



AMERICAN VANADIUM

THE CRITICAL ELEMENT

PRESS RELEASE

AMERICAN VANADIUM ANNOUNCES PRIVATE PLACEMENT OF UP TO \$1 MILLION AND APPOINTMENT OF NEW CHIEF FINANCIAL OFFICER

August 23, 2011 – **AMERICAN VANADIUM CORP.** (the “Company”) (TSX.V: AVC) is pleased to announce a non-brokered private placement (the “Private Placement”) of up to 667,000 units at the price of CDN\$1.50 per unit (“Unit”) for total proceeds of CAD\$1,000,500. Each Unit consists of one common share in the capital of the Company and one-quarter of a share purchase warrant exercisable at the price of \$2.00 each for a period of 18 months from closing.

Closing of the Private Placement is subject to the receipt of all applicable regulatory approvals. The proceeds of this offering will be used to fund further development of the Company's Gibellini Vanadium Project.

The Company is also pleased to announce the appointment of John Downes as Chief Financial Officer of the Company effective August 23, 2011 who will replace K. Peter Miller. Bill Radvak, CEO and President commented, "We thank Peter for his contributions to the Company and we wish him the best in his future endeavors."

About American Vanadium Corp.

American Vanadium is currently developing the Gibellini Vanadium Project, a vanadium resource located in Nevada, USA. Vanadium is a critical alloying metal used to strengthen steel and is also growing in importance in the emerging uses of mass energy storage and next generation lithium-vanadium batteries. The Company's Gibellini Vanadium Project is unique in its ability to have economic production of vanadium for the steel and alloying industries as well as vanadium electrolyte for the mass storage industry.

ON BEHALF OF THE BOARD

Bill Radvak, President and CEO

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Forward-Looking Statements

Forward-Looking Statements: This press release contains “forward-looking information” within the meaning of applicable Canadian securities laws, including statements regarding the expected use of proceeds from the Private Placement, and future plans and objectives for the Gibellini Project. 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. 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 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.