

Skåne Vanadium Project Update

Highlights:

- **Studies into the Skåne Vanadium Project continue with work comprising metallurgical testwork on samples to be carried out by well-respected UK based consultants Grinding Solutions Limited**
- **Results from testwork to be fed into a new study by globally-renowned consultants Micon International into the techno-economic opportunity of developing the Skåne Vanadium Project at current and forecast vanadium prices, which is anticipated to be at Scoping Study level**
- **Skåne is located in southern Sweden surrounded by excellent regional infrastructure and offers access to EU markets where vanadium is considered a critical metal due to economic importance and lack of European supply**

Province Resources is pleased to update shareholders on studies at the Skåne Vanadium project, located in southern Sweden. Province previously defined an Indicated and Inferred Mineral Resources at Skåne based on drilling completed in 2019 (detailed below). The project offers excellent infrastructure and access to EU markets where vanadium is considered a critical metal due to economic importance and lack of European supply.

The final product from this phase of work will be a study into the economics of the project at current and forecast vanadium prices, which is anticipated to be at the level of a Scoping Study as defined in the JORC Code (2012 Edition).

Initial work will consist of further metallurgical testwork aimed at tailoring the processing flowsheet to the Skåne mineralisation, building on previous studies completed by Province (refer ASX Announcement 11 Feb 2021). Field Emission Scanning Electron Microscopy (FEG SEM) analysis will be completed on samples from Skåne to determine the department of the vanadium within the mineralisation which will be used to design further testwork aimed at maximising the extraction of the vanadium into solution.

Testwork is being carried out in the United Kingdom by Grinding Solutions Limited (GSL). GSL specialises in exploring novel approaches for mineral liberation and separation and has specific recent experience in both vanadium extraction and the application of extractive techniques to similar deposit styles.

In addition, comminution testwork including determination of bond ball work index, crushability and abrasiveness will be completed on samples from Skåne to enable design of the crushing and grinding circuit for the Skåne deposit.

This design, along with the recovery parameters from testwork, will then inform the order of magnitude CAPEX and OPEX inputs into an economic study into the Skåne vanadium deposit. The Company has engaged Micon International Co Limited (Micon) to complete an initial techno-economic study based on the data gathered during the 2019 exploration and drilling programme as well as results of the metallurgical testwork detailed above. Micon will provide the Company with its opinion as to the accuracy level of the CAPEX and OPEX estimates and whether these are at a sufficient level, as well as the other project data, to meet the requirements of a Scoping Study as defined in the JORC Code (2012 Edition).

Micon is a mining consultancy which has provided independent professional advice to mining companies for over 30 years. It is staffed by senior mineral industry consultants with extensive international experience in the fields of geology, mining engineering, metallurgy, processing, social and environmental management, market analysis and mineral economics. The company has extensive experience in the Scandinavian region and it's UK office will undertake the study for Province.

The techno-economic study will include

- Review of the current Mineral Resources (see below)
- Conceptual pit design and basic mining schedule
- Preliminary site layout plans
- Review of metallurgical testwork and determination of appropriate recovery assumptions
- Preliminary engineering designs for process plant and assumed process flow sheet
- Overview of facilities, communications and power availability
- Review of environmental and hydrogeological aspects
- Estimate of construction schedule and potential life of mine
- Order-of-magnitude capex estimates to an appropriate accuracy for a Scoping Study
- Order-of-magnitude opex estimates to an appropriate accuracy for a Scoping Study
- Economic analysis including high level cash flow model and sensitivity analysis
- Preliminary project risk assessment

Skåne hosts an Indicated and Inferred Mineral Resource of 116.9 million tonnes at 0.39% V₂O₅ (61.8Mt at 0.39% V₂O₅ in the Indicated category and 55.0Mt at 0.39% V₂O₅ in the Inferred category) at the Hörby Target; refer ASX Announcement 18 December 2019. No further drilling is planned at the Hörby Target as part of the current work programme as the Mineral Resource is sufficiently advanced to inform a Scoping level study.

It is anticipated that the metallurgical testwork programme will be completed in Q1 2022, with the Scoping Study anticipated to be completed in Q2 2022. The Company will release material results during these periods as they are received.

Compliance Statement

The information in this document that relates to the estimation and reporting of the Mineral Resource is extracted from the report entitled "Maiden JORC Mineral Resource at Skåne" announced at ASX on 18 December 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in the above-mentioned announcement and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

This announcement has been approved by the Board.

For more information contact:

David J Frances

Managing Director - CEO

David.frances@provinceresources.com