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OUTSTANDING RESERVE DRILLING RESULTS FURTHER DEMONSTRATE QUALITY OF STEELPOORTDRIFT VANADIUM PROJECT

HIGHLIGHTS

- **First results from reserve drilling continue to demonstrate the high grade nature of the Steelpoortdrift Vanadium Project**
- **Consistent high in situ grades of +1.0% V_2O_5 in LMZ including:**
  - **15m at 1.08% V_2O_5**
  - **11m at 0.96% V_2O_5**
  - **9m at 1.05% V_2O_5**
  - **7m at 1.11% V_2O_5**
- **Reserve drilling programme has now been completed with all samples delivered to the laboratory**
- **Results will be used to upgrade the Mineral Resource for Steelpoortdrift in Q4**

The management of Vanadium Resources Limited (ASX:VR8) (**VR8** or **the Company)** is pleased to announce first drilling results from the reserve drilling programme at the Steelpoortdrift (SPD) Vanadium Project in South Africa.

These results continue to show the high grade, high quality nature of the vanadiferous titanomagnetite present at Steelpoortdrift, which is potentially a saleable product and also provides an advantage in downstream processing due to being high in Vanadium (~2.2%), Iron (> 55%) and Titanium (~12%) and low in silica and alumina (refer ASX Announcement 18 March 2019).

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The short drilling campaign comprised 23 holes for 1,154 metres (refer Figure 1, Appendix 1) and focussed on the near surface mineralisation within the conceptual pit shell used as the basis of the Company's recent Scoping Study. 53.4Mt of mineralisation is contained within this pit shell (refer ASX Announcement 2 May 2019).

The current Mineral Resource stands at 612 million tonnes at an insitu grade of 0.78% V_2O_5 in the Indicated and Inferred categories (refer ASX Announcement 16 April 2019). The resource includes a high grade, near surface component of 169 million tonnes at an insitu grade of 1.07% V_2O_5.

The reserve drilling will improve the definition of mineralisation in this zone and should enable an upgrade in the confidence of the Mineral Resource in this area (provided results agree with previous drilling results).

First results include:

- 15m at 1.08% V_2O_5 , 6.53% TiO_2 from 62m (VRC053)
- 11m at 0.96% V_2O_5 , 5.99% TiO_2 from surface (VRC056)
- 9m at 1.05% V_2O_5 , 6.43% TiO_2 & 55% Fe from 65m (VRC052)
- 7m at 1.11% V_2O_5 , 6.19% TiO_2 from 4m (VRC055)

All results are shown on Figure 1 and included as Appendix 1.

All samples from the reserve drilling programme have now been delivered to the laboratory for analysis, with results from these samples to be used to update the Mineral Resource for the Steelpoortdrift Vanadium Project in Q4 2019.

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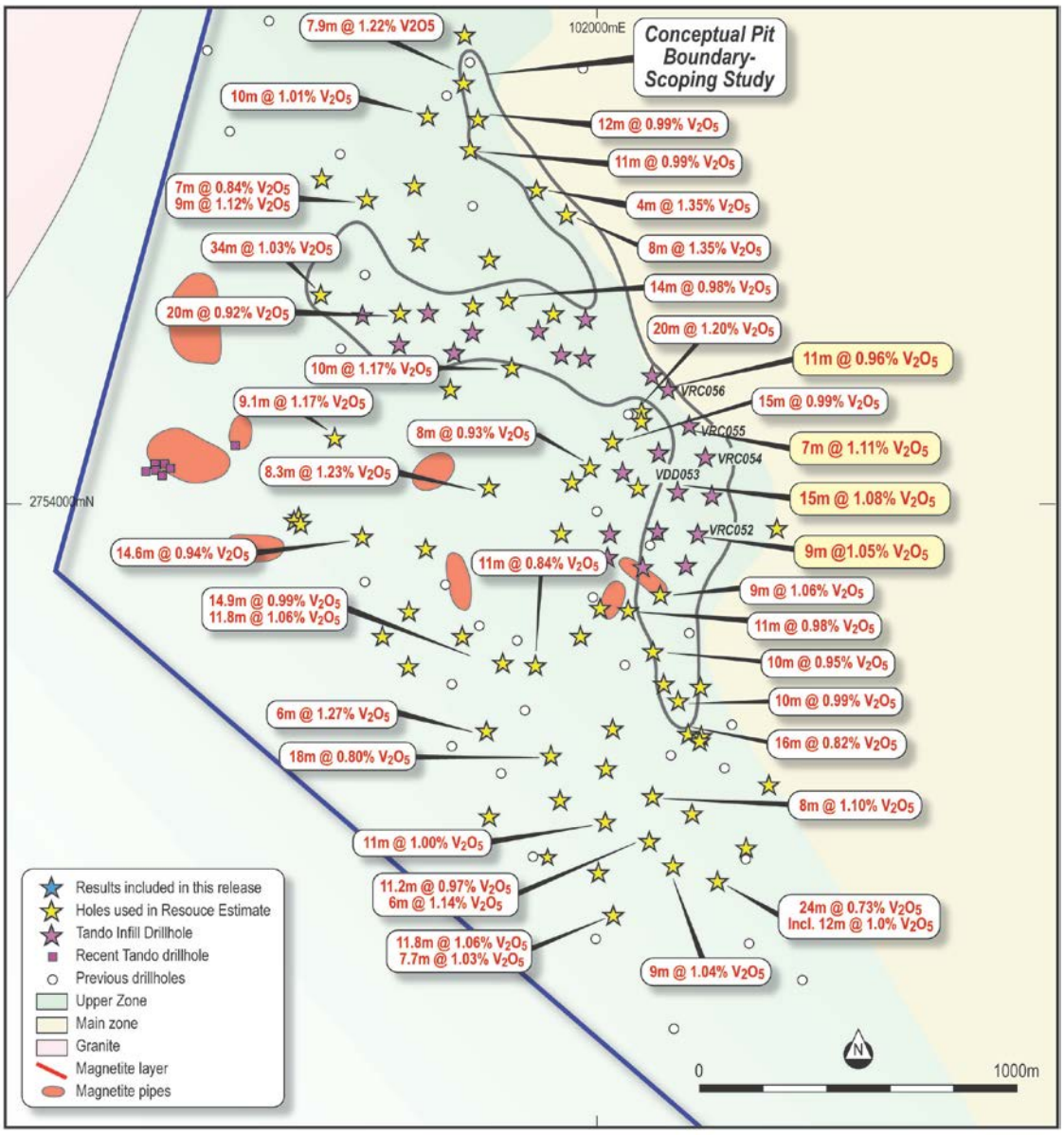


Figure 1. *Drilling Completed at the Steelpoortdrift Vanadium Project.*

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For and on behalf of the board:

Mauro Piccini

Company Secretary

Competent Persons Statement

The information in this announcement that relates to Exploration Results and other technical information relating to drilling, sampling and the geological interpretation derived from the Exploration Results complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**) and has been compiled and assessed under the supervision of Mr Bill Oliver, the Managing Director of Vanadium Resources Ltd. Mr Oliver is a Member of the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Oliver consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears. The Exploration Results are based on standard industry practises for drilling, logging, sampling, assay methods including quality assurance and quality control measures as detailed in Appendix 2.

The information in this announcement that relates to Mineral Resources, including the Mineral Resources contained within the Production Target, complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**) and that has been compiled, assessed and created by Mr Kerry Griffin BSc.(Geology), Dip Eng Geol., a Member of the Australian Institute of Geoscientists and a Principal Consultant at Mining Plus Pty Ltd, consultants to the Company. Mr Griffin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Griffin is the competent person for the resource estimation and has relied on provided information and data from the Company, including but not limited to the geological model and database. Mr Griffin consents to the inclusion in this announcement of matters based on his information in the form and context in which it appears. Further details on the Mineral Resource can be found in the ASX Announcement dated 16 April 2019.

The Company confirms that all material assumptions and parameters underpinning the Mineral Resource Estimates and the Production Targets reported in the market announcements dated 16 April 2019 and 2 May 2019 continue to apply and have not materially changed, and that it is not aware of any new information or data that materially affects the information that has been included in this announcement. As detailed in this announcement results of the drill programme just completed will be used to update the Mineral Resource.

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Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which VR8 operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. No forward looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside VR8's control.

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APPENDIX 1: Significant Drillhole Intercepts from Reserve Drilling at the Steelpoortdrift Vanadium Project

HOLE ID	Drill Type	EAST	NORTH	EOH (m)	UNIT	INTERSECTION (whole rock)			
						From (m)	Width (m)	V_2O_5 %	TiO_2 %
VRC052	RC	802508	7246091	76	IMZ	32	17	0.56	3.90
					LMZ	65	9	1.05	6.43
VRC053	RC	802446	7246226	79	IMZ	35	15	0.58	3.99
					LMZ	62	15	1.08	6.53
VRC054	RC	802538	7246331	58	IMZ	23	17	0.60	3.59
VRC055	RC	802490	7246429	13	LMZ	0	11	0.89	5.05
					incl	4	7	1.11	6.19
VRC056	RC	802430	7246542	15	LMZ	0	11	0.96	5.99
VRC057	RC	802395	7246349	93					
VRC058	RC	802556	7246204	114					
VRC059	RC	802331	7245997	46					
VRC060	RC	802228	7246019	46					
VRC061	RC	802237	7246093	43					
VRC062	RC	802381	7246094	46					
VRC063	RC	802276	7246287	70					
VRC064	RC	802465	7245991	49					
VRC065	RC	801480	7246804	46					
VRC066	RC	801594	7246708	41					
VRC067	RC	801683	7246807	23					
VRC068	RC	802029	7246735	36					
VRC069	RC	802173	7246769	69					
VRC070	RC	802094	7246661	23					
VRC071	RC	802169	7246648	63					
VRC072	RC	801763	7246679	54					
VRC073	RC	801821	7246743	43					
VRC074	RC	802379	7246587	8					

Notes:

- All coordinates are in UTM Zone 35S (WGS 84).
- All holes are vertical (-90 dip).
- Results should be read in conjunction with the data provided in Appendix 2.

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APPENDIX 2.

The following Tables are provided to ensure compliance with the JORC Code (2012 Edition) requirements for the reporting of Exploration Results at the SPD Vanadium Project.

Section 1: Sampling Techniques and Data

(Criteria in this section applies to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	RC drilling using 5 ¼" face sampling hammer.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	RC drilling sampled at 1m intervals RC drilling split on site using a riffle splitter.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	All aspects of the determination of mineralisation are described in this table. RC drilling using these methods are considered appropriate for sampling the vanadiferous titanomagnetite unit which hosts the mineralisation. All of the drill samples have been sent to a commercial laboratory for crushing, pulverising and chemical analysis by industry standard practises.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic etc) and details (e.g. core diameter, triple of standard tube, depth of diamond tails, face-sampling bit or other type, whether core is orientated and if so, by what method, etc).*	RC drilling uses face sampling hammer and 5 ¼" bit sizes.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	RC drill samples are weighed to give a quantitative basis to estimation of recovery.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	RC drilling – consistent drilling technique, cleaning of cyclone.

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Criteria	JORC Code explanation	Commentary
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No relationship observed between recovery and grade. There is no known or reported relationship in historical drilling between sample recovery and grade.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	RC drill chips are being geologically logged for the total length of the hole. Logging is recording lithology, mineralogy, alteration, veining, structure, mineralisation and weathering. Logs are coded using the company geological coding legend and entered into Excel worksheets prior to being loaded into the company database. All core is being photographed with images to be stored on the company server. Logging is appropriate and sufficiently detailed to support Mineral Resource estimates.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Logging of chips is both qualitative (eg. colour) and quantitative (eg. minerals percentages).
	The total length and percentage of the relevant intersections logged.	100% of all drilling to date by the Company has been logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Sampling for all diamond core samples will be undertaken on split core, halved via a core saw.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	RC drilling will be sampled dry and split through a riffle splitter.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sampling techniques for RC drilling are of consistent quality and appropriate.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	To ensure representivity sampling followed the same methodology at all times, with field duplicates taken and inserted. Certified Reference Materials (CRMs) were selected to be similar in chemistry to the mineralisation being targeted.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	One field duplicate is collected per 20 samples in addition to laboratory duplicates which were also reported.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The material and sample sizes are considered appropriate given the magnetite unit being sampled.
Quality of assay data	*The nature, quality and appropriateness of the*	The samples were sent to ALS Johannesburg, an ISO

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Criteria	JORC Code explanation	Commentary
and laboratory tests	*assaying and laboratory procedures used and whether the technique is considered partial or total.*	accredited commercial laboratory, for preparation and whole rock analysis. All samples were analysed by XRF fusion for Al2O3, As, Ba, CaO, Cl, Co, Cr2O3, Cu, Fe, K2O, MgO, Mn, Na2O, Ni, P, Pb, S, SiO2, Sn, Sr, TiO2, V, Zn and Zr as well as loss on ignition. Davis Tube analysis was carried out by SGS Laboratories Johannesburg, an ISO accredited commercial laboratory. Davis Tube analysis carried out at magnetic field of 1000G with magnetic and non-magnetic fractions analysed by XRF fusion for Fe, TiO2, V2O5, P2O5, SiO2, Al2O3, CaO, Cr2O3, MgO, MnO, Na2O, K2O and loss on ignition.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Hand held assay devices have not been reported.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	For RC drilling QA/QC samples are inserted every 10 samples. These alternate between a CRM & blank, and a field duplicate. CRM are sourced from an accredited source and are of similar material to the mineralisation being sampled. QA/QC samples are checked following receipt of each assay batch to confirm acceptable accuracy and precision.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	Assay results and intersections have been reviewed by independent geological consultants.
	The use of twinned holes.	Twinned holes are being drilled as part of the drilling programme.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data is collected in the field and entered into Excel worksheets prior to being loaded into a database managed by an independent consultant.
	Discuss any adjustment to assay data.	Analytical result for V converted to V_2O_5 by multiplying by 1.785.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral*	Location data has been recorded by handheld GPS (±5m accuracy on easting and northing) and will be regularly checked by survey by a licensed surveyor.

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Criteria	JORC Code explanation	Commentary
	Resource estimation.	Drillhole deviation for drilling is being measured via in-rod surveys during drilling.
	Specification of the grid system used.	The grid system for the SPD Vanadium Project is UTM Zone 35 S (WGS 84 Datum).
	Quality and adequacy of topographic control.	Good, based on recent UAV and heliborne surveys.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drilling to date over the SPD Vanadium Prospect is on approximately 150m - 300m centres east-west and 300m -450m centres north-south over the mineralised body.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Data spacing is deemed sufficient to establish geological and grade continuity to establish a mineral resource estimate, refer ASX Announcement 16 April 2019.
	Whether sample compositing has been applied.	No sample compositing has been applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	The majority of the drilling at the SPD Vanadium Project is inclined to the north-east which is considered appropriate given the regional and local geological stratigraphy.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	To date, orientation of the mineralised domain has been favourable for perpendicular drilling and sample widths are not considered to have added a significant sampling bias.
Sample security	*The measures taken to ensure sample security.*	Samples are stored at a secure yard. Samples are then delivered to the assay laboratory in Johannesburg by representatives of the Company.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No independent audits have been undertaken.

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Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The SPD Project comprises a Mining Right covering the farm Steelpoortdrift 365 KT.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenure is in good standing.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The Project has previously been explored for magnetite-hosted Fe-V-Ti deposits.
Geology	*Deposit type, geological setting and style of mineralisation.*	Vanadium mineralisation at the SPD Project is located close to the contact between the Upper Zone and Main Zone of the Bushveld Igneous Complex and adjacent to the Steelpoort Fault. Mineralisation is hosted in two layers, the Upper Magnetite Layer (UML) and Lower Magnetite Layer (LML), which dip shallowly (10-12deg) to the west.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.*	Refer Appendix 1.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Not applicable, information has been included.
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off*	All results > 0.5% V_2O_5 have been averaged weighted by downhole length, and inclusive of a maximum of 2m internal waste. Davis Tube results are reported for the same intervals as the whole

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Criteria	JORC Code explanation	Commentary
	grades are usually Material and should be stated.	rock analyses.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	High grade intervals > 1% V_2O_5 and 1.5% V_2O_5 have also been reported. No internal waste used for these.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are being used for reporting exploration results.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	Downhole lengths reported, true widths not known at this time.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Appropriate diagrams are shown in the text.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All results > 0.5% V_2O_5 included.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Exploration data is contained in previous ASX Announcements.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this*	As detailed in the text – infill drilling has commenced and will inform a Mineral Resource update. This will then be used as the basis of a PFS.

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Criteria	JORC Code explanation	Commentary
	information is not commercially sensitive.	