



# Australian Vanadium Ltd

May 18<sup>th</sup> 2016

## Australian Vanadium Ltd signs CellCube battery sale with Gildemeister

Australian Vanadium Ltd (ASX:AVL) have sold their first CellCube energy storage system, a key step in their vertically integrated strategy.

The sale confirms that AVL has a valid strategy to deliver vanadium products to end users that can be sourced and processed through the company's mine and plant.

The battery sale follows the recent completion of a distribution agreement with Gildemeister.

Further sales leads for 22 projects have already been developed.

The vanadium flow battery is to be installed at a Busselton agricultural property as part of a solar installation.

Vincent Algar, managing director, commented: "Seeing is believing and the installed CellCube FB 10-100 will allow VSUN to showcase the benefits of large battery storage devices to commercial customers.

"This includes the ability to time-shift up to 10 hours of power usage, by storing cheap, renewable energy from the solar PV system for later use."

### Dealership agreement with Gildemeister

AVL signed a dealership agreement with Gildemeister Energy Storage during April to sell the CellCube range of vanadium flow batteries in Australia.

Gildemeister is the developer of the CellCube; the world's most commercially advanced vanadium flow battery based on 15 years of development with over 100 sold units worldwide.

### Key terms of the agreement are as follows:

- Formalising the appointment of Australian Vanadium's 100% owned subsidiary VSUN as a dealer to sell the CellCube range of vanadium flow battery products for an initial five-year period;
- Approval for VSUN to actively market CellCube products using the internet and approved marketing activities;
- Outlining reporting and lead generation requirements; and
- Co-operation with product marketing, technical and after sales support.

### Vertical integration strategy

AVL's vertical integration strategy includes three pillars of activity to drive cash flow generation.

- 1) Growing vanadium battery sales into the many niches being identified in the commercial energy sector across Australia.
- 2) The planned production and sale of high-purity vanadium electrolyte, a core component of flow batteries, to be achieved through the development of an Australian vanadium electrolyte plant.
- 3) The progression of the company's flagship Gabanintha Vanadium Project in Western Australia.

### Analysis

**Price:** A\$0.01

**Market Cap:** A\$13.973M

### 1 Year Share Price Graph



### Share Information

**Code:** AVL

**Listing:** ASX

**Sector:** General Mining

**Website:** www.australianvanadium.com.au

### Company Synopsis:

*Australian Vanadium Ltd (ASX:AVL) is focussed on vanadium at its flagship Gabanintha project in Western Australia.*

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This battery sale is a game changing milestone for AVL and will act as a catalyst for the share price.

The sale confirms AVL have created a successful pathway via the Gildemeister agreement to distribute commercial vanadium flow battery products to end users.

The sale builds on AVL's vanadium integration strategy, which aims to add shareholder value using vanadium from the mine face through to the battery application.

Furthermore, since the signing of the distribution agreement with Gildemeister in April, AVL have already been able to develop a further 22 commercial sales leads.

The sale of the fully integrated containerised vanadium flow battery is the first of its kind to be installed in Western Australia.

AVL is investing in its sales and technical team to support the rapid increase in interest and enquiries for CellCube systems.

AVL recently raised over \$1.6 million in a rights issue to support its growth strategy.

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