



June 28, 2011

TSXV: AVC

**AMERICAN VANADIUM ANNOUNCES  
PRIVATE PLACEMENT OF UP TO \$2.5 MILLION**

**AMERICAN VANADIUM CORP.** (the “Company”) (AVC:TSX-V) is pleased to announce a non-brokered private placement (the “Private Placement”) of up to \$2,500,000 at the price of CDN\$1.50 per unit (a “Unit”). Each Unit consists of one common share in the capital of the Company and one-quarter of a share purchase warrant exercisable at the price of \$2.00 each for a period of 18 months from closing.

On closing, the Company will pay a finder’s fee in cash equal to 7% of the aggregate gross proceeds of the Private Placement and will issue one-quarter (1/4) of the number of non-transferable common share purchase warrants (the “Warrants”) that is equal to 7% of the number of Units sold. Each whole Warrant will entitle the holder thereof to purchase one common share of the Company at the price of CDN\$2.00 per common share for a period of 12 months from the date of closing.

“With our Feasibility Study now anticipated to be completed by AMEC in the third quarter of this year and the environmental permitting process proceeding, the proceeds of this private placement will be used to begin the detailed engineering at the Company’s Gibellini Vanadium Project in Nevada,” stated Bill Radvak, President and CEO of American Vanadium Corp

Closing of the Private Placement is subject to the receipt of all applicable regulatory approvals.

About American Vanadium Corp.

American Vanadium is currently developing the Gibellini Vanadium Project, a vanadium resource in the state of Nevada, U.S.A. Vanadium is growing in importance as an alloying metal used to strengthen steel as well as the emerging uses with mass storage cells and lithium vanadium batteries for renewable energy. The Company’s Gibellini Vanadium Project is unique in its ability to have economic production of vanadium for the steel industry as well as vanadium electrolyte for the mass storage industry.

A Scoping Study and NI 43-101 have been completed by AMEC E&C Services and are available at [www.sedar.com](http://www.sedar.com) or the Company's website [www.americanvanadium.com](http://www.americanvanadium.com).

ON BEHALF OF THE BOARD

"Bill Radvak"

Bill Radvak, President and CEO

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Forward-Looking Statements

*This press release contains "forward-looking information" within the meaning of applicable Canadian securities laws, including statements regarding the expected use of proceeds from the Private Placement, and future plans and objectives for the Gibellini Project. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of American Vanadium to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Factors that may cause actual results to vary include, but are not limited to, actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of vanadium; possible variations in reserves, grade or recovery rates; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although American Vanadium has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. American Vanadium does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.*