



VANADIUM RESOURCES LIMITED
ABN 47 618 307 887

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2023

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Board of Directors

Mr Jurie Wessels	Executive Chairman
Mr John Ciganek	Chief Executive Officer and Managing Director
Mr Michael Davy	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

Steinepreis Paganin
16 Milligan Street
Perth WA 6000

Bankers

National Australia Bank Limited
197 St Georges Terrace
Perth WA 6000

Share Registry

Automic Share Registry
Level 5/191 St Georges Terrace
Perth WA 6000
General Enquiries: +61 8 9698 5414
Investor Services: 1300 288 664

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 2022 to 30 June 2023 (**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	Executive Chairman	26 July 2019	-
Mr John Ciganek	Non-Executive Director	18 December 2020	9 January 2023
Mr John Ciganek	Managing Director and Chief Executive Officer	9 January 2023	-
Mr Michael Davy	Non-Executive Director	1 December 2019	-

Mr Jurie Wessels | Executive Chairman

BA, LLB

(Appointed 26 July 2019)

Mr Jurie Wessels has 27 years' experience in the exploration industry and co-founded several exploration and mining companies, including Bauba Resources Ltd (BAU.J), which owns three operating mines, GoldStone Resources Ltd (GRL.L), which is mining the Homase-Akrokeri Gold Mine in Ghana acquired and developed by GoldStone when Mr Wessels was CEO, Arcadia Minerals Ltd (ASX:AM7), which is currently conducting the Swanson Tantalum Mine, the Bitterwasser Lithium Clay and Brine Projects and tier 1 exploration assets, and Vanadium Resources Ltd.

Mr Wessels has significant experience in the sourcing and assessment of exploration and exploitation projects and the governance, funding and management of resource companies. Mr Wessels explored for various minerals in Africa, South America, the Indian sub-continent and Europe, and explored and developed several mining projects to successful conclusions. Mr Wessels practised as a minerals lawyer up to 2003 and is still admitted as an attorney (non-practising) and a notary of the High Court of South Africa. During the past three years, Mr Wessels has had the following directorships in other ASX listed companies: Executive Chairman of Arcadia Minerals Limited (ASX:AM7) (current).

Mr John Ciganek | Chief Executive Officer and Managing Director

Bachelor and MBA of Mining Engineering

(Non-Executive Director, appointed 18 December 2020, resigned 9 January 2023)

(Chief Executive Officer and Managing Director, appointed 9 January 2023)

Mr Ciganek is a qualified Mining Engineer, holds a Master of Business Administration and has more than 30 years of mining and finance experience. His experience spans working in mining operations, project development, project finance, offtake agreements, M&A and the equity capital market.

Mr Ciganek's previous roles are Principal/Director of Euclase Capital, Executive Director of BurnVoor Corporate Finance, General Manager Corporate Development at PMI Gold, Senior Banks Engineer and Risk Executive at Commonwealth Bank, and Senior Mining Engineering positions with Hargraves Resources, Reynolds Yilgarn Gold and Comalco / Rio Tinto (CRA). During the past three years, Mr Ciganek has held the following directorships in other ASX listed companies: Non-Executive Director of Calidus Resources Limited (ASX:CAI) (current) and Non-Executive Chairman of Ookami Limited (ASX:OOK) (resigned 4 September 2023)

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 18 years experience across a range of industries. Mr Davy previously held a senior management role in Australia for Songa Offshore (a 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 several successful private businesses all under his management. During the past three years, Mr Davy has held the following directorships in other ASX listed companies: Non-Executive Director of Arcadia Minerals Limited (ASX:AM7)(current), Non-Executive Chairman of Raiden Resources Limited (ASX:RDN)(current), Non-Executive Chairman of Haranga Resources Limited (ASX:HAR) (current).

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 18 years' experience in the areas of external company audit, accounting and corporate governance. Ms Garic has acted as Chief Financial Officer and Company Secretary for companies in the private and public listed company sectors. Ms Garic is a Member of the Institute of Chartered Accountants Australia and New Zealand and a Fellow of the Governance Institute of Australia.

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	Class A Performance Rights	Class B Performance Rights	Class 1 to 4 Performance Rights
Mr Jurie Wessels	45,721,437	1,325,000	1,000,000	-
Mr Michael Davy	16,724,394	-	-	-
Mr John Ciganek	2,325,000	-	-	18,000,000
Total	64,770,831	1,325,000	1,000,000	18,000,000

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was advancing the Steelpoortdrift Vanadium Project (the “**Project**”) in South Africa through the Definitive Feasibility Study (“**DFS**”), which was completed in October 2022. The DFS confirmed the robust economics and technical viability of the Project to produce a total of 484,000t of vanadium pentoxide (“**V₂O₅**”) flake over a 25-year period¹.

REVIEW AND RESULTS OF OPERATIONS

During the year ended 30 June 2023, the following activities occurred:

STEELPOORTDRIFT VANADIUM PROJECT DEFINITIVE FEASIBILITY STUDY (DFS)



In October 2022, the Company released a DFS that confirmed that the Project has the potential to be a world-class, large scale and low-cost vanadium producer with competitive opex and capex metrics. The Project comprises the open pit mining of titaniferous vanadium ore, primary treatment of the ore through an onsite concentrator (using magnetic separation), and secondary treatment of concentrate through a salt roast leach (“**SRL**”) plant to produce a >98% V₂O₅ flake.

The DFS demonstrated a two-phase operation which will produce a total of 484,000t of V₂O₅ flake over a 25-year period, providing a post-tax NPV_{7.5%} of US\$1.21bn (attributable share of US\$0.9bn) with an IRR of 42%. The Project will generate annual free cashflows of US\$152m with a short payback period of less than 27 months due to the high-grade nature of the mineralisation and the low capex requirement of US\$211m. The Project has the potential to sustain a lengthy life of mine as the Mineral Resource is able to sustain a 183-year life of mine (“**LOM**”) at current design capacity.

The Project will be built in two phases, as follows:

Phase 1 Project: This initial phase will have a pre-production capex of US\$211m and operate for the first four years (Years 1-4) based on a mining rate of 1.6Mt of vanadium ore per year at an average in situ grade of 0.83% V₂O₅, which will be processed through the concentrator and SRL plant to produce ~12ktpa of V₂O₅ flake.

Phase 2 Project: An additional US\$188m will then be funded using a combination of free cash flows and available cash to expand the plant and increase the mining rate to 3.5Mtpa of ore at an average grade of 0.71% V₂O₅ with production increasing substantially to ~21ktpa of flake.

The DFS identified several significant opportunities that would reduce costs and increase the potential Mineral Resources, Ore Reserves and the associated LOM plan, decrease environmental impacts and increase earnings potential. The following opportunities may be considered but will require additional, more detailed value engineering studies going forward:

¹ Refer to ASX Announcement dated 4 October 2022 “DFS Delivers A\$1.9BN NPV Confirming World Class Steelpoortdrift Vanadium Project”

REVIEW AND RESULTS OF OPERATIONS (continued)

- ropeway conveyor system to transport concentrate from mine site to SRL plant;
- removal of community and water course constraints on Mineral Resource estimation and associated LOM;
- residual vanadium recovery plant; and
- titanium in SRL tailings.

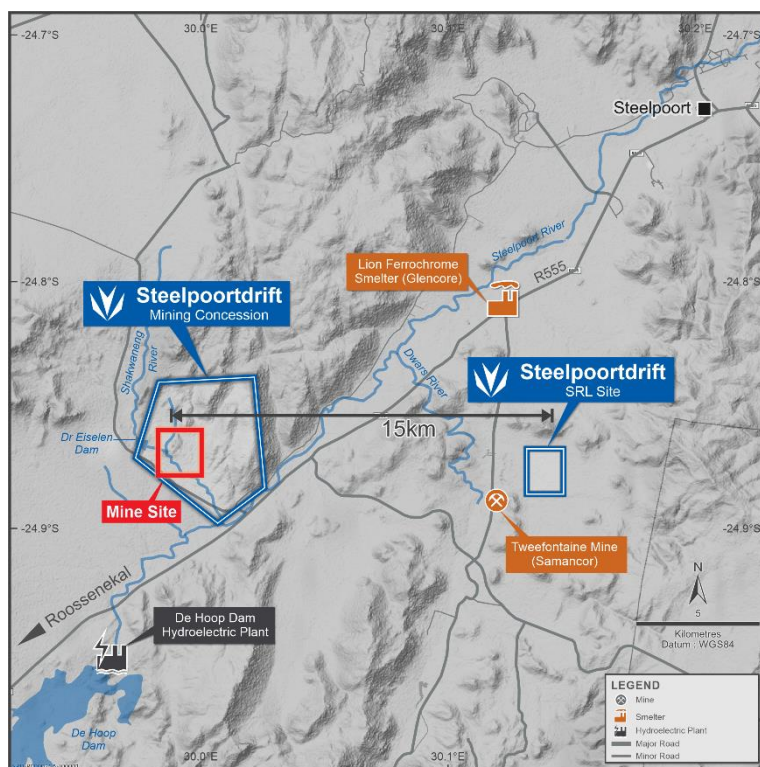
MINERAL RESOURCE AND ORE RESERVES

The Company reported updates to both the Mineral Resource and Ore Reserves during the period with the updated statements issued in October 2022², as shown in Tables 1 and 2 of the Annual Mineral Resource and Ore Reserve Statement. Key highlights of the updated Resources and Reserves included:

- The Mineral Resources now amount to 680Mt (2.7% increase) averaging 0.70% V₂O₅ at a cut-off grade of 0.45% V₂O₅;
- The Measured Mineral Resources increased by 58% to 145Mt averaging 0.72% V₂O₅;
- The Ore Reserves total 77Mt at an average grade of 0.72% V₂O₅ with 30Mt of Proved Ore Reserves at an average grade of 0.70% V₂O₅ and 47Mt of Probable Ore Reserves at an average grade of 0.72% V₂O₅; and
- The Geological Model identified potential target areas for future infill drilling down dip from current Resource to further expand the deposit.

ACQUISITION OF PROPERTY TO LOCATE SALT ROAST FACILITY

On 19 August 2022³, Vanadium Resources (Pty) Ltd (“VanRes”), entered into an option agreement to acquire a 135-hectare industrial site (“SRL Site”) located within a 15km radius of the Steelpoortdrift Mine Site and within the world-renowned mining hub of Steelpoort in the Eastern Bushveld Igneous Complex, as shown below.



² Refer to ASX Announcement dated 4 October 2022 “VR8 Updates Mineral Resource and Ore Reserve for Steelpoortdrift Vanadium Project”

³ Refer to ASX Announcement dated 19 August 2022 “Acquisition of property to locate salt roast facility”

REVIEW AND RESULTS OF OPERATIONS (continued)

The SRL Site is situated near existing chrome and platinum mining operations within the municipal boundaries of Tubatse-Steelpoort. The SRL Site is planned to serve as the location of the proposed SRL plant which is ideally located within close proximity to planned mining operations and within easy reach of excellent infrastructure.

The option agreement with Kadoma Investments Proprietary Limited ("**Kadoma**") afforded VanRes an option to purchase a portion of portion 15 of the Farm Tweefontein, Limpopo, South Africa, for a total consideration of ZAR33.5M (approximately A\$2.74M). The option agreement is conditional on VanRes securing sufficient funding for the construction of the Project, all environmental permissions having been procured to operate an SRL plant and Kadoma having procured the rezoning of VanRes prior to 31 August 2023. The option remains valid up to 30 September 2023. The Company is currently in discussions with Kadoma with respect to extending the term of the option agreement, if required.

With this transaction, the Company will be able to leverage the optionality presented by having two sites of operation and, thereby, extract optimum operational, environmental, financing, and social efficiencies for its planned businesses: one focussed on mining and initial beneficiation and the other on extraction, refining and industrial production.

VR8 TO INCREASE ITS INTEREST IN STEELPOORTDRIFT TO 86.49%

During the financial year, the Company concluded agreements to increase its interest in the Project from 73.95% to 86.49%.

On 3 May 2023⁴, the Company announced the execution of two separate conditional sale and option agreements ("**Sale and Option Agreements**") to acquire 100% of the interests held by Obeec (Pty) Ltd ("**Obeec**") and Math-Pin Trust ("**Math-Pin**") (together the "**Parties**" and/or "**Vendors**") in the issued share capital of Vanadium Resources (Pty) Ltd. The consideration payable to the Vendors consists of a cash consideration and an option to acquire VR8 shares, with the combined interest of the transaction representing 4.37% of the VR8 shares on issue at the time of announcement.

The Vendors are "Black Economic Empowerment" ("**BEE**") parties for VanRes complying with minimum ownership requirements of the current government of the Republic of South Africa. The agreements are conditional on several terms including the requirements for approvals from the South African Reserve Bank ("**SARB**") and satisfaction by the Company that there are no issues with the ownership position of VanRes following the respective acquisitions.

STEELPOORTDRIFT VANADIUM PROJECT PROGRESSED

Following the completion of the DFS, the Company continued to focus on development activities for the Project for the remainder of the financial year.

Appointment of General Manager Operations - Alex Oehmen

A key step forward for the Company was the appointment of highly experienced executive, Mr Alex Oehmen, as General Manager of Operations⁵. Mr Oehmen has over 40 years' industry experience across the resources, mineral processing and engineering sectors, with a demonstrable track record in the management of vanadium and steel-making operations within the Bushveld region of South Africa. Mr Oehmen's appointment has been crucial in putting the Company in an ideal position to advance Steelpoortdrift through the upcoming stages of preparation for the final investment decision ("**FID**"), construction, commissioning, production and marketing.

Review of Flowsheets, Equipment & Designs

An internal review of the process flowsheets, equipment selection and designs for the concentration plant ("**Concentrator**") and SRL plant was conducted by the Company in the second half of the year. The review centred on improving efficiency and simplifying the plan to ensure that the operation will be able to continue to achieve targeted vanadium pentoxide specifications and production capacity. Several minor changes to the initial design and equipment selection were identified through this process and the Company plans to incorporate these, as it proceeds to front-end engineering design ("**FEED**") to ensure the Project is construction-ready, subject to financing deliverables. The key deliverables of the FEED work will include detailed engineering, cost

⁴ Refer to ASX Announcement dated 03 May 2023 "VR8 Concludes Agreements to Increase its interest in Steelpoortdrift up to 86.49%"

⁵ Refer to ASX Announcement dated 20 February 2023 "Vanadium Resources appoints General Manager Operations"

REVIEW AND RESULTS OF OPERATIONS (continued)

estimation, schedule optimisation, development of Project Execution and Operational Readiness Plans, and tenders for long-lead equipment items.

Environmental Authorisation & Water Use Licence Applications

Following the completion of the DFS, the Company has worked closely with Red Kite Environmental Solutions (Pty) Ltd ("**Red Kite**") to prepare and apply for the relevant authorisations, licences or permits relevant to both the Mine / Concentrator and SRL sites. The initial Environmental Authorisation Applications and Scoping Reports for both sites have now been completed and reviewed, with acceptance of the final Scoping Reports received from the relevant authorities in June 2023.

The Company and Red Kite have also been busy preparing and finalising the Environmental Impact Assessment ("**EIA**") and Environmental Management Program ("**EMPr**") for each site. Strong progress has been made on both and will continue to be worked on as we prepare for them to be submitted for final approval. The Department of Mineral Resources and Energy ("**DMRE**") will assess the applications for the Mine / Concentrator site, while the SRL site application will be considered by the Limpopo Economic Development, Environment & Tourism ("**LEDET**").

Following the review of the plant design and process flowsheet, minor changes to the water usage were identified which will need to be incorporated into a revised water application to the Department of Water and Sanitation ("**DWS**"). During the financial year the initial application passed through a number of the DWS review processes and will require final updates to be made before the completed application can go to a final review and approval process.

Social and Labour Plan & Community Engagement

A key component of obtaining and maintaining the Mining Right is to have an approved Social and Labour Plan ("**SLP**") by the DMRE. VanRes as the entity holding the Mining Right, had the original SLP approved in order to be awarded the Mining Right and it has continued to be updated as the Project has evolved. Following the release of the DFS, the SLP required a number of amendments based on the updated designs and planning that underpinned the Ore Reserve Estimate⁶. During the financial year, the Company continued to work with Sound Mining Xcellence (Proprietary) Limited ("**Sound Mining**") to ensure that the appropriate processes and background work were completed to meet the required regulations.

The additional work undertaken on the SLP by Sound Mining and the Company has included an assessment of the impact of the proposed activities on the local communities including both the social and economic impacts and benefits. It also included significant planning and development of procedures around employment, training, procurement and potential infrastructure to ensure that the Project has a positive socio-economic impact.

Significant engagement and consultation with the local communities has been, and will continue to be, a key part of this work to understand the matters of importance to each community and to ensure that the best practices and proposals are implemented to achieve long-term benefits. The Company has built strong relationships with the local communities and has had productive engagement and discussions throughout this process.

Rope Conveyor

During the second half of the financial year, the Company sought proposals for the design and development of an overland rope conveyor system to transport concentrate from the Mine / Concentrator site to the SRL site for downstream processing (the "**Rope Conveyor**"). The Rope Conveyor has the potential to provide a shorter and more direct transport route, be more energy efficient, operate at a higher availability factor and reduce operating costs. The DFS assumed road haulage and has formed the base case for debt financing and valuation purposes. However, the implementation of the proposed Rope Conveyor will largely be dependent on the findings from proposals with respect to total capex, operating cost, economics, the ability of the Company to secure additional funding and timing to secure relevant environmental approvals for implementation.

⁶ Refer to ASX Announcement dated 4 October 2022 "*VR8 Updates Mineral Resource and Ore Reserve for the Steelpoortdrift Vanadium Project*"

REVIEW AND RESULTS OF OPERATIONS (continued)

Solar Power for SRL Site

As flagged in the DFS, Kadoma owns the adjacent property to the SRL site and was planning to build a utility-scale photovoltaic ("PV") solar plant to provide green energy to the surrounding mines and the SRL site. Kadoma has continued to advance the proposed PV solar plant project which included the development of relevant engineering designs, costings, rezoning and potential commercial structures for the supply of power to VR8.

CORPORATE

Strategic Investment – Matrix Resources

During the financial year, the Company secured and completed a A\$5.91 million strategic equity placement to Matrix Resources (Zhejiang) Co., Ltd (**Matrix**), a wholly owned subsidiary of Zhejiang Lygend Investment Co., Ltd. Under the placement, the Company issued 53,763,800 fully paid ordinary shares, to Matrix at an issue price of A\$0.11 per share in return for an interest of 9.99% in VR8, which represented a ~40% premium to the 30-day VWAP on 3 May 2023⁷.

As part of the transaction, VR8 agreed to grant Matrix a period of exclusivity to 3 September 2023 to negotiate and enter into offtake rights for the supply of up to 40% of vanadium products produced for a period of 10 years from Phase 1 of the Project. This exclusivity right to Matrix has expired. However, Matrix and the Company continue to advance discussions with respect to a possible sales agency and offtake agreement over the Project.

Funding and Offtake Process

FY23 was a strong financial year for the Company in progressing its funding and offtake processes, with several additional groups indicating their interest in being involved with the Project. The Company is pleased to have received several non-binding indicative term sheets from commercial banks, export credit agencies, development banks and non-bank financiers. With the addition of these term sheets, the Company now has several potential funding pathways available to finance the Project and will seek to continue discussions with debt financiers with a view to obtaining credit-approved term sheets. Each available option will be assessed to identify the best solution for the Project and then the Company will proceed to mandate the lead arrangers.

In addition to Matrix, the Company progressed discussions with other potential offtake parties and strategic equity investors in the June 2023 quarter, having received indicative terms sheets and expressions of interest from these groups. The Company is evaluating and negotiating these existing proposals with a view to securing an offtake agreement and strategic equity investment. There is no guarantee that these discussions will culminate in a completed transaction.

Appointment of Managing Director & CEO – John Ciganek

On 5 December 2022, the Company appointed Mr John Ciganek as Managing Director and Chief Executive Officer with an effective date of 9 January 2023 following the resignation of Mr Eugene Nel from 9 December 2022 having fulfilled his mandate of successfully steering the Company in completing its Pre-Feasibility Study and Definitive Feasibility Study. Mr Ciganek is a qualified Mining Engineer, holds a Master of Business Administration and has more than 30 years of mining and finance experience.

⁷ Refer to ASX Announcement dated 26 May 2023 "A\$5.91 Million Strategic Placement to Matrix Resources Completed"

REVIEW AND RESULTS OF OPERATIONS (continued)

Performance Rights

On 7 October 2022, 1,325,000 Class A Performance Rights were converted to fully paid ordinary shares, and an additional 6,575,000 Class A Performance Rights and 3,000,000 Class B Performance Rights were converted to fully ordinary shares on 15 November 2022.

During the financial year the Company issued 18,000,000 incentive Performance Rights to Mr John Ciganek, Managing Director. Further information on the terms of the Incentive Performance Rights are located within the Remuneration Report.

The Performance Rights will vest and become exercisable by the Right Holder on the satisfaction of the relevant vesting condition. All Performance Rights which have not vested will automatically lapse and will be cancelled.

FINANCIAL PERFORMANCE

The financial results of the Group for the year ended 30 June 2023 are:

	30 June 2023	30 June 2022
	\$	\$
Cash and cash equivalents	6,097,033	2,915,991
Net Assets	30,496,363	26,442,984
Other revenue	34,296	15,467
Net loss after tax and non-controlling interest	(2,228,445)	(1,629,270)

DIVIDENDS

There were no dividends paid or recommended during the financial year ended 30 June 2023 (2022: 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 22 August 2023, the Company announced it had appointed Tim Feather as Chief Financial Officer⁸. Mr Feather is a chartered accountant and has over 25 years of experience in corporate finance, and diverse executive skillsets, which include corporate finance, public markets and legal expertise.

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.

⁸ Refer to ASX Announcement dated 22 August 2023 "Vanadium Resources appoints Chief Financial Officer",
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LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company plans to continue developing the Project to the stage where a final investment decision can be made on the construction of a mine and concentrator facility at Steelpoortdrift and a SRL facility at Tweefontein. The key developments required to reach FID include the final environmental and water use licence approvals, completion of FEED work, securing of offtake agreements and the approved provision of debt financing. The Company, its engineers and advisers are working hard to progress these critical path items and ensure that the design and implementation plan of the Project will result in a robust and optimised operation.

The Company expects to provide updates to the market on the progress of the Project and the key milestones towards FID as they are achieved. The likely developments the Company expects to be able to provide updates on in the coming months include:

- Option to acquire property from Kadoma for the SRL plant;
- Update on offtake discussions, including negotiations with Matrix;
- FEED update and commencement of tender process;
- Status of approval processes for Environmental, Water Use and Social and Labour Plan applications; and
- Updates on debt financing discussions.

Construction and commissioning of a mining and processing operation to produce vanadium pentoxide remains the Company's key focus for the foreseeable future. The Company will continue to assess opportunities to unlock additional value from the Project including by-product recovery, downstream opportunities or expansion of the operation.

BUSINESS RISKS

The Board seeks to ensure that the process of risk identification, assessment and management is embedded in all aspects of the Group's operations and it monitors whether the level of compliance and governance within the Group is appropriate, with a particular focus on the risk culture and risk reporting. There are a number of key material business risks to which the Group is exposed, which are summarised below:

Development of Steelpoortdrift Vanadium Project

The Company's ability to successfully develop and commercialise the Steelpoortdrift Vanadium Project may be affected by numerous factors including, but not limited to: macro-economic conditions, obtaining required approvals, ability to obtain sufficient funding, customer offtakes, delays in commissioning or ramp-up, the plant not performing in accordance with expectations and cost overruns.

As set out in the DFS, securing water and power connections within the planned timetable is one of the significant risks relating to the development of the Project. While the Company has ensured the feasibility of accessing existing infrastructure, it is also pursuing development of its own power solutions to mitigate or remove infrastructure risks where possible.

If the Company is not able to mitigate these factors and others not listed here, this could result in the Company not realising its development plans for the Project or in its plans costing more, or taking longer, than expected. No assurance can be given that the Company will achieve commercial viability through the development and operation of the Project.

Government risk and political risk

While the Company believes that its local and foreign incorporated subsidiaries are in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes to legal requirements or in the terms of existing permits and agreements applicable to the Group or its properties, which could have a material adverse impact on the Company's current operations or planned development projects.

Where required, obtaining necessary permits and licences can be a complex, time-consuming process and the Company cannot be sure whether any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining the necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Group from proceeding with any future development of its properties. Any failure to comply

BUSINESS RISKS (continued)

with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of development or mining operations or material fines, penalties or other liabilities.

Environmental

VR8's operations are subject to the environmental laws and regulations of South Africa (including statutory rehabilitation obligations that the Company will need to comply with in the future and which may be material). While VR8 proposes to comply with applicable laws and regulations and conduct its programs in a responsible manner with regard to the environment, there is the risk that VR8 may incur liability for any breaches of these laws and regulations.

The Company is also unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's business, financial condition and performance.

Several environmental approvals are required for the construction and operation of the Project, such as for the disposal of mining and processing waste. Delays in obtaining such approvals may result in a delay to the anticipated development, mining or processing activities.

Black Economic Empowerment and Social Development

The Company must comply and remain compliant with all relevant legislation and regulation including the Mineral and Petroleum Resources Development Act (**MPRDA**), the South African Mining Charter (**Charter**), the Mining Codes and the Black Economic Empowerment (**BEE**) participation requirements under the Charter governing the granted Mining Right.

Any failure to satisfy, and to continue to satisfy, the BEE requirements of the MPRDA, the Charter, the approved social and labour plan, all relevant legislation and regulation and/or the Mining Codes could jeopardise any rights held and impede the Company's ability to acquire, develop or maintain any additional exploration and production rights in South Africa.

Mineral Resource and Ore Reserve Estimates

Mineral Resource and Ore Reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may alter when new information or techniques become available. In addition, by their very nature, Mineral Resource and Ore Reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the Mineral Resource and Ore Reserve estimates may change.

Accordingly, the actual resources and reserves may materially differ from these estimates and assumptions and no assurances can be given that the Mineral Resource and Ore Reserve estimates and the underlying assumptions will be realised. This could result in alterations to development and mining/extraction plans which may in turn affect VR8's operations and ultimately VR8's financial performance and the value of the Shares.

Reliance on key personnel

VR8 is a development company and will be dependent on its directors, managers and consultants to implement its business strategy. A number of factors, including the departure of senior management of VR8 or a failure to attract or retain suitably qualified key employees, could adversely affect VR8's business strategy.

Future capital requirements

VR8's activities will require substantial expenditure going forward, particularly with respect to the construction of the Steelpoortdrift Mine and Concentrator and the Tweefontein Salt Roast Leach operations. To successfully develop the Project and for production to commence, the Company will require further financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which

BUSINESS RISKS (continued)

limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the tenements being subject to forfeiture and could affect the Company's ability to continue as a going concern.

Commodity price volatility and exchange rate risk

The Company's ability to proceed with the development of the Project and benefit from any future operations will depend on market factors, some of which may be beyond its control. Consequently, any future earnings are likely to be closely related to the price of vanadium and the terms of any offtake agreements into which the Company enters. The world market for vanadium is subject to many variables and may fluctuate markedly. These variables include world demand for vanadium that may be mined commercially in the future from South Africa, forward selling by producers and production cost levels in major mineral-producing regions. Minerals prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's development and production activities, as well as on its ability to fund those activities.

Vanadium is principally sold throughout the world in US dollars. The Company's cost base will be payable in various currencies. As a result, any significant and/or sustained fluctuations in the exchange rate between the South African Rand, Australian Dollar and the US Dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company will undertake measures, where deemed necessary by the Board, to mitigate such risks.

Insurance risk

There are significant exploration and operating risks associated with exploring for minerals, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to, or destruction of, the extraction plant, equipment, production facilities and other property. In addition, the Company's subsidiaries will be subject to liability for environmental risks such as pollution and abuse of the environment.

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, such insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered, or not fully covered, by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

General Risk Areas

The Company is subject to several other general risk areas that it continually monitors including, but not limited to:

- Litigation risks;
- Economic risks;
- Force majeure;
- Climate change;
- International conflicts; and
- Competition and supply chain risks.

Other risks

VR8 considers that the following could provide material catalysts for VR8's share price traded on the ASX: the execution of offtake contracts for vanadium products from the Project; the progression of the process towards the procurement of significant debt financing, and/or; the successful commissioning of the Steelpoortdrift mine and concentrator and the Tweefontein salt roast leach plant.

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, four 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	5	4
Mr Michael Davy	5	5
Mr John Ciganek	5	5

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 2023 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 is set out under the following main headings:

- A Introduction
- 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

A Introduction

Key Management Personnel ("KMP") have 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.

KMP for the year ended 30 June 2023 comprised 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.

The Board considers the remuneration policies of the Group appropriate for an entity of its size and profile.

Key Management Personnel covered in this report are as follows:

Name	Position	Appointment Date	Resignation Date
Mr Jurie Wessels	Executive Chairman	26 July 2019	-
Mr John Ciganek	Chief Executive Officer and Managing Director	9 January 2023	-
Mr John Ciganek	Non-Executive Director	18 December 2020	9 January 2023
Mr Michael Davy	Non-Executive Director	1 December 2019	-
Mr Eugene Nel	Chief Executive Officer	18 December 2020	9 December 2022

REMUNERATION REPORT (AUDITED) (continued)

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 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.

Use of remuneration consultants

During the financial year ended 30 June 2023 and 30 June 2022, the Group did not engage any remuneration consultants.

Voting and comments made at the company's 2022 Annual General Meeting ('AGM')

For the AGM held on 29 November 2022, 99.03% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

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 Directors is included 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.

The nature and amount of remuneration are 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.

REMUNERATION REPORT (AUDITED) (continued)

Executive Remuneration Structure

The nature and amount of remuneration of executives are assessed periodically with the overall objective of ensuring maximum stakeholder benefit from the retention of high-performing Executives.

The main objectives sought when reviewing executive remuneration are 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 two appointed executives, being Mr Wessels as the Executive Chairman and Mr Ciganek as the Managing Director and Chief Executive Officer. The terms of the executive arrangement are 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 2023	30 Jun 2022
	\$	\$
Other income	34,296	15,467
Net (loss) after tax and non-controlling interest	(2,228,445)	(1,629,700)
Loss per share (Cents)	(0.46)	(0.36)
Share price	0.073	0.080

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:

- Fixed Remuneration – base salary
- Variable Short-Term Incentives
- Variable Long-Term Incentives

The combination of the following comprises 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 (where applicable). It is structured as a total employment cost package. Key management personnel are offered a competitive base salary that comprises a fixed component of pay and rewards. The 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.

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.

REMUNERATION REPORT (AUDITED) (continued)

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 2023	Short-term Employee Benefits			Share Based Payments			Total
	Salary and fees	Non-monetary benefits	Other	Post- Employment Superannuation	Options	Performance Rights	
	\$	\$	\$	\$	\$	\$	
Directors							
Mr Jurie Wessels	60,000	-	-	-	-	37,591	97,591
Mr Michael Davy	36,000	-	-	-	-	42,637	78,637
Mr John Ciganek ⁹	18,774	-	-	-	-	42,637	61,411
Executive							
Mr John Ciganek ⁹	120,265	-	-	12,628	-	224,172	357,065
Mr Eugene Nel ¹⁰	57,500	-	-	-	-	42,637	100,137
Total	292,539	-	-	12,628	-	389,674	694,841

30 June 2022	Short-term Employee Benefits			Share Based Payments			Total
	Salary and fees	Non-monetary benefits	Other	Post- Employment Superannuation	Options	Performance Rights	
	\$	\$	\$	\$	\$	\$	
Directors							
Mr Jurie Wessels	60,000	-	-	-	-	28,425	88,425
Mr Nico Van Der Hoven	46,167	-	-	-	-	19,301	65,468
Mr Michael Davy	36,000	-	-	-	-	28,425	64,425
Mr John Ciganek	36,000	-	-	-	-	28,425	64,425
Executive							
Mr Eugene Nel	118,000	-	-	-	-	28,425	146,425
Total	296,167	-	-	-	-	133,001	429,168

⁹ Mr Ciganek transitioned from Non-Executive Director to Chief Executive Officer and Managing Director on 9 January 2023, following the resignation of Mr Eugene Nel on 9 December 2022.

¹⁰ Mr Eugene Nel resigned as Chief Executive Officer of the Company on 9 December 2022. The balance on the remuneration table is the balance at his resignation date.

REMUNERATION REPORT (AUDITED) (continued)

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

Table 2 – Relative proportion of fixed vs variable remuneration expense

	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
	2023	2022	2023	2022	2023	2022
Mr Jurie Wessels	61%	68%	-	-	39%	32%
Mr Michael Davy	72%	56%	-	-	28%	44%
Mr John Ciganek	39%	56%	-	-	61%	44%
Mr Eugene Nel	80%	81%	-	-	20%	19%
Mr Nico Van Der Hovan	-	71%	-	-	-	29%

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

	Balance at 1 July 2022	Granted as Remuneration	Performance rights exercised	Net Change – Other	Balance at resignation date	Balance at 30 June 2023
Mr Jurie Wessels	44,981,437	-	-	740,000	-	45,721,437
Mr Michael Davy	13,599,394	-	2,325,000	800,000	-	16,724,394
Mr John Ciganek	-	-	2,325,000	-	-	2,325,000
Mr Eugene Nel ¹¹	-	-	2,325,000	(375,000)	(1,950,000)	-
Total	58,580,831	-	6,975,000	1,165,000	(1,950,000)	64,770,831

Table 4 – Performance rights held by KMP (direct and indirect holdings)

	Balance at 1 July 2022	Granted as Remuneration	Performance rights exercised	Net Change – Other	Balance at 30 June 2023
Mr Jurie Wessels	2,325,000	-	-	-	2,325,000
Mr Michael Davy	2,325,000	-	(2,325,000)	-	-
Mr John Ciganek	2,325,000	18,000,000	(2,325,000)	-	18,000,000
Mr Eugene Nel ¹¹	2,325,000	-	(2,325,000)	-	-
Total	9,300,000	18,000,000	(6,975,000)	-	20,325,000

¹¹ Mr Eugene Nel resigned as Chief Executive Officer of the Company on 9 December 2022. The balance on the remuneration table is the balance at his resignation date.

REMUNERATION REPORT (AUDITED) (continued)

E Service Agreements

Jurie Wessels – Executive Chairman

- Contract: Commenced on 26 July 2019
- Director's Fee: \$60,000 per annum
- Term: No fixed term

John Ciganek – Chief Executive Officer and Managing Director

- Contract: Commenced on 9 January 2023 and may be terminated by either party with 3 months' notice. It may be terminated immediately with justifiable cause.
- Base Salary: \$250,000 plus statutory superannuation per annum
- Equity incentive: 18,000,000 Performance Rights (refer to section F, Performance Rights for further information)
- Prior to appointment as Managing Director, Mr Ciganek was an independent non-executive director.
- Contract: Commenced on 18 December 2020 until 8 January 2023
- Director's Fee: \$36,000 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

Eugene Nel – Chief Executive Officer

- Contract: Commenced on 18 December 2020 reviewed in February 2021, resigned on 9 December 2022
- Fee: \$60,000 per annum (until May 2021), \$78,000 per annum (effective June 2021), \$138,000 per annum (effective November 2021)
- Term: Initial term is the earliest of completing the PFS or 6 months, contract extension is on a rolling monthly basis
- Termination: One week's written notice

REMUNERATION REPORT (AUDITED) (continued)

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.

Issue of Shares and Options

The Company issued no ordinary shares or options as part of compensation to key management personnel during the year.

Performance rights

Details of performance rights issued by the Company remuneration to key management personnel during the financial year. On receipt of shareholder approval, 18,000,000 Performance Rights were issued to Managing Director Mr John Ciganek. The Fair Value per right is \$0.083 on 12 April 2023 at a valuation of \$1,494,000. The Performance Rights were issued in four classes with various vesting and period conditions. Details are as follows.

Class	Number of Performance Rights	Vesting Condition	Performance Period
Class 1	3,000,000	Upon the Employer entering into a binding offtake arrangement. The binding offtake arrangement must be of a value that is satisfactory to third-party financiers for funding purposes. The binding offtake is for a >98% grade V ₂ O ₅ flake product with respect to the Steelpoortdrift Vanadium Project	Within 12 months from 9 January 2023
Class 2	7,000,000	Upon the Employer entering into binding funding arrangements comprising debt, equity or hybrid for 100% of the total funding requirements for the construction of the Steelpoortdrift Vanadium Project	Within 18 months from 9 January 2023
Class 3	6,000,000	Upon draw down under the funding arrangements for the completion of construction of the Steelpoortdrift Vanadium Project and the employer achieving first commercial production at the Steelpoortdrift Vanadium Project	Within 33 months from the date on which Class 2 Milestone is satisfied
Class 4	2,000,000	Upon the Employer achieving nameplate production of 13k tonnes per annum for a >98% grade V ₂ O ₅ flake (on a monthly equivalent basis) at the Steelpoortdrift Vanadium Project	Within 60 months from 9 January 2023

Number of rights issued	Grant date	Expiry date	Spot price (\$)	Fair value (\$)
3,000,000	12 April 2023	9 January 2024	0.083	0.083
7,000,000	12 April 2023	9 July 2024	0.083	0.083
6,000,000	12 April 2023	9 October 2025	0.083	0.083
2,000,000	12 April 2023	9 January 2028	0.083	0.083

REMUNERATION REPORT (AUDITED) (continued)

G Equity Instruments Issued on Exercise of Remuneration Performance Rights

During the year, 6,975,000 shares were issued on the exercise of 3,975,000 class A performance rights and 3,000,000 class B performance rights by the KMP.

H Loans to and from KMP and their related parties

There were no loans made to any KMP during the year ended 30 June 2023.

I Other Transactions with Related Parties

Transactions between the Company and related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. No transactions with related parties took place during the year ended 30 June 2023.

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 four years to 30 June 2023 are summarised below:

	2023	2022	2021	2020
	\$	\$	\$	\$
Sales Revenue	-	-	-	-
EBITDA	(2,263,745)	(1,681,421)	(582,418)	(2,866,058)
EBIT	(2,267,607)	(1,682,270)	(583,267)	(2,866,907)
(Loss) after income tax	(2,267,607)	(1,682,270)	(583,267)	(2,866,907)
Share Price (\$)	0.073	0.080	0.064	0.020
EPS (cents per share)	(0.46)	(0.36)	(0.15)	(0.81)

*The company was incorporated on 31 March 2017.

[End of Audited Remuneration Report]

ANNUAL MINERAL RESOURCE AND ORE RESERVE STATEMENT AS AT 30 JUNE 2023

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 the 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.

The Company reported updates to both the Mineral Resource and Ore Reserves during the reporting period ended 30 June 2023 with the updated statements issued in October 2022¹².

Mineral Resource

The Mineral Resource has been classified in the Measured, Indicated and Inferred categories, in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code, 2012"). The updated Mineral Resources now amount to 680Mt (2.7% increase) averaging 0.70% V₂O₅ at a cut-off grade of 0.45% V₂O₅. The Measured Mineral Resources increased by 58% to 145Mt averaging 0.72% V₂O₅. The total Mineral Resource estimates are shown in tables 1 and 2 below.

Table 1: Mineral Resource Estimate (as at 30 April 2022)

CLASSIFICATION	VOLUME (M m ³)	QUANTITY (Mt)	QUALITY (% V ₂ O ₅ In-situ)	CONTAINED V ₂ O ₅ (Mt)	QUALITY (% Fe ₂ O In-Situ)	CONTAINED Fe ₂ O (Mt)
Measured	43.77	145.46	0.72	1.05	22.47	32.68
Indicated	98.75	327.29	0.70	2.29	22.80	74.62
Inferred	63.41	207.38	0.68	1.40	22.90	47.49
Total Mineral Resource	205.93	680.13	0.70	4.74	22.76	154.80

Source: Sound Mining International SA (Pty) Limited, Steelpoortdrift Vanadium Project Mineral Resource Estimate Report, 30 April 2022

Notes:

- Stated at a cut-off grade of 0.45% V₂O₅;
- The Mineral Resources are stated on a 100% attributable basis for VanRes, of which VR8 owns 73.95%;
- The Mineral Resources are inclusive of Ore Reserves; and
- Reported in situ with any apparent computational errors due to rounding not considered significant.

Table 2: Mineral Resource Estimate (as at 31 July 2020)

CLASSIFICATION	VOLUME (m ³)	QUANTITY (Mt)	QUALITY (% V ₂ O ₅ In-situ)	CONTAINED V ₂ O ₅ (Mt)	QUALITY (% Fe ₂ O In-Situ)	CONTAINED Fe ₂ O (Mt)
Measured	27.52	92.29	0.77	0.71	24.03	22.18
Indicated	84.49	284.44	0.78	2.22	24.55	69.83
Inferred	84.52	285.32	0.77	2.20	24.87	70.96
Total Mineral Resource	196.52	662.05	0.77	5.10	24.62	163.00

Source: Mining Plus, Steelpoortdrift Vanadium Project Mineral Resource Estimate Report, 31 July 2020

Note:

- at a cut-off grade of 0.45% V₂O₅

The difference between the successive Mineral Resource estimates may be attributed to the following:

- smaller area with lower extrapolation distances used. The previous Mineral Resource extended beyond the Mining Right boundary whilst the current Mineral Resource has allowed a 50m boundary to the Mining Right Boundary;
- geological model based upon assay results not mineralised zones, which has resulted in a lower average grade and increased tonnage. Metallurgical test work results indicate that vanadium can be recovered from gabbros because they are magnetic; and
- inclusion of additional drilling into the geological model allowing for an increase in the tonnage reporting to Measured Resources.

¹² Refer to ASX Announcement dated 4 October 2022 "VR8 Updates Mineral Resource and Ore Reserve for Steelpoortdrift Vanadium Project"

ANNUAL MINERAL RESOURCE AND ORE RESERVE STATEMENT AS AT 30 JUNE 2023 (continued)

Ore Reserves

The Ore Reserves for the Steelpoortdrift Project amount to 77Mt at an average grade of 0.72% V₂O₅ with 30Mt Proved Ore Reserves at an average grade of 0.70% V₂O₅ and 47Mt of Probable Ore Reserves at an average grade of 0.72% V₂O₅. Tables 3 and 4 below show the Ore Reserves statement as at 30 September 2022 and 30 June 2021.

Table 3: SPD Project Ore Reserve (as at 30 September 2022)

CLASSIFICATION	QUANTITY (Mt)	QUALITY (% V ₂ O ₅ RoM)	CONTAINED V ₂ O ₅ (Mt)
Proved Ore Reserves	30.23	0.70%	0.21
Probable Ore Reserves	46.62	0.72%	0.34
Total Ore Reserves	76.86	0.72%	0.55

Source: Sound Mining, 2022

Notes:

- The Ore Reserves are stated at a price of USD9.50/lb;
- The Ore Reserves are stated on a 100% attributable basis for VanRes, of which VR8 owns 73.95%;
- The LoM was restricted to a production forecast of 25 years whereafter the mining licence will need to be renewed.
- The Ore Reserves are reported at the point of delivery for processing;
- The Quantity is reported in metric tonnes and the Grade is reported as a percentage of contained V₂O₅;
- Any apparent computational errors due to rounding are not considered significant;
- The Ore Reserves may be subject to legal, political, environmental or other risks;
- Losses that could occur as a result of transportation of content or Flake are considered to be negligible; and
- 39% of the Ore Reserves are in the Proved category and no Inferred Mineral Resources are included in the Ore Reserve estimate.

Table 4: SPD Project Ore Reserve (as at 30 June 2021)

CLASSIFICATION	QUANTITY (Mt)	QUALITY (% V ₂ O ₅ RoM)	CONTAINED V ₂ O ₅ (Mt)
Proved Ore Reserves	31.17	0.76%	0.24
Probable Ore Reserves	42.68	0.75%	0.32
Total Ore Reserves	73.85	0.75%	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 the 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% V₂O₅ 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 had an ownership of 50% of the Project (this was increased to 73.95% ownership on receipt of 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.

ANNUAL MINERAL RESOURCE AND ORE RESERVE STATEMENT AS AT 30 JUNE 2023 (continued)***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 having been generated by internal and external Company subject matter experts, who are experienced in best practice modelling and estimation methods. The Competent Person has also undertaken a review 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 carries out regular reviews of processes used by the external contractors that have been engaged by the Company.

Competent Person and Compliance Statements***Mineral Resources***

The Company confirms it is not aware of any new information or data that materially affects the information included in the 4 October 2022 *(VR8 updated mineral resource and ore reserve for the Steelpoortdrift Vanadium Project)* 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 4 October 2022. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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 Information that has been presented in this report has been extracted from the announcement dated 4 October 2022 *(VR8 updated mineral resource and ore reserve for the Steelpoortdrift Vanadium Project)*. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Compliance Statement

The information in this report that relates to exploration results, mineral resources and ore reserves has been 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 is 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 2023 has been received and included within these financial statements.

SHARES UNDER OPTION OR PERFORMANCE RIGHTS

At the date of this report there were the following unissued ordinary shares under performance rights at the date of this report are as follows:

Grant Date	Exercise Price	Expiry Date	Number of performance rights
1 September 2021	\$0.001	26 September 2024	2,325,000
12 April 2023	Nil	9 January 2024	3,000,000
12 April 2023	Nil	9 July 2024	7,000,000
12 April 2023	Nil	9 October 2025	6,000,000
12 April 2023	Nil	9 January 2028	2,000,000

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.

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.

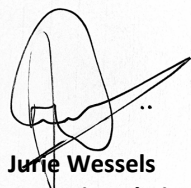
Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 24 to the financial statements.

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
Executive Chairman

26 September 2023



RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Vanadium Resources Limited for the year ended 30 June 2023, 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 AUSTRALIA PARTNERS

AIK KONG TING
Partner

Perth, WA
Dated: 26 September 2023

THE POWER OF BEING UNDERSTOOD
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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

VANADIUM RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL-YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 \$	30 June 2022 \$
Revenue from continuing operations			
Other income	4	34,296	15,467
Expenses			
Consulting and legal fees		(248,249)	(577,388)
Share and company registry		(83,460)	(85,843)
Other expenses		(560,894)	(341,601)
Share based payments	5	(460,868)	(217,368)
Directors' fees		(56,582)	(66,000)
Company secretary and financial management		(48,370)	(48,091)
Professional fees		(118,446)	(43,297)
Salaries and wages		(185,810)	-
Depreciation expenses		(3,862)	(849)
Impairment of exploration and evaluation expenditure	11	(535,362)	-
Share of loss of associates accounted for using the equity method	6	-	(317,300)
Loss from continuing operations before income tax		(2,267,607)	(1,682,270)
Income tax expense	7	-	-
Loss from continuing operations after income tax		(2,267,607)	(1,682,270)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency transaction		(64,800)	-
Other comprehensive loss for the year, net of tax		(64,800)	-
Total comprehensive loss for the year		(2,332,407)	(1,682,270)
Loss for the year attributable to:			
Owners of Vanadium Resources Limited		(2,228,445)	(1,629,700)
Non-controlling interest		(39,162)	(52,570)
		(2,267,607)	(1,682,270)
Total comprehensive loss for the year attributable to:			
Owners of Vanadium Resources Limited		(2,276,365)	(1,629,700)
Non-controlling interest	19	(56,042)	(52,570)
		(2,332,407)	(1,682,270)
Loss per share for the year attributable to the owners Vanadium Resources Limited:			
Basic loss per share (cents)	8	(0.46)	(0.36)
Diluted loss per share (cents)	8	(0.46)	(0.36)

The accompanying notes form part of these financial statements.

VANADIUM RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	30 June 2023 \$	30 June 2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	9	6,097,033	2,915,991
Trade and other receivables	10	56,613	281,761
Total Current Assets		6,153,646	3,197,752
Non-Current Assets			
Exploration and evaluation assets	11	24,823,345	24,077,422
Other financial assets	12	402,409	447,829
Plant and equipment	13	32,151	5,284
Total Non-Current Assets		25,257,905	24,530,535
TOTAL ASSETS		31,411,551	27,728,287
LIABILITIES			
Current Liabilities			
Trade and other payables	14	356,835	663,929
Borrowings	15	159,928	177,979
Total Current Liabilities		516,763	841,908
Non-Current Liabilities			
Borrowings	15	398,425	443,395
Total Non-Current Liabilities		398,425	443,395
TOTAL LIABILITIES		915,188	1,285,303
NET ASSETS		30,496,363	26,442,984
EQUITY			
Issued capital	16	37,055,457	31,130,539
Reserves	17	450,514	217,368
Accumulated losses	18	(6,493,958)	(4,445,315)
Equity attributable to the owners of Vanadium Resources Limited		31,012,013	26,902,592
Non-controlling interest	19	(515,650)	(459,608)
TOTAL EQUITY		30,496,363	26,442,984

The accompanying notes form part of these financial statements.

VANADIUM RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Issued Capital	Reserves	Accumulated Losses	Non-controlling Interest	Total Equity
	\$	\$	\$	\$	\$
At 1 July 2022	31,130,539	217,368	(4,445,315)	(459,608)	26,442,984
Loss for the year	-	-	(2,228,445)	(39,162)	(2,267,607)
Other comprehensive loss	-	(47,920)	-	(16,880)	(64,800)
Total comprehensive loss for the year after tax	-	(47,920)	(2,228,445)	(56,042)	(2,332,407)
Transactions with owners in their capacity as owners:					
Issued capital	5,924,918	-	-	-	5,924,918
Issue of performance shares, net of transaction costs	-	224,172	-	-	224,172
Amortisation of performance rights and options	-	236,696	-	-	236,696
Expiry of share based payment options	-	(179,802)	179,802	-	-
Balance at 30 June 2023	37,055,457	450,514	(6,493,958)	(515,650)	30,496,363
At 1 July 2021	26,028,952	5,043,562	(7,859,177)	-	23,213,337
Loss for the year	-	-	(1,629,700)	(52,570)	(1,682,270)
Total comprehensive loss for the year after tax	-	-	(1,629,700)	(52,570)	(1,682,270)
Transactions with owners in their capacity as owners:					
Issued capital	5,101,587	-	-	-	5,101,587
Issue of unlisted options, net of transaction costs	-	36,453	-	-	36,453
Issue of performance shares, net of transaction costs	-	180,915	-	-	180,915
Expiry of share-based payment options	-	(5,043,562)	5,043,562	-	-
Non-controlling interest	-	-	-	(407,038)	(407,038)
Balance at 30 June 2022	31,130,539	217,368	(4,445,315)	(459,608)	26,442,984

The accompanying notes form part of these financial statements.

VANADIUM RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 \$	30 June 2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,907,553)	(1,113,273)
Interest received		34,296	15,467
GST refund		441,738	44,794
Net cash flows used in operating activities	9	(1,431,519)	(1,053,012)
Cash flows from investing activities			
Payments for exploration and evaluation	11	(1,281,285)	(2,550,213)
Payments for plant and equipment		(31,072)	-
Acquisition of subsidiary, net cash acquired	11A	-	1,207,905
Payments for short term loan		-	(1,592,895)
Net cash flows used in investing activities		(1,312,357)	(2,935,203)
Cash flows from financing activities			
Proceeds from the issue of shares		5,914,018	4,600,000
Proceeds from the exercise of options and performance rights		10,900	501,587
Net cash flows provided by financing activities		5,924,918	5,101,587
Net increase in cash and cash equivalents		3,181,042	1,113,372
Cash and cash equivalents at the beginning of the year		2,915,991	1,802,619
Cash and cash equivalents at the end of the year	9	6,097,033	2,915,991

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 2023 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, except 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 26.

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.

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 2023. 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 2023.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(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.

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 as at 30 June 2023 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(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 the 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.

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 accounts 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 the 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(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.

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 is 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 comprise 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 the bank, and bank securities readily convertible to cash, net of outstanding bank overdrafts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(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.

(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, its 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 are 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) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(p) 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.

(q) 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 the 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 the 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)**(q) 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.

(r) 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)**(s) 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.

(t) 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 are 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 the amount of GST recoverable, or payable to, the tax authorities.

(u) 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.

(v) Dividends

Dividends are recognised when declared during the financial year and are 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.

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. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Share based payments

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

NOTE 3: SEGMENT INFORMATION

The consolidated group operates within two geographical segments within mining exploration being in 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 2023	Australia	South Africa	Total
	\$	\$	\$
Other income	4,419	29,877	34,296
Loss before income tax expense	(2,117,274)	(150,333)	(2,267,607)
Total Segment Assets	11,308,805	20,102,746	31,411,551
<i>Total assets include:</i>			
Acquisition of non-current assets			
Total Segment Liabilities	(321,569)	(593,619)	(915,188)

Year ended 30 June 2022	Australia	South Africa	Total
	\$	\$	\$
Other income	521	14,946	15,467
Loss before income tax expense	(1,480,465)	(201,805)	(1,682,270)
Total Segment Assets	8,307,708	19,420,579	27,728,287
<i>Total assets include:</i>			
Acquisition of non-current assets	-	19,361,518	19,361,518
Total Segment Liabilities	(76,920)	(1,208,383)	(1,285,303)

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

	2023	2022
	\$	\$
Other income		
Interest income	34,296	15,467

NOTE 5: SHARE BASED PAYMENTS EXPENSE

Consideration for unlisted options issued	143,349	36,453
Consideration for performance rights issued	317,519	180,915
	460,868	217,368

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

Share of loss - associates	-	317,300
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The loss of the associate is for the period from 1 July 2021 up to January 2022.

NOTE 7: INCOME TAX

	2023 \$	2022 \$
(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% (2022: 30.0%)	(680,282)	(504,681)
<i>Non-deductible items</i>		
Non-deductible expenditure	164,038	89,110
Temporary differences not recognised	516,244	415,571
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
(c) Deferred tax assets		
Tax losses	2,067,758	2,326,259
Blackhole expenditure	16,018	33,374
Other	74,126	74,381
Unrecognised deferred tax asset	2,157,902	2,434,014
Set-off deferred tax liabilities	-	-
Net deferred tax assets	2,157,902	2,434,014
Less deferred tax assets not recognised	(2,157,902)	(2,434,014)
Net assets	-	-
(d) Deferred tax liabilities		
Exploration expenditure	1,640,500	1,256,115
Other	1,233	727
Set-off deferred tax assets	(1,641,733)	(1,256,842)
Net deferred tax liabilities	-	-
Tax losses		
Unused tax losses and temporary differences for which no deferred tax asset has been recognised	7,193,005	8,113,381

The benefit for tax losses will only be obtained if:

- 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;
- The Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- 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 2023, 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 subsidiaries 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 is 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.

	2023 \$	2022 \$
Net loss for the year – attributable to members	(2,228,445)	(1,629,700)
Weighted average number of ordinary shares for basic and diluted loss per share	485,588,286	457,441,808
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)	(0.46)	(0.36)

NOTE 9: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	6,097,033	2,915,991
Cash and bank balances are denominated in A\$ except the net exposure to foreign currency detailed below:		
	R	R
Balance with banks and cash on hand (South African Rand)	5,984,795	6,073,124

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 20.

	\$	\$
Reconciliation of cash flow from operations with loss before income tax		
Loss for the financial year	(2,267,607)	(1,682,270)
Non-cash flows in loss:		
- Share-based payments	460,868	217,368
- Share of loss of associate using equity method	-	317,300
- Foreign currency translation	(10,479)	(1,693)
- Impairment of exploration and evaluation expenditure	535,362	-
- Other non-cash items	3,862	849
Changes in assets and liabilities		
- Trade and other receivables	216,590	(243,773)
- Trade and other payables	(370,115)	339,207
Cash flow used in operating activities	(1,431,519)	(1,053,012)

VANADIUM RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 9: CASH AND CASH EQUIVALENTS (continued)

	2023	2022
	\$	\$
Non-cash investing and financing activities		
Capitalised exploration asset – asset acquisition	-	16,811,305
	-	16,811,305

NOTE 10: TRADE AND OTHER RECEIVABLES

GST and VAT receivable (net)	51,354	279,304
Other deposits and receivables	5,259	2,457
	56,613	281,761

Other receivables are non-interesting bearing and are generally on terms of 30 days.

Allowance for expected credit losses

No expected credit losses have been recognised by the consolidated group for the year ended 30 June 2023 and 30 June 2022.

NOTE 11: EXPLORATION AND EVALUATION ASSETS

Opening balance	24,077,422	4,715,904
- Exploration and expenditure assets acquired	-	16,811,305
- Exploration and expenditure assets incurred	1,281,285	2,550,213
- Exploration and expenditure assets impaired	(535,362)	-
	24,823,345	24,077,422

NOTE 11A: ASSET ACQUISITION- VANADIUM RESOURCES (PTY) LTD

In the previous financial year, on 18 January 2022, the Group received approval from the South African Government to accept the transfer of an interest of 23.95% in Vanadium Resources (Pty) Ltd, a South African incorporated company. As a consequence of the transfer, the Group's interest increased from 50% to 73.95%. The consideration for the increase had been exchanged in September 2019.

Purchase Consideration	\$
Cash payment	201,937
Share-options issued	3,922,842
Shares issued	12,277,882
Share of loss in associate	(746,844)
	15,655,817

The consideration for the acquisition consists of the following:

1. Total cash consideration of \$201,937 to legal consulting and related fees pursuant to the transaction.
2. A total of 32,340,001 share options on 26 September 2018 that consist of options to subscribe for 32,340,001 Vanadium Resources Limited shares at \$0.108

NOTE 11A: ASSET ACQUISITION- VANADIUM RESOURCES (PTY) LTD (continued)

3. Shares issued as consideration are as per below:

Description	Number of shares issued	Date of issue	Share price at issue date (\$)	Value of share issue (\$)
Issued to vendors of Vanadium Resources (Pty) Ltd	22,291,502	16 August 2018	0.170	3,789,555
Milestone 3 shares	16,170,001	26 July 2019	0.076	1,228,920
Milestone 2, 4 and 5 shares	95,518,511	26 July 2019	0.076	7,259,407
Total	133,980,014			12,277,882

4. Between September 2018 and January 2022, the investment was accounted for as an investment in associate, pending the approval from the South African Government to increase the Group's holding over 50%. During this time, \$746,844 was accounted for through share in the loss of the associate.

	\$
Purchase consideration	15,655,817
Fair value of net assets acquired is as follows:	
- Cash and cash equivalents	1,207,905
- Trade and other receivables	39,550
- Long term deposits	449,455
- Exploration and evaluation assets	16,811,305
- Long term borrowings	(2,964,637)
- Trade and other payables	(294,799)
- Non-controlling interest	407,038
Net assets acquired	15,655,817

Management has determined that the acquisitions do not meet the definition of a business within IFRS 3 Business Combinations. The transactions have been accounted for as an asset acquisition under AASB 116.

NOTE 12: OTHER FINANCIAL ASSETS

	2023	2022
	\$	\$
Other deposits	3,984	4,434
Long-term fixed deposit (i)	398,425	443,395
	402,409	447,829

(i) The cash rehabilitation guarantee was converted to a long-term fixed deposit.

NOTE 13: PLANT AND EQUIPMENT

	2023	2022
	\$	\$
Plant and equipment at cost	39,008	8,490
Less: Accumulated depreciation	(6,857)	(3,206)
	32,151	5,284

NOTE 13: PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	2023	2022
	\$	\$
Balance at the beginning of the year	5,284	6,133
Additions	30,729	-
Depreciation	(3,862)	(849)
Written down balance at end of year	32,151	5,284

NOTE 14: TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Trade payables	260,322	661,613
Accrued expenses	96,513	-
Payments received in advance	-	2,316
	356,835	663,929

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

NOTE 15: BORROWINGS

Current liabilities - Unsecured loans	159,928	177,979
Non-current liabilities - Secured loans	398,425	443,395
	558,353	621,374

Assets pledged as security

The loan of \$398,425 (R5,000,000) is secured by a long-term fixed deposit (refer note to 12).

Unsecured loans

An amount of R43,300 (equivalent of \$3,450) is repayable to a shareholder of Vanadium Resources (Pty) Ltd. An amount of R1,963,706 (equivalent of \$156,478) is repayable to other parties of Vanadium Resources (Pty) Ltd. The right to claim these loans is deferred until such time that the company's fairly valued assets, exceed its liabilities. The loans are interest free.

NOTE 16: ISSUED CAPITAL

	2023		2022	
	No. of Shares	\$	No. of Shares	\$
Ordinary shares – fully paid	538,176,174	37,055,457	473,512,374	31,130,539

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.

NOTE 16: ISSUED CAPITAL (continued)

Movement reconciliation	Date	Issue Price	Number	\$
At 30 June 2021			418,444,105	26,028,952
Issue of Shares – strategic placement	11 October 2021	\$0.104	44,230,769	4,600,000
Options exercised	25 October 2021	\$0.053	2,562,670	135,821
Options exercised	1 November 2021	\$0.053	2,395,663	126,970
Options exercised	9 November 2021	\$0.053	2,395,663	126,970
Options exercised	18 November 2021	\$0.053	2,083,334	110,426
Class B Performance Rights exercised	18 November 2021	\$0.001	1,000,000	1,000
Class A Performance Rights exercised	23 May 2022	\$0.001	400,000	400
At 30 June 2022			473,512,374	31,130,539
Class A Performance Rights exercised	7 October 2022	\$0.001	1,325,000	1,325
Class A Performance Rights exercised	15 November 2022	\$0.001	6,575,000	6,575
Class B Performance Rights exercised	15 November 2022	\$0.001	3,000,000	3,000
Issue of Shares – strategic placement	26 May 2023	\$0.110	53,763,800	5,914,018
At 30 June 2023			538,176,174	37,055,457

NOTE 17: RESERVES

	2023 \$	2022 \$
Share-based payments reserve	498,434	217,368
Foreign currency translation reserve	(47,920)	-
	450,514	217,368
Movement reconciliation of share-based payments reserve		
Balance at the beginning of the year	217,368	5,043,562
- Expiry of options	(179,802)	(5,043,562)
- Consideration for services rendered	143,349	36,453
- Performance rights amortised	93,347	-
- Issuance of performance rights	224,172	180,915
Balance at the end of the year	498,434	217,368
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.		
Movement reconciliation of foreign currency translation reserve		
Balance at the beginning of the year	-	-
- Foreign currency translation	(47,920)	-
Balance at the end of the year	(47,920)	-

NOTE 18: ACCUMULATED LOSSES

Accumulated losses at the beginning of the year	(4,445,315)	(7,859,177)
Loss after income tax for the year	(2,228,445)	(1,629,700)
Expiry of share-based payments options	179,802	5,043,562
Accumulated losses at the end of the year	(6,493,958)	(4,445,315)

NOTE 19: NON-CONTROLLING INTEREST

	2023	2022
	\$	\$
Movement reconciliation of non-controlling interest		
Balance at the beginning of the year	(459,608)	-
- Non-Controlling Interest on Acquisition Date	-	(407,038)
- Loss for the year	(39,162)	(52,570)
- Other comprehensive loss	(16,880)	-
Balance at the end of the year	(515,650)	(459,608)

NOTE 20: 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 rates 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

Long term fixed deposit	402,409	447,829
Cash and cash equivalents	6,097,033	2,915,991
Trade and other receivables	56,613	281,761
	6,556,055	3,645,581

Financial Liabilities*Non-interest bearing*

Borrowings	558,353	621,374
Trade and other payables	356,835	663,929
	915,188	1,285,303

(a) Market risk**i. Foreign exchange risk**

The currency risk is the risk that the value of financial instruments will fluctuate due to changes 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 20: 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:

	2023		2022	
	Weighted average interest rate *	Balance \$	Weighted average interest rate	Balance \$
Cash and cash equivalents	0.76%	6,097,033	0.66%	2,915,991

(*) 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 are 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 2023, 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:

	2023 \$	2022 \$
Judgements of reasonably possible movements: Profit higher/(lower)		
+ 1.0% (100 basis points)	60,970	29,160
- 1.0% (100 basis points)	(60,970)	(29,160)

(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 the 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 20: 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:

	Weighted average effective interest rate	< 6 months \$	6-12 months \$	1-5 years \$	> 5 years \$	Total \$
2023						
Trade and other payables	-	356,835	-	-	-	356,835
Borrowings	- *	-	159,928	398,425	-	558,353
2022						
Trade and other payables	-	663,929	-	-	-	663,929
Borrowings	- *	-	177,979	443,395	-	621,374

* As denoted in Note 15, loans are non-interest bearing

(d) Capital risk management

The consolidated group's objective 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 21: RELATED PARTY DISCLOSURE

(a) Key Management Personnel Compensation

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

	2023 \$	2022 \$
Short-term benefits	292,539	296,167
Post-employment benefits	12,628	-
Share-based payments	389,674	133,001
	694,841	429,168

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.

(b) Other Transactions with related parties

No transactions with related parties took place during the year ended 30 June 2023 other than those disclosed in Note 21(a).

Terms and conditions

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

NOTE 22: SHARE-BASED PAYMENTS

(a) Recognised share-based payment transactions	2023 \$	2022 \$
Consideration for services provided (i)	143,349	36,453
Consideration for performance rights issued	317,519	180,915
Options and rights recognised in profit or loss and other comprehensive income	460,868	217,368

- i. In February 2022, 5,000,000 Performance Advisory Options expiring 2 February 2024, exercisable at \$0.10, subject to vesting of the company share price of \$0.15c at on a 15-day VWAP within 9 months of the signed Engagement Letter. The options have a total fair value of \$179,802 and were part of fees for the deliverable of services as defined in the Engagement Letter

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

At 30 June 2023 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
Broker options	02/02/2022	02/02/2024	0.100	5,000,000	-	-	(5,000,000)	-

The options did not vest by the vesting date being 9 months from the issue date.

NOTE 22: SHARE-BASED PAYMENTS (continued)

At 30 June 2022 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
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)	-
Broker options	02/02/2022	02/02/2024	0.100	-	5,000,000	-	-	5,000,000
Free attaching	14/11/2019	01/12/2021	0.053	10,000,000	-	(9,437,500)	(562,500)	-
				51,580,001	5,000,000	(9,437,500)	(42,142,501)	5,000,000

A summary of valuation inputs of options issued in 2022 is presented below:

	Broker options
Expected volatility (%)	100
Risk free interest rate (%)	0.10
Weighted average expected life of options (years)	2.00
Expected dividends	Nil
Exercise price (cents)	10.0
Share price at grant date (\$)	0.078
Barrier price (\$)	Nil
Fair value of options (cents)	3.60
Number of options	5,000,000
Expiry date	2 February 2024
Grant date	2 February 2022

(c) Summary of performance rights granted during the year

At 30 June 2023 the following performance rights were on issue, the rights are fully vested:

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
Class A	27/09/2021	27/09/2024	\$0.001	9,225,000	-	(7,900,000)	-	1,325,000
Class B	27/09/2021	27/09/2024	\$0.001	4,000,000	-	(3,000,000)	-	1,000,000
Class 1	12/04/2023	09/01/2024	\$0.000	-	3,000,000	-	-	3,000,000
Class 2	12/04/2023	09/07/2024	\$0.000	-	7,000,000	-	-	7,000,000
Class 3	12/04/2023	09/10/2025	\$0.000	-	6,000,000	-	-	6,000,000
Class 4	12/04/2023	09/01/2028	\$0.000	-	2,000,000	-	-	2,000,000
				13,225,000	18,000,000	(10,900,000)	-	20,325,000

NOTE 22: SHARE-BASED PAYMENTS (continued)

Performance conditions of the performance rights:

Class	Number of Performance Rights	Vesting Condition	Performance Period
Class 1	3,000,000	Upon the Company entering into a binding offtake arrangement. The binding offtake arrangement must be of a value that is satisfactory to third-party financiers for funding purposes. The binding offtake is for a >98% grade V ₂ O ₅ flake product in respect to the Steelpoortdrift Vanadium Project	Within 12 months from 9 January 2023
Class 2	7,000,000	Upon the Company entering into binding funding arrangements comprising of debt, equity or hybrid for 100% of the total funding requirements for the construction of the Steelpoortdrift Vanadium Project	Within 18 months from 9 January 2023
Class 3	6,000,000	Upon draw down under the funding arrangements for the completion of construction of the Steelpoortdrift Vanadium Project and the employer achieving first commercial production at the Steelpoortdrift Vanadium Project	Within 33 months from the date on which Class 2 Milestone is satisfied
Class 4	2,000,000	Upon the Company achieving nameplate production of 13k tonnes per annum for a >98% grade V ₂ O ₅ flake (on a monthly equivalent basis) at the Steelpoortdrift Vanadium Project	Within 60 months from 9 January 2023

Grant date	Expiry date	Spot price (\$)	Fair value (\$)	Number of rights issued
12 April 2023	9 January 2024	0.083	0.083	3,000,000
12 April 2023	9 July 2024	0.083	0.083	7,000,000
12 April 2023	9 October 2025	0.083	0.083	6,000,000
12 April 2023	9 January 2028	0.083	0.083	2,000,000
				18,000,000

At 30 June 2022 the following performance rights were on issue, the rights are fully vested:

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
Class A	27/09/2021	27/09/2024	\$0.001	-	9,625,000	(400,000)	-	9,225,000
Class B	27/09/2021	27/09/2024	\$0.001	-	5,000,000	(1,000,000)	-	4,000,000
				-	14,625,000	(1,400,000)	-	13,225,000

NOTE 22: SHARE-BASED PAYMENTS (continued)

A summary of valuation inputs of performance rights issued during the year is presented below:

	Performance Rights Class A	Performance Rights Class B
Expected volatility (%)	104	104
Risk free interest rate (%)	0.22	0.22
Weighted average expected life of performance rights (years)	3.00	3.00
Expected dividends	Nil	Nil
Exercise price (cents)	Nil	Nil
Share price at grant date (\$)	0.065	0.065
Barrier price (\$)	0.10	0.15
Fair value of performance rights (cents)	5.13	4.88
Number of performance rights	9,625,000	5,000,000
Expiry date	27 September 2024	27 September 2024
Grant date	27 September 2022	27 September 2022

Performance conditions of the performance rights

Class A- The Company achieving a VWAP of at least \$0.10 over a period of 20 trading days.

Class B- Either one of the following conditions:

- The Company achieving a VWAP of at least \$0.15 over period of 20 trading days; or
- A strategic investor (being a person or entity) investing 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.

NOTE 23: CONTINGENCIES AND COMMITMENTS

There are no known contingent assets or contingent liabilities as at 30 June 2023 (2022: nil):

NOTE 24: AUDITOR'S REMUNERATION

	2023 \$	2022 \$
Amounts received or due and receivable by RSM Australia Partners for:		
Audit and review of the annual and half-year financial report	44,000	45,200

NOTE 25: INVESTMENT IN CONTROLLED ENTITIES

	Principal Activities	Country of Incorporation	Ownership interest	
			2023	2022
Steelpoort Pty Ltd	Dormant	Australia	100%	100%
VMS Resources Pty Ltd	Exploration	Australia	100%	100%
Vanadium Resources (Pty) Ltd	Exploration	South Africa	73.95%	73.95%

Summarised financial information

Summarised financial information of the subsidiary with non-controlling interests that are material to the Group are set out below:

	2023 \$	2022 \$
Summarised statement of financial position		
Non-current assets	4,261,995	2,998,752
Current assets	110,407	805,482
Total assets	4,372,402	3,804,234
Non-current liabilities	6,290,245	4,981,395
Current liabilities	35,266	587,170
Total liabilities	6,325,511	5,568,565
Net liabilities	(1,953,109)	(1,764,331)
Summarised statement of profit or loss and other comprehensive income		
Revenue	29,877	14,946
Expenses	(180,210)	(216,751)
Loss before income tax	(150,333)	(201,805)
Income tax expense	-	-
Loss after income tax	(150,333)	(201,805)
Other comprehensive loss	-	-
Total comprehensive loss	(150,333)	(201,805)
Statement of cash flows		
Net cash used in operating activities	(483,274)	(118,030)
Net cash used in investing activities	(1,312,019)	(2,550,212)
Net cash used in financing activities	1,335,207	1,998,895
Net decrease in cash and cash equivalents	(460,086)	(669,347)

NOTE 26: PARENT ENTITY

	2023 \$	2022 \$
Assets		
Current assets	6,043,150	2,392,182
Non-current assets	21,238,939	19,841,094
Total assets	27,282,089	22,233,276
Liabilities		
Current liabilities	321,569	76,920
Total liabilities	321,569	76,920
Equity		
Contributed equity	37,055,457	31,130,539
Reserves	498,434	217,368
Accumulated losses	(10,593,371)	(9,191,551)
Total equity	26,960,520	22,156,356
Loss for the year	(1,581,622)	(6,375,936)
Total comprehensive loss	(1,581,622)	(6,375,936)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

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 27: EVENTS AFTER THE REPORTING DATE

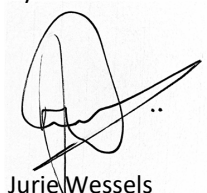
On 22 August 2023, the Company announced it had appointed Tim Feather as Chief Financial Officer. Mr Feather is a chartered accountant and has over 25 years of experience in corporate finance, and diverse executive skillsets, which include corporate finance, public markets and legal expertise.

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.

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 2023 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 2023.

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:

A handwritten signature in black ink, appearing to read 'Jurie Wessels', is written over a light blue rectangular background.

Jurie Wessels
Chairman

26 September 2023



RSM Australia Partners

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100
F +61(0) 8 9261 9111

www.rsm.com.au

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 2023, 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 2023 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.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

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 11 in the financial statements	
<p>The Group has capitalised exploration and evaluation expenditure with a carrying value of \$24,823,345 as at 30 June 2023.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the Group's accounting policy for compliance with Australian Accounting Standards; • Obtaining evidence that the Group has valid rights to explore in the relevant areas of interest; • Testing, on a sample basis, additions to capitalised exploration and evaluation expenditure to supporting documentation; • 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; • Enquiring with management and reading 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; and • Assessing the appropriateness of the disclosures in the financial statements.

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 2023, 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 2023.

In our opinion, the Remuneration Report of Vanadium Resources Limited, for the year ended 30 June 2023, 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 AUSTRALIA PARTNERS



AIK KONG TING
Partner

Perth, WA
Dated: 26 September 2023

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 22 September 2023.

Corporate Governance

The Company's Corporate Governance Statement is contained in the Company's Annual Report 2023.

Ordinary Share Capital

538,176,174 fully paid ordinary shares are held by 1,760 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.
- **Performance Shares and Performance Rights:** Performance Shares and Performance Rights do not carry any voting rights.

Twenty Largest Shareholders

Rank	Name	Holding	%
1	MATRIX RESOURCES (ZHEJIANG) CO LTD	53,763,800	9.99%
2	DANTERNE (PTY) LTD	45,721,437	8.50%
3	RAUBEX PTY LTD	44,230,769	8.22%
4	ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	20,000,000	3.72%
5	DAVY CORP PTY LTD <DAVY INVESTMENT A/C>	16,724,394	3.11%
6	RUSSELL BROOKS LIMITED	14,910,325	2.77%
7	TOMARNIC LIMITED	14,448,324	2.68%
8	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	11,507,855	2.14%
9	CITICORP NOMINEES PTY LIMITED	10,699,147	1.99%
10	RIMOYNE PTY LTD	10,300,000	1.91%
11	CELSIUS NOMINEES PTY LTD <SAM HAMMOND FAMILY A/C>	10,000,000	1.86%
12	ABSALOM LIMITED	6,496,226	1.21%
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,655,731	1.05%
14	MR SAM ROBIN HAMMOND	4,915,815	0.91%
15	MR ERIC ANTHONY FREDERICK BENNIK	4,735,694	0.88%
16	SNOWBALL 3 PTY LTD <ANTONIO TORRESAN SUPER A/C>	4,500,000	0.84%
17	BNP PARIBAS NOMS PTY LTD <DRP>	4,241,364	0.79%
18	FAHEY SERVICES PTY LTD <THE FAHEY SERVICES A/C>	4,050,000	0.75%
19	GOLDFIRE ENTERPRISES PTY LTD	4,006,000	0.75%
20	PHEAKES PTY LTD <SENATE A/C>	3,650,005	0.68%
Total top 20 holders of fully paid ordinary shares		294,556,886	54.73%
Total remaining holders balance		538,176,174	100.00%

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 4 September 2023, are listed below:

Holder Name	Holding Balance	% IC
MATRIX RESOURCES (ZHEJIANG) CO LTD	53,763,800	9.99%
DANTERNE PTY LTD	45,721,437	8.50%
RAUBEX PTY LTD	44,230,769	8.22%

Distribution of Shares

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

Range	No. Holders	Fully Paid Ordinary Shares	
		Total Units	%
1 - 1,000	65	7,544	0.00%
1,001 - 5,000	83	331,953	0.06%
5,001 - 10,000	273	2,260,796	0.42%
10,001 - 100,000	898	36,274,908	6.74%
100,001 and Over	441	499,300,973	92.78%
Total	1,760	538,176,174	100.00%

Restricted Securities

As at 22 September 2023 there were no securities subject to escrow.

Unquoted Securities and Distribution

As at 22 September 2023 the Company has on issue 1,325,000 Class A Performance Rights expiring 01/09/2024 – 1 holder.

Range	Class A Performance Rights		
	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	1	1,325,000	100.00%
Total	1	1,325,000¹	100.00%

¹ Jurie Hendrik Wessels <Danterne A/C> holds 100% in this class.

As at 22 September 2023 the Company has on issue 1,000,000 Class B Performance Rights expiring 01/09/2024 – 1 holder.

Range	Class B Performance Rights		
	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	1	1,000,000	100.00%
Total	1	1,000,000²	100.00%

² Jurie Hendrik Wessels <Danterne A/C> holds 100% in this class.

As at 22 September 2023 the Company has on issue 3,000,000 Class 1 Performance Rights expiring 9/01/2028 – 1 holder

Range	Class 1 Performance Rights		
	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	1	3,000,000	100.00%
Total	1	3,000,000³	100.00%

³ John Ciganek <Ciganek Family A/C> holds 100% in this class.

As at 22 September 2023 the Company has on issue 7,000,000 Class 2 Performance Rights expiring 9/01/2028 – 1 holder

Range	Class 2 Performance Rights		
	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	1	7,000,000	100.00%
Total	1	7,000,000⁴	100.00%

⁴ John Ciganek <Ciganek Family A/C> holds 100% in this class.

As at 22 September 2023 the Company has on issue 6,000,000 Class 3 Performance Rights expiring 9/01/2028 – 1 holder

Range	Class 3 Performance Rights		
	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	1	6,000,000	100.00%
Total	1	6,000,000⁵	100.00%

⁵ John Ciganek <Ciganek Family A/C> holds 100% in this class.

As at 22 September 2023 the Company has on issue 2,000,000 Class 4 Performance Rights expiring 9/01/2028 – 1 holder

Range	Class 4 Performance Rights		
	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	1	2,000,000	100.00%
Total	1	2,000,000⁶	100.00%

⁶ John Ciganek <Ciganek Family A/C> holds 100% in this class.

Unmarketable Parcels

Holdings of less than a marketable parcel of ordinary shares:

Holders: 255

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	21/12/2026	100%
Limpopo Region, South Africa						
Steelpoortdrift KT365	10095MR	Vanadium Resources (Pty) Ltd	24.6	Granted	04/09/2048	73.95%

Introduction

Vanadium Resources Limited (ABN 47 618 307 887) (**Company**) has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company refers to the recommended corporate governance practices for ASX listed entities set out in the ASX Corporate Governance Council Principles and Recommendations (**4th Edition**) (**Principles and Recommendations**). During the period 1 July 2022 to 30 June 2023 (**Reporting Period**), the Company's governance framework was consistent with reference to the 4th edition of the Principles and Recommendations.

This Corporate Governance Statement discloses the extent to which the Company followed the recommendations set out in the Principles and Recommendations (**Recommendations**) for the Reporting Period. The Recommendations are not mandatory, however, the Recommendations not followed have been identified and reasons have been provided for not following them along with what (if any) alternative governance practices the Company adopted in lieu of the recommendation.

The information in the statement is current at 26 September 2023 and was approved by a resolution of the Board on the 26 September 2023.

Corporate governance policies and procedures

The Company has adopted the following suite of corporate governance policies and procedures (together, the Corporate Governance Plan):

Corporate Governance

- Statement of Values
- Board Charter
- Corporate Code of Conduct
- Audit and Risk Committee Charter
- Remuneration Committee Charter
- Nomination Committee Charter
- Performance Evaluation Policy
- Continuous Disclosure Policy
- Risk Management Policy
- Trading Policy
- Diversity Policy
- Anti-Bribery and Corruption Policy
- Shareholder Communication Strategy
- Whistleblower Policy
- Annexure A – Definition of independence
- Annexure B – Procedure for the selection, appointment and rotation of external auditor

The Company's Corporate Governance Plan is available on the Company's website at <https://vr8.global/corporate-governance>

Recommendations	Comply	Explanation
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should have and disclose a charter which:	Yes	The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter, which is disclosed on the Company's website.
(a) sets out the respective roles and responsibilities of the board, the chair and management; and		
(b) includes a description of those matters expressly reserved to the board and those delegated to management.		

VANADIUM RESOURCES LIMITED

CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation																
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.	Yes	(a) The Board undertakes appropriate checks before appointing a person, these checks were undertaken for all Directors appointed during the Reporting Period or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether to elect or re-elect a director. The checks that are undertaken are set out in the Nomination Committee Charter. (b) The Company provided all material information to Shareholders in relation to: <ul style="list-style-type: none">- the re-election of Michael Davy at the annual general meeting held 29 November 2022																
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company has a written agreement with each of its Directors and Senior Executive. The Nomination Committee Charter outlines the requirement to have a written agreement with each Director and senior executive of the Company which sets out the terms of that Director's or senior executive's appointment.																
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary was during the reporting period accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.																
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period: <ul style="list-style-type: none">(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and(ii) either: <ul style="list-style-type: none">(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation including how the entity has defined "senior executive" for these purposes); or(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under the Workplace Gender Equality Act.	No	<p>The Company has a Diversity Policy, which is disclosed on the Company's website. The Diversity Policy does not include requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them. The Board has not set measurable objectives for achieving gender diversity.</p> <p>Given the Company's stage of development and the number of employees, the Board considers it is not practical to set measurable objectives for achieving gender diversity at this time.</p> <p>The respective proportions of men and women on the Board, in senior executive positions and across the whole organisations are set out in the following table. Senior executives for these purposes mean those person who report directly to the chief executive officer (or equivalent):</p> <table><tr><th></th><th>Male</th><th>Female</th><th>Total</th></tr><tr><td>Board of Vanadium</td><td>3</td><td>-</td><td>3</td></tr><tr><td>Senior executives (Company Secretary)</td><td>1</td><td>1</td><td>2</td></tr><tr><td>Total</td><td>4</td><td>1</td><td>4</td></tr></table>		Male	Female	Total	Board of Vanadium	3	-	3	Senior executives (Company Secretary)	1	1	2	Total	4	1	4
	Male	Female	Total															
Board of Vanadium	3	-	3															
Senior executives (Company Secretary)	1	1	2															
Total	4	1	4															

VANADIUM RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation
Recommendation 1.6 A listed entity should: <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>(a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Governance Plan, which is available on the Company's website.</p> <p>(b) The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors for each financial year in accordance with the above process.</p> <p>A performance evaluation of the Board or individual Directors was conducted during the Reporting Period.</p>
Recommendation 1.7 A listed entity should: <p>(a) have and disclose a process evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Yes	<p>Performance evaluation for senior executives were undertaken during the Reporting Period.</p>
Principle 2: Structure the board to be effective and add value		
Recommendation 2.1 The board of a listed entity should: <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	Yes	<p>(a) The Company did not have a separate Nomination Committee. The Company's Nomination Committee Charter provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director.</p> <p>(b) The Company does not have a Nomination Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:</p> <ul style="list-style-type: none"> (i) devoting time at least annually to discuss Board succession matters and updating the Company's Board skills matrix; and (ii) all Board members being involved in the Company's nomination process to the maximum extent permitted under the Corporations Act and ASX Listing Rules <p>Details of director attendance at meetings of the full Board, during the reporting period, are set out in a table in the Directors' Report in the Company's 2023 Annual Report.</p>

VANADIUM RESOURCES LIMITED

CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation								
Recommendation 2.2 A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	<p>Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skill matrix setting out the mix of skills and diversity that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.</p> <p>The Board has identified the appropriate mix of skills and diversity required of its members to operate efficiently and effectively.</p> <p>The Company's Board Skills Matrix can be found at Appendix 1.</p>								
Recommendation 2.3 A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (4 th Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director	Yes	<p>The board considered the independence of Directors with regards to factors set out in Box 2.3 of the ASX Principle and Recommendations. During the Reporting Period the Company had one independent directors Mr Michael Davy.</p> <p>Names of Directors during the Reporting Period and their length of service up to the date of this statement, or their resignation date is noted below:</p> <table><tr><th>Name</th><th>Length of Service</th></tr><tr><td>Mr Jurie Wessels (Chairman)</td><td>4 years and 1 month¹³</td></tr><tr><td>Mr Michael Davy</td><td>3 years and 9 months¹⁴</td></tr><tr><td>Mr John Ciganek</td><td>2 years and 9 months¹⁵</td></tr></table>	Name	Length of Service	Mr Jurie Wessels (Chairman)	4 years and 1 month ¹³	Mr Michael Davy	3 years and 9 months ¹⁴	Mr John Ciganek	2 years and 9 months ¹⁵
Name	Length of Service									
Mr Jurie Wessels (Chairman)	4 years and 1 month ¹³									
Mr Michael Davy	3 years and 9 months ¹⁴									
Mr John Ciganek	2 years and 9 months ¹⁵									
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	No	<p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent.</p> <p>The Board recognises the importance of the appropriate balance between independent and non-independent representation on the Board. However, the Board considered that a Board weighted towards industry and technical experience is appropriate at the stage of the Company's development.</p> <p>As the Company's operations progress, the Board will review the composition of the Board, including independence of its directors.</p>								
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	<p>The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>The Executive Chair of the Company, Mr Jurie Wessels is not the CEO/Managing Director; however, the Chair is not considered independent due to his significant shareholding and Executive role.</p>								

¹³ At the date of this statement

¹⁴ At the date of this statement

¹⁵ At the date of this statement

VANADIUM RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation
Recommendation 2.6 A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	Yes	In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.
Principle 3: Instil a culture of acting lawfully, ethically and responsibly		
Recommendation 3.1 A listed entity should articulate and disclose its values.	Yes	The Statement of Values is contained within the Corporate Governance plan available on the Company website.
Recommendation 3.2 A listed entity should: <ul style="list-style-type: none"> (a) have a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the Board is informed of any material breaches of that code 	Yes	The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.
Recommendation 3.3 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the Board is informed of any material incidents reported under that policy. 	Yes	The Company's Whistleblower Policy (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.
Recommendation 3.4 A listed entity should: <ul style="list-style-type: none"> (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the Board is informed of any material incidents reported under that policy. 	Yes	The Company's Anti-bribery and Corruption Policy (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.

VANADIUM RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation
Principle 4: Safeguard the integrity of corporate reports		
Recommendation 4.1 The board of a listed entity should: <p>(a) have an audit committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>Yes</p>	<p>The Company did not have an Audit and Risk Committee.</p> <p>Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit and Risk Committee. Accordingly, the Board performs the role of the Audit and Risk Committee.</p> <p>Although the Board does not have a separate Audit and Risk Committee, it had adopted an Audit and Risk Committee Charter, which is disclosed on the Company's website.</p> <p>During the Reporting Period, items that are usually required to be discussed by an Audit and Risk Committee are marked as separate agenda items at Board meetings when required, and when the Board convened to address matters as the Audit and Risk Committee it carried out the functions which are delegated to it in the Company's Audit and Risk Committee Charter. The Board deals with any conflicts of interest that occur when it performs the functions of an Audit and Risk, Committee by ensuring that any Director with a conflicting interest is not party to the relevant discussions.</p> <p>During the Reporting Period, the Board was responsible for the reviewing the suitability of the appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor was reviewed on an annual basis by the Board. There were no changes to the external auditor during the reporting period.</p> <p>The Company has an established Procedure for the Selection, Appointment and Rotation of its External Auditor, which is an annexure to the Corporate Governance Plan.</p> <p>Details of director attendance at meetings of the full Board, during the reporting period, are set out in a table in the Directors' Report of the Company 2023 Annual Report.</p>
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<p>Yes</p>	<p>The Board received a signed declaration from the CFO and CEO in accordance with Recommendation 4.2 and Section 295A of the Corporations Act 2001 prior to the approval of the Company's financial statements.</p>

VANADIUM RESOURCES LIMITED

CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation
Recommendation 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	The Company is committed to providing clear, concise and accurate reports so investors can make informed decisions. Prior to lodgement with ASX quarterly cash flow reports are subject to robust preparation and review. A declaration is then provided by the CFO and CEO to the Board noting compliance with section 286 of the Corporations Act 2001, the appropriate accounting standards and with listing Rule 19.11A.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under the Listing Rules 3.1.	Yes	The Company has adopted a Continuous Disclosure Policy which sets out the processes the Company follows to comply with its continuous disclosure obligations under the ASX Listing Rules and other relevant legislation. The Company's Continuous Disclosure Policy (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	The Board receives copies of all material market announcements after they have been released on the ASX.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation	No	The Company announces presentations on the Company website. Information that is contained in presentations is consistent with information that has been pre released on the ASX announcement platform.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its governance practices are available on its website https://www.vr8.global/corporate-governance
Recommendation 6.2 A listed entity should have an investor relations program to facilitates effective two-way communication with investors.	Yes	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.
Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the notice material states that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.
Recommendation 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.

VANADIUM RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation
Principle 7: Recognise and manage risk		
Recommendation 7.1 The board of a listed entity should: <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	<p>The Company did not have a separate Risk Committee.</p> <p>Yes</p> <p>Please refer to disclosure in relation to Recommendation 4.1 above.</p>	
Recommendation 7.2 The board or a committee of the board should: <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound, and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>Yes</p> <p>The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound.</p> <p>The Board continues to review the risk profile of the Company and monitors risk throughout the year.</p>	
Recommendation 7.3 A listed entity should disclose: <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>Yes</p> <p>The Company does not have an internal audit function. The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor the need for an internal audit function.</p> <p>As set out in Recommendation 7.1, the Board is responsible for overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of those systems.</p> <p>The Board devotes time formally at Board meetings and informally through regular communication to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p>	
Recommendation 7.4 A listed entity should disclose whether, it has material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<p>Yes</p> <p>The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management determine whether the Company has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> <p>The Company is currently exposed to minimal environmental and social risks due to its present size and magnitude of operations.</p>	

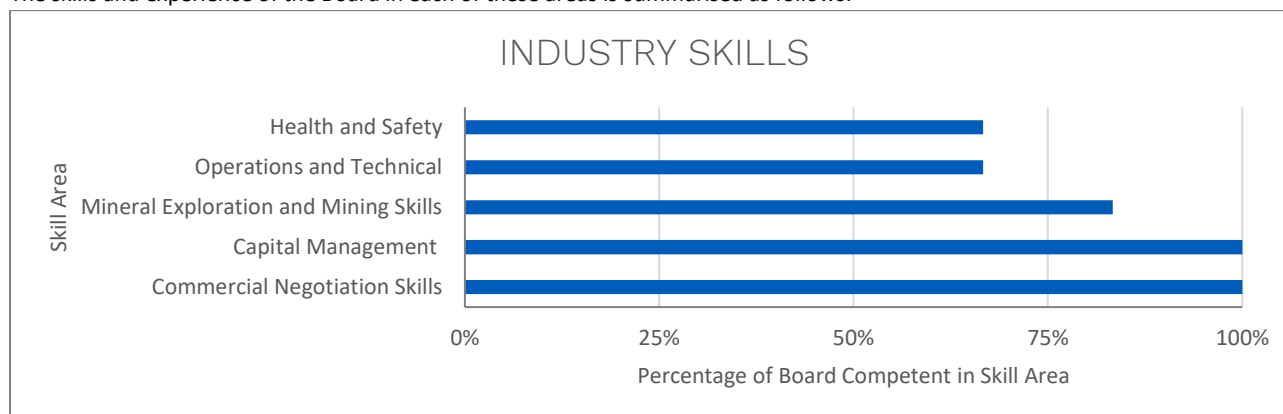
VANADIUM RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The board of a listed entity should: <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Yes	<p>The Company does not have a Remuneration Committee. The Company's Corporate Governance Plan contains a Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom must be independent Directors, and which must be chaired by an independent Director.</p> <p>The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>The Board devotes time at Board meetings to assess the level and composition of remuneration for Directors and senior executives as necessary when there are changes to Company, Director or executives' circumstances which indicate the level and/or composition of remuneration may require amendment to achieve consistency with the revised circumstance.</p>
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	<p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives. This information is disclosed in the Company's Remuneration Report contained within the Company's Annual Report.</p>
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>The Company maintains a Securities Trading Policy which restricts the permission for employees and directors to enter transactions which limit the economic risks associated with the participation in the Company's equity based incentive scheme.</p>

CORPORATE GOVERNANCE STATEMENT – APPENDIX 1
BOARD SKILLS MATRIX

The Board has identified that the appropriate mix of skills and diversity required of its members to operate effectively and efficiently is achieved by personnel having substantial skills and experience in the following Industry Skills: Health and Safety; Operations and Technical; Mineral Exploration and Mining Skills; Capital Management; and Commercial Negotiation Skills.

The skills and experience of the Board in each of these areas is summarised as follows:



In addition, directors of the Company are expected to be knowledgeable and experienced in the following areas: Legal; Accounting and finance; Information technology; Corporate governance; Risk and compliance oversight; Director duties and responsibilities; Strategic expertise; Commercial experience; Social and sustainability; and Executive management.

The skills and experience of the Board in each of these areas is summarised as follows:



Gaps in the collective skills of the Board are considered regularly by the full Board in its capacity as the Nomination and Remuneration Committee.