



Australian Vanadium advances Gabanintha with PFS nearing completion, drilling to start

By *Lorna Nicholas* - July 24, 2018



Australian Vanadium is targeting the growing steel and vanadium redox flow battery sectors with its advanced Gabanintha vanadium project in WA.

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Vanadium-focused [Australian Vanadium \(ASX: AVL\)](#) is advancing its flagship Gabanintha project with a base-case prefeasibility study due shortly and a drilling campaign to fire up within the next two months.

During the June quarter, Australian Vanadium made “solid progress” on its PFS, where the company is focused on a “high-quality” and realistic evaluation of Gabanintha that can underpin future investment decisions to create a “world class” long-term vanadium operation that produces high purity vanadium products for steel and vanadium redox flow battery markets.

The PFS also aims derisk the project by evaluating a number of processing scenarios to ensure “the most viable, lowest cost mining and processing operation is pursued”.

A highlight at Gabanintha for the June quarter was the updated resource, which now sits at 175.5 million tonnes at 0.77% vanadium. The resource includes a higher-grade component of 93.6Mt at 1% vanadium, with all results to be incorporated in the PFS.

Once the base-case PFS has been published, Australian Vanadium will then undertake drilling for geotechnical and hydrology purposes.

Cobalt potential

In addition to producing vanadium, the company is looking to unlock the value of the other base metals found at the project including cobalt.

Ethical and stable cobalt supply remains an ongoing issue for battery makers, Australian Vanadium managing director Vince Algar told *Small Caps* the company potentially become a supplier of ethically-produced “non-conflict” cobalt into the world’s system.

As part of this strategy, Australian Vanadium is actively evaluating the viability of producing cobalt as a by-product in its PFS.

This month, preliminary metallurgical work on the base metals component at Gabanintha indicated they could be economically recovered.

Recent scale trials produced sulphide flotation concentrates comprising up to 6.3% base metals, which, when broken down, resulted in 2.02% cobalt, 2.58% nickel and 0.022% copper.

The base metals resource for Gabanintha was published at the beginning of July and totalled: 12.5Mt at 206 parts per million cobalt (0.02%), 659ppm nickel (0.022%) and 222ppm copper (0.022%).

The resource will be included in the PFS.

VSUN Energy

Australian Vanadium has tapped into the vanadium battery sector via its wholly-owned subsidiary VSUN Energy, which continued to forge a new market for itself during the June quarter.

VSUN recently submitted an expression of interest to undertake Western Power's Stand-Alone Power Systems project, which seeks a combination of renewable energy, batteries and other solutions to generate power that is not connected to the grid.

If successful, VSUN will progress to the request for tender phase of the project, which is due to begin in the next few weeks.

VSUN was incorporated to focus on developing vanadium redox flow battery technology that can be sold into world markets, using Gabanintha vanadium as feedstock.

Since October 2016, VSUN has been operating a continuous stand-alone power system based on solar energy and vanadium redox flow battery technology.

The system was installed at a tree nursery site at Busselton in WA's south and since it was commissioned, the site has not required grid power or alternative fuel.

It has been 100% powered by solar energy.

Vanadium hits 10-year highs

Vanadium prices have been following an upward trend since late 2015, with the vanadium pentoxide price recently hitting a 10-year high of more than US\$19 per pound.

As [vanadium demand continues to grow](#), Australian Vanadium secured a memorandum of understanding with China-based steel and alloy manufacturer Win-Win Development Group at the end of June.

The agreement opens the door for Australian Vanadium and Win-Win to negotiate potential offtake and finance opportunities for Gabanintha vanadium.

Win-Win is constructing a vanadium carbon nitrate production facility that will require up to 8,000 tonnes per annum of 98% vanadium pentoxide.

According to Australian Vanadium, the development time-line for Gabanintha coincides with Win-Win's plant commissioning schedule, which would be mutually beneficial to both parties.

Australian Vanadium's share price close Monday unchanged at A\$0.047.

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Lorna has more than 10 years experience as a finance journalist and editor. She has written for an array of industry publications reporting on various sectors, including: resources, energy, construction, biotech, pharma, science and technology, agriculture, and chemicals. Specialising in resources, Lorna has covered a myriad of small and large cap ASX and dual-listed stocks.

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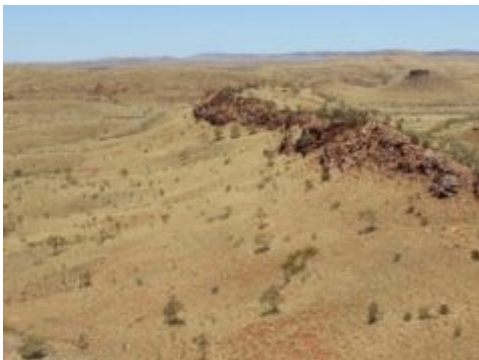
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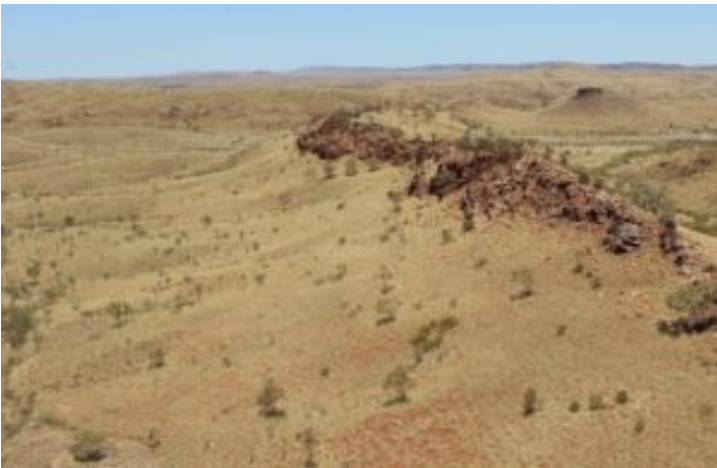
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