

VR8 UPDATE TO SUBSCRIPTION AGREEMENT

Vanadium Resources Limited (ACN 618 307 887) (**Company**) refers to the subscription agreement dated 2 May 2023 between the Company and Matrix Resources (Zhejiang) Co., Limited (a wholly owned subsidiary of Zhejiang Lygend Investment Limited) (**Matrix**) (**Subscription Agreement**). The full form of the Subscription Agreement was included in the market announcement titled 'Updated Initial Substantial Shareholder Notice' released on 1 June 2023.

Since entering into the Subscription Agreement, the parties have entered into a deed of variation (**Deed of Variation**), whereby the Company and Matrix agreed to vary the Subscription Agreement by removing the Company's obligation to use its best endeavours to enable Matrix to participate in future capital raising activities undertaken by the Company so as to maintain its voting power in the Company.

Other than as agreed in accordance with the terms of the Deed of Variation, the terms and conditions of the Subscription Agreement remain in full force and effect.

The variation to the original form of the Subscription Agreement was made in response to a concern raised by the ASX. The ASX considered that the obligation removed from the Subscription Agreement by the Deed of Variation was a contravention of Listing Rule 6.18. Listing Rule 6.18 states an option must not be exercisable over a percentage of the entity's capital. In accordance with ASX policy, this includes anti-dilution or participation rights in favour of strategic shareholders. Despite the variation to the Agreement, Matrix has indicated to the Company that it intends to maintain its equity stake in the Company by participating in future security issues by the Company when the opportunity is provided, subject to the Corporations Act, Listing Rules and any other applicable law.

ABOUT MATRIX

Matrix is a wholly owned subsidiary established by Lygend Investment in September 2022. Lygend Investment is also the largest shareholder of Hong Kong listed Lygend Resources, which operates across the entire nickel industry value chain and is engaged in both the trading and the production of nickel products. Lygend Resource has also made good progress in supplying downstream new energy industry major market players.

Given Lygend Resources's significant experience in developing and operating mines and industrial plants, after and separate to Matrix's subscription, Matrix and VR8 will look to leverage the expertise the Lygend Group possesses to assist in the funding, development, construction, commissioning, and operations of the Project.

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

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