



VANADIUM RESOURCES LIMITED
ABN 47 618 307 887

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2022

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Board of Directors

Mr Jurie Wessels	Executive Chairman
Mr Michael Davy	Non-Executive Director
Mr John Ciganek	Non-Executive Director

Company Secretary

Ms Kyla Garic

Registered Office and Principal Place of Business

Suite 7, 63 Shepperton Road
Victoria Park WA 6100

Telephone: 08 6158 9990

Website: www.vr8.global

Stock Exchange Listing

Listed on the Australian Securities Exchange (ASX Code: VR8)

Auditors

RSM Australia Partners
Level 32, 2 The Esplanade
Perth WA 6000

Solicitors

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
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VANADIUM RESOURCES LIMITED

DIRECTORS' REPORT

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 2021 to 30 June 2022 (**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 Michael Davy	Non-Executive Director	1 December 2019	-
Mr John Ciganek	Non-Executive Director	18 December 2020	-
Mr Nico Van Der Hoven	Non-Executive Director	26 July 2019	8 April 2022

Mr Jurie Wessels | Executive Chairman

BA, LLB

(Appointed 26 July 2019)

Mr Jurie Wessels has 25 years' experience in the exploration industry and co-founded a number of exploration and mining companies, including Bauba Resources Ltd (BAU.J), GoldStone Resources Ltd (GRL.L), Arcadia Minerals Ltd (AM7.Asx) and Vanadium Resources Ltd. Mr Wessels has significant experience in the sourcing and assessment of exploration and exploitation projects and in the governance, funding and management of resource companies. Mr Wessels explored for various minerals in Africa, South America and Europe and practised as a minerals lawyer up to 2003 but still is admitted as an attorney (non-practising) and a notary of the High Court of South Africa. During the past three years, Mr Wessels has the following directorships in other ASX listed companies: Arcadia Minerals Limited (current).

Mr Michael Davy | Non-Executive Director

BCom (Acc)

(Appointed 1 December 2019)

Mr Michael Davy is an Australian executive and Accountant with over 16 years' experience across a range of industries. Mr Davy previously held a senior management role in Australia for Songa Offshore (listed Norwegian Oil and Gas drilling company), where he assisted with the start-up of the Australian operations and managed the finance team for a two rig operation with multi-hundred-million-dollar revenues. Prior to that Mr Davy had worked in Australia and London for other large organisations overseeing various finance functions. Mr Davy is currently a director and owner of a number of successful private businesses all under his personal management. During the past three years, Mr Davy has held the following directorships in other ASX listed companies: Arcadia Minerals Limited (current), Raiden Resources Limited (current), Haranga Resources Limited (current) and Riversgold Limited (resigned 24 June 2020).

Mr John Ciganek | Non-Executive Director

Bachelor and MBA of Mining Engineering

(Appointed 18 December 2020)

Mr Ciganek has worked in the mining sector for over 25 years within mining operations, project finance, mergers and acquisitions and equity capital markets. Mr Ciganek was an Executive Director of BurnVair, an advisory firm providing a range of services including project finance, M&A, equity capital markets and general corporate advisory across the resources, energy, and infrastructure sectors. He was also the General Manager Business Development and Investor Relations for PMI Gold. During the past three years, Mr Ciganek has held the following directorships in other ASX listed companies: Calidus Resources Limited (current) and Ookami Limited (current, non-executive Chairman).

VANADIUM RESOURCES LIMITED

DIRECTORS' REPORT

DIRECTORS (continued)

Mr Nico Van Der Hoven | Non-Executive Director

BCom, LLB

(Appointed 26 July 2019, resigned 8 April 2022)

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

COMPANY SECRETARY

Ms Kyla Garic

BCom, Macc, GradDipCA, GradDip Applied Corporate Governance

(Appointed 22 January 2020)

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

CHIEF EXECUTIVE OFFICER

Mr Eugene Nel

BTech (Extr. Met), MBA

(Appointed 18 December 2020)

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

INTERESTS IN SECURITIES OF THE COMPANY AND RELATED BODIES CORPORATE

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

Director	Ordinary Shares	Unlisted Share Options	Class A Performance Rights	Class B Performance Rights
Mr Jurie Wessels	44,981,437	-	1,325,000	1,000,000
Mr Michael Davy	13,599,394	-	1,325,000	1,000,000
Mr John Ciganek	-	-	1,325,000	1,000,000
Total	58,580,831	-	3,975,000	3,000,000

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was advancing the Steelpoortdrift Vanadium Project in South Africa through the commencement and progress of the Definitive Feasibility Study (DFS).

REVIEW AND RESULTS OF OPERATIONS

During the year ended 30 June 2022, the following activities occurred:

SECTION 11 APPROVAL

In July 2018 VR8 entered into a sale and purchase agreement with the vendors of VanRes for the acquisition of 73.95% of the issued shares in VanRes (which company owns the Project). During September 2019 this transaction was completed up to the point of VR8 acquiring only 50% of the issued shares in VanRes, thereby not attaining more than 50% and effective control of VanRes for which ministerial approval is required in terms of section 11 of the South African, Minerals and Petroleum Resources Development Act 28 of 2004 (MPRDA). With the section 11 now approved, the transfer of the additional 23.95% of the issued shares in VanRes occurred in January 2022 and carried no further purchase consideration, given vendor consideration was already issued in September 2019. VR8 took effective control of the Steelpoortdrift mining right owned by Vanadium Resources (Proprietary) Limited (VanRes) and received the transfer of the remaining 23.95% of the issued shares in VanRes already conditionally acquired by the Company, with VanRes becoming a subsidiary of VR8.

MINING SERVICES AGREEMENT

During the financial year the Company secured and completed a strategic placement to raise \$4.6 million dollars with Raubex Pty Ltd (Raubex), a wholly owned subsidiary of JSE listed Raubex Group Ltd, at a placement price of \$0.104 per share, which placement price represented a 64% premium to the 30-day VWAP of the Company's share price. In return for the placement at a premium, the Company entered into a Mining Services Agreement with SPH Kundalila (Pty) Ltd, which company is a wholly owned subsidiary of the Raubex Group Ltd. The Mining Services Agreement allows SPH to provide open-cast mining by excavation and ancillary services such as drilling, blasting, hauling (ROM and waste), stockpile management and backfilling for the duration of the life of mine of the Steelpoortdrift Vanadium Project completed in accordance with its DFS.

The services will be rendered at arm's length terms i.e., at generally accepted market related commercial terms applicable to open cast mining and materials handling operations operated by public companies in South Africa, and at a consideration that will be commensurate with a Bills of Quantities and Rates LOM ("Bills of Quantities") that was proposed by SPH during the Pre-Feasibility Study ("PFS") as part of a competitive bidding process. The Mining Services Agreement will be modified from time to time during every 36-month contract cycle in accordance with a basket of indices applicable to the mining industry in South Africa.

The agreement includes the following additional terms:

- In the event of a take-over offer being received by VanRes, or by VR8, which includes a condition that the Mining Services Agreement be terminated, then SPH must agree to termination subject to the offeror purchasing, at market related cost, from SPH all movable plant, equipment and machinery SPH acquired to render the Services, and the offeror paying for the costs of any fixed infrastructure installed by SPH plus a cancellation fee equal to 20% of the NPV of the mining contract.
- If VanRes is (or at least two directors of VanRes are) of the view, in its sole and unfettered discretion, that the consideration for the Mining Services Agreement is not on arms-length terms, then and in that event, VanRes has (or the two directors have) the right to refer the calculation of the consideration to an independent expert estimator (agreed to by both parties) for final adjudication and adjustment.
- Working capital expenditure towards mining equipment will be amortised over the lifetime of the mining equipment and only for the period the equipment is used at Steelpoortdrift.
- Payment terms will be 60 days from statement, however, to facilitate start-up of the Steelpoortdrift mining operation, payment can be delayed to up to 90 days, at the prime lending rates in South Africa plus 2%.
- Following a decision by VanRes to develop a mine at Steelpoortdrift, SPH will have the first right of refusal to exclusively conduct the services at the arms-length consideration adapted for inflation (as described above), which right of first refusal must be exercised within the first 3 months from the date a decision to mine has been made by VANRES (to conduct mining operations). This right is renewable every 36-month cycle.

DEFINITIVE FEASIBILITY STUDY (DFS) PROGRESS

The DFS is considered a natural progression following a positive Pre-Feasibility Study ("PFS"). The PFS was completed¹ in FY 2021 with the aim to produce a high purity (>98% V₂O₅) vanadium product from primary Run-of-Mine mineralised material mined from the Steelpoortdrift mine. The Company has appointed a highly qualified team of engineering and consulting firms who have extensive experience in their various fields as contributors to the final DFS design, some of the firms were intimately involved with the completion of the PFS.

Progress of the DFS during the year remained within budget and on time. Regular market updates were made to the market with the following activities completed:

- All major contractors and engineering consultancies were appointed,
- Bulk sampling from trial mining and pilot test work was completed,
- Magnetic separation test work indicated V₂O₅ recoveries in excess of 96% achievable at concentrate grades above 2.10% V₂O₅²,
- Salt Roast and Leach test work indicates Leach recoveries in excess of 87% with overall project recoveries achieved above 84% which constitutes a 3-4% increase above PFS recoveries used³,
- Low Silica contents in magnetic separation concentrates significantly reduces reagent consumptions during downstream processing³,
- Specialist studies required for final environmental permitting, as well as updating of existing permits were completed over a 6-month period in order to span over both wet and dry seasons. These studies will form basis of final environmental permitting applications that will follow completion of the DFS,
- Plant, waste dump and pit locations have been finalised with geotechnical borehole and trench positions identified and pegged in the field. Geotechnical drilling and sampling were completed,
- Engineering designs and equipment sizing is progressing on time and within budget for the Concentrator, Salt Roast plant and waste facilities.

Joint Development Agreement for PV energy supply

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

Marketing

The Company continued marketing the project globally during the reporting period, with VR8 management undertaking a comprehensive media campaign on various platforms including attendance at mining conferences.

¹ Refer to ASX Announcement 22 June 2021.

² Refer to ASX Announcement 22 June 2022.

VANADIUM RESOURCES LIMITED

DIRECTORS' REPORT

CORPORATE

During the financial year the Company secured and completed a strategic placement to raise \$4.6 million dollars with Raubex Pty Ltd (Raubex), a wholly owned subsidiary of JSE listed Raubex Group Ltd, which is a South African infrastructure development, mining services and materials supply group. 44,230,769 ordinary shares were issued at a placement price of \$0.104 per share, the placement represented a 64% premium to the 30-day VWAP of the Company's share price.

On 27 September 2021, 9,625,000 Class A Performance Rights and 5,000,000 Class B Performance Rights were issued to related parties and employees of the Company. Class B Performance Rights vested *inter alia* on satisfaction of the vesting condition being a strategic investor (being a person or entity) investing not less than AUD\$4.5 million into the Company at price per share of not less than \$0.08 per share. 1,000,000 of the Class B Performance Rights were converted to fully paid ordinary shares on 18 November 2021. Class A Performance Rights vested *inter alia* on satisfaction of the vesting condition being the Company achieving a VWAP of at least \$0.10 over a period of 20 trading days, on the 23 May 2022 400,000 Class A Performance Rights were converted into Ordinary Shares.

During the year ended 30 June 2022 the Company issued 9,437,500 fully paid ordinary shares at \$0.053 per share in November 2021, pursuant to the exercise of unlisted options to raise \$500,187.

Mr Nico van der Hoven, former Non-Executive Director retired from the board on 8 April 2022 and Mr Jurie Wessels transitioned to Executive Chairman of the Company.

To enlarge the Company's investor reach it completed a dual listing on the Frankfurt Stock Exchange (DAX) in April 2022 and is trading under the code "TR3". The Frankfurt Stock Exchange is one of Europe's largest stock exchanges, with more than 50% of the total trades on DAX conducted through investors in countries outside of Germany.

FINANCIAL PERFORMANCE

The financial results of the Group for the year ended 30 June 2022 are:

	30 June 2022	30 June 2021
	\$	\$
Cash and cash equivalents	2,915,991	1,802,619
Net Assets	26,442,984	23,213,337
Other revenue	15,467	65
Net loss after tax	(1,682,270)	(583,267)

DIVIDENDS

There were no dividends paid or recommended during the financial year ended 30 June 2022 (2021: 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.

VANADIUM RESOURCES LIMITED

DIRECTORS' REPORT

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

In August 2022, the Company's subsidiary Vanadium Resources (Pty) Ltd (**VanRes**) entered into an Option Agreement to acquire a 135-hectare industrial site over a portion of portion 15 of the farm Tweefontein located within a 15km radius of the Steelpoortdrift Mine site. The purpose of the site is to provide a location for the proposed Salt Roast Plant.

In anticipation for the next phase and in anticipation of the DFS being completed successfully, the Company appointed Corporate Finance Group HCF International Advisers (HCF). HCF will assist the Company to raise project finance for the development of the Steelpoortdrift Vanadium Project.

Other than the above, there has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company plans to further develop the project through raising sufficient capital to conduct detailed engineering design work and, subject to results of the DFS being satisfactory, to construct a mine and concentrator facility at Steelpoortdrift and a Salt Roast Leach facility at Tweefontein. In addition it also intends to obtain final environmental and water usage permitting to allow the project to proceed into a final investment decision during the course of 2022. The core design of the concentrator and Salt Roast Facility will be based on producing a Vanadium Pentoxide flake product, with additional research and development initiatives aimed at investigating technologies supplementary to this process in order to unlock additional value from any by-product metals present in the deposit.

DIRECTORS' MEETINGS

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

Director	Number Eligible to Attend	Number Attended
Mr Jurie Wessels	4	4
Mr Michael Davy	4	4
Mr John Ciganeck	4	4
Mr Nico Van Der Hoven	3	3

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 2022 outlines the remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company.

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

Voting and comments made at the company's 2021 Annual General Meeting ('AGM')

For the AGM held on 29 November 2021, 99.85% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Use of remuneration consultants

During the financial year ended 30 June 2022 and 30 June 2021, the consolidated entity did not engage any remuneration consultants.

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

Name	Position	Appointment Date	Resignation Date
Mr Jurie Wessels	Non-Executive Chairman	26 July 2019	-
Mr Michael Davy	Non-Executive Director	1 December 2019	-
Mr John Ciganek	Non-Executive Director	18 December 2020	-
Mr Eugene Nel	Chief Executive Officer	18 December 2020	-
Mr Nico Van Der Hoven	Non-Executive Director	26 July 2019	8 April 2022

The Remuneration Report is set out under the following main headings:

- A Remuneration Philosophy
- B Remuneration Governance, Structure and Approvals
- C Remuneration and Performance
- D Details of Remuneration
- E Service Agreements
- F Share-based Compensation
- G Equity Instruments Issued on Exercise of Remuneration Options
- H Loans with KMP
- I Other Transactions with KMP
- J Additional Information

REMUNERATION REPORT (AUDITED) (continued)

A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Group. KMP of the Group comprise of the Board of Directors and Chief Executive Officer.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

B Remuneration Governance, Structure and Approvals

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

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

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

▪ *Non-Executive Remuneration Structure*

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The total aggregate fixed sum per annum to be paid to Non-Executive Directors in accordance with the Company's Constitution shall be no more than A\$300,000 and any change is subject to approval by Shareholders at a General Meeting.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. In accordance with the Company's Constitution, the Directors may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Company and they may from time to time vary this scheme or plan.

The remuneration of Non-Executive is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Service Agreements".

Remuneration may also include an invitation to participate in share-based incentive programmes.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

REMUNERATION REPORT (AUDITED) (continued)

▪ *Executive Remuneration Structure*

The nature and amount of remuneration of executives is assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Executives.

The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to executives having regard to the performance of the Group, the performance of the executives and the general pay environment.

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

C Remuneration and Performance

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

	30 Jun 2022	30 Jun 2021
	\$	\$
Other revenue	15,467	65
Net (loss) after tax	(1,682,270)	(583,267)
EPS	(0.36)	(0.15)
Share price	0.080	0.064

Relationship between Remuneration and Company Performance

Given the current phase of the Company’s development, the Board does not consider earnings during the current and previous financial year when determining, and in relation to, the nature and amount of remuneration of KMP.

The pay and reward framework for key management personnel may consist of the following areas:

- a) Fixed Remuneration – base salary
- b) Variable Short-Term Incentives
- c) Variable Long-Term Incentives

The combination of these comprise key management personnel total remuneration.

a) Fixed Remuneration – Base Salary

The fixed remuneration for each executive is influenced by the nature and responsibilities of each role and the knowledge, skills and experience required for each position. Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package. Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants may provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. No external advice was taken during the financial year. Base salary for key management personnel is reviewed annually to ensure the executives’ pay is competitive with the market. There is no guaranteed pay increase included in any key management personnel’s contract.

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.

VANADIUM RESOURCES LIMITED

DIRECTORS' REPORT

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 2022	Short-term Employee Benefits			Post- Employment	Share Based Payments		Total
	Salary and fees	Non-monetary benefits	Other	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

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

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:

VANADIUM RESOURCES LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

Table 2 – Relative proportion of fixed vs variable remuneration expense

	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
	2022	2021	2022	2021	2022	2021
Mr Jurie Wessels	68%	100%	-	-	32%	-
Mr Nico Van Der Hoven	71%	100%	-	-	29%	-
Mr Michael Davy	56%	100%	-	-	44%	-
Mr John Ciganek	56%	100%	-	-	44%	-
Mr Eugene Nel	81%	100%			19%	

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

	Balance at 30 June 2022	Balance at 1 July 2021	Granted as Remuneration	Options/ performance rights exercised	Net Change – Other	Balance at resignation date	Balance at 30 June 2022
Mr Jurie Wessels		44,981,437	-	-	-	-	44,981,437
Mr Michael Davy		13,474,564	-	124,830	-	-	13,599,394
Mr John Ciganek		-	-	-	-	-	-
Mr Eugene Nel		-	-	-	-	-	-
Mr Nico Van der Hoven		44,981,437	-	1,000,000	-	(45,981,437)	-
Total		103,437,438	-	1,124,830	-	(45,981,437)	58,580,831

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

	Balance at 30 June 2022	Balance at 1 July 2021	Granted as Remuneration	Options exercised	Net Change – Other	Balance at resignation date	Balance at 30 June 2022
Mr Jurie Wessels		10,857,587	-	-	(10,857,587)	-	-
Mr Michael Davy		1,524,830	-	(124,830)	(1,400,000)	-	-
Mr John Ciganek		-	-	-	-	-	-
Mr Eugene Nel		-	-	-	-	-	-
Mr Nico Van der Hoven		10,857,587	-	-	(10,857,587)	-	-
Total		23,240,004	-	(124,830)	(23,115,174)	-	-

REMUNERATION REPORT (AUDITED) (continued)

Table 5 – Performance rights held by KMP (direct and indirect holdings)

30 June 2022	Balance at 1 July 2021	Granted as Remuneration	Performance rights exercised	Net Change – Other	Balance at resignation date	Balance at 30 June 2022
Mr Jurie Wessels	-	2,325,000	-	-	-	2,325,000
Mr Michael Davy	-	2,325,000	-	-	-	2,325,000
Mr John Ciganek	-	2,325,000	-	-	-	2,325,000
Mr Eugene Nel	-	2,325,000	-	-	-	2,325,000
Mr Nico Van der Hoven	-	2,325,000	(1,000,000)	-	(1,325,000)	-
Total	-	11,625,000	(1,000,000)	-	(1,325,000)	9,300,000

E Service Agreements

- *Jurie Wessels – Non-Executive Chairman*
 - Contract: Commenced on 26 July 2019
 - Director's Fee: \$60,000 per annum
 - Term: No fixed term
- *Michael Davy – Non-Executive Director*
 - Contract: Commenced on 1 December 2019
 - Director's Fee: \$36,000 per annum
 - Term: No fixed term
- *John Ciganek – Non-Executive Director*
 - Contract: Commenced on 18 December 2020
 - Director's Fee: \$36,000 per annum
 - Term: No fixed term
- *Eugene Nel – Chief Executive Officer*
 - Contract: Commenced on 18 December 2020 reviewed in February 2021
 - Fee: \$60,000 per annum (until May 2021), \$78,000 per annum (Effective June 2021), \$138,000 per annum (Effective November 2021)
 - Term: Initial term the earliest of completing the PFS or 6 months, contract extension is on a rolling month basis
 - Termination: One weeks written notice
- *Nico Van der Hoven – Non-Executive Director*
 - Contract: Commenced on 26 July 2019, resigned 8 April 2022
 - Director's Fee: \$60,000 per annum
 - Term: No fixed term

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

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

Options

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

Performance rights

Details of performance rights issued by the Company as part of compensation to key management personnel during the year are as follows:

Name	Issue Date	Number	Exercise price	Fair value per right	\$
Mr Jurie Wessels	27 September 2021	1,325,000	\$0.001	\$0.0513	67,972
Mr Michael Davy	27 September 2021	1,325,000	\$0.001	\$0.0513	67,972
Mr John Ciganek	27 September 2021	1,325,000	\$0.001	\$0.0513	67,972
Mr Eugene Nel	27 September 2021	1,325,000	\$0.001	\$0.0513	67,972
Mr Nico Van der Hoven	27 September 2021	1,325,000	\$0.001	\$0.0513	67,972
Mr Jurie Wessels	27 September 2021	1,000,000	\$0.001	\$0.0448	47,200
Mr Michael Davy	27 September 2021	1,000,000	\$0.001	\$0.0448	47,200
Mr John Ciganek	27 September 2021	1,000,000	\$0.001	\$0.0448	47,200
Mr Eugene Nel	27 September 2021	1,000,000	\$0.001	\$0.0448	47,200
Mr Nico Van der Hoven	27 September 2021	1,000,000	\$0.001	\$0.0448	47,200

G Equity Instruments Issued on Exercise of Remuneration Options

During the year, 124,830 shares were issued on the exercise of 124,830 options by Michael Davy.

H Loans to and from KMP and their related parties

There were no loans made to any KMP during the year ended 30 June 2022.

I Other Transactions with Related Party's

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. No transactions with related parties took place during the year ended 30 June 2022.

Terms and conditions

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

VANADIUM RESOURCES LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED) (continued)

J Additional Information

The earnings of the consolidated group for the four years to 30 June 2022 are summarised below:

	2022	2021	2020	2019
	\$	\$	\$	\$
Sales Revenue	-	-	-	-
EBITDA	(1,464,053)	(582,418)	(2,866,058)	(3,871,574)
EBIT	(1,682,270)	(583,267)	(2,866,907)	(3,872,232)
Profit/(Loss) after income tax	(1,682,270)	(583,267)	(2,866,907)	(3,872,232)
Share Price (\$)	0.080	0.064	0.020	0.076
EPS (cents per share)	(0.36)	(0.15)	(0.81)	(2.04)

*The company was incorporated on 31 March 2017.

[End of Audited Remuneration Report]

ANNUAL MINERAL RESOURCE AND ORE RESERVE STATEMENT AS AT 30 JUNE 2022

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

Mineral Resource

There were no material changes to the Company's Mineral Resource statement in the reporting period ending 30 June 2022. The Resource statement as reported previously is as follows:

Table 1: Mineral Resource Estimate (as at 31 July 2020)

Category	V ₂ O ₅ Range (%)	Volume (M m ³)	Quantity (Mt)	V ₂ O ₅ (%)	Fe ₂ O ₃ (%)
Measured	0.45* to 0.90	20.3	66.0	0.59	19.98
	>0.90	7.2	26.3	1.22	34.20
	Sub-total	27.5	92.3	0.77	24.03
Indicated	0.45* to 0.90	61.8	201.2	0.59	20.21
	>0.90	22.7	83.2	1.24	35.06
	Sub-total	84.5	284.4	0.78	24.55
Inferred	0.45* to 0.90	63.2	206.9	0.60	20.96
	>0.90	21.3	78.4	1.22	35.18
	Sub-total	84.5	285.3	0.77	24.87
Total (0.45 to 0.90)		145.3	474.1	0.59	20.51
Total (>0.90)		51.2	187.9	1.23	34.99
Total		196.5	662.0	0.77	24.62

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

Note: *0.45% V₂O₅ being the Mineral Resource cut-off grade as declared by the Mining Plus Competent Person

ANNUAL MINERAL RESOURCE AND ORE RESERVE STATEMENT AS AT 30 JUNE 2022 (continued)

Ore Reserves

There were no material changes to the Company's Ore Reserve statement in the reporting period ending 30 June 2022. The Reserve statement as reported previously is as follows:

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

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

Source: Sound Mining, 2021

Notes:

- Ore Reserve Statement is stated at a price of USD6.00/lb as at 30 June 2021.
- Quantity and grade measurements are reported at the delivery to plant in metric units (Mt) and head grade, both of which are rounded to two decimal places.
- Approximately 6.91Mt of MG RoM at an average grade of 0.50% 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 currently has an ownership of 50% of the Project (will be increased to 73.95% ownership pending final S11 governmental approval, with no further consideration payable by VR8 for the additional 23.95%).
- No account of concentrate or flake loss during transportation was taken into consideration. However, this was deemed to be immaterial in the context of the viability of the Ore Reserve as stated.
- Inferred Mineral Resource material has not been included in the Ore Reserve Estimate.

Governance Arrangements and Internal Controls

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

Competent Person's Statement**Mineral Resources**

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

ANNUAL MINERAL RESOURCE AND ORE RESERVE STATEMENT AS AT 30 JUNE 2022 (continued)

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

Compliance Statement

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

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

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

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

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

ENVIRONMENTAL REGULATIONS

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

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of these proceedings.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and included within these financial statements.

SECURITIES UNDER OPTION

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

9,225,000 Class A performance rights expiring 27 September 2024 at an exercise price of \$0.001 per Class A performance right, 4,000,000 Class B performance rights expiring 27 September 2024 at an exercise price of \$0.001 per Class B performance right, 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 mandate. The options are associated fees for the deliverable of services as defined in the Engagement Letter.

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.

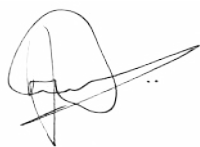
Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 23 to the financial statements.

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

28 September 2022

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Vanadium Resources Limited for the year ended 30 June 2022, 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: 28 September 2022

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 2022

	Note	30 June 2022 \$	30 June 2021 \$
Revenue from continuing operations			
Other income	4	15,467	65
Expenses			
Consulting and legal fees		(577,388)	(36,160)
Share and company registry		(85,843)	(50,573)
Other expenses		(341,601)	(38,149)
Share based payments	5	(217,368)	-
Directors' fees		(66,000)	(83,452)
Company secretary and financial management		(48,091)	(48,000)
Professional fees		(43,297)	(35,500)
Impairment of capitalised expenditure		-	(1,201)
Depreciation		(849)	(849)
Share of losses of associates accounted for using the equity method	6	(317,300)	(289,448)
Loss from continuing operations before income tax		(1,682,270)	(583,267)
Income tax expense	7	-	-
Loss from continuing operations after income tax		(1,682,270)	(583,267)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss attributable to:			
Owners of Vanadium Resources Limited		(1,629,700)	(583,267)
Non-controlling interest	18	(52,570)	-
		(1,682,270)	(583,267)
Loss per share for the year attributable to the members Vanadium Resources Limited:			
Basic loss per share (cents)	8	(0.36)	(0.15)
Diluted loss per share (cents)	8	(0.36)	(0.15)

The accompanying notes form part of these financial statements.

VANADIUM RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	30 June 2022 \$	30 June 2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	9	2,915,991	1,802,619
Trade and other receivables	10	281,761	37,988
Total Current Assets		3,197,752	1,840,607
Non-Current Assets			
Exploration and evaluation assets	11	24,077,422	4,715,904
Deposits and other receivables	12	447,829	748,742
Plant and equipment		5,284	6,133
Investments accounted for using the equity method	13	-	15,973,117
Total Non-Current Assets		24,530,535	21,443,896
TOTAL ASSETS		27,728,287	23,284,503
LIABILITIES			
Current Liabilities			
Trade and other payables	14	663,929	71,166
Borrowings	15	177,979	-
Total Current Liabilities		841,908	71,166
Non-Current Liabilities			
Borrowings	15	443,395	-
Total Current Liabilities		443,395	71,166
TOTAL LIABILITIES		1,285,303	71,166
NET ASSETS		26,442,984	23,213,337
EQUITY			
Issued capital	16	31,130,539	26,028,952
Reserves	17	217,368	5,043,562
Accumulated losses		(4,445,315)	(7,859,177)
Equity attributable to the owners of Vanadium Resources Limited		26,902,592	23,213,337
Non-controlling interest	18	(459,608)	-
TOTAL EQUITY		26,442,984	23,213,337

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 2022

	Note	Issued Capital	Reserves	Accumulated Losses	Non-controlling Interest	Total Equity
		\$	\$	\$	\$	\$
At 1 July 2021		26,028,952	5,043,562	(7,859,177)	-	23,213,337
Loss for the period		-	-	(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	16	5,101,587	-	-	-	5,101,587
Issue of unlisted options, net of transaction costs	17	-	36,453	-	-	36,453
Issue of performance shares, net of transaction costs	17	-	180,915	-	-	180,915
Expiry of share based payment options	17	-	(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
At 1 July 2020		24,033,208	5,995,358	(8,227,706)	-	21,800,860
Loss for the period		-	-	(583,267)	-	(583,267)
Total comprehensive loss for the year after tax		-	-	(583,267)	-	(583,267)
Transactions with owners in their capacity as owners:						
Issued capital	16	2,120,000	-	-	-	2,120,000
Share issue costs	16	(124,256)	-	-	-	(124,256)
Expiry of share based payment options		-	(951,796)	951,796	-	-
Balance at 30 June 2021		26,028,952	5,043,562	(7,859,177)	-	23,213,337

The accompanying notes form part of these financial statements.

	30 June 2022	30 June 2021
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(1,113,273)	(363,286)
Interest received	15,467	65
GST refund	44,794	(11,841)
Net cash flows used in operating activities	9 (1,053,012)	(375,062)
Cash flows from investing activities		
Payments for exploration and evaluation	(2,550,213)	(18,203)
Acquisition of subsidiary, net cash acquired	11A 1,207,905	-
Payments for short term loan	(1,592,895)	(52,976)
Net cash flows used in investing activities	(2,935,203)	(71,179)
Cash flows from financing activities		
Proceeds from the issue of shares	4,600,000	2,000,000
Proceeds from the exercise of options and rights	501,587	-
Net cash flows provided by financing activities	5,101,587	2,000,000
Net increase in cash and cash equivalents	1,113,372	1,553,759
Cash and cash equivalents at the beginning of the year	1,802,619	248,860
Cash and cash equivalents at the end of the year	9 2,915,991	1,802,619

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 2022 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 25.

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 2022. 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 2022.

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

(b) 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 equal 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.

(c) Associates (continued)

The consolidated group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Vanadium Resources Limited ('Company' or 'parent entity') as at 30 June 2022 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 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 account are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(g) Interest and Other Income**i. Interest**

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

ii. Other income

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

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

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

(h) 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.

(i) Cash and Cash Equivalents

Cash on hand and in bank and short-term deposits are stated at nominal value. For the purpose of the statement of cash flows, cash includes cash on hand and in bank, and bank securities readily convertible to cash, net of outstanding bank overdrafts.

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

(k) 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 is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Where an impairment loss subsequently reverses, the carrying amount of the asset, other than goodwill, is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(n) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received whether or not billed to the Group. Trade payables are usually settled within 30 days of recognition.

(o) 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 grant date. Fair value is independently determined using an appropriate valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Share-based Payments (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying an appropriate valuation model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(q) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(r) Earnings Per Share****i. Basic earnings per share**

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

ii. Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(s) Goods and Services Tax ("GST")

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables area stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of amount of GST recoverable, or payable to, the tax authorities.

(t) Current and Non-Current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(u) Dividends

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

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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 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 2022	Australia	South Africa	Total
	\$	\$	\$
Other revenue	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 includes:</i>			
Acquisition of non-current assets	-	19,361,518	19,361,518
Investment held in associate	-	-	-
Total Segment Liabilities	(76,920)	(1,208,383)	(1,285,303)
Year ended 30 June 2021	Australia	South Africa	Total
	\$	\$	\$
Other revenue	65	-	65
Loss before income tax expense	(283,091)	(300,176)	(583,267)
Total Segment Assets	3,911,014	19,373,489	23,284,503
<i>Total assets includes:</i>			
Acquisition of non-current assets	-	-	-
Investment held in associate	-	15,973,117	15,973,117
Total Segment Liabilities	(71,166)	-	(71,166)

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

	2022	2021
	\$	\$
Other income		
Interest income	15,467	65

NOTE 5: SHARE BASED PAYMENTS EXPENSE

Consideration for unlisted options issued	36,453	-
Consideration for performance rights issued	180,915	-
	217,368	-

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

Share of loss - associates	317,300	289,448
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The Loss of the Associate is for the period from 1 July 2021 up to January 2022, refer to Note 26.

NOTE 7: INCOME TAX

	2022	2021
	\$	\$
(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% (2021: 30.0%)	(504,681)	(174,980)
<i>Non-deductible items</i>		
Non-deductible expenditure	89,110	15,788
Benefits from tax loss not brought to account	1,231,627	207,467
Temporary differences not recognised	(816,056)	(48,275)
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	2,326,259	1,239,898
Blackhole expenditure	33,375	54,587
Other	74,381	74,635
Unrecognised deferred tax asset	2,434,014	1,329,120
Set-off deferred tax liabilities	-	-
Net deferred tax assets	2,434,014	1,329,120
Less deferred tax assets not recognised	(2,434,014)	(1,329,120)
Net assets	-	-
(d) Deferred tax liabilities		
Exploration expenditure	1,256,115	490,838
Other	727	(7,925)
Set-off deferred tax assets	(1,256,842)	(482,913)
Net deferred tax liabilities	-	-
Tax losses	-	-
Unused tax losses and temporary differences for which no deferred tax asset has been recognised	8,113,381	4,563,735

The benefit for tax losses will only be obtained if:

- i. The Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- ii. The Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- iii. There are no changes in tax legislation in Australia which will adversely affect the Group in realising the benefit from the deductions for the losses.

At 30 June 2022, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiary as the Group has no liability for additional taxation should such amounts be remitted.

NOTE 8: LOSS PER SHARE

Basic loss per share amounts is 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.

	2022 \$	2021 \$
Net loss for the year – attributable to members	<u>(1,629,700)</u>	<u>(583,267)</u>
Weighted average number of ordinary shares for basic and diluted loss per share	<u>457,441,808</u>	<u>383,594,790</u>
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)	<u>(0.36)</u>	<u>(0.15)</u>

NOTE 9: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	<u>2,915,991</u>	<u>1,802,619</u>
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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)	<u>6,073,124</u>	<u>-</u>

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 19.

	\$	\$
Reconciliation of cash flow from operations with loss before income tax		
Loss for the financial year	(1,682,270)	(583,267)
Non-cash flows in loss:		
- Share-based payments	217,368	-
- Impairment of capitalised expenditure	-	1,201
- Share of loss of associate using equity method	317,300	289,448
- Foreign currency translation	(1,693)	(48,175)
- Other non-cash items	849	(3,377)
Changes in assets and liabilities		
- Trade and other receivables	(243,773)	(5,499)
- Trade and other payables	339,207	(25,393)
Cash flow from operations	<u>(1,053,012)</u>	<u>(375,062)</u>

NOTE 9: CASH AND CASH EQUIVALENTS (continued)

	2022	2021
	\$	\$
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)	279,304	16,230
Other deposits and receivables	2,457	21,758
	281,761	37,988

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 2022 and 30 June 2021.

NOTE 11: EXPLORATION AND EVALUATION ASSETS

Opening balance	4,715,904	4,698,902
Exploration and expenditure assets acquired	16,811,305	-
Exploration and expenditure assets incurred	2,550,213	17,002
	24,077,422	4,715,904

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

On 18 January 2022, the Group received approval from the South African Government to accept 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 loss of the associate.

	\$
Purchase consideration	15,655,817
Fair value of net assets acquired 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: DEPOSITS AND OTHER RECEIVABLES

	2022	2021
	\$	\$
Other deposits	4,434	28,972
Cash rehabilitation guarantee (i)	-	466,180
Loan to Vanadium Resources (Pty) Ltd	-	253,590
Long term fixed deposit (i)	443,395	-
	447,829	748,742

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

VANADIUM RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 13: INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	2022	2021
	\$	\$
Investment in associate	-	15,973,117

On 18 January 2022 the company received approval from the South African Government to accept transfer of an interest of 23.95% in Vanadium Resources (Pty) Ltd, South African incorporated company. The consideration for the increase had been exchanged in September 2019.

NOTE 14: TRADE AND OTHER PAYABLES

Trade payables	661,613	49,166
Accrued expenses	-	22,000
Payments received in advance	2,316	-
	663,929	71,166

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

NOTE 15: BORROWINGS

Current liabilities - Unsecured loans	177,979	-
Non-current liabilities - Secured loans	443,395	-
	621,374	-

Assets pledged as security

The loan of \$443,395 (R5,000,000) is secured by the long term fixed deposit (refer note 12).

Unsecured loans

An amount of R43,300 (equivalent of \$3,840) is repayable to a shareholder of Vanadium Resources (Pty) Ltd. An amount of R1,963,706 (equivalent of \$174,140) is repayable to other parties of Vanadium Resources (Pty) Ltd. The right to claim these loans are deferred until such time that the company's fairly valued assets, exceeds its liabilities. The loans are interest free.

NOTE 16: ISSUED CAPITAL

	2022		2021	
	No. of Shares	\$	No. of Shares	\$
Ordinary shares – fully paid	473,512,374	31,130,539	418,444,105	26,028,952

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 2020			374,277,438	24,033,208
Issue of Shares - placement	14 April 2021	\$0.048	44,166,667	2,120,000
Capital raising costs			-	(124,256)
At 30 June 2021			418,444,105	26,028,952
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

NOTE 17: RESERVES

	2022	2021
	\$	\$
Movement reconciliation of share-based payments reserve		
Balance at the beginning of the year	5,043,562	5,995,358
Expiry of options	(5,043,562)	(951,796)
Consideration for services rendered	36,453	-
Performance rights exercised	180,915	-
Balance at the end of the year	217,368	5,043,562

The share-based payment reserve is used to record the value of share-based payments provided to outside parties, and share-based remuneration provided to employees and directors.

NOTE 18: NON-CONTROLLING INTEREST

Movement reconciliation of non-controlling interest

Non-Controlling Interest on Acquisition Date	407,038	-
Accumulated losses	52,570	-
Closing balance	459,608	-

NOTE 19: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Group are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Group's financial instruments are as follows:

	2022	2021
	\$	\$
Financial Assets		
Long term fixed deposit	447,829	-
Cash and cash equivalents	2,915,991	1,802,619
Trade and other receivables	281,761	786,730
	3,641,147	2,589,349
Financial Liabilities		
<i>Non-interest bearing</i>		
Borrowings	621,374	-
Trade and other payables	663,929	71,166
	1,285,303	71,166

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

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

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:

NOTE 19: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

	2022		2021	
	Weighted average interest rate *	Balance \$	Weighted average interest rate	Balance \$
Cash and cash equivalents	0.66%	2,915,991	0.00%	1,802,619

(*) This interest rate represents the average interest rate for the period.

Sensitivity

Within the analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year, using the observed range of historical rates for the preceding five-year period.

At 30 June 2022, 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:

	2022 \$	2021 \$
Judgements of reasonably possible movements: Profit higher/(lower)		
+ 1.0% (100 basis points)	29,160	18,026
- 1.0% (100 basis points)	(29,160)	(18,026)

(b) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The Group's exposure to credit risk arises from potential default of the counterparty, with maximum exposure equal to the carrying amount of the financial assets.

The Group's policy is to trade only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Group.

NOTE 19: 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 \$
2022						
Trade and other payables	-	663,929	-	-	-	663,929
Borrowings	- *	-	177,979	443,395	-	621,374
2021						
Trade and other payables	-	71,166	-	-	-	71,166

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

(d) Capital risk management

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

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

In order to maintain or adjust the capital structure, the consolidated group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the stage of the Company's development there are no formal targets set for return on capital. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

NOTE 20: RELATED PARTY DISCLOSURE

(a) Key Management Personnel Compensation

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

...

	2022 \$	2021 \$
Short-term benefits	296,167	239,952
Post-employment benefits	-	-
Share-based payments	133,001	-
	429,168	239,952

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 2022 other than those disclosed at Note 20(a).

Terms and conditions

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

NOTE 21: SHARE-BASED PAYMENTS

(a) Recognised share-based payment transactions	2022	2021
	\$	\$
Consideration for services provided (i)	36,453	-
Consideration for performance rights issued	180,915	-
Options and rights recognised in profit or loss and other comprehensive income	217,368	-
Consideration for lead manager (ii)	-	120,000
Recognised in statement of changes in equity	-	120,000

- 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 fees for the deliverable of services as defined in the Engagement Letter
- ii. In April 2021, the Company issued 2,500,000 ordinary shares to lead manager for capital raising cost.

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

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

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

NOTE 21: SHARE-BASED PAYMENTS (continued)

A summary of valuation inputs of options issued during the year 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

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

Options	Issue Date	Date of Expiry	Exercise Price	Balance at the start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year
Directors	19/12/2017	19/12/2020	0.054	23,100,000	-	-	(23,100,000)	-
Lead manager	26/09/2018	26/09/2021	0.108	9,240,000	-	-	-	9,240,000
Consideration	26/09/2018	26/09/2021	0.108	32,340,001	-	-	-	32,340,001
Free attaching	14/11/2019	01/12/2021	0.053	10,000,000	-	-	-	10,000,000
				74,680,001	-	-	(23,100,000)	51,580,001

(c) Summary of performance rights granted during the year

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 21: 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 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 22: CONTINGENCIES AND COMMITMENTS

There are no known contingent assets or contingent liabilities as at 30 June 2022 (2021: nil):

NOTE 23: AUDITOR'S REMUNERATION

	2022	2021
	\$	\$
Amounts received or due and receivable by RSM Australia Partners for:		
Audit and review of the annual and half-year financial report	45,200	37,000

NOTE 24: INVESTMENT IN CONTROLLED ENTITIES

	Principal Activities	Country of Incorporation	Ownership interest	
			2022	2021
Steelport Pty Ltd	Dormant	Australia	100%	100%
VMS Resources Pty Ltd	Exploration	Australia	100%	100%
Vanadium Resources (Pty) Ltd	Exploration	South Africa	73.95%	- *

* On 18 January 2022, the Group's interest in Vanadium Resources (Pty) Ltd increased from 50% to 73.95%. Prior to 18 January 2022, the investment was accounted for as an associate using the equity accounting method.

Summarised financial information

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

	2022 \$	2021 \$
Summarised statement of financial position		
Non-current assets	2,998,752	-
Current assets	805,482	-
Total assets	3,804,234	-
Non-current liabilities	4,981,395	-
Current liabilities	587,170	-
Total liabilities	5,568,565	-
Net assets	(1,764,331)	-
Summarised statement of profit or loss and other comprehensive income		
Revenue	14,946	-
Expenses	(216,751)	-
Loss before income tax	(201,805)	-
Income tax expense	-	-
Loss after income tax	(201,805)	-
Other comprehensive loss	-	-
Total comprehensive loss	(201,805)	-
Statement of cash flows		
Net cash used in operating activities	(118,030)	-
Net cash used in investing activities	(2,550,212)	-
Net cash used in financing activities	1,998,895	-
Net increase/(decrease) in cash and cash equivalents	(669,347)	-

NOTE 25: PARENT ENTITY

	2022	2021
	\$	\$
Assets		
Current assets	2,392,182	1,840,607
Non-current assets	19,841,094	21,443,898
Total assets	22,233,276	23,284,505
Liabilities		
Current liabilities	76,920	(71,168)
Total liabilities	76,920	(71,168)
Equity		
Contributed equity	31,130,539	26,028,952
Reserves	217,368	5,043,562
Accumulated losses	(9,191,551)	(7,859,177)
Total equity	22,156,356	23,213,337
Loss for the year	(6,375,936)	(300,234)
Total comprehensive loss	(6,375,936)	(300,234)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

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 26: INTERESTS IN ASSOCIATE

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated group are set out below:

Name	Principle place of business	30 June 2022	2021
Vanadium Resources (Pty) Ltd	South Africa	-	50.0%
		2022	2021
		\$	\$
<i>Summarised statement of financial position</i>			
Non-current assets		-	-
Current assets		-	512,982
Total assets		-	512,982
Non-current liabilities		-	984,882
Current liabilities		-	-
Total liabilities		-	984,882
(Net Liabilities)		-	(471,900)
<i>Summarised statement of profit or loss and other comprehensive income</i>			
Revenue		-	30,541
Expenses		-	(609,437)
Loss before income tax		-	(578,896)
Income tax expense		-	-
Loss after income tax		-	(578,896)
Other comprehensive loss		-	-
Total comprehensive loss		-	(578,896)
Reconciliation of the carrying amount in the consolidated group's interest in Vanadium Resources Pty Ltd			
Opening carrying amount		-	16,262,565
Share of loss after income tax	6	-	(289,448)
Closing carrying amount		-	15,973,117

On 18 January 2022 the company received approval from the South African Government to accept transfer of an interest of 23.95% in Vanadium Resources (Pty) Ltd, South African incorporated company. The consideration for the increase had been exchanged in September 2019.

NOTE 27: EVENTS AFTER THE REPORTING DATE

In August 2022, the Company's subsidiary Vanadium Resources (Pty) Ltd (**VanRes**) entered into an Option Agreement to acquire a 135-hectare industrial site over a portion of portion 15 of the farm Tweefontein located within a 15km radius of the Steelpoortdrift Mine site. The purpose of the site is to provide a location for the proposed Salt Roast Plant.


In anticipation for the next phase and in anticipation of the DFS being completed successfully, the Company appointed Corporate Finance Group HCF International Advisers (HCF). HCF will assist the Company to raise project finance for the development of the Steelpoortdrift Vanadium Project.

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 2022 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 2022.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Jurie Wessels
Chairman

28 September 2022



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VANADIUM RESOURCES LIMITED

Opinion

We have audited the financial report of Vanadium Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 2022 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.

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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 \$24,077,422 as at 30 June 2022. Capitalised exploration and evaluation expenditure includes \$16,811,305 arising in relation to the acquisition of Vanadium Resources (Pty) Ltd (refer Note 11A) which is addressed in the Key Audit Matter below.</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 reviewing budgets and other supporting documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; and • Assessing the appropriateness of the disclosures in the financial statements.
Acquisition of Vanadium Resources (Pty) Ltd- Refer to Note 11A in the financial statements	
<p>During the financial year, the Group acquired a further 23.95% of the shares and voting interests in Vanadium Resources (Pty) Ltd. As a result, the Group's equity in Vanadium Resources Pty Ltd increased to 73.95% resulting in the Group gaining control of Vanadium Resources (Pty) Ltd.</p> <p>The accounting for this acquisition is considered to be a key audit matter because it involved the exercise of judgment in relation to:</p> <ul style="list-style-type: none"> • Determining whether the transaction is a business combination or an asset acquisition, based on whether the definition of a business in AASB 3 Business Combinations was met; • Determining the acquisition date; and • Determining the fair value of the consideration paid and assets and liabilities acquired. • Determining non-controlling interest (NCI) at acquisition date. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the Group's accounting policy for compliance with Australian Accounting Standards; • Reading the agreements and other documents to understand key terms and conditions relating to the acquisition; • Evaluating management's determination that the acquisition did not meet the definition of a business within AASB 3 Business Combinations and therefore should be accounted for as an asset acquisition; • Assessing management's determination of the fair value of consideration paid and the acquisition date; • Evaluating the assumptions and methodology applied by management in determining the fair value of assets and liabilities acquired; • Assessing the appropriateness of the Group's accounting treatment for NCI at acquisition date; 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 2022, 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 2022.

In our opinion, the Remuneration Report of Vanadium Resources Limited, for the year ended 30 June 2022, 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: 28 September 2022

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 14 September 2022.

Corporate Governance

The Company's Corporate Governance Statement is contained in the Company's Annual Report 2022.

Ordinary Share Capital

473,512,374 fully paid ordinary shares are held by 1,714 individual holders.

Voting Rights

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

- **Ordinary shares:** On a show of hands each shareholder present at a meeting of shareholders in person or by proxy shall have one vote and, on a poll, has one vote for each fully paid share held.
- **Options, Performance Shares and Performance Rights:** Options and Performance Shares do not carry any voting rights.

Twenty Largest Shareholders

Rank	Name	Holding	%
1	Danterne Pty Ltd	44,981,437	9.50%
2	RAUBEX PTY LTD	44,230,769	9.34%
3	ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	20,000,000	4.22%
4	NDARAMA INVESTMENTS (PRIVATE) LIMITED	16,733,315	3.53%
5	Davy Corp Pty Ltd <Davy Investment A/C>	13,599,394	2.87%
6	CITICORP NOMINEES PTY LIMITED	9,279,536	1.96%
7	RIMOYNE PTY LTD	8,400,000	1.77%
8	PAPILLON HOLDINGS PTY LTD <THE VML NO 1 A/C>	8,148,908	1.72%
9	MR SAM ROBIN HAMMOND	7,756,000	1.64%
10	ABSALOM LIMITED	6,500,001	1.37%
11	RUSSELL BROOKS LIMITED	6,500,000	1.37%
12	TOMARNIC LIMITED	6,499,999	1.37%
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,284,075	1.33%
14	CELSIUS NOMINEES PTY LTD <SAM HAMMOND FAMILY A/C>	6,282,274	1.33%
15	BNP PARIBAS NOMS PTY LTD <DRP>	5,683,532	1.20%
16	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	4,751,161	1.00%
17	SNOWBALL 3 PTY LTD <ANTONIO TORRESAN SUPER A/C>	4,500,000	0.95%
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	3,947,626	0.83%
19	GOLDFIRE ENTERPRISES PTY LTD	3,800,000	0.80%
20	PHEAKES PTY LTD <SENATE A/C>	3,500,000	0.74%
20	MS ELAINE YOUNG FORTMANN	3,500,000	0.74%
Total top 20 holders of fully paid ordinary shares		234,878,027	49.60%
Total remaining holders balance		238,634,347	50.40%

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 14 September 2022, are listed below:

Holder Name	Holding Balance	% IC
DANTERNE (PTY) LTD	44,981,437	9.50%
RAUBEX PTY LTD	44,230,769	9.34%
FALDI ISMAIL & ASSOCIATED ENTITIES	24,000,000	5.07%

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	66	9,686	0.00%
1,001 - 5,000	93	362,486	0.08%
5,001 - 10,000	254	2,091,986	0.44%
10,001 - 100,000	874	37,490,488	7.92%
100,001 and Over	427	433,557,728	91.56%
Total	1,714	473,512,374	100.00%

Restricted Securities

As at 14 September 2022 there were no securities subject to escrow.

Unquoted Securities and Distribution

As at 14 September 2022 the Company has on issue 5,000,000 Unlisted Options.

5,000,000 Unquoted options expiring 02/02/2024 at \$0.10 – 2 holders

Range	Unlisted Options exercisable at \$0.10 each on or before 2 February 2024		
	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	2	5,000,000	100.00%
Total	2	5,000,000¹	100.00%

¹Foster Stockbroking Nominees Pty Ltd holds 3,500,000 (70%) and Bridgeco Partners Pty Ltd hold 1,500,000 (30%) comprising the entirety of this class.

As at 14 September 2022 the Company has on issue 9,225,000 Class A Performance Rights expiring 01/09/2024 – 8 holders.

Range	Class A Performance Rights on expiring on 1 September 2024		
	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	8	9,225,000	100.00%
Total	8	9,225,000²	100.00%

²Nil holders over 20% in this class.

VANADIUM RESOURCES LIMITED

ASX ADDITIONAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2022

As at 14 September 2022 the Company has on issue 4,000,000 Class B Performance Rights expiring 3 years from grant date – 4 holders.

Range	Class B Performance Rights on or 3 years from grant date		
	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	4	4,000,000	100.00%
Total	4	4,000,000³	100.00%

³ Eugene Nel, Jurie Hendrik Wessels <Danterne A/C>, John Ciganek <Ciganek Family A/C> and Davy Corp Pty Ltd <Davy Investment A/C> each hold 1,000,000 (25%) of this class.

Unmarketable Parcels

Holdings of less than a marketable parcel of ordinary shares:

Holders: 184

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%

VANADIUM RESOURCES LIMITED

CORPORATE GOVERNANCE STATEMENT

Introduction

Vanadium Resources Limited (**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 2021 to 30 June 2022 (**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 28 September 2022 and was approved by a resolution of the Board on the 28 September 2022.

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>

VANADIUM RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation
Principle 1: Lay solid foundations for management and oversight		
<p>Recommendation 1.1 A listed entity should have and disclose a charter which:</p> <p>(a) sets out the respective roles and responsibilities of the board, the chair and management; and</p> <p>(b) includes a description of those matters expressly reserved to the board and those delegated to management.</p>	Yes	<p>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.</p>
<p>Recommendation 1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p>	Yes	<p>(a) The Board undertakes appropriate checks before appointing a person, these checks were undertaken for all Directors (Mr John Ciganek) 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.</p> <p>(b) The Company provided all material information to Shareholders in relation to:</p> <ul style="list-style-type: none"> - the re-election of Jurie Wessels at the annual general meeting held 29 November 2021, and - the resignation of Director Nico Van der Hoven through ASX market release on 8 April 2022.
<p>Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	<p>The Company has a written agreement with each of its Directors and Senior Executive.</p> <p>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.</p>
<p>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.</p>	Yes	<p>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.</p>
<p>Recommendation 1.5 A listed entity should:</p> <p>(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;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p style="margin-left: 20px;">(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy</p>	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</p>

VANADIUM RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation																
<p>and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(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</p> <p>(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.</p>		<p>executives for these purposes means those person who report directly to the chief executive officer (or equivalent):</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Male</th> <th style="text-align: center;">Female</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>Board of Vanadium</td> <td style="text-align: center;">3</td> <td style="text-align: center;">-</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Senior executives (Company Secretary)</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">4</td> <td style="text-align: center;">1</td> <td style="text-align: center;">5</td> </tr> </tbody> </table>		Male	Female	Total	Board of Vanadium	3	-	3	Senior executives (Company Secretary)	1	1	2	Total	4	1	5
	Male	Female	Total															
Board of Vanadium	3	-	3															
Senior executives (Company Secretary)	1	1	2															
Total	4	1	5															
<p>Recommendation 1.6 A listed entity should:</p> <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>	No	<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>No performance evaluation of the Board or individual Directors was conducted during the Reporting Period.</p>																
<p>Recommendation 1.7 A listed entity should:</p> <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																		
<p>Recommendation 2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</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</p>																

VANADIUM RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation										
<p>(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> <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>		<p>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 2022 Annual Report.</p>										
<p>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.</p>	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>										
<p>Recommendation 2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(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 (4th 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</p> <p>(c) the length of service of each director</p>	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 two independent directors Mr Michael Davy and Mr John Ciganek.</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 border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">Length of Service</th> </tr> </thead> <tbody> <tr> <td>Mr Jurie Wessels (Chairman)</td> <td>3 years and 1 month³</td> </tr> <tr> <td>Mr Nico Van Der Hoven</td> <td>2 years and 9 month⁴</td> </tr> <tr> <td>Mr Michael Davy</td> <td>2 year and 9 months⁵</td> </tr> <tr> <td>Mr John Ciganek</td> <td>1 year and 8 months⁶</td> </tr> </tbody> </table>	Name	Length of Service	Mr Jurie Wessels (Chairman)	3 years and 1 month ³	Mr Nico Van Der Hoven	2 years and 9 month ⁴	Mr Michael Davy	2 year and 9 months ⁵	Mr John Ciganek	1 year and 8 months ⁶
Name	Length of Service											
Mr Jurie Wessels (Chairman)	3 years and 1 month ³											
Mr Nico Van Der Hoven	2 years and 9 month ⁴											
Mr Michael Davy	2 year and 9 months ⁵											
Mr John Ciganek	1 year and 8 months ⁶											

³ At the date of this statement

⁴ At the date of his resignation

⁵ At the date of this statement

⁶ At the date of this statement

VANADIUM RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation
<p>Recommendation 2.4 A majority of the board of a listed entity should be independent directors.</p>	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>
<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.</p>	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.</p>
<p>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.</p>	Yes	<p>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.</p>
<p>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</p>		
<p>Recommendation 3.1 A listed entity should articulate and disclose its values.</p>	Yes	<p>The Statement of Values is contained within the Corporate Governance plan available on the Company website.</p>
<p>Recommendation 3.2 A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the Board is informed of any material breaches of that code</p>	Yes	<p>The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees.</p> <p>The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.</p>
<p>Recommendation 3.3 A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the Board is informed of any material incidents reported under that policy.</p>	Yes	<p>The Company's Whistleblower Policy (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.</p>
<p>Recommendation 3.4 A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the Board is informed of any material incidents reported under that policy.</p>	Yes	<p>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.</p>

VANADIUM RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation
Principle 4: Safeguard the integrity of corporate reports		
<p>Recommendation 4.1 The board of a listed entity should:</p> <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 2022 Annual Report.</p>
<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>	<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
<p>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.</p>	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		
<p>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.</p>	Yes	<p>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.</p> <p>The Company's Continuous Disclosure Policy (which forms part of the Company's Corporate Governance Plan) is available on the Company's website.</p>
<p>Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	Yes	The Board receives copies of all material market announcements after they have been released on the ASX.
<p>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</p>	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		
<p>Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	Information about the Company and its governance practices are available on its website https://www.vr8.global/corporate-governance
<p>Recommendation 6.2 A listed entity should have an investor relations program to facilitates effective two-way communication with investors.</p>	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.
<p>Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	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.
<p>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.</p>	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.

VANADIUM RESOURCES LIMITED
CORPORATE GOVERNANCE STATEMENT

Recommendations	Comply	Explanation
<p>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.</p>	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.
<p>Principle 7: Recognise and manage risk</p>		
<p>Recommendation 7.1 The board of a listed entity should:</p> <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>	Yes	<p>The Company did not have a separate Risk Committee.</p> <p>Please refer to disclosure in relation to Recommendation 4.1 above.</p>
<p>Recommendation 7.2 The board or a committee of the board should:</p> <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>	Yes	<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>
<p>Recommendation 7.3 A listed entity should disclose:</p> <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>	Yes	<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</p>

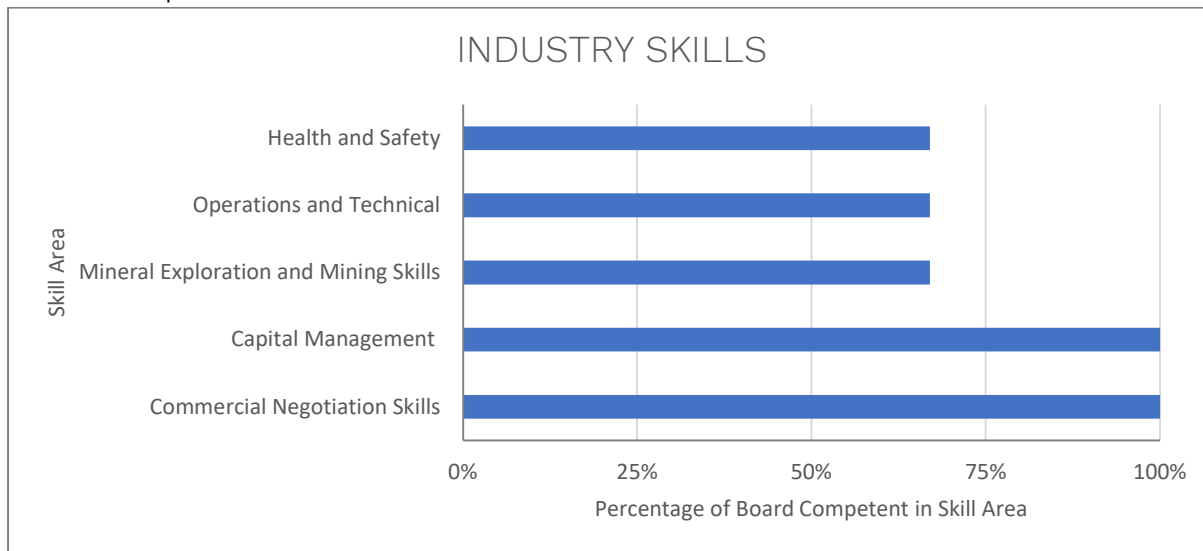
VANADIUM RESOURCES LIMITED
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Recommendations	Comply	Explanation
		maintaining the entity's risk management framework and associated internal compliance and control procedures.
<p>Recommendation 7.4 A listed entity should disclose whether, it has material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>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>
Principle 8: Remunerate fairly and responsibly		
<p>Recommendation 8.1 The board of a listed entity should:</p> <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: (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>
<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.</p>	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>
<p>Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should:</p> <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>	N/A	<p>The Company does not have an equity based remuneration 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.