



Australian Vanadium

Feb 25th 2016

Australian Vanadium and Sun Connect in MoU for Redox Flow Batteries

Australian Vanadium (ASX:AVL) has signed a memorandum of understanding with Sun Connect Pty Ltd for the marketing and sale of Vanadium Redox Flow Batteries in Australia.

This follows an agreement signed with Gildemeister Energy Storage this week to collaborate on future Vanadium Redox Flow Battery (VRFB) installations and electrolyte production in Australia.

Today's agreement further underpins collaboration on market opportunities for Vanadium Redox Flow Batteries throughout Australia.

Australian company Sun Connect is one of the five largest installers of commercial solar in Australia and installed more than 3,000 solar systems nationwide and installed more than 9 megawatts of commercial solar systems.

As managing director of Australian Vanadium Vince Algar said this week: "The future of vanadium demand is strongly tied to the global need for large-scale energy storage."

The agreements form a plank of the company's vertical integration strategy which involves the production of high-purity vanadium electrolyte a core component of flow batteries.

Development of Australian Vanadium's Gabanintha vanadium project near Meekatharra in Western Australia is key to this strategy.

Vanadium Redox Flow Batteries are unique commercial energy storage devices particularly suited to commercial on-grid and off-grid implementation due to their scalability, long asset lives with deep and very high cycling capability.

Sun Connect and Australian Vanadium will explore opportunities to provide the entire range of CellCube Vanadium Redox Flow Battery systems produced by Gildemeister Energy Storage GmbH in Austria and Germany.

The MoU offers a framework for strategic alliance, including cooperation and development of opportunities involving the marketing and sale of Vanadium Redox Flow Batteries products in the Australian region.

This includes collaboration on storage leads and power purchase agreements as well as joint marketing opportunities.

Sun Connect will collaborate with Australian Vanadium on the specification of the renewable component of power requirements for the Gabanintha vanadium project as part of the ongoing feasibility studies.

Analysis

The AVL share price has been a star in February, a 2+ bagger.

There is likely to be more ahead as its high grade and potentially long life, low cost globally large Gabanintha vanadium deposit leverage the likely surge in vanadium energy storage market demand.

As it is increasingly recognised that the future of vanadium demand is tied to the global need for large-scale energy

Price: A\$0.016

Market Cap: A\$12.966M

1 Year Share Price Graph



Share Information

Code: AVL

Listing: ASX

Sector: General Mining

Website: www.australianvanadium.com.au

Company Synopsis:

Australian Vanadium (ASX:AVL), formally known as Yellow Rock Resources (ASX:YRR), is focussed on vanadium at its flagship Gabanintha project in Western Australia.

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storage, the key agreements with Vanadium Battery Suppliers and Solar Energy Installers to develop local market provide momentum.

Energy storage has the potential to transform the entire energy system and with VRB's unique advantages over other batteries the integration strategy of AVL comes to the fore.

Relative to its peers on a resource basis, AVL is well undervalued with significant leverage to the current share price.

Price catalysts and milestones ahead

- Updated Concept Study upgrade anticipated in Q1 2016.
- Detailed PFS and complete plant design planned for 2016, along with EIA progress.
- Negotiations with Asian vanadium and steel producers for project involvement.
- Vanadium electrolyte plant design and specifications being developed for 2016 construction to support local vanadium battery sales.

The news flow ahead represents a pipeline of price accretive milestones for AVL.

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