

7 March 2022

DFS UPDATE: TRIAL MINING AND BULK SAMPLING PROGRESS

VANADIUM RESOURCES LTD (ASX:VR8) (“VR8” OR “THE COMPANY”), is pleased to provide an update on its Definitive Feasibility Study (“**DFS**”) over the Steelpoortdrift Vanadium Project and wishes to report that trial mining for the collection of a bulk sample has commenced. VR8 is developing its tier 1 Steelpoortdrift Vanadium project in Limpopo, South Africa. VR8 is currently conducting a DFS 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\$200M¹.

HIGHLIGHTS

- ◆ Trial mining for the collection of a bulk sample for pilot plant test work has commenced
- ◆ Fresh unweathered mineralised material intersected 2-3m from surface, which is considerably shallower than originally anticipated
- ◆ Geotechnical drilling for mine design and benching nearing completion
- ◆ The DFS is progressing on time and within budget

TRIAL MINING AND BULK SAMPLING UPDATE

VR8 is pleased to announce the progress of an Association for the Advancement of Cost Engineering class 3 DFS for the Steelpoortdrift Vanadium project located in Limpopo, South Africa. The DFS is a natural progression of the Pre-Feasibility Study (“**PFS**”) recently completed¹ with the aim of producing a high purity (>98% V₂O₅) vanadium product from primary Run-of-Mine mineralised material. As part of the DFS, a trial mining and bulk sampling campaign was initiated with the aim to extract fresh (unweathered) mineralised material from the project for the purposes of pilot plant metallurgical test campaigns.

As limited information was available on the oxidation state of the mineralised zones near surface (less than 6m from surface), the trial pit design was based on extracting the bulk sample from a depth of 10m, to ensure fresh unweathered ore is sampled. During pit preparation the main high grade mineralised zone (LMZ1A) was exposed at surface (Refer photos in Figure 1 & 2 below).

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.

Fresh unweathered mineralised zones were exposed from a depth of 2-3m below surface, which was considerably shallower than originally anticipated and has resulted in no requirement to blast.

The significance of the above outcomes is:

1. The weathered portion of the orebody has been found to be significantly lesser than anticipated,
2. High grade Run-of-Mine plant feed material can be exposed and mined close to surface, which will minimize upfront mine establishment requirements, and,
3. Bulk sampling could be undertaken by mechanical means eliminating the requirement for blasting during the bulk sampling campaign.

Bulk sampling is expected to be completed during March 2022 with pilot plant test work to commence from April 2022.

GEOTECHNICAL DRILLING PROGRESS

The Company's contractors have commenced with the geotechnical drilling on site (Refer photo in Figure 3 below). The geotechnical drilling will investigate the mechanical strength and properties of material down to approximately 70m below surface to provide data for mine design of the pit shells and benching prior to construction.

The DFS continues to remain on time and within budget at present.



Figure 1 – Preparation of bulk sampling trial mining area



Figure 2: Mineralised High Grade LMZ1A zone exposed near surface



Figure 3: Geotechnical drilling progressing

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

For further information please contact:

Jurie Wessels

Executive Chairman

VANADIUM RESOURCES LIMITED

contact@VR8.global

PREVIOUSLY REPORTED INFORMATION

As stated above in footnote 1, 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 several 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.