



Australian Vanadium Ltd

Aug 17th 2016

Australian Vanadium Ltd to install first battery as more sales loom

Australian Vanadium Ltd (ASX:AVL) is expecting the arrival of its first sold vanadium redox flow battery (VRFB) in Western Australia in late August.

The battery is expected to arrive at Fremantle Port from where it will be transported to its installation site at Busselton.

Installation and testing is expected to complete during the week ending 12 September, 2016.

AVL made this first battery sale through its distribution agreement with GILDEMEISTER Energy Storage GmbH.

AVL is currently working on over 40 active leads to generate further VRFB sales.

The company's strategy is to deliver vanadium products to end users that can be sourced and processed through the company's mine and plant.

Background

AVL is advancing the development of its 100%-owned Gabanintha Vanadium project measuring 91.4 million tonnes at 0.82% vanadium.

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 recently purchased a vanadium electrolyte pilot plant from C-Tech Innovation Ltd.

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.

AVL is actively marketing vanadium redox flow batteries in Australia through a distribution agreement with world-leading flow battery manufacturer, GILDEMEISTER.

Electrolyte pilot plant update

AVL have been working with C-Tech to finalise the pilot plant's design and construction.

Construction is expected to be completed in the first week of September, with shipping from the U.K. to Perth to take circa 45 days.

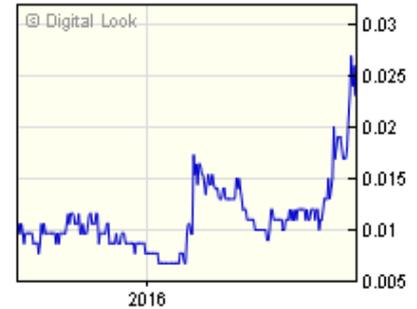
The potential location of the pilot plant is in a university laboratory facility in the Perth metropolitan area.

A university location is cost effective and provides opportunities for collaboration.

VRFB installation timeline

The installation and commissioning of the first VRFB system in Western Australia is expected to occur in the following order:

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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- 18 August: VRFB due to arrive at Port Klang in Malaysia;
- 29 August: VRFB due to arrive at Fremantle Port in Western Australia;
- Battery will then be transported to installation site in Busselton;
- 5-9 September: Solar panels installed at site by partner Sun Connect Pty Ltd;
- 5-9 September: VRFB system installation and personnel training; and
- 12-16 September: Installation and acceptance testing of VRFB.

Analysis

Further battery sales represent strong earnings potential for AVL and the installation of the first sale and Western Australia's first VRFB will act as a foundation for future sales.

AVL continues to progress down its vertical integration pathway as construction of the pilot plant begins and the first battery sale nears delivery.

The stock is up 140% over the past 3 months, currently trading at \$0.024.

The battery sale validates AVL's ability to distribute commercial vanadium flow battery products to end users.

The pilot plant also validates the vertical integration strategy by enabling the commercial production of vanadium electrolyte.

Sales of vanadium electrolyte provide AVL with another potential avenue for earnings generation.

Any additional battery sales will likely act as a short term catalyst for the company.

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