



Australian Vanadium Ltd

Apr 11th 2016

Australian Vanadium Ltd signs dealership agreement with Gildemeister

Australian Vanadium Ltd (ASX:AVL) has signed a dealership agreement with Gildemeister Energy Storage to sell the CellCube range of Vanadium Redox Flow Batteries (VRFB) in Australia.

The agreement is a key plank of AVL's vertical integration strategy through the agreement with Gildemeister.

Gildemeister is the developer of the CellCube; the world's most commercially advanced Vanadium Flow Battery based on 15 years of development with over 100 sold units worldwide.

The agreement follows the signing of a Memorandum of Understanding (MOU) with Gildemeister in February 2016.

The CellCube vanadium flow energy storage system has more than 15 years of research and development into its battery systems which have been commercially available for seven years.

The dealership agreement allows Australian Vanadium to ramp-up its activity in commercial target markets and utility related storage opportunities.

Gildemeister considers the Australian market one of large potential and suitability for storage systems like the CellCube.

Key terms of the Dealership Agreement

- Formalising the appointment of Australian Vanadium's 100% owned subsidiary VSUN as a dealer to sell the 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

Further scope of MOU

This Dealership Agreement represents one of a number of key strategic initiatives the MOU signed in February allows the companies to collaborate on in Australia. Others include:

- 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 the Gabanintha Vanadium Project in Western Australia.

Gabanintha Vanadium Project

AVL 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

Price: A\$0.015

Market Cap: A\$11.493M

1 Year Share Price Graph



Share Information

Code: AVL

Listing: ASX

Sector: General Mining

Website: www.australianvanadium.com.au

Company Synopsis:

Australian Vanadium Ltd (ASX:AVL), formerly known as Yellow Rock Resources (ASX:YRR), is focussed on vanadium at its flagship Gabanintha project in Western Australia.

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and Inferred Resources of 91.4Mt grading 0.82% V2O.

It also contains a discrete high-grade zone of 56.8 million tonnes grading 1.0% V2O55 JORC resource.

Analysis

Australian Vanadium is looking to take advantage of growth in the emerging battery storage market, specifically as it applies to grid-scale technology while developing the Gabanintha vanadium project near Meekatharra, WA.

Australian Vanadium's vision is to create value for shareholders by supplying its high-grade product to battery makers worldwide a market which is expected to grow significantly on the back of increased renewable energy generation.

Today's agreement builds further on AVL's Vanadium integration strategy, which aims to add shareholder value using vanadium from the mine face through to the battery application.

The battery sales deal allows AVL's subsidiary VSUN, to market the world leading CellCube range of Vanadium redox flow batteries. Sales and marketing will focus on business and grid utility applications, most often in conjunction with the deployment of renewable energy such as solar or wind.

The Gildemeister is good timing as AVL is in the final stages of a 1:3 rights issue to enable it to be well funded to advance its sales strategy and continue to advance plans for its high grade Gabanintha Vanadium Project in Western Australia.

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