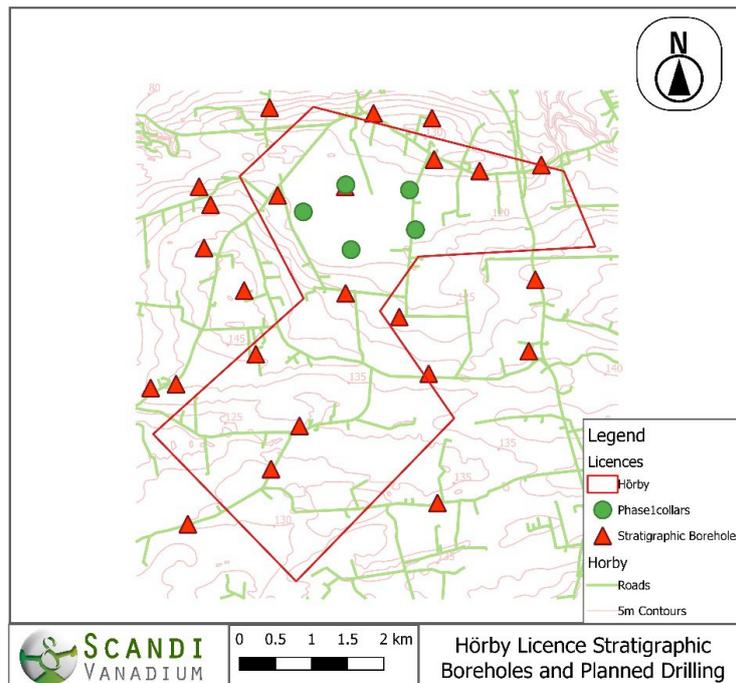


ScandiVanadium Limited (ASX:SVD) (the **Company** or **ScandiVanadium**) is pleased to report on a productive June quarter in which it progressed permitting associated with the Skåne Vanadium Project (the **Project**) in southern Sweden towards drilling on the Hörby Licence area.

HIGHLIGHTS

- Approval of Hörby drilling Notification
- Appointment of Swedish drill contractor for commencement in August
- Reprocessing of regional geophysical data
- Results of Micro-XRF scan from research collaboration with RISE
- Strong cash balance of \$3.76m at end of quarter



ScandiVanadium’s Managing Director, David Minchin, said: “It was a busy quarter in which we have progressed permitting at Hörby as well as making technical advances in understanding the geology and mineralogy of the Vanadiferous Dictyonema Seam. Our close management of cash-flow during the permitting process puts us in a strong position to advance the Skåne project through drilling next quarter.”

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Skåne Vanadium Project (ScandiVanadium 100%)

Summary

Skåne is located on the Southernmost tip of Sweden with the Skåne Vanadium Project situated about 1 hour's drive from Malmö and 90 minutes' drive from Copenhagen, the nearest inter-continental airport. The Project is comprised of 11 granted licences totalling ~220km², as noted in the Schedule of Tenements below.

Skåne has excellent infrastructure connections to Copenhagen and European markets including paved roads, grid power and telecommunication towers throughout the district. The Port of Trelleborg is 80kms by road from the Skåne Vanadium Project area. Trelleborg is Scandinavia's largest Roll on/Roll off port, offering a logistics centre with 8 berths suitable for vessels up to 240m long including 3 cargo berths that are directly rail-linked. The Project is also connected to the continent by road and rail via the Øresund Bridge, completed in 2000, that connects Malmö to Copenhagen and is 90km by road from the Skåne Vanadium Project area.

Compilation of Geological Data

Exploration drilling was conducted by the University of Copenhagen with drill holes completed at each of Gislövshammar-2 (1991) in the Gislövshammar licence and Fågeltofta-2 (1997) in the Fågeltofta 1 licence. Assays from this drilling were never published and were accessed by ScandiVanadium after meetings with the University of Copenhagen.

Results from Gislövshammar-2 averaged 9.2m @ 0.69% V₂O₅ (announced 17 September 2018). Data from Fågeltofta-2 drill hole was recovered during the December quarter 2018 where results averaged 9.7m @ 0.61% V₂O₅ (announced 12 December 2018). Alongside historic drill results, systematic sampling at Flagabro Creek (announced 4 December 2018) demonstrates a consistent and high-grade vanadium mineralisation occurring as an approximately 10m thick seam along a minimum 26km of strike signifying the potential scale given the consistent nature of the sedimentary horizon.



Figure 2 Location of historic drilling at Fågeltofta-2 (9.7m@6.1%V₂O₅), Gislövshammar-2 (9.2m@6.9%V₂O₅) and sampling at Flagabro Creek (~10m@0.61%V₂O₅) with planned drilling at Hörby licence area

Exploration

Drilling

ScandiVanadium has appointed Swedish drilling company DrillCon Group (DrillCon) to complete the five-hole diamond drilling programme at Hörby, Skåne. DrillCon is based in Nora, Sweden and has earned an excellent reputation, with over 55 years of experience of diamond drilling in Scandinavia and beyond. Drilling will commence in August and is expected to take three weeks to complete.

Drilling in the Hörby Licence area will extend our geological knowledge into the northern end of Skåne project area. The prospect is in an area of forest re-growth covering an area previously excavated for peat. Extensive drilling for water mapped the stratigraphy and showed the target strata dips 10-15° towards the SE. Historic drilling within the licence area intersected Dictyonema Formation with a thickness of ~11m from 35.5m down-hole. This compares well with formation thicknesses of 15m and 16m for Fageltofta2 and Gislovshammar-2 drill holes respectively.

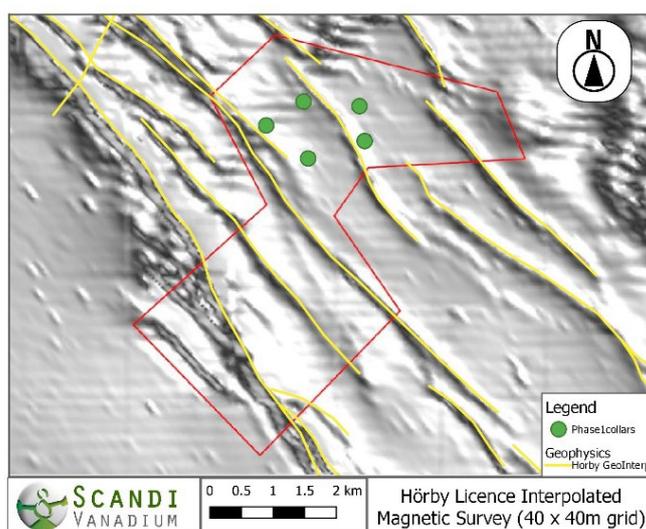


Figure 3 Geophysical data reprocessed on a 40 x 40m grid showing magnetic anomalies across dolerite dykes

ScandiVanadium has conducted a detailed review of high-resolution geophysical data purchased from the SGU. Data was acquired by airborne geophysical surveys flown by the SGU in 1996 at 60m above surface with 16m point distance and 200m line spacing. Reprocessing of data gives the Company confidence in the historical mapping conducted by the SGU and demonstrates the high quality of geological data associated with the project. Furthermore, the data provides assurance that ScandiVanadium's planned drill locations are targeting areas where the Dictyonema Seam is undisturbed by faulting.

Ore Characterisation

Preliminary results were received from ore-characterisation test work undertaken in collaboration with the Research Institute of Sweden and the University of Copenhagen. Testing consisted of spatial distribution analysis using high-resolution XRF scanning to determine the deportment of individual elements throughout the ore.



Figure 4 Micro-scan XRF showing distribution of Vanadium within a sample collected from surface at Flagabro Creek (left) and Fågeltofta-2 Drill hole (right). Vanadium is depicted as shades of orange with brighter tones depicting areas of higher grade.

Vanadium is distributed evenly throughout the clay matrix of the Dictyonema Seam. This indicates that there should be a very low nugget effect in Vanadium grade distribution which will allow broad spacing in exploration drilling. Furthermore, the occurrence of uranium was below the detection limit for the XRF scan in all instances, confirming that uranium is only present in very low concentrations in the Dictyonema Formation.

Permitting

During the quarter the Company was advised that the Hörby Environmental Committee had approved the Company's Notification submitted for exploration drilling. The Hörby drilling Notification comprises five of the initial planned programme of fifteen holes. The Company has agreed work programmes and access arrangements with landowners in respect of the five-hole Hörby drilling programme. Accordingly, the approval of the Company's Notification represented a major milestone in permitting the maiden drill programme at the Skåne Vanadium Project.

Appeals against the decision of the Hörby Environmental Committee are ongoing, however the County Administrative Board refused application to prohibit drilling while the appeal is ongoing. As such the Company has all permissions necessary to drill in Hörby.

The appeals process at Tomelilla where ScandiVanadium plans to drill ten exploration holes is ongoing. Following an initial rejection of the Notification submitted for ten exploration holes in Tomelilla municipality by Ystad-Österlenregionens Environmental Committee (announced, 18 June 2019), ScandiVanadium appealed to the County Administrative Board (CAB). The CAB considered the matter promptly and upheld the appeal. The CAB returned the matter to the Ystad-Österlenregionens Environmental Committee, which appealed the CAB decision.

The Company remains of the view that there is no legal basis for a decision to be made against the Notification. Both the County Administrative Board and Ystad-Österlenregionens Environmental Agency have commented that drilling is of limited environmental impact.

The Company has sent Work Programmes that cover access agreements with the landowners in respect to the ten-hole Tomelilla drilling programme to the Swedish Mining Inspectorate for approval. The Chief Mining Inspector has the legal authority to grant land access according to a defined Work Programme. Once the Work Programme and the Notification have gained legal force the Company will have all permits in place required for drilling.

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Corporate

Cash Position and Operating Expenditure

At the end of this quarter the Company had a strong cash balance of \$3.76 million.

Cash flows from operating activities during the quarter totalled (\$0.3 million).

Issued Securities

As at the date of this report the Company has 351,866,100 ordinary shares, 112,500,000 performance shares and 58,000,000 unlisted options (exercisable at \$0.04) on issue.

David Minchin
Managing Director
30th July 2019

Competent Persons Statements

The information in this report that relates to Exploration Results is extracted from the following announcements:

- “Independent Geologists Report included in the Prospectus lodged on 17 September 2018 and the Supplementary Prospectus” lodged on 1 October 2018 (Prospectus)
- “Skåne Vanadium Project Sampling Results” announced 4 December 2018
- “Skåne Vanadium Project Update” announced 12 December 2018
- “Hörby Geological Update Amended” announced 21 June 2019
- “Skane Project Update” announced 19 July 2019

These announcements are available to view at www.scandivanadium.com. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus and the above-mentioned announcements. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the Prospectus or above mentioned announcements.

Schedule of Tenements

Name	Tenement	Ownership
Killeröd	EP 93/2018	100%
Virrestad	EP 94/2018	100%
Andrarum	EP 469/2018	100%
Fågeltofta 1	EP 299/2018	100%
Fågeltofta 2	EP 471/2018	100%
Flagabro	EP 470/2018	100%
Hörby	EP 475/2018	100%
Tosterup	EP 476/2018	100%
Hammenhög	EP 473/2018	100%
Järrestad	EP 474/2018	100%
Gislövshammar	EP 472/2018	100%

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ScandiVanadium Limited

ABN

83 061 375 442

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (incl. staff cost)	(167)	(608)
(b) other staff costs	(83)	(233)
(c) administration and corporate costs	(45)	(414)
(d) project acquisition expenses	-	(186)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	14	44
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (GST)	-	3
1.9 Net cash from / (used in) operating activities	(281)	(1,394)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (Funds held by UK bank)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares and options	-	3,001
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	24	(338)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	24	2,663

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	4,020	2,494
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(281)	(1,394)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	24	2,663

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,763	3,763

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	766	1,023
5.2	Call deposits	2,997	2,997
5.3	Bank overdrafts	-	-
5.4	Other (security deposit)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,763	4,020

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

83

-

Note
Item 6.1 Directors fees and salaries

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

30

-

Note
Item 7.1 – Accounting and company secretarial services provided by SLR Consulting Pty Ltd, a company which Mr Simon Robertson is a Director, including fees accrued but not paid during 2017 and 2018
Corporate services provided by Caprodite Transaction Execution Pty Ltd a company of which Mr Brandon Munro is a Director.

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation (Including staff costs)	480
9.2 Development	-
9.3 Production	-
9.4 Other Staff costs	80
9.5 Administration and corporate costs	110
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	670

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 30 July 2019

Print name: Simon Robertson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.