

ASX ANNOUNCEMENT

21 AUGUST 2019

## Australian Vanadium Limited Launches Underwritten Share Purchase Plan

Australian Vanadium Limited (ASX: AVL) ("AVL" or the "Company") is pleased to announce an underwritten Share Purchase Plan ("SPP") to raise a minimum of A\$3.5 million (before costs) to advance the development of the Australian Vanadium Project and for general working capital.

The SPP will be underwritten to A\$3.5 million by Patersons Securities Limited ("Patersons") which is acting as Lead Manager and Underwriter to the offer. The New Shares (as defined below) will be issued at 1.15 cents per share, equivalent to an 18.8% discount to the volume weighted average price ("VWAP") over the 5 trading days before the date the SPP is announced. The SPP will be offered to Eligible Shareholders (as defined below) free of brokerage and fees.

AVL's Managing Director Mr Vincent Algar said: "AVL is at an exciting time in the development of the Australian Vanadium Project, with the upcoming completion of pilot scale testwork and the Definitive Feasibility Study. The additional funds delivered through the SPP will enable the Company to complete the DFS, commence the Front End Engineering & Design process, update the Resource and Reserve with a view to extending the defined minelife as well as continuing the negotiation of off-take agreements and other key project licences and approvals. The Board wanted to ensure that all shareholders were offered the opportunity to participate in the capital raising process, as the Company enters an active period ahead."

### Details of the SPP

The Company will offer Eligible Shareholders who were registered shareholders as at 5:00pm (AWST) on Tuesday, 20 August 2019 ("Record Date") the opportunity to apply for up to A\$15,000 of new fully paid ordinary shares ("New Shares") in the Company under the SPP. Pursuant to the ASX Listing Rules the number of New Shares that may be issued under the SPP must not exceed 30% of the number of Shares currently on issue, being 592,153,136 New Shares (\$6,844,261).

Additionally, the Company has agreed that Patersons may facilitate an offer of New Shares to be issued to professional and sophisticated investors at the same price as those under the SPP ("Top-Up Placement") to raise a further A\$4 million (before costs).

The maximum number of New Shares that may be issued under the Top-Up Placement will be equal to the Company's remaining placement capacity as per ASX Listing Rules 7.1 (290,326,568 shares) and 7.1A (196,884,378 shares) on completion of the SPP. The Top-Up Placement (if undertaken) will be conducted by Patersons in its role as Lead Manager.

Under the SPP, Eligible Shareholders (being those whose registered address is in Australia or New Zealand as at the Record Date) ("Eligible Shareholders") will be given the opportunity to purchase up to A\$15,000 worth of New Shares in the Company at the offer price of 1.15 cents per share, irrespective of the size of their shareholding, and without incurring brokerage or transaction costs.

For personal use only

Eligible shareholders will be able to participate in the SPP by choosing one of the following levels of participation:

Offer	Value	Number of Shares
A	\$1,000	86,957
B	\$2,500	217,392
C	\$5,000	434,783
D	\$7,500	652,174
E	\$10,000	869,566
F	\$15,000	1,304,348

Full details of the SPP will be set out in the SPP offer booklet and personalised Application Form which will be sent to eligible shareholders on or about Monday, 26 August 2019.

Completed Application Forms and payment must be received by 5:00pm (AWST) on Monday 16 September 2019. Payment instructions will be included on the application form.

An indicative timetable for the SPP is set out below. Other than the Record Date and announcement of the SPP, the Company may change these dates and times at its discretion.

Event	Indicative Date
Record Date	Tuesday, 20 August 2019
Announce SPP	Wednesday, 21 August 2019
Dispatch SPP Offer Booklet to eligible shareholders	Monday, 26 August 2019
Opening Date	Monday, 26 August 2019
<b>Closing Date</b>	<b>5.00pm (AWST) Monday, 16 September 2019</b>
Company to notify Underwriter of Shortfall (if any)	Thursday, 19 September 2019
Issue of New Shares under SPP and Top-Up Placement	Friday, 20 September 2019
Quotation on ASX of New Shares	Monday, 23 September 2019

For further information regarding AVL or its SPP, please visit [www.australianvanadium.com.au](http://www.australianvanadium.com.au) or contact:

Australian Vanadium Limited  
c/- Automic Registry Services Limited  
<https://www.automicgroup.com.au/>

Mr Neville Bassett  
Company Secretary  
Australian Vanadium Limited  
Email: [info@australianvanadium.com.au](mailto:info@australianvanadium.com.au)

For personal use only