

Australian Vanadium Ltd

09:46 28 Jul 2020

Australian Vanadium aims to develop robust, long-life vanadium project in WA

Australian Vanadium Ltd (ASX:AVL) (OTCMKTS:ATVVF) has been working hard despite COVID restrictions to develop technology and a mine plan that can go the distance.

Managing director Vincent Algar said that the company had been able to make several significant breakthroughs with pilot plant work in the US around Grate Kiln technology which had demonstrated energy efficiency and adaptability for vanadium roasting.

Pelletisation approach

Algar said: "What we've done that's unique is we've taken the pelletisation process which is commercially very robust, and we've applied it to our vanadium concentrate.

"We've found that when we use the roast and leach the pellets, they are able to give up their vanadium much more readily to the tune of another 8% than what would normally happen.

"We're taking the same material in the front door and getting 8% more vanadium out the back door.

"It's been done before but it's never been done for the full-scale process, and it's never been done in this particular way with the off the shelf iron ore technology that's available everywhere."

Vanadium leach extraction in the most recent optimised pilot-scale testing of a grate-kiln flowsheet, which uses a pelletised concentrate feed, has achieved an average of 93.3% leach extraction.

Reducing operating costs

Additional benefits of the pelletisation process include a reduction in operating costs.

Algar said: "When looking at the capital costs of that off the shelf technology, the impact of getting 8% more vanadium out of the same input is that your throughput of vanadium - which is what you measure your operating costs on - is going to be 8% less.

"And there's other benefits you get like the reduction of gas consumption.

"When we calculate all that we should see quite a significant drop in our operating costs as a result of doing this."

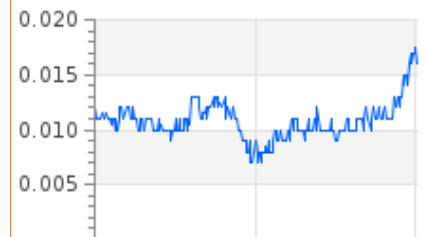
Bankable feasibility study

The company's key driver going forwards is to deliver a bankable feasibility study with an operating cost that can withstand the cyclical lows of the vanadium market.

Price: 0.016

Market Cap: \$41.06 m

1 Year Share Price Graph



September 2019 March 2020 September 2020

Share Information

Code: AVL

Listing: ASX

52 week High Low
0.0185 0.007

Sector: Mining

Website: www.australianvanadium.com.au

Company Synopsis:

Australian Vanadium Ltd (ASX:AVL) is focused on vanadium, seeking to offer investors a unique exposure to all aspects of the vanadium value chain - from resource through to steel and energy storage opportunities.

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Algar said: "Because of our desire to get to bankable level for the study, we are taking a little bit more time but our timeline in terms of financial close remains between July and December next year.

"That's where we feel having had all our work completed to the level where we can attract interest from a bank and also most importantly, have them complete technical due diligence on us with a high degree of satisfaction."

The timeline includes approvals, mining licences, the finalisation of the study and some partial, preliminary due diligence completed on the project - rather than at the end of the study.



AVL's flagship project in WA.

The long game

Algar said that the company was working on ensuring the project was economic and robust for the long haul.

He said: "This is a long project, 20+ years, and the refinery and processing component of this plant could last 50 or 60 years based out of our location near Geraldton, so it's very important from an economic point of view for that region and for the country.

"It's a long-term play, so that's the view we have to take, because we don't want to build something that will be struggling all its life.

"It has to be profitable at every single market and that's our challenge and that's our objective in how we want to run it.

"We might appear to not be in a hurry, but we are very driven, we want to do it right and we want a good return on investment."

Market movements

The company is conscious of pursuing global offtake opportunities when each part of the world is moving at its own pace due to different stages of recovery post COVID.

Algar said: "How do we attack a market that's moving in multiple ways?"

"That's quite challenging but what we do know is that Chinese steel production is still a driver of the vanadium price around the world and therefore a driver of vanadium consumption.

"China is almost back to pre-COVID steel production levels which means they're almost back to pre-COVID vanadium consumption levels."

The company expects to see demand for vanadium out of China increase and is confident it will be on track to meet it.

Algar said: "When the world wakes up in the first quarter next year, in that time (which suits AVL very well) if China is going strong and there will not be enough vanadium around, we'll see the vanadium price boom because of stocks being depleted and that will be a good time for us to be in the position to raise

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