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**VANADIUM RESOURCES LIMITED**  
**ABN 47 618 307 887**

**FINANCIAL REPORT**  
**FOR THE HALF-YEAR ENDED**  
**31 DECEMBER 2022**

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**Board of Directors**

Mr John Ciganek	Chief Executive Officer and Managing Director
Mr Jurie Wessels	Executive Chairman
Mr Michael Davy	Non-Executive Director

**Company Secretary**

Ms Kyla Garic

**Registered Office and Principal Place of Business**

Suite 7, 63 Shepperton Road  
Victoria Park WA 6100

Telephone: 08 6158 9990

Website: [www.vr8.global](http://www.vr8.global)

Stock Exchange Listing

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

Listed on the Frankfurt Stock Exchange (FRA Code: TR3)

**Auditors**

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

**Solicitors**

Steinepreis Paganin  
16 Milligan Street  
Perth WA 6000

**Bankers**

National Australia Bank Limited  
197 St Georges Terrace  
Perth WA 6000

**Share Registry**

Automatic Share Registry  
Level 5/191 St Georges Terrace  
Perth WA 6000  
Telephone: 08 9698 5414

The Directors of Vanadium Resources Limited (“the Company”) present their report, together with the financial statements on the consolidated entity consisting of Vanadium Resources Limited and its controlled entities for the half-year ended 31 December 2022 (“the Period”).

It is recommended that the Directors’ Report be read in conjunction with the annual financial statements for the year ended 30 June 2022 and considered together with any public announcements made by the Company during the Period and up to the date of this report.

**1. DIRECTORS**

The names of the Company’s Directors who held office from 1 July 2022 until the date of this report are set out below. The Directors were in office for this entire period unless otherwise stated.

Name	Status	Appointment/ Resignation
Mr John Ciganek	Managing Director and Chief Executive Officer	Appointed 18 December 2020 (Non-Executive Director until 9 January 2023)
Mr Jurie Hendrik Wessels	Executive Chairman	Appointed on 26 July 2019
Mr Michael Davy	Non-Executive Director	Appointed 1 December 2019

**2. REVIEW OF OPERATIONS AND ACTIVITIES**

**STEELPOORTDRIFT VANADIUM PROJECT**

During the half-year ended 31 December 2022 the Company completed the Definitive Feasibility Study (“DFS”) on the Steelpoortdrift Vanadium Project (“SPD” or “Project”) which confirmed the robust economics and technical viability of the Project to produce a total of 484,000t of vanadium pentoxide (“V<sub>2</sub>O<sub>5</sub>”) flake over a 25-year period (see ASX release 4 October 2022)<sup>1</sup>.

In conjunction with the DFS, the Company announced an update to the Mineral Resource and Ore Reserve estimate for the Project (see ASX release 4 October 2022)<sup>2</sup> following the re-interpretation of the geology, an enhanced block model and Life of Mine (“LOM”) plan. The Mineral Resource now amounts to 680Mt at 0.70% V<sub>2</sub>O<sub>5</sub> at a cut-off grade of 0.45% V<sub>2</sub>O<sub>5</sub>, the updated Ore Reserves now total 76.86Mt at 0.72% V<sub>2</sub>O<sub>5</sub>.

A number of other key activities towards developing the SPD Project were achieved or progressed during the half-year including:









- Entered into an Option Agreement to acquire 135 hectares of property for the planned Salt Roast Leach Plant (“SRL Plant”);
- HCF appointed as debt funding advisor to assist the Company with arranging debt finance for the development of SPD;
- Formal construction funding process ongoing with advanced level discussions with numerous potential strategics, offtake parties, commodity traders and debt financiers; and
- Appointment of Managing Director and Chief Executive Officer, Mr John Ciganek.

<sup>1</sup> Refer to ASX Announcement dated 04 October 2022 “DFS Delivers A\$1.9BN NPV Confirming World Class Steelpoortdrift Vanadium Project”

<sup>2</sup> Refer to ASX Announcement dated 04 October 2022 “VR8 Updates Mineral Resource and Ore Reserve for the Steelpoortdrift Vanadium Project”

2. REVIEW OF OPERATIONS AND ACTIVITIES (continued)

STEELEPOORTDRIFT VANADIUM PROJECT DEFINITIVE FEASIBILITY STUDY (DFS) SUMMARY

 <b>A\$1.9bn</b> (US\$1.21bn) NPV <sub>7.5%</sub> (post-tax)	 <b>A\$1.4bn</b> (US\$896m) Attributable NPV	 <b>A\$237m</b> (US\$152m) Yearly Free Cashflows	 <b>42%</b> IRR (post-tax)
 <b>27 months</b> Payback	 <b>US\$211m</b> (A\$329m) Incl. Contingency Start-up Capex	 <b>US\$3.24</b> Cash Costs V <sub>2</sub> O <sub>5</sub> /lb	 <b>US\$9.50</b> (Deloitte forward mid-range) Price per V <sub>2</sub> O <sub>5</sub> /lb

\* Values might slightly differ due to rounding. US\$/AUD Exchange Rate as at 1/10/22.

In October 2022, the Company released a DFS confirming the SPD Vanadium Project's potential to be a world-class, large scale and low-cost vanadium producer with competitive Opex and Capex metrics (refer ASX announcement 4th October 2022). The Project comprises the open pit mining of titaniferous vanadium ore, primary treatment of the ore through an onsite concentrator (using magnetic separation), and secondary treatment of concentrate through a SRL Plant to produce a >98% V<sub>2</sub>O<sub>5</sub> flake.

The DFS demonstrated a two-phase operation which will produce a total of 484,000t of V<sub>2</sub>O<sub>5</sub> flake over a 25-year period, providing a post-tax NPV<sub>7.5%</sub> of US\$1.21bn (attributable share of US\$0.9bn) with an IRR of 42%. The Project will generate annual free cashflows of US\$152m with a short payback period of less than 2 years due to the high-grade nature of the mineralisation and the low Capex requirement of US\$211m.

The Project will be built in two phases, as follows:

**Phase 1 Project:** This initial phase will have a pre-production capex of US\$211m and operate for the first four years (Year 1-4) based on a mining rate of 1.6Mt of vanadium ore per year at an average in situ grade of 0.83% V<sub>2</sub>O<sub>5</sub>, which will be processed through the concentrator and SRL plant to produce ~12ktpa of V<sub>2</sub>O<sub>5</sub> flake.

**Phase 2 Project:** An additional US\$188m will then be funded using a combination of free cashflows and available cash to expand the plant and increase the mining rate to 3.5Mtpa of ore at an average grade of 0.71% V<sub>2</sub>O<sub>5</sub> with production almost doubling to ~21ktpa of flake.

The DFS identified a number of significant opportunities that would reduce costs and increase the potential Mineral Resources, Ore Reserves and the associated LOM plan, decrease environmental impacts and increase earnings potential. The following opportunities may be considered but will require additional, more detailed value engineering studies going forward:

- ropeway conveyor system to transport concentrate from mine site to SRL plant;
- removal of community and water course constraints on Mineral Resource estimation and associated LOM;
- residual vanadium recovery plant; and
- titanium in SRL tailings.

2. REVIEW OF OPERATIONS AND ACTIVITIES (continued)

MINERAL RESOURCE AND ORE RESERVES

The Company reported updates to both the Mineral Resource and Ore Reserves during the period with the updated statements issued in October 2022<sup>3</sup>, as shown below in Tables 1 and 2.

Key highlights of the updated Resources and Reserves included:

- The Mineral Resources now amount to 680Mt (2.7% increase) averaging 0.70% V<sub>2</sub>O<sub>5</sub> at a cut-off grade of 0.45% V<sub>2</sub>O<sub>5</sub>;
- The Measured Mineral Resources increased by 58% to 145Mt averaging 0.72% V<sub>2</sub>O<sub>5</sub>;
- The Ore Reserves total 77Mt at an average grade of 0.72% V<sub>2</sub>O<sub>5</sub> including 30Mt of Proved Ore Reserves at an average grade of 0.70% V<sub>2</sub>O<sub>5</sub> and 47Mt of Probable Ore Reserves at an average grade of 0.72% V<sub>2</sub>O<sub>5</sub>; and
- The Geological Model identified potential target areas for future infill drilling down dip from current Resource to further expand deposit.

Table 1: Mineral Resource Estimate (as at 30 April 2022)

CLASSIFICATION	VOLUME (M m <sup>3</sup> )	QUANTITY (Mt)	QUALITY (% V <sub>2</sub> O <sub>5</sub> In-situ)	CONTAINED V <sub>2</sub> O <sub>5</sub> (Mt)	QUALITY (% Fe <sub>2</sub> O In-Situ)	CONTAINED Fe <sub>2</sub> O (Mt)
Measured	43.77	145.46	0.72	1.05	22.47	32.68
Indicated	98.75	327.29	0.70	2.29	22.80	74.62
Inferred	63.41	207.38	0.68	1.40	22.90	47.49
<b>Total Mineral Resource</b>	<b>205.93</b>	<b>680.13</b>	<b>0.70</b>	<b>4.74</b>	<b>22.76</b>	<b>154.80</b>

Source: Sound Mining, 2022

Notes:

- Stated at a cut-off grade of 0.45% V<sub>2</sub>O<sub>5</sub>;
- The Mineral Resources are stated on a 100% attributable basis for VanRes, of which VR8 owns 73.95%;
- The Mineral Resources are inclusive of Ore Reserves; and
- Reported in-situ with any apparent computational errors due to rounding not considered significant.

<sup>3</sup> Refer to ASX Announcement dated 04 October 2022 "VR8 Updates Mineral Resource and Ore Reserve for the Steelpoortdrift Vanadium Project"

## 2. REVIEW OF OPERATIONS AND ACTIVITIES (continued)

Table 2: Ore Reserves as at 30 September 2022

CLASSIFICATION	QUANTITY (Mt)	QUALITY (% V <sub>2</sub> O <sub>5</sub> RoM)	CONTAINED V <sub>2</sub> O <sub>5</sub> (Mt)
Proved Ore Reserves	30.23	0.70%	0.21
Probable Ore Reserves	46.62	0.72%	0.34
<b>Total Ore Reserves</b>	<b>76.86</b>	<b>0.72%</b>	<b>0.55</b>

Source: Sound Mining, 2022

## Notes:

- The Ore Reserves are stated at a price of USD9.50/lb;
- The Ore Reserves are stated on a 100% attributable basis for VanRes, of which VR8 is owns 73.95%;
- The LOM was restricted to a production forecast of 25 years whereafter the mining licence will need to be renewed;
- The Ore Reserves are reported at the point of delivery for processing;
- Any apparent computational errors due to rounding are not considered significant;
- The Ore Reserves may be subject to legal, political, environmental or other risks;
- Losses that could occur as a result of transportation of content or Flake are considered to be negligible; and
- 39% of the Ore Reserves are in the Proved category and no Inferred Mineral Resources are included in the Ore Reserve estimate.

## Mineral Resources

The Company confirms it is not aware of any new information or data that materially affects the information included in the 4 October 2022 (*VR8 updated mineral resource and ore reserve for the Steelpoortdrift Vanadium Project*) Vanadium Resource estimate and all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed when referring to its resource announcement made on 04 October 2022. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

## Ore Reserves

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Ore Reserves Statement and that all material assumptions and technical parameters underpinning the estimates in the Ore Reserves Statement continue to apply and have not materially changed. The Information that has been presented in this report has been extracted from the announcement dated 4 October 2022 (*VR8 updated mineral resource and ore reserve for the Steelpoortdrift Vanadium Project*). The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

## Compliance Statement

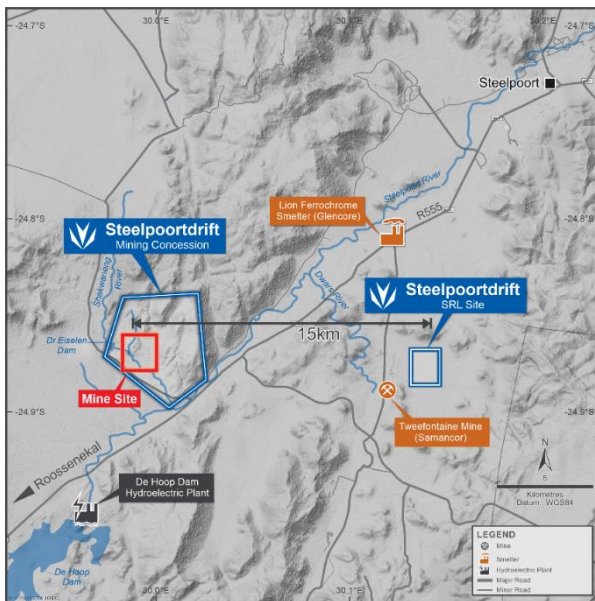
The information in the referenced announcements that relate to Exploration results, including the Mineral Resources contained within the production target (and forecast financial information derived from the production targets) at the Steelpoortdrift project has previously been publicly released to the ASX. The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements and that all material assumptions and technical parameters underpinning the announcements continue to apply. The Company confirms that the form and context in which the Competent Person's finding are presented have not been materially modified from the original market announcements.

2. REVIEW OF OPERATIONS AND ACTIVITIES (continued)

ACQUISITION OF PROPERTY TO LOCATE SALT ROAST FACILITY

As announced on the 19 August 2022<sup>4</sup>, Company subsidiary Vanadium Resources (Pty) Ltd (“VanRes”), entered into an option agreement to acquire a 135-hectare industrial site (“SRL Site”) located within a 15km radius of the SPD Mine Site and within the world-renowned mining hub of Steelpoort in the Eastern Bushveld Igneous Complex (see Figure 1 below).

Figure 1: Location of Steelpoortdrift Mine site and the SRL site in relation to local infrastructure



The SRL Site is situated near existing chrome and platinum mining operations within the municipal boundaries of Tubatse-Steelpoort. The SRL site is planned to serve as the location of the proposed SRL Plant which is ideally located within close proximity to planned mining operations and within easy reach of excellent infrastructure.

With this transaction, the Company will be able to leverage the optionality presented by having two sites of operation and, thereby, extract optimum operational, environmental, financing, and social efficiencies for its planned businesses: One focussed on mining and initial beneficiation and the other on extraction, refining and industrial production.

FINANCING PROCESS

During the half-year ending 31 December 2022, the Company continued to progress its formal process aimed at preparations for the raising of construction funding including discussions with offtakers, strategic investors and debt financiers. As this process commenced following completion of the DFS and in some instances prior to DFS completion, some of these discussions are more advanced with some interested parties than with others.

As part of this process, the Company is evaluating and short-listing the proposals most suited to the project and in the best interests of its shareholders. Should the Company reach agreement with these parties, the Company will update the market accordingly.

<sup>4</sup> Refer to ASX Announcement dated 19 August 2022 “Acquisition of property to locate salt roast facility”



## 2. REVIEW OF OPERATIONS AND ACTIVITIES (continued)

HCF International Advisors Ltd (“HCF”) was appointed as the Company’s financial adviser to assist in the raising of project financing for the development of the SPD Project<sup>5</sup>. HCF is a leading independent corporate finance advisory boutique based in London, UK with a primary focus on the mining and metals sector and a strong history of securing funding for projects in Africa. HCF has developed a reputation for successfully executing transactions in emerging markets across commodities (including critical minerals projects), with a deep understanding of political risk mitigation.

### CORPORATE

During the half-year the company announced the appointment of a highly experienced mining executive and financier, Mr John Ciganek, as Managing Director and Chief Executive Officer, effective from 9 January 2023 (Effective Date)<sup>6</sup>. Mr Ciganek remained as a Non-Executive Director until the effective date.

Mr Ciganek replaced Mr Eugene Nel who stepped down as Chief Executive Officer from the 9 December 2022, fulfilling his mandate of successfully steering the Company in completing its Pre-Feasibility Study (“PFS”) and DFS.

On 7 October 2022, 1,325,000 Class A Performance Rights were converted to fully paid ordinary shares, and on 15 November 2022 6,575,000 Class A Performance Rights and 3,000,000 Class B Performance Rights were converted to fully paid ordinary shares.

## 3. SIGNIFICANT CHANGES TO THE STATE OF AFFAIRS

Refer to the review of operations and activities for the significant changes in the state of affairs of the consolidated entity during the half-year.

## 4. FINANCIAL RESULTS

The financial results of the consolidated entity for the half-year ended 31 December 2022 are:

	31 December 2022	30 June 2022
Cash and cash equivalents (\$)	1,233,946	2,915,991
Net assets (\$)	26,007,733	26,442,984
	31 December 2022	31 December 2021
Net loss after tax (\$)	(520,858)	(808,735)
Loss per share (cents)	(0.11)	(0.18)

<sup>5</sup> Refer to ASX Announcement dated 22 August 2022 “Leading global finance advisor appointed”

<sup>6</sup> Refer to ASX Announcement dated 05 December 2022 “VR8 appoints experienced MD to lead world-class project”

**5. EVENTS OCCURRING AFTER REPORTING DATE**

On 20 February 2023, the Company announced it had appointed highly experienced executive Mr Alex Oehmen as General Manager Operations<sup>7</sup>, with the responsibility for driving the development and operations of the Steelpoortdrift Vanadium Project. Mr Oehmen's demonstrated track record in the management of vanadium and steel making operations within the Bushveld region will be important to the success of the project.

Other than the above, there are no other matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

**6. AUDITOR'S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 10 for the half-year ended 31 December 2022.

This report is signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



**J Ciganek**  
**CEO**

**13 March 2023**

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<sup>7</sup> Refer to ASX Announcement dated 20 February 2023 "Vanadium Resources appoints General Manager Operations"

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Vanadium Resources Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A stylized, handwritten signature of the letters 'RSM' in a cursive font.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'AIK KONG TING'.

AIK KONG TING  
Partner

Perth, WA  
Dated: 13 March 2023

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AUDIT | TAX | CONSULTING

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## VANADIUM RESOURCES LIMITED

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	31 December 2022 \$	31 December 2021 \$
<b>Revenue from continuing operations</b>			
Other income		21,784	100
<b>Expenses</b>			
Consulting and legal fees		(107,125)	(10,915)
Director fees		(34,808)	(36,000)
Company secretary and financial management		(24,030)	(24,000)
Share and company registry fees		(50,362)	(63,407)
Other expenses		(180,535)	(300,026)
Share based payment expenses		(74,706)	(62,272)
Professional fees		(71,074)	(20,776)
Share of losses of associates accounted for using the equity method	4	-	(291,440)
<b>Loss from continuing operations before income tax</b>		<b>(520,858)</b>	<b>(808,735)</b>
Income tax expense		-	-
<b>Loss from continuing operations after income tax</b>		<b>(520,858)</b>	<b>(808,735)</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive loss attributable to:</b>			
Owners of Vanadium Resources Limited		(502,328)	(808,735)
Non-controlling interest		(18,530)	-
<b>Loss per share for the half-year attributable to the members of Vanadium Resources Limited:</b>			
Basic and diluted loss per share	6	(0.11)	(0.18)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

# VANADIUM RESOURCES LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	31 December 2022	30 June 2022
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,233,946	2,915,991
Trade and other receivables		41,757	281,761
<b>Total Current Assets</b>		<b>1,275,703</b>	<b>3,197,752</b>
<b>Non-Current Assets</b>			
Exploration and evaluation assets		25,127,715	24,077,422
Deposits and other receivables		441,588	447,829
Plant and equipment		7,154	5,284
<b>Total Non-Current Assets</b>		<b>25,576,457</b>	<b>24,530,535</b>
<b>TOTAL ASSETS</b>		<b>26,852,160</b>	<b>27,728,287</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Borrowings		173,235	177,979
Trade and other payables		239,617	663,929
<b>Total Current Liabilities</b>		<b>412,852</b>	<b>841,908</b>
<b>Non-Current Liabilities</b>			
Borrowings		431,575	443,395
<b>Total Non-Current Liabilities</b>		<b>431,575</b>	<b>443,395</b>
<b>TOTAL LIABILITIES</b>		<b>844,427</b>	<b>1,285,303</b>
<b>NET ASSETS</b>		<b>26,007,733</b>	<b>26,442,984</b>
<b>EQUITY</b>			
Issued capital	7	31,141,439	31,130,539
Reserves		255,622	217,368
Accumulated losses		(4,911,190)	(4,445,315)
Equity attributable to the owners of Vanadium Resources Limited		26,485,871	26,902,592
Non-controlling interest		(478,138)	(459,608)
<b>TOTAL EQUITY</b>		<b>26,007,733</b>	<b>26,442,984</b>

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

	Issued Capital	Reserves	Accumulated Losses	Non-controlling Interest	Total Equity
	\$	\$		\$	\$
<b>At 1 July 2022</b>	<b>31,130,539</b>	<b>217,368</b>	<b>(4,445,315)</b>	<b>(459,608)</b>	<b>26,442,984</b>
Loss for the period	-	-	(502,328)	(18,530)	(520,858)
<b>Total comprehensive loss for the half-year after tax</b>	<b>-</b>	<b>-</b>	<b>(502,328)</b>	<b>(18,530)</b>	<b>(520,858)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Rights exercised	10,900	-	-	-	10,900
Amortisation of performance rights	-	74,707	-	-	74,707
Expiry of share based payment options	-	(36,453)	36,453	-	-
<b>Balance at 31 December 2022</b>	<b>31,141,439</b>	<b>255,622</b>	<b>(4,911,190)</b>	<b>(478,138)</b>	<b>26,007,733</b>
<b>At 1 July 2021</b>	<b>26,028,952</b>	<b>5,043,562</b>	<b>(7,859,177)</b>	<b>-</b>	<b>23,213,337</b>
Loss for the period	-	-	(808,735)	-	(808,735)
<b>Total comprehensive loss for the half-year after tax</b>	<b>-</b>	<b>-</b>	<b>(808,735)</b>	<b>-</b>	<b>(808,735)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Issued capital	4,600,000	-	-	-	4,600,000
Options and rights exercised	501,188	-	-	-	501,188
Issue of performance shares, net of transaction costs	-	62,272	-	-	62,272
Expiry of share based payment options	-	(5,043,562)	5,043,562	-	-
<b>Balance at 31 December 2021</b>	<b>31,130,139</b>	<b>62,272</b>	<b>(3,624,350)</b>	<b>-</b>	<b>27,568,061</b>

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

# VANADIUM RESOURCES LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	31 December 2022	31 December 2021
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(284,972)	(457,028)
Interest received	21,784	100
GST refund	402,736	35,875
<b>Net cash flows provided by (used in) operating activities</b>	<b>139,548</b>	<b>(421,053)</b>
<b>Cash flows from investing activities</b>		
Payments for capitalised exploration and evaluation	(1,832,493)	-
Loan to Vanadium Resources (Pty) Ltd	-	(1,615,000)
<b>Net cash flows used in investing activities</b>	<b>(1,832,493)</b>	<b>(1,615,000)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	10,900	5,101,187
<b>Net cash flows provided by financing activities</b>	<b>10,900</b>	<b>5,101,187</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(1,682,045)</b>	<b>3,065,134</b>
Cash and cash equivalents at the beginning of the period	2,915,991	1,802,619
<b>Cash and cash equivalents at the end of the period</b>	<b>1,233,946</b>	<b>4,867,753</b>

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

**Significant accounting judgements and key estimates**

The preparation of the interim financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expense. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2022.

**Going concern**

These financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of the assets and discharge of liabilities in the normal course of business.

As disclosed in the interim financial report, the Group incurred a net loss of \$520,858 and had net cash outflows from investing activities of \$1,832,493 for the half year ended 31 December 2022.

The Group has unrestricted cash of \$1,233,946, net current assets of \$862,851 and net assets of \$26,007,733 as at 31 December 2022.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that is appropriate to adopt the going concern basis in the preparation of the interim financial report after consideration of the following factors:

- The ability to issue additional shares under the Corporation Act 2001 to raise further working capital; and
- The group has the ability to scale down its operations in order to curtail expenditure, in the event cash available is insufficient to meet projected expenditure.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**NOTE 2: DIVIDENDS**

No dividends were paid or proposed to be paid to members during the half-year ended 31 December 2022 (31 December 2021: nil).



**NOTE 3: OPERATING SEGMENTS**

The directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the Chief Operating Decision Maker (the Board of Directors) in allocating resources and have concluded that at this time there are no separately identifiable operating segments.

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report in the same information that is viewed by the Board of Directors.

The consolidated entity is currently operating in one business segment being an administrative entity in the exploration sector and two geographic segments being Australia and South Africa.

	Australia	South Africa	Total
	\$	\$	\$
<b>31 December 2022</b>			
Other revenue	2,537	19,247	21,784
Total segment revenue	<u>2,537</u>	<u>19,247</u>	<u>21,784</u>
Loss before income tax expense	<u>(449,725)</u>	<u>(71,133)</u>	<u>(520,858)</u>
Total Segment Assets	<u>1,337,330</u>	<u>25,514,830</u>	<u>26,852,160</u>
Total Segment Liabilities	<u>(143,320)</u>	<u>(701,107)</u>	<u>(844,427)</u>
<b>31 December 2021</b>			
Other revenue	100	-	100
Total segment revenue	<u>100</u>	<u>-</u>	<u>100</u>
Loss before income tax expense	(342,940)	(465,795)	(808,735)

**NOTE 4: SHARE OF PROFITS OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD**

	31 December 2022	31 December 2021
	\$	\$
Share of loss - associates	-	<u>291,440</u>

**NOTE 5: CONTINGENCIES AND COMMITMENTS**

There are no changes in the consolidated entity's contingencies and commitments from 30 June 2022.

## NOTE 6: LOSS PER SHARE

Basic loss per share is calculated by dividing net loss for the 6-months attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the half-year.

Diluted loss per share is calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the 6 months plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	31 December 2022 \$	31 December 2021 \$
Net loss for the period	<u>(502,328)</u>	<u>(808,735)</u>
Weighted average number of ordinary shares for basic and diluted loss per share	<u>476,518,216</u>	<u>441,944,131</u>
Options on issue are considered anti-dilutive to the earnings per share as the Company is in a loss-making position.		
Continuing operations		
• Basic and diluted loss per share (cents)	<u>(0.11)</u>	<u>(0.18)</u>

## NOTE 7: ISSUED CAPITAL

	31 December 2022		30 June 2022	
	No. of Shares	\$	No. of Shares	\$
Ordinary shares – fully paid	<u>484,412,374</u>	<u>31,141,439</u>	<u>473,512,374</u>	<u>31,130,539</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the share held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Movement reconciliation	Number	\$
<b>At 1 July 2022</b>	473,512,374	31,130,539
Class A Performance Rights exercised	7,900,000	7,900
Class B Performance Rights exercised	3,000,000	3,000
<b>At 31 December 2022</b>	<u>484,412,374</u>	<u>31,141,439</u>
<b>At 1 July 2021</b>	418,444,105	26,028,952
Issue of shares - placement	44,230,769	4,600,000
Options and rights exercised	10,837,500	501,587
<b>At 30 June 2022</b>	<u>473,512,374</u>	<u>31,130,539</u>

**NOTE 8: EVENTS AFTER THE END OF THE INTERIM PERIOD**

On 20 February 2023, the Company announced it had appointed highly experienced executive Mr Alex Oehmen as General Manager Operations , with the responsibility for driving the development and operations of the Steelpoortdrift Vanadium Project. Mr Oehmen’s demonstrated track record in the management of vanadium and steel making operations within the Bushveld region will be important to the success of the project.

Other than the above, there are no other matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

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In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



**J Ciganek**  
**CEO**

**13 March 2023**



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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of VANADIUM RESOURCES LIMITED

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Vanadium Resources Limited which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vanadium Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of Vanadium Resources Limited 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 annual 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 Vanadium Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Vanadium Resources Limited are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Perth, WA  
Dated: 13 March 2023



RSM AUSTRALIA PARTNERS



AIK KONG TING  
Partner

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