ASX Announcement

Letters of Intent signed with VRFB manufacturer SCHMID

Highlights:

- **AVL signs Letter of Intent with German VRFB manufacturer SCHMID to explore supply of vanadium pentoxide and/or vanadium electrolyte**
- **VRFB battery manufacturer keen to secure material supply**
- **Subsidiary VSUN Energy signs Letter of Intent with SCHMID to offer EverFlow® energy storage solutions to potential clients**

Australian Vanadium Limited (ASX: AVL, "the Company" or AVL") is pleased to announce that it has signed a Letter of Intent with SCHMID, a German manufacturer of vanadium redox flow batteries (VRFB), to explore providing supply of vanadium pentoxide and/or vanadium electrolyte. The letter has been signed on a non-binding basis and is subject to commercial competitiveness.

In parallel, AVL's 100% owned subsidiary, VSUN Energy, has signed a Letter of Intent to offer SCHMID's EverFlow®'s large scale and telecom VRFB to its potential clients.

Vincent Algar, AVL's Managing Director, comments "We have built a relationship with SCHMID over the past three years and these Letters of Intent solidify our plans with them moving forward. For a VRFB manufacturer it is crucial to secure an ongoing supply of vanadium and with our high-grade vanadium deposit moving steadily towards production, we look forward to working closely with SCHMID as a potential client. Having the relationship as a two-way partnership with VSUN Energy promoting the EverFlow® systems provides a collaborative space for us to do business."

For further information, please contact:

Vincent Algar, Managing Director

+61 8 9321 5594

28 August 2018

ASX ANNOUNCEMENT

Australian Vanadium Limited

ASX: AVL
FRA: JT7.F

ABN: 90 116 221 740

T: +61 8 9321 5594
F: +61 8 6268 2699
E: info@australianvanadium.com.au
W: australianvanadium.com.au

Street Address:

Level 1, 85 Havelock Street
West Perth WA 6005

Postal Address:

Level 1, 85 Havelock Street
West Perth WA 6005

Projects:

Gabanintha - Vanadium
Blesberg,South Africa - Lithium/Tantalum
Nowthanna Hill – Uranium/Vanadium
Coates - Vanadium