

13 April 2016

ASX Market Announcements  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

## Notice of Shortfall

Australian Vanadium Limited ("the Company") advises that the pro-rata non-renounceable entitlement issue pursuant to the Prospectus dated 9 March 2016, closed on 8 April 2016 (**Entitlement Issue or Offer**).

The Entitlement Issue offered, to eligible shareholders, one (1) new share for every three (3) shares held on the record date, at an issue price of \$0.013 per new share. Each new share will receive one free attaching option exercisable at \$0.02 on or before 31 December 2018.

Shares validly applied for pursuant to the Prospectus and the number of shortfall shares is summarised below:

	Number	Subscription amount at \$0.013 per share
Total Shares offered to eligible shareholders	255,412,164	\$3,320,358.13
Shares validly applied for under the Prospectus	131,104,656	\$1,704,360.54
<b>Shortfall</b>	<b>124,307,508</b>	<b>\$1,615,997.59</b>

The Directors are pleased with the level of take-up in the current market environment and, in accordance with the ASX Listing Rules, may place the Shortfall on the same terms as the new shares offered pursuant to the Prospectus within 3 months of the closing date.

In accordance with ASX Listing Rule 6.22.2, the Company advises that the exercise price of unlisted options exercisable at \$0.015 each and exercisable on or before 31 December 2015 will be adjusted to \$0.014712 (1.4712 cents).

Yours faithfully

Neville Bassett  
Company Secretary