ASX ANNOUNCEMENT **13TH SEPTEMBER 2019**

MOU SIGNED FOR REMOTE RENEWABLE ENERGY SYSTEM

VSUN Energy signs MOU with Nomads Charitable & Educational Foundation.

KEY POINTS

- **MOU parties to apply for a government grant for installation of a vanadium redox flow battery and solar PV system at Strelley Community School in the Pilbara region of Western Australia.**
- **Renewable energy system to provide installation, operation and maintenance training opportunities.**
- **Establishment of long-term Indigenous employment opportunities in the Pilbara region.**
- **Potential additional renewable energy opportunities in the region to be evaluated.**

Australian Vanadium Limited (ASX: AVL, "the Company" or AVL") is pleased to announce that its subsidiary VSUN Energy Pty Ltd has signed a non-binding Memorandum of Understanding (MOU) for a period of 12 months with Nomads Charitable & Education Foundation ("Nomads"). VSUN Energy is applying for a grant from the Western Australian State Government to fund the installation of a renewable energy solution at Strelley Community School in the Pilbara region of Western Australia on behalf of Nomads.

Nomads is a group of Aboriginal controlled entities that operate remote community schools and cattle stations in the East Pilbara. Around 50 Aboriginal people are currently employed through the group in education support and facilities maintenance.

Strelley Community School is the oldest continually operational Independent Aboriginal Community School in Australia. It commenced operation in 1976. The smaller of the two campuses at Strelley requires infrastructure (power) upgrades. Nomads recently installed a new Reverse Osmosis plant for water purification, but their aging diesel generators are still in need of replacement. VSUN Energy is applying for a Regional Economic Development Grant to assist with the installation of a solar photovoltaic (PV) and vanadium redox flow battery (VRFB) solution for the school. This will enable the parties to educate the installers, evaluate the system and then make plans for further installations in the region.

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Figure 1 Existing diesel generator location at Strelley Community School

The project will provide opportunities for training and STEM teaching at the school. One of the grant's key criteria is job creation and skill development, which is part of the project's remit. VSUN Energy will provide in-kind assistance to the school through the training and education components.

For further information, please contact:

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ABOUT AUSTRALIAN VANADIUM

AVL is a resource company focused on 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 development of its world-class Australian Vanadium Project, with 183.6Mt at 0.76% vanadium pentoxide (V_2O_5), containing a high-grade zone of 96.7Mt at 1% V_2O_5 with an Ore Reserve of 18.24Mt at 1.04% V_2O_5 comprised of a Proved Reserve of 9.82Mt at 1.07% V_2O_5 and a Probable Reserve of 8.42Mt at 1.01% V_2O_5, reported in compliance with the JORC Code 2012 (see ASX announcement dated 19 December 2018 '*Gabanintha Pre-Feasibility Study and Maiden Ore Reserve*').

AVL has developed a local production capacity for high-purity vanadium electrolyte, which forms a key component of vanadium redox flow batteries (VRFB). AVL, through its 100% owned subsidiary VSUN Energy Pty Ltd, is actively marketing VRFB in Australia.