

Application Form on Exercise of Unlisted Options Expiring 31 December 2017

To the Directors, Australian Vanadium Limited,

I/We _____

hereby exercise

option(s) and hand you herewith my/our cheque for

being \$0.014712 per share on application for

shares in the capital of the Company.

I/We request that you allot me that number of shares and I/we agree to accept that number of shares on the terms below and the Constitution of the Company, and I/we authorise you to place my/our name on the register.

My/Our SRN/HIN (as shown on my/our Issuer
Sponsored holding statement or CHESS holdings

Sign Here – This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with my/our instructions set out above.

Individual or Securityholder 1

Director

Securityholder 2

Director/Company Secretary

Securityholder 3

**Sole Director and
Sole Company Secretary**

Day/Date Month Year

Note: when signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

Contact Name

Contact Telephone Number

Terms

LODGEMENT INSTRUCTIONS

Cheques shall be in Australian currency made payable to Australian Vanadium Limited and crossed "Not Negotiable". The application for shares on exercise of the options with the appropriate remittance should be lodged at the Company's office, Level 1, 85 Havelock Street, West Perth WA 6005.

TERMS & CONDITIONS OF UNLISTED OPTIONS EXPIRING 31 DECEMBER 2017

The Unlisted Options entitle the holder to subscribe for Shares on the following terms and conditions:

- a) The Optionholder is entitled on payment of \$0.014712 (Exercise Price) to be allotted one Share for each Option exercised (subject to possible adjustments referred to below).
- b) The Options held by the Optionholder are exercisable in whole or in part at any time before 31 December 2017 (Exercise Period). Options not exercised before the expiry of the Exercise Period will lapse.
- c) Options are exercisable by notice in writing to the AVL Board delivered to the registered office of AVL and payment of the Exercise Price in cleared funds. Some or all of the Options may be exercised at any one time or times prior to the expiry of the Exercise Period provided that no less than 1,000 Options are exercised at any one time (provided that an Optionholder holding less than 1,000 Options may exercise all but not part of those Options).
- d) Options are transferable subject to the Corporations Act and ASX Listing Rules.
- e) An Optionholder may only participate in new issues of securities to holders of AVL Shares if the Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. AVL must give prior notice to the Optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- f) If there is a bonus issue to the holders of AVL Shares, the number of AVL Shares over which the Option is exercisable will be increased by the number of AVL Shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- g) If AVL makes a rights issue (other than a bonus issue), the Exercise Price of Options on issue will be reduced according to the Listing Rules.
- h) If, during the currency of the Options the issued capital of AVL is reorganised, those Options will be reorganised to the extent necessary to comply with Listing Rules.