

VANADIUM RESOURCES LIMITED

ABN 47 618 307 887

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2023

VANADIUM RESOURCES LIMITED

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VANADIUM RESOURCES LIMITED

CORPORATE DIRECTORY

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

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

Herbert Smith Freehills
ANZ Tower
161 Castlereagh Street
Sydney
NSW 2000

Bankers

National Australia Bank Limited
197 St Georges Terrace
Perth WA 6000

Share Registry

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

DIRECTORS' REPORT

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 2023 ("**the Period**").

It is recommended that the Directors' Report be read in conjunction with the annual financial statements for the period ended 30 June 2023 and considered together with any public announcements made by the Company during the Period and up to the date of this report.

DIRECTORS

The names of the Company's Directors who held office from 1 July 2023 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
Mr Jurie Hendrik Wessels	Executive Chairman	Appointed on 26 July 2019
Mr Michael Davy	Non-Executive Director	Appointed 1 December 2019

REVIEW OF OPERATIONS AND ACTIVITIES

STEELPOORTDRIFT VANADIUM PROJECT

During the half year ended 31 December 2023, the Company was primarily focused on Front-End Engineering Design activities, developing the project delivery model, progressing regulatory applications and further developing complete power solutions in discussions with several solar power solution providers.

The Company increased its interest in subsidiary Vanadium Resources (Pty) Ltd ("VanRes") to 86.49% (up from 73.95%) following completion of the transactions with Obeec (Pty) Ltd ("Obeec")[1] and Math-Pin (Pty) Ltd ("Math-Pin")[2]. The increase in the ownership interest to 86.49% has raised the Company's attributable Post Tax NPV7.5% to US$1.05B (or A$1.62B[3]).

A comprehensive offtake, debt finance and strategic equity process during the half-year led to strong interest from North American, European and Asian groups, with the Company continuing discussions with a view to securing agency and/or offtake agreements, together with strategic investment and debt finance.

Key activities towards developing the Project were achieved or progressed during the half-year including:

- Negotiations continued with potential debt and equity financiers for construction funding and the Company is pleased to have several potential funding pathways available;
- GC Partners Limited, a corporate advisory firm headquartered in Hong Kong, was engaged to assist with offtake and strategic investment discussions; and
- Appointment of Chief Financial Officer, Mr Tim Feather.

[1] Refer to ASX Announcement dated 19 October 2023 "VR8 Increases Interest in Steelpoortdrift to 82%"
[2] Refer to ASX Announcement dated 15 November 2023 "VR8 Increases Interest in Steelpoortdrift to 86.49%"
[3] Based on an AUD/USD exchange rate of 0.65

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

FRONT-END ENGINEERING DESIGN ("FEED") & PROJECT DELIVERY MODEL

The Company commenced and focused on progressing FEED activities during the half-year ended 31 December 2023, working with the key engineering firms for the Concentrator and Salt Roast Leach ("SRL") plants to make the Project construction ready. The Company is well underway with the comprehensive designs of the plants and has developed detailed site maps for both sites. Following completion of the FEED work, tenders will be drawn up for each specific piece of plant/equipment and, once finalised, will be issued to pre-identified suppliers.

The Company plans to implement a series of Engineering, Procurement and Construction ("EPC") contracts across the Project, with a view to ensuring that the appropriate engineering firm and/or equipment manufacturer has the necessary expertise, experience and ability to provide relevant performance guarantees and liquidated damages for that part of the plant. The Company has also held early discussions with several potential Project Management groups and some of the key engineering firms and equipment manufacturers to prepare for the impending tender process.

ENVIRONMENTAL AUTHORISATION & WATER USE LICENCE APPLICATIONS

During the half-year, the Environmental Impact Assessment ("EIA") and Environmental Management Program ("EMPr") for each site were distributed for public comment and the period for comments completed. With the public comments received, the final EIA and EMPr for each site were submitted to the relevant authorities towards the end of the half-year.

The Integrated Water Use Licence Applications for both sites have been significantly progressed and are in the final phase of the application process with the Department of Water and Sanitation ("DWS"). During the half-year, the technical reports were drafted for each application, and they were progressed to a consultation and review process before final submission to the DWS. Work was also completed on updating the water usage requirements based on the revised plant design to ensure that the applications would cover the new usage requirements.

SOCIAL AND LABOUR PLAN, COMMUNITY ENGAGEMENT & RE-ZONING APPLICATIONS

A revised Social and Labour Plan ("SLP") was completed and provided to the Department of Mineral Resources and Energy ("DMRE") for review during the half-year, with approval expected to take approximately three to four months following submission. No significant feedback was provided during the half-year by the DMRE.

The Company submitted several re-zoning applications to the Municipality for their review and approval in September 2023. Having received feedback late in the half-year, the Company will be revising some of the applications for re-submission in early 2024. While the Mining Right has been granted over the whole property, the rezoning process will ensure that the area will be appropriately zoned for the activities that will take place including mining, concentrating and installing the photovoltaic ("PV") solar plant and VRFB unit.

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

ADDITIONAL PROJECT DEVELOPMENT WORKSTREAMS

During the Quarter, the Company continued to progress the following additional workstreams:

- **Site Access Road**: following an initial design process for a more efficient and safer site access road.
- **Solar Power**: preparing for the development of a 35MW PV solar plant adjacent to the Tweefontein / SRL site (with Kadoma Investments (Pty) Ltd ("Kadoma") as a potential partner) and at Steelpoortdrift (with several other solar power solution providers under consideration), which work includes the design and costing of a 23-30MW PV and 1MW vanadium redox flow battery ("**VRFB**") solar farm at the Steelpoortdrift / Concentrator site for provision of power to the Mine and Concentrator at Steelpoortdrift, and the Salt Roast Leach Plant at Tweefontein.
- **Power**: in addition to the work with several solar power solution providers (including Kadoma) on site, the Company progressed work with ESKOM and engaged with potential groups to assist with the development of complete power solutions.
- **Rope Conveyor**: commissioned an EIA for the proposed route and a Pre-Feasibility Study is expected to be completed during the next few months.

CORPORATE

VR8 INCREASED PROJECT INTEREST IN STEELPOORTDRIFT TO 86.49%

On 3 May 2023[4], the Company announced the execution of two separate conditional sale and option agreements ("Sale and Option Agreements") to acquire 100% of the interests held by Obeec and Math-Pin (together the "Parties and/or Vendors") in the issued share capital of VanRes.

Following the satisfaction or waiver of all conditions precedent for each of the Sale and Option Agreements, both transactions were completed during the half-year, with the Obeec transaction completing on 19 October 2023[5] and Math-Pin completing on 15 November 2023[6]. On completion of the two transactions, the Company increased its interest in VanRes to 86.49% (up from 73.95%), with the Steelpoortdrift Development Trust holding the remaining 13.51% interest.

The total consideration payable to the Vendors consisted of a cash consideration of ZAR 8,730 (A$707) and share options to acquire 22,124,030 VR8 shares, with the combined interest of the transaction representing 4.37% of the VR8 shares in issue at the time of the original announcement. Both Vendors entered into a Voluntary Restriction Deed with VR8 providing for a 12-month escrow period and block trade provisions in relation to the VR8 shares issued from exercise of their share options.

The share options were issued upon completion of the transactions and were subsequently exercised by both Parties. On 12 December 2023 the Company issued 22,124,030 fully paid ordinary shares to the Vendors.

[4] Refer to ASX Announcement dated 03 May 2023 *"VR8 Concludes Agreements to Increase its interest in Steelpoortdrift up to 86.49%"*
[5] Refer to ASX Announcement dated 19 October 2023 *"VR8 Increases Interest in Steelpoortdrift to 82%"*
[6] Refer to ASX Announcement dated 15 November 2023 *"VR8 Increases Interest in Steelpoortdrift to 86.49%"*

CORPORATE (continued)

OFFTAKE PROCESS

Following the engagement of Hong Kong based GC Partners as corporate advisors in September 2023, the Company has been working with them to run an offtake and strategic equity process, which has yielded several interested parties from Asia and Europe. The Company has received multiple indicative term sheets and expressions of interest from potential offtake parties in China, North America and Europe, and has continued discussions and negotiations throughout the half-year with a view to securing agency and/or offtake agreements, together with strategic equity investment. While the Company is pleased to have progressed negotiations on securing agency and/or offtake agreements from these parties, there is no guarantee that these discussions will culminate in completed transactions.

In parallel, with the initial four-month exclusivity period over 40% of the vanadium products from Phase 1 with Matrix Resources having lapsed, the Company has been able to progress discussions with the other parties with no restrictions on the available product or geographic region. Discussions with Matrix Resources have continued, and they remain supportive of the Company. While both parties remain committed to achieving the outcomes envisioned in the original MOU, Matrix recognises the importance of securing suitable offtake agreements and will continue to support the Company should offtake be achieved with an alternative group.

FUNDING PROCESS

As previously reported, the Company is pleased to have several potential funding pathways available to finance the Project having received a number of non-binding indicative term sheets from debt financiers. The Company has remained in discussions with potential debt financiers throughout the half-year, and once offtake has been secured the Company aims to commence relevant due diligence streams with a view to obtaining credit approved term sheets. With the engineering and technical aspects of the Project and the offtake process all progressing well, the Company is targeting the mandating of debt financiers during the next few months.

CFO APPOINTMENT

In August 2023, the Company appointed highly experienced financier Mr Tim Feather as Chief Financial Officer. With over 25 years of experience in corporate finance with a strong focus on advising and fundraising for mining and oil and gas companies, Tim will be an important part of the executive team that is progressing the Steelpoortdrift and Tweefontein operations to FID, particularly with regards to discussions with offtakers, debt funders, EPC contractors and other stakeholders.

MINERAL RESOURCE AND ORE RESERVES

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

CLASSIFICATION	VOLUME (M m^3)	QUANTITY (Mt)	QUALITY % V_2O_5 (In-situ)	CONTAINED V_2O_5 (Mt)	QUALITY % Fe_2O (In-Situ)	CONTAINED Fe_2O (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 an *in situ* cut-off grade of 0.45% V_2O_5;
- 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.

MINERAL RESOURCE AND ORE RESERVES (CONTINUED)

Table 2: Ore Reserves as at 30 September 2022

CLASSIFICATION	QUANTITY (Mt)	QUALITY (% V_2O_5 RoM)	CONTAINED V_2O_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 is 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 V_2O_5;
- 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.

COMPETENT PERSON'S STATEMENT AND COMPLIANCE STATEMENTS

The information in the referenced announcements 1 to 6 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.

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 4 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.

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.

FINANCIAL RESULTS

The financial results of the consolidated entity for the half-year ended 31 December 2023 are:

	31 December 2023	30 June 2023
Cash and cash equivalents ($)	**4,072,032**	6,097,033
Net assets ($)	**30,333,412**	30,496,363

	31 December 2023	31 December 2022
Net loss after tax and non-controlling interest ($)	**(1,601,105)**	(502,328)
Loss per share (cents)	**(0.30)**	**(0.11)**

EVENTS OCCURRING AFTER REPORTING DATE

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.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 9 for the half-year ended 31 December 2023.

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.here 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.

On behalf of the directors



Mr John Ciganek
Managing Director
12 March 2024

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 2023, 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.

RSM AUSTRALIA PARTNERS

AIK KONG TING
Partner

Perth, WA
Dated: 12 March 2024

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RSM Australia Partners ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	31 December 2023	31 December 2022
		$	$
Revenue from continuing operations			
Other income		**77,894**	21,784
Expenses			
Company secretary and financial management		**(24,000)**	(24,030)
Consulting and legal fees		**(171,310)**	(107,125)
Depreciation expenses		**(5,781)**	-
Directors' fees		**(18,000)**	(34,808)
Other expenses		**(374,736)**	(180,535)
Professional fees		**(164,546)**	(71,074)
Salaries and wages		**(345,665)**	-
Share and company registry fees		**(60,498)**	(50,362)
Share based payments		**(544,922)**	(74,706)
Loss from continuing operations before income tax		**(1,631,564)**	(520,858)
Income tax expense		**-**	-
Loss from continuing operations after income tax		**(1,631,564)**	(520,858)
Other comprehensive loss			
Items that may be reclassified subsequently to profit and loss			
Foreign currency transactions		**(94,683)**	-
Other comprehensive income for the half-year, net of tax		**(94,683)**	-
Total comprehensive loss for the year		**(1,726,247)**	(520,858)
Loss for the year attributable to:			
Owners of Vanadium Resources Limited		**(1,601,105)**	(502,328)
Non-controlling interest		**(30,459)**	(18,530)
		(1,631,564)	(520,858)
Total comprehensive loss attributable to:			
Owners of Vanadium Resources Limited		**(1,671,123)**	(502,328)
Non-controlling interest		**(55,124)**	(18,530)
		(1,726,247)	(520,858)
Loss per share for the half-year attributable to the members of Vanadium Resources Limited:			
Basic and diluted loss per share	5	**(0.30)**	(0.11)

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 2023

	Note	31 December 2023	30 June 2023
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents		**4,072,032**	6,097,033
Trade and other receivables		**96,271**	56,613
Total Current Assets		**4,168,303**	6,153,646
Non-Current Assets			
Exploration and evaluation assets		**26,886,302**	24,823,345
Other financial assets		**12,555**	402,409
Plant and equipment		**31,560**	32,151
Total Non-Current Assets		**26,930,417**	25,257,905
TOTAL ASSETS		**31,098,720**	31,411,551
LIABILITIES			
Current Liabilities			
Borrowings		**161,163**	159,928
Trade and other payables		**604,145**	356,835
Total Current Liabilities		**765,308**	516,763
Non-Current Liabilities			
Borrowings		**-**	398,425
Total Non-Current Liabilities		**-**	398,425
TOTAL LIABILITIES		**765,308**	915,188
NET ASSETS		**30,333,412**	30,496,363
EQUITY			
Issued capital	6	**38,073,801**	37,055,457
Reserves		**653,993**	450,514
Accumulated losses		**(8,095,063)**	(6,493,958)
Equity attributable to the owners of Vanadium Resources Limited		**30,632,731**	31,012,013
Non-controlling interest		**(299,319)**	(515,650)
TOTAL EQUITY		**30,333,412**	30,496,363

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

VANADIUM RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Issued Capital	Reserves	Accumulated Losses	Non-controlling Interest	Total Equity
	$	$		$	$
At 1 July 2023	**37,055,457**	**450,514**	**(6,493,958)**	**(515,650)**	**30,496,363**
Loss for the period	-	-	(1,601,105)	(30,459)	**(1,631,564)**
Other comprehensive loss	-	(70,018)	-	(24,665)	**(94,683)**
Total comprehensive loss for the half-year after tax	**-**	**(70,018)**	**(1,601,105)**	**(55,124)**	**(1,726,247)**
Transactions with owners in their capacity as owners:					
Change in ownership interest	-	(271,455)	-	271,455	**-**
Shares issued	1,018,344	-	-	-	**1,018,344**
Amortisation of performance rights and options	-	544,952	-	-	**544,952**
Balance at 31 December 2023	**38,073,801**	**653,993**	**(8,095,063)**	**(299,319)**	**30,333,412**
At 1 July 2022	**31,130,539**	**217,368**	**(4,445,315)**	**(459,608)**	**26,442,984**
Loss for the period	-	-	(502,328)	(18,530)	**(520,858)**
Total comprehensive loss for the half-year after tax	**-**	**-**	(502,328)	(18,530)	**(520,858)**
Transactions with owners in their capacity as owners:					
Rights exercised	10,900	-	-	-	**10,900**
Amortisation of performance rights	-	74,707	-	-	**74,707**
Expiry of share based payment options	-	(36,453)	36,453	-	**-**
Balance at 31 December 2022	**31,141,439**	**255,622**	**(4,911,190)**	**(478,138)**	**26,007,733**

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	31 December 2023	31 December 2022
	$	$
Cash flows from operating activities		
Payments to suppliers and employees	**(929,467)**	(284,972)
Interest received	**77,894**	21,784
GST refund	**100,594**	402,736
Net cash flows (used in)/provided by operating activities	**(750,979)**	139,548
Cash flows from investing activities		
Payments for capitalised exploration and evaluation	**(1,272,722)**	(1,832,493)
Purchase of plant and equipment	**(1,973)**	-
Movement in term deposits	**398,475**	
Net cash flows used in investing activities	**(876,220)**	(1,832,493)
Cash flows from financing activities		
Proceeds from the issue of shares	**-**	10,900
Proceeds from the issue of options	**673**	-
Repayment of borrowings	**(398,475)**	-
Net cash flows provided by financing activities	**(397,802)**	10,900
Net decrease in cash and cash equivalents	**(2,025,001)**	(1,682,045)
Cash and cash equivalents at the beginning of the period	**6,097,033**	2,915,991
Cash and cash equivalents at the end of the period	**4,072,032**	1,233,946

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

NOTE 1: MATERIAL ACCOUNTING POLICY INFORMATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 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 2023 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 2023.

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 2023 (31 December 2022: 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
31 December 2023	**$**	**$**	**$**
Other revenue	21,572	56,322	**77,894**
Total segment revenue	21,572	56,322	**77,894**
Loss before income tax expense	(1,514,639)	(116,925)	(1,631,564)
Total Segment Assets	3,057,985	28,040,735	31,098,720
Total Segment Liabilities	(264,529)	(500,779)	(765,308)

	Australia	South Africa	Total
31 December 2022	**$**	**$**	**$**
Other revenue	2,537	19,247	21,784
Total segment revenue	2,537	19,247	21,784
Loss before income tax expense	(449,725)	(71,133)	(520,858)

NOTE 4: CONTINGENCIES AND COMMITMENTS

There are no changes in the consolidated entity's contingencies and commitments from 30 June 2023.

NOTE 5: 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 2023	31 December 2022
	$	$
Net loss for the period	**(1,601,105)**	(502,328)
Weighted average number of ordinary shares for basic and diluted loss per share	**540,460,721**	476,518,216

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)	**(0.30)**	(0.11)

NOTE 6: ISSUED CAPITAL

	31 December 2023		30 June 2023	
	No. of Shares	**$**	No. of Shares	$
Ordinary shares – fully paid	**560,300,204**	**38,073,801**	538,176,174	37,055,457

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**	**$**
At 1 July 2023	**538,176,174**	**37,055,457**
Issue of shares	**22,124,030**	**1,018,344**
At 31 December 2023	**560,300,204**	**38,073,801**
At 1 July 2022	473,512,374	31,130,539
Issue of shares – strategic placement	53,763,800	5,914,018
Class A Performance Rights exercised	7,900,000	7,900
Class B Performance Rights exercised	3,000,000	3,000
At 30 June 2023	538,176,174	37,055,457

NOTE 7: INTEREST IN OWNERSHIP IN VANADIUM RESOURCES (PTY) LTD

During the period, the Company increased its interest in Vanadium Resources (Pty) Ltd which holds interest in Steelpoortdrift from 73.95% to 86.49% through completion of transaction with Math-Pin (Pty) Ltd and Obeec (Pty) Ltd. In consideration for the additional ownership interest, the Company issued 22,124,030 ordinary shares and cash consideration of ZAR 8,730 equivalent to AUD 643.

NOTE 8: EVENTS AFTER THE END OF THE INTERIM PERIOD

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.

DIRECTORS' DECLARATION FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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 2023 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



Mr John Ciganek
Managing Director
12 March 2024

RSM Australia Partners

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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 (the Company) which comprises the consolidated statement of financial position as at 31 December 2023, 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 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 position as at 31 December 2023 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 the Company 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 2023 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.

RSM AUSTRALIA PARTNERS

AIK KONG TING
Partner

Perth, WA
Dated: 12 March 2024