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**AMERICAN VANADIUM ENTERS INTO A LETTER OF INTENT TO ACQUIRE THE COMPLETE CELLCUBE™
VANADIUM FLOW BATTERY BUSINESS FROM DMG MORI**

Vancouver, British Columbia – January 11th, 2016 – American Vanadium Corp. (“American Vanadium”) today announced that it has entered into a Letter of Intent (“LOI”) with DMG MORI to acquire DMG MORI’s wholly owned subsidiary, GILDEMEISTER energy storage GmbH (“GES”), manufacturer of the CellCube vanadium flow energy storage system. The LOI provides American Vanadium with the exclusive right to enter into a share purchase agreement (“SPA”) on or before February 29, 2016.

“With 15 years since R&D began, seven years since the commercial launch of its first system and now having installed more than 100 units, the CellCube has successfully been established as the world’s most commercially advanced flow battery. With our plan to provide a CellCube finance program, as well as invest in scaling manufacturing and further reduce CellCube production cost, we look forward to building the business into a global energy storage leader,” stated Bill Radvak, President & CEO of American Vanadium. “Our vertical integration strategy of combining the “best in class” CellCube system and American Vanadium’s future development of high purity vanadium electrolyte from the Gibellini Vanadium Deposit located in Nevada presents a unique opportunity to create a global leader at an opportune time.

An aging utility infrastructure combined with the dramatic growth of renewable energy are strong market drivers towards long duration storage where flow batteries are expected to dominate. Applications of four to twelve hours –such as integrating increasing amount of renewable energy into the grid, enabling microgrids and offgrid power supply solutions, demand charge reduction as well as utility scale grid balancing and transmission & distribution upgrade deferral – are where flow batteries provide the most cost-effective, reliable and safe solution.

Importantly, the energy storage market is acknowledging that flow batteries are a better solution for large capacity, long duration energy storage than lithium ion and other batteries. This was recently supported by a comment from Bill Gates in his white paper entitled “Energy Innovation” which he presented at the recent Paris Climate Control Conference COP21 where he announced his Breakthrough Energy Coalition. In this paper, Gates made a compelling case for investing in energy innovations and examined three innovations that will help achieve an “energy miracle” including: *Flow-batteries that could last longer and hold more energy than lithium ion batteries and that could be used to help store energy created by solar cell and wind power.*

Business to be Acquired

With numerous international, successfully realized and independent reference projects, GES is a leading supplier of proven and commercially available vanadium flow battery systems. Thus far, GES’s installed base of CellCube energy storage systems have accumulated almost two million hours of continuous operation.

CellCube’s patented flow battery technology delivers major benefits to the modern energy market place resulting from a lifetime of 20+ years and unlimited cycles, achieving a low levelized cost of electricity and total cost of ownership compared to other storage technologies. The battery systems are specifically designed for delivering reliable power up to 10 MW with stable energy capacity for long storage durations of 2 to 12 hours. As vanadium flow batteries are not a fire hazard and do not explode, and its vanadium electrolyte is reusable, the vanadium flow battery is a true clean and green technology.

Financing Plans

American Vanadium is working with its advisors to develop a financing plan for the acquisition of GES. Various alternative structures are being evaluated, including the establishment of a wholly-owned subsidiary (“Newco”) for the acquisition and a subsequent financing of Newco. American Vanadium will release further details once plans are finalized.

Trading of American Vanadium Shares

It is expected that the shares of American Vanadium will remain halted until the SPA is executed and further details of the transaction are finalized.

About American Vanadium Corp. American Vanadium is an integrated energy storage company and the Master Sales Agent in North America for the CellCube vanadium flow energy storage system. American Vanadium is developing the Gibellini Vanadium Project in Nevada to be the only dedicated vanadium mine in the United States, providing a critical source of vanadium electrolyte for CellCube energy storage systems.

ON BEHALF OF THE BOARD

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Forward-Looking Statements: This press release contains "forward-looking information" within the meaning of applicable securities laws, including statements with respect to the negotiation of an SPA, the trading halt, the potential acquisition of GES, financing plans, other plans, objectives and strategies for the energy storage business and the Gibellini Vanadium Project, the expected performance of GES' products and competitive products, market opportunities and market developments. 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, including that we may be unsuccessful in negotiating the SPA, in obtaining the financing required to complete the acquisition of GES or in obtaining the necessary regulatory, corporate or contractual approvals to complete the acquisition, the results of the acquisition or the performance of GES' products may differ from our expectations, the market may not adopt our products or may shift, and other factors including a history of losses, inadequate financing, reliance upon key management, the difficulties of integrating acquisitions and scaling operations, regulatory requirements, and the other risk factors included in our annual information form and other disclosure documents available on SEDAR at www.sedar.com. 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.

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