
VANADIUM RESOURCES
ACN 618 307 887

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 3.00 pm (WST)

DATE: Friday, 29 November 2019

PLACE: Mirador Office
Suite 2
1 Altona Street
WEST PERTH WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 3:00 pm (WST) on 27 November 2019.

BUSINESS OF THE MEETING

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PATRICK BURKE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 14.2 of the proposed Constitution, ASX Listing Rule 14.5 and for all other purposes, Patrick Burke, a Director, retires by rotation, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – WILLIAM OLIVER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of the Variation Agreement, and for all other purposes, William Oliver, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. **RESOLUTION 4 – ELECTION OF DIRECTOR – JURIE WESSELS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 14.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Jurie Wessels, a Director who was appointed casually on 26 July 2019, retires, and being eligible, is elected as a Director.”

5. **RESOLUTION 5 – ELECTION OF DIRECTOR – NICHOLAS VAN DER HOVEN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 14.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Nicholas Van Der Hoven, a Director who was appointed casually on 26 July 2019, retires, and being eligible, is elected as a Director.”

6. **RESOLUTION 6 – REPLACEMENT OF CONSTITUTION**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

7. **RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 25 October 2019

By order of the Board


Mauro Piccini

Company Secretary

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6559 1792.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://vr8.global/>.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

1.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PATRICK BURKE

2.1 General

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Patrick Burke, who has served as a Director since 5 February 2018 and was last re-elected on 30 November 2018, retires by rotation and seeks re-election.

2.2 Qualifications and other material directorships

Mr Burke holds a Bachelor of Law from the University of Western Australia. He has extensive legal and corporate advisory experience and over the last 15 years has acted as a Director for a large number of ASX, NASDAQ and AIM listed companies. His legal expertise is in corporate, commercial and securities law in particular capital raisings and mergers and acquisitions. His corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal structuring and pricing, funding, due diligence and execution.

He is currently a Non-Executive Director of ASX listed Triton Minerals Limited, Meteoric Resources NL, Koppa Resources Limited, Mandrake Resources Limited and Transcendence Technologies Limited.

2.3 Independence

Mr Burke has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his/her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders generally.

If elected the Board considers Mr Burke will be an independent director.

2.4 Board recommendation

The Board supports the election of Mr Patrick Burke and recommends that Shareholders vote in favour of this Resolution.

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – WILLIAM OLIVER

3.1 General

As announced on 29 July 2019, the Company completed its acquisition of its interest in Vanadium Resources (Pty) Ltd (**VanRes**) from the shareholders of VanRes (**Acquisition**).

In accordance with the transaction documents entered into between the Company and the VanRes Parties on 13 May 2019, the Company agreed, among other things, that all current directors shall place themselves up for re-election at the Company's next annual general meeting (**Variation Agreement**).

Accordingly, Mr Oliver who has served as a Director, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Oliver is a geologist with 20 years of experience in the international resources industry working for both major and junior companies. He has substantial experience in the design and evaluation of resource definition programmes as well as co-ordinating all levels of feasibility studies. He has direct experience with bulk commodities having led large scale resource definition projects for Rio Tinto Iron Ore and in his role as a director of Celsius Coal Ltd.

Mr Oliver holds an honours degree in Geology from the University of Western Australia as well as a postgraduate diploma in finance and investment from FINSIA.

During the past three years, Mr Oliver held the following directorships in other ASX listed companies: Orion Gold NL (resigned 18 April 2018), Koppa Resources Limited (current), Aldoro Resources Limited (current), Minbos Resources Limited (current), and Celsius Resources Limited (current).

3.3 Independence

If elected the Board considers Mr Oliver will not be an independent director.

3.4 Board recommendation

The Board supports the election of Mr William Oliver and recommends that Shareholders vote in favour of this Resolution.

4. RESOLUTION 4 – ELECTION OF DIRECTOR – JURIE WESSELS

4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Wessels, having been appointed by other Directors on 26 July 2019 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

4.2 Qualifications and other material directorships

Mr Wessels has 23 years' experience in the exploration industry and co-founded a number of exploration and mining companies including Bauba Resources Ltd (BAU.J), Orange-River Pegmatite (Pty) Ltd, GoldStone Resources Ltd (GRL.L) and Vanadium Resources (Pty) Ltd. Mr Wessels has significant experience in the sourcing and assessment of exploration and exploitation projects and in the governance, funding and management of resource companies. Mr Wessels explored for various minerals in Africa, South America and Europe and practised as a minerals lawyer up to 2003 but still is admitted as an attorney (non-practising) and a notary of the High Court of South Africa.

Mr Wessels has not held any Director position of a listed company in the past three years.

4.3 Independence

Mr Wessels has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his/her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders generally.

If elected the Board considers Mr Wessels will not be an independent director.

4.4 Board recommendation

The Board supports the election of Mr Jurie Wessels and recommends that Shareholders vote in favour of this Resolution.

5. RESOLUTION 5 – ELECTION OF DIRECTOR – NICHOLAS VAN DER HOVEN

5.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Nicholas Van Der Hoven, having been appointed by other Directors on 26 July 2019 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

5.2 Qualifications and other material directorships

Mr Nicholas Van Der Hoven is a businessman and entrepreneur holding degrees in Commerce & Law and has over 29 years' experience in exploration and mining, having co-founded and operated 5 mines over this period. Nico is also

the founding member of Heric Chrome, Bauba Resources Ltd (BAU.J), Vanadium Resources (Pty) Ltd and GoldStone Resources Ltd (GRL.L).

He currently acts as Chairman of Bauba Resources Ltd, an active chrome mining company and platinum explorer. As Chairman of an active miner Mr Van Der Hoven has hands-on local experience in mining, beneficiation and shipping to export markets that will be invaluable in progressing the project. In addition, Mr Van Der Hoven brings skills with exposure to marketing and trading a wide range of commodities including negotiating offtake agreements.

5.3 Independence

Mr Nicholas Van Der Hoven has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his/her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company and its security holders generally.

If elected the Board considers Mr Nicholas Van Der Hoven will not be an independent director.

5.4 Board recommendation

The Board supports the election of Mr Nicholas Van Der Hoven and recommends that Shareholders vote in favour of this Resolution.

6. RESOLUTION 6 – REPLACEMENT OF CONSTITUTION

6.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

This Resolution is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

The key change to the Constitution is to adopt the provisions dealing with restricted securities as outlined below. These provisions will comply with the proposed changes to ASX Listing Rule 15.12 which is due to be finalised and released in December 2019. ASX is requiring all ASX listed entities to adopt these changes at their next annual general meeting.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Other than the changes referred to above relating to restricted securities, the only material change from the existing Constitution is to update the name of the Company as approved by Shareholders at the Company's general meeting held on 26 July 2019.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website <https://vr8.global/> and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon

request to the Company Secretary (+61 8 6559 1792). Shareholders are invited to contact the Company if they have any queries or concerns.

6.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the proposed changes to ASX Listing Rule 15.12 which is due to be finalised and released in December 2019. Under this change, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will instead permit the Company to issue restriction notices to holders of restricted securities in the form of a new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

These provisions are consistent with the equivalent provisions of the existing Constitution.

Remuneration of Non-Executive Directors (clause 14.7)

The Proposed Constitution amends the provision relating to the amounts that may be paid to Non-Executive Directors to clarify what may be paid to Non-Executive Directors and what may be included in those amounts.

As set out above, the amendment also sets a new initial limit in the Constitution of \$300,000 as a total amount payable to Non-Executive Directors. While the Board has no present intention to pay its Non-Executive Directors this amount, the Board believes it provides the Company with adequate coverage under the Constitution the circumstances of the Company change and more Non-Executive Directors are appointed or their roles change such that additional fees are deemed appropriate.

Partial (proportional) takeover provisions (new clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause is consistent with the equivalent provisions of the existing Constitution. This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause. Adopting the Proposed Constitution will have the effect of “refreshing” the relevant provisions, which would otherwise have required re-approval by Shareholders within 3 years of the Company’s listing.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

7. RESOLUTION 7 – APPROVAL OF 10% PLACEMENT CAPACITY

7.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities equal to 10% of its issued capital (**10% Placement Capacity**) without using that entity's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$15.05 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 7 October 2019 and excluding any restricted securities that may be on issue).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has three classes of quoted Equity Securities on issue, being the Shares (ASX Code: VR8) and two classes of quoted Options (ASX Code: VR8O) and (ASX Code: VR8OA).

If Shareholders approve this Resolution, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

This Resolution is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this Resolution for it to be passed.

7.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 7.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If this Resolution is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 7 October 2019.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic

dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable A in ASX Listing Rule 7.1A2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.022	\$0.043	\$0.065
			50% decrease	Issue Price	50% increase
		Funds Raised			
Current	350,169,713 Shares	35,016,971 Shares	\$752,865	\$1,505,730	\$2,258,594
50% increase	525,254,570 Shares	52,525,457 Shares	\$1,129,297	\$2,258,595	\$3,387,892
100% increase	700,339,426 Shares	70,033,943 Shares	\$1,505,730	\$3,011,460	\$4,517,189

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 350,169,713 Shares on issue comprising:
2. The issue price set out above is the closing price of the Shares on the ASX on 7 October 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for continued exploration expenditure, the acquisition of new resources, assets or investments (including expenses associated with such an acquisition and due diligence) or general working capital; or
- (ii) as non-cash consideration for the acquisition of the new resources assets or investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

(f) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(g) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 15 November 2018 (**Previous Approval**).

The Company has issued 18,235,295 Shares pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 15 November 2019, the Company otherwise issued a total of 164,314,813 Shares and 9,147,059 Options which, together with the Equity Securities issued under the Previous Approval, represents approximately 92.79% of the total diluted number of Equity Securities on issue in the Company on 15 November 2018, which was 302,771,404.

Further details of the issues of Equity Securities by the Company during the 12-month period preceding the date of the Meeting are set out in Schedule 1.

7.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 7.1.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Vanadium Resources (ACN 618 307 887).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (g) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

VanRes Parties means KumaneCo, DantemeCo, KumaneTrust, DantemeTrust, Ama Casa and Ndarma as the parties to the Variation Agreement.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

Variation Agreement means the variation agreement entered into between the Company and the VanRes Parties on 13 May 2019.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 15 NOVEMBER 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 15 February 2019 Appendix 3B – 15 February 2019	250,000	Shares ²	Issued to Optionholders on the exercise of Quoted Options ³	Quoted Options were exercised at \$0.054, being a discount of 49% to the Share price as traded on the ASX on 18 February 2019, being \$0.105.	Amount raised = \$13,500 Amount spent = \$13,500 Use of funds: general working capital and day to day operating expenses of the Company. Amount remaining = Nil
Issue – 8 April 2019 Appendix 3B – 8 April 2019	885,005	Shares ²	Issued to Optionholders on the exercise of Quoted Options ³	Quoted Options were exercised at \$0.054, being a discount of 49% to the Share price as traded on the ASX on 8 April 2019, being \$0.105.	Amount raised = \$47,790 Amount spent = \$47,790 Use of funds: general working capital and day to day operating expenses of the Company. Amount remaining = Nil
Issue – 21 May 2019 Appendix 3B – 21 May 2019	18,235,295	Shares ²	Professional and sophisticated investors who participated in a placement undertaken by the Company as announced on 21 May 2019 (May Placement)	\$0.085 (representing 75% of 15 day VWAP)	Amount raised = \$1,550,000 Amount spent = \$1,106,182 Use of funds: reserve drilling at the Steelpoortdrift Vanadium Project, marketing of the Project and Company in Asia including travel expenses and freight of samples and working capital. Amount remaining = \$443,818 Use of remaining funds: to be allocated to the Steelpoortdrift Vanadium Project as and when required.
Issue – 26 July 2019 Appendix 3B – 26 July 2019	3,465,001	Shares ²	Issued as consideration to vendors of the Steelpoort acquisition, as per the notice for the meeting held on 20 August 2018	No issue price (non-cash consideration)	Non Cash Consideration Consideration: issued as non-cash consideration in accordance with Shareholder approval at the meeting held on 20 August 2018. Current value ⁶ = \$263,340
	16,170,001	Shares ²	Issued as consideration to vendors of the Vanadium acquisition, as per the notice for the	No issue price (non-cash consideration)	Non Cash Consideration Consideration: issued as non-cash consideration in accordance with Shareholder approval at the meeting held on 20 August 2018. Current value ⁶ = \$1,228,920

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
			meeting held on 20 August 2018		
	9,117,647	Quoted Options ⁵	Professional and sophisticated investors, participants of the May Placement	Nil cash consideration (free attaching to Shares on a 1:2 basis)	Consideration: issued free attaching to shares under the May Placement undertaken by the Company Current value ⁶ = \$0
Issue – 26 July 2019 Appendix 3B – 26 July 2019	95,518,511	Shares ²	Vendors pursuant to acquisition of Vanadium, as per the notice for the meeting held on 26 July 2019 (General Meeting)	No issue price (non-cash consideration)	Consideration: issued as part consideration for the Vanadium acquisition, in accordance with Shareholder approval at the meeting held on 20 August 2018. Current value ⁶ = \$7,259,406
	20,790,007	Shares ²	Issued as consideration to vendors of the Steelpoort acquisition, as approved by shareholders at the General Meeting.	No issue price (non-cash consideration)	Consideration: issued as part consideration for the Steelpoort acquisition. Current value ⁶ = \$1,580,040
	1,764,708	Shares ²	Directors as approved by shareholders at the General Meeting.	\$0.085	Amount raised = \$150,000 Amount spent = \$150,000 Use of funds – Reserve drilling at the Steelpoortdrift Vanadium Project, marketing of the Project and Company in Asia including travel expenses and freight of samples and working capital. Amount remaining = Nil
	1,400,000	Shares ²	Issued to Mastermines (or its nominee) as consideration service provider of the Company	No issue price (non-cash consideration)	Consideration: issued for non-cash consideration as consideration for services provided. Current value ⁶ = \$106,400
	882,354	Quoted Options ⁵	Directors as approved by shareholders at the General	Nil cash consideration (free attaching to Shares on a 1:2 basis)	Consideration: Issued free attaching to shares under the May Placement undertaken by the Company. Current value ⁶ = \$0

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
			Meeting.		
Issue – 22 August 2019 Appendix 3B – 26 July 2019	58,824	Shares ²	Eligible shareholders who participated in share purchase plan undertaken by the Company as announced on 21 May 2019 (Share Purchase Plan)	\$0.085 (premium of 98%)	Amount raised = \$5000 Amount spent = \$Nil Use of funds: to advance offtake agreements for phase 1 of the Company's projects in South Africa and further to upgrade the recently completed scoping study to a pre-feasibility study. Amount remaining = \$5,000
	29,412	Quoted Options ⁵	Eligible shareholders who participated in the Share Purchase Plan	Nil cash consideration (free attaching to Shares on a 1:2 basis)	Consideration: Issued free attaching to Shares under the Share Purchase Plan on a 1:2 basis to reward and incentivise participation in the Share Purchase Plan. Current value ⁶ = \$0

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
3. Fully paid ordinary shares in the capital of the Company, ASX Code: VR8 (terms are set out in the Constitution).
4. Quoted Options, exercisable at \$0.054 each, on or before 8 December 2019, ASX Code: VR8O.
5. Quoted Options, exercisable at \$0.012 each, on or before 1 June 2021, ASX Code: VR8O.
6. In respect of quoted Equity Securities, the value is based on the closing price of the Shares or Options as the context requires on the ASX on 7 October 2019. In respect of unquoted Equity Securities, the value of Performance Shares and Performance Rights is measured using an appropriate valuation model as reviewed by the auditors as part of the audit of the financial report. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the unquoted Equity Securities, the expected volatility of the underlying Share, the expected dividend yield and the risk-free interest rate.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Vote by Proxy: VR8

Your proxy voting instruction must be received by **3.00 pm (WST) on Wednesday, 27 November 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



