

SUCCESSFUL ASIAN MARKETING TOUR

HIGHLIGHTS

- ◆ **First Asian marketing tour concluded, including meetings with Chinese, Korean and Japanese participants in the vanadium market**
- ◆ **Strong interest due to the world class nature of the Steelpoortdrift Vanadium Project – specifically its high grade and substantial tonnage**
- ◆ **Staged development model focussed on rapid development of downstream processing solutions being developed by the Company**
- ◆ **Samples being sent to be tested by both potential customers and independent testing facilities**
- ◆ **Ongoing discussions with interested parties with follow up visit planned in around 6 weeks' time**

The management of Vanadium Resources Limited (ASX:VR8) (**VR8 or the Company**) is pleased to provide an update on the recent Asian marketing tour by VR8 management along with its consultants Mastermines.

The Company took part in meetings with participants in the vanadium market from China, Korea and Japan including attendance at the International Vanadium Summit. Entities included vanadium battery makers, vanadium pentoxide producers, producers of high purity vanadium (such as vanadium electrolyte), steel makers, trading houses and research facilities.

There was solid interest in the Company's world class Steelpoortdrift Vanadium Project due to the high grade (+2% V₂O₅) concentrate which can be produced by simple beneficiation and the size of the Mineral Resource that makes a long life of mine possible (refer ASX Announcements 18 March 2019 and 16 April 2019). Discussions focussed on immediate uses for concentrate, strategic investment opportunities, and collaboration to develop downstream processing options, provision of project finance, prepayments for offtake and other financial partnerships.

With environmental and community approvals in place VR8 is in a unique position of being able to fast track production of vanadium concentrate which provides both concentrate sales and the front end of a value adding V2O5 process line. Therefore, commencement of concentrate production would enable rapid development of downstream processing solutions to be carried out either by the Company or by strategic investor parties.

In particular there was interest from a leading China-based vanadium redox flow battery manufacturer with testing planned on samples to be provided by the Company prior to further discussions on both supply of product, collaboration on vanadium electrolyte production and strategic alliances to produce Vanadium flow batteries. In addition, the variety of products sought by participants in the vanadium market confirmed to the board that a wider range of products is a strategic advantage in building a viable project and that low cost options to generate specialist vanadium as well as other products, such as iron and titanium, must be expedited.

Given this interest VR8 is continuing discussions with multiple parties and will be supplying both run of mine (RoM) and concentrate samples in coming weeks to enable these parties to complete test work and confirm the superior characteristics of Steelpoortdrift concentrate. In addition, proposals have been sought from independent testing facilities within China recommended by a number of industry professionals to verify the attributes of the Company's concentrate and the implications for recovery, CAPEX and OPEX in downstream V2O5 production. Data from this test-work will assist various parties to determine the level of interest in the Company.

The Company plans to return to China in approximately 6 weeks for follow up meetings with interested parties and to observe results from the testing of the Company's samples. The Company anticipates that these tests will confirm the high value of the concentrate from Steelpoortdrift and that commercial discussions will then commence.

VR8's Managing Director Bill Oliver said:

"It was pleasing to present the Steelpoortdrift Vanadium Project to the key players in the global vanadium market and obtain such a positive response. Most illuminating were the dynamics of the market, and specifically the continued appetite for vanadium and vanadium products which is growing independently of price changes."



Figure 1. “Trade Discussion” Session at the International Vanadium Summit. VR8 poster at rear of hall.

Based on the various meetings over the last 2 weeks the Company is also refining its preferred staged approach for the development of the Steelpoortdrift Vanadium Project. The recent Scoping Study centred on a 2.2Mtpa throughput to produce (on average) 790,000t of concentrate per year, equivalent to 16,000t of contained V₂O₅ per annum (refer ASX Announcement 2 May 2019). The Company confirms that all material assumptions and parameters underpinning Mineral Resource Estimates and Production Targets reported in the market announcements dated 16 April 2019 and 2 May 2019 continue to apply and have not materially changed, and that it is not aware of any new information or data that materially affects the information that has been included in this announcement.

Based on feedback about the size of the vanadium market in coming years, the Company is working on a trade-off study where the initial throughput would be 1Mtpa, which based on the study above would generate approximately 350,000 - 400,000 t of concentrate per annum. This concentrate would subsequently be further processed by the Company to generate either of both of V₂O₅ powder (>98%) or high purity V₂O₅ (>99%) by salt roasting, hydrometallurgical processes or other methods. Further details on this will be provided as the study progresses.

For and on behalf of the board:

Mauro Piccini

Company Secretary