telephone Number

**By providing your email address, you elect to receive all communications dispatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email*