



AMERICAN VANADIUM

THE CRITICAL ELEMENT

PRESS RELEASE

AMERICAN VANADIUM ANNOUNCES FIRST PRODUCTION OF VANADIUM PENTOXIDE AND VANADIUM ELECTROLYTE

August 22, 2011 - **AMERICAN VANADIUM CORP.** (the “Company”) (TSX.V: AVC) announces that pilot scale metallurgical testing resulted in the creation of two high quality products: vanadium pentoxide (“purple flake”) and vanadium electrolyte. Purple flake is critical as a steel strengthener as well as for higher value applications in the titanium and chemical industries. Vanadium electrolyte, also a high value product, is used in vanadium flow batteries for utility scale energy storage. This emerging use for vanadium will greatly contribute to the integration of intermittent renewable resources into electrical grids and has the potential to create significant demand for vanadium.

“We are very excited as the textbook results of this pilot scale testing are an important validation of our metallurgical process,” stated Bill Radvak, President & CEO of American Vanadium Corp. “This is a major milestone as we have demonstrated that our process can produce vanadium products with higher value while also meeting the steadily growing needs of the steel industry. We will be using the resultant materials to pursue off-takes with steel companies as well as partnerships and joint ventures with vanadium flow battery technology and manufacturing companies.”

About American Vanadium Corp.

American Vanadium is currently developing the Gibellini Vanadium Project, a vanadium resource located in Nevada, USA. Vanadium is a critical alloying metal used to strengthen steel and is also growing in importance in the emerging uses of mass energy storage and next generation lithium-vanadium batteries. The Company’s Gibellini Vanadium Project is unique in its ability to have economic production of vanadium for the steel and alloying industries as well as vanadium electrolyte for the mass storage industry.

ON BEHALF OF THE BOARD

Bill Radvak, President and CEO

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