

VR8'S INTEREST IN THE TIER 1 STEELPOORTDRIFT VANADIUM PROJECT INCREASES TO 73.95%

Vanadium Resources Ltd (ASX:VR8) ("VR8" or "the Company"), the developer of the Tier 1 Steelpoortdrift Vanadium Project ("Project") in Limpopo, South Africa, is pleased to announce that it has received approval from the South African Government to receive transfer of an interest of 23.95% in the Project, thereby increasing VR8's interest in the Steelpoortdrift Project to 73.95%. The increase in ownership comes at no cost to VR8, given all consideration shares for the acquisition of the asset were issued in September 2019.

VR8's Executive Chairman, Jurie Wessels stated: "The approval by the Minister has now cemented VR8's control and ownership of the world-class Steelpoortdrift Vanadium Project, making it possible for the Company to confidently prepare the required runway towards securing construction finance and attracting the right mix of financial partners and stakeholders".

The significance of the ownership increase for VR8 on the base case project metrics from its Pre-Feasibility Study (PFS), are shown in the table below from the Company's PFS announcement released on the 22nd June 2021¹.

Study Outcomes	Based on previous 50% ownership	Based on final 73.95% ownership	Total project as reported in PFS (100% basis)
EBITDA LoM (US\$M)	N/A	N/A	US\$5 777m
EBITDA per annum (US\$M)	N/A	N/A	US\$231m
NPV _{8%} (US\$M, post-tax)	US\$598m	US\$884m	US\$1 196m
IRR (US\$, post-tax, 100% equity)	N/A	N/A	45%
Payback Period	N/A	N/A	25 months
LoM (Mining schedule)	N/A	N/A	25 years
Pre-production CAPEX (US\$, incl. contingency)	N/A	N/A	US\$200m
Expansion CAPEX (US\$, incl. contingency)	N/A	N/A	US\$147.2m
Sustaining CAPEX LoM (US\$)	N/A	N/A	US\$99.4m
Average cash operating costs (US\$/lb V ₂ O ₅) ¹	N/A	N/A	US\$3.08/lb
Annual V ₂ O ₅ production over LoM (Mlbs)	N/A	N/A	39m lbs
Vanadium Price (US\$/lb)	N/A	N/A	US\$9.03/lb
Average LoM Strip Ratio	N/A	N/A	1.92
Processing Rate Mtpa	N/A	N/A	1.6 (initial) - 3.2 (post expansion) Mtpa

Table 1 . Study outcomes for preferred base case option

¹ Refer to ASX Announcement 22 June 2021. 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.

A Definitive Feasibility Study (DFS) is underway at the Project to undertake mining operations and to construct a concentrator and salt roast plant, potentially capable of initially producing 12,500tpa of V₂O₅ flake at an estimated capex of US\$200m². The DFS is expected to be completed by Q3-2022, and will potentially enable the Company to raise the requisite construction finance and to commence with exploitation and processing operations soon afterwards.

Effective control of Steelpoortdrift is an important step for VR8's strategy to become one of the world's largest and highest grade vanadium producers. VR8's increase in control of the Project is likely to make the Company more attractive to potential financial partners and stakeholders.

Background on the S11 process and approval

The Minister of the Department of Mineral Resources and Energy has granted ministerial approval in terms of section 11 of the Minerals and Petroleum Resources Development Act 28 of 2004 ("MPRDA"), for VR8 to take effective control of the Steelpoortdrift mining right owned by Vanadium Resources (Proprietary) Limited ("VanRes"). As a result, VR8 will be receiving transfer of the remaining 23.95% of the issued shares in VanRes already conditionally acquired by the Company, and VanRes will become a subsidiary of VR8.

In July 2018 VR8 entered into a sale and purchase agreement with the vendors of VanRes for the acquisition of 73.95% of the issued shares in VanRes (which company owns the Project). During September 2019 this transaction was completed up to the point of VR8 acquiring only 50% of the issued shares in VanRes, thereby not attaining more than 50% and effective control of VanRes for which ministerial approval is required in terms of section 11 of the MPRDA. With the section 11 now approved, the transfer of the additional 23.95% of the issued shares in VanRes can take place and will bear **no further purchase consideration, given vendor consideration was already issued in September 2019.**

This announcement has been authorised for release by the Board of Vanadium Resources Ltd.

For further information please contact:

Jurie Wessels

Executive Chairman

VANADIUM RESOURCES LIMITED

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² Refer to ASX Announcement 22 June 2021. 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.

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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COMPETENT PERSONS STATEMENT

The information in this announcement that relates to Mineral Resources, including the Mineral Resources contained within the Production Target, complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**) and has been compiled, assessed and created by Mr Kerry Griffin BSc.(Geology), Dip Eng Geol., a Member of the Australian Institute of Geoscientists and a Principal Consultant at Mining Plus Pty Ltd, consultants to the Company. Mr Griffin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Griffin is the competent person for the resource estimation and has relied on provided information and data from the Company, including but not limited to the geological model and database.

The information in this announcement that relates to geotechnical studies, the mine design criteria and the mine design only, is aligned with the JORC Code and has been compiled and assessed under the supervision of Vaughn Duke, a Professional Engineer of the Engineering Council of South Africa and a Fellow of the South African Institute of Mining and Metallurgy. Mr Duke is a Principal Mining Engineer and Partner of Sound Mining Solution Pty Ltd. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Duke consents to the inclusion in this announcement of the information related to the geotechnical and mining engineering components of the PFS in the form and context in which it appears.

The information in this announcement that relates to metallurgy has been compiled and assessed under the supervision of Mr Eugene Nel, a Professional Engineer of the Engineering Council of South Africa and a Member of the South African Institute of Mining and Metallurgy (both Recognised Professional Organisations as defined in the JORC Code). Mr Nel is the Chief Executive Officer (CEO) of VR8, and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration

and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Nel consents to the inclusion in this announcement of matters based on his information in the form and context in which it appears.

As stated above at footnotes 1 and 2, 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.