

AVL Receives \$0.4 Million under Research & Development Tax Incentive Scheme

Australian Vanadium Limited (ASX: AVL, “the Company” or “AVL”) is pleased to announce that it has received \$410,000 from the Federal Government’s Research and Development Tax Incentive Scheme.

The scheme, administered jointly by AusIndustry and the Australian Taxation Office, allows the Company to claim a tax offset and receive a cash refund for up to 45 cents of each dollar spent on eligible Research and Development. The refundable tax offset relates to costs incurred by AVL during the 2014-2015 financial year.

As a consequence of this refund the Company currently holds over \$3.3 Million in cash.

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% 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).

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).

For further information, please contact:

Vincent Algar, Managing Director

+61 8 9228 3333

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ASX ANNOUNCEMENT

Australian Vanadium Limited

ASX: AVL
FRA: JT7.F

ABN: 90 116 221 740

T: +61 8 9228 3333
F: +61 8 9486 8066
E: info@australianvanadium.com.au
W: australianvanadium.com.au

Street Address:

129 Edward Street
Perth WA 6000

Postal Address:

129 Edward Street
Perth WA 6000

Projects:

Gabanintha Vanadium
Gabanintha Gold, Copper

