

VR8 INCREASES PROJECT INTEREST IN STEELPOORTDRIFT TO 86.49%

HIGHLIGHTS

- ◆ VR8 increases its interest in Steelpoortdrift by 4.59% to 86.49% (up from 81.90%) through completion of transaction with Math-Pin (Pty) Ltd (Math-Pin)¹, in terms of which Math-Pin sold its interests in subsidiary Vanadium Resources (Pty) Ltd (VanRes) to VR8
- ◆ Consideration for the transaction comprises a combination of cash (ZAR 2,930) and 8,092,810 Share Options to acquire VR8 Shares, which on exercise, will represent 1.48% of the issued share capital of VR8
- ◆ VR8 shares acquired by Math-Pin are subject to a voluntary escrow of 12 months and are also subject to a block trade arrangement to be managed by VR8
- ◆ The increase in the ownership interest to 86.49% has raised the Company's attributable Post Tax NPV_{7.5%} to US\$1.05B (or A\$1.62B²)

VANADIUM RESOURCES LTD (ASX: VR8; DAX: TR3) (the Company), the developer of the Tier 1 Steelpoortdrift Vanadium Project (**the Project**) in Limpopo, South Africa, is pleased to announce that the Company has increased its interest in Vanadium Resources (Pty) Ltd (**VanRes**) to 86.49% (up from 81.90%), following the satisfaction of all conditions precedent³ of the sale and option agreement with Math-Pin (Pty) Ltd (**Math-Pin**).

Mr Jurie Wessels, Executive Chairman of VR8, commented: "We are very pleased to have completed the transaction with Math-Pin and welcome their transition from a private shareholder in VanRes to a shareholder of VR8. As a shareholder of VR8, Math-Pin will still be able to contribute to the future capital requirements of the Project while sharing in VR8's success from the Project and any future endeavours. VR8's increased ownership provides the Company with a stronger base to raise the required construction financing and achieve the critical pathways to develop the Project. We are pleased to have now completed transactions that provide significant value to both parties and aligns with the regulatory environment of the South African Government."

¹ Refer to ASX Announcement dated 3 May 2023 "VR8 Concludes Agreements to Increase its Interest in Steelpoortdrift up to 86.49%"

² Based on an AUD/USD exchange rate of 0.65.

³ Refer to ASX Announcement dated 3 May 2023 "VR8 Concludes Agreements to Increase its Interest in Steelpoortdrift up to 86.49%"

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DETAILS OF THE SALE AND OPTION AGREEMENT

As announced on 3 May 2023³, the Company entered into a Sale and Option Agreement (**the Agreement**) to acquire 100% of the interests held by Math-Pin in the issued shares of VanRes. Under the Agreement, VR8 has acquired Math-Pin's 4.59% stake (293 shares) in VanRes in exchange for cash consideration ZAR 2,930 and 8,092,810 share options to acquire VR8 shares (**Share Options**). Upon exercise of these Share Options, they will convert to 8,092,810 new fully paid VR8 ordinary shares, which will represent a 1.48% interest in the enlarged issued share capital of the Company.

Math-Pin is a "Black Economic Empowerment" (**BEE**) party for the purposes of VanRes complying with the minimum ownership requirements of the government of the Republic of South Africa. Accordingly, the Agreement was subject to several conditions precedent to ensure the ownership position of VanRes remained in compliance with the relevant legislation. Having received approval of the transaction and transfer of shares from the South African Reserve Bank (**SARB**), as well as obtaining legal opinions on the minimum ownership position of VanRes, the Company is pleased to have satisfied or waived all of the conditions precedent to this transaction.

Math-Pin has entered a Voluntary Restriction Deed with VR8 providing for a 12-month escrow period and block trade provisions in relation to the VR8 shares to be issued on exercise of the Share Options. On exercise, the shares will be issued pursuant to the Company's existing placement capacity under ASX Listing Rules 7.1 and thus will not require shareholder approval.

IMPROVED PROJECT NPV

In October 2022, the Company completed a DFS⁴ confirming Steelpoortdrift as a world-class deposit with robust economics over an initial 25-year mine life, 100% ownership post-tax NPV_{7.5%} of US\$1.2B (73.95% ownership attributable NPV of US\$0.9B), IRR of 42% and a 27-month payback on pre-production capex of US\$211M. The increased ownership to 86.49% has raised the Company's attributable NPV_{7.5%} to US\$1.05B (A\$1.62B).

ABOUT VR8

VR8 is focused on developing our flagship projects, the Steelpoortdrift Vanadium project and the Tweefontein Processing project, which are strategically located 15 km apart within the renowned Bushveld Geological Complex in South Africa. The processing site lies in the heart of the renowned Steelpoort Valley where multiple world class mining and processing operations are situated.

Our unique value proposition lies in our ability to tap into our Mineral Resources to provide a reliable and secure supply of vanadium to meet global market demands. Our vision extends far beyond the immediate future; it encompasses a future where steel is stronger, industries are more robust, and the environment is better protected.

⁴ Refer to ASX Announcement dated 4 October 2023 "DFS delivers A\$1.9Bn NPV confirming World Class Project"

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Steelpoortdrift boasts a substantial vanadium deposit (+180 years) for generations to come with a Mineral Resource of 680 million tons at an average in-situ grade of 0.70% V₂O₅ (equivalent to 4.74 million tons of contained metal) and a Proved and Probable Ore Reserve of 77 million tons at an average in-situ grade of 0.72% V₂O₅ (equivalent to 0.55 million tons of contained metal)⁵. From Steelpoortdrift, VR8 intends to produce a vanadium rich concentrate that will then be transported to our nearby state of the art Salt Roast Leach Plant at Tweefontein, where it will be processed to produce up to 18,000t of Vanadium Pentoxide per annum.

At the proposed throughput rates of concentrate for our Tweefontein operations, the Steelpoortdrift Vanadium Project has capacity to produce the required concentrate for a substantial lifespan of over 180 years. This aligns perfectly with our commitment to shaping a sustainable and innovative future.

The Company is currently completing FEED activities, building the project development and execution team, securing debt financing and partnering with strategic groups to ensure the maximum value of the project is unlocked and prepare the Project for Final Investment Decision.

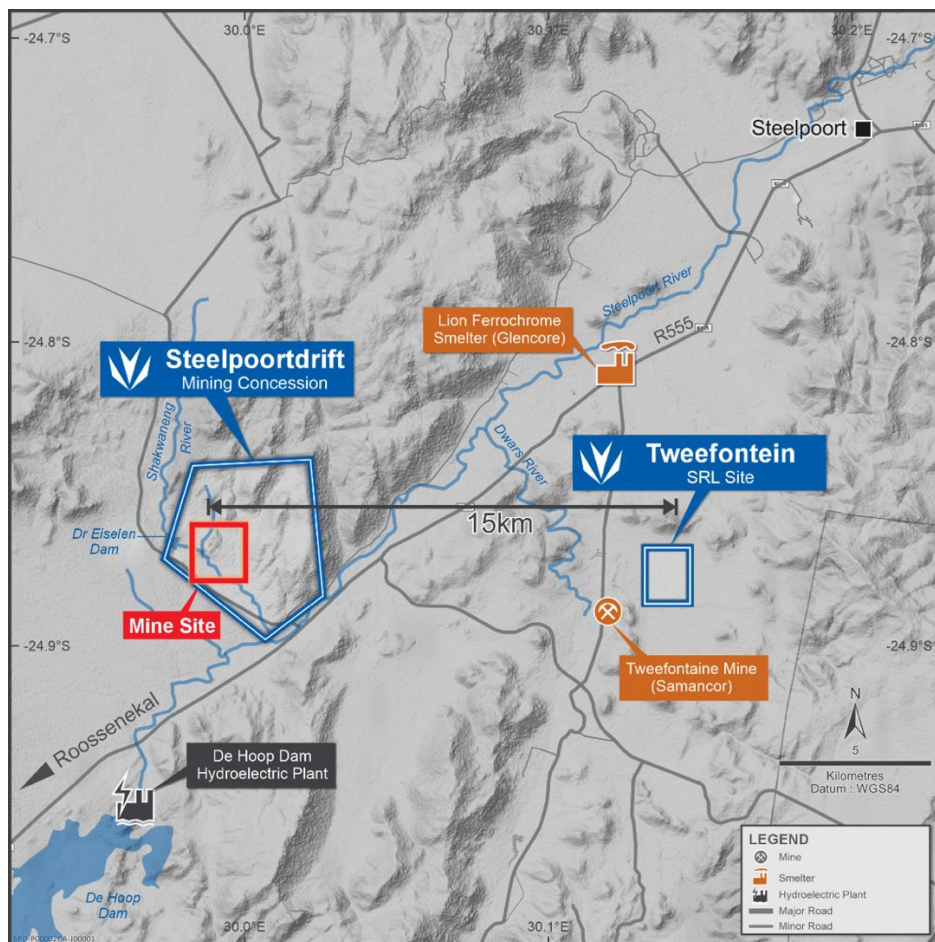


Figure 1: Locations of the Steelpoortdrift Vanadium Project and Tweefontein Processing Project

⁵ Refer to ASX Announcement dated 4 October 2022 “VR8 Updates Mineral Resource and Ore Reserve for the Steelpoortdrift Vanadium Project”



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This announcement has been authorised for release by the board of Vanadium Resources Limited.

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Disclaimer

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which VR8 operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside VR8's control.

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This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by VR8. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.

ASX announcements referenced to directly, or in commentary of, this release

^{1,3} ASX: VR8 3 May 2023, *VR8 Concludes Agreements to Increase its Interest in Steelpoortdrift up to 86.49%*

^{2,4} ASX: VR8 4 October 2022, *DFS delivers A\$1.9Bn NPV confirming World Class Project*

^{5,6} ASX: VR8 4 October 2022, *VR8 Updates Mineral Resource and Ore Reserve for the Steelpoortdrift Vanadium Project*

Competent Persons Statement and Compliance Statements

The information in the referenced announcements footnoted above that relates to Exploration Results, including the Mineral Resources contained within the Production Target (and forecast financial information derived from the production targets) at the Steelpoortdrift project has previously been released to the ASX. The Company confirms that it is not aware of any information or data that materially affects the information included in the market announcement, and that all material assumptions and technical parameters underpinning the announcement continue to apply. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Mineral Resources

The Company confirms it is not aware of any new information or data that materially affects the information included in the 4 October 2022 (VR8 updated mineral resource and ore reserve for the Steelpoortdrift Vanadium Project) Vanadium Resource estimate and all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 04 October 2022. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Ore Reserves

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Ore Reserves Statement and that all material assumptions and technical parameters underpinning the estimates in the Ore Reserves Statement continue to apply and have not materially changed. The Information that has been presented in this report has been extracted from the announcement dated 4 October 2022 (*VR8 updated mineral resource and ore reserve for the Steelpoortdrift Vanadium Project*). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

MINERAL RESOURCE ESTIMATE

The Resource statement as reported on the 4 October 2022⁶ was updated and is as follows:

Table 1: Mineral Resource Estimate (as at 30 April 2022)

CLASSIFICATION	VOLUME (M m ³)	QUANTITY (Mt)	QUALITY (% V ₂ O ₅ In-situ)	CONTAINED V ₂ O ₅ (Mt)	QUALITY (% Fe ₂ O In-Situ)	CONTAINED Fe ₂ O (Mt)
Measured	43.77	145.46	0.72	1.05	22.47	32.68
Indicated	98.75	327.29	0.70	2.29	22.80	74.62
Inferred	63.41	207.38	0.68	1.40	22.90	47.49
Total Mineral Resource	205.93	680.13	0.70	4.74	22.76	154.80

Source: Sound Mining, 2022

Notes:

- Stated at a cut-off grade of 0.45% V₂O₅;
- The Mineral Resources are stated on a 100% attributable basis for VanRes, of which VR8 owns 73.95%;
- The Mineral Resources are inclusive of Ore Reserves; and
- Reported in-situ with any apparent computational errors due to rounding not considered significant.

ORE RESERVE

The updated Ore Reserve statement as at 30 September 2022

Table 2: Ore Reserves as at 30 September 2022

CLASSIFICATION	QUANTITY (Mt)	QUALITY (% V ₂ O ₅ RoM)	CONTAINED V ₂ O ₅ (Mt)
Proved Ore Reserves	30.23	0.70%	0.21
Probable Ore Reserves	46.62	0.72%	0.34
Total Ore Reserves	76.86	0.72%	0.55

Source: Sound Mining, 2022

Notes:

- The Ore Reserves are stated at a price of USD9.50/lb;
- The Ore Reserves are stated on a 100% attributable basis for VanRes, of which VR8 is owns 73.95%;
- The LoM was restricted to a production forecast of 25 years whereafter the mining licence will need to be renewed.
- The Ore Reserves are reported at the point of delivery for processing;
- The Quantity is reported in metric tonnes and the Grade reported as a percentage of contained V₂O₅;
- Any apparent computational errors due to rounding are not considered significant;
- The Ore Reserves may be subject to legal, political, environmental or other risks;
- Losses that could occur as a result of transportation of content or Flake are considered to be negligible; and
- 39% of the Ore Reserves are in the Proved category and no Inferred Mineral Resources included in the Ore Reserve estimate.

⁶ Refer to ASX Announcement dated 4 October 2022 "*VR8 Updates Mineral Resource and Ore Reserve for the Steelpoortdrift Vanadium Project*"