



SCANDIVANADIUM LTD

ABN 83 061 375 442

Annual Report

For the Year Ended 30 June 2020

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CORPORATE DIRECTORY

Directors

David Frances
Executive Chairman

David Minchin
Executive Director

Brandon Munro
Non-Executive Director

Tom Langley
Non-Executive Director

Company Secretary

Ian Hobson

Registered Office

Suite 8, 110 Hay Street
Subiaco, Western Australia 6008
Telephone: +61 (0)8 9388 8290

Share Register

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth Western Australia 6000
Telephone: 1300 850 505
Overseas: +61 3 9415 4000
Facsimile: +61 (0)8 9323 2033

Auditor

William Buck Audit (WA) Pty Ltd
Level 3, 15 Labouchere Road
South Perth Western Australia 6151

Securities Exchange Listing

ScandiVanadium Ltd shares are listed on the
Australian Securities Exchange, home branch, Perth
Code: SVD

Website

www.ScandiVanadium.com

DIRECTORS' REPORT

Your directors present their consolidated financial report on the consolidated entity consisting of ScandiVanadium Ltd ("ScandiVanadium" or the "Company") and the entities it controlled at the end of, or during the year ended 30 June 2020 (the "Group").

DIRECTORS

The names of each person who has been a director during the year and continues in office at the date of this report are:

David Frances	Executive Chairman – Appointed 3 August 2020
Brandon Munro	Non-Executive Director – Appointed 3 August 2020 Chairman – Appointed 13 November 2018 – Resigned 3 August 2020
David Minchin	Executive Director – Appointed 13 November 2018
Tom Langley	Non-Executive Director – Appointed 23 July 2020
Simon Robertson	Non-executive Director - Appointed 19 November 2015 – Resigned 23 July 2020
Ian Burvill	Non-executive Director – Appointed 13 November 2018 – Resigned 28 April 2020

COMPANY SECRETARY

Mr Ian Hobson	Appointed 23 July 2020
Mr Simon Robertson	Resigned 23 July 2020

PRINCIPAL ACTIVITIES

The principal activity of the Company is mineral exploration.

REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

During the year the Company advanced the Skåne Vanadium Project by drilling at the Hörby Target and achieving a maiden JORC Resource. The Company also proposed the acquisition of two West Australian exploration tenements which was subsequently completed after 30 June 2020.

Summary of the Skåne Vanadium Project

Skåne is located on the southern-most tip of Sweden, with the Skåne Project area about 1 hour's drive from Malmö and 90 minutes' drive from Copenhagen, the nearest international airport. The project is also connected to the continent by road and rail via the Øresund Bridge, completed in 2000, that connects Malmö to Copenhagen.

The project is comprised of 11 granted licences totalling ~220km² :

Name	Tenement	Ownership
Killeröd	EP 93/2018	100%
Virrestad	EP 94/2018	100%
Andrarum	EP 469/2018	100%
Fågeltöfta 1	EP 299/2018	100%
Fågeltöfta 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%

The Skåne Vanadium project is a sediment hosted black shale ore with a thick and continuous layer of vanadiferous mineralisation identified in the Early Ordovician Dictyonema Formation. The presence of unusually high concentrations of vanadium in the Dictyonema Formation was first identified in 1940 when mining and production of vanadium pentoxide was conducted during World War II near to the hamlet of Flagabro.

Exploration

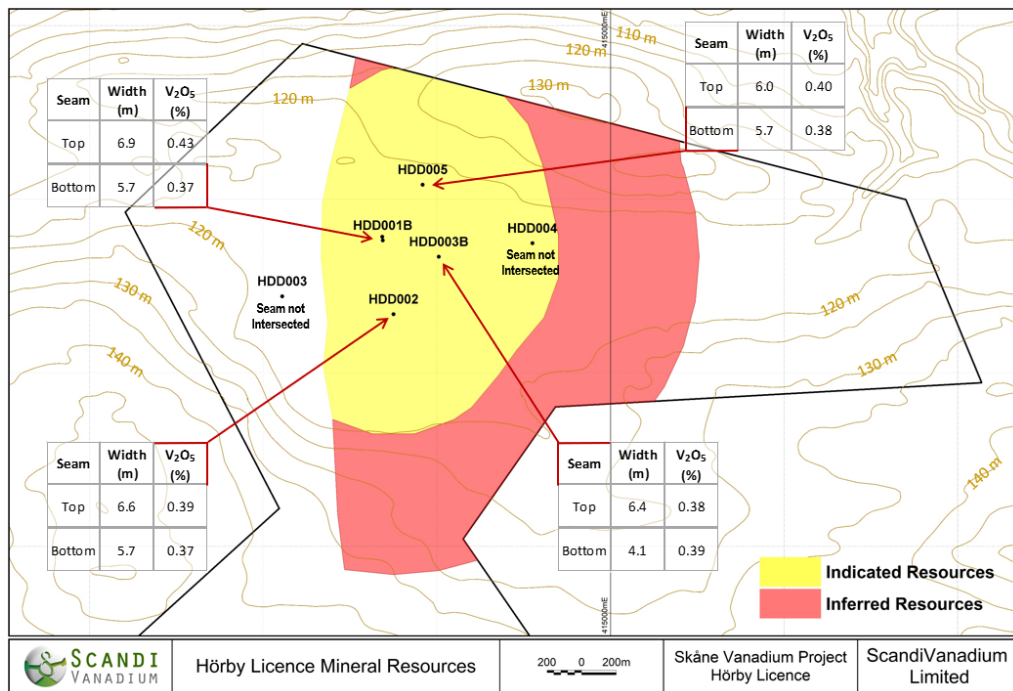
Drilling and JORC Indicated and Inferred Resource

The Company commenced exploration drilling on the Hörby licence area on the 8 August 2019. The Hörby licence is situated at the northern end of the Skåne project area. The resource is in an area of forest re-growth covering an area previously worked for peat.

Between August and October 2019 ScandiVanadium drilled seven holes to test the vanadium bearing Dictyonema Formation where the Dictyonema Formation occurs near surface. Drilling results were used to generate a 3D geological model of the seams at Hörby. Seam thickness and grade show strong correlation with limited variability between drill holes, demonstrating continuity of the seams across the target area. Vanadium was identified in two seams beginning near surface and dipping ~5° to the east. 75% of Indicated Mineral Resource occurs within 100m of surface.

ScandiVanadium published a maiden JORC Mineral Resource of 116.9Mt @ 0.39% V₂O₅, including 61.8Mt @ 0.39% V₂O₅ Indicated Resource and 55Mt @ 0.39% V₂O₅ Inferred Resource (Announced 18 December 2019).

The high tonnage, near surface, resource estimated at Hörby reflects the widespread stratigraphic hosted vanadium mineralisation across Skåne and demonstrates the potential of the broader Skåne Project with less than 2% of the licence area explored. Historic drilling on the southern part of the licence has reported higher grades at Fågeltöfta-2 (9.7m @ 0.61% V₂O₅) and Gislövshammar-2 (9.2m @ 0.67% V₂O₅) and from surface sampling at Flagabro Creek (~10m @ 0.61% V₂O₅). The demonstrated continuity of seams at Hörby give confidence that further drilling could generate additional Mineral Resources over higher-grade targets in the remainder of the licence.



Seam	Volume (m ³)	Geol Loss (%)	Tonnes (Mt)	Density	V ₂ O ₅ (%)	V ₂ O ₅ % (t)	Category
Top	14527337	7%	34.0	2.51	0.40	136,063	Indicated
Bottom	12303874	7%	27.9	2.43	0.38	104,881	Indicated
Total Indicated			61.8		0.39	240,944	
Top	14072259	10%	31.8	2.51	0.40	127,356	Inferred
Bottom	10626330	10%	23.2	2.43	0.38	87,504	Inferred
Total Inferred			55.0		0.39	214,860	
Total Hörby Resources			116.9		0.39	455,805	

Hörby Mineral Resource: 116.9Mt @ 0.39% V₂O₅ including Indicated Mineral Resource of 61.8Mt @ 0.39% V₂O₅ and Inferred Mineral Resource of 55.0Mt @ 0.39% V₂O₅

Metallurgy

During the period ScandiVanadium sourced non-dilutive finance through the award of grant funding totalling 500,000 SEK (~AUD\$80,000). Funding covers 75% of the cost of a metallurgical study designed to build on work undertaken by ScandiVanadium to develop a process flow sheet capable of financially viable and environmentally acceptable recovery of vanadium from the Dictyonema Formation with a focus on the application of Pressure Oxidation Leaching to recover vanadium in a closed loop system. The grant is provided from the Swedish Government via Swedish Mining Innovation, managed by Vinnova.

ScandiVanadium received the first grant payment of 250,000SEK (\$40,000). Samples totalling 15kg were delivered to Processum in Sweden and are prepared for the first set of testwork.

Work Programmes

The Company announced on 27 February 2020 that the Swedish Mining Inspectorate approved the Company's Work Programmes in the Tomelilla municipality, within the Skåne Vanadium project. Work Programmes cover land-access agreements with respect to the ten-hole Tomelilla drilling programme that is designed to test the thickness, grade, and variability of the

Dictyonema formation. The decision has been appealed by affected landowners, to the District Land and Environment Court at Växjö. ScandiVanadium also appealed, requesting to extend the date for completion of the Work Programme to 12 months from the date the decision gains legal force. Assuming any appeals are concluded in favour of the Company, the determinations will provide ScandiVanadium with the legal right to conduct the ten-hole Tomelilla drilling programme.

At the date of this report, no decision has been received by the Company.

Acquisition of West Australian Exploration Tenements

On 3 June 2020, ScandiVanadium proposed the acquisition of Vanatech Pty Ltd, the 100% owner of the Pascalle Gold Project in the Paterson Province and the Gnama Nickel Project in the Fraser Range.

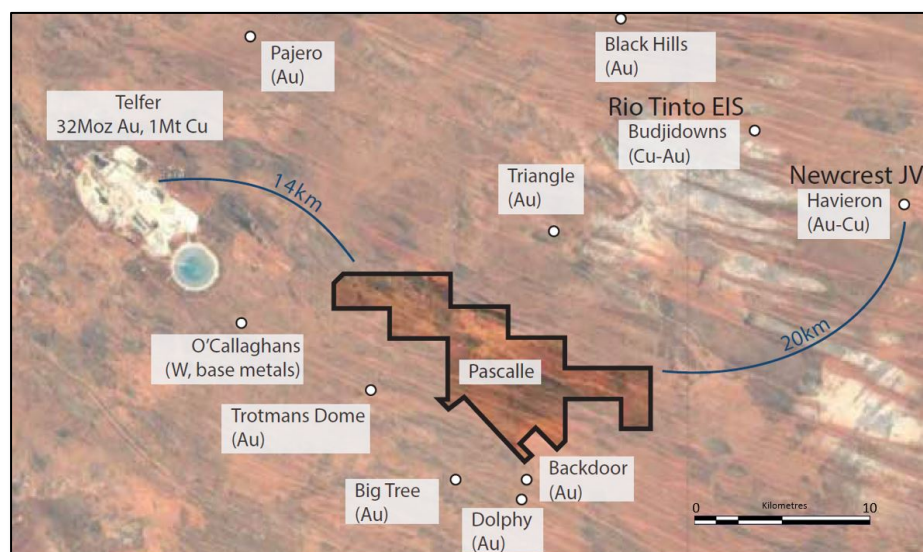
Schedule of Vanatech Tenements

Name	Tenement	Ownership
Pascalle	E 45/5316	100%
Gnama	E 63/1933	100%
Gnama	E 63/1934	100%
Gnama	E 63/1935	100%

Pascalle Gold Project (100%)

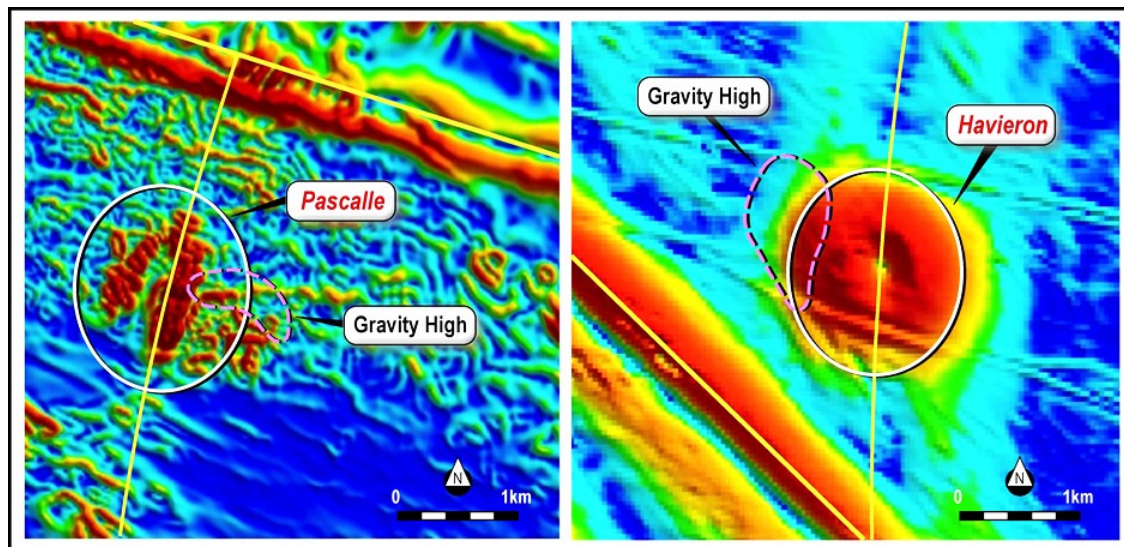
The Pascalle Gold Project is located in the heart of the Paterson Province within 20km of Newcrest Mining's (ASX:NCM), 32Moz Telfer Mine. Renewed exploration of the Paterson Province in recent years has resulted in significant discoveries, including Greatland Gold's (AIM:GGP) Havieron Discovery (with results including 275m @ 4.8g/t Au and 0.6% Cu) and Rio Tinto's (ASX:RIO) Winu Discovery (with results including 681m @ 0.49% Cu and 0.33g/t Au).

The Pascalle tenement is situated roughly equidistant between Telfer and Havieron.



The tenement remains under-explored as bedrock sits beneath 20-50m of cover limiting the application of traditional exploration methods. The project area has a number of key geological similarities with other major discoveries in the region including a heat source (O'Callaghan's Granite) to generate circulation of metal rich brines, fluid pathways along basement faults, and both structural and stratigraphic traps to concentrate mineral deposition.

Several targets have been identified by high-resolution airborne magnetic and gravity surveys, including the Pascale Target which has geological and geophysical similarities to Havieron deposit including proximity within 1km to a regional structure, a "bullseye" magnetic target with a N-S structure running through the middle of the bullseye target, and co-incident gravity high anomaly offset from the main magnetic target.

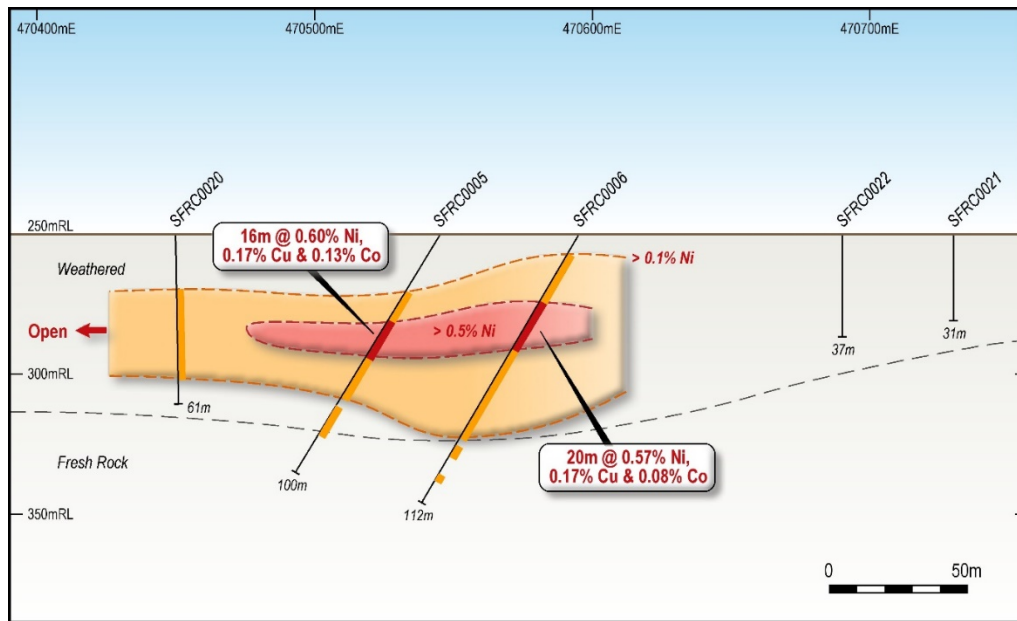


Similarities between Pascale target (left) and Havieron (right at same scale) showing 'Bullseye' magnetic target with coincident gravity-high highlighted. Difference in resolution is due to depth with Havieron occurring at >450m.

Gnama Nickel Project (100%)

The Gnama Nickel Project is located at the southern end of the Fraser Range, host to numerous recent nickel discoveries including Nova-Bollinger, acquired by IGO for \$1.8 billion in May 2015. Renewed interest has been fuelled by Legend Mining's Mawson discovery in January 2020 with recent drill intersections including 12.8m @ 2.8% Ni, 1.4% Cu and 0.14% Co from 235m. Both Nova Bollinger and Mawson were identified by an anomalous Ni+Cu signature at surface with Ni sulphide source at depth. Typically, discoveries have a significant barren zone between the oxide cap and sulphide source with primary mineralisation at Nova occurring up to 450m beneath the surface.

Gnama was identified by Sirius Exploration in 2010 when RC holes drilled to test a soil geochemical anomaly intersected a zone of Ni, Cu and Co enrichment in the oxide zone above mixed mafic and ultramafic rocks. Drill hole SFRC5 intersected 16m @ 0.6% Ni, 0.14% Cu and 0.13% Co from 36m and drill hole SFRC6 intersected 20m @ 0.57% Ni, 0.17% Cu and 0.08% Co from 28m. Sirius remarked that "Whilst the elevated levels of Ni and Co could be explained by lateritic enrichment, the presence of copper suggests that the underlying rocks may contain sulphide mineralisation." However, as Sirius moved on to drilling at the Nova target this potential was not followed up and the tenement was allowed to lapse.



Gnama Nickel Project Ni / Cu RC drill intersections

Capital Raising

On 3 June 2020 the Company announced the completion of a capital raising of \$790k through the placement of 87,777,778 shares at \$0.009 per share which included Director participation of 4,444,444 shares (\$40,000), subject to shareholder approval. Approval was subsequently received at the General Meeting on 22 July 2020.

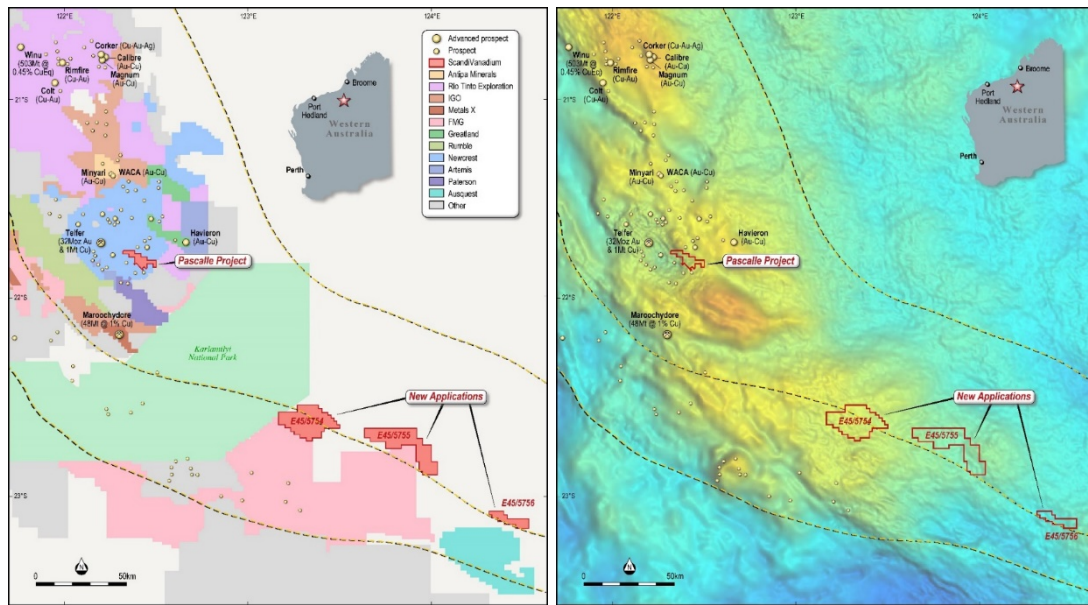
Events After the Reporting Period

Completion of Acquisition of Vanatech

On 22 July 2020 the Company held a general meeting at which all resolutions to complete the acquisition of the Pascale Gold Project and Gnama Nickel Project in Western Australia were passed.

New Tenement Applications in the Paterson Province

On 10 August 2020, the Company announced the pegging of three licences covering 950km² in the Paterson Province, significantly expanding the Company's land position. The tenements, located approximately 120km south east of the Pascale Project area, target geophysical targets under 400-500m of cover thought to be prospective for Telfer, Winu and Haverson style mineralisation. These new applications are in the underexplored southern portion of the Paterson Province with the same host formations and structures common to the major mineral deposits in the region further to the north. Despite the known geological affinities, the area has seen very limited historic exploration.



Location of new applications in the Paterson Province and on strike along Paterson Province gravity high.

The Company is currently in the process of developing a preliminary exploration program.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs.

OPERATING RESULT

The consolidated loss for the financial year was \$1,725,209 (2019: \$2,105,732). Additional information on the operations and financial position of the Group and its business strategies and prospects are set out in this directors' report and the consolidated financial report.

DIVIDENDS

No dividends were paid or are proposed to be paid to members during the financial year (2019: nil).

Competent Persons Statement

The information in this document that relates to the estimation and reporting of the Mineral Resource is extracted from the report entitled "Maiden JORC Mineral Resource at Skåne" created on 18 December.

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

- "Acquisition of Highly Prospective Gold & Nickel Projects and Capital Raising" announced 3 June 2020
- "New targets identified at Pascalle Gold Project" announced 1 July 2020

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.

INFORMATION ON DIRECTORS

David Frances

Executive Chairman – appointed 3 August 2020

Experience and Expertise

David Frances is an international mining executive of nearly 30 years with a track record of transacting, discovering and developing assets in Australia and Africa. He led Mawson West (TSX: MWE) from 2006-2012, which included acquiring and recommissioning the Dikulushi copper-silver mine in the Democratic Republic of Congo and relisting on the Toronto Stock Exchange with a market capitalisation of ~\$250 million, completing the world's largest base metals capital raise and IPO in 2010.

David served as Chairman and managing Director of ASX listed Tawana Resources and Windward Resources, which was acquired by Independence Group Ltd (ASX:IGO) in 2016. Recently David has served as Managing Director for Dakota Minerals and Executive Chairman of Tiger Resources.

Other Current Directorships

Nil

Former Directorships in the Last Three Years

Dakota Minerals – appointed 19 April 2016 – resigned 15 December 2017

Tiger Resources – appointed 20 December 2017 – resigned 11 July 2019

Interests in Shares and Options at the date of signing of this report

Nil. The following performance rights are to be issued, subject to shareholder approval, following the 2020 AGM. See ASX release dated 3 August 2020.

Performance rights structure

		Vesting Condition		
		Years Continuous Service		
Performance hurdle		1	2	3
Share price*	Premium**			
\$0.035	50%	5,000,000	2,500,000	2,500,000
\$0.046	100%	2,500,000	2,500,000	2,500,000
\$0.069	200%	2,500,000	2,500,000	2,500,000

* Performance hurdle is satisfied when the SVD share price trades at or above the relevant hurdle price, calculated as the 30 day VWAP on ASX.

** Premium to SVD closing price on 31 July 2020.

Brandon Munro

Non-Executive Director – appointed 3 August 2020

Chairman – appointed 13 November 2018 – resigned 3 August 2020

Experience and Expertise

Brandon Munro has 20 years' experience as a corporate lawyer and resources executive. Brandon is Managing Director and Chief Executive Officer of Bannerman Resources Ltd, an ASX-listed company focused on developing the Etango uranium project in Namibia. Prior to that, he was Managing Director of Kunene Resources Ltd, an ASX-listed exploration company that discovered the Opuwo Cobalt Project in Namibia.

Brandon is a Non-Executive Director of Novatti Group Ltd. His honorary board roles include as Trustee of high-profile conservation NGO, Save the Rhino Trust Namibia. His industry roles include Co-Chair of the World Nuclear Association's uranium demand working group. Brandon has degrees in economics and law and post graduate qualifications in finance. He is a Fellow of FinSIA and graduate member of the AICD.

Other Current Directorships

Bannerman Resources Limited – appointed 9 March 2016

Former Directorships in the Last Three Years

Novatti Group Limited – appointed 12 October 2015 – resigned 5 August 2020

Interests in Shares and Options at the date of signing of this report

10,690,079 ordinary shares

8,035,714 performance shares

11,250,000 options exercisable at \$0.04 expiring 13 November 2022

David Minchin

Executive Director – appointed 3 August 2020

Managing Director – appointed 13 November 2018 – resigned 3 August 2020

Experience and Expertise

David Minchin is a geologist with 15 years' experience working in exploration and mining. He holds a Masters Degree in Geology from the University of Southampton. He is based in the UK which will enable accessibility to the Skåne Project and meeting with Swedish stakeholders.

David has worked for Rio Tinto and the British Geological Survey, as well working as Senior Exploration Geologist for ICL-Boulby where he was instrumental in the discovery of the 3.2Bt Polyhalite Deposit that was subsequently put into production and with an extended operating mine life of over 30 years. From 2013 to 2018 David worked as Director of Geology for AMED Funds, a Private Equity group that focuses on exploration projects in Africa.

David has been responsible for investing and monitoring approximately \$450 million in projects from exploration through to feasibility and across a range of commodities.

Other Current Directorships

Nil

Former Directorships in the Last Three Years

Nil

Interests in Shares and Options at the date of signing of this report

24,642,857 ordinary shares

49,285,718 performance shares

18,750,000 options exercisable at \$0.04 expiring 13 November 2022

Thomas Langley

Non-executive Director – appointed 23 July 2020

Experience and Expertise

Tom Langley has deep Western Australian experience focussed on the identification of prospective ground and early stage evaluation of mining project. Tom has been active in the Paterson region since 2013 and brings details understanding of the geology of the province. He has worked on large-scale gold resource definition programs through Western Australia with Northern Star as well as significant nickel discoveries such as Nova-Bollinger and Silver Knight deposits in the Fraser Range for Sirius Resources and Creasy Group. Tom also brings operational management experience due to his founding of DT Sands, supplying waterwell drilling companies in the Pilbara. Tom holds a BSc, Geology from the University of Western Australia and a MSc, Economic Geology from the University of Tasmania.

Other Current Directorships

Nil

Former Directorships in the Last Three Years

Nil

Interests in Shares and Options at the date of signing of this report

55,555,555 ordinary shares

50,000,000 performance shares

7,000,000 options exercisable at \$0.04 expiring 13 November 2022

Simon Robertson

Non-Executive Chairman - 19 November 2015 to 13 November 2018

Non-executive Director - appointed 13 November 2018 - resigned 23 July 2020

Company Secretary – 19 November 2015 - resigned 23 July 2020

Experience and Expertise

Simon Robertson gained a Bachelor of Business from Curtin University in Western Australia and Master of Applied Finance from Macquarie University in New South Wales. He is a member of the Chartered Accountants Australia and New Zealand and the Governance Institute of Australia.

Simon currently holds the position of Company Secretary for a number of publicly listed companies and has experience in corporate finance, accounting and administration, capital raisings and ASX compliance and regulatory requirements.

Other Current Directorships

Nil

Former Directorships in the Last Three Years

Nil

Interests in Shares and Options at the date of signing of this report

5,372,222 ordinary shares

6,750,000 options exercisable at \$0.04 expiring 13 November 2022

Ian Burvill

Non-executive Director – appointed 13 November 2018 – resigned 28 April 2020

Experience and Expertise

Ian has over 30 years of mining industry experience, with an emphasis on financing and development of mineral projects. He started his career as a mechanical engineer, then worked as a merchant banker before becoming a senior executive in private equity. He is a former Partner of Resource Capital Funds and a past Associate Director of Rothschild Australia Limited.

Ian has particular expertise in mineral processing, mine project development, and debt and equity finance.

Ian is a non-executive director of ASX-listed Bannerman Resources Ltd and is a member of the Investment Committee of mining technology fund RCF Jolimont Mining Innovation.

Other Current Directorships

Bannerman Resources Limited – appointed 14 June 2012

Former Directorships in the Last Three Years

Nil

Interests in Shares and Options at the date of signing of this report

1,000,000 ordinary shares

6,750,000 options exercisable at \$0.04 expiring 13 November 2022

Ian Hobson

Company Secretary –appointed 23 July 2020

Experience and Expertise

A Fellow Chartered Accountant and Chartered Secretary, Ian Hobson has more than 30 years' experience in the areas of corporate finance, governance, corporate accounting, company secretarial and restructuring advice. Ian was a director of PricewaterhouseCoopers and Ferrier Hodgson Chartered Accountants before specialising in providing company secretarial and corporate accounting services to listed entities.

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors held during the year ended 30 June 2020, and the numbers of meetings attended by each director were:

Name of Director	No. eligible to attend	No. attended
David Frances	-	-
Brandon Munro	8	8
David Minchin	8	8
Tom Langley	-	-
Simon Robertson	8	8
Ian Burvill	6	6

OPTIONS

At the date of this report the Company has the following options on issue.

2020 Number	Exercise Price	Grant	Expiry
58,000,000	\$0.04	4 November 2018	13 November 2022
5,000,000	\$0.04	19 June 2020	13 November 2022
7,000,000	\$0.04	23 July 2020	13 November 2022
70,000,000			

In the financial year ended 30 June 2020, nil (30 June 2019: nil) shares were issued through the exercise of options.

REMUNERATION REPORT - AUDITED

This remuneration report outlines the Director and Executive remuneration arrangements of the Company and Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purpose of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent Company.

The information provided in this remuneration report has been audited as required by section 308(3c) of the *Corporations Act 2001*.

Details of Key Management Personnel

Directors

Brandon Munro	-	Chairman
David Minchin	-	Managing Director
Simon Robertson	-	Non-executive Director
Ian Burvill	-	Non-executive Director

Executive

Alexander Walker	General Manager
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A. POLICIES AND PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Directors

The Company's objective is to ensure that pay and rewards are competitive and appropriate for the results delivered and to align rewards with achievement of strategic objectives and the creation of value for shareholders. The remuneration framework applied provides a mix of fixed and variable remuneration and a blend of base pay and short- and long-term incentives as appropriate. Issues of remuneration are considered annually or otherwise as required.

The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at General Meetings and is currently set at \$400,000. Fees for Non-Executive Directors are not linked to the performance of the Company, however, to align Directors' interests with shareholders' interests, Directors are encouraged to hold shares in the Company and may subject to shareholder approval, where appropriate, be issued options.

In addition to Directors' fees, non-executive Directors are entitled to additional remuneration as compensation for work outside the scope of Non-Executive Directors duties. Non-Executive Directors' fees and payments are reviewed by the board. No retirement benefits or allowances are paid or payable to Non-Executive Directors of the Company other than Superannuation benefits.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Executives

Executives are offered a competitive level of base pay which comprises the fixed (non-risk) component of their pay and rewards. Base pay for senior executives is reviewed annually to ensure market competitiveness. There are no guaranteed base pay increases included in any senior executives' contracts.

Executives may be paid a cash bonus at the discretion of the Board based on the attainment of key performance indicators set by the Board. For the year ended 30 June 2020 no cash bonuses were paid (2019: nil). Long-term performance incentives for executives comprise options granted at the discretion of the Board in order to align the objectives of executives with shareholders and the Company. The issue of options to Executive Directors is subject to shareholder approval.

The grant of share options has not been directly linked to previously determined performance milestones or hurdles. Persons granted options are not permitted to enter into transactions (whether through the use of derivatives or otherwise) that limit his or her exposure to the economic risk in relation to the securities.

The following options were granted to Key Management Personnel:

2020

Brandon Munro	-
David Minchin	-
Simon Robertson	-
Ian Burvill	-
Alexander Walker	4,000,000

2019

Brandon Munro	11,250,000
David Minchin	18,750,000
Simon Robertson	6,750,000
Ian Burvill	6,750,000

REMUNERATION REPORT (AUDITED) (CONTINUED)

B. DETAILS OF REMUNERATION

Amounts of remuneration

Details of the remuneration of the directors and Key Management Personnel and Executives of ScandiVanadium Ltd and the Group are set out in the following tables.

		Short-term benefits			Post-employment benefits		Share-based payment		Remuneration consisting of options
	Cash salary and fees	Cash bonus	Other	Non-monetary benefits	Super-annuation/ Pension ²	Accrued Annual Leave	Options	Total	
2020	\$	\$	\$	\$	\$	\$	\$	\$	%
<i>Directors</i>									
Brandon Munro	45,662	-	-	-	4,338	-	32,268	82,268	39.2
David Minchin	207,356	-	-	-	7,431	-	53,780	268,567	20.0
Simon Robertson	27,397	-	-	-	2,603	-	19,361	49,361	39.2
Ian Burvill ¹	22,831	-	-	-	2,169	-	19,361	44,361	43.6
<i>Executive</i>									
Alexander Walker	193,903	-	-	-	4,691	-	36,016	234,610	15.4
Total	497,149	-	-	-	21,232	-	160,786	679,167	23.7

¹ Resigned 27 April 2020

² Superannuation is calculated at 9.5% and UK pension fund is calculated at 4% of base salary

REMUNERATION REPORT (AUDITED) (CONTINUED)

	Cash salary and fees	Cash bonus	Other	Short-term benefits Non-monetary benefits	Post-employment benefits Super-annuation/ Pension ⁴	Accrued Annual Leave	Share-based payment Options	Total	Remuneration consisting of options %
2019	\$	\$	\$	\$	\$	\$	\$	\$	%
<i>Directors</i>									
Brandon Munro ¹	29,056	-	-	-	2,760	-	158,982	190,798	83.3
David Minchin ¹	122,272	-	-	-	4,891 ⁴	-	264,970	392,133	67.8
Simon Robertson	25,405	-	-	-	2,413	-	95,389	123,207	77.4
Ian Burvill ¹	17,407	-	-	-	1,654	-	95,389	114,450	83.3
John Gilfillan ²	8,867	-	-	-	-	-	-	8,867	-
Davide Defendi ²	8,867	-	-	-	-	-	-	8,867	-
<i>Executive</i>									
Alexander Walker ³	104,538	-	-	-	4,182 ⁴	-	-	108,720	-
Total	316,412	-	-	-	15,900	-	614,730	947,042	64.9

¹ Appointed 13 November 2018

² Resigned 13 November 2018

³ Appointed 12 December 2018

⁴ Superannuation is calculated at 9.5% and UK pension fund is calculated at 4% of base salary

REMUNERATION REPORT (AUDITED) (CONTINUED)

B. DETAILS OF REMUNERATION (CONTINUED)

During the year to 30 June 2020 no at-risk short-term or long-term incentives were paid or payable to Directors or Key Management Personnel of the Company / Group.

No cash bonuses were forfeited during the period by Directors or Key Management Personnel or remained unvested at year end.

a. Loans to key management personnel

There were no loans made to Directors of ScandiVanadium Ltd or other KMP of the Group (or their personally related entities) during the current financial period.

b. Other transactions with KMP

	2020 \$	2019 \$
Payments to director-related parties:		
Caprodite Transaction Executions Pty Ltd (i)	21,464	38,971
SLR Consulting Pty Ltd (ii)	68,604	81,417

- (i) Caprodite Transaction Executions Pty Ltd is a company of which Brandon Munro is a director and beneficial shareholder. The payments were for marketing and investor relations services on an arm's length basis. At the year-end the amount owing to Caprodite Transaction Executions Pty Ltd is \$10,025.
- (ii) SLR Consulting Pty Ltd is a company of which Simon Robertson is a director and beneficial shareholder. The payments were for company secretarial, accounting and other services on an arm's length basis. At the year-end the amount owing to SLR Consulting Pty Ltd is \$13,603.

C. SERVICE AGREEMENTS

Remuneration and other terms of agreement for the Company's non-executive directors are formalised in letters of appointment. The letter summarises the terms of the appointment, including compensation, relevant to the office of director. Non-executive directors' fees are set at 30 June 2020 \$30,000 (30 June 2019 - \$30,000) exclusive of superannuation and excluding any additional fees which may be payable as compensation for special exertions outside the normal scope of non-executive duties. No termination benefits are payable to non-executive directors under the terms of their letters of appointment.

REMUNERATION REPORT (AUDITED) (CONTINUED)

C. SERVICE AGREEMENTS (CONTINUED)

Under the terms of the Executive Service Agreement with Managing Director David Minchin:

- (i) The remuneration comprises a base salary of £120,000 per annum plus UK statutory compulsory employer pension contributions of 4% of base salary.
- (ii) The Agreement may be terminated:
 - (A) by either party without cause with 6 months' written notice, or in the case of the Company, immediately with payment in lieu of notice;
 - (B) by the Company with one month's notice, or immediately with payment in lieu of notice if Mr Minchin is unable to perform his duties under the agreement for three consecutive months or a period aggregating to three months in a 12 month period;
 - (C) by either party with 6 months' written notice if Mr Minchin's role becomes redundant. If the Company terminates the employment of Mr Minchin within 6 months of a change of control of the Company it will be deemed to be a termination by reason of redundancy. If the Company terminates for reason of redundancy it shall be obliged to pay Mr Minchin for any notice period worked. In addition, it will be required to pay any redundancy amount payable under applicable laws, an amount equal to 6 months' base salary (less tax) and any accumulated entitlements; and
 - (D) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; and
 - (E) by Mr Minchin immediately, by giving notice, if the Company is in breach of a material term of its agreement with him.

The Agreement with Mr Minchin was varied to a 12 month term commencing on 1 August 2020 with a base salary of £60,000 and the following termination provisions:

- (A) by Mr Minchin with 1 months' written notice;
- (B) by the Company with payment in lieu of the remaining balance of the 12 month contract remuneration.

Mr Minchin's agreement was amended following the acquisition of Vanatech Pty Ltd and the appointment of an Executive Chairman.

REMUNERATION REPORT (AUDITED) (CONTINUED)

C. SERVICE AGREEMENTS (CONTINUED)

Under the terms of the Executive Service Agreement with General Manager, Alexander Walker:

- (i) The remuneration comprises a base salary of £100,000 per annum plus UK statutory compulsory employer pension contributions of 4% of base salary.
- (ii) The Agreement may be terminated:
 - (A) by either party without cause with 3 months' written notice, or in the case of the Company, immediately with payment in lieu of notice;
 - (B) by the Company with one month's notice, or immediately with payment in lieu of notice if Mr Walker is unable to perform his duties under the agreement for three consecutive months or a period aggregating to three months in a 12 month period;
 - (C) by either party with 6 months' written notice if Mr Walker's role becomes redundant. If the Company terminates the employment of Mr Walker within 6 months of a change of control of the Company it will be deemed to be a termination by reason of redundancy. If the Company terminates for reason of redundancy it shall be obliged to pay Mr Walker for any notice period worked. In addition, it will be required to pay any redundancy amount payable under applicable laws, an amount equal to 6 months' base salary (less tax) and any accumulated entitlements; and
 - (D) by the Company, at any time with written notice and without payment (other than entitlements accrued to the date of termination) as a result of any occurrence which gives the Company a right of summary dismissal at common law; and
 - (E) by Mr Walker immediately, by giving notice, if the Company is in breach of a material term of its agreement with him.

On 1 August 2020 Mr Walker was given notice and is currently serving his 3 month notice period.

REMUNERATION REPORT (AUDITED) (CONTINUED)

D. ADDITIONAL STATUTORY INFORMATION

Shares and option holdings

The numbers of shares and options over ordinary shares in the Group held during the financial period by each director of ScandiVanadium Ltd and other KMP of the Group, including their personally related parties, are set out below.

Ordinary Share holdings

2020	Balance at start of year	Purchased	Exercised Options	Granted As Remuneration	Disposed	Balance at resignation date	Balance at end of year
<i>Directors</i>							
Brandon Munro	8,467,857	-	-	-	-	-	8,467,857
David Minchin	24,642,857	-	-	-	-	-	24,642,857
Simon Robertson	3,150,000	-	-	-	-	-	3,150,000
Ian Burvill	1,000,000	-	-	-	-	(1,000,000) ⁽¹⁾	-
<i>Executives</i>							
Alexander Walker	23,232,142	1,100,000	-	-	-	-	24,332,142
	60,492,856	1,100,000	-	-	-	(1,000,000)	60,592,856

¹ Ian Burvill resigned as a director 27 April 2020.

REMUNERATION REPORT (AUDITED) (CONTINUED)

D. ADDITIONAL STATUTORY INFORMATION

Performance Share holdings

2020	Balance at start of year	Purchased	Granted As Remuneration	Disposed	Balance at resignation date	Balance at end of year
<i>Directors</i>						
Brandon Munro	8,035,714	-	-	-	-	8,035,714
David Minchin	49,285,718	-	-	-	-	49,285,718
Simon Robertson	-	-	-	-	-	-
Ian Burvill	-	-	-	-	-	-
<i>Executives</i>						
Alexander Walker	44,464,288	-	-	-	-	44,464,288
	101,785,720	-	-	-	-	101,785,720

REMUNERATION REPORT (AUDITED) (CONTINUED)

D. ADDITIONAL STATUTORY INFORMATION

Option holdings

2020	Balance at start of year	Granted during the year as remuneration	Expired	Net other change	Balance at end of year	Vested and exercisable
<i>Directors</i>						
Brandon Munro	11,250,000	-	-	-	11,250,000	11,250,000
David Minchin	18,750,000	-	-	-	18,750,000	18,750,000
Simon Robertson	6,750,000	-	-	-	6,750,000	6,750,000
Ian Burvill	6,750,000	-	-	(6,750,000) ⁽¹⁾	-	-
<i>Executives</i>						
Alexander Walker	-	4,000,000	-	-	4,000,000	4,000,000
	43,500,000	4,000,000	-	(6,750,000)	40,750,000	40,750,000

¹ Ian Burvill resigned as a director 27 April 2020, the options were not forfeited on resignation.

REMUNERATION REPORT (AUDITED) (CONTINUED)

D. ADDITIONAL STATUTORY INFORMATION

Option holdings (continued)

	Grant date	Exercise Price \$	Amount paid \$	Amount unpaid \$	Fair value of options at the grant date \$	Value of options exercised at the exercise date \$
2020						
<i>Directors</i>						
Brandon Munro	13 Nov 2018	0.04	-	-	191,250	-
David Minchin	13 Nov 2018	0.04	-	-	318,750	-
Simon Robertson	13 Nov 2018	0.04	-	-	114,750	-
Ian Burvill	13 Nov 2018	0.04	-	-	114,750	-
<i>Executives</i>						
Alexander Walker	18 Jun 2020	\$0.04	-	-	36,016	-

REMUNERATION REPORT (AUDITED) (CONTINUED)

2019 Annual General Meeting

At the 2019 Annual General Meeting ("AGM") held on 20 November 2019, the Company's shareholders did not record a vote of more than 25% against the Remuneration Report and no questions were raised at the meeting relating to the Remuneration Report.

Company Performance

The table below shows the performance of the Group as measured by the Group's share price and loss per share over the last five years. Remuneration of Key Management Personnel is not dependent on the performance of the Company.

	2016	2017	2018	2019	2020
Share price 30 June	\$0.02	Suspended	Suspended	\$0.01	\$0.03
EPS (cents per share)	(0.45)	(0.17)	(0.13)	(0.69)	(0.48)

Use of Remuneration Consultants

In the year ended 30 June 2020, the Group did not use the services of a remuneration consultant.

- End of audited remuneration report -

EVENTS AFTER THE REPORTING PERIOD

On 23 July 2020 the company announced completion of the acquisition of the Pascalle Gold Project and Gnama Nickel Project through the acquisition of Vanatech Pty Ltd. Consideration of the acquisition was as follows:

- \$50,000 in cash;
- 55,555,555 fully paid ordinary shares in the Company;
- 50,000,000 performance shares, expiring 48 months after their issue date, each of which will convert into one share subject to the Company delineating an Inferred Mineral Resource in accordance with the 2012 Edition of the JORC Code of either of the following of the Projects:
 - i. 1 million ounces of gold equivalent at a minimum average grade of 1g/t gold equivalent;
 - or
 - ii. If nickel is the economically dominant mineral in the relevant resource, 7.5 million tonnes of ore at a minimum average grade of 2% nickel equivalent;
- 7,000,000 options to acquire shares at an exercise price of \$0.04 per option, expiring on 13 November 2022; and

- a 1% net smelter royalty in respect of any production from either of the Projects, half of which the Company may at its election buy-back for a cash payment of \$1,000,000 at any time until the point of first production.

Mr Simon Robertson resigned as a Non-Executive Director and Company Secretary on 23 July 2020, with the appointment of Mr Tom Langley as Non-Executive Director and Mr Ian Hobson as Company Secretary.

Mr David Frances was appointed as Executive Chairman on 3 August 2020. With this appointment Mr Brandon Munro move from Non-Executive Chairman to Non-Executive Director along with Mr David Minchin moving from Managing Director to Executive Director.

The Company divested its 100% ownership of Kaz Ventures Australia Pty Ltd and its subsidiaries thereby ceasing all agreements with Tau Ken Samruk (TKS) referred to in the June Quarterly Activities report, announced 21 July 2020.

Other than the above there are no matters or circumstances which have arisen since 30 June 2020 that have significantly affected or may significantly affect:

- the Group's operations in future years, or
- the results of those operations in future financial years, or
- the Group's state of affairs in future financial years.

ENVIRONMENTAL REGULATION

The Consolidated Entity's environmental obligations are regulated under Swedish laws. The Company has a policy of exceeding or at least complying with its environmental performance obligations.

During the financial year, the Consolidated Entity did not materially breach any particular or significant Swedish regulation in respect to environmental management.

INSURANCE AND INDEMNITY OF OFFICERS AND AUDITORS

During the financial year, the Company has paid a premium of \$27,750 excluding GST (2019: \$40,000) in respect of a contract to insure the directors and officers of the Company against liabilities incurred as a director or officer to the extent permitted by the *Corporations Act 2001*.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

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 purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 28 of the annual financial statements.

Details of the amounts paid to the auditor for non-audit services provided during the financial year are outlined in Note 17 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the prior financial year by the auditor (or by another person on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in note 16 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity 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 (including Independence Standards), including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

Signed in accordance with a resolution of the Board of Directors.



David Frances
Executive Chairman
Perth
23 September 2020

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF SCANDIVANADIUM LTD**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis
Director

Dated this 23rd day of September 2020

ACCOUNTANTS & ADVISORS

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ScandiVanadium Ltd
Consolidated Statement of Profit and Loss and other Comprehensive Income
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Other income	4	65,701	48,340
Administrative expenses	5	(340,123)	(420,130)
Exploration and evaluation expenditure		(880,666)	(783,799)
Project evaluation		(40,942)	(69,029)
Employment benefits		(342,767)	(209,867)
Share based payments		(181,263)	(671,247)
Depreciation expense		(5,149)	-
Loss before tax from operations		(1,725,209)	(2,105,732)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the members of ScandiVanadium Ltd		(1,725,209)	(2,105,732)
Other Comprehensive Income for the year: Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation difference		907	(28,184)
Other Comprehensive income for the period, net of tax		907	(28,184)
Total Comprehensive Loss for the year attributed to members of ScandiVanadium Ltd		(1,724,302)	(2,133,916)
Loss per share		Cents	Cents
Basic loss per share	21	(0.48)	(0.69)
Dilutive loss per share	21	(0.48)	(0.69)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

ScandiVanadium Ltd
Consolidated Statement of Financial Position
As at 30 June 2020

		2020	2019
ASSETS	Note	\$	\$
Current assets			
Cash and cash equivalents	7	2,910,835	3,763,445
Trade and other receivables	8	32,273	35,933
Total current assets		<u>2,943,108</u>	<u>3,799,378</u>
Non-current assets			
Exploration and evaluation	9	1,638,437	1,639,079
Plant and equipment	10	19,649	-
Other investments	11	38,027	-
Total non-current assets		<u>1,696,113</u>	<u>1,639,079</u>
Total assets		<u>4,639,221</u>	<u>5,438,457</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	287,613	263,516
Total current liabilities		<u>287,613</u>	<u>263,516</u>
Total liabilities		<u>287,613</u>	<u>263,516</u>
NET ASSETS		<u>4,351,608</u>	<u>5,174,941</u>
EQUITY			
Contributed equity	13(a)	12,610,243	11,890,537
Share-based payment reserve	14	1,489,232	1,307,969
Foreign currency translation reserve	14	(27,277)	(28,184)
Accumulated losses	14	(9,720,590)	(7,995,381)
TOTAL EQUITY		<u>4,351,608</u>	<u>5,174,941</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

ScandiVanadium Ltd
Consolidated Statement of Changes in Equity
For the year ended 30 June 2020

2020	Contributed Equity	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance 1 July 2019	11,890,537	1,307,969	(28,184)	(7,995,381)	5,174,941
Loss for the year	-	-	-	(1,725,209)	(1,725,209)
Other comprehensive income for the year	-	-	907	-	907
Total comprehensive loss for the year	-	-	907	(1,725,209)	(1,724,302)
Transactions with owners recorded directly in equity					
Contributions of equity, gross of transaction costs	750,000	-	-	-	750,000
Cost of capital	(30,294)	-	-	-	(30,294)
Issue of options	-	181,263	-	-	181,263
Balance 30 June 2020	12,610,243	1,489,232	(27,277)	(9,720,590)	4,351,608
2019	Contributed Equity	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance 1 July 2018	7,757,302	458,222	-	(5,889,649)	2,325,875
Loss for the year	-	-	-	(2,105,732)	(2,105,732)
Other comprehensive income for the year	-	-	(28,184)	-	(28,184)
Total comprehensive loss for the year	-	-	(28,184)	(2,105,732)	(2,133,916)
Transactions with owners recorded directly in equity					
Contributions of equity, gross of transaction costs	4,648,750	-	-	-	4,648,750
Cost of capital	(337,015)	-	-	-	(337,015)
Options issued for cost of public offer	(178,500)	178,500	-	-	-
Issue of options	-	671,247	-	-	671,247
Balance 30 June 2019	11,890,537	1,307,969	(28,184)	(7,995,381)	5,174,941

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

ScandiVanadium Ltd
Consolidated Statement of Cash Flows
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Interest received		27,256	43,567
Proceeds from government grants		43,912	-
Payments to suppliers and fees paid		(682,594)	(845,119)
Payments for cost of exploration and evaluation		(931,627)	(607,620)
Net cash outflow from operating activities	18	(1,543,053)	(1,409,172)
Cash flows from investing activities			
Payments for investments		(2,385)	-
Payments for plant and equipment		(25,228)	-
Cash held by subsidiaries on acquisition		-	14,138
Net cash outflow from investing activities		(27,613)	14,138
Cash flows from financing activities			
Proceeds from the issue of shares		750,000	3,001,050
Costs associated with capital raising		(31,944)	(336,409)
Net cash inflow from financing activities		718,056	2,664,641
Net (decrease)/increase in cash and cash equivalents		(856,210)	1,269,607
Cash and cash equivalents at 1 July		3,763,445	2,493,838
Cash and cash equivalents at 30 June		2,910,835	3,763,445

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Reporting entity

ScandiVanadium Ltd (the "Company") is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2020 comprises the Company and its subsidiaries (collectively referred to as the "Group").

A description of the nature of the Company's operations and its principal activities is included in the Directors' Report which does not form part of this financial report.

2 Basis of preparation

(a) Statement of compliance

The consolidated financial report is a general purpose consolidated financial report that has been prepared in accordance with the *Corporations Act 2001* and the Australian Accounting Standards and Interpretations and complies with other requirements of the law.

The consolidated financial statements and notes also comply with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

(c) Basis of measurement

The consolidated financial report has been prepared on an accrual's basis and the historical cost concept. These consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentational currency.

(d) Basis of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by ScandiVanadium Ltd at the end of or at any time during the reporting period. A controlled entity is any entity over which ScandiVanadium Ltd has the ability and right to govern the financial and operating policies to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 19 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

(e) Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method.

Exploration and evaluation expenditure encompass expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration and evaluation expenditure includes expenditure in relation to drilling, metallurgy, technical oversight, environmental work, maintenance of tenure and the approval of work programmes on the

Company's licences including landholder access costs, legal fees and community and public relations costs.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

- the rights to tenure of the area of interest are current; and
- at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
 - exploration and evaluation activities in interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation expenditure incurred by the Company subsequent to the acquisition of the rights to explore is expensed as incurred, up until the technical feasibility and commercial viability of the project has been demonstrated with a bankable feasibility study.

Capitalised exploration costs are reviewed at each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

3 Financial Risk Management

The Group's financial instruments consist of cash and cash equivalents, trade receivables, and trade payables.

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Risk management is carried out by the board of directors under policies approved by the Board. The board identifies and evaluates financial risks and provides written principles for overall risk management.

(i) Foreign Exchange Risk

The group operates internationally and is exposed to foreign exchange risk arising mainly from its exposure to the United Kingdom Pound Sterling and the Swedish Kroner. The Group may also be exposed to one-off transactional flows which occur on an ad hoc basis in other foreign exchange currencies.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cashflow forecasting. From time to time, the Group will enter into forward foreign exchange contracts to lock in attractive rates for working capital purposes.

Foreign exchange risk is managed by the Board with an overall responsibility to minimising its effect on the expenditure of the Group.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and cash and cash equivalents. The Group has no material exposure to credit risk at 30 June 2020.

(iii) 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 have sufficient cash resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The contractual maturities of financial liabilities are as disclosed in the statement of financial position as all liabilities are current and are essentially settled in 30-60 days.

3 Financial Risk Management (continued)

(iv) Interest rate risk

The Group's financial instruments that are exposed to interest rate risk at 30 June are as follows:

Carrying amount	2020	2019
	\$	\$
Variable rate instruments		
Cash and cash equivalents	2,910,835	3,763,445

Sensitivity analysis:

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

30 June 2020	Profit or Loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
Variable rate instruments	\$ 29,108	\$ (29,108)	\$ 29,108	\$ (29,108)

30 June 2019	Profit or Loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
Variable rate instruments	\$ 37,634	\$ (37,634)	\$ 37,634	\$ (37,634)

(iv) Other price risk

Fair Values

The fair value of financial assets and financial liabilities approximate their carrying amounts.

4 Income	2020	2019
	\$	\$
Income		
Government grants	43,912	-
Interest received	21,789	48,340
	65,701	48,340

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants are recognised when there is reasonable assurance that both the entity will comply with conditions attached to the grant and that the grant will be received.

Interest

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

5	Expenses	2020	2019
		\$	\$
	Corporate compliance costs	44,477	60,514
	General legal fees	61,262	72,678
	Audit fees and Investigating Accountant Report	22,387	45,775
	Investor relations	22,050	40,039
	Accounting & Corporate Secretarial costs	87,255	77,761
	Insurance	56,020	70,098
	Administration costs	46,672	53,265
		340,123	420,130
6	Income Tax Expense	2020	2019
		\$	\$
a.	The components of tax expense comprise:		
	Current tax	-	-
	Deferred tax	-	-
		-	-
b.	The prima facie tax payable/(benefit) on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
	Prima facie tax benefit on loss from activities before income tax at 30% (2019: 30%) ⁽¹⁾	(517,562)	(631,720)
		(517,562)	(631,720)
	Add tax effect of:		
	- Revenue losses not recognised	126,281	69,756
	- Non-allowable items	422,001	29,457
	- Other deferred tax assets not recognised	(30,720)	(26,655)
	Income tax expense		
c.	Deferred tax recognised 30% (2019:27.5%) (Note 1):		
	Deferred tax liabilities:		
	Interest receivable	-	(1,640)
	Deferred tax assets:		
	Carry forward revenue losses	-	1,640
	Net deferred tax	-	-
d.	Unrecognised deferred tax assets 30% (2019:27.5%) (Note 1):		
	Carry forward revenue losses	1,192,402	1,066,166
	Carry forward capital losses	541,280	541,280
	Capital raising costs	10,334	32,944
	Provisions and accruals	4,500	3,600
	Other	-	96
		1,748,516	1,644,086

6 Income Tax Expense (continued)

The tax benefits of the above deferred tax assets will only be obtained if:

- (a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (b) the Group continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in income tax legislation adversely affect the Group in utilising the benefits.

Note 1 - the corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2027 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

Accounting policy

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary difference on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The group continues to comply with conditions for deductibility. Deferred tax assets will be obtained when the group derives assessable income of a nature and of an amount sufficient to enable benefits to be utilised.

7 Cash and cash equivalents

Current

At bank and in hand

	2020	2019
	\$	\$
	2,910,835	3,763,445
	<u>2,910,835</u>	<u>3,763,445</u>

a) Interest rate risk exposure

Information about the Group's exposure to interest rate risk in relation to cash and cash equivalents is provided in note 3.

Accounting policy

Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8	Trade and other receivables	2020	2019
	Current	\$	\$
	Accrued interest	-	5,466
	Prepayments	13,958	-
	GST	18,315	30,467
		<u>32,273</u>	<u>35,933</u>

Accounting policy

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

The Company's receivables balance consists of GST refunds from the Australian Tax Office and interest receivables from recognised Australian banking institutions. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, an impairment loss would be considered immaterial.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Given the Company's receivables are from the Australian Tax Office and recognised Australian banking institutions, the Company has assessed that the risk of default is minimal and as such, no expected credit loss has been recognised against these receivables as at 30 June 2020.

9	Exploration and evaluation	2020	2019
		\$	\$
	Opening balance	1,639,079	-
	Acquisition of ScandiVanadium Pty Ltd	-	1,639,079
	Foreign exchange adjustment	(642)	-
	Closing balance	<u>1,638,437</u>	<u>1,639,079</u>

Accounting policy:

Exploration and evaluation expenditure encompass expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration and evaluation expenditure include expenditure in relation to drilling, metallurgy, technical oversight, environmental work, maintenance of tenure and the approval of work programmes on the Company's licences including landholder access costs, legal fees and community and public relations costs.

10	Plant and equipment	2020	2019
		\$	\$
	Plant and equipment at cost	24,561	-
	Less: Accumulated depreciation	(4,912)	-
	Closing balance	<u>19,649</u>	<u>-</u>

10 Plant and equipment (*continued*)

Reconciliations

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

	Plant and equipment \$	Total \$
Balance at 1 July 2018	-	-
Additions	-	-
Depreciation expense	-	-
	<hr/>	<hr/>
Balance at 30 June 2019	-	-
Additions	24,561	24,561
Depreciation expense	(5,149)	(5,149)
Foreign exchange revaluation	237	237
	<hr/>	<hr/>
Balance at 30 June 2020	19,649	19,649

Accounting policy

(i) **Recognition and measurement**

Items of plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

(ii) **Subsequent costs**

The Group recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

(iii) **Depreciation**

Depreciation is charged to the profit and loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods are as follows:

Plant and equipment	3 to 8 years
---------------------	--------------

The residual value, the useful life and the depreciation method applied to an asset are reassessed annually.

11 Other investments	2020	2019
	\$	\$
Other investments (a)	38,027	-
Closing balance	38,027	-

(a) Capitalised cost of acquiring tenement and mining rights as part of the Vanatech acquisition announced to the market subsequent to year end.

12 Trade and other payables	2020	2019
Current	\$	\$
Trade payables	122,718	153,613
Other payables and accrued expenses	164,895	109,903
	287,613	263,516

Accounting policy

Trade payables and other accounts payable represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The average credit period on purchases is 45 days from the date of invoice. The Group policy is to pay all undisputed invoices within 30 days from the month of receipt. All amounts are expected to be settled within 12 months.

13 Contributed Equity

(a) Share Capital	2020	2020	2019	2019
	Shares	\$	Shares	\$
Ordinary shares fully paid	435,199,434	12,610,243	351,866,100	11,890,537

(b) Movement in Ordinary Share Capital

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll every holder is entitled to one vote per share held.

Description	Date	Number of	Issue Price	\$
		shares		
2020				
Opening balance	1 July 2019	351,866,100		11,890,537
Shares issued	9 June 2020	83,333,334	\$0.009	750,000
Less: Transaction costs				(30,294)
Closing balance	30 June 2020	435,199,434		12,610,243

13 Contributed Equity (continued)

2019

Opening balance	1 July 2018	237,982,218		7,757,302
Share consolidation 3 for 4(i)		(59,495,748)	-	-
Shares issued on conversion of converting note (ii)		6,018,519	\$0.0216	130,000
Shares issued for acquisition of ScandiVanadium Australia Pty Ltd (ii)		56,250,000	\$0.0270	1,518,750
Shares issued on re-compliance (iii)		111,111,111	\$0.0270	3,000,000
Less: Transaction costs				(515,515)
Closing balance	30 June 2019	351,866,100		11,890,537

i. Share consolidation

On 12 September 2018 shareholders approved at a General Meeting to consolidate share capital on 3 shares for each 4 held.

ii. Shares issued on acquisition of Subsidiary

On 14 November 2018 the Company issued 6,018,519 shares with a notional value of \$0.0216 for conversion of convertible note as a part of the acquisition of ScandiVanadium Australia Pty Ltd. The Company also issued 56,250,000 shares with a notional value of \$0.027 for the acquisition of 100% of the issued capital of ScandiVanadium Australia Pty Ltd.

iii. Shares issued on re-compliance

On 14 November 2018 as per the terms and conditions of the Prospectus lodged with the ASX on 18 September 2018 and the Supplementary Prospectus lodged with the ASX on 23 November 2018, 111,111,111 shares were issued at \$0.027 raising \$3,000,000 on re-compliance.

iv. Performance shares

On 14 November 2018 as per the terms and conditions of the Prospectus lodged with the ASX on 18 September 2018 and the Supplementary Prospectus lodged with the ASX on 23 November 2018, 112,500,000 performance shares (comprising 56,250,000 Class A and 56,250,000 Class B performance shares) were issued to the vendors of ScandiVanadium Australia Pty Ltd. The Directors have assessed the fair value of the Performance shares to be nil.

(c) Capital Risk Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in market.

Accounting policy

Ordinary shares are classified as equity. Directly attributable costs associated with the issue of new shares or options are shown in equity as a deduction from the proceeds net of any tax effects.

14 Reserves and Accumulated Losses

With respect to the payment of dividends (if any) by ScandiVanadium in subsequent financial years, no franking credits are currently available, or are likely to become available in the next 12 months.

	2020 \$	2019 \$
a) Share based payment reserve		
Opening balance	1,307,969	458,222
Option expense in the year	181,263	671,247
Options issued at cost	-	178,500
Balance at 30 June	<u>1,489,232</u>	<u>1,307,969</u>
b) Foreign currency translation reserve		
Opening balance	(28,184)	-
Foreign currency translation	907	(28,184)
Balance at 30 June	<u>(27,277)</u>	<u>(28,184)</u>
c) Accumulated losses		
Opening balance	(7,995,381)	(5,889,649)
Loss for the year	<u>(1,725,209)</u>	<u>(2,105,732)</u>
Balance at 30 June	<u>(9,720,590)</u>	<u>(7,995,381)</u>

a) Nature and purpose of reserves

The share-based payments reserve is used to recognise the grant date fair value of options issued to current and past Directors but not exercised.

Accounting policy

Share based payments

The Company may provide benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of these payments is determined using a Black-Scholes option pricing model.

Rights over shares (options) using a Black-Scholes option pricing model takes into account the exercise price, the term of the option, 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. The fair value of the options granted is adjusted to, exclude the impact of any non-market and service vesting conditions. Non-market vesting and service conditions, if any, are included in assumptions about the number of options likely to be exercisable.

14 Reserves and Accumulated Losses *(continued)*

Share based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the good or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share based payment reserve.

The grant date fair value of employee share acquisition plan shares granted under the plan is recognised as an expense in the statement of profit or loss and other comprehensive income with a corresponding increase in equity, share based payments reserve over the vesting period that the employees unconditionally become entitled to the awards.

The Company has issued shares to directors of the Company as part of their executive service agreements entered into by the relevant directors and the Company.

Foreign Currency Transactions and Balances

Functional and presentation currency:

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency.

Transaction and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income.

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated as exchange rates prevailing at the end of the reporting period;
- Income and expenditure are translated at average exchange rates for the period, when the average rate approximates the rate at the date of the transaction; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed of.

Critical Accounting estimates, judgements and assumptions

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes valuation model.

15 Options

As at reporting date, the Group has the following options on issue:

2020 Number	Exercise Price	Grant	Expiry
58,000,000 ⁽ⁱ⁾	\$0.04	4 November 2018	13 November 2022
5,000,000 ⁽ⁱⁱ⁾	\$0.04	18 June 2020	13 November 2022
63,000,000			

Options carry no dividend or voting rights. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

a) Share based payments

- (i) Options (valued at \$0.017) were issued to Management as per the terms and conditions of the Prospectus lodged with the ASX on 18 September 2018 and the Supplementary Prospectus lodged with the ASX on 23 November 2018, 50% of the options vested on acquisition and the balance vested 12 months after the date of acquisition. \$136,243 was expensed in this financial year.

The options were valued using Black Scholes with the below assumptions:

	Unlisted options
Number of options in series	47,500,000
Grant date share price	\$0.027
Exercise price	\$0.040
Expected volatility	100%
Option life	4 years
Dividend yield	0.00%
Interest rate	2.3%
Vesting	50% Immediately 50% on 13 Nov 2019

10,500,000 options fully vested in the prior financial and therefore are not a share based payment this financial year.

- (ii) Options (valued at \$0.009) were issued to Management in accordance with their service agreement on 18 June 2020. The options vested on acquisition and, \$45,020 was expensed in this financial year.

The options were valued using Black Scholes with the below assumptions:

	Unlisted options
Number of options in series	5,000,000
Grant date share price	\$0.021
Exercise price	\$0.040
Expected volatility	100%
Option life	2 years
Dividend yield	0.00%
Interest rate	2.0%
Vesting	Immediately

15 Options (continued)

Movements in the number of options on issue during the year are as follows:

Description	2020 Number	Weighted Average Exercise Price	2019 Number	Weighted Average Exercise Price
Options				
Opening balance	58,000,000	0.04	52,000,000	0.0200
Issued during the period	5,000,000	0.04	58,000,000	0.0400
Exercised during the period	-	-	-	-
Expired during the period	-	-	(45,750,000)	(0.0158)
Consolidated on a 3 for 4 held	-	-	(6,250,000)	(0.0200)
Balance at 30 June	63,000,000	0.04	58,000,000	0.04

16 Dividends

There were no dividends recommended or paid during the financial year (2019: nil).

17 Remuneration of Auditors

Auditor fees incurred during the financial year are as follows:

	2020 \$	2019 \$
Audit and review services – William Buck Audit (WA) Pty Ltd	19,387	19,050
Investigating Accountants Report - William Buck Consulting (WA) Pty Ltd	-	10,250
	19,387	29,300

18 Reconciliation of Loss after Income Tax to Net Cash Outflow from Operating Activities

	2020 \$	2019 \$
Loss for the year	(1,725,209)	(2,105,732)
Adjustment for:		
Share based payments	181,263	671,247
Depreciation expense	5,149	-
Foreign exchange loss	1,981	-
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	3,660	28,730
Increase/(decrease) in payables	(9,897)	(3,417)
Net cash outflow from operating activities	(1,543,053)	(1,409,172)

(a) Non-cash investing and financing activities

During the year ended 30 June 2020, there was no non-cash investing and financing activities. (2019: 56,250,000 shares were issued with a notional value of \$0.027 for the acquisition of 100% of the issued capital of ScandiVanadium Australia Pty Ltd).

19 Group entities

Subsidiaries	Country of incorporation	Ownership interest	
		2020	2019
Assemble Holdings Pty Ltd	Australia	100%	100%
ScandiVanadium Australia Pty Ltd	Australia	100%	100%
ScandiVanadium Limited	United Kingdom	100%	100%
ScandiVanadium Sweden AB	Sweden	100%	100%
*Kaz Ventures Australia Pty Ltd	Australia	100%	-
*Discovery Ventures Kazakhstan Ltd	Astana International Finance Centre	100%	-

*Divested after 30 June 2020

Vanatech Pty Ltd was acquired on 23 July 2020.

20 Events after the Reporting Period

On 23 July 2020 the company announced completion of the acquisition of the Pascalle Gold Project and Gnama Nickel Project through the acquisition of Vanatech Pty Ltd. Consideration of the acquisition was as follows:

- \$50,000 in cash;
- 55,555,555 fully paid ordinary shares in the Company;
- 50,000,000 performance shares, expiring 48 months after their issue date, each of which will convert into one share subject to the Company delineating an Inferred Mineral Resource in accordance with the 2012 Edition of the JORC Code of either of the following of the Projects:
 - i. 1 million ounces of gold equivalent at a minimum average grade of 1g/t gold equivalent;
 - or
 - ii. If nickel is the economically dominant mineral in the relevant resource, 7.5 million tonnes of ore at a minimum average grade of 2% nickel equivalent;
- 7,000,000 options to acquire shares at an exercise price of \$0.04 per option, expiring on 13 November 2022; and
- a 1% net smelter royalty in respect of any production from either of the Projects, half of which the Company may at its election buy-back for a cash payment of \$1,000,000 at any time until the point of first production.

The acquisition of Vanatech Pty Ltd is an asset acquisition, it is not a business combination.

Mr Simon Robertson resigned as a Non-Executive Director and Company Secretary on 23 July 2020, with the appointment of Mr Tom Langley as Non-Executive Director and Mr Ian Hobson as Company Secretary.

Mr David Frances was appointed as Executive Chairman on 3 August 2020. With this appointment Mr Brandon Munro moved from Non-Executive Chairman to Non-Executive Director along with Mr David Minchin moving from Managing Director to Executive Director.

20 Events after the Reporting Period *(continued)*

The Company divested its 100% ownership of Kaz Ventures Australia Pty Ltd and its subsidiaries thereby ceasing all agreements with Tau Ken Samruk (TKS) referred to in the June Quarterly Activities report, announced 21 July 2020.

Other than the above there are no matters or circumstances which have arisen since 30 June 2020 that have significantly affected or may significantly affect:

- the Group's operations in future years, or
- the results of those operations in future financial years, or
- the Group's state of affairs in future financial years.

21 Earnings Per Share

	2020 \$	2019 \$
Loss used in calculating basic earnings per share on continuing operations	(1,725,209)	(2,105,732)
	2020 Number	2019 Number
Weighted average number of ordinary shares outstanding during the year in calculating basic EPS	356,647,521	303,438,639
	2020 Cents	2019 cents
Total basic loss per share attributable to the ordinary equity holders of the Company for continuing operations	(0.48)	(0.69)

Options

Options are considered to be potential ordinary shares. When the Company is in a loss-making position, options are not included in the determination of diluted loss per share as they are not considered to be dilutive. At 30 June 2020 there were 63,000,000 options on issue (30 June 2019: 58,000,000).

Accounting policy

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, 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 financial year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-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.

22 Contingent Liabilities

There are no contingent liabilities as at the date of signing of this report (30 June 2019: nil)

23 Related Party Transactions

The aggregated compensation paid to Directors and Key Management Personnel of the Group is as follows:

	2020	2019
	\$	\$
Short term employee benefits	497,149	316,412
Post-employment benefits	21,232	15,900
Share based payment	160,786	614,730
	679,167	947,042

There have been the following transactions with related parties during the year ended 30 June 2020 and the prior period.

	2020	2019
	\$	\$
Payments to director-related parties:		
Caprodite Transaction Executions Pty Ltd (i)	21,464	38,971
SLR Consulting Pty Ltd (ii)	68,604	81,417

- (i) Caprodite Transaction Executions Pty Ltd is a company of which Brandon Munro is a director and beneficial shareholder. The payments were for marketing and investor relations services on an arm's length basis. At the year-end the amount owing to Caprodite Transaction Executions Pty Ltd is \$10,025.
- (ii) SLR Consulting Pty Ltd is a company of which Simon Robertson is a director and beneficial shareholder. The payments were for company secretarial, accounting and other services on an arm's length basis. At the year-end the amount owing to SLR Consulting Pty Ltd is \$13,603.

24 Parent entity disclosures

As at the financial year ended 30 June 2020 the parent entity of the Group was ScandiVanadium Ltd.

	2020 \$	2019 \$
Result of parent entity		
Total comprehensive loss for the period	(1,953,317)	(2,133,916)
Financial position of parent entity at year end		
Current assets	2,730,982	3,718,077
Non-current assets	1,556,777	1,518,750
Total assets	4,287,759	5,236,827
Current liabilities	165,166	61,886
Total liabilities	165,166	61,886
Total equity of the parent entity comprising of:		
Share capital	12,610,243	11,890,537
Share-based payment reserve	1,489,232	1,307,969
Accumulated losses	(9,976,882)	(8,023,565)
Total equity	4,122,593	5,174,941

25 Other accounting policies

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

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

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

(b) Adoption of new and revised accounting standards and change in accounting standards

Early adoption of accounting standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2020.

25 Other accounting policies (continued)

New and amended standards adopted by the Group

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.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

There is no impact on the Group for the year ended 30 June 2020.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) the financial statements and accompanying notes are prepared in compliance with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board, as stated in note 2(a) of the financial statements;
- (c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with the Corporate Regulations 2001 and accounting standards and giving a true and fair view of the financial position and performance of the Group; and
- (d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.



David Frances
Executive Chairman
23 September 2020

Scandivanadium Ltd

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Scandivanadium Ltd (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2020, 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 other explanatory information, 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 2020 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 (including Independence Standards)* (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.

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 the matters.

ACCOUNTANTS & ADVISORS

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Scandivanadium Ltd

Independent auditor's report to members

RELATED PARTY TRANSACTIONS

Area of focus Refer also to the Remuneration Report on pages 14 to 25 and Note 23	How our audit addressed it
<p>There have been numerous related party transactions with companies where key management personnel of the Group have interests and/or are Directors.</p> <p>As, such, there is a risk that not all related party transactions are disclosed in the financial report or that related party transactions have been made on non-arm's length basis.</p> <p>This could result in insufficient information being provided in order to enable the reader to understand the nature and effect of the various related party relationships and transactions.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">- Comparing the list of related parties provided by the Directors with internal sources;- Conducting an ASIC search for external directorships held by the Board members and key management personnel to evaluate whether all related party relationships and transactions had been appropriately identified and disclosed; and- Assessing whether related party transactions were conducted at arm's length by comparing the basis of the transactions to external sources. <p>For each class of related party transaction, we compared the financial statement disclosures against the underlying transactions and the accounting and <i>Corporations Act 2001</i> requirements.</p>

Scandivanadium Ltd

Independent auditor's report to members

SHARE BASED PAYMENTS

Area of focus Refer also to the Remuneration Report on pages 14 to 25, notes 14 and 15	How our audit addressed it
<p>The Group has entered into share-based payment arrangements, issuing options to executives and consultants to provide long term incentives to deliver long term shareholder returns.</p> <p>The Group issued 5,000,000 options exercisable at \$0.04 expiring on 13 November 2022 to Management in accordance with an employee incentive scheme on 18 June 2020. The options vested upon issue.</p> <p>These arrangements required significant judgments and estimations by management, including the following:</p> <ul style="list-style-type: none"> — The evaluation of the grant date for these arrangements, and the evaluation of the fair value of the underlying share price of the company as at the grant date; — The evaluation of key inputs into the Black Scholes option pricing model, including the significant judgment of the forecast volatility of the share option over its exercise period. <p>The results of these share-based payment arrangements materially affect the disclosures.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — Determining the grant dates, we evaluated what were the most appropriate dates based on the terms and conditions of the offers; — Evaluating the fair values of the share-based payment arrangement by agreeing assumptions to third party evidence; — For the specific application of the Black Scholes model, we assessed the experience of the company secretary who advised the value of the arrangements. We retested some of the assumptions used in the model and recalculated those fair values. We considered that the forecast volatility applied in the model to be appropriately reasonable and within industry norms; and — We also reconciled the vesting of the share-based payment arrangements to disclosures made in note 14.

Scandivanadium Ltd

Independent auditor's report to members

CARRYING VALUE OF EXPLORATION COSTS	
Area of focus Refer also to notes 2 (e) and 9	How our audit addressed it
<p>The capitalised exploration expenditure comprises the acquisition cost of the mineral rights in Sweden.</p> <p>There is a risk that accounting criteria associated with the capitalisation of exploration and evaluation expenditure may no longer be appropriate and that capitalised costs exceed the value in use.</p> <p>An impairment review is only required if an impairment trigger is identified. Due to the nature of the mining industry, indicators of impairment applying the value in use model include:</p> <ul style="list-style-type: none"> — Significant decrease seen in global mineral prices — Changes to exploration plans — Loss of rights to tenements — Changes to reserve estimates — Costs of extraction and production 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — Reviewing the directors' assessment of the criteria for the capitalisation of exploration expenditure and evaluation of whether there are any indicators of impairment to capitalised costs; — Assessing the viability of the new tenements and whether there were any indicators of impairment to those costs capitalised in the current period; and — Assessing the adequacy of the Group's disclosures in respect of the transactions.

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 2020 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.

Scandivanadium Ltd

Independent auditor's report to members

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 has 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 these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.

Scandivanadium Ltd

Independent auditor's report to members

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 14 to 25 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Scandivanadium Ltd, for the year ended 30 June 2020, 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.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

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Conley Manifis
Director

Dated this 23rd day of September, 2020

The Shareholder information set out below was applicable as at 20 September 2020:

1. Twenty Largest Shareholders

Ordinary Shares	Number	Percentage
MR THOMAS EDWARD LANGLEY <THE LANGLEY MINERAL HOLDINGS A/C>	55,555,555	11.13
DAVID MINCHIN	24,642,857	4.94
PINNACLE TRUSTEES LIIMITED <THE RALEX A/C>	22,232,142	4.45
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,476,385	3.10
BROWN BRICKS PTY LTD <HM A/C>	11,655,000	2.33
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	8,114,327	1.63
CITICORP NOMINEES PTY LIMITED	7,776,866	1.56
RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	7,500,000	1.50
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,404,624	1.48
MOSCH PTY LTD	7,125,000	1.43
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	6,884,966	1.38
NALEY PTY LTD	6,682,500	1.34
MR JENSEN JEH SIAN CHAN	6,203,241	1.24
QUID CAPITAL PTY LTD	5,803,688	1.16
BELLARINE GOLD PTY LTD <RIBBLESDALE SUPER FUND A/C>	5,000,000	1.00
BUCKINGHAM INVESTMENT FINANCIAL SERVICES PTY LTD <LENNOX HEAD PROPERTY A/C>	5,000,000	1.00
GRANIMO NOMINEES PTY LTD <GTP FAMILY SUPER FUND A/C>	4,250,000	0.85
SEQUOI NOMINEES PTY LTD <SEQUOI A/C>	4,017,857	0.80
RIVER VALLEY PTY LTD	4,000,000	0.80
HAVEN SUPER PTY LTD <HAVEN SUPER FUND A/C>	3,803,961	0.76
Total Top 20	219,128,969	43.90
Other	280,070,464	56.10
Total ordinary shares on issue	499,199,433	100.00

2. Substantial Shareholders

Substantial Holder	Number
MR THOMAS EDWARD LANGLEY <THE LANGLEY MINERAL HOLDINGS A/C>	55,555,555

3. Distribution of Equity Securities

	Ordinary Shares	Performance Shares	Unlisted options At \$0.04 Expiring 13 November 2022
1 - 1,000	542	-	-
1,001 - 5,000	123	-	-
5,001 - 10,000	25	-	-
10,001 - 100,000	775	-	3
100,001 – 999,999,999	467	8	20
Total	1,932	8	23
Number	499,199,433	162,500,000	70,000,000

Number being held less than a marketable parcel	815
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4. Performance Shares Holders of more than 20%

	Number
David Minchin	49,285,718
Pinnacle Trustees Limited <The Ralex A/C>	44,464,288

5. Option Holders of more than 20%

Exercisable at \$0.04 expiring 13 November 2022	Number
David Minchin	18,750,000

6. Securities subject to Escrow

	Ordinary Shares	Unlisted Options	Performance Shares
Ordinary Shares – 24 Months from re-quotation (14/11/2020)	50,892,856	-	-
Performance Shares – 24 Months from re-quotation	-	-	112,500,000
Unlisted Options exercisable at \$0.04 on or before 13 November 2022 – 24 Months from re-quotation	-	58,000,000	-

7. Voting Rights

See Note 12 to the Annual Financial Statements.

8. On-Market Buy Back

There is currently no on-market buyback program for any of the Company's listed securities.

9. Listing Rule 4.10.19 confirmation

The Company has used the cash and assets readily convertible to cash that it had at the time of re-admission to ASX (26 November 2018) in a way consistent with the business objectives set out in the prospectus.

Schedule of Tenements

Australia

Name	Tenement	Ownership
Pascalie	E 45/5316	100%
Gnama	E 63/1933	100%
Gnama	E 63/1934	100%
Gnama	E 63/1935	100%

Sweden

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%