

March 24, 2011

TSXV: AVC

## **American Vanadium Corporate Update**

### **Gibellini Vanadium Project on Target for Production**

American Vanadium Corp. (“AVC”) is pleased to report that our Gibellini Project in Nevada – positioned to be the only vanadium mine in the US – is moving on pace towards the delivery of Feasibility Study in Q2, 2011 and start of production by 2013.

“It is important to recognize that the US imports virtually 100% of its vanadium, which makes our project critical for domestic production of high quality steel and mass storage of renewable energy”, stated Bill Radvak, President & CEO of American Vanadium Corp. “Recent growth in the demand for high strength, low alloy steel has resulted in the price of vanadium pentoxide increasing from the \$7.00 per pound range of 2010 to \$7.50 today and forecasted by JP Morgan to increase to \$8.00 by the end of 2012 when AVC anticipates being in production. This upward price movement will improve the positive economics of our 2008 Scoping Study which gave an after-tax internal rate of return of 40% using a price of \$6.00 per pound.”

“We have also garnered significant attention from the key players in the renewable energy industry as we are uniquely positioned to produce vanadium electrolyte midstream in our recovery process,” stated Bill Radvak. “The world is coming to the realization that large-scale adoption of clean, renewable energy is dependent on having grid level energy storage solutions and the US government is now funding these initiatives accordingly. In a recent speech, President Obama acknowledged vanadium flow batteries as an important part of improving energy efficiency. American Vanadium is strategically well positioned to become the only domestic producer of vanadium electrolyte in the US.”

#### **Feasibility Study and NI 43-101**

AVC continues to make strong progress with its Feasibility Study which at this time remains on the original schedule to be completed by the end of May 2011. An updated NI 43-101 is expected to be completed one month after the completion of the Feasibility Study.

AMEC (American Mining and Engineering Corporation) is building on the Scoping Study and Preliminary Economic Assessment it prepared for the Company in 2008. The unique disseminated, sedimentary deposit at the Gibellini Project allows for simple sulfuric acid heap leach processing that presents an opportunity for the development of one of the lowest cost primary vanadium operations in the world. The Scoping Study proposed an open pit operation with a strip ratio of 0.2 (1 ton waste for each 5 tons ore).

#### **Exploration Program**

AVC is now focusing on increasing the resource through an aggressive exploration program of the five other vanadium occurrences on its 6,600 acre property. The first target is the Louie Hill Project, which is adjacent to the current resource. AVC recently acquired the records of over sixty historic holes drilled by Atlas and Noranda which indicate economic grades at surface and possibly expanded at depth and along strike. Louie Hill offers an attractive open pit target along

the top of a hill. Secondly, at the nearby Del Rio Project, large surface vanadium anomalies were discovered this past fall with values over 1% vanadium pentoxide that have yet to be closed off. Based on this 2010 work additional surface sampling and over 10,000 feet of drilling on both Del Rio and Louie Hill is planned this spring.

### **Business Development**

With the operation moving forward rapidly, AVC is now focused on entering into off-take agreements with steel producers and/or metal traders for its vanadium products. Initial efforts are with companies in countries that have expressed direct interest, namely the US where AVC has a strategic advantage as the only domestic producer, and internationally in China, Japan and Korea.

Additionally we are developing strategic relationships with key US agencies and have begun discussions with several leading companies' involved in the commercialization of vanadium redox batteries for renewable energy storage," said Bill Radvak President and CEO of American Vanadium. "So far the support for American Vanadium in the renewable energy storage space has been very encouraging and we look forward to providing the foundation of this crucial industry with our unique resource".

### **About American Vanadium Corp.**

American Vanadium is currently developing the Gibellini Vanadium Project, a vanadium resource in the state of Nevada, USA. Vanadium is growing in importance as an alloying metal used to strengthen steel as well as the emerging uses in the mass storage of renewable energy for grid level applications and high performance lithium vanadium batteries for the automotive and mobile power sectors. American Vanadium's Gibellini Project is unique in its ability to have economic production of vanadium pentoxide for the steel industry as well as vanadium electrolyte for the mass storage of energy.

ON BEHALF OF THE BOARD

"Bill Radvak"

Bill Radvak, President and CEO

For further information, contact:

Michael Hyslop, Director of Corporate Development

Tel: 604 488 1795

Email: [mhyslop@americanvanadium.com](mailto:mhyslop@americanvanadium.com)

Follow us:



NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER  
(AS THAT TERM IS DEFINED IN POLICIES OF THE TSX VENTURE EXCHANGE)  
ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

### **Forward-Looking Statements**

*This press release contains "forward-looking information" within the meaning of applicable Canadian securities laws, including statements regarding the expected timeline for completion of the Feasibility Study, the design of the Gibellini Mine and the production of vanadium pentoxide and vanadium electrolyte. 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 Corp.*

*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 Corp. 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 Corp. does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.*