

Quarterly Activities Report 31 October 2019

ScandiVanadium Limited (ASX:SVD) (the **Company** or **ScandiVanadium**) is pleased to report on a productive September quarter in which it commenced its maiden drilling campaign on the Hörby Licence area of the Skåne Vanadium Project (the **Project**).

HIGHLIGHTS

- Commencement of drilling on 9th of August 2019
- 397.2m of diamond drilling completed within the quarter
- Exploration programme expanded based on updated preliminary geological interpretation of the Hörby target
- Strong cash balance of \$3.2m at end of quarter



Figure 1 Drilling at Hörby

ScandiVanadium's Managing Director, David Minchin, said: *"It has been an active quarter in which we commenced our maiden drilling campaign. Through this we have achieved a much greater understanding of the geology of Skåne and collected valuable material necessary for ongoing technical studies."*

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Drilling

In July ScandiVanadium 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. The prospect is in an area of forest re-growth covering an area previously excavated for peat.

Drilling commenced on the 9th of August with new holes added to the programme as geological confidence grew. Progress was initially slower than anticipated due to additional care required to ensure full core recovery when drilling in sedimentary rock. Within the quarter 397.2m of diamond drilling was completed over 4 locations. On recovery, XRF analysis of the drill-core allowed real time geological interpretation resulting in an updated understanding of the deposit below surface. The drill programme was amended accordingly with new holes added as geological confidence grew.

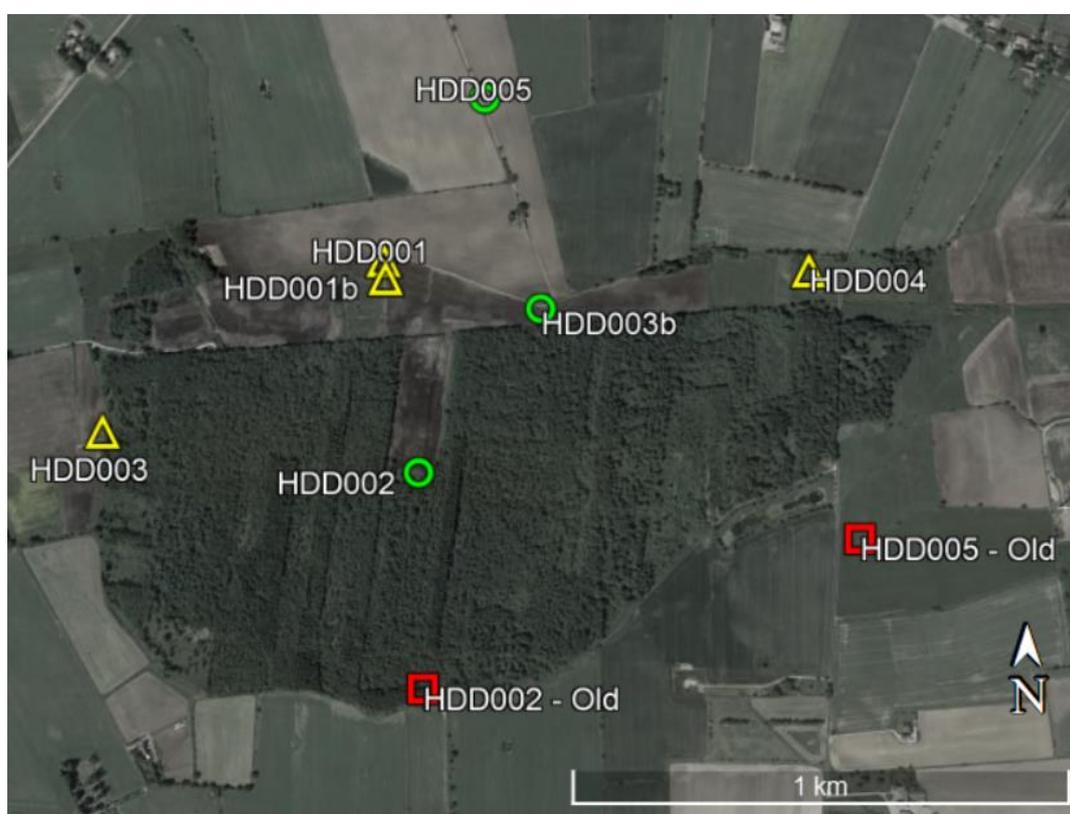


Figure 2 Modified drill programme based on updated geological information

- Yellow Triangle – Drill Hole Completed within the quarter
- Green Circle – Drill Hole completed subsequent to the quarter
- Red Square – Cancelled (undrilled) Drill Hole

Subsequent Events

Drilling

Drilling finished on 24th October 2019 with 602m completed. Vanadiferous Dictyonema Formation was intersected in five drill holes and core samples have been sent to ALS laboratories in Pitea for analysis with results expected in the December Quarter 2019.

Permitting

The Company has been advised that the Ystad-Österlenregionens Environmental Committee has approved the Company's Notification submitted for ten exploration boreholes in Tomelilla. The approval, which comes after appeal to the Land and Environmental Court, demonstrates the efficacy of the Swedish legal system and the company's ability to operate in country.

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.

Corporate

Cash Position and Operating Expenditure

At the end of this quarter the Company had a strong cash balance of \$3.2 million.

Cash outflows from operating activities during the quarter totalled \$0.56 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
31 October 2019

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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%

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.

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. 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.

Skåne offers exposure to Vanadium and the battery metals sector with a globally significant sedimentary deposit in the heart of Europe.

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% V_2O_5 (announced 17 September 2018). Data from Fågeltofta-2 drill hole was recovered during the December quarter 2018 where results averaged 9.7m @ 0.61% V_2O_5 (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 3 Location of historic drilling at Fågeltofta-2 (9.7m@6.1% V_2O_5), Gislövshammar-2 (9.2m@6.9% V_2O_5) and sampling at Flagabro Creek (~10m@0.61% V_2O_5) with drilling at Hörby licence area

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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 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (incl. staff cost)	(375)	(375)
(b) other staff costs	(83)	(83)
(c) administration and corporate costs	(119)	(119)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	14	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(563)	(563)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(25)	(25)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(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	(25)	(25)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares and options	-	-
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	-	-
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	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,763	3,763
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(563)	(563)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(25)	(25)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	3,175	3,175

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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	386	766
5.2 Call deposits	2,789	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)	3,175	3,763

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	59
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	

Note
Item 6.1 Directors fees and salaries

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

	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	31
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	

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)	390
9.2 Development	-
9.3 Production	-
9.4 Other Staff costs	60
9.5 Administration and corporate costs	60
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	510

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: 31 October 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.