ASX Announcement

Australian Vanadium Limited signs MOU with Sun Connect for Vanadium Redox Flow Battery installations.

Highlights:

- **Australian Vanadium Limited signs MOU with commercial solar company Sun Connect Pty Ltd to collaborate on future Vanadium Redox Flow Battery (VRB) installations throughout Australia.**
- **The MOU allows for both partners to collaborate on renewable and energy storage opportunities suitable to VRB's.**
- **Sun Connect is a nationally operated company, recognised for its excellence with installing commercial renewable energy systems – making it an appropriate partner for AVL in the installation of integrated solar and VRB solutions.**
- **AVL and Sun Connect are actively evaluating several potential integrated solar and VRB installations throughout Australia.**

Australian Vanadium Limited (ASX: AVL) is pleased to announce it has signed a Memorandum of Understanding (MOU) with Australian commercial solar company, Sun Connect Pty Ltd. The MoU underpins collaboration on market opportunities for Vanadium Redox Flow Batteries (VRB) throughout Australia.

Sun Connect is a well-established and respected national company which has been providing renewable energy solutions for Australia's commercial and residential sectors since 2008. Through its offices in most of Australia's capital cities, Sun Connect has implemented more than 3,000 solar systems nationwide ranging from households, large industrial sites, local government departments and schools. Sun Connect is currently one of the 5 largest installers of commercial solar in Australia and have installed over 9mW of commercial solar systems.

Sun Connect and AVL have entered into an MOU to underpin the companies' commitment and determination to facilitate the growth of renewable energy solutions which integrate Vanadium Redox Flow Batteries (VRB). VRB's are unique commercial energy storage devices particularly suited to commercial on-grid and off-grid implementation due to their scalability, long asset lives and deep and very high cycling capability. Their low risk operation makes them particularly suitable for commercial operations where safety is of paramount importance.

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Projects:

Gabanintha Vanadium
Gabanintha Gold, Copper

Sun Connect and AVL are working closely on exploring opportunities to provide the entire range of CellCube VRB systems produced by GILDERMEISTER energy storage GmbH out of Austria and Germany.

The MOU offers a framework for strategic alliance, including cooperation and development of opportunities involving the marketing and sale of VRB products in the Australian region. Key points include:

- Collaboration on storage leads.
- Investigation and implementation of Power Purchase Agreements (PPA's)
- Joint marketing opportunities
- Sun Connect to collaborate with AVL on the specification of the renewable component of power requirements for the Gabanintha Project as part of the ongoing feasibility studies.

AVL will operate its VRB activity through its wholly owned subsidiary company VSUN Pty Ltd.

AVL is focused on the development of its 100% owned world class Gabanintha Vanadium project. The project will include a local production capacity for high-purity vanadium electrolyte, which forms a key component of flow batteries. Gabanintha is currently one of the highest-grade projects being advanced globally with Measured, Indicated and Inferred Resources of 91.4Mt grading 0.82% V2O5 and containing a discrete high grade zone of 56.8Mt grading 1.0% V2O5 reported in compliance with the JORC Code 2012 (ASX Announcement 10 November 2015).

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