

30 April 2024

ADDITIONAL OFFTAKE MOU SIGNED WITH MAJOR VFB PRODUCER

HIGHLIGHTS

- ◆ **VANADIUM RESOURCES LIMITED (ASX: VR8; DAX: TR3) (“VR8” or the “Company”)** has entered into a Memorandum of Understanding (“MOU”) with Enerflow Technology Co., Ltd. (“Enerflow”), a subsidiary of Tian’en Energy Co., Ltd. (“Tian’en Energy”)
- ◆ Tian’en Energy is the provider of a comprehensive range of services, including the construction and operation of power stations, for the photovoltaic, wind power, gas power generation and cogeneration sectors
- ◆ Significantly for VR8, the MOU represents a source of vanadium demand from the growing global energy storage market including Vanadium Flow Batteries (“VFBs”), which comes in addition to the continuing demand for vanadium from the steel & alloy market.
- ◆ Similar to the recently announced MOU with Panjin Hexiang New Materials Technology Co., Ltd (“Hexiang”)¹, the MOU with Enerflow envisions the sale of 4ktpa of vanadium pentoxide (V_2O_5) for an initial 5-year term, with an option to extend for a further 5 years
- ◆ Together, the MOUs of Hexiang and Enerflow represent 8ktpa (or ~73%) of the planned 11ktpa V_2O_5 production planned for Steelpoortdrift’s Phase 1 operations², and highlights the continuing strong demand from China for reliable sources of vanadium supply
- ◆ VR8 remains in discussions for further offtake MOUs and agreements with a variety of Chinese, Japanese, Korean and European end-users and traders for the balance of its planned production

Vanadium Resources Limited (ASX: VR8; DAX: TR3) (the “Company”) provides the following update for its world-class Steelpoortdrift Vanadium Project (the “**Project**”) in South Africa, consisting of the Steelpoortdrift Mine and Concentrator (“**Steelpoortdrift**”) and the planned Tweefontein Salt Roast Leach (“**SRL**”) operation (“**Tweefontein**”).

The Company is pleased to announce that it has signed a non-binding MOU for the offtake of V_2O_5 production from its Project with Enerflow Technology Co., Ltd. (“**Enerflow**”), a subsidiary of Tian’en Energy Co., Ltd. (“**Tian’en Energy**”). The MOU provides for the supply of 4ktpa of V_2O_5 flake over a period of five years with an option for Enerflow to extend a further five years.

The MOU provides a framework for further negotiations in relation to price, product quality and other offtake parameters.

¹ Refer to ASX Announcement dated 11 April 2024 “Off-take MOU with large vanadium nitride producer”.

² Refer to ASX Announcement dated 4 October 2022 “DFS delivers A\$1.9Bn NPV confirming World Class Project”.

The MOU with Enerflow represents a further ~37% of VR8's planned annual average V₂O₅ flake production capacity of ~11ktpa³ for the initial Phase 1 operation at its Project, and now totals 8ktpa, or ~73%. The Company remains in discussions with a range of Chinese, Japanese, Korean and European end-users and traders for the balance of its planned production.

Commenting on the MOU, Mr John Ciganek, Chief Executive of VR8 said:

'We are delighted to announce another offtake MOU shortly after the conclusion of an MOU with Hexiang. Enerflow's interest in VR8 testifies to the prominent role VFBs are starting to play in the Battery Energy Storage Solution space. Enerflow is on the cutting-edge of this market, having been a supplier for multiple projects, including the construction of one of the world's largest all iron chromium energy storage projects, as well as the construction of China's first hydrochloric acid based VFB power station. VR8 considers Enerflow to be an ideal partner in China given its strong technical background in the Chinese energy storage market.'

'We are continuing to engage with a range of offtake partners, strategic equity investors and debt financiers, and I look forward to keeping shareholders updated during this pivotal and exciting phase in the Company's operations.'

Commenting on the MOU, Mr Jurie Wessels, Executive Chairman of VR8 said:

'The MOUs with Enerflow and Hexiang demonstrate compelling interest in the products we intend to produce and could provide the Company with critical mass off-take to satisfy debt funding requirements. Our MOU with Enerflow indicates VR8's potentially prominent role as a new entrant and supplier of Vanadium to the renewable energy storage market under circumstances where existing supply of Vanadium is expected to fall short of demand.'

'We also see the interest in off-take as confirmation that the demand for high-quality vanadium products and producers are gaining momentum globally, and particularly from a major Vanadium production jurisdiction such as China where the steel market consumes most of the Vanadium the country produces. This interest will be developed further and may very well be the impetus towards unlocking a comprehensive funding strategy for our world-class Steelpoortdrift Vanadium Project.'

ABOUT ENERFLOW

Enerflow Technology Co., Ltd. was jointly established by Tian'en Energy Co., Ltd. and Jiangsu Fanyu Energy Co., Ltd to enter the production, research and development, and system integration fields of liquid flow energy storage batteries. Enerflow has carried out work on a myriad of projects in the sector, including multiple electrochemical liquid flow battery energy storage systems, one of the world's largest all iron chromium energy storage projects, vanadium flow battery ("VFB") production and manufacturing, and China's first hydrochloric acid based VFB power station.

³ Refer to ASX Announcement dated 4 October 2022 "DFS delivers A\$1.9Bn NPV confirming World Class Project".

ABOUT TIAN'EN ENERGY

Tian'en Energy Co., Ltd. was established in 2013 with headquarters in Beijing. Tian'en Energy is a comprehensive enterprise which integrates comprehensive energy development, power station construction and operation, research and manufacturing of energy storage products, contract energy management and new energy blockchain and big data industries, across 8 wholly owned subsidiaries and 3 participating companies. The Company is primarily focused on the photovoltaic, wind power, energy storage sectors.

This announcement has been authorised for release by the directors of Vanadium Resources Limited.

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Competent Person's Statement and Compliance Statements

The information in the referenced announcements footnoted below that relates 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 released to the ASX. The Company confirms that it is not aware of any information or data that materially affects the information included in the market announcement, and that all material assumptions and technical parameters underpinning the announcement continue to apply. 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.

^{2,3}ASX: VR8 4 October 2022, DFS delivers A\$1.9Bn NPV confirming World Class Project

⁴ASX: VR8 4 October 2022, VR8 Updates Mineral Resource and Ore Reserve for the Steelpoortdrift Vanadium Project

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.

APPENDIX 1 – MINERAL RESOURCE ESTIMATE

The Resource statement as reported on the 4 October 2022⁴ was updated and is as follows:

Mineral Resource Estimate (as at 30 April 2022)

CLASSIFICATION	VOLUME (M m ³)	QUANTITY (Mt)	QUALITY % V ₂ O ₅ (In-situ)	CONTAINED V ₂ O ₅ (Mt)	QUALITY % Fe ₂ O (In-Situ)	CONTAINED Fe ₂ 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
Total Mineral Resource	205.93	680.13	0.70	4.74	22.76	154.80

Source: Sound Mining, 2022

Notes:

- Stated at a cut-off grade of 0.45% V₂O₅;
- The Mineral Resources are stated on a 100% attributable basis for VanRes, of which VR8 owns 86.49%;
- The Mineral Resources are inclusive of Ore Reserves; and

Reported in-situ with any apparent computational errors due to rounding not considered significant.

APPENDIX 2 – ORE RESERVE

The updated Ore Reserve statement as at 30 September 2022.

Ore Reserves as at 30 September 2022

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

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 owns 86.49%;
- 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;
- The Quantity is reported in metric tonnes and the Grade reported as a percentage of contained V₂O₅;
- 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 included in the Ore Reserve estimate.

⁴ Refer to ASX Announcement 4 October 2022 "VR8 Updates Mineral Resource and Ore Reserve for the Steelpoortdrift Vanadium Project"