

12 FEBRUARY 2025

CONVERTIBLE NOTE ISSUE

HIGHLIGHTS

- ◆ **A\$783,000 convertible note commitments in cash and debt conversion secured to fund working capital as the Company advances strategic equity partnerships for the world-class Steelpoortdrift Vanadium Project.**
- ◆ **Directors Jurie Wessels and Michael Davy subscribed for A\$150,000 of loan notes, subject to shareholder approval and any necessary ASX waiver including listing rule 10.1 if required**
- ◆ **The funding structure is designed to minimise dilution in the current market conditions and is complemented by recent cost-reduction initiatives implemented by the Company during Q4 CY2024¹.**
- ◆ **Momentum in strategic equity investor interest increasing, with several advanced discussions underway, including potentially with tier 1 organisations².**

Vanadium Resources Limited (ASX: VR8; DAX: TR3) (the "Company") (ASX: VR8, DAX: TR3) has successfully received firm commitments to raise \$783,000 in cash and conversion of outstanding advisory fees through a convertible loan note issue.

Commenting on the convertible note funding, Mr Jurie Wessels, Executive Chairman of VR8 said:

"We are pleased to secure this funding in what remains a challenging market. This capital will allow us to continue ongoing discussions in relation to potential strategic equity investor interest and/or joint ventures. The structure of the convertible note aims to provide minimal dilution to existing shareholders, reflecting our commitment to protecting shareholder value."

CONVERTIBLE NOTE FUNDING COMMITMENTS SECURED

The Company is pleased to announce that it has secured funding commitments via a convertible note issue to provide short-term working capital and clear outstanding offtake advisory fees for the world-class Steelpoortdrift Vanadium Project ("Project"). The Board believes this convertible note issue is the most suitable funding mechanism to secure working capital when considering shareholder dilution in light of current market conditions.

¹ For more information, refer to ASX release, 31 January 2025, "Quarterly Activities/Appendix 5B Cash Flow Report"

² VR8 defines a "tier-1 organisation" as one that has significant technical, financial, and operational capabilities and a proven track record of successfully delivering large-scale development projects.

This funding is expected to provide the Company with additional time to progress discussions with strategic equity investors in its pipeline, including several tier-1 organisations² capable of advancing Steelpoortdrift towards FID and Project construction. The convertible note is being strongly supported by key existing shareholders, VR8 board members (Jurie Wessels \$75,000 and Michael Davy \$75,000) and new sophisticated investors. Further details of the key convertible note terms are outlined in Appendix A.

USE OF FUNDS

The funds raised from the convertible note will be allocated to ongoing working capital, corporate finance advisory fees to GC Partners Asia (“GCP”) as part settlement of fees in relation to securing three Offtake MOUs for more than 100% of production from the Phase 1 of the Project and capital raising fees to brokers. The Company will maintain the cost reduction initiatives introduced in Q4 CY2024³ to maximise its runway while advancing discussions with potential strategic equity investors.

Item	Funds
Working capital	\$637,200
Corporate finance advisory fees to GCP	\$138,000
Capital raising fees to brokers with registered AFSL’s	\$7,800
Total	\$783,000

GCP will receive as part settlement of corporate finance fees, in relation to securing three Offtake MOUs for more than 100% of production from Phase 1 of the Project, a combination of:

- a) \$138,000 of loan notes; and
- b) \$50,000 value in VR8 shares equivalent to 1,666,667 fully paid ordinary shares at an issue price of \$0.03 per share (at a 3% premium to the last traded share price of \$0.029 per share).

CONVERTIBLE NOTE OFFER

The Convertible Note offer will remain open (as detailed in Appendix A) following receipt of the funds set out above.

For further information, please visit <https://vr8.global> or contact:

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³ For more information regarding cost reduction initiatives, refer to ASX announcement, 31 January 2025, “Quarterly Activities/Appendix 5B Cash Flow Report”

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APPENDIX A: CONVERTIBLE NOTE TERMS⁴

Issue Amount	\$783,000 worth of Notes each with a face value of \$1,000 (representing a total of 783 Notes).
Lenders	<p>a) A\$495,000 from non-related party and sophisticated investors including, Steven Groves (\$10,000), Sam Hammond (\$40,000), Christina Hirrell (\$10,000), KSF Management Pty Ltd (\$10,000), Geoffrey Marsden (\$25,000), Antonio Mattiazzi (\$20,000), Melvista Pty (WA) Ltd (\$30,000), Howard Nguyen (\$20,000), Onyx Corporate Pty Ltd (\$15,000), Red and White Holdings Pty Ltd <Blood Super Fund A/C>; Aldo Sacco (\$50,000), Wilgus Investments Pty Ltd (\$100,000), WTB Investments WA Pty Ltd (\$10,000), Zentree Investments Ltd (\$100,000) and Zephyr Professional Pty Ltd (\$40,000).</p> <p>b) \$138,000 from GC Partners Asia Limited as part settlement of corporate finance advisory fees in relation to securing three Offtake MOUs for more than 100% of production from the Phase 1 project.</p> <p>c) \$150,000 from related parties, including \$75,000 from Executive Chairman Mr. Jurie Wessels, and \$75,000 from Non-Executive Director Mr. Michael Davy (.).</p>
Use of Proceeds	Proceeds will be used for working capital purposes.
Close of Offer	To be advised
Maturity Date	12 August 2025
Coupon	10% per annum, which will accrue from Closing (on the basis of a 365-day year) and be capitalised quarterly.
Security	Security over 5% relevant project interest in Vanadium Resources (Pty) Ltd to be implemented within 2 months of executing the definitive agreement.
Conversion Price	The lower of: a) 15% discount to the next capital raising price; b) 15% discount to the 10 day VWAP at the time of maturity; or c) A\$0.06 per Share. The above calculation to be applied at the time of the relevant conversion event. The above Conversion Price will have a floor price of A\$0.015 per Share.
Conversion Event	Convertible into Shares at the election of the Noteholder at the Maturity Date by giving written notice to the Issuer 7 days prior to the Maturity Date ("Conversion Notice"). If the Noteholder has not issued a Conversion Notice 7 days prior to the Maturity Date, the Issuer may elect to either: a) redeem all or part of the Notes by issuing an Issuer Redemption Notice at the Maturity Date; and/or b) convert into shares all or part of the Notes by issuing a Conversion Notice at the Maturity Date.
Early Redemption at the option of the Issuer	Unless a Conversion Notice has been issued, the Issuer can redeem all or part of the Notes on issue from Closing by notice to the Noteholders ("Issuer Redemption Notice"). Upon issuing an Issuer Redemption Notice, the Issuer must repay the Redemption Value within 5 business days of the date of the Issuer Redemption Notice. A partial redemption will apportion pro-rata amongst all Noteholders.
Options	Subject to shareholder approval, Noteholders to receive 23,333 Options per Note with a strike price of \$0.05 per share and a 3 year expiration on Closing (representing a total of up to approximately 18.27 million options).

⁴ The key terms outlined in Appendix A are not exhaustive and include additional terms and conditions customary for a convertible note of this nature.

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Disclaimer

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.

VR8 does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of VR8, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities by VR8. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.

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.

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.

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APPENDIX 1 – MINERAL RESOURCE ESTIMATE

The Resource statement as reported on the 4 October 2022⁵ 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.

⁵ Refer to ASX Announcement 4 October 2022 "VR8 Updates Mineral Resource and Ore Reserve for the Steelpoortdrift Vanadium Project"

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