

# ASX Announcement

## AVL Signs Dealership Agreement with GILDEMEISTER energy storage GmbH for sales of CellCube products in Australia.

### Highlights:

- AVL strengthens vertical integration strategy through dealership agreement with GILDEMEISTER.
- 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 a Dealership Agreement allowing AVL to market and sell GILDEMEISTER's CellCube products in Australia.
- The key terms of the Dealership Agreement include;
  - Formalising the appointment of VSUN (100% owned AVL subsidiary) as a dealer to sell the GILDEMEISTER CellCube range of Vanadium Flow Battery Products for an initial five-year period
  - Approval for VSUN to actively market the CellCube product range via online and approved marketing methods
  - Co-operation with product marketing, technical and after sales support
- VSUN has commenced marketing CellCube storage products in Australia while it proceeds with technical work on its flagship Gabanintha Vanadium Project in Western Australia.

Australian Vanadium Limited (ASX: AVL, "the Company" or "AVL") is pleased to announce it has signed a Dealership Agreement with GILDEMEISTER energy storage GmbH (GILDEMEISTER). The agreement allows AVL to pursue sales of the CellCube range of Vanadium Redox Flow Batteries (VRFB) in Australia through AVL's 100% owned battery focused subsidiary, VSUN Pty Ltd.

The agreement follows the signing of a Memorandum of Understanding (MOU) with GILDEMEISTER in February 2016<sup>1</sup>, which laid out intentions to collaborate on future Vanadium Redox Flow Battery (VRFB) installations and electrolyte production in Australia.

<sup>1</sup> ASX Release 23 February 2016; AVL signs MOU with GILDEMEISTER energy Storage GmbH

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### ASX ANNOUNCEMENT

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Gabanintha Gold, Copper



GILDEMEISTER manufactures the CellCube energy storage system, which is based on vanadium flow technology. The company has invested 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.

AVL chief executive Vincent Algar said the Dealership Agreement allowed AVL to launch activity through its subsidiary VSUN and pursue in the sale of Vanadium Redox Flow Batteries in Australia.

“The Dealership agreement allows VSUN to ramp-up its activity in commercial target markets and utility related storage opportunities. GILDEMEISTER considers the Australian market one of enormous potential and suitability for storage systems like the CellCube. AVL and VSUN will now help to realise that potential.”

The earlier signed MOU and the Dealership Agreement represents AVL’s continuing commitment to advancing VRFB 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 continues to progress project studies at the Gabanintha Vanadium Project. Gabanintha is currently one of the highest-grade vanadium 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 key terms of the Dealership Agreement, include;

- Formalising the appointment of VSUN (100% owned AVL subsidiary) as a dealer to sell GILDEMEISTER CellCube range of Vanadium Flow Battery Products for an initial five-year period
- Approval for VSUN to actively market CellCube products using the internet and approved marketing activities
- Outlining reporting and lead generation requirements
- Co-operation with product marketing, technical and after sales support

The MOU signed in February allows 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 (this announcement)
- Collaboration 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:

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