VANADIUM RESOURCES LIMITED
ABN 47 618 307 887

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2021

CONTENTS

CORPORATE DIRECTORY

Board of Directors

Mr Jurie Wessels	Non-Executive Chairman
Mr Nico Van Der Hoven	Non-Executive Director
Mr Michael Davy	Non-Executive Director
Mr John Ciganek	Non-Executive Director

Company Secretary

Ms Kyla Garic

Registered Office and Principal Place of Business

Suite 7, 63 Shepperton Road
Victoria Park WA 6100

Telephone: 08 6158 9990
Website: www.vr8.global

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[1]

Steinepreis Paganin
16 Milligan Street
Perth WA 6000

Bankers[1]

National Australia Bank Limited
197 St Georges Terrace
Perth WA 6000

Share Registry[1]

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

[1] Included for information purposes only.

The Directors of Vanadium Resources Limited submit herewith the Annual Report of the Company and its subsidiaries **(the Group)**, for the period from 1 July 2020 to 30 June 2021 **(financial year)**. To comply with the provisions of the Corporations Act 2001, the Directors report as follows:

DIRECTORS

The Directors in office of the Company at any time during or since the end of the financial year, unless otherwise stated, are:

Name	Position	Appointment Date	Resignation Date
Mr Jurie Wessels	Non-Executive Chairman	26 July 2019	-
Mr Nico Van Der Hoven	Non-Executive Director	26 July 2019	-
Mr Michael Davy	Non-Executive Director	1 December 2019	-
Mr John Ciganek	Non-Executive Director	18 December 2020	-
Mr William Oliver	Managing Director	31 March 2017	18 December 2020

Mr Jurie Wessels | Non-Executive Chairman
BA, LLB
(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), GoldStone Resources Ltd (GRL.L) and Vanadium Resources 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. During the past three years, Mr Wessels has the following directorships in other ASX listed companies: Arcadia Minerals Limited (current).

Mr Nico Van Der Hoven | Non-Executive Director
BCom, LLB
(Appointed 26 July 2019)

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 Hernic Chrome, Bauba Resources Ltd (BAU.J), Vanadium Resources (Pty) Ltd and GoldStone Resources Ltd (GRL.L). He until recently acted as Chairman of Bauba Resources Ltd, an active chrome mining company and platinum explorer. Having been 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 - CONTINUED

Mr Michael Davy | Non-Executive Director
BCom (Acc)
(Appointed 1 December 2019)

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: Arcadia Minerals Limited (current), Raiden Resources Limited (current), Riversgold Limited (resigned 24 June 2020) and Jadar Lithium Limited (resigned 15 April 2019).

Mr John Ciganek | Non-Executive Director
Bachelor Mining Engineering and MBA
(Appointed 18 December 2020)

Mr Ciganek has worked in the mining sector for over 30 years within mining operations, project finance, mergers and acquisitions and equity capital markets.
Mr Ciganek began his career as a Mining Engineer with Comalco / CRA (Rio Tinto) before moving to Reynolds Yilgarn Gold, Byrnecut Mining and Hargraves Resources. He subsequently joined Commonwealth Bank as Senior Bank Engineer responsible for technical due diligence, before moving to the role of Risk Executive responsible for the management of existing debt facilities and new corporate and project debt financings. He was also the General Manager Business Development and Investor Relations for PMI Gold. More recently, John gained substantial experience in debt financings including project financings, project bonds issuances, convertible note offerings, working capital facilities, hedging facilities, offtaker funding, and equity raisings through his role as Executive Director for Burnvoir Corporate Finance.
During the past three years, Mr Ciganek has held the following directorships in other ASX listed companies: Calidus Resources Limited (current) and Ookami Limited (current, Non-Executive Chairman) and Pacific Bauxite Limited (resigned 14 June 2019)

Mr William 'Bill' Oliver | Managing Director
BSc. (Hons), GDipAppFin, MAIG, MAusIMM
(*Appointed 31 March 2017, resigned 18 December 2020)*

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: Celsius Resources Limited (current), Minbos Resources Limited (resigned 7 December 2020), Vulcan Energy Resources Limited (resigned 19 November 2019) and Aldoro Resources Limited (resigned 20 November 2019).

COMPANY SECRETARY

Ms Kyla Garic
BCom, MAcc, GradDipCA, GradDip Applied Corporate Governance
(Appointed 22 January 2020)

Ms Kyla Garic is an Accounting and Corporate Governance Professional with over 15 years' experience. Ms Garic has acted as Chief Financial Officer and Company Secretary for companies in the private and public listed Company sector. Ms Garic is a Member of the Institute of Chartered Accountants Australia and New Zealand and a Fellow of the Governance Institute of Australia.

CHIEF EXECUTIVE OFFICER

Mr Eugene Nel
BTech (Extr. Met), MBA
(Appointed 18 December 2020)

Mr Eugene Nel has 25 years' experience as a metallurgical and process engineer in the operations, management, design and optimisation of mineral beneficiation in Africa, South America, Europe and the Middle East. He has been involved in a number of Gold, Platinum, Mineral Sands, Chromite and Base metals projects and has assisted client teams throughout project lifecycles and disciplines. As a registered Pr. Tech. Eng. with the Engineering Council of South Africa, as well as member of the Southern African Institute of Mining and Metallurgy and Mine Metallurgical Managers Association of South Africa, he qualifies as a competent person under JORC. Prior to consulting Mr Nel was also Operations Manager at Impala Platinum, as well as at Samancor Chrome Mines. Mr Nel consulted for a number of successful resource companies, including Pan African Resources, Orion Gold, Jubilee Metals Group, DRD and Sibanye. Eugene holds a B.Tech (Extr. Met.) from the Tshwane University of Technology, as well as a MBA from North West University in South Africa.

INTERESTS IN SECURITIES OF THE COMPANY AND RELATED BODIES CORPORATE

The following table sets out each current Director's relevant interest in securities of the Company as at the date of this report.

Director	Ordinary Shares	Unlisted Share Options	Class A Performance Rights	Class B Performance Rights
Mr Jurie Wessels	44,981,437	-	1,325,000	1,000,000
Mr Nico Van Der Hoven	44,981,437	-	1,325,000	1,000,000
Mr Michael Davy	13,474,564	124,830	1,325,000	1,000,000
Mr John Ciganek	-	-	1,325,000	1,000,000
Total	**103,437,438**	**124,830**	**5,300,000**	**4,000,000**

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was advancing the Steelpoortdrift Vanadium Project in South Africa through the completion of the Scoping Study and the Pre-Feasibility Study.

REVIEW AND RESULTS OF OPERATIONS

During the year ended 30 June 2021, the following activities occurred:

On 23 September 2020, the Company completed its scoping study. The Scoping study was a preliminary technical and economic investigation of the potential viability of producing vanadium pentoxide from the Steelpoortdrift Vanadium Project by constructing an open pit mine, beneficiation plant and processing plant.

The Scoping Study was based on the updated Mineral Resource for the Steelpoortdrift Vanadium Project which was completed in April 2020 of 662 million tonnes at a whole rock (or in situ) grade of 0.77% V_2O_5 (including a high grade, near surface component of 188Mt at 1.23 per cent V_2O_5) (classified as Measured, Indicated and Inferred, see ASX release dated 29 April 2020).

The Company had sufficient access to financial means during the year including a convertible loan facility provided by Directors and Shareholders, the release of cash from an environmental guarantee and the placement of 41,666,667 shares to raise $2,000,000. The placement was completed in April 2021 and at no time during the reporting period was the convertible loan facility used, the facility subsequently lapsed per the terms announced 31 August 2020.

The placement enabled the Company to pursue the ESG integrated processing technology and provide working capital.

While the COVID pandemic restricted further travel, the Company continued work following the appointment of Chief Executive Officer, Mr Eugene Nel on the 18 December 2020. Mr Nel resides in South Africa. The appointment of Mr Nel, facilitated the transition from the completion of the scoping study to the pre-feasibility phase to facilitate the transition of the Company through its next phase Managing Director Mr Oliver stepped down and Mr Ciganek was appointed as non-executive Director.

Pre-feasibility study (PFS) completed

On the 22 June 2021 the Company announced a key milestone for the Company, being the completion and delivery of a high-quality Pre-Feasibility Study (PFS) on the Steelpoortdrift Vanadium Project in South Africa. The PFS returned improved financial metrics in comparison with the previous scoping study and was completed with the VR8's internal subject matter experts with the assistance from various industry leading companies, further information is included in the market release.

The PFS investigated several production options with a view to optimising NPV, minimising investment risk and recognising potential changes in future market forecasts. From trade off studies performed as part of the PFS, a preferred base case production profile was selected. In conjunction with the preferred base case scenario, two alternative options were also identified and evaluated, with the two options aimed at mitigating investment and market volatility risks.

As detailed in the ASX market release on 22 June 2021 the financial evaluation was based on contract mining operations with the concentrator and salt roast plant to be owner operated. The preferred base case economic evaluation for the Project was based on a 1,600 ktpa ROM HG mill feed rate, allowing for the initial production of approximately 720ktpa of vanadium concentrate, which in turn will be fed into a conventional SRL to produce an initial 12.5ktpa (12.30ktpa over LoM) of vanadium pentoxide (V_2O_5) Flake (>98 % contained V_2O_5). In year 6, the Concentrator capacity and feed rate will be increased by an additional 1,600ktpa (i.e., up to 3,200ktpa) to process medium grade (MG) ore from stockpiles concurrently to the ROM high grade (HG) ore. This will increase concentrate production to approximately 1.1mtpa concentrate (up from 720ktpa), which subsequently will also require the expansion of the SRL plant capacity by 520kt through the addition of a second SRL processing circuit. This preferred base case option was selected based on the following:

- It allows flexibility to increase the tonnage of concentrate produced, without changing the mine plan (the material for the production increase is already mined and on stockpile as MG ore);
- The additional capacity increases of the concentrator and SRL facility can be funded from operational cash flow, and/or debt if necessary, thus reducing Project Capex exposure;

REVIEW AND RESULTS OF OPERATIONS - CONTINUED

- The option to supply concentrate to a third party could be adopted should the proposed second SRL build not be considered risk appropriate; and
- The option to feed the additional concentrate into a different technological refining plant is available if such technology is developed prior to the decision point for the second SRL build in year 5 (i.e., VR8 are currently investigating such new technologies).

The long term V_2O_5 (98 %) price assumed was US$ 9.03/lb or US$ 19.90/kg. The price selected was based on the mean long-term sales prices as at December 2020 over the period January 2004 to December 2020 available in the public domain.

The techno-economic parameters were sourced from capital expenditure and cash operating cost estimates which were generated by various and specialist project consultants and are shown in the graphs below. The selected base case scenario was based on the construction of the mine and concentrator, concurrent with an SRL plant, followed by a subsequent concentrator (year 4) and SRL expansion build in year 5 of operations. It is anticipated that the expansion will be self-funded with cash flows from the early operations. Material from the MG ore stockpiles will constitute the feed to the expanded concentrator and salt roast facilities.

Table 1: Study outcomes for preferred base case option

Study Outcomes	Based on existing 50% ownership	Based on final 73.95% ownership	Total Project as reported in PFS
EBITDA LoM (US$M)	N/A	N/A	US$5 777m
EBITDA per annum (US$M)	N/A	N/A	US$231m
$NPV_{8\%}$ (US$M, post-tax)	US$598m	US$884m	US$1.196bn
IRR (US$, post-tax, 100% equity)	N/A	N/A	45%
Payback Period	N/A	N/A	25 months
LoM (Mining schedule)	N/A	N/A	25 years
Pre-production CAPEX (US$, incl. contingency)	N/A	N/A	US$201m
Expansion CAPEX (US$, incl contingency)	N/A	N/A	US$147.2m
Sustaining CAPEX LoM (US$)	N/A	N/A	US$99.4m
Average cash operating costs (US$/lb V_2O_5) [1]	N/A	N/A	US$3.08/lb
Annual V_2O_5 production over LoM (Mlbs)	N/A	N/A	39m lbs
Vanadium Price (US$/lb)	N/A	N/A	US$9.03/lb
Average LoM Strip Ratio	N/A	N/A	1.92
Processing Rate Mtpa	N/A	N/A	1.6 (initial) - 3.2 (post expansion) Mtpa

ADOPTING AN ESG FRAMEWORK

The context in which the Company operates has been transformed by climate impact, nature loss, and social unrest around inclusion and working conditions. This new global environment is challenging the traditional expectations of corporations and redirecting investment capital. Global sustainable investment now tops $30 trillion, up 68% since 2014 and tenfold since 2004. VR8 is charting a course to build resilience and enhance our social licence through a greater commitment to long-term, sustainable value creation that embraces the wider demands of people, planet and shared prosperity.

The Board of the Company has resolved to adopt the WEF ESG framework and instructed management to set up an impact measurement plan for each sustainability area which includes, but is not limited to, governance, anti-corruption practices, ethical behaviour, human rights, carbon emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and tax payments.

The development of the Roadmap and the implementation of the framework is an ongoing process.

Joint Development Agreement for PV energy supply
The company entered into a Joint Development Agreement (JDA) with Senergy Africa (Pty) Ltd, a subsidiary of DRA Global to develop a renewable energy supply solution for its Steelpoortdrift mine and concentrator site.

Marketing
The Company continued marketing the project globally during the reporting period, with VR8 management undertaking a comprehensive media campaign on various platforms including attendance at Junior Mining Indaba virtual event.

FINANCIAL PERFORMANCE

The financial results of the Group for the year ended 30 June 2021 are:

	30 June 2021 **$**	30 June 2020 $
Cash and cash equivalents	**1,802,619**	248,860
Net Assets	**23,213,337**	21,800,860
Revenue	**65**	524
Net loss after tax	**(583,267)**	(2,866,907)

DIVIDENDS

There were no dividends paid or recommended during the financial year ended 30 June 2021 (FY20: Nil)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Refer to the Review and Results of Operations, there were no other significant changes in the state of affairs during the financial year.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On the 22 July 2021 the Company declared a Maiden Ore Reserve, refer below to Annual Mineral Resource and Ore Reserve Statement as at 30 June 2021 for additional information.

On 1 September 2021, the Company Shareholders approved all resolutions put forward at the General Meeting. The resolutions included the approval to issue performance rights to related parties. The performance rights were issued on the 27 September 2021.

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 further develop the project through more detailed Feasibility Studies and also obtain final environmental permitting to allow the project to proceed into a final investment decision during 2022. The core design will be based on producing a Vanadium Pentoxide flake product, with additional Research and development initiatives aimed at investigating technologies supplementary to this process in order to unlock value from any by-product metals present in the deposit.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings held during the financial year and the number attended by each Director. During the financial year, 4 board meetings were held. In addition, a number of matters were approved by circular resolution.

Director	Number Eligible to Attend	Number Attended
Mr Jurie Wessels	4	4
Mr Nico Van Der Hoven	4	4
Mr Michael Davy	4	4
Mr John Ciganek	3	3
Mr William Oliver	1	1

Due to the size and scale of the Company, there is no separate Remuneration Committee, Nomination Committee or Audit and Risk 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.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2021 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 2020 Annual General Meeting ('AGM')

For purposes of the Corporations Act, the Company received a first strike at its 2019 AGM as more than 25% of the votes were cast against the Company's remuneration report. Following receipt of the first strike at the 2019 AGM, the Board considered the remuneration policies of the Group and considered them appropriate for an entity of its size and profile.

For the AGM held on 18 November 2020, 98.07% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Key Management Personnel **(KMP)** of the Group during the financial year were:

Name	Position	Appointment Date	Resignation Date
Mr Jurie Wessels	Non-Executive Chairman	26 July 2019	-
Mr Nico Van Der Hoven	Non-Executive Director	26 July 2019	-
Mr Michael Davy	Non-Executive Director	1 December 2019	-
Mr John Ciganek	Non-Executive Director	18 December 2020	-
Mr William Oliver	Managing Director	31 March 2017	18 December 2020
Mr Eugene Nel	Chief Executive Officer	18 December 2020	-

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
J Additional Information

REMUNERATION REPORT (AUDITED) - CONTINUED

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 and Chief Executive Officer.

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.

B Remuneration Governance, Structure and Approvals

The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate remuneration committee. Accordingly, all matters are considered by the full Board of Directors, in accordance with the remuneration committee charter, responsibilities include:

- Reviewing the Company's Remuneration Policy and making appropriate recommendations to the Board. In considering the Company's Remuneration Policy, the Nomination and Remuneration Committee refers to the guidelines for non-executive director remuneration and executive remuneration set out in Box 8.2 in the Principles and Recommendations.
- Reviewing senior executives' remuneration and incentives and making appropriate recommendations to the Board.
- Reviewing the remuneration framework for non-executive directors, including the process by which the pool of directors' fees approved by shareholders is allocated to directors, and making appropriate recommendations to the Board.
- Reviewing and making recommendations on incentive compensation plans, including equity-based plans.
- Reviewing superannuation arrangements for directors, senior executives and other employees.
- Reviewing termination payments, including the restrictions that apply under sections 200 to 200J of the Corporations Act 2001 (Cth) to termination payments by companies incorporated in Australia (and their associates) to those who hold a managerial or executive office in the company or in a related body corporate.
- Reviewing remuneration related reporting requirements, including disclosing a summary of the Company's policies and practices (if any) regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements and a summary of the Company's policies and practices regarding any minimum shareholding requirements (if any) for non-executive directors.
- Reviewing whether there is any gender or other inappropriate bias in remuneration for directors, senior executives or other employees.
- Monitoring compliance with applicable legal and regulatory requirements relevant to remuneration-related matters and any changes in the legal and regulatory framework in relation to remuneration.

During the financial year, the Company did not engage any remuneration consultants.

- *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 any change is subject to approval by Shareholders at 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. 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 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.

REMUNERATION REPORT (AUDITED) - CONTINUED

B Remuneration Governance, Structure and Approvals (Continued)

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 is assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Executives.

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.

At the date of this report the Company has one appointed executive, being Mr Nel as the Chief Executive Officer. The terms of the executive arrangement is under "Section E – Service Agreements".

C Remuneration and Performance

The following table shows the gross revenue, losses, earnings per share ("EPS") and share price of the Group:

	30 Jun 2021	30 Jun 2020
Revenue ($)	**65**	524
Net (loss) after tax ($)	**(583,267)**	(2,866,907)
EPS ($)	**(0.15)**	(0.81)
Share price	**0.064**	0.020

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 comprise key management personnel's total remuneration.

a) Fixed Remuneration – Base Salary

The fixed remuneration for each executive is influenced by the nature and responsibilities of each role and the 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 during the financial year. Base salary for key management personnel is reviewed annually to ensure the executives' pay is competitive with the market. There is no guaranteed pay increase included in any key management personnel's contract.

REMUNERATION REPORT (AUDITED) - CONTINUED

C Remuneration and Performance (Continued)

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)
Equity incentives may be issued at the Board's discretion. There were no equity incentives issued during the financial year.

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 is set out below:

30 June 2021	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
	$	$	$	$	$	$
Directors						
Mr Jurie Wessels	60,000	-	-	-	-	60,000
Mr William Oliver[2]	28,000	-	-	-	-	28,000
Mr Nico Van Der Hoven	60,000	-	-	-	-	60,000
Mr Michael Davy	36,000	-	-	-	-	36,000
Mr John Ciganek	19,452	-	-	-	-	19,452
Executive						
Mr Eugene Nel	36,500	-	-	-	-	36,500
Total	**239,952**	**-**	**-**	**-**	**-**	**239,952**

30 June 2020	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
	$	$	$	$	$	$
Directors						
Mr Jurie Wessels	60,000	-	-	-	-	60,000
Mr Bill Oliver[3]	95,000	-	-	-	-	95,000
Mr Nico Van Der Hoven	60,000	-	-	-	-	60,000
Mr Michael Davy	21,000	-	-	-	-	21,000
Mr Patrick Burke	21,000	-	-	-	-	21,000
Mr Jeremy King[4]	3,000	-	-	-	-	3,000
Mr Luigi Matteucci	5,000	-	-	-	-	5,000
Total	**265,000**	**-**	**-**	**-**	**-**	**265,000**

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:

[2] Director fees were paid to Billandbry Consulting Pty Ltd, company controlled by Bill Oliver
[3] Director fees were paid to Billandbry Consulting Pty Ltd, company controlled by Bill Oliver
[4] Director fees were paid to Bushwood Nominees Pty Ltd, company controlled by Jeremy King

REMUNERATION REPORT (AUDITED) - CONTINUED

D Details of Remuneration (Continued)

Table 2 – Relative proportion of fixed vs variable remuneration expense

Directors	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
	2021	2020	**2021**	2020	**2021**	2020
Mr Jurie Wessels	100%	100%	-	-	-	-
Mr Bill Oliver	100%	100%	-	-	-	-
Mr Nico Van Der Hoven	100%	100%	-	-	-	-
Mr Michael Davy	100%	100%	-	-	-	-
Mr John Ciganek	100%	-	-	-	-	-
Mr Eugene Nel	100%	-				
Mr Patrick Burke	-	100%	-	-	-	-
Mr Jeremy King	-	100%	-	-	-	-
Mr Luigi Matteucci	-	100%	-	-	-	-

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

30 June 2021	Balance at 01/07/2020	Granted as Remuneration	Net Change – Other	Balance at appointment/ (resignation) date	Balance at 30/06/2021
Directors					
Mr Jurie Wessels	44,981,437	-	-	-	44,981,437
Mr William Oliver	828,236	-	-	(828,236)	-
Mr Nico Van der Hoven	44,981,437	-	-	-	44,981,437
Mr Michael Davy	13,474,564	-	-	-	13,474,564
Mr John Ciganek	-	-	-	-	-
Mr Eugene Nel	-	-	-	-	-
Total	**104,265,674**	**-**	**-**	(828,236)	**103,437,438**

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

30 June 2021	Balance at 01/07/2020	Granted as Remuneration	Net Change – Other	Balance at appointment/ (resignation) date	Balance at 30/06/2021
Directors					
Mr Jurie Wessels	10,857,587	-	-	-	10,857,587
Mr William Oliver	9,534,118	-	-	(9,534,118)	-
Mr Nico Van der Hoven	10,857,587	-	-	-	10,857,587
Mr Michael Davy	1,524,830	-	-	-	1,524,830
Mr John Ciganek	-	-	-	-	-
Mr Eugene Nel	-	-	-	-	-
Total	**32,774,122**	**-**	**-**	(9,534,118)	**23,240,004**

REMUNERATION REPORT (AUDITED) - CONTINUED

E Service Agreements

- *Jurie Wessels – Non-Executive Chairman*
  - Contract: Commenced on 26 July 2019
  - Director's Fee: $60,000 per annum
  - Term: No fixed term

- *Nico Van der Hoven – Non-Executive Director*
  - Contract: Commenced on 26 July 2019
  - Director's Fee: $60,000 per annum
  - Term: No fixed term

- *Michael Davy – Non-Executive Director*
  - Contract: Commenced on 1 December 2019
  - Director's Fee: $36,000 per annum
  - Term: No fixed term

- *John Ciganek – Non-Executive Director*
  - Contract: Commenced on 18 December 2020
  - Director's Fee: $36,000 per annum
  - Term: No fixed term

- *Eugene Nel – Chief Executive Officer*
  - Contract: Commenced on 18 December 2020 reviewed in February 2021
  - Fee: $60,000 per annum (until May 2021) $78,000 (Effective June 2021)
  - Term: Initial term the earliest of completing the PFS or 6 months, contract extension is on a rolling month basis
  - Termination: One weeks written notice

- *William Oliver – Managing Director (Resigned)*
  - Contract: Commenced on 1 October 2019
  - Director's Fee: $60,000 per annum
  - Term: No fixed term.

F Share-based Compensation

The Company may reward KMP for their performance and align 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.

There were no share based payments granted as remuneration to KMP during the financial year.

REMUNERATION REPORT (AUDITED) - CONTINUED

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the financial year.

H Loans to and from KMP and their related parties

There were no loans made to any KMP during the year ended 30 June 2021.

The Company secured funding of A$500,000 (before costs) via the issue of a **convertible loan facility** to the Directors and shareholders of the Company. As detailed in the ASX announcement details of the entities entering into the convertible loan facility, including those related to directors and the full terms of the facility are contained in the ASX Announcements of 27 August 2020 and 31 August 2020. At the end of the financial year no funds had been drawn down from the convertible loan facility and the facility lapsed.

Aggregate principal	$500,000
Lenders Name	Davy Corp Pty Ltd (Director related entity – Mr Michael Davy)
	BandB Super Fund (Director related entity – Mr William Oliver) (Resigned on 18 December 2020)
	Other lenders (Non-Director related entities)
Security	Unsecured.
Use of funds	General working capital.
Interest	10% per annum. Payable in cash if the loan is repaid in cash, or shares if the loan is repaid in shares.
Conversion	The loan and accrued interest may be converted at the election of the Company, subject to the receipt of prior shareholder approval. The conversion price will be equal to the price at which the Company undertook its most recent capital raising before issuing a conversion notice less a 15% discount.
Repayment	If not converted earlier, the loan and accrued interest must be repaid on the earlier to occur of the maturity date of 12 months or the provision of written notice by the lender upon the occurrence of an event of default. Customary events of default apply.
Cancellation	The convertible loan agreement will automatically lapse if a Drawdown Notice is not issued before the date that is: (i) 12 months after the date of the Agreement **(i.e. 26 August 2021)**; OR (ii) when the Board of the the Company has changed by greater than 50% when compared to the Board composition as at the date of entering into the Agreement.

REMUNERATION REPORT (AUDITED) - CONTINUED

I Other Transactions with Related Party's

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There were no other transaction with related party's.

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 group for the five years to 30 June 2021 are summarised below:

	2021 **$**	2020 $	2019 $	2018 $
Sales Revenue	**-**	-	-	-
EBITDA	**(582,418)**	(2,866,058)	(3,871,574)	(1,603,361)
EBIT	**(583,267)**	(2,866,907)	(3,872,232)	(1,603,361)
Profit/(Loss) after income tax	**(583,267)**	(2,866,907)	(3,872,232)	(1,603,361)
Share Price ($)	**0.064**	0.020	0.076	0.17
EPS (cents per share)	**(0.15)**	(0.81)	(2.04)	(1.41)

*The company was incorporated on 31 March 2017.

[End of Audited Remuneration Report]

ANNUAL MINERAL RESOURCE AND ORE RESERVE STATEMENT AS AT 30 JUNE 2021

In accordance with ASX listing rule 5.21, Vanadium Resources reports its Mineral Resources and Reserves on an annual basis. The date of reporting is 30 June each year to coincide with company financial year end and closing. If there are any material changes to the Company's Mineral Resource or Ore Reserves the Company is required to publish these changes promptly.

Mineral Resource

There were no material changes to the Company's Mineral Resource statement in the reporting period ending 30 June 2021. The Resource statement as reported previously is as follows:

Table 1: Mineral Resource Estimate (as at 30 June 2021)

Category	V_2O_5 Range (%)	Volume (M m³)	Quantity (Mt)	V_2O_5 (%)	Fe_2O_3 (%)
Measured	0.45* to 0.90	20.3	66.0	0.59	19.98
	>0.90	7.2	26.3	1.22	34.20
	Sub-total	**27.5**	**92.3**	**0.77**	**24.03**
Indicated	0.45* to 0.90	61.8	201.2	0.59	20.21
	>0.90	22.7	83.2	1.24	35.06
	Sub-total	**84.5**	**284.4**	**0.78**	**24.55**
Inferred	0.45* to 0.90	63.2	206.9	0.60	20.96
	>0.90	21.3	78.4	1.22	35.18
	Sub-total	**84.5**	**285.3**	**0.77**	**24.87**
Total (0.45 to 0.90)		145.3	474.1	0.59	20.51
Total (>0.90)		51.2	187.9	1.23	34.99
Total		**196.5**	**662.0**	**0.77**	**24.62**

Source: Mining Plus, Steelpoortdrift Vanadium Project Mineral Resource Estimate Report, July 2020
Note: *0.45% V_2O_5 being the Mineral Resource cut-off grade as declared by the Mining Plus Competent Person

Ore Reserves

Subsequent to the reporting period ended 30 June 2021 a maiden Ore Reserve was declared by the Company as announced on the 22 July 2021. The information was based on the completed PFS released to the ASX on 22 June 2021. VR8 commissioned Sound Mining to complete an Ore Reserve statement for the Steelpoortdrift project (SPD Project). The Ore Reserve was prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code), 2012 Edition guidelines.

The Steelpoortdrift Project is being developed as a fully integrated mineral beneficiation project in which Run-of-Mine (RoM) production from designated surface mining areas will supply a site located Concentrator Plant producing a vanadium pentoxide (V_2O_5) concentrate. This concentrate will be road hauled to an off-site Salt Roast Leach (SRL) Plant to produce a final dry flake product at >98% V_2O_5.

The Steelpoortdrift Project is located on the farm Steelpoort 365KT which is approximately 30km south-west of the town of Steelpoort, Limpopo Province. The Steelpoortdrift Project area is situated within the Sekhukhune District Municipality in the Greater Tubatse Local Municipality, which is one of the five local municipalities falling under the Sekhukhune District Municipality (SDM).

The Ore Reserve Statement as at 30 June 2021 (Table 2), which amounts to 73.85Mt with a grade of 0.73% V_2O_5, is in accordance with the JORC Code (2012 edition). It should be read in conjunction with the respective explanatory Mineral Resources and Ore Reserves information included in ASX announcement of 22 July 2021 (VR8 maiden Ore Reserve additional information), which form the basis of the economic assessment and Project Ore Reserve statement.

ANNUAL MINERAL RESOURCE AND ORE RESERVE STATEMENT AS AT 30 JUNE 2021 - CONTINUED

Table 2: SPD Project Ore Reserve as at 30 June 2021

Ore Reserves as at 30 June 2021									
Material Type	Proved			Probable			Total		
	Quantity (Mt)	Grade (%)	Vanadium Content (Mt)	Quantity (Mt)	Grade (%)	Vanadium Content (Mt)	Quantity (Mt)	Grade (%)	Vanadium Content (Mt)
HG RoM Material	15.57	1.01%	0.16	24.68	0.93%	0.23	40.25	0.96%	0.39
MG RoM Material	15.60	0.51%	0.08	18.00	0.50%	0.09	33.60	0.50%	0.17
Total Mineral Reserve	**31.17**	**0.76%**	**0.24**	**42.68**	**0.75%**	**0.32**	**73.85**	**0.73%**	**0.56**

Source: Sound Mining, 2021

Notes:

- *Ore Reserve Statement is stated at a price of USD6.00/lb as at 30 June 2021.*
- *Quantity and grade measurements are reported at the delivery to plant in metric units (Mt) and head grade, both of which are rounded to two decimal places.*
- *Approximately 6.91Mt of MG RoM at an average grade of 0.50% V_2O_5 remains untreated within the stockpile over the LoM. The CP has excluded this material from the Ore Reserve Statement.*
- *Apparent computational errors are due to rounding and are not considered significant.*
- *Losses that could occur as a result of transportation of content or flake are considered to be negligible for the purpose of the maiden Ore Reserve Statement.*
- *Vanadium Resources currently has an ownership of 50% of the Project (will be increased to 73.95% ownership pending final S11 governmental approval, with no further consideration payable by VR8 for the additional 23.95%).*
- *No account of concentrate or flake loss during transportation was taken into consideration. However, this was deemed to be immaterial in the context of the viability of the Ore Reserve as stated.*
- *Inferred Mineral Resource material has not been included in the Ore Reserve Estimate.*

Governance Arrangements and Internal Controls

Vanadium has ensured that the Mineral Resources and Ore Reserves quoted are subject to good governance arrangements and internal controls. The Mineral Resources and Ore Reserves reported have been generated by internal and external Company subject matter experts, who are experienced in best practice modelling and estimation methods. The Competent Persons has also undertaken reviewed of the quality and suitability of the underlying information used to generate the resources estimation. The Mineral Resources estimates for reporting of Exploration Results, Mineral Resources and Ore Reserves are prepared in accordance with the JORC Code 2012. In addition, Vanadium's management carry out regular reviews of processes used by the external contractors that have been engaged by the Company.

Competent Person's Statement

Mineral Resources

The Company confirms it is not aware of any new information or data that materially affects the information included in the 30 June 2020 Vanadium Resource estimate and all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 29 April 2020.

Ore Reserves

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Ore Reserves Statement and that all material assumptions and technical parameters underpinning the estimates in the Ore Reserves Statement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Ore Reserves Statement. The Information that has been presented in this report has been extracted from the announcements made being the Pre-Feasibility Report dated 22 June 2021 and Ore Reserve Statement dated 22 July 2021.

ANNUAL MINERAL RESOURCE AND ORE RESERVE STATEMENT AS AT 30 JUNE 2021 - CONTINUED

Compliance Statement
The information in this report that relates to exploration results, mineral resources and ore reserves released previously on the ASX.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that, in the case of mineral resources estimates, all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's finding are presented have not been materially modified from the original market announcements.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has indemnified each of its Directors, officers and Company Secretary to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and application for such proceedings. . The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

To the extent permitted by law, the Company has agreed to indemnify its auditors, RSM Australia Partners, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify RSM during or since the financial year.

ENVIRONMENTAL REGULATIONS

The Group's operations are subject to the environmental risks inherent in the mining industry. There have been no known significant breaches of environmental regulations during the year 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.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and included within these financial statements.

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

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

UNISSUED SECURITIES

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

- 10,000,000 unlisted options expiring 1 December 2021, exercisable at 5.3 cents,
- 9,625,000 Class A Performance Rights **(Class A)** expiring 1 September 2024, Class A vests when the Company achieves a VWAP of at least $0.10 over a period of 20 trading days; and
- 5,000,000 Class B Performance Rights **(Class B)** expiring 1 September 2024, Class B vests either when,
  - Company achieves VWAP of at least $0.15 over a period of 20 trading days; or
  - a strategic investor (being a person or entity) invests not less than $4.5m into the Company at a price per share of not less than $0.08 per share; or
  - the Company entering into a legally binding off-take arrangement with a third party.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no shares of Vanadium Resources Limited issued during or since the year ended 30 June 2021 on the exercise of options.

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.

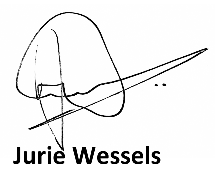
Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 20 to the financial statements.

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 made in accordance with a resolution of directors, pursuant to section 298 (2)(a) of the Corporations Act 2001.

On behalf of the directors



Jurie Wessels
Non Executive Chairman
29 September 2021

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 2021, 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: 29 September 2021

TUTU PHONG
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL-YEAR ENDED 30 JUNE 2021

	Note	**30 June 2021 $**	30 June 2020 $
Revenue from continuing operations			
Other income	4	**65**	524
Expenses			
Consulting and legal fees		**(36,160)**	(45,515)
Share and company registry		**(50,573)**	(88,123)
Other expenses		**(38,149)**	(199,791)
Share based payments	5	**-**	(2,035,781)
Directors' fees		**(83,452)**	(54,500)
Company secretary and financial management		**(48,000)**	(85,089)
Professional fees		**(35,500)**	(48,716)
Travel expenses		**-**	(37,334)
Impairment of capitalised expenditure		**(1,201)**	(139,692)
Depreciation		**(849)**	(849)
Share of losses of associates accounted for using the equity method	6	**(289,448)**	(132,041)
Loss from continuing operations before income tax		**(583,267)**	(2,866,907)
Income tax expense		**-**	-
Loss from continuing operations after income tax		**(583,267)**	(2,866,907)
Other comprehensive income		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive loss attributable to the members of Vanadium Resources Limited		**(583,267)**	(2,866,907)
Loss per share for the year attributable to the members Vanadium Resources Limited:			
Basic loss per share (cents)	8	**(0.15)**	(0.81)
Diluted loss per share (cents)	8	**(0.15)**	(0.81)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	**30 June 2021 $**	30 June 2020 $
ASSETS			
Current Assets			
Cash and cash equivalents	9	**1,802,619**	248,860
Trade and other receivables	10	**37,988**	32,490
Total Current Assets		**1,840,607**	281,350
ASSETS			
Non-Current Assets			
Exploration and evaluation assets	12	**4,715,904**	4,698,902
Investments accounted for using the equity method	13	**15,973,117**	16,262,565
Plant and equipment		**6,133**	6,982
Other receivables	10(a)	**748,742**	647,621
Total Non-Current Assets		**21,443,896**	21,616,070
TOTAL ASSETS		**23,284,503**	21,897,420
LIABILITIES			
Current Liabilities			
Trade and other payables	11	**71,166**	96,560
Total Current Liabilities		**71,166**	96,560
TOTAL LIABILITIES		**71,166**	96,560
NET ASSETS		**23,213,337**	21,800,860
EQUITY			
Issued capital	14	**26,028,952**	24,033,208
Reserves	15	**5,043,562**	5,995,358
Accumulated losses		**(7,859,177)**	(8,227,706)
TOTAL EQUITY		**23,213,337**	21,800,860

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	$	$	$	$
At 1 July 2020	**24,033,208**	**5,995,358**	**(8,227,706)**	**21,800,860**
Loss for the period			(583,267)	(583,267)
Total comprehensive loss for the year after tax			(583,267)	(583,267)
Transactions with owners in their capacity as owners:				
Issued capital	2,120,000	-	-	2,120,000
Share issue costs	(124,256)	-	-	(124,256)
Expiry of share based payment options	-	(951,796)	951,796	-
Balance at 30 June 2021	**26,028,952**	**5,043,562**	**(7,859,177)**	**23,213,337**

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	$	$	$	$
At 1 July 2019	**12,572,550**	**6,116,608**	**(5,482,049)**	**13,207,109**
Loss for the period			(2,866,907)	(2,866,907)
Total comprehensive loss for the year after tax	-	-	(2,866,907)	(2,866,907)
Transactions with owners in their capacity as owners:				
Issued capital	955,000	-	-	955,000
Share issue costs	(18,450)	-	-	(18,450)
Purchase of the SPD Vanadium Project	8,488,327	-	-	8,488,327
Shares issued in lieu of services provided	192,400	-	-	192,400
Share based Payments	1,843,381	-	-	1,843,381
Expiry of share based payment options	-	(121,250)	121,250	-
Balance at 30 June 2020	**24,033,208**	**5,995,358**	**(8,227,706)**	**21,800,860**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		30 June 2021 $	30 June 2020 $
Cash flows from operating activities			
Payments to suppliers and employees		**(363,286)**	(686,131)
Interest received		**65**	524
GST refund		**(11,841)**	39,700
Net cash flows used in operating activities	9	**(375,062)**	(645,907)
Cash flows from investing activities			
Payments for exploration and evaluation		**(18,203)**	(886,547)
Payments for costs related to the acquisition of SPD Vanadium Project		**-**	(85,819)
Payments for short term loan		**(52,976)**	-
Net cash flows used in investing activities		**(71,179)**	(972,366)
Cash flows from financing activities			
Proceeds from the issue of shares		**2,000,000**	955,000
Share issue costs		**-**	(18,450)
Net cash flows provided by financing activities		**2,000,000**	936,550
Net decrease in cash and cash equivalents		**1,553,759**	(681,723)
Cash and cash equivalents at the beginning of the year		**248,860**	930,583
Cash and cash equivalents at the end of the year	9	**1,802,619**	248,860

The accompanying notes form part of these 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 2021 comprise the Company and its subsidiaries (together referred to as the "Consolidated Group" or the "Group").

(b) Basis of Preparation

i. 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').

ii. Basis of measurement

Historical Cost Convention

The financial statements have been prepared under the historical costs convention, expect for where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

iii. 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 22.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of Preparation (continued)

iv. Adoption of new and revised accounting standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

v. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

vi. Changes to the Company's accounting policies

There were no changes to the Group's accounting policies as a result of the adoption of new accounting standards applicable for the year ended 30 June 2021.

vii. 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.

(c) Associates

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Associates (continued)

The consolidated group 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.

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Vanadium Resources Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including special purpose entities) over which the consolidated group 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 group controls another entity.

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

Intercompany transactions, balances and unrealised gains on transactions between consolidated group 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 group.

The acquisition method of accounting is used to account for business combinations by the consolidated group. 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.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(e) 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.

(f) Foreign Currency Translation

i. Functional and presentation currency

Items included in the financial statements of each of the consolidated group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Australian dollars, unless otherwise stated, which is also the Parent's functional currency.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Foreign Currency Translation (continued)

ii. 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.

iii. Consolidated group 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) Interest and Other Income

i. Interest

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset. If not received at the end of reporting period, it is reflected in the statement of financial position as a receivable.

ii. Other income

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

(h) Income Tax

The income tax expense or benefit for the period is the tax payable on that 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 and the adjustments recognised in prior periods where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income Tax

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities, and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

(i) Exploration and evaluation expenditure

i. 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.

ii. 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.

(j) 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.

(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 group 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 group 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.

i. 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.

ii. Financial assets at fair value through other comprehensive income

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

iii. Impairment of financial assets

The consolidated group 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 group'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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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

i. 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.

ii. 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 group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Share-based Payments (continued)

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 group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated group 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.

(q) Issued Capital

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Earnings Per Share

i. 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.

ii. 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.

(s) 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.

(t) 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 group'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 group'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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Dividends

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

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.

(a) 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.

(b) Investments accounted for using the equity method

As detailed in Note 13, 19 and 23, due to Vanadium Resources having issued the full consideration but control pending, the Company continues to account for the investment in Vanadium Resources Pty Ltd (VanRes) under the equity method of accounting.

(c) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

NOTE 3: SEGMENT INFORMATION

The consolidated group operates within two geographical segments within mining exploration being Australia and South Africa. The segment information provided to the chief operating decision makers ("CODM"), being the Board of Directors is as follows:

Year ended 30 June 2021	**Australia**	**South Africa**	**Total**
	$	**$**	**$**
Other revenue	65	-	65
Loss before income tax expense	(283,091)	(300,176)	(583,267)
Total Segment Assets	3,911,014	19,373,489	23,284,503
Total Segment Liabilities	(71,166)	-	(71,166)

Year ended 30 June 2020	**Australia**	**South Africa**	**Total**
	$	**$**	**$**
Other revenue	524	-	524
Loss before income tax expense	(2,683,479)	(183,429)	(2,866,907)
Total Segment Assets	2,668,844	19,228,576	21,897,420
Total Segment Liabilities	(96,560)	-	(96,560)

The Board considers its business operations in mineral exploration to be its primary reporting function. Results are analysed as a whole by the CODM. Consequently, revenue, profit, net assets and total assets for the operating segment are reflected in this financial report.

NOTE 4: REVENUE	**2021**	2020
	$	$
Other income		
Interest income	**65**	524

NOTE 5: EXPENSES

Share based payments expense		
Consideration for Steelpoort Pty Ltd	**-**	(1,843,381)
Consideration for services provided	**-**	(192,400)
	-	(2,035,781)

NOTE 6: SHARE OF LOSS OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

Share of loss - associates	**(289,448)**	(132,041)

NOTE 7: INCOME TAX

(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 payable on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Income tax expense/(benefit) on operating loss at 30% (2020: 27.5%)	**(174,980)**	(788,400)
Non-deductible items		
Non-deductible expenditure	**15,788**	627,170
Benefits from tax loss not brought to account	**207,467**	347,680
Temporary differences not recognised	**(48,275)**	(186,450)
Income tax attributable to operating income/(loss)	-	-
The applicable weighted average effective tax rates are as follows:	Nil	Nil
Balance of franking account at year end	Nil	Nil

NOTE 7: INCOME TAX (continued)		2021 $	2020 $
(c)	**Deferred tax assets**		
	Tax losses	**1,239,898**	1,216,395
	Blackhole expenditure	**54,587**	89,986
	Other	**74,635**	68,649
	Unrecognised deferred tax asset	**1,329,120**	1,375,030
	Set-off deferred tax liabilities	**-**	-
	Net deferred tax assets	**1,329,120**	1,375,030
	Less deferred tax assets not recognised	**(1,329,120)**	(1,375,030)
	Net assets	**-**	-
(d)	**Deferred tax liabilities**		
	Exploration expenditure	**490,838**	445,260
	Other	**(7,925)**	33,476
	Set-off deferred tax assets	**(482,913)**	(478,736)
	Net deferred tax liabilities	**-**	-
	Tax losses	**-**	-
	Unused tax losses and temporary differences for which no deferred tax asset has been recognised	**4,563,735**	5,000,108

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 2021, 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.

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.

Net loss for the year	**(583,267)**	(2,866,907)
Weighted average number of ordinary shares for basic and diluted loss per share	**383,594,790**	356,035,273

Options on issue are considered anti-dilutive to the earnings per share as the Company is in a loss-making position.

Continuing operations		
• Basic and diluted loss per share (cents)	**(0.15)**	**(0.81)**

NOTE 9: CASH AND CASH EQUIVALENTS	**2021**	2020
	$	$
Cash at bank and in hand	**1,802,619**	248,860

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.

Reconciliation of cash flow from operations with loss before income tax		
Loss for the financial year	**(583,267)**	(2,866,907)
Non-cash flows in loss:		
- Share-based payments	**-**	2,035,781
- Impairment of capitalised expenditure	**1,201**	139,692
- Share of loss of associate using equity method	**289,448**	132,041
- Foreign currency translation	**(48,175)**	97,889
- Other non-cash items	**(3,377)**	(1,372)
Changes in assets and liabilities		
- Trade and other receivables	**(5,499)**	48,366
- Trade and other payables	**(25,393)**	(231,397)
Cash flow from operations	**(375,062)**	(645,907)

NOTE 10: TRADE AND OTHER RECEIVABLES

GST receivable (net)	**16,230**	8,646
Other deposits and receivables (i)	**21,758**	23,844
	37,988	32,490

NOTE 10(a): OTHER RECEIVABLES

Other deposits	**28,972**	28,972
Cash rehabilitation guarantee (ii)	**466,180**	418,035
Loan to Vanadium Resources (Pty) Ltd	**253,590**	200,614
	748,742	647,621

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 group for the year ended 30 June 2021 and 30 June 2020.

NOTE 11: TRADE AND OTHER PAYABLES

	2021	2020
	$	$
Trade payables (i)	**49,166**	75,060
Accrued expenses	**22,000**	21,500
	71,166	96,560

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

NOTE 12: EXPLORATION AND EVALUATION

Opening balance	**4,698,902**	4,150,369
Exploration expenditure written off	**-**	(139,692)
Additions capitalised during the period	**17,002**	688,225
	4,715,904	4,698,902

NOTE 13: INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Investment in associate (refer to note 23)	**15,973,117**	16,262,565

NOTE 14: ISSUED CAPITAL

	2021		2020	
	No. of Shares	**$**	No. of Shares	$
Ordinary shares – fully paid	**418,444,105**	**26,028,952**	374,277,438	24,033,208

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the share held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. 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.

Movement reconciliation	Date	Issue Price	Number	$
At 30 June 2019			212,960,386	12,572,550
Issue of Shares - placement	26 July 2019	$0.085	1,764,708	150,000
Consideration for Vanadium Resources (Pty) Ltd	26 July 2019	$0.076	111,688,512	8,488,327
Consideration for Steelpoort Pty Ltd	26 July 2019	$0.076	24,255,008	1,843,381
Consideration for services provided	26 July 2019	$0.076	1,400,000	106,400
Issue of Shares - placement	15 November 2019	$0.040	20,000,000	800,000
Consideration for services provided	15 November 2019	$0.040	2,150,000	86,000
Issue of Shares - placement	15 November 2019	$0.085	58,824	5,000
Capital raising costs			-	(18,450)
At 30 June 2020			**374,277,438**	24,033,208
Issue of Shares - placement	14 April 2021	$0.048	**44,166,667**	2,120,000
Capital raising costs			-	(124,256)
At 30 June 2021			**418,444,105**	**26,028,952**

NOTE 15: RESERVES

	2021 $	2020 $
Movement reconciliation of share-based payments reserve		
Balance at the beginning of the year	5,995,358	6,116,608
Expiry of options	**(951,796)**	(121,250)
Balance at the end of the year	**5,043,562**	5,995,358

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.

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:

Financial Assets		
Cash and cash equivalents	**1,802,619**	**248,860**
Trade and other receivables	**786,730**	**680,111**
	2,589,349	**928,971**
Financial Liabilities		
Trade and other payables	**71,166**	**96,560**

(a) Market risk

i. Foreign exchange risk

The currency risk is the risk that the value of financial instruments will fluctuate due to change in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Australian Dollar (AUD), the Group's functional currency. The Group's policy is not to enter into any currency hedging transactions.

NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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:

	2021		2020	
	Weighted average interest rate *	**Balance $**	Weighted average interest rate	Balance $
Cash and cash equivalents	0.00%	1,802,619	0.04%	248,860

(*) 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.

At 30 June 2021, 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:

Judgements of reasonably possible movements: Profit higher/(lower)	**2021 $**	2020 $
+ 1.0% (100 basis points)	**18,026**	2,489
- 1.0% (100 basis points)	**(18,026)**	(2,489)

(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.

NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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 $
2021					
Trade and other payables	71,166	-	-	-	71,166
2020					
Trade and other payables	96,560	-	-	-	96,560

(d) Capital risk management

The consolidated group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated 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").

NOTE 17: RELATED PARTY DISCLOSURE

(a) Key Management Personnel Compensation

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

	2021 **$**	2020 $
Short-term benefits	**239,952**	265,000
Post-employment benefits	**-**	-
Share-based payments	**-**	-
	239,952	265,000

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.

NOTE 17: RELATED PARTY DISCLOSURE (continued)

(b) Other Transactions with related parties

No transactions with related parties took place during the year ended 30 June 2021 other than those disclosed at Note 17(a).

Company secretarial and financial management services of $63,714 were paid or payable to Mirador Corporate Pty Ltd for the year ended 30 June 2020. Mirador Corporate Pty Ltd is a company controlled by former director Jeremy King.

Terms and conditions

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

NOTE 18: SHARE-BASED PAYMENTS

(a) Recognised share-based payment transactions	**2021** **$**	2020 $
Consideration for the acquisition of Steelpoort Pty Ltd (i)	**-**	1,843,381
Consideration for services provided	**-**	192,400
Options recognised in profit or loss and other comprehensive income	**-**	2,035,781
Consideration for lead manager(ii)	**120,000**	-
Recognised in statement of changes in equity	**120,000**	-
Options recognised as an Investment in Associate	**-**	-

i. On 26 July 2019, the Company issued 24,255,008 ordinary shares for consideration for the acquisition of Steelpoort Pty Ltd.
ii. In April 2021, the Company issued 2,500,000 ordinary shares to lead manager for capital raising cost.

NOTE 18: SHARE-BASED PAYMENTS (continued)

(b) Summary of shares/options granted during the year

In April 2021, 2,500,000 ordinary shares were issued to lead manager at an issue price of $0.048 per share and a total of transactional value of $120,000.

There were no share based payment options granted during the year ended 30 June 2021; options issued in prior reporting periods have no impact on profit or loss for the year ended 30 June 2021.

At 30 June 2021 the following equity settled share based payment options were on issue:

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	-	-	(23,100,00)	-
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
				64,680,001	-	-	23,100,000	41,580,001

At 30 June 2020 the following equity settled share based payment options were on issue:

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
				64,680,001	-	-	-	64,680,001

NOTE 19: CONTINGENCIES AND COMMITMENTS

The consolidated group has met a series of milestones comprising the establishment of a JORC-compliant Measured Resource and the completion of studies (scoping study and pre-feasibility study completed with definitive feasibility to be completed). Presently, the consolidated group owns 50% of the issued share capital in Vanadium Resources Pty Ltd and will not gain control of a further 23.95%, to bring its interest in Vanadium Resources Pty Ltd to a total of 73.95% until ministerial approval by the South African Department of Mineral Resources has been granted to the consolidated group to acquire a controlling interest in the project through its shareholding in Vanadium Resources Pty Ltd.

There are no other contingent assets or contingent liabilities as at 30 June 2021 (2020: nil):

NOTE 20: AUDITOR'S REMUNERATION

	2021 $	2020 $
Amounts received or due and receivable by RSM Australia Partners for:		
Audit and review of the annual and half-year financial report	**37,000**	34,500
Other services - RSM Australia Pty Ltd for:		
- Income tax return	**-**	11,900
	37,000	46,400

NOTE 21: INVESTMENT IN CONTROLLED ENTITIES

	Principal Activities	Country of Incorporation	Ownership interest 2021	2020
Steelpoort Pty Ltd	Dormant	Australia	100%	100%
VMS Resources Pty Ltd	Exploration	Australia	100%	100%

NOTE 22: PARENT ENTITY

	2021 $	2020 $
Assets		
Current assets	**1,840,607**	281,350
Non-current assets	**21,443,898**	21,616,070
Total assets	**23,284,505**	21,897,420
Liabilities		
Current liabilities		
Total liabilities	**(71,168)**	(96,560)
	(71,168)	(96,650)
Equity		
Contributed equity	**26,028,952**	24,033,208
Reserves	**5,043,562**	5,995,358
Accumulated losses	**(7,859,177)**	(8,227,706)
Total equity	**23,213,337**	21,800,860
Loss for the year	**(300,234)**	(2,734,867)
Total comprehensive loss	**(300,234)**	(2,734,867)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated group, 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 an indicator of an impairment of the investment.

NOTE 23: 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 group are set out below:

Name	Principle place of business	**2021**	2020
Vanadium Resources Pty Ltd	South Africa	**50.0%**	50.0%

	2021	2020
	$	$
Summarised statement of financial position		
Current assets	**512,982**	576,740
Total assets	**512,982**	576,740
Non- current liabilities	**984,882**	925,859
Total liabilities	**984,882**	925,859
(Net Liabilities)	**(471,900)**	(349,119)
Summarised statement of profit or loss and other comprehensive income		
Revenue	**30,541**	51,116
Expenses	**(609,437)**	(336,699)
Loss before income tax	**(578,896)**	(285,583)
Income tax expense		-
Loss after income tax	**(578,896)**	(285,583)
Other comprehensive loss	**-**	-
Total comprehensive loss	**(578,896)**	(285,583)
Reconciliation of the carrying amount in the consolidated group's interest in Vanadium Resources Pty Ltd		
Opening carrying amount	**16,262,565**	7,820,461
Costs capitalised	**-**	8,574,145
Share of loss after income tax	**(289,448)**	(132,041)
Closing carrying amount	**15,973,117**	16,262,565

NOTE 24: EVENTS AFTER THE REPORTING DATE

On the 22 July 2021 the Company declared a Maiden Ore Reserve, refer to the Directors Report, Annual Mineral Resource and Ore Reserve Statement as at 30 June 2021 for additional information.

On 1 September 2021, the Company Shareholders approved all resolutions put forward at the General Meeting. The resolutions included the approval to issue performance rights to related parties. The performance rights were issued on the 27 September 2021.

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 FOR THE YEAR ENDED 30 JUNE 2021

In the Directors' opinion:

1. The consolidated financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:

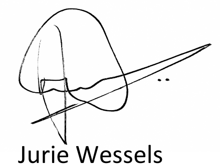
   a) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b) giving a true and fair view of the consolidated group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

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

3. This declaration has been made after receiving the declaration required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

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:



Jurie Wessels
Chairman

29 September 2021

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 2021, 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 2021 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 Assets Refer to Note 12 in the financial statements	
The Group has capitalised exploration and evaluation expenditure with a carrying value of $4,715,904 as at 30 June 2021. We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including: • Determination of whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss.	Our audit procedures included: • Obtaining evidence that the Group has valid rights to explore in the specific area of interest; • Assessing and evaluating management's assessment that no indicators of impairment existed at the reporting date; • Assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of an economically recoverable mineral reserve may be assessed; and • Enquiring with management and reviewing budgets and other supporting documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future.
Investments accounted for using the Equity Method Refer to Note 13 and 23 in the financial statements	
The Group currently owns 50% in Vanadium Resources Pty Ltd with a carrying value of $15,973,117 as at 30 June 2021. This investment is accounted for using the equity method. The accounting for this investment is considered to be a key audit matter because it involved an exercise of judgments in relation to: • Determining the type of transaction and whether the investment 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; and • Determining whether there were impairment indicators in the investment at reporting date and, if so, judgments applied to determine and quantify any impairment loss.	Our audit procedures included: • Evaluating the measurement and recognition criteria determined by management in accordance with AASB 11 and AASB 128; • Evaluating the management's determination of the carrying value of the investment at the reporting date; • Assessing and evaluating management's assessment of whether indicators of impairment existed at the 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 2021, 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: https://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 2021.

In our opinion, the Remuneration Report of Vanadium Resources Limited, for the year ended 30 June 2021, 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

Perth, WA
Dated: 29 September 2021

TUTU PHONG
Partner

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 27 September 2021.

Corporate Governance

The Company's Corporate Governance Statement has been released as a separate document and is also located on our website at https://vr8.global/corporate-governance

Ordinary Share Capital

418,444,105 fully paid ordinary shares are held by 1,090 individual holders.

Voting Rights

Subject to the ASX Listing Rules, the Company's constitution and any special rights or restrictions attached to a share, at a meeting of shareholders, voting rights attached to each class of equity security are as follows:

- **Ordinary shares:** On a show of hands each shareholder present at a meeting of shareholders in person or by proxy shall have one vote and, on a poll, has one vote for each fully paid share held.

- **Options, Performance Shares and Performance Rights:** Options and Performance Shares do not carry any voting rights.

Twenty Largest Shareholders

Rank	Name	Holding	%
1	Kumane Investments Pty Ltd	44,981,437	10.75%
2	Danterne Pty Ltd	44,981,437	10.75%
3	AMA CASA PROPS 122 PROPRIETARY LIMITED	27,283,825	6.52%
4	ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	19,000,000	4.54%
5	NDARAMA INVESTMENTS (PRIVATE) LIMITED	16,733,315	4.00%
6	PAPILLON HOLDINGS PTY LTD <THE VML NO 1 A/C>	16,050,000	3.84%
7	Davy Corp Pty Ltd <Davy Investment A/C>	13,474,564	3.22%
8	RIMOYNE PTY LTD	11,060,000	2.64%
9	MR BIN LIU	10,416,667	2.49%
10	CITICORP NOMINEES PTY LIMITED	9,225,109	2.20%
11	MR SAM ROBIN HAMMOND	8,200,000	1.96%
12	SNOWBALL 3 PTY LTD <ANTONIO TORRESAN SUPER A/C>	6,000,000	1.43%
13	MS CHUNYAN NIU	5,100,000	1.22%
14	ULTRA GLORY LIMITED	5,058,333	1.21%
15	MR DARREN CARTER	4,900,000	1.17%
16	ABSALOM LIMITED	4,416,667	1.06%
17	RUSSELL BROOKS LIMITED	4,416,667	1.06%
18	TOMARNIC LIMITED	4,416,666	1.06%
19	GOLDEN DAWN LIMITED	3,954,000	0.94%
20	HORIZON CAPITAL MANAGEMENT LLC	3,158,256	0.75%
Total top 20 holders of fully paid ordinary shares		**262,826,943**	**62.81%**
Total remaining holders balance		**155,617,162**	**37.19%**

Substantial Shareholders

The names of Vanadium Resources Limited's substantial holders and number of shares in which each has a relevant interest, as disclosed in substantial holding notices received by Vanadium Resources Limited as at 27 September 2021, are listed below:

Holder Name	Holding Balance	% IC
Kumane Investments Pty Ltd	44,981,437	10.75%
Danterne Pty Ltd	44,981,437	10.75%
AMA CASA PROPS 122 PROPRIETARY LIMITED	27,283,825	6.52%
Faldi Ismail and associated entities	22,000,000	5.26%

Distribution of Shares

A distribution schedule of the number of holders of shares is set out below.

		Fully Paid Ordinary Shares	
Range	No. Holders	Total Units	%
1 - 1,000	50	5,159	0.00%
1,001 - 5,000	44	158,119	0.04%
5,001 - 10,000	125	1,045,367	0.25%
10,001 - 100,000	564	23,856,520	5.70%
100,001 and Over	307	393,378,940	94.01%
Total	**1,090**	**418,444,105**	**100.00%**

Restricted Securities

As at 27 September 2021 there were no securities subject to escrow.

Unquoted Securities and Distribution

As at 27 September 2021 the Company has on issue 10,000,000 Unlisted Options.

10,000,000 Unquoted options expiring 01/12/2021 at $0.053 – 17 holders

	Unlisted Options exercisable at $0.053 each on or before 1 December 2021		
Range	No. Holders	Total Units	%
1 – 1,000	0	0	0.00%
1,001 – 5,000	0	0	0.00%
5,001 – 10,000	0	0	0.00%
10,001 – 100,000	2	150,345	1.50%
100,001 and Over	15	9,849,655	98.50%
Total	**17**	**10,000,000[1]**	**100.00%**

[1]Northlew Investments Limited, Tomarnic Limited and Russell Brooks Limited hold 2,083,333 (20.83%) each comprising of this class.

As at 27 September 2021 the Company has on issue 9,625,000 Class A Performance Rights expiring 3 years from grant date – 9 holders.

	Class A Performance Rights on or 3 years from grant date		
Range	No. Holders	Total Units	%
1 – 1,000	0	0	0.00%
1,001 – 5,000	0	0	0.00%
5,001 – 10,000	0	0	0.00%
10,001 – 100,000	0	0	0.00%
100,001 and Over	9	9,625,000	100.00%
Total	**9**	**9,625,000[2]**	**100.00%**

[2]Nil holders over 20% in this class.

Unquoted Securities and Distribution – Continued

As at 27 September 2021 the Company has on issue 5,000,000 Class B Performance Rights expiring 3 years from grant date – 9 holders.

	Class B Performance Rights on or 3 years from grant date		
Range	**No. Holders**	**Total Units**	**%**
1 – 1,000	0	0	0.00%
1,001 – 5,000	0	0	0.00%
5,001 – 10,000	0	0	0.00%
10,001 – 100,000	0	0	0.00%
100,001 and Over	5	5,000,000	100.00%
Total	**5**	**5,000,000[3]**	**100.00%**

[3] The Kumane A/C, Eugene Nel, Danterne A/C, Ciganek Family A/C and Davy Corp Pty Ltd each hold 1,000,000 (20%) of this class.

Unmarketable Parcels

Holdings of less than a marketable parcel of ordinary shares:

Holders: 132

On-market Buy Back

There is currently no on-market buy-back program.

Schedule of Tenements

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%
Limpopo Region, South Africa						
Steelpoortdrift KT365	10095MR	Vanadium Resources (Pty) Ltd	24.6	Granted	04/09/2048	Right to own 73.95%