

AVL to Chair of Vanitec's Energy Storage Committee

Australian Vanadium Limited (ASX: AVL, "the Company" or "AVL") is pleased to announce that its Managing Director, Vincent Algar, has been appointed Chair of Vanitec's newly created Energy Storage Committee.

Vanitec is a not-for-profit international organisation whose objective is to promote the use of vanadium bearing materials. Its members include all the world's major vanadium producers.

The Energy Storage Committee will report to the Vanitec Market Development Committee and will oversee developments in the energy industry market for vanadium. Its focus will be on identifying the future global vanadium demand, the quality required and OH&S guidelines surrounding electrolyte production and distribution.

Vanadium's role in the growing energy storage is expected to increase dramatically over the coming years. We are already seeing large scale deployments of vanadium redox flow batteries across the globe, with many others being planned or under construction. Ensuring a strong supply of vanadium will be key to the uptake of energy storage for large amounts of power over a long time duration. This will supplement the traditional markets for vanadium as the requirements for high quality steel continue to increase.

Vincent Algar commented on the appointment, "I am looking forward to taking on this role with the other experienced members. Together we are passionate about ensuring that the vanadium market maintains and increases its momentum. Energy storage has an important role to play, particularly as a result of the Paris climate change commitment. Whilst it's important to maintain traditional vanadium markets, diversification at this time will ensure that the future for vanadium is economically bright."

About Vanitec

Vanitec brings together representatives of companies and organisations involved in the mining, processing, manufacture, research and use of vanadium and vanadium-containing products. The objective of Vanitec is to promote the use of vanadium bearing materials, and thereby to increase the consumption of vanadium.

Vanitec was originally established in 1972. During most of its existence Vanitec has operated as a technical committee of vanadium producers.

Vanitec operates as a not-for-profit organisation and all income is used to cover the costs of administration, research, promotion and HSE activities. Vanitec has no operational or commercial interests relating to vanadium production or sales and all meetings between Members are strictly conducted in compliance with Antitrust Guidelines.

<http://vanitec.org/>

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ASX ANNOUNCEMENT

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About Australian Vanadium Limited

AVL is a diversified resource company with an integrated strategy with respect to Vanadium, seeking to offer investors a unique exposure to all aspects of the vanadium value chain – from resource through to steel and energy storage opportunities.

AVL is advancing the development of its 100%-owned, world-class 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 and containing 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).

AVL also aims to develop a local production capacity for high-purity vanadium electrolyte, which forms a key component of vanadium redox flow batteries (VRB). The Company has recently purchased a vanadium electrolyte pilot plant from C-Tech Innovation Limited, a research, technology and innovation organisation based in the UK (ASX Announcement 7 June 2016). C-Tech Innovation Limited has developed technologies for electrochemical preparation of vanadium electrolyte as well as many other chemical and electrochemical technologies.

This purchase will enable AVL to develop unique vanadium electrolyte production expertise and capability in Australia, through both stand-alone and planned mine-attached facilities. The pilot plant will be used to test and verify the production of vanadium electrolyte products that are suitable and approved for use in third party VRB products being sold in Australia, New Zealand, the Pacific and Asia.

AVL, through its 100%-owned subsidiary VSUN Pty Ltd, is also actively marketing vanadium redox flow batteries in Australia through a distribution agreement with world-leading flow battery manufacturer, GILDEMEISTER Energy Storage GmbH (ASX Announcement 11 April 2016).

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