



Vanadium Resources Limited

ABN 47 618 307 887

Notice of Annual General Meeting and Explanatory Memorandum

Date of Meeting

18 November 2020

Time of Meeting

4.00 pm (WST)

Place of Meeting

108 Outram Street, West Perth,
Western Australia, 6005

A Proxy Form is enclosed

Please read this Notice of Annual General Meeting and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting, please complete and return the enclosed Proxy Form in accordance with the specified directions.

Vanadium Resources Limited

ABN 47 618 307 887

Notice of Annual General Meeting

NOTICE IS GIVEN that an Annual General Meeting of Shareholders of Vanadium Resources Limited ABN 47 618 307 887 (**Company**) will be held at 108 Outram Street, West Perth, Western Australia, 6005 on 18 November 2020 at 4.00 pm (WST) for the purpose of transacting the business referred to in this Notice of Annual General Meeting.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice. Terms used in the Resolutions contained in this Notice have the meaning given to them in the glossary in the Explanatory Memorandum.

Measures to deal with COVID-19

Circumstances relating to COVID-19 are changing rapidly and the Board is monitoring closely how matters develop over the coming months. The health of the Company's shareholders, as well as its employees and other stakeholders is of paramount importance.

The Board encourages shareholders to monitor the Company's website for any updates in relation to the Meeting that may need to be provided. In the meantime, the Board encourages shareholders to submit their proxies as early as possible, even if they intend to attend the Meeting in person, as the situation may change (e.g. shareholders may be restricted from travelling or there may be restrictions on how the meeting itself may be held or conducted).

Agenda

Financial Reports

To receive and consider the financial report of the Company, together with the Directors' Report and the Auditor's Report for the year ended 30 June 2020, as set out in the Annual Report.

Resolution 1 – Non-Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2020 be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution 1.

Voting exclusion statement: A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or their Closely Related Parties.

However, a person described above may cast a vote on Resolution 1 if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chairman of the Meeting and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key

Management Personnel.

Shareholders should note that the Chairman intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chairman to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Resolution 2 – Re-election of Mr Nico Van Der Hoven as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, Mr Nico Van Der Hoven, who retires in accordance with clause 14.2 of the Constitution and, being eligible for re-election, be re-elected as a Director."

Resolution 3 – Election of Mr Michael Davy as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, Mr Michael Davy, who ceases to hold office in accordance with clause 14.4 of the Company's Constitution and, being eligible, offers himself for election, be elected a Director of the Company."

Resolution 4 – Approval of Additional 10% Placement Capacity

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

"That, for the purposes of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Resolution 5 – Spill Resolution (if required)

The following resolution will only be put to the Meeting if at least 25% of the votes cast on Resolution 1 in this Notice of Meeting are AGAINST the adoption of the Remuneration Report. A vote "for" Resolution 5 is a vote for a spill meeting.

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That:

- (a) a general meeting (**Spill Meeting**) be held within 90 days of the 2020 Annual General Meeting;*
- (b) all the Company's Directors (other than the Managing Director of the Company) who were Directors of the Company when the resolution to make the Directors' Report for the year ended 30 June 2020 considered at the 2020 Annual General Meeting was passed, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting pursuant to paragraph (b) above must be put to the vote at the Spill Meeting."*

Voting exclusion statement: The Company will disregard any votes cast on Resolution 5 by or on behalf of a Restricted Voter. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and*
- (b) it is not cast on behalf of a Restricted Voter.*

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 5 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 5; or*
- (b) the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.*

Shareholders should note that the Chairman intends to vote any undirected proxies in favour of Resolution 5. Shareholders may also choose to direct the Chairman to vote against Resolution 5 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Other business

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

By order of the Board



Kyla Garic
Company Secretary

Dated: 15 October 2020

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their Proxy Form online, by mobile, by post or by facsimile.

Voting in person or by attorney

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. A certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

Voting by a corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. Written proof of the representative's appointment (including any authority under which it is signed) must be lodged with, or presented to the Company before the Meeting.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder. The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolution 1 if the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an

item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

- A Shareholder who returns their Proxy Form with a direction how to vote, but does not nominate the identity of their proxy, will be taken to have appointed the Chairman of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned with a direction how to vote, but the nominated proxy (who is not the Chairman of the Meeting) does not attend the Meeting or does not vote on the relevant Resolution(s), the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions.
- Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- Proxies must be received by **4.00pm (WST) on 16 November 2020**. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - **Online:** at <http://investor.automic.com.au/#/loginsah>
 - **By mobile:** Scan the QR Code on your proxy form and follow the prompts.
 - **By mail:**
Automic GPO Box 5193
Sydney NSW 2001
 - **In person:**
Automic Level 5, 126 Phillip Street
Sydney NSW 2000
 - **By email:** meetings@automicgroup.com.au
 - **By facsimile:** +61 2 8583 3040
 - For all enquiries call:
(within Australia) 1300 288 664
(outside Australia) +61 2 9698 5414

Shareholders who are entitled to vote

In accordance with regulation 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4.00pm (WST) on 16 November 2020.

Vanadium Resources Limited

ABN 47 618 307 887

Explanatory Memorandum

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

Financial Reports

The Board is required to lay before the Meeting the consolidated annual financial report of the Company for the financial year ended 30 June 2020, together with the Directors' report (including the Remuneration Report) and the Auditor's Report on the financial report. No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions, and to make comments on the reports and on the management of the Company.

The Chairman will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to: the conduct of the audit; the preparation and content of the independent audit report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

A copy of the Company's 2020 Annual Report will be available on the ASX website or at <https://www.vr8.global/announcements>.

Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as set out in the Company's 2020 Annual Report be adopted. The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity-based compensation.

Shareholders are entitled to vote on the question as to whether the Remuneration Report is to be adopted. However, the vote on Resolution 1 is advisory only and does not bind the Directors or the Company. The Chairman will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report at the Meeting.

Under the Corporations Act, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than any Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Remuneration Report for the financial year ended 30 June 2019 received a vote of more than 25% against its adoption at the Company's 2019 annual general meeting held on 29 November 2019. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report, Resolution 5 will be put to Shareholders.

Resolution 2 – Re-election of Mr Nico Van Der Hoven as a Director

Pursuant to clause 14.2 of the Company's Constitution, Mr Nico Van Der Hoven, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Nico Van Der Hoven is a businessman and entrepreneur holding degrees in Commerce (BCom) & Law (LLB) and has over 30 years' experience in exploration and mining, having co-founded and operated 5 mines over this period. Nico is also the founding member of Heric Chrome, Bauba Resources Ltd (BAU.J), Vanadium Resources (Pty) Ltd and GoldStone Resources Ltd (GRL.L). He currently acts as Chairman of Bauba Resources Ltd, an active chrome mining company and platinum explorer listed on the Johannesburg Stock Exchange. 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.

Mr Van Der Hoven was appointed to the Board as a Director on 26 July 2019. The Board considers that Mr Van Der Hoven, if re-elected, will continue to be classified as a non-independent director due to an interest as a substantial shareholder in the Company.

The members of the Board (in the absence of Mr Van Der Hoven) support the re-election of Mr Van Der Hoven as a director of the Company.

Resolution 3 – Re-election of Mr Michael Davy as a Director

Resolution 3 seeks approval for the re-election of Mr Michael Davy as a Director.

Clause 14.4 of the Constitution provides that the Directors may appoint a person to be a Director. Any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for election.

Mr Michael Davy was appointed to the Board by the Directors on 1 December 2019, and retires from office in accordance with clause 14.4 of the Constitution and submits himself for election in accordance with that clause.

Mr Michael Davy is an Australian executive and Accountant with over 16 years' experience across a range of industries. Mr Davy previously held a senior management role in Australia for Songa Offshore (listed Norwegian Oil and Gas drilling company), where he assisted with the start-up of the Australian operations and managed the finance team for a two rig operation with multi-hundred million dollar revenues. Prior to that Mr Davy had worked in Australia and London for other large organisations overseeing various finance functions.

Mr Davy is currently a director and owner of a number of successful private businesses all under his personal management. During the past three years, Mr Davy has held the following directorships in other ASX listed companies: Raiden Resources Limited (current), Riversgold Limited (resigned 24 June 2020) and Jadar Lithium Limited (resigned 15 April 2019).

The Board considers that Mr Davy, if elected, will continue to be classified as an independent director.

The members of the Board (in the absence of Mr Davy) support the re-election of Mr Davy as a director of the Company.

Resolution 4 – Approval of Additional 10% Placement Capacity

Background

In addition to a company's 15% placement capacity under Listing Rule 7.1, an "eligible entity" which has obtained Shareholder approval for the purposes of Listing Rule 7.1A via a special resolution may issue, or agree to issue, Equity Securities up to 10% of its issued share capital over a 12-month period after the annual general meeting at which the approval is sought (**Additional 10% Placement Capacity**).

An entity will be an "eligible entity" able to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation of \$300 million or less; and
- (b) the entity is not included in the S&P ASX 300 Index.

The Company has a market capitalisation of approximately \$11,228,323 million as at 13 October 2020 and is an eligible entity for the purposes of Listing Rule 7.1A.

Resolution 4 seeks Shareholders' approval to issue additional Equity Securities under the Additional 10% Placement Capacity. The approval of the Additional 10% Placement Capacity provides greater flexibility for the Board to issue, or agree to issue, Shares in the 12-month period following the Meeting. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards continued development of current work programs including exploration expenditure, progression of the pre-feasibility program, other investment opportunities and/or general working capital.

If passed, Resolution 4 will allow the Company to issue, or agree to issue, Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) in addition to the Company's 15% placement capacity under Listing Rule 7.1, so a combined limit of 25%, without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the Additional 10% Placement Capacity and will remain limited to the 15% limit set out in Listing Rule 7.1.

Listing Rule 7.1A

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice, the Company has quoted Shares and one class of quoted Options on issue.

As at the date of this Notice, the Company has 374,277,438 Shares on issue. Therefore, based on the number of Shares on issue as at the date of this Notice and subject to Shareholders approving Resolution 4, the Company may issue 37,427,744 Equity Securities in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities that may be issued under the Additional 10% Placement Capacity is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue, or the agreement to issue, the Equity Securities. That formula is:

$$(A \times D) - E$$

- A** is the number of Shares on issue at the commencement of the Relevant Period:
- (a) plus the number of fully paid Shares issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
 - (b) plus the number of fully paid Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 Exception 9 where:
 - (i) the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
 - (c) plus the number of Shares issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 Exception 16 where:
 - (i) the agreement was entered into before the commencement of the Relevant Period; or
 - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4;
 - (d) plus the number of partly paid Shares that became fully paid in the Relevant Period,
 - (e) less the number of fully paid Shares cancelled in the Relevant Period.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by Shareholders under Listing Rule 7.4.

Shareholders will be informed of any issue of Equity Securities under the Additional 10% Placement Capacity as the Company will disclose to the market at the time of issue the specific information required by Listing Rule 3.10.3. The table below demonstrates various examples as to the number of Equity Securities that may be issued using the Additional 10% Placement Capacity.

	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		Issue Price at half the current market price \$0.015	Issue Price at current market price \$0.03	Issue Price at double the current market price \$0.06
Current Variable 'A' 374,277,478 Shares	Shares issued	37,427,744	37,427,744	37,427,744
	Funds raised	\$561,416	\$1,122,832	\$2,245,665
	Dilution	10%	10%	10%
50% increase in current Variable 'A' 561,416,157 Shares	Shares issued	56,141,616	56,141,616	56,141,616
	Funds raised	\$842,124	\$1,684,248	\$3,368,497
	Dilution	10%	10%	10%
100% increase in current variable 'A' 748,554,876 Shares	Shares issued	74,855,488	74,855,488	74,855,488
	Funds raised	\$1,122,832	\$2,245,665	\$4,491,329
	Dilution	10%	10%	10%

Note: The table above assumes:

- (a) No Options are exercised before the date of the issue of the Equity Securities.
- (b) The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares.
- (c) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Resolution 4 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) to be passed.

Specific information required by Listing Rule 7.3A

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

Minimum price	The Equity Securities will be issued at an issue price of not less than 75% of the Volume Weighted Average Price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before: <ol style="list-style-type: none"> (a) the date on which the price at which the Equity Securities are to be issued is agreed; or (b) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.
Potential risk of economic	If Resolution 4 is approved by Shareholders and the Company issues Equity

<p>and voting dilution</p>	<p>Securities under the Additional 10% Placement Capacity, Shareholders who do not participate (either because they are not invited to participate or because they elect not to participate) in any such issue, will have their existing interest and voting power in the Company diluted. There is also a risk that:</p> <ul style="list-style-type: none"> (a) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; or (b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities, <p>which may have an effect on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity.</p> <p>The table above on page 4 shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.</p> <p>The table shows:</p> <ul style="list-style-type: none"> (a) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%; (b) examples of where the issue price of ordinary securities is the current market price as at close of trade on 13 October 2020, being \$0.03 (current market price), where the issue price is halved, and where it is doubled; and (c) that the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.
<p>Timing of potential issues</p>	<p>Approval of the Additional 10% Placement Capacity will be valid during the period (Additional Placement Period) from the date of the Meeting and will expire on the earlier of:</p> <ul style="list-style-type: none"> (a) the date that is 12 months after the date of the Meeting; (c) the time and date of the entity's next Annual General Meeting; and (b) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
<p>Purpose of potential issues</p>	<p>The Company may seek to issue the Equity Securities to raise funds for continued development of current work programs including exploration expenditure, progression of the pre-feasibility program, other investment opportunities and/or general working capital.</p>
<p>Allocation policy</p>	<p>The identity of the persons to whom Equity Securities will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities, including consideration of matters including, but not limited to:</p> <ul style="list-style-type: none"> (a) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlement offer, or a placement and an entitlement offer; (b) the dilutionary effect of the proposed issue of the Equity Securities on existing

	<p>Shareholders at the time of proposed issued of Equity Securities;</p> <p>(c) the financial situation and solvency of the Company; and</p> <p>(d) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).</p> <p>The persons to whom Equity Securities will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.</p>
Issues in past 12 months	The Company previously obtained Shareholder approval under Listing Rule 7.1A on 29 November 2019. In the 12 months preceding the date of the Meeting, the Company has not issued any Equity Securities under Listing Rule 7.1A.2.

The Directors recommend that Shareholders vote in favour of Resolution 4 as it will provide greater flexibility for the Board to issue, or agree to issue, Shares in the 12-month period following the Meeting, to raise funds that may be used as outlined under the heading “Purposes of potential issues” in the table above.

Resolution 5 – Spill Resolution

As set out above in the Explanatory Memorandum relating to Resolution 1, the Directors’ Report for the year ended 30 June 2020 contains a Remuneration Report which sets out the policy for the remuneration of the Directors and executives of the Company (Remuneration Report). In accordance with section 250R(2) of the Corporations Act the Company is required to put the Remuneration Report to its Shareholders for adoption.

At the Company’s 2019 Annual General Meeting, over 25% of the votes cast were against the adoption of the Remuneration Report. If at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report, the Company will be required to put this Resolution 5 (**Spill Resolution**) to the 2020 Annual General Meeting, to approve calling a general meeting.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene a Spill Meeting within 90 days of the 2020 Annual General Meeting. All of the Directors who were in office when the 2020 Directors’ Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors. Following the Spill Meeting, those persons whose election or re-election as Directors is approved will be the Directors of the Company.

Shareholders should be aware that the convening of a spill meeting will result in the Company incurring material additional expense in conducting a meeting (including legal, printing, mail out and registry costs) as well as potential disruption to its focus on core business operations as a result of management distraction, the time involved in organising such a meeting and the diversion of resources. A spill meeting may have an impact on the market value of the Company.

Moreover shareholders should note that there are no voting exclusions applicable to resolutions appointing Directors at any subsequent meeting of Shareholders. This would mean there is no barrier to the existing major shareholders of the Company exercising their voting rights to reappoint the existing Directors of the Company without any changes to the composition of the Board.

In the Board’s view it would be inappropriate to remove all of the non-executive directors in the circumstances. However, the Board recognises that Shareholders can remove a director by a majority Shareholder vote at any time for any reason.

As a public company is required to have a minimum of three directors, the Corporations Act includes a mechanism to ensure that the Company will have at least three directors (including the Managing Director) after the Spill Meeting. If at the Spill Meeting, three Directors are not appointed by ordinary resolution, the persons taken to be appointed are those with the highest percentage of votes favouring their appointment cast at the Spill Meeting on the Resolution for their appointment (even if less than half the votes cast on the Resolution were in favour of their appointment).

As the Directors’ have an interest in the outcome of Resolution 5, the Directors do not make any recommendation to Shareholders as to how the Shareholders should vote on Resolution 5.

Glossary

\$ means Australian dollars.

Accounting Standards has the meaning given to that term in the Corporations Act.

Additional 10% Placement Capacity has the meaning set out on page 2 of the Explanatory Memorandum.

Additional Placement Period has the meaning set out on page 5 of the Explanatory Memorandum.

Annual Report means the annual report of the Company for the year ended 30 June 2020.

Associate has the meaning given in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor means the Company's auditor from time to time.

Auditor's Report means the report of the Auditor contained in the Annual Report for the year ended 30 June 2020.

Board means the Directors.

Chairman means the individual elected to chair any meeting of the Company from time to time.

Child Entity has the meaning given to that term in the Listing Rules.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Vanadium Resources Limited ABN 47 618 307 887.

Constitution means the Company's constitution, as at the date of this Notice.

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

Directors means the directors of the Company.

Directors' Report means the directors' report set out in the Annual Report for the year ended 30 June 2020.

Equity Securities has the meaning set out in the ASX Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by the Notice.

Notice means this Notice of Annual General Meeting.

Option means an option to acquire a Share.

Relevant Period has the same meaning as in Listing Rule 7.1.

Remuneration Report means the remuneration report set out in the Annual Report for the financial year ended 30 June 2020.

Resolution means a resolution contained in the Notice.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

Spill Meeting has the meaning set out on page 1 of the Explanatory Memorandum.

Spill Resolution the meaning set out on page 1 of the Explanatory Memorandum.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Volume Weighted Average Market Price has the meaning given to that term in the Listing Rules.

WST means Australian Western Standard Time.

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **4.00pm (WST) on Monday, 16 November 2020**, being not later than **48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

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

YOUR NAME AND ADDRESS

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

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

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

SIGNING INSTRUCTIONS

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

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

