

RVT signs formal Subscription Agreement with Ultra Power Systems

KEY HIGHLIGHTS

- Richmond Vanadium Technology (**RVT**) and Ultra Power Systems (**UPS**) have executed an agreement to form a joint alliance to develop both vanadium mining and vanadium redox flow battery manufacturing
- Formal subscription agreement executed for RVT to invest \$3 million into UPS to acquire 10.94%
- UPS to become primary RVT offtake partner with the purchase of vanadium pentoxide flake and RVT to become UPS' preferred V₂O₅ supplier
- Under the terms of the Agreement, RVT has the right to appoint one director to the UPS board

Richmond Vanadium Technology Pty Ltd (**ASX: RVT**) (**Richmond Vanadium Technology, RVT or the Company**) is pleased to announce that it has executed a formal agreement (**Agreement**) to invest \$3 million for a total of 12,000,000 fully paid ordinary shares into Ultra Power Systems Pty Ltd (**UPS**). UPS is an innovative Perth based company which is Australia's first Vanadium Redox Flow Battery (**VRFB**) manufacturer.

The Agreement provides RVT with a 10.94% shareholding in UPS and the right to appoint one director to the UPS Board, subject to it maintaining a minimum 7.5% holding in UPS.



(L-R) Paul Hersey (UPS Director), Bradley Appleyard (UPS Chairman & CEO), Shaun Ren (RVT Managing Director) and Jon Price (RVT Director) signed the formal Subscription Agreement between RVT and UPS



Richmond Vanadium Managing Director, Dr Shaun Ren said,

“We are delighted to have completed the formal agreement with Ultra Power Systems and look forward to working alongside UPS as they develop their energy storage systems within Australian and overseas markets.

Our investment into UPS provides the opportunity to build a strategic partnership with an Australian battery manufacturer and participate in the global ‘renewable energy’ transition. Prior to the signing of the agreement, UPS completed exhaustive due diligence studies across a number of Vanadium projects worldwide. From this due diligence, the UPS Board unanimously selected RVT as their preferred battery grade vanadium supplier from our Richmond Vanadium Project in Queensland.

As we outlined to our shareholders during our recent IPO, RVT is not only looking to develop our Richmond Vanadium Project towards production, but we are actively seeking to support downstream vanadium opportunities. Technology within our industry will evolve, and we are witnessing the acceptance of this as there continues to be further support from Governments into this arena, such as the recent funding for the Critical Minerals demonstration facility in Townsville by the Queensland Government.

This is truly an exciting time to be in this space and RVT is proud to be the preferred supplier of V₂O₅ for UPS, Australia’s first VRFB manufacturer. We look forward to working with them closely as part of our joint alliance and further developing alongside them.”

Formal Agreement

Richmond Vanadium Technology has executed a \$3,000,000 payment to take a 10.94% interest (12,000,000 fully paid ordinary shares) in Ultra Power Systems at an issue price of \$.025 per share (**Agreement**).

Under the terms of the Agreement (refer Prospectus dated 14 October 2022 and Supplementary Prospectus dated 21 October 2022 released to ASX on 9 December 2022), UPS will purchase vanadium pentoxide flake from Richmond Vanadium Technology, subject to availability and timeliness of delivery, quality and price. RVT also holds the right to appoint one nominee director to the UPS board as long as it continues to hold a minimum interest of 7.5%, or if elected at the annual general meeting of UPS, subject to being eligible to do so under the Company’s constitution, the Listing Rules (if applicable) and the Corporations Act.

Ultra Power Systems

UPS, incorporated in August 2017, is a Perth based technology company which aims to turn energy technology into assets and then useful products. UPS holds and develops energy-related intellectual property and possesses significant know-how in the manufacture of VRFB modules.



UPS has developed its own VRFB system, the Ultra V40 battery module and a standalone power system, which integrates solar and wind turbines into a mobile and scalable power generation system highly

suitable for off-grid applications. UPS's licenced electrolyte is a premium product that has a substantially higher operating temperature range and higher energy density without requiring additives.

UPS is Australia's first VRFB manufacturer with its V40 battery module now in production in modern manufacturing facilities based in Bibra Lake. UPS' business model is focused on the design, manufacture, installation, commissioning, and maintenance of modular, integrated renewable power generation (solar and wind) and energy storage systems through a controlled network of local partners.

UPS plans to scale up throughout Australia, Indonesia, India, Japan, China, Europe and North America and has signed heads of agreements with various corporate and government organisations. Initial markets include off-grid applications within the mining sector (such as bore pumps, exploration camps, mining villages and ultimately full mine electrification), remote communities, community batteries, residential microgrids, and the specific charging demands of the electric vehicle sector.

In contrast to lithium-ion batteries, which require capital intensive manufacturing facilities and a highly trained and specialised workforce, VRFBs are composed of discrete components that can be assembled by competent workers, technicians and electricians guided by standard procedures.

UPS's business plan establishes partnerships through the world effectively being an enabler creating demand and supply chain channels to market for RVT through the future off take agreement plus potentially establishing a joint venture to produce high grade vanadium pentoxide specifically designed for the VRFB global market.

The interrelated supply of critical minerals, downstream battery grade vanadium purification, modular electrolyte production and VRFB production completes a secure supply chain and channel to market for RVT and Ultra that is necessary to meet the fast-emerging demand for large scale energy storage.

UPS Chairman & CEO Brad Appleyard said,

"We welcome RVT into the UPS stable as a major investor, with their \$3m investment taking them to a 10.94% holding and we look forward to welcoming one of their executive team onto our board.

As UPS scales up its VRFB productions in Australia and overseas, reliable battery grade V_2O_5 supply is of critical importance. We are very happy to have RVT as our preferred supplier. With RVT's very large Ore Reserve and proven processing flow sheet, UPS has potentially secured V_2O_5 supply for many decades to come.

RVT and UPS are strategically aligned in pursuing the development of the energy technology market and we believe we are well placed as Australia's first manufacturer of VRFBs to take full advantage of the exciting opportunities and developments ahead of us."



ASX ANNOUNCEMENT

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This announcement has been authorised by the Board of Directors of RVT.

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