

1 June 2023



UPDATE TO INITIAL SUBSTANTIAL NOTICE

Vanadium Resources Limited (**ASX:VR8**) (**Company**) refers to the announcement on 30 May 2023, 'Becoming a substantial holder' (**Substantial Shareholder**). The Substantial Shareholder notice from the 30 May 2023 is updated to include a copy of Subscription Agreement.

This notice is authorised for ASX release by the Board of Vanadium Resources Limited.

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Vanadium Resources Limited (ASX: VR8) ("Vanadium Resources")

ACN/ARSN 47 618 307 887

1. Details of substantial holder (1)

Name Matrix Resources (Zhejiang) Co., Ltd ("Matrix Resources"), Zhejiang Lygend Investment Co., Ltd ("Lygend Investment"), other companies controlled by Lygend Investment (set out in Annexure A) ("Lygend Investment Associates"), and Cai Jianyong

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 26 / 05 / 2023

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	53,763,800	53,763,800	9.99%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Matrix Resources	Relevant interest under section 608(1) of the Corporations Act 2001 ("Corporations Act") as the holder of ordinary shares in Vanadium Resources, acquired pursuant to a Subscription Agreement dated 3 May 2023. A copy of the Subscription Agreement is attached as Annexure B .	53,763,800 fully paid ordinary shares
Lygend Investment	Relevant interest under section 608(3) of the Corporations Act as Matrix Resources is a wholly-owned subsidiary of Lygend Investment.	53,763,800 fully paid ordinary shares
Cai Jianyong	Relevant interest under section 608(3) of the Corporations Act as Cai Jianyong is the controlling shareholder of Lygend Investment.	53,763,800 fully paid ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Matrix Resources and all those holders listed in paragraph 3 above	Matrix Resources	Matrix Resources	53,763,800 fully paid ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
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		Cash	Non-Cash	
Matrix Resources and all those holders listed in paragraph 3 above	26 May 2023	\$5,914,018	N/A	53,763,800 fully paid ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Lygend Investment Associates	They are (with Matrix Resources) under the common control of Lygend Investment under section 12(2)(a) of the Corporations Act

7. Addresses

The addresses of persons named in this form are as follows:

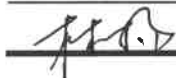
Name	Address
Matrix Resources	Floor 6, Building 10, Zone C R&D Park, High-Tech Zone Ningbo China
Lygend Investment	Floor 11, Building 10, Zone C, R&D Park, High-tech Zone, Ningbo China
Cai Jianyong	Floor 11, Building 10, Zone C, R&D Park, High-tech Zone, Ningbo China
Lygend Investment Associates	See Annexure A for details

Signature

print name Lin Yang (Lionel)

Capacity Investment Director

sign here



date 29 / 05 / 2023

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.



ANNEXURE A – List of Lygend Investment Associates

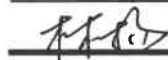
This is the annexure marked 'A' of 1 pages (including this page) referred to in Form 603 Notice of initial substantial holder.

Signature

print name Lin Yang (Lionel)

Capacity Investment Director

sign here



date 29 / 05 / 2023

Associates of Lygend Investment	Address
Ningbo Lishi Trade Co., Ltd.	11th Floor, Building 10, Zone C, R&D Park, Lane 299, Guanghua Road, High-tech Zone, Yinzhou District, Ningbo City, Zhejiang Province, China
Suqian Xiangxiang Industry Co., Ltd.	69 Shenzhen Road, Suqian, Economic Development Zone, Jiangsu Province, China
Ningbo Liqin Reclamation Engineering Co., Ltd.	Room 1102, No. 21, 22, 23, Lane 299, Guanghua Road, High-tech Zone, Ningbo City, Zhejiang Province, China
Ningbo Tuotu Mining Co., Ltd.	Room 733, Office Building 5, Business Center, Meishan Avenue, Beilun District, Ningbo City, Zhejiang Province, China
Ningbo Lihua Port Machinery Heavy Industry Co., Ltd.	11th Floor, Building 10, Zone C, R&D Park, Lane 299, Guanghua Road, High-tech Zone, Yinzhou District, Ningbo City, Zhejiang Province, China
Expedition Logistic (Hong Kong) Co., Ltd.	Room 1603, 16 / F, 135 Commercial Centre, 135 Man Ham Street East, Sheung Wan, Hong Kong, China
Matrix Resources Technology Co., Ltd.	150 Beach Road #28-05/06 Gateway West Singapore (189720)

ANNEXURE B – Subscription Agreement

This is the annexure marked 'B' of 29 pages (including this page) referred to in Form 603 Notice of initial substantial holder.

Signature

print name Lin Yang (Lionel)

Capacity Investment Director

sign here



date 29 / 05 / 2023



VANADIUM RESOURCES LIMITED

ACN 618 307 887

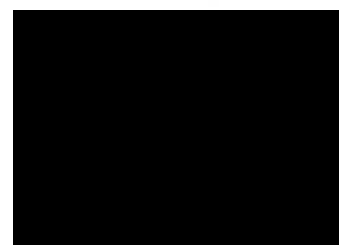
(Company)

and

MATRIX RESOURCES (ZHEJIANG) CO., LTD

(Investor)

SUBSCRIPTION AGREEMENT



THIS SUBSCRIPTION AGREEMENT is made the 2nd day of May 2023

BETWEEN

Vanadium Resources Limited (ACN 618 307 887) of Suite 7 / 63 Shepperton Road, Victoria Park, WA, 6100 (**Company**);

AND

MATRIX RESOURCES (ZHEJIANG) CO., LTD, a company incorporated in China of Room 601, Building C10, Lane 299, Guanghua Road, National High-tech Zone, Ningbo, China (**Investor**).

RECITALS

- A. The Company is a public company limited by shares and listed on the ASX.
- B. The Investor has agreed to subscribe for the Subscription Shares at the Subscription Price and the Company has agreed to issue the Subscription Shares to the Investor.
- C. The Parties have agreed to enter into this agreement to record the terms of the Subscription.
- D. The Investor is a member of a Group with transaction experience in trading, developing and financing with respect to projects of similar scale and industrial relevance to what is envisaged for transactions as contemplated under this agreement with a salt roast leach operation to produce vanadium pentoxide.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this agreement:

Application Form means the application form set out in Schedule 1.

Applicable Law means the constitution of the Company, the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules, any regulatory guides published by ASIC and all other applicable laws and regulations in any jurisdiction.

Associate has the meaning given to it in section 12 of the Corporations Act.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the market which it operates.

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Ltd (ACN 008 504 532) in its capacity as a CS facility licensee.

Authorised Person of a Party means:

- (a) an officer or employee of the Party;

ASX means ASX Limited (ABN 98 008 624 691) or the market which it operates.

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Ltd (ACN 008 504 532) in its capacity as a CS facility licensee.

Authorised Person of a Party means:

- (a) an officer or employee of the Party;
- (b) an adviser of the Party; and
- (c) an officer or employee of an adviser of the Party.

Business Day means a day on which banks are open for business in Perth, Western Australia and PRC, excluding a Saturday or a Sunday or a public holiday.

Company Warranties means the representations and warranties given by the Company to the Investor pursuant to clause 5.1.

Conditions Precedent means the conditions precedent to completion of the Subscription set out in clause 2.1.

Confidential Information means all confidential, non-public or proprietary information regardless of how the information is stored or delivered, exchanged between the Parties before, on or after the date of this agreement relating to the business, technology or other affairs of the Party who provides the information, but excludes information which:

- (a) is in or becomes part of the public domain other than through a breach of this agreement or an obligation of confidence owed to the Party to whom the information belongs;
- (b) the recipient of the information can prove was already known to it at the time of disclosure by the Party to whom the information belongs (unless such knowledge arose from disclosure of information in breach of an obligation of confidentiality); or
- (c) the recipient acquires from a source other than the Party to whom the information belongs, where such source is entitled to disclose it.

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

Duty means any transfer, transaction or registration duty or similar charge imposed by any Government Authority and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them.

Encumbrance means an interest or power:

- (a) reserved in or over an interest in any share or asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any share or asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, hypothecation, title retention, restriction against transfer or any other encumbrances,

by way of security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to, any or third party rights or interests (save for the rights of a governmental authority in relation to the terms of the Mining Rights) and any agreement to grant or create any of the above.

Event of Insolvency means, in relation to a corporation:

- (a) a receiver, manager, receiver and manager, trustee, administrator or similar officer is appointed in respect of a person or any material asset of a corporation;
- (b) a liquidator or provisional or interim liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up the relevant corporation; or
 - (iii) proposing or implementing a compromise with creditors (including a scheme of arrangement, other than to carry out a reconstruction or amalgamation while solvent);
- (d) a final order, judgment or award is made against the corporation which it fails to satisfy within 7 days of being required to do so;
- (e) the corporation becomes, or admits in writing that it is, is declared to be, or is deemed under any Applicable Law to be, insolvent or unable to pay its debts; or
- (f) anything analogous or having a substantially similar effect occurring in relation to a Group member.

Excluded Information means information which would be required to be disclosed as “excluded information” under subsection 708A(6)(e).

Exclusivity Period means the period commencing on the date of this agreement and ending on the earlier of:

- (a) the expiration of a four-month period after the date of this agreement; and
- (b) the date that the Parties have entered into the offtake arrangement contemplated by clause 18,

or such earlier date on which this agreement is terminated by either of the Parties.

Government Authority means a government or government department, a governmental or semi-governmental or judicial person (whether autonomous or not) charged with the administration of any Applicable Law.

Group means in relation to either Party, entities directly or indirectly controlling, controlled by, or in common control with, that party and any Related Body Corporate of that Party.

Indemnified Losses means, in relation to any fact, matter or circumstance, all losses, costs, damages, expenses and other liabilities arising out of or in connection with that fact, matter or circumstance, including all reasonable legal and other professional expenses on a solicitor-client basis incurred in connection with investigating, disputing, defending or settling any claim, action, demand or proceeding relating to that fact, matter or circumstance (including any claim, action, demand or proceeding based on the terms of this agreement).

Investor Warranties means the representations and warranties given by the Investor to the Company pursuant to clause 5.2.

Listing Rules means the listing rules of ASX.

Material Adverse Change means any event, condition or circumstance or change to any existing circumstance that has or is reasonably likely to have a material adverse effect on the financial condition, business assets, liabilities, results of operations or prospects of the business run by the Company and any member of the Group, taken as a whole.

Party means a party to this agreement and **Parties** means all of them.

PRC means the People’s Republic of China, excluding, for the purpose of this agreement, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

Related Body Corporate has the meaning given that expression in the Corporations Act.

Relevant Interest has the meaning given to that expression in the Corporations Act.

Satisfaction Date means the date that is 1 month¹ following the date of this Agreement or such other date as may be mutually agreed between the Parties.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means, at any time, is the registered holder of a Share.

Standstill Period means a period of 12 months from the Subscription Date.

Subscription means the subscription by the Investor for the Subscription Shares under this agreement.

Subscription Date means the date that is 5 Business Days following satisfaction of the Conditions Precedent or such other date as may be mutually agreed between the Parties.

Subscription Price means \$5,914,018.00 in aggregate for all the Subscription Shares, being an issue price of \$0.11 per Subscription Share.

Subscription Shares means, in relation to the Investor, 53,763,800 Shares, to be paid for and issued to the Investor in accordance with the terms and conditions of this agreement.

Steelpoortdrift Vanadium Project means the vanadium development project owned by the Company through its subsidiary registered in South Africa, which is known as the Steelpoortdrift Vanadium Project in the Bushveld region of South Africa.

Voting Power has the meaning given to that expression in the Corporations Act.

1.2 Interpretation

In this agreement unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) an obligation or liability assumed by, or a right conferred on, two or more Parties binds or benefits all of them jointly and each of them severally;
- (c) the expression person includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;

- (d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (e) a reference to any document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (g) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (h) reference to clauses, schedules, exhibits or annexures are references to clauses, schedules, exhibits and annexures to or of this agreement and a reference to this agreement includes any schedule, exhibit or annexure to this agreement;
- (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (j) a reference to time is to Western Standard Time as observed in Perth, Western Australia;
- (k) where an action is required to be undertaken on a day that is not a Business Day it shall be undertaken on the next Business Day;
- (l) a reference to a payment is to a payment by bank cheque or such other form of cleared funds the recipient otherwise allows in the relevant lawful currency specified;
- (m) "includes" in any form is not a word of limitation; and
- (n) a reference to \$ or dollar is to Australian currency.

1.3 Knowledge and awareness of the Parties

A reference in this agreement to either Party's awareness or knowledge (in any grammatical form) will be taken to include all matters, facts and circumstances of which such Party or any officer or senior executive, technology/engineering staff or any important contractor of such Party is actually aware or should reasonably have been aware had such persons made due and proper inquiries.

2. CONDITIONS PRECEDENT

2.1 Condition

The obligations of the Parties in relation to the issue of the Subscription Shares under this agreement are subject to the fulfilment or waiver (either conditional or unconditional) in writing by the Party entitled to the benefit of the Conditions Precedent of each of the following Conditions Precedent:

CONDITIONS PRECEDENT	PARTY ENTITLED TO THE BENEFIT
(a) Representations and Warranties. all the representations and warranties given by the other Party under this agreement shall have been true, accurate, complete and not misleading in all material respects on and as of the date of this agreement and on and as of the Subscription Date with the same force and effect as if they had been made on and as of the Subscription Date, except for those representations and warranties that are made as of a specific date, which shall speak only as of such date.	The Investor or the Company, as the case may be
(b) Performance of Obligations. The other Party shall have performed and complied with all, and shall not have been in breach or default under any, covenants, agreements, obligations and conditions contained in this agreement in all and any material aspects that are required to be performed or complied with by it at or before the Subscription Date.	The Investor or the Company, as the case may be
(c) Approvals and Consents. All authorisations from any government agency in all applicable jurisdictions such as Perth, Western Australia and PRC and all consents/waivers from any other person required under any Applicable	Not capable of Waiver

Laws or any contract to consummate and effect the transactions contemplated under this agreement shall have been obtained and completed without any condition (or subject to conditions acceptable to the Investor in its reasonable discretion).

Such authorisations and consents/waivers shall include approval from the PRC in relation to:

- (i) the required outbound direct investment approval/filing with the Commission of Commerce of PRC in connection with the Subscription;
 - (ii) the required outbound direct investment approval/filing with the Development and Reform Commission of PRC in connection with the Subscription;
 - (iii) the required outbound direct investment approval/filing with the Foreign Exchange Administration of PRC in connection with the Subscription.
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2.2 Best endeavours

Each Party must:

- (a) use its best endeavours (other than waiver) and co-operate with the other Party to procure the satisfaction of the Conditions Precedent on or before the Satisfaction Date; and

- (b) keep one another informed of any circumstances which might result in any of the Conditions Precedent not being satisfied in accordance with its terms.

The Investor must keep the Company informed of any updates in relation to the satisfaction of the Condition Precedent relating to the PRC approval as provided in clause 2.1(c) every two (2) days after the date of this agreement.

2.3 Waiver of Conditions Precedent

The Conditions Precedent may only be waived in writing by the Party or Parties entitled to the benefit of the Conditions Precedent (as specified in the second column of the table in clause 2.1) and will be effective only to the extent specifically set out in that waiver.

2.4 Knowledge of non-fulfilment

When a Party discovers that any of the Conditions Precedent is, has not or cannot be satisfied, it must promptly give notice of the outcome to the other Party.

2.5 Termination

This agreement may be terminated at any time before the completion of the Subscription if any of the following events occurs:

- (a) either Party may terminate this agreement by written notice to the other Party if:
 - (i) any of the Conditions Precedent is not satisfied or waived on or before 5:00 pm on the Satisfaction Date;
 - (ii) any Event of Insolvency has occurred in relation to the other Party or any member of the Group; or
 - (iii) the other Party is in material breach of the terms of this agreement or breaches any representation or warranty given or made by it under this agreement in any material respect(s), which is incapable of remedy or remains un-remedied after reasonable time upon written demand for remediation from non-breaching Party; and
- (b) the Investor may terminate this agreement by written notice to the Company if:
 - (i) a holder of an Encumbrance takes possession of the whole or any substantial part of the undertaking and property of the Company or any member of the Group;

- (ii) an event occurs or circumstances arise in relation to the Company or any member of the Group which would be reasonably likely to have a Material Adverse Change; or
- (iii) the Company is removed from the official list of ASX.

Following which this agreement shall terminate and be of no force or effect, and each Party will be released from obligations and liabilities under this agreement except for any obligations or liabilities arising or relating to the period before the termination date.

3. SUBSCRIPTION

3.1 Subscription and issue

Subject to the terms and conditions of this agreement, the Investor agrees to subscribe for, and the Company agrees to allot and issue to the Investor, the Subscription Shares at the Subscription Price.

3.2 Payment of Subscription Price

- (a) On the date of this Agreement, the Investor must deliver to the Company the Application Form duly completed and executed by the Investor.
- (b) On or prior to 4:00 pm on the Subscription Date, the Investor must:
 - (i) pay to the Company the Subscription Price (deducting the amount of paid Prepayment (if any) under clause 3.2(b)(iii)) in accordance with clause 4;
 - (ii) deliver to the Company written evidence of payment in the form of a confirmation of receipt of payment from the bank referred to in clause 4 of the Subscription Price made under clauses 3.2(b)(i) and 3.2(b)(iii) (if applicable); and
 - (iii) In the event that the completion of the Subscription does not occur on or prior to the expiration date of two (2) weeks after the date of this agreement, the Investor agrees to pay to the Company 15% of the Subscription Price (Prepayment) within two (2) days of expiry of such two-week time period, provided that if this agreement is terminated for any reason prior to completion of the Subscription, such Prepayment shall be treated as an unsecured, non-recourse and interest free loan that shall be fully repaid by the Company to the Investor on or before the date that is 6 months following the date of the Prepayment is received by the Company.

- (c) The Company agrees that, following the issue of Subscription Shares to the Investor, the Subscription Price shall be applied toward:
 - (i) relevant activities required to reach final investment decision for the development of the Steelpoortdrift Vanadium Project beneficially owned by the Company; and
 - (ii) corporate costs and general working capital of the Company.

3.3 Issue of Subscription Shares

Subject to the Investor complying with its obligations under clause 3.2, following the receipt by the Company of the Subscription Price in cleared funds, on the Subscription Date, the Company must:

- (a) issue to the Investor a certificate of receipt for payment of its Subscription Price, such certificate to provide an irrevocable right to the Investor to have the Subscription Shares issued to it by the Company;
- (b) allot and issue the Subscription Shares to the Investor;
- (c) enter the Investor in the Company's register of members as the holder of the Subscription Shares;
- (d) send holding statements in respect of the Subscription Shares to the Investor in accordance with Applicable Law;
- (e) within two (2) Business Days of the receipt by the Company of the Subscription Price in cleared funds:
 - (i) apply to ASX for official quotation of the Subscription Shares in the same class and on the same terms as all other Shares quoted on ASX on the Subscription Date;
 - (ii) take all other steps necessary to give effect to the allotment of the Subscription Shares to the Investor in accordance with Applicable Law;
- (f) lodge with ASX a notice in accordance with section 708A(5)(e) of the Corporations Act; and
- (g) if the Company is unable to comply with the requirements of section 708A(5) of the Corporations Act for any reason, the Company shall, at its own expense, do everything necessary to ensure the Subscription Shares so allotted are able to be freely traded on ASX in compliance with the requirements of the ASX Listing Rules and the Corporations Act, including, if considered reasonably necessary

by the Investor, lodging a disclosure document with ASIC in accordance with Chapter 6D of the Corporations Act.

3.4 Completion

The Parties acknowledge and agree that:

- (a) completion of the Subscription does not occur, and shall be taken not to have occurred, unless and until all of the obligations of the Parties under clauses 3.2 and 3.3 have been satisfied; and
- (b) if any obligation specified in clauses 3.2 and 3.3 is not performed on the due date then, without prejudice to any other rights of the Parties, any document delivered or payment made under those clauses must be returned to the Party that delivered such document or paid such amount.

3.5 Reasonable endeavours

The Company and the Investor must:

- (a) use their reasonable endeavours to obtain fulfilment of the requirements under this clause applicable to it; and
- (b) keep each other informed of any circumstances which may result in any requirement under this clause not being completed or satisfied in accordance with its terms.

3.6 Right to nominate

- (a) The Investor may nominate one or more of its Related Bodies Corporate to subscribe for the Subscription Shares by giving written notice of the identity of the nominee (or nominees) to the Company at least five (5) Business Day prior to the Subscription Date.
- (b) If the Investor appoints a nominee (or nominees) under this clause 3.6, a reference to the 'Investor' in clauses 3.1 and 3.2 shall be taken to mean the nominee (or nominees) as applicable and, unless the Company agrees to the Investor assigning its rights and obligations under this agreement to its nominee(s), notwithstanding the appointment of a nominee, the Investor:
 - (i) will continue to be bound by all of the obligations of the Investor under this agreement;
 - (ii) will make the Investor Warranties on its own behalf and in respect of its nominee; and

- (iii) will not be released from any obligations or liabilities under this agreement.

3.7 Prohibition on capital reconstructions, reorganizations and issues

Prior to the earlier of the Subscription Date and the date that this agreement is terminated, the Company must not, without the prior approval of the Investor (which must not be unreasonably withheld or delayed):

- (a) undertake any share issue, capital reconstruction or reorganization event in relation to the Company or its Share capital, other than an issue of Shares to the BEE partners of the Company that are currently shareholders in the Company's subsidiary Vanadium Resources (Pty) Ltd; or
- (b) undertake any time by bonus issue of securities in the Company.

4. MANNER OF PAYMENT

On or prior to 4:00 pm on the Subscription Date, the Investor must pay the Subscription Price (deducting the amount of paid Prepayment (if any) under clause 3.2 (b)(iii)) in immediately available funds to the account with the following details (or as otherwise directed by the Company):

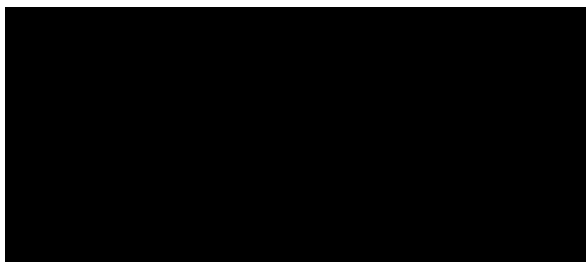
Account Name:

Bank:

BSB:

Account:

Swift Code:

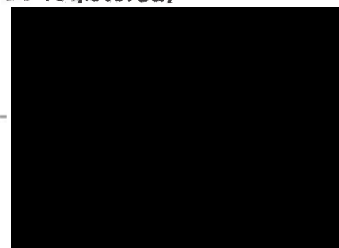


5. REPRESENTATIONS AND WARRANTIES

5.1 Representations and warranties by Company

The Company represents and warrants to the Investor that it is not aware of or have knowledge of (in accordance with clause 1.3), as at the date of this agreement and separately as at the date on which the Subscription Shares are issued to the Investor, except as otherwise fairly disclosed by the Company to the Investor in writing and countersigned by the Investor prior to the date of this agreement or released to the ASX company announcements platform by the Company prior to the date of this agreement:

- (a) (Registration): it is a corporation as that expression is defined in the Corporations Act having limited liability, registered (or taken to be registered) and validly existing under the Corporations Act;



- (b) **(Authority):** it has full power and authority to enter into this agreement and to perform its obligations under it;
- (c) **(Corporate authorisations):** it has taken all necessary action to authorise the execution, delivery and performance by it of this agreement in accordance with its terms;
- (d) **(Binding obligations):** this agreement constitutes its legal, valid and binding obligations and is enforceable in accordance with its terms;
- (e) **(Issue of Subscription Shares):** it has full power and authority and has obtained all third-party consents necessary to allot and issue the Subscription Shares to the Investor in accordance with Applicable Law;
- (f) **(Subscription holding):** the issue of the Subscription Shares will give the Investor the equivalent number of Shares necessary to obtain a 9.99% holding in the issued Shares of the Company, calculated:
 - (i) as at the date of this agreement; and
 - (ii) other than if Shares are issued to the BEE partners of the Company that are currently shareholders in the Company's subsidiary Vanadium Resources (Pty) Ltd, as at the Subscription Date;
- (g) **(Ranking):** the Subscription Shares will be credited as fully paid and rank pari passu in all respects with all other Shares on issue;
- (h) **(Title to Subscription Shares):** upon issue of the Subscription Shares, the Investor will acquire full legal and beneficial title to the Subscription Shares, free and clear of any Encumbrance;
- (i) **(No Event of Insolvency):** no Event of Insolvency has occurred in relation to the Company or a member of the Group, nor is there any act which has occurred or to the best of its knowledge, is anticipated to occur which is likely to result in an Event of Insolvency in relation to the Company or a member of the Group;
- (j) **(Mining Rights):** all exploration and/or exploitation rights or equivalent or similar rights held directly or indirectly, as at the date of this agreement in connection with the Steelpoortdrift Vanadium Project), through its Related Bodies Corporate by the Company with respect to any mineral resources (Mining Rights) are valid, in good standing, free of circumstances that may give rise to substantive disputes with third parties or any governmental or regulatory authority and are not liable to forfeiture, termination, cancellation, suspension, revocation or adverse variation;

- (k) **(Title):** Except for the BEE interest held by the Steelpoortdrift Development Trust, the Company (or its relevant subsidiary) is the sole legal and beneficial holder of the Mining Rights;
- (l) **(No Encumbrances over Mining Rights):** there are no Encumbrances nor options of whatsoever nature over or affecting any of the Mining Rights;
- (m) **(Material Liabilities):** all material obligations and liabilities under the terms of each Mining Right have been met and satisfied;
- (n) **(No Non-compliances):** that there are no outstanding material non-compliances with Applicable Laws in relation to each Mining Right;
- (o) **(No Shareholder Approval Requirement):** the size of the Subscription is within the Company's existing placement capacity under the applicable Listing Rules, and accordingly no shareholder approval of the Company is required in connection with the Subscription;
- (p) **(No Material Adverse Development):** the most recent annual report, unaudited quarterly accounts, unaudited interim results or other applicable financial reports made available to the Investor present a true and accurate description about the financial conditions of the Company and its subsidiaries in all material aspects particularly their liabilities and there has been no material adverse development nor has there been any material indebtedness or liability that has not been disclosed to the Investor since the dates of such report/results;
- (q) **(Compliance with Applicable Laws):** the Company, its Related Bodies Corporate and its directors, officers or other senior management personnel have complied in all material respects with all Applicable Laws (includes all applicable Listing Rules and disclosure requirements (with the exception of the disclosure of Excluded Information, which shall be strictly limited to the negotiation of the transactions as contemplated under this agreement and shall be disclosed by the Company after the completion of the Subscription according to the Applicable Laws) with respect to the transactions contemplated under this agreement) and their material contractual obligations and covenants and there is no material fact, matter or circumstances likely to give rise to any material claim against the Company, its Related Bodies Corporate or its directors, officers or other senior management personnel in relation to their business or assets; and
- (r) **(Disclosure in Good Faith):** any and all materials or information made available to the Investor (if any) were prepared in good faith by the Company and its

representatives and Related Bodies Corporate for the purposes of informing prospective subscribers of the Subscription Shares and, so far as the Company is aware, in so doing the Company and its representatives and Related Bodies Corporate confirm that the Company and its representatives and Related Bodies Corporate have not deliberately:

- (i) omitted anything from the provided materials (if any) to the Investor that it considers material to a subscriber of the Subscription Shares; and
- (ii) included anything that is misleading in the provided materials (if any) to the Investor.

5.2 Representations and warranties by Investor

The Investor represents and warrants to the Company that it is not aware of or have knowledge of (in accordance with clause 1.3), as at the date of this agreement and separately as at the date on which the Subscription Shares are issued to the Investor, except as otherwise fairly disclosed by the Investor to the Company in writing prior to the date of this agreement:

- (a) **(Registration):** it is a corporation as that expression is defined in the Corporations Act having limited liability, registered (or taken to be registered) and validly existing under the Corporations Act;
- (b) **(Authority):** it has full power and authority to enter into this agreement and to perform its obligations under it;
- (c) **(Corporate authorisations):** it has taken all necessary action to authorise the execution, delivery and performance by it of this agreement in accordance with its terms;
- (d) **(No disclosure required):** the Investor is a person to whom the Subscription Shares can be legally offered and issued without the requirement for any disclosure document, or similar regulatory lodgement, in accordance with the laws in its place of residence and place of incorporation;
- (e) **(Binding obligations):** this agreement constitutes its legal, valid and binding obligations and is enforceable in accordance with its terms; and
- (f) **(No breach):** this agreement and the Subscription does not conflict with or result in a breach of any of the Investor's legal obligations (including any statutory, contractual or fiduciary obligation) or constitute or result in any default under any provision of its constitution or any material provision of any;

agreement, deed, writ, order, injunction, judgment, law, rule or regulation to which it is a party or is subject or by which it is bound. Neither it nor any of its Associate has a relevant interest in any Shares (with the exception of the Subscription Shares) in the Company.

5.3 Indemnity by Company

- (a) The Company indemnifies the Investor against all Indemnified Losses incurred by the Investor as a consequence of any matter or thing being found to be in breach of or inconsistent with the Company Warranties and any other breach of this agreement by the Company.
- (b) The maximum amount which the Investor may claim against the Company for a breach of the Company Warranties is 100% of the Subscription Price. A claim for breach of the Company Warranties shall not be made unless the amount of the Indemnified Losses reasonably claimed exceeds \$100,000 (in which event, for the avoidance of doubt, the Company shall be liable for the whole of that amount and not merely the excess).
- (c) The Company shall not be liable in respect of a claim in connection with a breach of Company Warranties unless the Investor has given written notice to the Company setting out reasonable details of the specific matter in respect of which the claim is made within 18 months after the Subscription Date.

5.4 Indemnity by Investor

- (a) The Investor indemnifies the Company against all Indemnified Losses incurred by the Company as a consequence of any matter or thing being found to be in breach of or inconsistent with the Investor Warranties and any other breach of this agreement by the Investor.
- (b) The maximum amount which the Company may claim against the Investor for a breach of the Investor Warranties is 100% of the Subscription Price. A claim for breach of the Investor Warranties shall not be made unless the amount of the Indemnified Losses reasonably claimed exceeds \$100,000 (in which event, for the avoidance of doubt, the Investor shall be liable for the whole of that amount and not merely the excess).
- (c) The Investor shall not be liable in respect of a claim in connection with a breach of Investor Warranties unless the Company has given written notice to the Investor setting out reasonable details of the specific matter in respect of which the claim is made within 18 months after the Subscription Date.

5.5 Exclusion of consequential loss, punitive compensation and loss of opportunity

Neither Party will be liable to the other Party for any punitive compensation, consequential loss, or loss of opportunity of the other Party arising as a result of a breach of this agreement (including any breach of warranty).

6. CONFIDENTIALITY

All Confidential Information exchanged between the Parties under this agreement or during negotiations preceding this agreement is confidential to them and may not be disclosed to any person except:

- (a) employees, directors, officers, legal advisers auditors and other consultants of the Party or any of its Related Bodies Corporate requiring the information for the purposes of this agreement;
- (b) with the consent of the Party who supplied the information which consent may be given or withheld in its absolute discretion;
- (c) if a Party is required to do so by law or a stock exchange; or
- (d) if a Party is required to do so in connection with legal proceedings relating to this agreement.

7. STANDSTILL AND GRANT OF PARTICIPATION RIGHT

7.1 Standstill

With the exceptions of exercising the participation right as provided in clause 7.3(a), the circumstances as provided in clauses 7.3(b)(ii) and 7.3(b)(iii) below, and any other circumstances that will not result in an increase in Investor's shareholding proportion in the Company, the Investor covenants and agrees that it and any Related Body Corporate, employee, officer or agent of Investor (in that capacity) shall not, during the Standstill Period, without the prior written consent of the Company:

- (a) directly or indirectly, acquire (within the meaning of the Corporations Act), purchase, sell, or agree or offer to acquire, purchase or sell any securities or a Relevant Interest in any securities (or direct or indirect rights, warrants or options to acquire any securities) in the Company;
- (b) acquire any other economic interest equivalent or similar to ownership in securities of the Company (whether by way of entering into any swap, derivative or otherwise);

- (c) solicit proxies from shareholders of the Company, or otherwise seek to influence or control the management, policies or outcome of any shareholder resolutions of the Company; or
- (d) announce an intention to make a takeover bid (however structured, whether off-market, on-market or otherwise) or make such a takeover bid, for any or all securities, or any class of securities in the Company; or
- (e) aid, abet, counsel, induce or act in concert with any other person in doing any of the things mentioned in paragraphs (a) to (d)(inclusive).

7.2 Orderly Sale

- (a) In recognition of the significant shareholding in the Company to be acquired by the Investor, and with a view to maintaining an orderly market for the Shares of the Company, the Investor agrees to the orderly sale provisions summarised in this clause. These provisions will apply for so long as the Investor has a Voting Power of 5% or more in the Company.
- (b) The Investor must provide the Company with prior written notice of any intention to dispose of the Subscription Shares issued to the Investor (Disposal Notice), which must specify:
 - (i) the number of Subscription Shares that the Investor proposes to dispose of (Relevant Subscription Shares); and
 - (ii) the proposed minimum sale price for the Relevant Subscription Shares.
- (c) The Investor must not dispose of the Relevant Subscription Shares until at least 15 trading days after the Company has received the Disposal Notice (Notice Period).
- (d) During the Notice Period, the Company may (but is not obliged to) give written notice to the Investor of an alternative bona fide buyer or buyers for the Relevant Subscription Shares, at a price no less than the minimum sale price specified in the Disposal Notice and otherwise on terms and conditions no less favourable to the Investor than those specified in the Disposal Notice (Alternative Disposal Notice).
- (e) Where the Company:
 - (i) gives an Alternative Disposal Notice, the Investor must dispose of the Relevant Subscription Shares to the bona fide buyer or buyers

specified in the Alternative Disposal Notice, at the price set out in the Alternative Disposal Notice; and

- (ii) does not give an Alternative Disposal Notice, the Investor may dispose of the Relevant Subscription Shares at a price no less than the sale price specified in the Disposal Notice at any time within a period of 30 trading days following expiry of the Notice Period and if it fails to do so must repeat the process set out in this clause in respect of any proposed disposal of Subscription Shares.
- (f) In the event of any other Shareholder(s) of the Company being subject to same or substantially similar orderly sale restriction as provided herein, no matter whether such restriction comes into being before or after the date of this agreement or Subscription Date, and the Company receives corresponding disposal notice from the such Shareholder(s), the Company shall immediately notify the Investor in writing of such development and necessary details for the Investor to reasonably understand and assess such disposal and use its best efforts to commence discussion with the Investor in good faith to explore the chance of having the Investor purchases such Shares on terms and conditions as provided in the disposal notice.

7.3 Grant of Participation Right

- (a) If the Company raises additional equity capital at any time from the Subscription Date until the Investor's Voting Power in the Company drops below 5% due to (i) its disposal of Shares held in the Company; or (ii) not exercising its participation right as provided in this clause 7.3(a), subject to the Corporations Act, Listing Rules and any other Applicable Law, the Company will use its best endeavours to ensure that the Investor is entitled to participate in such additional equity capital offerings at the price and on terms and conditions equal to those available to other participating parties, in order to maintain the Investor's Voting Power in the Company as at the Business Day immediately prior to completion of the additional equity capital raising.
- (b) For the avoidance of doubt, this clause does not apply to:
 - (i) any issue of Shares to the BEE partners of the Company that are currently shareholders in the Company's subsidiary Vanadium Resources (Pty) Ltd;
 - (ii) any issue of securities by the Company under an employee incentive plan;

- (iii) any pro rata issue of securities by the Company to all Shareholders, provided that the Investor is an eligible participant according to the Listing Rules or mandatory requirements under any other Applicable Laws under such issue; or
- (iv) any issue of securities to Matrix, Its nominee (if applicable) or any of its Related Bodies Corporate.

8. ANNOUNCEMENTS

8.1 Public announcements

Subject to clause 8.2, no Party may, before or after the Subscription Date, make or send a public announcement, communication or circular concerning the transactions referred to in this agreement unless it has first obtained the other Party's written consent. That consent is not to be unreasonably withheld or delayed and should be completed within 48 hours of signing this agreement.

8.2 Public announcements required by law

Clause 8.1 does not apply to a public announcement, communication or circular required by law or a regulation of a stock exchange, if the Party (including its Group) required to make or send it has, if practicable, first consulted and taken into account the reasonable requirements of the other Party.

9. COSTS AND DUTY

9.1 Costs and expenses

The Company and the Investor agree to pay their own legal fees and other costs and expenses incurred in connection with the preparation, negotiation and completion of this agreement and of other related documentation.

9.2 Duty

The Company must pay all Duty chargeable, payable or assessed in relation to this agreement and the issue of the Subscription Shares to the Investor.

10. NOTICES

10.1 Notices in writing

Each notice authorised or required to be given to a Party shall be in legible writing and in English addressed to the Party's address set out in clause 10.2 (or such other address nominated in accordance with clause 10.3).

10.2 Initial address of Parties

The initial address of the Parties shall be as follows:

Party	Address	Attention	E-mail
Company			
Investor			

10.3 Change of address

Each Party may from time to time change its address by giving notice pursuant to clause 10.1 to the other Parties.

10.4 Receipt of notice

Any notice given pursuant to clause 10.1 will be conclusively deemed to have been received:

- (a) in the case of personal delivery, on the actual day of delivery;
- (b) if sent by mail, two (2) Business Days from and including the day of posting; or
- (c) if sent by e-mail, when a delivery confirmation report is received by the sender which records the time that the e-mail was delivered to the addressee's e-mail address (unless the sender receives a delivery failure notification indicating that the e-mail has not been delivered to the addressee),

but if the delivery or receipt is on a day that is not a Business Day or is after 5:00 pm (addressee's time) it is regarded as received at 9:00 am on the following Business Day.

11. VARIATION

No modification or alteration of the terms of this agreement shall be binding unless made in writing dated subsequent to the date of this agreement and duly executed by the Parties.

12. WAIVER

- (a) Waiver of any right, power, authority discretion or remedy arising upon default under this agreement must be in writing and signed by the Party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of a right, power, authority, discretion or remedy created or arising upon default under this agreement, does not result in a waiver of that right.
- (c) A Party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this agreement or on a default under this agreement as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A Party may not rely on any conduct of another Party as a defence to exercise of a right, power, authority, discretion or remedy by that other Party.

13. FURTHER ASSURANCE

Each Party shall sign, execute and do all deeds, acts, documents and things as may reasonably be required by the other Party to effectively carry out and give effect to the terms and intentions of this agreement.

14. GOVERNING LAW AND JURISDICTION

This agreement shall be governed by and construed in accordance with the law from time to time in the State of Western Australia and the Parties agree to submit to the non-exclusive jurisdiction of the courts of Western Australia and the courts which hear appeals therefrom.

15. TIME OF ESSENCE

Time is of the essence of this agreement in respect of any date or period determined under this agreement.

16. ENTIRE AGREEMENT

This agreement shall constitute the sole understanding of the Parties with respect to the subject matter and replaces all other agreements with respect thereto.

17. COUNTERPARTS

This agreement may be executed in any number of counterparts (including by way of facsimile) each of which shall be deemed for all purposes to be an original and all such counterparts taken together shall be deemed to constitute one and the same instrument.

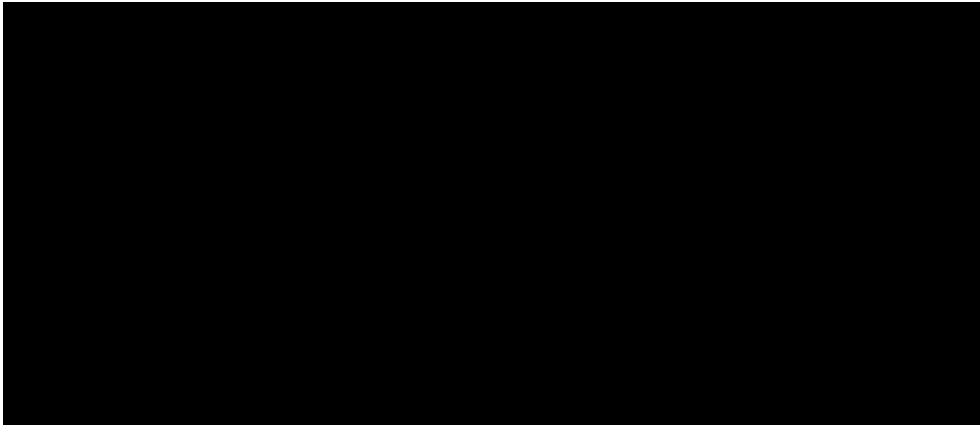
18. OFFTAKE AND SALES AGENT ARRANGEMENTS

18.1 Offtake Arrangements

- (a) During the Exclusivity Period, the Parties agree to negotiate in good faith with a view to entering into definitive and binding legal documents for offtake arrangements with respect to up to 40% of the actual production from Phase 1 of the Steelpoortdrift Vanadium Project (being product produced through the concentrator and salt roast leach plant constructed during Phase 1 under the October 2022 Definitive Feasibility Study) (Phase 1 Production) on a strictly exclusive basis, as follows:
 - (i) 20% of Phase 1 Production will be purchased by the Investor as principal; and
 - (ii) 20% of Phase 1 Production will be subject to the Investor's exclusive right to act as sales agent on behalf of customers in the Asian market.
- (b) The Parties shall ensure that each of its Related Bodies Corporate do not enter into any legally binding contract, agreement or arrangement of whatsoever nature or solicit or accommodate any proposal or enter into any discussion that may preclude or impede in any manner or to any degree the completeness and effectiveness of the arrangements contemplated under paragraph (a) above during Exclusivity Period.

EXECUTED by the Parties as an agreement.

EXECUTED by VANADIUM RESOURCES)
LIMITED)
ACN 618 307 887)
in accordance with section 127 of the)
Corporations Act 2001 (Cth):



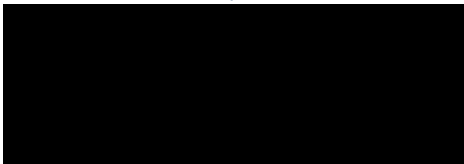
pany secretary*

Name of director

Name of director/company secretary*

*please delete as applicable

EXECUTED by MATRIX RESOURCES)
(ZHEJIANG) CO., LTD)
ACN [*4])
in accordance with its constituent documents)
and the laws in its place of incorporation:



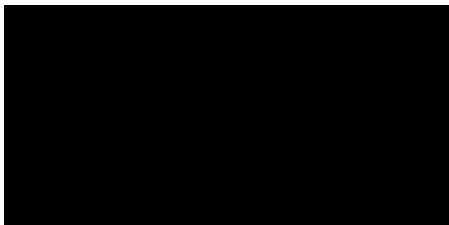
Signature of director

Signature of director/company secretary*

Name of director: Cai Jianyong

Name of director/company secretary*

*please delete as applicable



SCHEDULE 1 – APPLICATION FORM

APPLICATION FORM

Vanadium Resources Limited

ACN 618 307 887

(Company)

MATRIX RESOURCES (ZHEJIANG) CO., LTD (Investor) hereby applies to the Company for 53,763,800 fully paid ordinary shares in the capital of the Company (Shares).

The Investor will transfer to the Company an amount of \$5,914,018.00 in Australian dollars and in immediately available funds to the account nominated by the Company.

Details of the Investor:

Name: Matrix Resources (Zhejiang) Co., Ltd, a company incorporated in China

Address: Floor 6, Building C, R&D Park, High-tech Zone, Ningbo, China

Contact Person:

Contact Investor:

By signing and lodging this Application Form with the Company, the Investor:

1. declares that the agreements, statements, declarations and acknowledgments contained in the following paragraphs are given for the benefit of the Company;
2. declares that all details and statements made by the Investor in this Application Form are complete and accurate;
3. agrees to be bound by the Constitution of the Company;
4. represents, warrants and undertakes to the Company that the Investor has/have full right and authority to sign and lodge this Application Form, to subscribe for the Shares and to perform the other obligations set out in this Application Form, and has taken all action and obtained all regulatory and other consents, approvals and authorisations necessary in that respect;
5. acknowledges that the Investor have/has made its/their own enquiries concerning the Company and its business and affairs and that the Company makes no representation or warranties to the Investor other than set out in the Subscription Agreement dated the same date as this Application Form;

6. requests the Company to, upon receipt of this Application Form signed by the Investor, issue the Subscription Shares to the Investor pursuant to the agreement;
7. declares that the Investor comes within the definition of a sophisticated investor or a professional investor for the purposes of Section 708(8) or 708(11) of the Corporations Act 2001 respectively and does not require a disclosure document or similar filing for the issue of Shares to the Investor in Australia or any other jurisdiction;
8. acknowledges that this Application form is irrevocable, subject to the agreement; and
9. acknowledges that returning this Application Form will constitute the Investor's offer to subscribe for Subscription Shares subject to the agreement, and that no notice of acceptance of this Application Form will be provided.

NOTE: Return of the Application Form will constitute your offer to subscribe for the Shares. This Application Form is for the Investor and must not be passed onto any person without written permission from the Company.

EXECUTED by MATRIX RESOURCES)
 (ZHEJIANG) CO., LTD)
 in accordance with its constituent)
 documents and the laws in its place of)
 incorporation:)

 Name of director

 Name of director/company secretary*

*please delete as applicable