



18 December 2020

COMPLIMENTARY BOARD AND MANAGEMENT CHANGES AHEAD OF PRE-FEASIBILITY STUDY COMMENCEMENT

The Board of Vanadium Resources Limited (ASX: VR8) (VR8 or the Company) wishes to advise that the Company has restructured its board and management team in preparation for the next phase of development of the Steelpoortdrift Vanadium Project.

The Company will shortly commence a Pre-Feasibility study towards production of Vanadium Pentoxide, where particular focus of work will shift towards processing and development of the Steelpoortdrift project, to produce Vanadium Pentoxide products utilising conventional salt roasting methodology.

NEW BOARD AND MANAGEMENT APPOINTMENTS

The Company is pleased to confirm the appointment of Mr Eugene Nel as CEO for the purposes of completing the Pre-Feasibility study and Mr John Ciganek as a Non-Executive Director of the Company. Mr Eugene Nel is a metallurgical and process engineer with extensive global experience and has an intimate knowledge of the Steelpoortdrift Vanadium project, having played a pivotal role in the completion of the recent Scoping Study. Mr John Ciganek is a mining engineer with significant experience in debt and equity financing having worked on both the banking and client side.

Chairman Jurie Wessels commented:

“With the appointment of Eugene Nel as CEO and John Ciganek as a Non-Executive Director, the Company has not only acquired valuable processing and technical capacity critical for the completion of feasibility studies, but the Company has also added considerable experience, funding know-how and other industry specific competencies, which will be highly valuable in developing our world class vanadium project into a global primary vanadium producer.”

Mr Eugene Nel (CEO)

Mr Eugene Nel has 25 years' experience as a metallurgical and process engineer in the operations, management, design and optimisation of mineral beneficiation in Africa, South America, Europe and the Middle East. He has been involved in a number of Gold,

Platinum, Mineral Sands, Chromite and Base metals projects and has assisted client teams throughout project lifecycles and disciplines. As a registered Pr. Tech. Eng. with the Engineering Council of South Africa, as well as member of the Southern African Institute of Mining and Metallurgy and Mine Metallurgical Managers Association of South Africa, he qualifies as a competent person under JORC. Prior to consulting Mr Nel was also Operations Manager at Impala Platinum, as well as at Samancor Chrome Mines. Eugene consulted for a number of successful resource companies, including Pan African Resources, Orion Gold, Jubilee Metals Group, DRD and Sibanye. Eugene holds a B.Tech (Extr. Met.) from the Tshwane University of Technology, as well as a MBA from North West University in South Africa.

As required by ASX Listing Rule 3.16.4, the material terms of Mr Nel's Executive Services Agreement, including remuneration, are set out below in table 1.

Mr John Ciganek (Non-Executive Director)

Mr John Ciganek has worked in the mining sector for more than 30 years. His experience spans working in mining operations, project finance, M&A and the equity capital markets. Mr Ciganek is a mine engineer and holds an MBA. Most recently Mr Ciganek was an executive director for BurnVair Corporate Finance, where he headed the Perth business of BurnVair, which included providing financing and structuring advice, as well as arranging debt and equity financings for capital intensive projects. Prior to joining BurnVair, Mr Ciganek held a range of roles covering business development, research analyst, banks engineer and mining engineer.

DIRECTOR RESIGNATION

To facilitate the appointments of Mr Nel and Mr Ciganek, Mr Bill Oliver has decided to step down as CEO and Director of the Company, effective 18th December 2020. With completion of the Scoping Study and validation of the resource, the geological work over Steelpoortdrift has been completed.

Bill Oliver commented:

“It has been a pleasure working on the Steelpoortdrift Vanadium Project since its acquisition in March 2018, and being part of a team that has assisted in defining a world class resource as well as delivered a successful Scoping Study with strong financial metrics. As the project now moves to development based studies, I feel that it is the right time to

step down. As a shareholder I will certainly be keeping an eye on the project as it moves towards development”

During his term as managing director and CEO, Mr Oliver was responsible for directing the Company’s business in completing exploration over Steelpoortdrift and in declaring the project as the largest published global undeveloped Vanadium Mineral Resource. Mr Oliver’s efforts contributed significantly to the results attained by the recently completed Scoping Study, which demonstrated the potential for strong financial metrics based on current vanadium prices with a forecast NPV8% of between US\$359 million and US\$401 million and operational costs as low as US\$3.07/lb (based on prevailing vanadium prices). The Scoping Study proposed a 1.6Mtpa standalone mining, beneficiation and processing operation to produce between 8,500 and 9,400 tonnes of high purity vanadium flake per annum. Preproduction capital was estimated at between US\$161.5 and US\$187.9 million, which included a 15% contingency.

Chairman Jurie Wessels commented:

“It was a pleasure to work with Bill Oliver in realising Steelpoortdrift’s potential as a pre-eminent vanadium development project. On behalf of the board of VR8 I wish to thank Mr Oliver for his contributions in building value for the Company and I extend our best wishes to him for his future endeavours.”

Table 1 – MR EUGENE NEL CEO REMUNERATION

Base Salary	Au\$5,000 per month
Salary Review Date	n.a.
Term	The earliest of completing the PFS or 6 months
Termination	The Company may, at sole discretion, terminate the Employment by giving 1 week’s written notice if at any time the executive is or becomes incapacitated by illness or injury, becomes of unsound mind, commits any serious or persistent

	<p>breach of any of the terms of the agreement of employment, in the reasonable opinion of the Board is absent in, or demonstrates incompetence, commits or becomes guilty of any gross misconduct or refuses or neglects to comply with any lawful reasonable direction from the board.</p> <p>Summary termination may occur if at any time the Executive is convicted of any major criminal offence which brings the Company or any of its related bodies corporate into lasting disrepute.</p> <p>The Company and the executive may, at sole discretion, terminate the employment by giving the other party one (1) months' written notice.</p>
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This announcement has been authorised for release by the directors of Vanadium Resources Limited.

For and on behalf of the board:

Kyla Garic

Company Secretary

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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BACKGROUND ON VANADIUM

Current day demand for vanadium arises from its established use in strengthening steel via various alloys. Consumption is currently increasing with the recent implementation of stricter standards on the strength of steel to be used in construction (specifically rebar). The use of vanadium in steel making accounts for over 90% of current vanadium demand in today's market.

The most commonly traded vanadium product is 98% V₂O₅ flake, as it can be used directly in steel making or converted to ferrovanadium for additional uses in steel making. Higher purity vanadium products are either produced by a modern plant (such as being planned by VR8) or are further processed from 98% V₂O₅ flake for speciality uses in chemical industries, energy storage and high performance alloying technologies.

Such speciality uses are expected to provide additional longer term demand for vanadium. Vanadium redox flow battery (VRFB) technology was developed in Australia and has a number of advantages in industrial and small town sized energy storage requirements. The global move towards renewable energy solutions will require a vast increase in energy storage installations, which in turn is forecast to result in an increase in the amount of VRFBs being manufactured and installed around the world.

Another emerging use of vanadium is in high-performance light weight alloys. Supply of such alloys is increasing in the aerospace industry, with aeroplanes such as the Boeing Dreamliner 787 and the Airbus A350 now incorporating up to 100 tons of vanadium per aircraft.

This month 98% V₂O₅ flake product continues to trade around \$7.00/lb (US\$15,420/tonne; Fastmarkets Metal Bulletin). Trade remains quiet globally with supply of product largely restored and buyers having re stocked in recent weeks, with any excess material being sold on Chinese markets due to higher prices versus European buyers.

BACKGROUND ON THE STEELPOORTDRIFT VANADIUM PROJECT

The Steelpoortdrift titaniferous magnetite deposit is located in the prolific Bushveld Geological Complex surrounded by known mineral and vanadium production facilities within reach of proven processing plants, railway and road options and ports.

The Steelpoortdrift Vanadium project is licensed with a mining right and the Company is in the process of conducting work towards becoming fully permitted (such as acquiring a water use license) for production and towards studies to verify a pathway of options to produce high purity V₂O₅ flake and other niche products from the suite of elements present in the Titano-magnetite (V, Ti and Fe). The current Scoping Study aims to demonstrate the viability of producing high purity V₂O₅ flake from the Project.

The Steelpoortdrift Vanadium Project compares highly favourably to other vanadium deposits globally (Figure 1), as **the largest published global undeveloped Mineral Resource** (662 million tonnes at an in situ grade of 0.77% V₂O₅, defined above an in-situ grade of 0.45% V₂O₅), as well as **the largest published high grade undeveloped resource** (188 million tonnes at an in situ grade of 1.23% V₂O₅, defined above an in situ resource grade of 1% V₂O₅) (refer ASX Announcement 29 April 2020). A sizeable portion of this high grade resource (68Mt at 1.37% V₂O₅) is hosted in a discrete, massive magnetite unit which outcrops along 4km of strike within the project area. The Company confirms that all material assumptions and parameters underpinning the Mineral Resource Estimate reported in the ASX announcement dated 29 April 2020 continue to apply and have not materially changed, and that it is not aware of any new information or data that materially affects the information that has been included in this announcement.

The Steelpoortdrift Vanadium Project produces a high-quality concentrate containing approximately 2.2% V₂O₅, 12% TiO₂ and 58% Fe (ASX Announcements 18 March 2019 and 24 June 2020). Studies into downstream processing of this concentrate are in progress to confirm its ability to create high value products suitable for the steel, renewable energy

(VRFB battery) and industrial minerals markets. Initial roasting test work return outstanding recoveries of almost 90% vanadium using the established salt roasting – leaching process (ASX Announcement 24 July 2020).

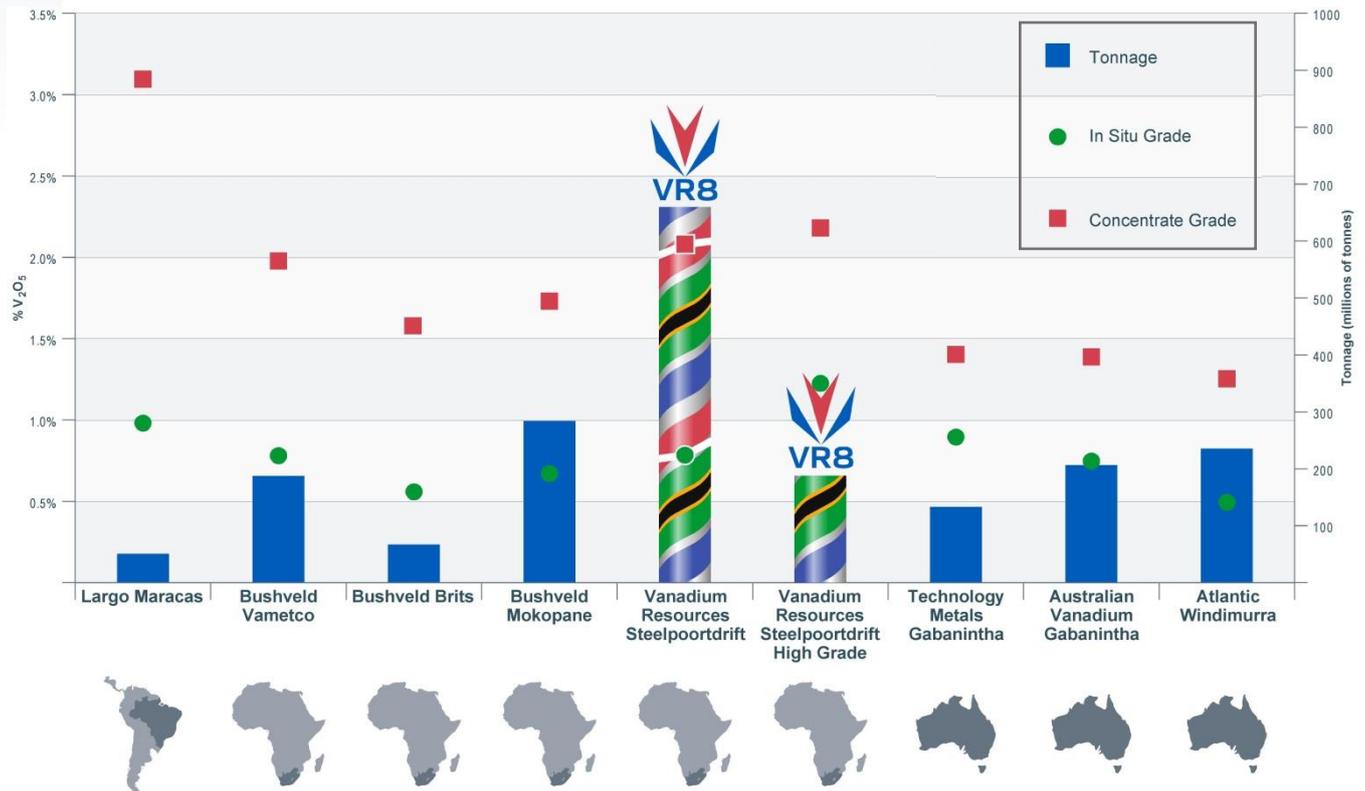


Figure 1. Global vanadium projects categorised by resource grade and grade in concentrate. Chart compares resources reported under different codes and companies at different stages of development as detailed in Appendix 1. Only resources with a quoted in situ grade > 0.45% V₂O₅ are shown in figure.

APPENDIX 1: Data and sources for Peer Comparison (Figure 1)

Company	Project	Stage	Resource Category	Resource Tonnes	Resource Grade	Concentrate Grade	Information Source
Largo LGO.TSX	Maracas	Production	Measured, Indicated & Inferred (43-101)	49.25	0.99	3.10	43-101 Technical Report dated 26/10/2017 http://www.largoresources.com/operations/maracas-menchen-mine
Bushveld BMN.LSE	Vametco	Production	Indicated & Inferred	186	0.78	1.98	Competent Persons' Report on the Vametco Vanadium Mine Jan 2020 https://www.bushveldminerals.com/technical-reports/
	Brits	Development	Indicated & Inferred	66.8	0.56	1.58	Competent Persons' Report on the Brits Vanadium Project Jan 2020 https://www.bushveldminerals.com/technical-reports/
	Mokopane	Development	Indicated & Inferred	285	0.68	1.75	Mokopane PFS Study Report Jan 2016 https://www.bushveldminerals.com/technical-reports/
TNG TNG.ASX	Mt Peake	Development	Measured, Indicated & Inferred	160	0.28	1.20	ASX Announcement 26/03/2013
King River KRR.ASX	Speewah	Development	Measured, Indicated & Inferred	4,712	0.30	2.11	ASX Announcement 01/04/2019 06/11/2019
Pursuit Minerals PUR.ASX	Koitelainen Vosa	Development	Inferred	116.4	0.11	2.25	ASX Announcement 06/02/2019
	Airijoki	Development	Inferred	44.3	0.23	1.70	ASX Announcement 08/03/2019
Australian Vanadium AVL.ASX	Gabanintha	Development	Measured, Indicated & Inferred	208.2	0.74	1.39	ASX Announcement 04/03/2020, 17/03/2020
Technology Metals TMT.ASX	Gabaninth	Development	Indicated & Inferred	131	0.90	1.36	ASX Announcement 29/03/2019