



Australian Vanadium targets 'world-class' vanadium operation at Gabanintha

By Lorna Nicholas - August 3, 2018



Australian Vanadium's Gabanintha resource totals 175.5Mt at 0.77%, with a higher grade component of 93.6Mt at 1% vanadium.

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Australian Vanadium (ASX: AVL) is targeting a "world-class" long-term operation at its flagship Gabanintha vanadium project, with the initial base-case prefeasibility study due to be unveiled shortly, followed by another round of drilling.

According to the company, the initial base-case PFS at Gabanintha is almost complete, with accurate supplier cost inputs the only pending information.

"Our work on the PFS and resource are showing that Gabanintha can be a world-class operation, but we must do the work, and it must be done properly with the right inputs," Australian Vanadium managing director Vince Algar told *Small Caps*.

"Our team's extensive experience in vanadium processing and operation supports this strategy," he added.

Once the base-case PFS is finished, Australian Vanadium will undertake ongoing option analysis to "maximise economic returns" and reduce capital and operating costs throughout the remainder of 2018, with a definitive feasibility study scheduled to begin immediately after.

The company is focussed on de-risking the project by "identifying and mitigating process and project risks at an early stage".

Feasibility studies will also assist Australian Vanadium in creating a "clear pathway" to designing and developing a "world-class" and long-term vanadium operation.

Australian Vanadium's strategy is to deliver a "realistic and achievable" study that defines a "low-risk", "low-cost" vanadium operation.

As part of the study, Australian Vanadium has begun discussions with end-users and interim product producers including vanadium carbon nitride and vanadium electrolyte manufactures for the emerging vanadium redox flow battery sector.

Drilling at Gabanintha

While, the next round of drilling is pencilled in to begin later this month, subject to rig availability.

The planned drill program, in addition to giving us vital geotechnical and hydrology information, will begin the process of converting inferred resources to higher confidence indicated resources," Mr Algar said.

The process is very cost effective for AVL as we have so much strike length to work with to enlarge our resource base."

The enlarging and de-risking approach is in line with our low-risk strategy with the PFS and desire to get a world class long life project built. We look forward to keeping the market regularly with our outcomes and results," Mr Algar explained.

Finally, Australian Vanadium plans to increase the cobalt and base metals resource and procure more base metals samples for continuing metallurgical test work.

As part of the campaign, Australian Vanadium will gather valuable geotechnical data to ensure it has a better understanding of the mineralisation to de-risk the planned pit design and eventual operation.

The information will be incorporated into geotechnical modelling and design work in the PFS.

Gabanintha vanadium project

Less than a month ago, Australian Vanadium announced a [resource update for Gabanintha](#) that increased the high-grade component to 1% vanadium.

The updated overall resource now totals 175.5 million tonnes at 0.77% vanadium, with the higher-grade section sitting at 93.6Mt at 1% vanadium.

In addition to updating the vanadium resource, Australian Vanadium posted a maiden base metals resource for the project of 12.5Mt at 206 parts per million cobalt, 659ppm nickel and 222ppm copper.

Previous bench scale trials produced sulphide flotation concentrates comprising up to 6.3% base metals.

The current PFS is also evaluating the economic viability to producing the base metals as a by-product of the vanadium mining.

Mr Algar pointed out that the Gabanintha orebody covers 11.5km of strike, which Australian Vanadium owns and has a mining licence pending for more than 8km of the continuous strike.

“We have inferred resources along this whole length giving us a significant opportunity in mine planning and potential mine life extension,” Mr Algar added.

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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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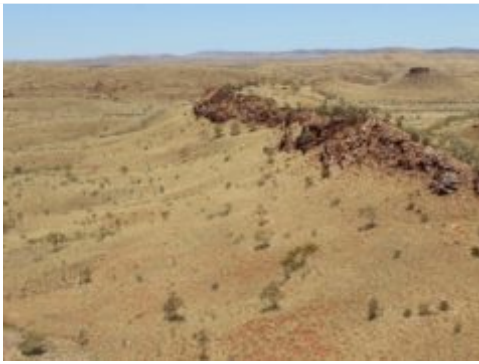
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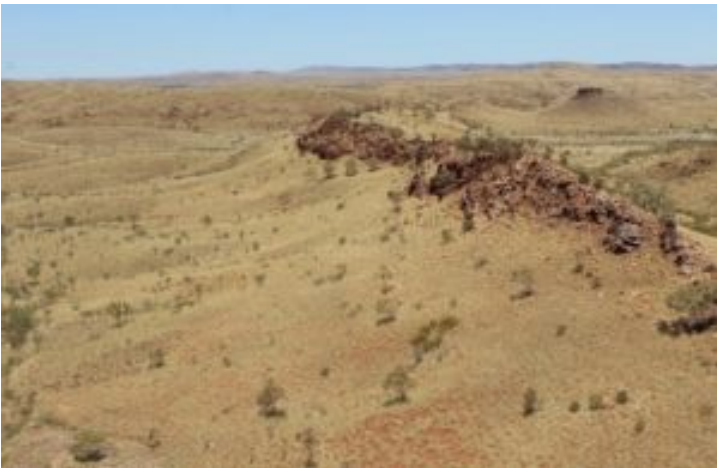
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