

Strategic Metals & Rare Earths Letter

INTERNATIONAL

the independent information and advisory publication on investing in Strategic Metals & Rare Earths

Investment Alert – June 14, 2019

www.cellcubeenrgystorage.com



CellCube Energy Storage (C\$ 0.09)

CSE : CUBE
OTCQB : CECBF
Frankfurt : 01X

H + L prices (12 months) : C\$ 0.485 – 0.07

Net shares issued : 185.57 million
Fully diluted shares : 249.95 million

Market Capitalization : C\$ 16.7 million
(US\$ 12.5 million)

2019 price target: C\$ 0.20

INVESTMENT ALERT

► CellCube signs agreement with Immersa for US\$ 6 million for its 4th Generation Energy Storage Systems

On June 12, 2019, **CellCube** signed a definitive Commercial Framework Agreement with **Immersa** which reserves production capacity and installation services for its recently released new generation of **Vanadium Redox Flow Battery System**. The agreement represents a value of US\$ 6 million expected timing for delivery within 24 months, with the contract giving **Immersa** dedicated conditions on price, delivery terms and electrolyte as a service model.

The increasing market demand for long duration energy storage either stand-alone or in combination with solar installations has developed a large pipeline of projects in the UK. **Immersa** is in the final contracting stage.

According to Alexander Schoenefeldt, Managing Director of **CellCube**'s subsidiary **Enerox**, after signing the distributorship agreement on January 31, 2019 and working jointly with **Immersa** and **HICC Energy** on a large-scale storage deployment, **CellCube** made the next important step to get out its award-winning Cell-Cube ready for delivery to the UK. Customers realize the need for clean, safe and environmentally friendly energy storage and specifically in the stationary long duration and when multiple cycles per day are needed **CellCube** can offer the most reliable and performing alternative to Lithium.

Stefan Schauss, CEO of **CellCube**, comments “that market feedback on the Company’s new product generation is amazing and that with its outperforming lowest levelized costs can help many customers and projects in the world’.

Immersa is working with multiple partners in different regions on ramping production and offering a bankable storage asset for a minimal lifetime of 25 years.

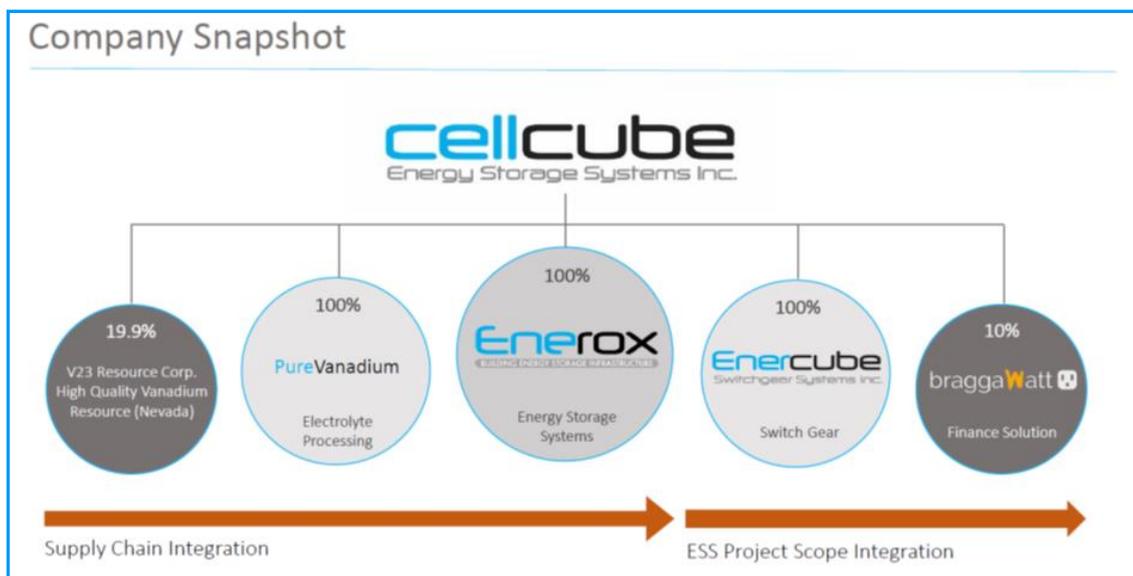


Company profile

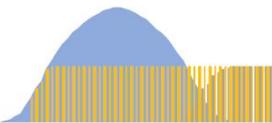
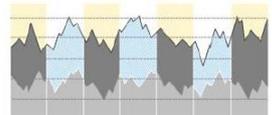
CellCube is focused on the fast-growing energy storage industry which is driven by the large increase in demand for renewable energy. The Company supplies vertically integrated energy storage systems to the power industry

Enerox is the developer and manufacturer of **CellCube Energy Storage Systems**. **CellCube**’s other subsidiaries are **EnerCube Switchgear Systems** and **Power Haz Energy Mobile Solutions**. The Company has also invested in an online renewable energy financing platform, **Braggawatt Energy**.

CellCube develops, manufactures and markets energy storage systems on the basis of **vanadium redox flow technology** and has over 130 project installations and a 10-year operational track record. Its highly integrated energy storage system solutions feature 99% residual energy capacity after 11,000 cycles and larger scale containerized modules. Basic building blocks consist of a **CellCube** unit family with 2-16 hours variation in energy capacity.



CellCube Target Applications

	How it Works	Market 2021*	Deals in Pipeline	Project Feasibility Returns
Large Renewable Co-location  	819M USD 2,475 MWh	16 2,997MWh	Today IRRs 7-18%	
Capacity & Reserves  	2,454M USD 7,048 MWh	22 1,850MWh	2020+ IRRs 7-22%	
DER & Microgrid  	2,905M USD 8,600 MWh	22 1,160MWh	Today IRRs 5-25%	

Investment recommendation:

CellCube's mission is to be a fully integrated producer of **Vanadium, Vanadium electrolytes** and **Vanadium redox inflow batteries** for the **energy storage systems**.

Until recently, storage of electricity for a later date was largely limited to small electrical-chemical batteries, lead acid nickel-cadmium. Current consumer technology is dependent upon batteries for cell phones, laptop computers, electric cars.

Individually, these require relatively small amounts of energy storage. Now it is possible to store vast quantities of electricity that can be used at a later time.

As the leading supplier of **Vanadium Redox Flow Batteries**, **CellCube**, with a 3-year projection for a \$ 300 million energy storage business, is recognized as a world leading technology developer.

In addition, the Company is in the process to spin-out its high-quality vanadium assets, located in southwestern Northwest Territories into **V23 Resources**.

With the US\$ 6 million agreement with **Immersa**, **CellCube** made an important step to get out its award-winning CellCube ready for delivery to the UK.

Based on its prospective outlook, at a market valuation of just C\$ 17.6 million (US\$ 12.5 million), **CellCube**, in my view, offers a highly attractive investment opportunity in a strongly growing industry.

My price target for 2019 is C\$ 0.20.