



**VANADIUM RESOURCES LIMITED**

**ABN 47 618 307 887**

**FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED**

**31 DECEMBER 2021**

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**Board of Directors**

Mr Jurie Wessels

Executive Chairman

Mr Nico Van Der Hoven

Non-Executive Director

Mr Michael Davy

Non-Executive Director

Mr John Ciganek

Non-Executive Director

**Company Secretary**

Ms Kyla Garic

**Registered Office and Principal Place of Business**

Suite 7, 63 Shepperton Road  
Victoria Park WA 6100

Telephone: 08 6158 9990

Website: [www.vr8.global](http://www.vr8.global)

Stock Exchange Listing

Listed on the Australian Securities Exchange (ASX Code: VR8)

**Auditors**

RSM Australia Partners

Level 32, 2 The Esplanade

Perth WA 6000

**Solicitors**

Steinepreis Paganin

16 Milligan Street

Perth WA 6000

**Bankers**

National Australia Bank Limited

197 St Georges Terrace

Perth WA 6000

**Share Registry**

Automic Share Registry

Level 5/191 St Georges Terrace

Perth WA 6000

Telephone: 08 9698 5414

# VANADIUM RESOURCES LIMITED

## DIRECTORS' REPORT

The Directors of Vanadium Resources Limited (“the Company”) present their report, together with the financial statements on the consolidated entity consisting of Vanadium Resources Limited and its controlled entities for the half-year ended 31 December 2021 (“the Period”).

It is recommended that the Directors' Report be read in conjunction with the annual financial statements for the period 30 June 2021 and considered together with any public announcements made by the Company during the Period and up to the date of this report.

### 1. DIRECTORS

The names of the Company's Directors who held office from 1 July 2021 until the date of this report are set out below. The Directors were in office for this entire period unless otherwise stated.

Name	Status	Appointment/ Resignation
Mr Jurie Hendrik Wessels	Executive Chairman	Appointed on 26 July 2019
Mr Nicholas Phillipus Jacobus Van Der Hoven	Non-Executive Director	Appointed on 26 July 2019
Mr Michael Davy	Non-Executive Director	Appointed 1 December 2019
Mr John Ciganek	Non-Executive Director	Appointed 18 December 2020

### 2. REVIEW OF OPERATIONS AND ACTIVITIES

During the half year ended 31 December 2021, the Company secured and completed a \$4.6m strategic placement with Raubex Pty Ltd (Raubex), a wholly owned subsidiary of JSE listed Raubex Group Ltd, which is a South African infrastructure development, mining services and materials supply group. 44,230,769 ordinary shares were issued at a placement price of \$0.104 per share, the placement represented a 64% premium to the 30-day VWAP of the Company's share price.

This was a key achievement during the 6-month period as it has resulted in the Company being fully funded to complete the Definitive Feasibility Study (“DFS”) at Steelpoortdrift up to Final Investment Decision (“FID”). In addition to the placement the Company entered into an arm-length mining services agreement with Raubex's wholly owned contract mining subsidiary SPH Kundalila (Pty) Ltd (“SPH”).

#### MINING SERVICES AGREEMENT

The Mining Services Agreement allows SPH to provide open-cast mining by excavation and ancillary services such as drilling, blasting, hauling (ROM and waste), stockpile management and backfilling for the duration of the life of mine of the Steelpoortdrift Vanadium Project completed in accordance with its DFS.

The services will be rendered at arm's length terms i.e., at generally accepted market related commercial terms applicable to open cast mining and materials handling operations operated by public companies in South Africa, and at a consideration that will be commensurate with a Bills of Quantities and Rates LOM (“Bills of Quantities”) that was proposed by SPH during the Pre-Feasibility Study (“PFS”) as part of a competitive bidding process. The Mining Services Agreement will be modified from time to time during every 36-month contract cycle in accordance with a basket of indices applicable to the mining industry in South Africa.

The agreement includes the following additional terms:

- In the event of a take-over offer being received by VanRes, or by VR8, which includes a condition that the Mining Services Agreement be terminated, then SPH must agree to termination subject to the offeror purchasing, at market related cost, from SPH all movable plant, equipment and machinery SPH acquired to render the Services, and the offeror paying for the costs of any fixed infrastructure installed by SPH plus a cancellation fee equal to 20% of the NPV of the mining contract.

### 2. REVIEW OF OPERATIONS AND ACTIVITIES (continued)

- If VanRes is (or at least two directors of VanRes are) of the view, in its sole and unfettered discretion, that the consideration for the Mining Services Agreement is not on arms-length terms, then and in that event, VanRes has (or the two directors have) the right to refer the calculation of the consideration to an independent expert estimator (agreed to by both parties) for final adjudication and adjustment.
- Working capital expenditure towards mining equipment will be amortised over the lifetime of the mining equipment and only for the period the equipment is used at Steelpoortdrift.
- Payment terms will be 60 days from statement, however, to facilitate start-up of the Steelpoortdrift mining operation, payment can be delayed to up to 90 days, at the prime lending rates in South Africa plus 2%.
- Following a decision by VanRes to develop a mine at Steelpoortdrift, SPH will have the first right of refusal to exclusively conduct the services at the arms-length consideration adapted for inflation (as described above), which right of first refusal must be exercised within the first 3 months from the date a decision to mine has been made by VANRES (to conduct mining operations). This right is renewable every 36-month cycle.

### DEFINITIVE FEASIBILITY STUDY (DFS) PROGRESS

The DFS is considered a natural progression post a positive Pre-Feasibility Study (“PFS”). The PFS was completed<sup>1</sup> in FY 2021 with the aim to produce a high purity (>98% V<sub>2</sub>O<sub>5</sub>) vanadium product from primary Run-of-Mine mineralised material. The Company has appointed a highly qualified team of engineering and consulting firms who have extensive experience in their various fields as contributors to the final DFS design, some of the firms were intimately involved with the completion of the PFS.

The DFS is progressing within budget and on time (refer to ASX announcement 1 December 2021: Update on DFS progress) with the following activities completed:

- All major contractors and engineering consultancies have been appointed and orders placed with all required workstreams progressing.
- Trial mining pits have been located and designed for the purpose of collecting a composite 100-ton bulk sample from the main mineralised zones. SPH have been appointed to conduct the trial mining of these pits, including collection of the mineralised material. Final regulatory permitting has been completed for these pits with all legal appointments having been made and equipment is currently being mobilised to site, with the target date for commencement of trial mining being end January 2022. Bulk samples collected will be used for Pilot Plant campaigns through Multotec (OEM magnetic separator supplier), as well as Mintek (Salt Roast R&D laboratory).
- Specialist studies required for final environmental permitting, as well as updating of existing permits have commenced and will continue over a 6-month period in order to span over both wet and dry seasons. These studies will form basis of final environmental permitting applications.
- Plant, waste dump and pit locations have been finalised with geotechnical borehole and trench positions identified and pegged in the field. Geotechnical drilling and sampling will commence end January 2022 with a 2-month work program planned.
- Engineering designs and equipment sizing is progressing on time and within budget for the Concentrator, Salt Roast plant and waste facilities.

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<sup>1</sup> 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.

# VANADIUM RESOURCES LIMITED

## DIRECTORS' REPORT

### 2. REVIEW OF OPERATIONS AND ACTIVITIES (continued)

#### MINERAL RESOURCE AND ORE RESERVES<sup>2</sup>

There were no material changes to the Company's Mineral Resources stated as at 31 July 2020. During the half year the Company declared its maiden Ore Reserve for the Steelpoortdrift project (Project). The information was based on the completed PFS<sup>1</sup>. The Company commissioned Sound Mining Solution (Pty) Ltd to complete the Ore Reserve statement for the project.

The Ore Reserve statement, which amounts to 73.85Mt at a grade of 0.75% V<sub>2</sub>O<sub>5</sub>, is declared in accordance with the JORC Code (2012 edition). The Ore Reserve statement should be read in conjunction with the respective explanatory Mineral Resources and Ore Reserves information included in ASX announcement of 22 July 2021 (VR8 maiden Ore Reserve additional information), which forms the basis of the economic assessment and Project Ore Reserve statement. Of the total Ore Reserves, 31.17Mt is in the Proven category with the balance in Probable category. The High-Grade portion of the Ore Reserve totals to 40.25Mt at an average grade of 0.96% V<sub>2</sub>O<sub>5</sub>.

#### Mineral Resource Estimate (as at 31 July 2020)

Category	V <sub>2</sub> O <sub>5</sub> Range (%)	Volume (M m <sup>3</sup> )	Quantity (Mt)	V <sub>2</sub> O <sub>5</sub> (%)	Fe <sub>2</sub> O <sub>3</sub> (%)
Measured	0.45* to 0.90	20.3	66.0	0.59	19.98
	>0.90	7.2	26.3	1.22	34.20
	<b>Sub-total</b>	<b>27.5</b>	<b>92.3</b>	<b>0.77</b>	<b>24.03</b>
Indicated	0.45* to 0.90	61.8	201.2	0.59	20.21
	>0.90	22.7	83.2	1.24	35.06
	<b>Sub-total</b>	<b>84.5</b>	<b>284.4</b>	<b>0.78</b>	<b>24.55</b>
Inferred	0.45* to 0.90	63.2	206.9	0.60	20.96
	>0.90	21.3	78.4	1.22	35.18
	<b>Sub-total</b>	<b>84.5</b>	<b>285.3</b>	<b>0.77</b>	<b>24.87</b>
<b>Total (0.45 to 0.90)</b>		<b>145.3</b>	<b>474.1</b>	<b>0.59</b>	<b>20.51</b>
<b>Total (&gt;0.90)</b>		<b>51.2</b>	<b>187.9</b>	<b>1.23</b>	<b>34.99</b>
<b>Total</b>		<b>196.5</b>	<b>662.0</b>	<b>0.77</b>	<b>24.62</b>

Source: Mining Plus, Steelpoortdrift Vanadium Project Mineral Resource Estimate Report, July 2020

Note: \*0.45% V<sub>2</sub>O<sub>5</sub> being the Mineral Resource cut-off grade as declared by the Mining Plus Competent Person

#### <sup>2</sup> Mineral Resources

The Company confirms it is not aware of any new information or data that materially affects the information included in the 31 July 2020 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 29 April 2020 (*Mineral Resource Update Confirms Steelpoortdrift's Global Vanadium Standing*). 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 Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Maiden Ore Reserves Statement. The Information that has been presented in this report has been extracted from the announcements made being the Pre-Feasibility Report dated 22 June 2021 (*Steelpoortdrift PFS delivers superior results*) and Ore Reserve Statement dated 22 July 2021 (*VR8 declares maiden ore reserve additional information*). 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.

**2. REVIEW OF OPERATIONS AND ACTIVITIES (continued)**

**Ore Reserve<sup>2</sup>**

<b>Ore Reserves as at 30 June 2021</b>									
<b>Material Type</b>	<b>Proved</b>			<b>Probable</b>			<b>Total</b>		
	<b>Quantity (Mt)</b>	<b>Grade (%)</b>	<b>Vanadium Content (Mt)</b>	<b>Quantity (Mt)</b>	<b>Grade (%)</b>	<b>Vanadium Content (Mt)</b>	<b>Quantity (Mt)</b>	<b>Grade (%)</b>	<b>Vanadium Content (Mt)</b>
<b>HG RoM Material</b>	<b>15.57</b>	<b>1.01%</b>	<b>0.16</b>	<b>24.68</b>	<b>0.93%</b>	<b>0.23</b>	<b>40.25</b>	<b>0.96%</b>	<b>0.39</b>
<b>MG RoM Material</b>	<b>15.60</b>	<b>0.51%</b>	<b>0.08</b>	<b>18.00</b>	<b>0.50%</b>	<b>0.09</b>	<b>33.60</b>	<b>0.50%</b>	<b>0.17</b>
<b>Total Mineral Reserve</b>	<b>31.17</b>	<b>0.76%</b>	<b>0.24</b>	<b>42.68</b>	<b>0.75%</b>	<b>0.32</b>	<b>73.85</b>	<b>0.73%</b>	<b>0.56</b>

Source: Sound Mining, 2021

*Notes*

- Ore Reserve Statement is stated at a price of USD6.00/lb as at 30 June 2021.
- Quantity and grade measurements are reported at the delivery to plant in metric units (Mt) and head grade, both of which are rounded to two decimal places.
- Approximately 6.91Mt of MG RoM at an average grade of 0.50% V<sub>2</sub>O<sub>5</sub> remains untreated within the stockpile over the LoM. The CP has excluded this material from the Ore Reserve Statement.
- Apparent computational errors are due to rounding and are not considered significant.
- Losses that could occur as a result of transportation of content or flake are considered to be negligible for the purpose of the maiden Ore Reserve Statement.
- Vanadium Resources currently has an ownership of 50% of the Project (will be increased to 73.95% ownership pending final S11 governmental approval, with no further consideration payable by VR8 for the additional 23.95%).
- No account of concentrate or flake loss during transportation was taken into consideration. However, this was deemed to be immaterial in the context of the viability of the Ore Reserve as stated.
- Inferred Mineral Resource material has not been included in the Ore Reserve Estimate.

**ESG TECHNOLOGY DEVELOPMENT**

Following the acquisition of an integrated ESG processing technology (Refer to ASX announcement 1 April 2021):

Integrated ESG processing technology acquired in FY 2021 – has been in development. The development is being conducted completely independent of the current mine design and will not impact the current process design costs or timelines.

**CORPORATE**

On 11 October 2021, the Company completed a strategic placement to raise \$4.6 million dollars, further details are noted above.

During the period the Company issued 9,437,500 fully paid ordinary shares at \$0.053 per share pursuant to the exercise of unlisted options to raise ~\$500,000.

On 27 September 2021, 9,625,000 Class A Performance Rights and 5,000,000 Class B Performance Rights were issued to related parties and employees of the Company. The 5,000,000 Class B Performance Rights vested on satisfaction of the following vesting condition being a strategic investor (being a person or entity) investing not less than AUD\$4.5 million into the Company at price per share of not less than \$0.08 per share. 1,000,000 of the Class B Performance Rights were converted to fully paid ordinary shares on the 18 November 2021.

# VANADIUM RESOURCES LIMITED

## DIRECTORS' REPORT

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### 3. SIGNIFICANT CHANGES TO THE STATE OF AFFAIRS

Refer to the review of operations and activities for the significant changes in the state of affairs of the consolidated entity during the half year.

### 4. FINANCIAL RESULTS

The financial results of the consolidated entity for the half-year ended 31 December 2021 are:

	31 December 2021	30 June 2021
Cash and cash equivalents (\$)	4,867,753	1,802,619
Net assets (\$)	27,568,061	23,213,337

	31 December 2021	31 December 2020
Net loss after tax (\$)	(808,735)	(121,153)
Loss per share (cents)	(0.18)	(0.03)

### 5. EVENTS OCCURRING AFTER REPORTING DATE

The impact of the COVID-19 pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The Company announced on 19 January 2022 that it had received approval from the South African Government to receive transfer of an interest of 23.95% in Steelpoortdrift Vanadium Project ('Project') in Limpopo, South Africa, thereby increasing the company's interest in the Steelpoortdrift Project to 73.95%. The consideration for the increase had been exchanged in September 2019.

On 2 February 2022, the Company announced the appointment of Foster Stockbroking Pty Ltd as corporate advisor on a six-month term. Issuance of 5 million unlisted options (exercisable at \$0.10 and 2-year expiry) to corporate advisor in consideration for the services, subject to the company achieving a share price of \$0.15 on a 15-day VWAP during the first 9 months from the commencement of the mandate.

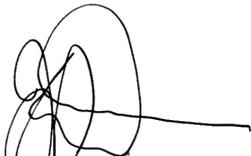
Other than the above, there are no other matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

**6. AUDITOR'S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 10 for the half-year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

**JH Wessels**  
**Chairman**  
**9 March 2022**



**RSM Australia Partners**

Level 32 Exchange Tower,  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Vanadium Resources Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

AIK KONG TING  
Partner

Perth, WA  
Dated: 9 March 2022

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RSM Australia Partners ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

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## VANADIUM RESOURCES LIMITED

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	31 December 2021 \$	31 December 2020 \$
Other income		100	28
Consulting and legal fees		(10,915)	(7,239)
Director fees		(36,000)	(22,252)
Company secretary and financial management		(24,000)	(24,000)
Share and company registry fees		(63,407)	(17,741)
Other expenses		(300,026)	3,656
Share based payment expenses		(62,272)	-
Professional fees		(20,776)	-
Share of losses of associates accounted for using the equity method	4	(291,440)	(53,605)
<b>Loss before income tax for the period</b>		<b>(808,735)</b>	<b>(121,153)</b>
Income tax expense		-	-
<b>Loss after income tax for the period</b>		<b>(808,735)</b>	<b>(121,153)</b>
<b>Total comprehensive loss for the year attributable to members of Vanadium Resources Limited</b>		<b>(808,735)</b>	<b>(121,153)</b>
<b>Loss per share for the year attributable to the members of Vanadium Resources Limited:</b>			
Basic and diluted loss per share	6	(0.18)	(0.03)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

**VANADIUM RESOURCES LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

	Note	31 December 2021 \$	30 June 2021 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		4,867,753	1,802,619
Trade and other receivables		34,201	37,988
<b>Total Current Assets</b>		<b>4,901,954</b>	<b>1,840,607</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Exploration and evaluation assets		4,715,904	4,715,904
Investments accounted for using the equity method	8	15,681,677	15,973,117
Plant and equipment		5,709	6,133
Other receivables		2,328,942	748,742
<b>Total Non-Current Assets</b>		<b>22,732,232</b>	<b>21,443,896</b>
<b>TOTAL ASSETS</b>		<b>27,634,186</b>	<b>23,284,503</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		66,125	71,166
<b>Total Current Liabilities</b>		<b>66,125</b>	<b>71,166</b>
<b>TOTAL LIABILITIES</b>		<b>66,125</b>	<b>71,166</b>
<b>NET ASSETS</b>		<b>27,568,061</b>	<b>23,213,337</b>
<b>EQUITY</b>			
Issued capital	7	31,130,139	26,028,952
Reserves		62,272	5,043,562
Accumulated losses		(3,624,350)	(7,859,177)
<b>TOTAL EQUITY</b>		<b>27,568,061</b>	<b>23,213,337</b>

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

## VANADIUM RESOURCES LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
<b>At 1 July 2021</b>	<b>26,028,952</b>	<b>5,043,562</b>	<b>(7,859,177)</b>	<b>23,213,337</b>
Loss for the period	-	-	(808,735)	(808,735)
<b>Total comprehensive loss for the year after tax</b>	<b>-</b>	<b>-</b>	<b>(808,735)</b>	<b>(808,735)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issued capital	4,600,000	-	-	4,600,000
Options and rights exercised	501,188	-	-	501,188
Share based payments on issue of performance shares	-	62,272	-	62,272
Expiry of options	-	(5,043,562)	5,043,562	-
<b>Balance at 31 December 2021</b>	<b>31,130,139</b>	<b>62,272</b>	<b>(3,624,350)</b>	<b>27,568,061</b>

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
<b>At 1 July 2020</b>	<b>24,033,208</b>	<b>5,995,358</b>	<b>(8,227,706)</b>	<b>21,800,860</b>
Loss for the period	-	-	(121,153)	(121,153)
<b>Total comprehensive loss for the year after tax</b>	<b>-</b>	<b>-</b>	<b>(121,153)</b>	<b>(121,153)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Expiry of options	-	(951,796)	951,796	-
<b>Balance at 31 December 2020</b>	<b>24,033,208</b>	<b>5,043,562</b>	<b>(7,397,063)</b>	<b>21,679,707</b>

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

**VANADIUM RESOURCES LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	<b>31 December 2021</b>	<b>31 December 2020</b>
	\$	\$
<b>Cash flows from in operating activities</b>		
Payments to suppliers and employees	<b>(457,028)</b>	(156,962)
Interest received	<b>100</b>	28
GST refund	<b>35,875</b>	(12,516)
<b>Net cash flows used in operating activities</b>	<b>(421,053)</b>	(169,450)
<b>Cash flows from investing activities</b>		
Payments for capitalised exploration and evaluation	-	(42,515)
Loan to Vanadium Resources (Pty) Ltd	<b>(1,615,000)</b>	-
<b>Net cash flows used in investing activities</b>	<b>(1,615,000)</b>	(42,515)
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	<b>5,101,187</b>	-
<b>Net cash flows provided by financing activities</b>	<b>5,101,187</b>	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,065,134</b>	(211,965)
Cash and cash equivalents at the beginning of the year	<b>1,802,619</b>	248,860
<b>Cash and cash equivalents at the end of the year</b>	<b>4,867,753</b>	36,895

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

**Significant accounting judgements and key estimates**

The preparation of the interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2021.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**NOTE 2: DIVIDENDS**

No dividends were paid or proposed to be paid to members during the half-year ended 31 December 2021.

## VANADIUM RESOURCES LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

#### NOTE 3: OPERATING SEGMENTS

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the Chief Operating Decision Maker (the Board of Directors) in allocating resources and have concluded that at this time there are no separately identifiable operating segments.

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report in the same information that is viewed by the Board of Directors.

The consolidated entity is currently operating in one business segment being an administrative entity in the exploration sector and two geographic segments being Australia and South Africa.

<b>2021</b>	<b>Australia</b>	<b>South Africa</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Other revenue	<u>100</u>	-	<u>100</u>
Total segment revenue	<u>100</u>	-	<u>100</u>
Loss before income tax expense	<u>(342,940)</u>	<u>(465,795)</u>	<u>(808,735)</u>
Total Segment Assets	<u>7,864,718</u>	<u>19,769,469</u>	<u>27,634,186</u>
Total Segment Liabilities	<u>(66,125)</u>	-	<u>(66,125)</u>
<b>2020</b>	<b>Australia</b>	<b>South Africa</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Other revenue	<u>28</u>	-	<u>28</u>
Total segment revenue	<u>28</u>	-	<u>28</u>
Loss before income tax expense	<u>(67,548)</u>	<u>(53,605)</u>	<u>(121,153)</u>
Total Segment Assets	<u>2,524,357</u>	<u>19,174,971</u>	<u>21,699,328</u>
Total Segment Liabilities	<u>(19,621)</u>	-	<u>(19,621)</u>

#### NOTE 4: SHARE OF PROFITS OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Share of loss - associates	<u>291,440</u>	<u>53,605</u>

#### NOTE 5: CONTINGENCIES AND COMMITMENTS

There are no changes in the consolidated entity's contingencies and commitments from 30 June 2021.

# VANADIUM RESOURCES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### NOTE 6: LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the 6-months attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the 6 months plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	31 December 2021 \$	31 December 2020 \$
Net loss for the period	<u>(808,735)</u>	<u>(121,153)</u>
Weighted average number of ordinary shares for basic and diluted loss per share	<u>441,944,131</u>	<u>356,035,273</u>

Options on issue are considered anti-dilutive to the earnings per share as the Company is in a loss-making position.

#### Continuing operations

• Basic and diluted loss per share (cents)	<u>(0.18)</u>	<u>(0.03)</u>
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### NOTE 7: ISSUED CAPITAL

	31 December 2021		30 June 2021	
	No. of Shares	\$	No. of Shares	\$
Ordinary shares – fully paid	<u>473,112,374</u>	<u>31,130,139</u>	<u>418,444,105</u>	<u>26,028,952</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the share held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Movement reconciliation	Number	\$
<b>At 1 July 2021</b>	418,444,105	26,028,952
Issue of shares - placement	44,230,769	4,600,000
Options and rights exercised	10,437,500	501,188
<b>At 31 December 2021</b>	<u>473,112,374</u>	<u>31,130,139</u>
<b>At 30 June 2020</b>	374,277,438	24,033,208
Issue of shares - placement	44,166,667	2,120,000
Capital raising costs	-	(124,256)
<b>At 30 June 2021</b>	<u>418,444,105</u>	<u>26,028,952</u>

# VANADIUM RESOURCES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

### NOTE 8: INTERESTS IN ASSOCIATE

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

Name	Principle place of business	Ownership Interest	
		31 December 2021	30 June 2021
		%	%
Vanadium Resources (Pty) Ltd	South Africa	50	50

#### Summarise financial information

	Vanadium Resources (Pty) Ltd	
	31 December 2021	30 June 2021
	\$	\$
<i>Summarised statement of financial position</i>		
Current assets	1,225,744	512,982
Non-current assets	435,694	-
Total assets	1,661,438	512,982
Current liabilities	198,484	-
Non-current liabilities	2,922,502	984,882
Total liabilities	3,120,986	984,882
Net Liabilities	(1,459,548)	(471,900)

#### Summarised statement of profit or loss and other comprehensive income

Revenue	1,758	30,541
Expenses	(584,638)	(609,437)
Loss before income tax	(582,880)	(578,896)
Income tax expense	-	-
Loss after income tax	(582,880)	(578,896)
Other comprehensive loss	-	-
Total comprehensive loss	(582,880)	(578,896)

#### Reconciliation of the consolidated entity's carrying amount

Opening carrying amount	15,973,117	16,262,565
Share of loss after income tax	(291,440)	(289,448)
Closing carrying amount	15,681,677	15,973,117

**NOTE 9: EVENTS AFTER THE END OF THE INTERIM PERIOD**

The impact of the COVID-19 pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The Company announced on 19 January 2022 that it had received approval from the South African Government to receive transfer of an interest of 23.95% in Steelpoortdrift Vanadium Project ('Project') in Limpopo, South Africa, thereby increasing the company's interest in the Steelpoortdrift Project to 73.95%. The consideration for the increase had been exchanged in September 2019.

On 2 February 2022, the Company announced the appointment of Foster Stockbroking Pty Ltd as corporate advisor on a six-month term. Issuance of 5 million unlisted options (exercisable at \$0.10 and 2-year expiry) to corporate advisor in consideration for the services, subject to the company achieving a share price of \$0.15 on a 15-day VWAP during the first 9 months from the commencement of the mandate.

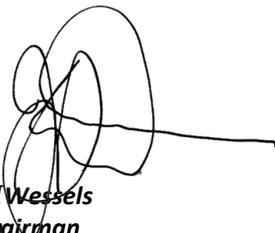
Other than the above, there are no other matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

**JH Wessels**  
**Chairman**  
**9 March 2022**



**RSM Australia Partners**

Level 32 Exchange Tower,  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100  
F +61(0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
VANADIUM RESOURCES LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Vanadium Resources Limited, which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Vanadium Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Vanadium Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vanadium Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



AIK KONG TING  
Partner

Perth, WA  
Dated: 9 March 2022