

19 August 2022



ACQUISITION OF PROPERTY TO LOCATE SALT ROAST FACILITY

VANADIUM RESOURCES LTD (ASX:VR8) (“VR8” OR “THE COMPANY”), is developing its Tier 1 Steelpoortdrift Vanadium project in Limpopo, South Africa. VR8 is currently conducting a Definitive Feasibility Study (“**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. The Company is pleased to announce that a subsidiary of the Company, Vanadium Resources (Pty) Ltd (**VanRes**), has entered into an option agreement to acquire a 135-hectare industrial site (**SRL Site**) located within a 15km radius of the Steelpoortdrift mine (**Steelpoortdrift Mine Site**). The SRL Site is planned to serve as the location of the proposed Salt Roast Plant (**SRL Plant**) upon successful conclusion of the DFS, which is expected to be finalised in September 2022.

HIGHLIGHTS

- ◆ VanRes enters into Option Agreement to Acquire 135 hectares of Property to locate planned Salt Roast Plant
- ◆ Option open for exercise up to 30 September 2023
- ◆ Proposed SRL Site:
 - located 15km from Steelpoortdrift Mine Site within a well-established mining and processing centre (**Refer Figure 1 below**) – **reducing trucking distance by more than half budgeted in PFS**
 - sufficiently sized to contain all infrastructure to allow VR8 to process and refine Vanadium, Titanium, and Iron bearing materials
 - located adjacent to planned third-party water-treatment facility and solar plant expected to serve SRL Site and existing mining operations in the area – **expected cost savings and ESG efficiencies (Refer Figure 2 below)**
- ◆ Option Agreement is subject to:
 - VR8 procuring sufficient construction funding
 - Environmental permissions being granted
 - Rezoning of SRL Site for industrial use

¹ See ASX announcement dated 22 June 2021 “*Steelpoortdrift PFS delivers superior results*”. 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.

Jurie Wessels, Executive-Chairman of VR8 said: *“The potential acquisition of a plant site in close proximity to our planned mining operations and within easy reach of excellent infrastructure, enables the Company to confidently proceed towards raising construction funding (assuming a positive result from the upcoming DFS). With this transaction, the Company is able to leverage the optionality presented by having two sites of operation and, thereby, extract optimum operational, environmental, financing, and social efficiencies for its planned businesses: One focussed on mining and initial beneficiation and the other on extraction, refining and industrial production.”*

OPTION AGREEMENT

VanRes has entered into an agreement with Kadoma Investments Proprietary Limited (Kadoma) in terms of which VanRes is to hold the option to purchase a portion of portion 15 of the Farm Tweefontein, Limpopo, South Africa, for a total consideration of ZAR33,5M (approximately Au\$2.9M).

The Option Agreement is conditional upon:

- a) VanRes procuring sufficient construction funding for the construction of the Steelpoortdrift Vanadium Mine, Concentrator, and the SRL Plant;
- b) All environmental permissions, heritage permissions and any other permissions required in terms of all applicable laws having been obtained by VanRes: The intention being that the SRL Site is fit for the purpose of being used for the processing and refining of Vanadium, Titanium and Iron bearing materials to produce high purity metal products (arising from the ore from the Steelpoortdrift Mine), including the storage of products and by-products, deposition of residue material and associated infrastructure such as offices, workshops, laboratories and pollution control dams (**see Figure 2 below**); and,
- c) Kadoma has procured the rezoning in accordance with the relevant zoning by-laws to rezone the SRL Site to be used for the purposes of processing and refining of Vanadium, Titanium, and Iron bearing materials to produce high purity metal products.

The conditions are for the benefit of VanRes who will be entitled to waive compliance of any one or more of them at any time prior to or on 31 August 2023. The option granted in terms of the Option Agreement will commence on the date of the fulfilment or waiver of the suspensive conditions and will endure for a period of 30 days up to 30 September 2023.

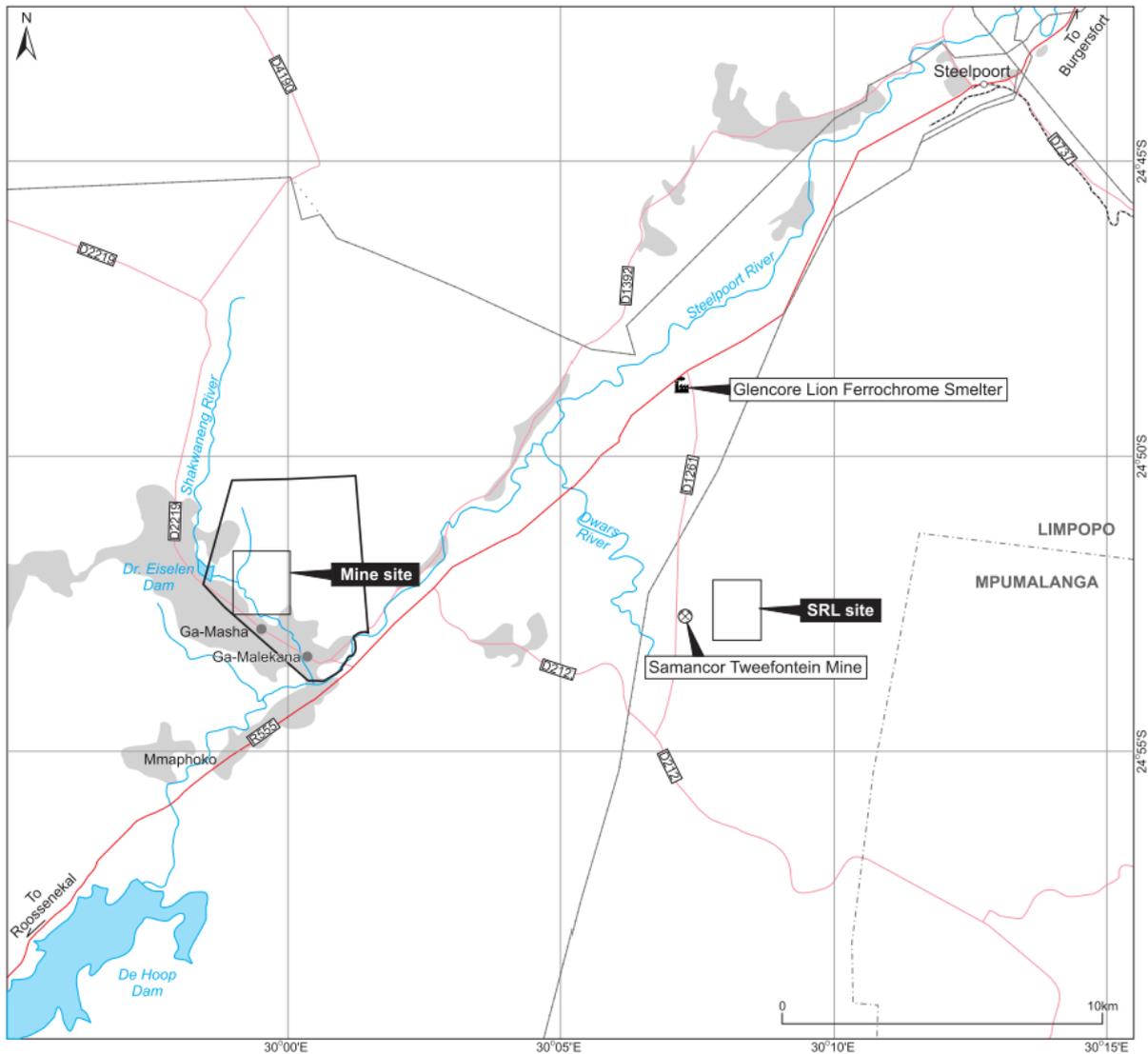


Figure 1: Location of Steelpoortdrift Mine Site and the SRL site in relation to local infrastructure – 15km radius between both sites.

SRL SITE

The proposed SRL Site, which is the subject of the Option Agreement, is well located within a 15km radius of the Steelpoortdrift Mine Site and within the world-renowned mining hub of Steelpoort in the Eastern Bushveld Igneous Complex (see **Figure 1** above). The site is situated near existing chrome and platinum mining operations within the municipal boundaries of Tubatse-Steelpoort. By road the site is located approximately 22km from the Steelpoortdrift Mine Site.

THIRD-PARTY SOLAR AND WATER TREATMENT FACILITIES

Kadoma is planning to construct a water-treatment facility and solar plant adjacent to the SRL Site, which is intended to serve the SRL Site and existing mining operations in the area. The planned water-treatment facility is to consist of a water storage and purification system utilising water harvested from boreholes situated close by and water supplied via a pipeline located next to the Samancor-Tweefontein Mine (see **Figure 2**) from the Lebalelo-Olifants-River Water Scheme. This facility is expected to provide the SRL Site with water resources at beneficial costs. In addition, Kadoma plans to recover grey and stormwater from the SRL Site and other local mines to process in a purification plant located next to the SRL Site.

Kadoma and its holding company (Freedom Property Fund), also plans to develop a utility scale PV Plant next to the SRL Site to provide green energy to the surrounding mines and the SRL Site. The PV plant is expected to be constructed in a modular fashion with uniquely designed fixed-tilt ground mount structures and will be commissioned in modules of 2 Mega Watt peak (MWp) each. Together with the prospect of recovery of water and the provision of green energy, the SRL Site is expected to gain developmental sustainability credits and, consequently, expanded funding opportunities.



Figure 2: Google Earth image of SRL site in relation to local infrastructure.

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

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DISCLAIMER

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Competent Persons Statement and Previously Reported Information

The Company confirms that the form and context in which a Competent Person's previous findings, as referenced in footnote 1 as announced previously and presented in this announcement have not been materially modified from the original market announcements.