

2 November 2020

Disposal of KORID Energy Interest

Protean Energy Ltd (**Protean** or the **Company**) advises it has entered into a binding term sheet to dispose of its 50% interest in KORID Energy Co Limited (**KORID**) to Australia VRFB ESS Company Pty Ltd (the **Agreement**).

Following a strategic review of the Company's portfolio of assets, Protean will refocus on the mineral resource potential at the Gwesan Vanadium Project as detailed in the ASX announcement dated 21 October 2020.

Protean Energy also conducted a review of its investment in the KORID Energy Vanadium battery, post this analysis it has been determined that a significant period of research and development will be required prior to any commercialisation of the technology. The Board has concluded that, given the early stage nature of the technology and significant capital commitment anticipated to be required for KORID to complete its forecast stack development and pre-commercialisation work over the medium to long term it would not be in the best interest of its shareholders and accordingly, the Board resolved to dispose of its KORID interest.

Material Terms of the Agreement

The Company has entered into a binding term sheet with Australia VRFB ESS Company Pty Ltd (**VRFB**), DST Co., Ltd (**DST**) and LKAT Co., Ltd (**LKAT**) whereby Protean will transfer its 50% interest in KORID to VRFB for nominal consideration subject to the following conditions precedent:

- Each party obtaining any necessary third-party consents required to complete the Agreement; and
- The parties obtaining all requisite regulatory and shareholder approvals, if required.

If the above conditions are not satisfied by 31 December 2020 either party may terminate the Agreement by providing written notice. DST and LKAT have further agreed to waive any and all pre-emptive rights in respect of their interest in KORID and the respective shareholders' agreements.

Furthermore, VRFB, DST and LKAT respectively have agreed to release and indemnify and hold POW harmless against all losses, claims, costs, demands, liabilities and expenses which may be suffered, sustained or incurred by POW as a result of a breach of any of warranties, except that neither will be liable to POW for any consequential or indirect loss or any loss of profit or loss of business opportunity.

This announcement has been authorised for release by the Board of the Company.

For further information, see www.proteanenergy.com or phone: + 61 8 6558 0886.

ABOUT PROTEAN ENERGY LIMITED (ASX: POW)

Protean is developing a multi-energy mineral project in South Korea through its 50% holding in Korea Vanadium Limited (**KV**). KV is a JV company between Protean and KOSDAQ-listed DST Co Ltd (**DST**). SHK owns 100% of the rights to 3 projects in South Korea, including the Company's flagship Daejon Vanadium Project (subject to a 12-month extension of term application).