

AVL Signs MOU with GILDEMEISTER energy storage GmbH for market development and sales of CellCubes in Australia.

Highlights:

- GILDEMEISTER energy storage GmbH develops the CellCube, the world's most commercially advanced Vanadium Flow Battery based on 15 years of development with over 100 sold units worldwide.
- AVL and GILDEMEISTER have signed an MOU to facilitate future co-operation in developing the Australian vanadium flow battery market.
- The MOU will facilitate collaboration on a number of key strategic initiatives in Australia including;
 - The completion of a Dealership Agreement for distribution of CellCube energy storage systems in Australia.
 - Collaborating on and finalisation of sales leads prior to the completion of the Dealership Agreement.
 - Joint marketing of vanadium flow battery technologies and CellCube products as the preferred solution to large-scale grid-energy storage across the energy consumer market.
 - Securing long-term local vanadium electrolyte supply for the Australian market through the development of AVL's high-grade Gabanintha Vanadium Project in Western Australia.

Australian Vanadium Limited (ASX: AVL, "the Company" or "AVL") is pleased to announce it has entered a Memorandum Of Understanding (MOU) with GILDEMEISTER energy storage GmbH (GILDEMEISTER), to collaborate on future Vanadium Redox Flow Battery (VRFB) installations and electrolyte production in Australia.

GILDEMEISTER manufactures the CellCube vanadium flow energy storage system. The company has put over 15 years of research and development into its battery systems which have been commercially available for seven years. GILDEMEISTER has installed more than 100 systems – establishing itself as the provider of the world's most commercially advanced flow battery.

23.2.2016

ASX ANNOUNCEMENT

Australian Vanadium Limited

ASX: AVL
FRA: JT7.F

ABN: 90 116 221 740

T: +61 8 9228 3333
F: +61 8 9486 8066
E: info@australianvanadium.com.au
W: australianvanadium.com.au

Street Address:

129 Edward Street
Perth WA 6000

Postal Address:

129 Edward Street
Perth WA 6000

Projects:

Gabanintha Vanadium
Gabanintha Gold, Copper



AVL chief executive Vincent Algar said the landmark agreement was a key step forward for the company. "The future of vanadium demand is strongly tied to the global need for large-scale energy storage. The enormous potential and suitability of the Australian energy market for storage systems like the CellCube, coupled with local vanadium supply, offer benefits for GILDEMEISTER, AVL and consumers alike. We look forward to actively working on aspects of the GILDEMEISTER MOU during 2016."

The MOU represents AVL's continuing commitment to advancing vanadium flow battery technology and the wider uses of vanadium in energy storage. Working with GILDEMEISTER forms a key part of AVL's vertical integration strategy which involves the production of high-purity vanadium electrolyte – a core component of flow batteries. The Company will focus on bringing this development into its progression of the Gabanintha Vanadium Project.

Gabanintha is currently one of the highest-grade projects being advanced globally with Measured, Indicated and Inferred Resources of 91.4Mt grading 0.82% V_2O_5 . It also contains a discrete high-grade zone of 56.8Mt grading 1.0% V_2O_5 reported in compliance with the JORC Code 2012 (ASX Announcement 10 November 2015).

The MOU will allow the companies to collaborate on a number of key strategic initiatives in Australia including;

- The completion of a Dealership Agreement for distribution of CellCube energy storage systems in Australia.
- Collaborating on and finalisation of sales leads prior to the completion of the Dealership Agreement.
- Joint Marketing of Vanadium flow battery technologies and CellCube products as the preferred solution to large-scale grid-energy storage across the energy consumer market.
- Securing long-term local vanadium electrolyte supply for the Australian Market through the development of AVL's high-grade Gabanintha Vanadium Project in Western Australia.

For further information, please contact:

Vincent Algar, CEO

+61 8 9228 3333