VANADIUM RESOURCES LIMITED
(FORMERLY TANDO RESOURCES LIMITED)
ABN 47 618 307 887

Annual Report for the
Year Ended 30 June 2019

Annual Report
For the year ended 30 June 2019

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Corporate Directory

Board of Directors

Mr Patrick Burke	Non-Executive Chairman
Mr William Oliver	(Managing Director)
Mr Jurie Hendrik Wessels	(Non-Executive Director) (Appointed 26 July 2019)
Mr Nicholas Phillipus Jacobus Van Der Hoven	(Non-Executive Director) (Appointed 26 July 2019)
Mr Jeremy King	(Non-Executive Chairman) (Resigned 26 July 2019)
Mr Luigi Matteucci	(Non-Executive Director) (Appointed 4 March 2019; Resigned 26 July 2019)

Secretary
Mr Mauro Piccini

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West Perth WA 6005

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Facsimile: 08 9481 4950
Website: www.tandoresources.com.au

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
Westpac Banking Corporation
Level 13, 109 St Georges Terrace
Perth WA 6000

Share Registry
Automic Share Registry
Level 2/267 St Georges Terrace,
Perth WA 6000
Telephone: 08 9324 2099
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Directors' Report

The Directors of Vanadium Resources Limited ("VR8" or "the Company") present their report, together with the financial statements on the consolidated entity consisting of Vanadium Resources Limited and its controlled entities (the "Group") for the financial year ended 30 June 2019.

DIRECTORS

The names and particulars of the Company's directors in office during the financial year and at the date of this report are as follows. Directors held office for this entire period unless otherwise stated.

Mr Patrick Burke | Non-Executive Chairman
(Appointed 28 June 2017)

Mr Burke 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.

During the past three years, Mr Burke held the following directorships in other ASX listed companies: Koppar Resources Limited (current), Meteoric Resources NL (current), Triton Minerals Limited (current), Mandrake Resources Limited (current), Transcendence Technologies Limited (current), WestWater Resources, Inc.(resigned 4 April 2019), Bligh Resources Limited (resigned 28 November 2018), ATC Alloys Limited (resigned 1 June 2018) and Pan Pacific Petroleum NL (resigned 13 November 2017).

Mr William Oliver | Managing Director
(Appointed 31 March 2017)

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 has spent recent years evaluating and assessing several projects across Africa including being responsible for the identification, acquisition and development into production of the Konongo Gold Project while Managing Director of Signature Metals Ltd. He is also fluent in Portuguese having lived and worked in Portugal while managing exploration across a range of commodities for Iberian Resources.

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), Koppar Resources Limited (current), Aldoro Resources Limited (current), Minbos Resources Limited (current), and Celsius Resources Limited (current).

Mr Nicholas Phillipus Jacobus Van Der Hoven | Non-Executive Director
(Appointed 26 July 2019)

Mr Nico 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 Hernic 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.

Directors' Report

Mr Jurie Hendrik Wessels | Non-Executive Director
(Appointed 26 July 2019)

Mr Jurie 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.

Jeremy King | Non-Executive Chairman
LLB
(Appointed 31 March 2017, resigned 26 July 2019)

Mr King is a corporate lawyer and adviser with over 20 years' experience in domestic and international legal, financial and corporate matters. Mr King is a director of a boutique corporate advisory and compliance business where he specializes in corporate and strategic advice and managing legal issues associated with clients. He spent several years in London where he worked with Allen and Overy LLP and Debevoise & Plimpton LLP and has extensive experience, particularly in relation to cross border private equity, leveraged buy-out acquisitions and acting for banks, financial institutions and corporate issuers in respect of various debt and equity capital raisings. He regularly advises ASX listed companies on corporate and commercial matters.

During the past three years, Mr King held the following directorships in other ASX listed companies:

- Executive Director of ECS Botanics Holdings Limied (current);
- Non-Executive Director of Transcendence Technologies Limited (current);
- Non-Executive Director of Smart Parking Limited (current);
- Non-Executive Director of EHR Resources Limited (current);
- Non-Executive Director of Sultan Resources Limited (current);
- Non-Executive Chairman of Aldoro Resources Limited (current);
- Non-Executive Director of Tando Resources Limited (Resigned July 2019);
- Non-Executive Director of DTI Group Limited (Resigned January 2019);
- Non-Executive Chairman of Pure Minerals Limited (Resigned November 2018) and
- Non-Executive Director of Aquaint Capital Holdings Limited (resigned October 2017).

Luigi Matteucci | Non-Executive Director
(Appointed 4 March 2019, resigned 26 July 2019)

Mr Matteucci served as financial director of Highveld Steel and Vanadium Corporation (Highveld) for nearly 30 years. During this period, Highveld was the world's largest producer of vanadium at it's Witbank based vanadium plant. Mr Matteucci was responsible for executing a number of successful initiatives across Highvelds's steel and vanadium business.

Mr Matteuci is a qualified chartered accountant and he continues to actively consult on strategic and business development initiatives in the engineering and mining fields. He currently serves on the Boards of a number of listed and unlisted companies in South Africa.

During the past three years, Mr Matteucci held no other directorships in other ASX listed companies.

Directors' Report

COMPANY SECRETARY

Mr Mauro Piccini
(Appointed 28 November 2017)

Mr Piccini spent 7 years at the ASX and possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines. Mauro is a Chartered Accountant (CA) and a member if the Governance Institute of Australia (GIA). Mauro started his career in the Perth office of Ernst and Young (EY) where he spent several years in their assurance division.

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The following table sets out each current Director's relevant interest in shares, options and performance rights of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares	Unlisted Share Options
Mr William Oliver	828,236	9,534,118
Mr Patrick Burke	738,236	7,224,118
Mr Jurie Hendrik Wessels	44,981,437	-
Mr Nicholas Phillipus Jacobus Van Der Hoven	44,981,437	-
Total	**91,529,346**	**16,758,236**

PRINCIPAL ACTIVITIES

The principal activity of the Company is mineral exploration.

REVIEW AND RESULTS OF OPERATIONS

During the year the Company completed the transaction announced on 22 March 2018 to acquire the Steelpoortdrift Vanadium Project in South Africa and commenced exploration and development of the project.

On 27 of September 2018, the Company completed Milestone 1 and acquired 24.26% of the Steelpoortdrift Vanadium Project in South Africa. This was by the way of the consideration of 25,756,503 shares and 32,430,001 options.

The Company completed an intensive drilling programme in the latter half of 2018 comprising 83 holes for 6002 metres (51 RC holes and 32 diamond core holes, Figure 1). This led to the reporting of a Mineral Resource of 612 million tonnes at a whole rock (or in situ) grade of 0.78% V2O5 (classified as Indicated and Inferred, see ASX release dated 16 April 2019).

Significantly the Mineral Resource includes a high grade, near surface component of 169Mt at 1.07 per cent V2O5.

The completion of the Mineral Resource estimation enabled the Company to complete a Scoping Study into the viability of a mining and beneficiation operation to generate a +2% V2O5 concentrate for sale at mine gate. The study included preliminary mining studies and plant scale metallurgical testwork which successfully generated a high quality concentrate grading 2.2% V2O5, 12% TiO2 and ~ 55% Fe (refer ASX Announcement 18 March 2019). This vanadiferous titanomagnetite concentrate is potentially a saleable product but also provides an advantage in downstream processing.

The Company released the Scoping Study on 2 May 2019 which demonstrated the potential for strong financial metrics for the proposed 2.2Mtpa standalone mining and beneficiation operation. The Company is now advancing studies to assess which technologies and processing options are most appropriate for the concentrate produced from Steelpoortdrift with the purpose of determining the optimum method, or combination of methods of downstream processing, that deliver the highest value for the Company. Development of a viable processing flowsheet would enable the Company to unlock significantly higher value from the commodities present within the Steelpoortdrift concentrate

Directors' Report

and transform VR8 into a producer of high value specialist products suitable for the steel, renewable energy and industrial minerals markets.

These studies, and subsequent studies, will compare conventional downstream processing methods such as the salt roasting method already used in South Africa at Bushveld's Vametco Operations and Glencore's Rhovan Operations with established pyro- and hydrometallurgical processes to the Steelpoortdrift vanadium concentrate, along with possibly other, more innovative, methods.

On 21 May 2019, the Company announced it was to accelerate the acquisition of the Company's interest in the Steelpoortdrift Vanadium Project to the maximum 73.95% and successfully completed a share capital raising by the issue of 18,235,295 fully paid ordinary shares at $0.085 per share to raise $1,700,000 before costs.

On 26 July 2019 the accelerated acquisition of the Company's interest in the Steelpoortdrift Vanadium Project was ratified by shareholders with the Company now owning 50% of the project. The balance of up to 73.95% is subject to approval under s11 of the South African Mineral and Petroleum Act 2002.

On 26 July 2019 both Mr Nicholas Phillipus Jacobus Van Der Hoven and Mr Jurie Hendrik Wessels were appointed as non-executive directors. On the same day both Mr Jeremy King and Mr Luigi Matteucci resigned.

Financial Performance

The financial results of the Group for the year ended 30 June 2019 are:

	30-June-19 **$**	30-June-18 $
Cash and cash equivalents	930,583	4,336,356
Net Assets/(Net Liabilities)	13,207,109	5,708,616
Revenue	34,489	19,110
Net loss after tax	(3,872,232)	(1,603,361)

DIVIDENDS

No dividends have been paid or declared by the Group since the end of the previous financial year.

No dividend is recommended in respect of the current financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On the 27th of September 2018, the Company completed Milestone 1 and acquired 24.26% of the SPD Vanadium Project in South Africa.

This was by the way of the consideration of 25,756,503 shares and 32,430,001 options.

Please refer to the note below for significant changes in the state of affairs subsequent to the reporting period.

Directors' Report

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On 26 July 2019 the Company accelerated the acquisition of the Company's interest in the Steelpoortdrift Vanadium Project and now owns 50% of the project with the balance of up to 73.95% subject to approval under s11 of the South African Mineral and Petroleum Act 2002.

On the same day the following securities were issued:

- 111,688,512 fully paid ordinary shares as consideration for the acquisition of 73.95% of Vanadium Resources Pty Ltd (Milestone 2, 3, 4 & 5);
- 24,255,008 fully paid ordinary shares as consideration for the acquisition of Steelpoort Pty Ltd (Milestones 2, 3, 4, & 5);
- 9,117,647 Free attaching options were issued in conjunction with the $1,700,000 placement conducted in May 2019.
- 1,764,708 fully paid ordinary shares were issued to Directors at an issue price of $0.085 per share along with 882,354 attaching options for their participation in the placement to raise $150,000 (as part of the $1,700,000 placement conducted in May 2019); and
- 1,400,000 fully paid ordinary shares to Mastermines as consideration for Asia commodity marketing consultancy services.

On 26 July 2019 Mr Nicholas Phillipus Jacobus Van Der Hoven and Mr Jurie Hendrik Wessels were appointed as non-executive directors and Mr Jeremy King and Mr Luigi Matteucci resigned.

On 22 August 2019 the Company issued 58,824 fully paid ordinary shares at $0.085 per share and 29,412 quoted options exercisable at $0.12 expiring on 1 June 2021 under a share purchase plan.

Other than the above, there has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company plans to implement parallel development strategies, rapidly advancing the world class Steelpoortdrift Vanadium Project to initial production of a high quality concentrate and concurrently develop the further commercialisation of Steelpoortdrift through studies into downstream processing of this concentrate to produce value added specialist products suitable for the steel, renewable energy and industrial minerals markets..

DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Direct held office are:

Director	Number Eligible to Attend	Number Attended
Mr William Oliver	5	5
Mr Jeremy King	5	5
Mr Patrick Burke	5	5
Mr Luigi Matteucci	2	2

In addition to the scheduled Board meetings, Directors regularly communicate by telephone, email or other electronic means, and where necessary, circular resolutions are executed to effect decisions.

Due to the size and scale of the Company, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board, refer to the Corporate Governance Statement.

Directors' Report

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2019 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent company.

Voting and comments made at the company's 2018 Annual General Meeting ('AGM')
At the 2018 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

a) Key Management Personnel Disclosed in this Report

Key Management Personnel of the Group during or since the end of the financial year were:

Mr Patrick Burke	(Non-Executive Chairman) (Appointed 28 June 2017)
Mr William Oliver	(Managing Director) (Appointed 31 March 2017)
Mr William Oliver	(Managing Director) (Appointed 31 March 2017)
Mr Jeremy King	(Non-Executive Chairman) (Appointed 31 March 2017) (Resigned 26 July 2019)
Mr Luigi Matteucci	(Non-Executive Director) (Resigned 26 July 2019)
Mr Jurie Hendrik Wessels	(Non-Executive Director) (Appointed 26 July 2019)
Mr Nicholas Phillipus Jacobus Van Der Hoven	(Non-Executive Director) (Appointed 26 July 2019)

There have been no other changes after reporting date and up to the date that the financial report was authorised for issue.

The Remuneration Report is set out under the following main headings:

A Remuneration Philosophy
B Remuneration Governance, Structure and Approvals
C Remuneration and Performance
D Details of Remuneration
E Service Agreements
F Share-based Compensation
G Equity Instruments Issued on Exercise of Remuneration Options
H Loans with KMP
I Other Transactions with KMP

A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP of the Group comprise of the Board of Directors.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year.

Directors' Report

B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Group's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Group renders this impractical. The Board is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives, including key performance indicators and performance hurdles;
- Remuneration levels of executives; and
- Non-Executive Director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

❖ Non-Executive Remuneration Structure

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The total aggregate fixed sum per annum to be paid to Non-Executive Directors in accordance with the Company's Constitution shall be no more than A$300,000 and may be varied by ordinary resolution of the Shareholders in a General Meeting.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. The chair's fees are determined independently to the fees of the Non-Executive Director's based on comparative roles in the external market. In accordance with the Company's Constitution, the Directors may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Company and which is designed to provide superannuation benefits for both present and future Non-Executive Directors, and they may from time to time vary this scheme or plan.

The remuneration of Non-Executive is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Service Agreements".

Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

❖ Executive Remuneration Structure

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high performance Directors.

The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Group, the performance of the Executives and the general pay environment.

Directors' Report

C Remuneration and Performance

The following table shows the gross revenue, losses, earnings per share ("EPS") and share price of the Group as at 30 June 2019 and 30 June 2018.

	30-Jun-19	30-Jun-18
Revenue ($)	**34,489**	19,110
Net profit/(loss) after tax ($)	**(3,872,232)**	(1,603,361)
EPS ($)	**(2.04)**	(1.41)
Share price	**0.076**	0.17

Relationship between Remuneration and Company Performance
Given the current phase of the Company's development, the Board does not consider earnings during the current and previous financial year when determining, and in relation to, the nature and amount of remuneration of KMP.

The pay and reward framework for key management personnel may consist of the following areas:
a) Fixed Remuneration – base salary
b) Variable Short-Term Incentives
c) Variable Long-Term Incentives

The combination of these would comprise the key management personnel's total remuneration.

a) Fixed Remuneration – Base Salary
The fixed remuneration for each senior executive is influenced by the nature and responsibilities of each role and knowledge, skills and experience required for each position. Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package.

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants may provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. No external advice was taken this year. Base salary for key management personnel is reviewed annually to ensure the executives' pay is competitive with the market. The pay of key management personnel is also reviewed on promotion. There is no guaranteed pay increase included in any key management personnel's contract.

b) Variable Remuneration – Short -Term Incentives (STI)
Discretionary cash bonuses may be paid to senior executives annually, subject to the requisite Board and shareholder approvals where applicable. No bonus payments were made during the financial year.

c) Variable Remuneration – Long-Term Incentives (LTI)
Options are issued at the Board's discretion. Other than options disclosed in section D of the Remuneration Report there have been no options issued to employees at the date of this financial report.

Directors' Report

D Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP of the Group during the financial year are:

Table 1 – Remuneration of KMP of the Group for the year ended 30 June 2019 is set out below:

30 June 2019	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other (i)	Superannuation	Options(ii)	
	$	$	$	$	$	$
Directors						
Mr William Oliver	220,833	-	125,000	-	158,024	503,857
Mr Jeremy King	52,000	-	30,000	9,215	118,518	209,733
Mr Patrick Burke	96,000	-	80,000	-	118,518	294,518
Mr Luigi Matteucci	20,781	-	-	-	-	20,781
Total	**389,614**	**-**	**235,000**	**9,215**	**395,060**	**1,028,889**

(i) Consulting fees paid in relation to work performed on the acquisition of SPD Vanadium Project.
(ii) Share based payments are non-cash expenses for options granted in 30 November 2017.

30 June 2018	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
	$	$	$	$	$	$
Directors						
Mr William Oliver	110,000	-	15,000	-	222,694	347,694
Mr Jeremy King	36,000	-	-	-	167,020	203,020
Mr Patrick Burke	36,000	-	-	-	167,021	203,021
Total	182,000	-	15,000	-	556,735	753,735

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the tables above:

Table 2 – Relative proportion of fixed vs variable remuneration expense

Name	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
	2019	2018	**2019**	2018	**2019**	2018
Directors						
Mr William Oliver	**44%**	31%	**31%**	65%	-	-
Mr Jeremy King	**25%**	17%	**57%**	83%	-	-
Mr Patrick Burke	**33%**	17%	**40%**	83%	-	-
Mr Luigi Matteucci	**100%**	-	**100%**	-	-	-

Table 3 – Shareholdings of KMP (direct and indirect holdings)

30 June 2019	Balance at 01/07/2018	Granted as Remuneration	On Exercise of Options	Net Change – Other	Balance at 30/06/2019
Directors					
Mr William Oliver	-	-	-	240,000	240,000
Mr Jeremy King	-	-	-	300,000	300,000
Mr Patrick Burke	-	-	-	150,000	150,000
Mr Luigi Matteucci	-	-	-	-	-
Total	**-**	**-**	**-**	**690,000**	**690,000**

Directors' Report

Table 4 – Option holdings of KMP (direct and indirect holdings)

30 June 2019	Balance at 01/07/2018	Issued as Remuneration	Exercised	Balance at 30/06/2019	Vested & Exercisable
Directors					
Mr William Oliver	9,240,000	-	-	9,240,000	-
Mr Jeremy King	6,930,000	-	-	6,930,000	-
Mr Patrick Burke	6,930,000	-	-	6,930,000	-
Mr Luigi Matteucci	-	-	-	-	-
Total	**23,100,000**	**-**	**-**	**23,100,000**	**-**

E Service Agreements

- **William Oliver – Managing Director**
  - Contract: Commenced on 1 November 2017-31 August 2018
  - Director's Fee: $165,000 per annum
  - Term: No fixed term.
  - Contract: Commenced on 1 September 2018-30 April 2019
  - Director's Fee: $240,000 per annum
  - Term: No fixed term.
  - Contract: Commenced on 1 May 2019
  - Director's Fee: $200,000 per annum
  - Term: No fixed term.

- **Jeremy King – Non-Executive Director**
  - Contract: Commenced on 1 July 2017 -31 August 2018
  - Director's Fee: $36,000 per annum
  - Term: No fixed term
  - Contract: Commenced on 1 September 2018-30 April 2019
  - Director's Fee: $60,000 per annum
  - Term: No fixed term
  - Contract: Commenced on 1 May 2019
  - Director's Fee: $36,000 per annum
  - Term: No fixed term

- **Patrick Burke – Non-Executive Director**
  - Contract: Commenced on 1 July 2017 -31 August 2018
  - Director's Fee: $36,000 per annum
  - Term: No fixed term
  - Contract: Commenced on 1 September 2018-30 April 2019
  - Director's Fee: $120,000 per annum
  - Term: No fixed term
  - Contract: Commenced on 1 May 2019
  - Director's Fee: $60,000 per annum
  - Term: No fixed term

- **Luigi Matteucci – Non-Executive Director**
  - Contract: Commenced on 1 March 2019
  - Director's Fee: $60,000 per annum
  - Term: No fixed term

Directors' Report

F Share-based Compensation

The Company rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options. Share-based compensation is at the discretion of the Board and no individual has a contractual right to receive any guaranteed benefits.

Options

No options granted as remuneration to directors during the financial year.

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the financial year.

H Loans with KMP

There were no loans made to any KMP during the year ended 30 June 2019.

I Other Transactions with KMP

The following transactions occurred with related parties:	**2019**
	$
Company secretarial and financial management services from Mirador Corporate Pty Ltd (director related entity of Jeremy King)	**96,000**

Trade and other payables to related parties:	**2019**
	$
Company secretarial and financial management services from Mirador Corporate Pty Ltd (director related entity of Jeremy King)	**8,662**
Director fee payable to Billandbry Consulting Pty Ltd (director related entity of William Oliver)	**18,333**
Director fee payable to Bushwood Nominees Pty Ltd (director related entity of Jeremy King)	**3,300**

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

J Additional Information

The earnings of the consolidated entity for the five years to 30 June 2019 are summarised below:

	2019 $	2018 $	2017* $
Sales Revenue	**-**	-	-
EBITDA	**(3,871,574)**	(1,603,361)	(6,456)
EBIT	**(3,872,232)**	(1,603,361)	(6,456)
Profit/(Loss) after income tax	**(3,872,232)**	(1,603,361)	(6,456)
Share Price ($)	**0.076**	0.17	-
EPS (cents per share)	**(2.04)**	(1.41)	(0.29)

*The company was incorporated on 31 March 2017.
[End of Audited Remuneration Report]

Directors' Report

CORPORATE GOVERNANCE – DIVERSITY MEASURABLE

The Company has not yet set measurable objectives for achieving gender diversity. The Company is currently not of a size that justifies the establishment of measurable diversity objectives. As the Company develops, the Board will seek to develop a reporting framework in the future to report the Company's progress against the objectives and strategies for achieving a diverse workplace which can be used as a guide to be used by the Company to identify new Directors, senior executives and employees.

Full details of the Company's Diversity Policy can be found on the Corporate Governance page of the Company's website.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of food faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

ENVIRONMENTAL REGULATIONS

The Company is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of these proceedings.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the Company who are former partners RSM Australia Partners.

Directors' Report

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and included within these financial statements.

SHARES UNDER OPTION

At the date of this report there were the following unissued ordinary shares for which options were outstanding:

- 51,099,038 options expiring 8 December 2019, exercisable at 5.4 cents each;
- 10,029,413 options expiring 1 June 2021, exercisable at 12 cents each;
- 23,100,000 options expiring 19 December 2020, exercisable at 5.4 cents each;
- 41,580,001 options expiring 26 September 2021, exercisable at 10.08 cents each.

SHARE ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of Vanadium Resources Limited were issued during the year ended 30 June 2019 on the exercise of options granted. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Date options granted	Issue price of Shares	Number of shares issued
8 December 2017	$0.054	2,668,097

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 21 to the financial statements.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and

- None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

This report is signed in accordance with a resolution of Board of Directors.

William Oliver
Managing Director
27 September 2019

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Vanadium Resources Limited for the year ended 30 June 2019, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 27 September 2019

TUTU PHONG
Partner

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2019

	Note	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Revenue from continuing operations			
Other income	4	**34,489**	19,110
Expenses			
Consulting and legal fees		**(699,711)**	(521,877)
Share and company registry		**(93,901)**	(122,663)
Other expenses		**(85,498)**	(36,175)
Share based payments	5	**(2,104,739)**	(556,735)
Directors fees		**(320,821)**	(182,000)
Company secretary and financial management		**(98,958)**	(96,909)
Professional fees		**(48,034)**	(45,450)
Travel expenses		**(303,483)**	(60,662)
Impairment of capitalised expenditure		**(142,862)**	-
Depreciation		**(658)**	-
Share of losses of associates accounted for using the equity method	6	**(8,056)**	-
Loss from continuing operations before income tax			
Income tax expense		**-**	-
Loss from continuing operations after income tax		**(3,872,232)**	(1,603,361)
Other comprehensive income		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive loss attributable to the members of Vanadium Resources Limited		**(3,872,232)**	(1,603,361)
Loss per share for the year attributable to the members Vanadium Resources Limited:			
Basic loss per share (cents)	8	**(2.04)**	(1.41)
Diluted loss per share (cents)	8	**(2.04)**	(1.41)

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

Consolidated Statement of Financial Position

As at 30 June 2019

	Note	Consolidated Entity 2019 $	Consolidated Entity 2018 $
ASSETS			
Current assets			
Cash and cash equivalents	9	**930,583**	4,336,356
Trade and other receivables	10	**80,856**	134,605
Total current assets		**1,011,440**	4,470,961
Non-Current assets			
Exploration and evaluation	12	**4,150,369**	1,320,686
Investments accounted for using the equity method		**7,820,461**	-
for 24.26% of the SPD Vanadium Project	13		
Property Plant and Equipment		**7,831**	-
Other receivables	10 (a)	**544,968**	-
Total Non-Current assets		**12,523,629**	1,320,686
Total assets		**13,535,068**	5,791,647
LIABILITIES			
Current liabilities			
Trade and other payables	11	**327,959**	83,031
Total current liabilities		**327,959**	83,031
Total liabilities		**327,959**	83,031
Net assets		**13,207,109**	5,708,616
EQUITY			
Contributed equity	14	**12,572,550**	6,640,448
Reserves	15	**6,116,608**	677,985
Accumulated losses		**(5,482,049)**	(1,609,817)
Total equity		**13,207,109**	5,708,616

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2019

	Issued Capital $	Share-based Payment Reserve $	Accumulated Losses $	Total $
At 1 July 2018	**6,640,448**	**677,985**	**(1,609,817)**	**5,708,616**
Loss for the year	-	-	**(3,872,232)**	**(3,872,232)**
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year after tax	-	-	**(3,872,232)**	**(3,872,232)**
Transactions with owners in their capacity as owners:				
Issued Capital	**1,550,000**	-	-	**1,550,000**
Share Issue costs	**(146,580)**	-	-	**(146,580)**
Shares Issued in lieu of services provided	**6,000**	**1,120,720**	-	**1,126,720**
Share-based payments	**589,050**	**395,061**	-	**984,111**
Conversion of options	**144,077**	-	-	**144,077**
Investments accounted for using the equity method for 24.26% of the SPD Vanadium Project	**3,789,555**	**3,922,842**	-	**7,712,397**
At 30 June 2019	**12,572,550**	**6,116,608**	**(5,482,049)**	**13,207,109**
At 1 July 2017	330,001	-	(6,456)	323,545
Loss for the year	-	-	(1,603,361)	(1,603,361)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period after tax	-	-	(1,603,361)	(1,603,361)
Transactions with owners in their capacity as owners:				
Issued Capital	6,500,000	-	-	6,500,000
Share Issue costs	(561,287)	-	-	(561,287)
Issue of listed options	-	121,250	-	121,250
Share-based payments	-	556,735	-	556,735
Conversion of options	121,734	-	-	121,734
Acquisition of VMS Resources Pty Ltd	250,000	-	-	250,000
At 30 June 2018	6,640,448	677,985	(1,609,817)	5,708,616

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

Consolidated Statement of Cash Flows

For the Financial Year ended 30 June 2019

	Note	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Cash flows from operating activities			
Payments to suppliers and employees		**(1,390,570)**	(1,078,465)
Interest received		**37,601**	11,698
GST refund		**2,916**	-
Payments for plant and equipment		**(8,490)**	-
Net cash used in operating activities	9(a)	**(1,358,543)**	(1,066,767)
Cash flows from investing activities			
Payment of exploration activities capitalised		**(2,961,521)**	(1,017,386)
Payments for costs related to the acquisition of 24.26% of t SPD Vanadium Project		**(116,120)**	-
Payment for costs related to purchase of VMS Pty Ltd		**-**	(50,000)
Cash acquired upon acquisition of subsidiaries	22	**-**	1,200
Cash deposit on rehabilitation guarantee and other deposits		**(517,086)**	-
Net cash used in investing activities		**(3,594,727)**	(1,066,186)
Cash flows from financing activities			
Proceeds from issue of shares		**1,550,000**	6,621,734
Share issue costs		**(146,575)**	(561,287)
Proceeds from option entitlement issue		**144,072**	121,250
Net cash from financing activities		**1,547,497**	6,181,697
Net increase / (decrease) in cash and cash equivalents		**(3,405,773)**	4,048,744
Cash and cash equivalents at the beginning of the year		**4,336,356**	287,612
Cash and cash equivalents at the end of the year	9	**930,583**	4,336,356

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

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Vanadium Resources Limited (referred to as "Company" or "parent entity") is a company domiciled in Australia. The address of the Company's registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The consolidated financial statements of the Company as at and for the year ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" or the "Group").

(b) Basis of Preparation

Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Basis of measurement

The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 24.

Adoption of new and revised accounting standards

A number of new or amended standards became applicable for the current reporting period for which the Company has adopted

- AASB 15 Revenue from Contracts with Customers; and
- AASB 9 Financial Instruments.

There is no impact on the Company for the year ended 30 June 2019.

Changes to the Company's accounting policies

AASB 15 Revenue from contracts with Customers

AASB 15 Revenue from contracts with Customers replaces AASB 118 Revenue. AASB 15 was adopted by the Group on 1 July 2018. AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers.

The Company has considered AASB 15 in detail and determined that the impact on the Company's sales revenue from contracts under AASB 15 is insignificant for the year.

The Company's new revenue accounting policy is detailed below:

Revenue is recognised when or as the Company transfers control of goods or services to a customer at the amount to which the Company expects to be entitled. If the consideration promised includes a variable component, the Company estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 Financial Instruments from 1 July 2018 did not give rise to any material transitional adjustments. The new accounting policies (applicable from 1 July 2018) are set out below.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In accordance with the transitional provisions in AASB 9(7.2.15) and (7.2.26), comparative figures have not been restated.

Classification and measurement

Except for certain trade receivables the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under AASB 9 financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

Impairment

From 1 July 2018 the Company assesses on a forward looking basis the expected credit losses (ECLs) associated with its debt instruments carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Significant Judgements and Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Vanadium Resources Limited ('Company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Vanadium Resources Limited and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition method of accounting is used to account for business combinations by the consolidated entity. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

(e) Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the consolidated entity's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Australian dollars, which is Vanadium Resources Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(f) Foreign Currency Translation (cont.)

Consolidated entity companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position account presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of profit or loss and other comprehensive income account are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(g) Revenue Recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(h) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Exploration and evaluation expenditure

Exploration and evaluation assets - acquired

Exploration and evaluation assets compromise of acquisition of mineral rights and fair value (at acquisition date) of exploration and expenditure assets from other entities. As the assets are not yet ready for use they are not depreciated. Exploration and evaluation assets are assessed for impairment if facts or circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

(i) Cash and Cash Equivalents

Cash on hand and in bank and short-term deposits are stated at nominal value. For the purpose of the statement of cash flows, cash includes cash on hand and in bank, and bank securities readily convertible to cash, net of outstanding bank overdrafts.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(j) **Asset Acquisition not constituting a Business**

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for the deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

(k) **Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

The consolidated entity has applied the simplified approach to measuring the expected credit losses, which uses a lifetime expected loss allowance. To measure expected credit losses, trade receivables have been grouped on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(l) **Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(m) **Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Where an impairment loss subsequently reverses, the carrying amount of the asset, other than goodwill, is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(n) **Trade and Other Payables**

Liabilities are recognised for amounts to be paid in the future for goods and services received whether or not billed to the Group. Trade payables are usually settled within 30 days of recognition.

(o) **Employee Benefits**

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(p) **Share-based Payments**

Equity-settled and cash-settled share-based compensation benefits are provided to Key Management Personnel and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(u) Share-based Payments (cont.)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying an appropriate valuation model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(v) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(w) Earnings Per Share

Basic earnings per share
Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share
Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(x) Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables area stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of amount of GST recoverable, or payable to, the tax authorities.

(y) Current and Non-Current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(z) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Notes to the Consolidated Financial Statements

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share based payments

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised and are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering the costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

NOTE 3 SEGMENT INFORMATION

The consolidated entity operates within two geographical segments within mineral exploration being Australia and South Africa. The segment information provided to the chief operating decision maker is as follows:

	Australia	South Africa	Total
Year Ended 30 June 2019	$	$	$
Revenue	34,489	-	34,489
Result (loss)	(3,513,465)	(358,767)	(3,872,232)
Total assets	2,934,655	10,600,414	13,535,069
Total liabilities	(146,832)	(181,127)	(327,959)

In prior year, the Group operated only in one reportable segment being predominately in the area of mineral exploration in Western Australia. The Board considers its business operations in mineral exploration to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Board of Directors. Consequently, revenue, profit, net assets and total assets for the operating segment are reflected in this financial report.

NOTE 4 REVENUE	2019	2018
	$	$
Other income		
Interest income	**31,573**	19,110
Fee income	**2,916**	-
	34,489	19,110

NOTE 5 EXPENSES	2019	2018
	$	$
Share based payments expense		
Prior options expense	**395,061**	556,735
Consideration for Steelpoort Pty Ltd	**589,050**	-
Lead manager options	**1,120,628**	-
	2,104,739	556,735

Notes to the Consolidated Financial Statements

NOTE 6 SHARE OF PROFITS OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	2019	2018
	$	$
Share of loss - associates	**8,056**	-
	8,056	-

NOTE 7 INCOME TAX	2019	2018
	$	$
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the of profit or loss and other comprehensive income	-	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
(Loss) before income tax expense	**(3,872,232)**	(1,603,361)
Prima facie tax benefit on loss before income tax at 30% (2018: 27.5%)	**(1,161,670)**	(481,008)
Tax effect of:		
Amounts not deductible in calculating taxable income	**819,279**	180,545
Tax losses not recognised	**443,936**	537,617
Tax effect of exploration expenditure	**(96,626)**	(267,356)
Tax effect of exploration expenditure	**(4,920)**	30,203
Income tax expense/(benefit)	**-**	**-**
(c) Deferred tax assets not brought to account are:		
Accruals/ Provisions	**6,300**	3,960
Business related costs	**128,252**	130,874
Fixed assets	**82,489**	-
Tax losses	**948,759**	537,617
Total deferred tax assets not brought to account	**1,165,801**	672,451
(d) Deferred tax liabilities not brought to account are:		
Exploration Expenditure	**321,124**	267,356
Prepayments	**9,753**	10,335
Unrealised foreign currency gains	**8,364**	-
Total deferred tax liabilities not brought to account	**339,241**	277,691

The benefit for tax losses will only be obtained if:

(i) The Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(ii) The Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and

(iii) There are no changes in tax legislation in Australia which will adversely affect the Group in realising the benefit from the deductions for the losses.

At 30 June 2019, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiary as the Group has no liability for additional taxation should such amounts be remitted.

Notes to the Consolidated Financial Statements

NOTE 8 LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the year 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 year 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.

	2019 $	2018 $
Net loss for the year	**(3,872,232)**	(1,603,361)
Weighted average number of ordinary shares for basic and diluted loss per share.	**189,355,084**	113,481,282

Options on issue are not considered dilutive to the earnings per share as the Company is in a loss-making position.

Continuing operations		
- Basic and diluted loss per share (cents)	**(2.04)**	(1.41)

NOTE 9 CASH AND CASH EQUIVALENTS

Cash at bank and in hand	**930,583**	1,334,827
Short-term deposits	**-**	3,001,529
	930,583	4,336,356

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made in varying periods between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

The Group's exposure to interest rate and credit risks is disclosed in Note 16.

(a) Reconciliation of net loss after tax to net cash flows from operations

Loss for the financial year	**(3,872,232)**	(1,603,361)
Adjustments for:		
Share-based payments	**2,104,739**	556,735
Impairment of capitalised expenditure	**142,862**	-
Share of loss of associate using equity method	**8,056**	-
Foreign currency translation	**(27,882)**	-
Other non-cash items	**(12,762)**	-
Changes in assets and liabilities		
Trade and other receivables	**53,748**	(69,564)
Trade and other payables	**244,928**	49,423
Net cash used in operating activities	**(1,358,543)**	(1,066,767)

Notes to the Consolidated Financial Statements

NOTE 10 TRADE AND OTHER RECEIVABLES	**2019**	2018
	$	$
GST receivable (net)	**48,346**	100,156
Other deposits and receivables (i)	**32,510**	34,449
	80,856	134,605

NOTE 10(a) TRADE AND OTHER RECEIVABLES	**2019**	2018
	$	$
Other deposits	28,972	-
Cash rehabilitation guarantee (ii)	515,996	-
	544,968	-

(i) Other receivables are non-interesting bearing and are generally on terms of 30 days.
(ii) The cash rehabilitation guarantee is controlled by Vanadium Resources Limited; it was paid on behalf of the project to secure the right to mine and will subsequently reclassified as cash when refunded.

Allowance for expected credit losses
No expected credit losses have been recognised by the consolidated entity for the year ended 30 June 2019.

	2019	2018
	$	$
NOTE 11 TRADE AND OTHER PAYABLES		
Trade payables (i)	**302,026**	66,831
Accrued expenses	**25,933**	16,200
	327,959	83,031

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

NOTE 12 EXPLORATION AND EVALUATION	**2019**	2018
	$	$
Opening balance	**1,320,686**	-
Additions capitalised during the period	**2,829,683**	963,939
Acquisition of VMS Resources Pty Ltd	**-**	356,747
	4,150,369	1,320,686

NOTE 13 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD FOR 24.26% OF THE SPD VANADIUM PROJECT	**2019**	2018
	$	$
Investment in associate (refer to note 25)	**7,820,461**	-
	7,820,461	-

NOTE 14 CONTRIBUTED EQUITY

(a) Issued and fully paid	**2019**		2018	
	No.	**$**	No.	$
Ordinary shares	**212,960,386**	**12,572,550**	166,260,491	6,640,448

Ordinary shares entitle the holder to participate in dividends and the proposed winding up of the company in proportion to the number and amount paid on the share hold.

Notes to the Consolidated Financial Statements

NOTE 14 CONTRIBUTED EQUITY (CONT.)

(b) Movement reconciliation	Number	$
At 1 July 2017	6,750,001	330,001
Initial public offering - $0.20	22,500,000	4,500,000
Capital raising costs	-	(350,500)
Consideration shares for acquisition of VMS Resources Pty Ltd	1,250,000	250,000
Conversion of options at $0.25	407,300	101,825
Issue of Shares - $0.40 placement	5,000,000	2,000,000
Capital raising costs	-	(210,787)
	35,907,301	6,620,539
Share split capital restructure (i)	165,891,731	-
Conversion of options at $0.054	368,760	19,909
At 30 June 2018	166,260,491	6,640,448
Conversion of options at $0.054	**2,668,097**	**144,077**
Consideration for Steelpoort Pty Ltd	**3,465,001**	**589,050**
Consideration for services provided	**40,000**	**6,000**
Consideration for 24.26% of Vanadium Resources Pty Ltd	**22,291,502**	**3,789,555**
Issue of Shares - $.085 placement	**18,235,295**	**1,550,000**
Capital raising costs		**(146,580)**
At 30 June 2019	**212,960,386**	**12,575,550**

(i) The share split approved by shareholders on 16 May 2018, was completed on 29 May 2018. The volume weighted average price of the fully paid ordinary shares quoted on the ASX over the 5 trading days prior to the date of the meeting and subdivision ratio was calculated as follows; Subdivision rate = $0.9248 (5 day VWAP)/ $0.20 = 4.62.

NOTE 15 RESERVES

	2019	2018
	$	$
Share-based payments	**395,061**	556,735
Consideration for lead manager	**1,120,720**	-
Issue of options	**-**	45,000
Entitlement Issue	**-**	76,250
	1,515,781	677,985
Options recognised as an Investment in Associate	**3,922,842**	-
	3,922,842	-
<u>**Movement reconciliation**</u>		
Share-based payments reserve		
Balance at the beginning of the year	**677,985**	-
Equity settled share-based payment transactions	**395,061**	556,735
Listed Options issued to Xcel Capital	**-**	45,000
Entitlement Issue	**-**	76,250
Consideration for lead manager	**1,120,720**	-
Options recognised as an Investment in Associate	**3,922,842**	-
Balance at the end of the year	**6,116,608**	677,985

Share-based payment reserve

The share-based payment reserve is used to record the value of share-based payments provided to outside parties, and share-based remuneration provided to employees and directors.

Notes to the Consolidated Financial Statements

NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.
The main risks arising for the Group are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Group's financial instruments are as follows:

	2019	2018
Financial Assets	**$**	$
Cash and cash equivalents	**930,583**	4,336,356
Trade and other receivables	**625,825**	134,605
	1,556,408	4,470,961
Financial Liabilities		
Trade and other payables	**327,959**	83,031
	327,959	83,031

(a) Market risk

(i) Foreign exchange risk

The Group was not significantly exposed to foreign currency risk fluctuations.

(ii) Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Group's exposure to this risk relates primarily to the Group's cash and any cash on deposit. The Group does not use derivatives to mitigate these exposures. The Group manages its exposure to interest rate risk by holding certain amounts of cash in fixed and floating interest rate facilities. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2019		2018	
	Weighted average interest rate [i]	**Balance $**	Weighted average interest rate	Balance $
Cash and cash equivalents	**0.58%**	**930,583**	1.83%	4,336,356

(ii) This interest rate represents the average interest rate for the period.

Sensitivity

Within the analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year, using the observed range of historical rates for the preceding five-year period.

Notes to the Consolidated Financial Statements

NOTE 16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

At 30 June 2019, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax losses and equity would have been affected as follows:

	Profit higher/(lower)	
Judgements of reasonably possible movements:	**2019** **$**	2018 $
+ 1.0% (100 basis points)	**9,306**	43,364
- 1.0% (100 basis points)	**(9,306)**	(43,364)

(b) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The Group's exposure to credit risk arises from potential default of the counterparty, with maximum exposure equal to the carrying amount of the financial assets.

The Group's policy is to trade only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.
The following are the contractual maturities of financial liabilities:

	6 months	**6-12 months**	**1-5 years**	**> 5 years**	**Total**
2019	**$**	**$**	**$**	**$**	**$**
Trade and other payables	**327,959**	**-**	**-**	**-**	**327,959**
2018					
Trade and other payables	83,031	-	-	-	83,031

(d) Capital risk management

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the stage of the Company's development there are no formal targets set for return on capital. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

Notes to the Consolidated Financial Statements

NOTE 17 RELATED PARTY DISCLOSURE

(a) Key Management Personnel Compensation

Details relating to key management personnel, including remuneration paid, are below.

	2019	2018
	$	$
Short-term benefits	**624,614**	182,000
Other	**-**	15,000
Post-employment benefits	**9,215**	-
Share-based payments	**395,061**	556,735
	1,028,890	753,735

Information regarding individual Directors compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the Remuneration Report section of the Directors' Report.

(a) Transactions with related parties

The following transactions occurred with related parties:	**2019**	2018
	$	$
Company secretarial and financial management services from Mirador Corporate Pty Ltd (director related entity of Jeremy King)	**96,000**	96,921

(b) Amounts owing to related parties	**2019**	2018
	$	$
Company secretarial and financial management services from Mirador Corporate Pty Ltd (director related entity of Jeremy King)	**8,662**	8,796
Director fee payable to Billandbry Consulting Pty Ltd (director related entity of William Oliver)	**18,3333**	15,125
Director fee payable to Bushwood Nominees Pty Ltd (director related entity of Jeremy King)	**3,300**	3,000

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Notes to the Consolidated Financial Statements

NOTE 18 SHARE-BASED PAYMENTS	2019 $	2018 $
(a) Recognised share-based payment transactions		
Options issued to Directors (i)	**395,061**	556,735
Consideration under milestone 1 for the acquisition of Steelpoort Pty Ltd (ii)	**589,050**	-
Consideration for lead manager (iii)	**1,120,628**	-
	2,104,739	556,735
Options recognised as an Investment in Associate (iv)	**3,922,842**	**-**

(i) Options issued to Directors
On 19 December 2017, the Company issued 5,000,000 options (23,100,000 options post capital restructure) to the Directors, exercisable at $0.25 ($0.054 post capital restructure) on or before 19 December 2020.

(ii) On 27 September 2018, the Company issued 3,465,001 ordinary shares for consideration for the 100% acquisition of Steelpoort Pty Ltd.

(iii) On 26 September 2018, the Company issued 9,240,000 options as consideration for services provided by the lead manager.

(IV) On 26 September 2018 the Company issued 32,340,001 options as consideration to vendors for its investment in Vanadium Resources Pty Ltd for its interest in the Vanadium Resources project.

(b) Summary of options granted during the year

Options	Issue Date	Date of Expiry	Exercise Price	Balance at the start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year
Directors	19/12/2017	19/12/2020	0.054	23,100,000	-	-	-	23,100,000
Lead manager	26/09/2018	26/09/2021	0.108	-	9,240,000	-	-	9,240,000
Consideration	26/09/2018	26/09/2021	0.108	-	32,340,001	-	-	32,340,001
				23,100,000	**41,580,001**	**-**	**-**	**64,680,001**

The options issued to the lead managers and consideration for its investment in Vanadium Resources Pty Ltd, have been valued using the Black-Scholes model. The model and assumptions are shown in the table below:

30 June 2019:

Grant date share price	0.170
Exercise price	0.108
Expected volatility	100%
Grant date	20 August 2018
Expiry date	26 September 2021
Dividend yield	0.00%
Risk free rate	2.02%
Black-Scholes Valuation	0.1213
Total Fair Value of Options	$5,043,562
Number of Options Issued	41,580,001

30 June 2018:

Grant Date	30/11/2017
Vesting Date	19/12/2020
Strike (Exercise) Price	$0.054
Underlying Share Price (at date of issue)	$0.063
Risk-free Rate (at date of issue)	1.89%
Volatility	100%
Number of Options Issued	23,100,000
Dividend Yield	0
Probability	100%
Black-Scholes Valuation	$0.0412
Total Fair Value of Options	$951,795

Notes to the Consolidated Financial Statements

NOTE 19 COMMITMENTS

Exploration commitments	**2019** **$**	2018 $
Within one year	**192,555**	364,432
Later than one year but not later than five years	**-**	-
Later than five years	**-**	-
	192,555	364,432

NOTE 20 CONTINGENCIES

There are no contingent assets or contingent liabilities as at 30 June 2019 other than below: (2018: nil).

The consolidated entity can acquire up to 73.95% interest in Vanadium Resources Pty Ltd for its interest in Vanadium Project by meeting a series of milestones comprising the establishment of a JORC-compliant Measured Resource, and completion of Scoping, Pre-feasibility and Definitive Feasibility Studies (see Table below for details).

	Milestone 1: Satisfaction of Conditions Precedent	Milestone 2: Measured Resource	Milestone 3: Scoping Study	Milestone 4: Pre-Feasibility Study	Milestone 5: Definitive Feasibility Study
Vanadium Resources Pty Ltd No. of Consideration Shares to be issued	22,291,502 (issued 27 September 2018)	21,598,502	16,170,001	-	21,021,002
Vanadium Resources Pty Ltd No. of Consideration Options to be issued	-	-	-	32,340,001	20,559,006
Vanadium Resources Pty Ltd (Cash consideration in South African Rand)	$1,576,866	$221	$181,270	$263,402	$388,640
Steelpoort consideration shares	3,465,001 (issued 27 September 2018)	6,930,000	3,465,001	4,620,003	9,240,004
No. of Transaction Options to be issued	32,430,001 (issued 27 September 2018)	-	-	-	-
% of Interest in SPD Vanadium Project	24.26%	27.79%	36.98%	51.77%	73.95%
Status	Completed	Completed 26 July 2019	Completed 26 July 2019	Completed 26 July 2019	Pending

Notes to the Consolidated Financial Statements

NOTE 21 AUDITOR'S REMUNERATION

	2019 $	2018 $
Amounts received or due and receivable by RSM Australia Partners for:		
Audit and review of the annual and half-year financial report	**36,000**	30,200
Other services - RSM Australia Pty Ltd for:		
- Investigating Accountant's Report	**-**	6,818
- Income tax return	**9,550**	-
Other services - RSM South Africa Pty Ltd for:		
- Tax advice	**2,484**	-
	48,034	37,018

NOTE 22: ACQUISITION OF VMS RESOURCES PTY LTD

On the 1 November 2017 the Group announced the completion of the acquisition of 100% of the issued capital of VMS Resources Pty Ltd. As the Company held the Quartz Bore Project, with no inputs or outputs were acquired, the acquisition was assessed as an asset acquisition rather than a business combination.

The deemed consideration was the issue of 1,250,000 shares and is deemed to have a value of $250,000 and cash consideration of $50,000.

On initial recognition, the fair value of shares issued has been determined by reference to the initial public offer price of $0.20 as the acquisition was contingent on the completion of the capital raising.

Purchase consideration was as follows:

	2018 $
Value of Share Consideration issued	**250,000**
Cash Consideration	**50,000**
	300,000

Net assets acquired are as follows:

	2018 $
Cash at Bank	**1,200**
Exploration and Evaluation Expenditure	**356,747**
Trade and other payables	**(57,947)**
	300,000

NOTE 23 INVESTMENT IN CONTROLLED ENTITIES

	Principal Activities	Country of Incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Steelpoort Pty Ltd	Dormant	Australia	**100**	-
VMS Resources Pty Ltd	Exploration	Australia	**100**	100

Notes to the Consolidated Financial Statements

NOTE 24 PARENT ENTITY

	2019 $	2018 $
Assets		
Current assets	**1,555,060**	4,416,597
Non-current assets	**11,980,008**	1,375,055
Total assets	**13,535,068**	5,791,652
Liabilities		
Current liabilities	**327,959**	83,031
Total liabilities	**327,959**	83,031
Equity		
Contributed equity	**12,572,550**	6,640,448
Reserves	**6,116,608**	677,985
Accumulated losses	**(5,482,049)**	(1,609,812)
Total equity	**13,207,109**	5,708,621
Loss for the year	**(3,872,237)**	(1,603,356)
Total comprehensive loss	**(3,872,237)**	(1,603,356)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

Exploration commitments
The parent entity had exploration commitments as disclosed in Note 19.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in joint ventures are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be a an impairment of the investment.

Notes to the Consolidated Financial Statements

NOTE 25: 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 2019 %	2018 %
Vanadium Resources Pty Ltd	South Africa	**24.26**	-
		24.26	-

Summarise financial information

Summarised statement of financial position	Vanadium Resources Pty Ltd 2019 $	2018 $
Current assets	**575,385**	-
Total assets	**575,385**	-
Non- current liabilities	**673,860**	-
Total liabilities	**673,860**	-
(Net Liabilities)	**(98,475)**	-

Summarised statement of profit or loss and other comprehensive income	2019 $	2018 $
Revenue	**32,052**	
Expenses	**(65,259)**	-
Profit/(loss) before income tax	**(33,207)**	-
Income tax expense	-	-
Profit/(loss) after income tax	**(33,207)**	-
Other comprehensive income/(loss)	-	-
Total comprehensive income/(loss)	**(33,207)**	-

Reconciliation of the consolidated entity's carrying amount	2019 $	2018 $
Opening carrying amount	**7,828,517**	-
Share of loss after income tax	**(8,056)**	-
Closing carrying amount	**7,820,461**	-

Notes to the Consolidated Financial Statements

NOTE 26 EVENTS AFTER THE REPORTING DATE

On 26 July 2019 the Company accelerated the acquisition of the Company's interest in the Steelpoortdrift Vanadium Project and now owns 50% of the project with the balance of up to 73.95% subject to approval under s11 of the South African Mineral and Petroleum Act 2002.

On the same day the following securities were issued:

- 111,688,512 fully paid ordinary shares as consideration for the acquisition of 73.95% of Vanadium Resources Pty Ltd (Milestone 2, 3, 4 & 5);
- 24,255,008 fully paid ordinary shares as consideration for the acquisition of Steelpoort Pty Ltd (Milestones 2, 3, 4, & 5);
- 9,117,647 Free attaching options were issued in conjunction with the $1,700,000 placement conducted in May 2019.
- 1,764,708 fully paid ordinary shares were issued to Directors at an issue price of $0.085 per share along with 882,354 attaching options for their participation in the placement to raise $150,000 (as part of the $1,700,000 placement conducted in May 2019); and
- 1,400,000 fully paid ordinary shares to Mastermines as consideration for Asia commodity marketing consultancy services.

On 26 July 2019 Mr Nicholas Phillipus Jacobus Van Der Hoven and Mr Jurie Hendrik Wessels were appointed as non-executive directors and Mr Jeremy King and Mr Luigi Matteucci resigned.

On 22 August 2019 the Company issued 58,824 fully paid ordinary shares at $0.085 per share and 29,412 quoted options exercisable at $0.12 expiring on 1 June 2021 under a share purchase plan.

Other than the above, there has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

Directors' Declaration

In the Directors' opinion:

a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
   i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date.

b) The financial statements and notes comply with International Financial Reporting Standards as described in Note 1 to the financial statements.

c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

William Oliver
Managing Director

27 September 2019

RSM Australia Partners

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

Opinion

We have audited the financial report of Vanadium Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Exploration and Evaluation Expenditure Refer to Note 12 in the financial statements	
The Group has capitalised exploration and evaluation expenditure with a carrying value of $4,150,369 as at 30 June 2019. We considered this to be a key audit matter due to the management judgments involved in assessing the carrying value of the asset including: • Determination of whether the exploration and evaluation expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Assessing whether any indicators of impairment are present; and • Determination of whether exploration activities have reached a stage at which the existence of an economically recoverable reserves may be determined.	Our audit procedures included: • Obtaining evidence that the Group has valid rights to explore in the specific area of interest; • Reviewing and enquiring with management the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage where it can be concluded that no commercially viable quantities of mineral resources exists; • Enquiring with management and reviewing budgets and other documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; and • Critically assessing and evaluating management's assessment that no indicators of impairment existed in relation to the activities in the specific area of interest.
Investment in Associate using the Equity Method Refer to Note 13 and 25 in the financial statements	
During the year, the Group acquired a 24.26% in Vanadium Resources Pty Ltd for a consideration of $7,828,517. The accounting for this investment is considered to be a key audit matter because it involved the exercise of judgment in relation to: • Determining the type of transaction and whether it is a joint arrangement as defined by AASB 11 *Joint Arrangements* and properly recognised under AASB 128 *Investments in Associates and Joint Ventures*; • Determining the rights and obligations arising from the arrangement and its method of recognition as either a joint operation or joint venture; • Determining the fair value of the consideration paid, including recognition and measurement under AASB 2 *Share-based Payment*; and • Determining whether there were impairment indicators in the investment at reporting date.	Our audit procedures included: • Reviewing the binding heads of agreement to understand the key terms and conditions; • Evaluating the assumptions and methodology in management's determination of the fair value of the investment; • Evaluating the measurement and recognition criteria determined by management in accordance with AASB 11 and 128; • Evaluating the assumptions and methodology in management's determination of possible indicators of impairment in the investment at reporting date; and • Assessing the appropriateness of the disclosures in the financial report in respect of the investment.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Vanadium Resources Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 27 September 2019

Corporate Governance Statement

The Board of Directors of Vanadium Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, are in place.

Further information on the Company's corporate governance policies and practices can be found on the Company's website at http://www.tandoresources.com.au/corporate-governance

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 18 September 2019.

TWENTY LARGEST SHAREHOLDERS

		Number Held	Percentage
1	AMA CASA PROPS 122 PROPRIETARY LIMITED	27,283,825	7.75%
2	KUMANE INVESTMENTS (PTY) LTD	24,817,344	7.05%
2	DANTERNE (PTY) LTD	24,817,344	7.05%
3	KUMANE INVESTMENTS PTY LTD	20,164,093	5.73%
3	DANTERNE PTY LTD	20,164,093	5.73%
4	NDARAMA INVESTMENTS (PRIVATE) LIMITED	16,733,315	4.75%
5	PAPILLON HOLDINGS PTY LTD <THE VML NO 1 A/C>	10,570,407	3.00%
6	DAVY CORP PTY LTD <DAVY INVESTMENT A/C>	5,937,103	1.69%
7	DAVY CORP PTY LTD <DAVY INVESTMENT>	5,174,802	1.47%
8	MALCORA PTY LTD	4,810,983	1.37%
9	RIMOYNE PTY LTD	4,787,431	1.36%
10	SANGREAL INVESTMENTS PTY LTD	4,600,000	1.31%
11	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	4,484,331	1.27%
12	GOLDEN DAWN LIMITED	3,954,000	1.12%
13	HORIZON CAPITAL MANAGEMENT LLC	3,158,256	0.90%
14	VANTAGE HOUSE LIMITED	2,953,244	0.84%
15	TIALING PTY LTD <TIALING SUPER FUND A/C>	2,839,953	0.81%
16	JP SECURITY HOLDINGS PTY LTD <JP A/C>	2,633,400	0.75%
17	PACKER ROAD NOMINEES PTY LTD	2,500,000	0.71%
18	SNOWBALL 3 PTY LTD <ANTONIO TORRESAN SUPER A/C>	2,450,000	0.70%
19	MR DARREN CARTER	2,400,000	0.68%
20	ALWAYS HOLDINGS PTY LTD <BUHAGIAR S/F A/C>	2,300,000	0.65%
Total: Top 20 holders of ORDINARY FULLY PAID SHARES		**199,533,924**	**56.67%**

ASX Additional Information

DISTRIBUTION OF EQUITY SECURITIES

(i) Ordinary share capital

- 352,127,438 fully paid shares held by 826 individual shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

The number of shareholders, by size of holding, is:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	41	3,767	0%
1,001 - 5,000	44	176,944	0.05%
5,001 - 10,000	72	566,030	0.16%
10,001 - 100,000	370	16,119,515	4.58%
100,001 - 9,999,999,999	299	335,261,182	95.21%
Total	**826**	**352,127,438**	**100%**

(ii) Unlisted Options

- 23,100,000 unquoted options held by 3 individual shareholders with an exercise price of $0.054 and an expiry date of 19/12/20.
- 41,580,000 unquoted options held by 12 individual shareholders with an exercise price of $0.108 and an expiry date of 26/9/21.

(iii) Listed options

- 51,099,038 quoted options with an exercise price of $0.054 and an expiry date of 8/12/19.

The number of option holders, by size of holding, is:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	3	609	0%
1,001 - 5,000	18	44,279	0.09%
5,001 - 10,000	24	158,909	0.31%
10,001 - 100,000	96	3,463,202	6.78%
100,001 - 9,999,999,999	76	47,432,039	92.82%
Total	**217**	**51,099,038**	**100%**

- 10,029,413 quoted options with an exercise price of $0.12 and an expiry of 1/06/21.

The number of option holders, by size of holding, is:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	1	10,000	0.10%
10,001 - 100,000	31	1,921,040	19.15%
100,001 - 9,999,999,999	29	8,098,373	80.75%
Total	**61**	**10,029,413**	**100%**

ASX Additional Information

TWENTY LARGEST LISTED OPTION HOLDERS
exercise price of $0.054 and an expiry date of 8/12/19.

		Number Held	Percentage
1	RIMOYNE PTY LTD	4,309,170	7.05%
2	SANGREAL INVESTMENTS PTY LTD	3,700,000	6.05%
3	PAPILLON HOLDINGS PTY LTD <THE VML NO 1 A/C>	3,532,685	5.78%
4	UBS NOM PTY LTD <UBS A/C>	3,500,000	5.73%
5	MRS ALLISON MAREE BULSECO	2,081,888	3.41%
6	MALCORA PTY LTD	2,081,282	3.40%
7	MR SAM ROBIN HAMMOND	1,977,756	3.24%
8	PHEAKES PTY LTD <SENATE A/C>	1,769,000	2.89%
9	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	1,748,675	2.86%
10	PLACEMENTS CANACCORD GENUITY (AUSTRALIA) <PLACEMENTS CANACCORD GENUITY>	1,470,500	2.41%
11	MR DARREN CARTER	1,200,000	1.96%
12	XCEL CAPITAL PTY LTD	1,155,000	1.89%
13	MR DAVID JAMES WALL <THE RESERVE A/C>	1,146,975	1.88%
14	NIGHTFALL PTY LTD <NIGHTFALL SUPER FUND A/C>	1,085,410	1.78%
15	NATIONAL NOMINEES LIMITED	1,074,983	1.76%
16	MR MICHAEL THOMAS ALBERT DUNN	1,000,000	1.64%
17	CITICORP NOMINEES PTY LIMITED	954,800	1.56%
18	MR ROBERT ERIC TERACE & MRS JUDITH FAY TERACE	837,000	1.37%
19	MR MICHAEL YUXUN KUANG	700,000	1.15%
20	ATKINS SUPERANNUATION FUND PTY LTD <ATKINS SUPER FUND A/C>	692,954	1.13%
	Total	**36,018,078**	**58.92%**

ASX Additional Information

TWENTY LARGEST LISTED OPTION HOLDERS
exercise price of $0.012 and an expiry date of 1/06/21.

		Number Held	Percentage
1	PLACEMENTS CANACCORD GENUITY (AUSTRALIA) <PLACEMENTS CANACCORD GENUITY>	1,470,500	14.66%
2	MR DARREN CARTER	1,200,000	11.96%
3	VANTAGE HOUSE LIMITED	442,647	4.41%
4	MR ALFREDO VARELA	294,150	2.93%
5	ROWAN HALL PTY LTD <ROWAN HALL INVESTMENT A/C>	294,118	2.93%
5	MR JEREMY PHILIP KING	294,118	2.93%
5	MR WILLIAM ALAN OLIVER & MRS BRYONY NICOLLE NORMAN OLIVER <BANDB SUPER A/C>	294,118	2.93%
6	QUINTERO GROUP LIMITED	251,165	2.50%
7	MR PHILLIP RICHARD PERRY & MRS TETYANA PERRY <DONESKA SUPER FUND A/C>	250,000	2.49%
7	MELBOR PTY LTD<RJW FAMILY A/C>	250,000	2.49%
7	MR SHANE TIMOTHY BALL <THE BALL A/C>	250,000	2.49%
7	MR MARK JONATHAN SANDFORD & MR CHRISTOPHER JOHN SANDFORD <SANDFORD SUPER FUND A/C>	250,000	2.49%
8	NIGHTFALL PTY LTD <NIGHTFALL SUPER FUND A/C>	235,410	2.35%
9	EBONY PARK NOMINEES PTY LIMITED <DUNCAN F SMITH FAMILY A/C>	175,000	1.74%
9	OX GLOBAL INVESTMENTS LTD	175,000	1.74%
9	TOTAL ASSET MANAGEMENT SOLUTIONS PTY LTD	175,000	1.74%
10	TIALING PTY LTD <TIALING SUPER FUND A/C>	169,976	1.69%
11	MR BRENT NORMAN FISHER	160,274	1.60%
12	MR THOMAS FRANCIS CORR	150,000	1.50%
12	METIS PTY LTD	150,000	1.50%
13	PRIMSTON PTY LTD	147,500	1.47%
14	ACETOP HOLDINGS PTY LTD	145,000	1.45%
14	HG MULTI INVESTMENTS PTY LTD <THE STRUCTURED A/C>	145,000	1.45%
15	VOLTA INVESTMENTS PTY LTD <VOLTA A/C>	126,500	1.26%
16	MR NATHAN JOHN CARATTI	125,000	1.25%
16	MR DAVID JOHN BARRETT	125,000	1.25%
17	KALCON INVESTMENTS PTY LTD	117,650	1.17%
18	LUDO CAPITAL PTY LTD	117,647	1.17%
19	MR STEVEN DE ROSA	117,600	1.17%
20	ATKINS SUPERANNUATION FUND PTY LTD <ATKINS SUPER A/C>	100,000	1.00%
20	MR RYAN JOHN RAY VITALI &MRS HOLLY DIANA VITALI<SAVITAL A/C>	100,000	1.00%
	Total	**8,298,373**	**82.74%**

ASX Additional Information

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are below:

		Number Held	Percentage
1	AMA CASA PROPS 122 PROPRIETARY LIMITED	27,283,825	7.75%
2	KUMANE INVESTMENTS (PTY) LTD	24,817,344	7.05%
2	DANTERNE (PTY) LTD	24,817,344	7.05%
3	KUMANE INVESTMENTS PTY LTD	20,164,093	5.73%
3	DANTERNE PTY LTD	20,164,093	5.73%

VOTING RIGHTS

Ordinary shares
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.

Options
Options carry no voting rights.

UNMARKETABLE PARCELS

There were 143 holders of less than a marketable parcel of ordinary shares, which as at 19 September 2018 was 606,741.

RESTRICTED SECURITIES

There are 1,957,725 fully paid ordinary shares escrowed until 3 November 2019.

There are 23,100,000 unquoted options (exercisable at $0.054, expiring on 19 December 2020) escrowed until escrowed until 3 November 2019.

There are 88,620,016 fully paid ordinary shares escrowed until 31 December 2019.

ON-MARKET BUY-BACK
There is currently no on-market buyback program for any of Vanadium Resources' listed securities.

ACQUISITION OF VOTING SHARES
No issues of securities have been approved for the purposes of Item 7 of Section 611 of the Corporations Act 2001.

TAX STATUS
The Company is treated as a public company for taxation purposes.

FRANKING CREDITS
The Company has no franking credits.

TENEMENT TABLE

Mining tenement interests held at the end of the period and their location

PERMIT NAME	PERMIT NUMBER	REGISTERED HOLDER / APPLICANT	AREA IN km^2	PERMIT STATUS	PERMIT EXPIRY	INTEREST / CONTRACTUAL RIGHT
Pilbara Region, Western Australia						
Quartz Bore	E47/3352	VMS Resources Pty Ltd	15	Granted	21/12/2021	100%
Mt Sydney	E45/4939	Tando Resources Ltd	508	Granted	13/11/2023	100%
Mt Vernon	E52/3560	Tando Resources Ltd	463	Granted	23/08/2022	100%
Limpopo Region, South Africa						
Steelpoortdrift KT365	10095MR	Vanadium Resources (Pty) Ltd	24.6	Granted	04/09/2048	Right to own 73.95%