



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.

34
SHARES

f Facebook

Twitter

LinkedIn

Print

Email

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.

34
SHARES

f Facebook

Twitter

LinkedIn

Print

Email

Join Small Caps News

Get notified of the latest news, events and stock alerts.

Enter your email address...

KEEP ME INFORMED

ASX CODE **AVL**



Lorna Nicholas

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.

in ✉

RELATED ARTICLES



Drilling campaign to commence at Lake Resources' Cauchari lithium brine project



EHR Resources completes drilling at Rufina East, exploration at San Markito gold-silver prospect to start



Lachlan Star's share price climbs on Klaus Eckhof board appointment



Hardey Resources encouraged by Queensland vanadium acquisition due diligence findings



Aeromagnetic survey detects similar Stanton cobalt targets for Northern Cobalt at Wollgorang



Apollo Consolidated finds new gold zone at Lake Rebecca



Mark Creasy's Galileo Mining unearths up to 1.10% cobalt at Norseman



Tando Resources firms up DSO potential at SPD with confirmation of new vanadium pipe cluster find



Hazer Group's second-generation pilot plant boosts hydrogen and graphite production

RECENT POSTS

Pancontinental Oil & Gas poised to spud Cormorant well off Namibia

August 14, 2018

Drilling campaign to commence at Lake Resources' Cauchari lithium brine project

August 14, 2018

EHR Resources completes drilling at Rufina East, exploration at San Markito gold-silver prospect to start

August 14, 2018

Profits and revenue surge for LandMark White

August 14, 2018

Lachlan Star's share price climbs on Klaus Eckhof board appointment

August 13, 2018

STOCK SUMMARY

ASX code or name

Search

INVESTOR TOOLS



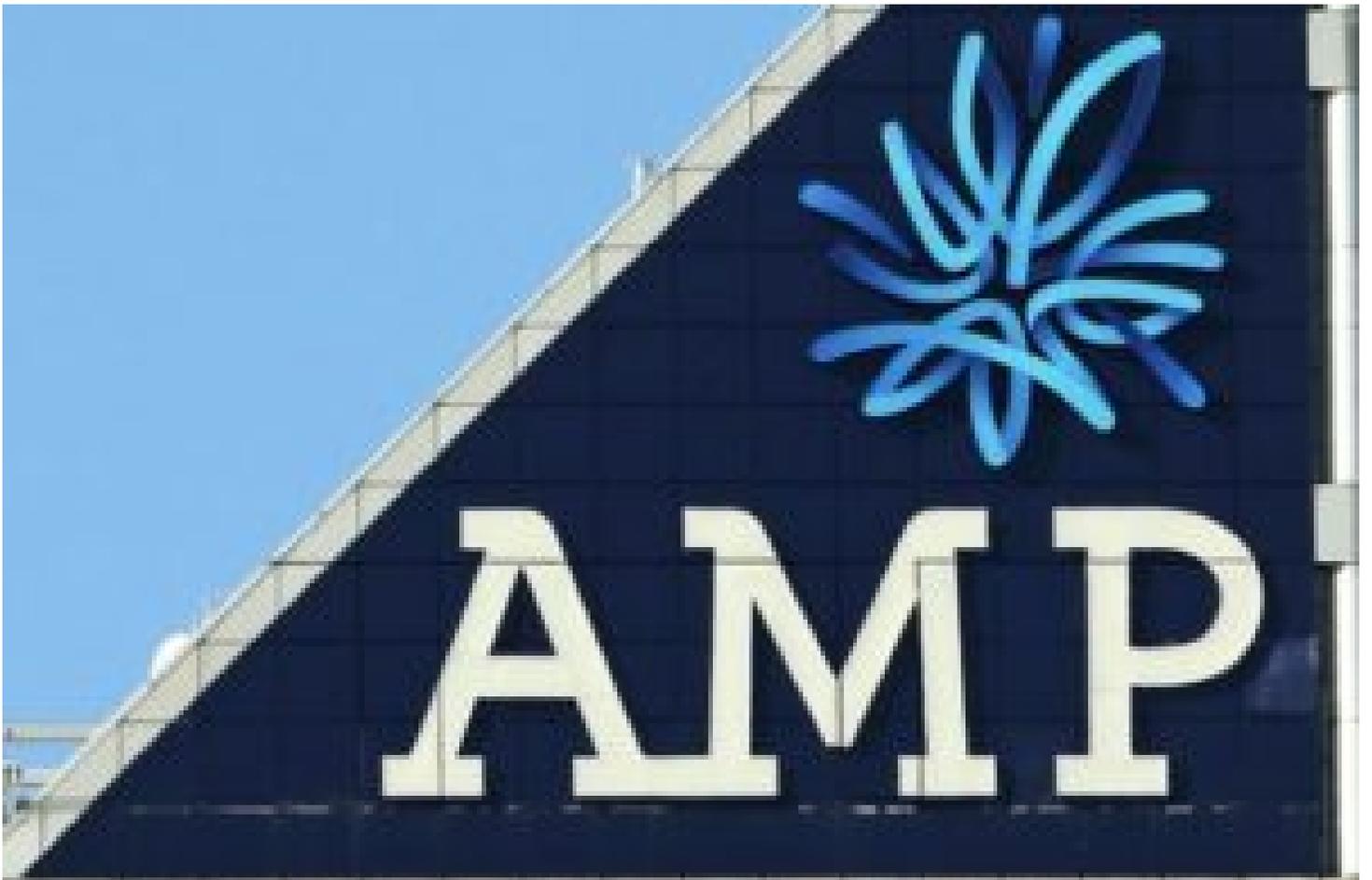
The week in Small Caps: Baby Bunting forecasts strong year ahead, AuMake steps into A1 & A2...

August 11, 2018



Are some superannuation funds thieves?

August 11, 2018



AMP faces an uncertain future

August 10, 2018



Nickel's steely resolve shines through for miners at this year's Diggers & Dealers

August 8, 2018



Royal Commission to shine a light into the opaque world of superannuation

August 7, 2018

TRENDING POSTS



Are some superannuation funds thieves?



Lachlan Star's share price climbs on Klaus Eckhof board appointment



Lithium stocks on the ASX: The Ultimate Guide



Cannabis stocks on the ASX: The Ultimate Guide



AMP faces an uncertain future



The week in Small Caps: Baby Bunting forecasts strong year ahead, AuMake steps into A1 & A2...



Hardey Resources encouraged by Queensland vanadium acquisition due diligence findings



Mark Creasy's Galileo Mining unearths up to 1.10% cobalt at Norseman



Small Caps is Australia's #1 site for market news & information on ASX listed small cap companies.

Small Caps and affiliated companies accept no responsibility for any claim, loss or damage as a result of information provided or its accuracy. The information provided on this site is general in nature, not financial product advice. Your personal objectives, financial situation or needs have not been taken into consideration. There may be a conflict of interest present with commercial arrangements with companies and/or stock held.

See a financial expert before making any investment decision.



