

23 July 2021



VR8 ADOPTS GLOBAL STANDARD FOR ESG REPORTING

Vanadium Resources (Pty) (**ASX:VR8**) is pleased to announce that the Company will adopt an Environmental, Social and Governance (ESG) framework with 21 core metrics and disclosures created by the World Economic Forum (WEF).¹

Eugene Nel, Chief Executive Officer of VR8 said: “Vanadium Resources ascribes to the principle that the future landscape for the mining industry is drastically changing and a ‘business as usual approach’ will not be sustainable for any mining operation. There is a global movement across all industries to more sustainable and environmentally friendly practices throughout value chains, from primary production all the way to end users. As a potential producer of Vanadium, which is considered a green metal, it is our duty to ensure that the mining and production of our products are done with the least impact to the environment and communities.

A number of initiatives have already been implemented by VR8, including development of a zero carbon emission process to supplement the standard Salt Roast process, as well as developing an IPP renewable energy supply solution for our operations. With the SPD project progressing towards production it has become necessary for the company to formalise the implementation and monitoring of our ESG initiatives. For this purpose the adoption of the Socialsuite ESG Go system will greatly assist the Company in ensuring that we continue in our goal of being a responsible corporate citizen in the mining space.”

ADOPTING AN ESG FRAMEWORK

The context in which the Company operates has been transformed by climate impact, nature loss, and social unrest around inclusion and working conditions. The global environment is challenging the traditional expectations of corporations and redirecting investment capital. Global sustainable investment now tops \$30 trillion, up 68% since 2014 and tenfold since 2004¹. VR8 is charting a course to build resilience and enhance our social licence through a greater commitment to long-term, sustainable value creation that embraces the wider demands of people, planet and shared prosperity.

The Board of the Company has resolved to adopt the WEF ESG framework and instructed management to set up an impact measurement plan for each sustainability area which includes, but is not limited to, governance, anti-corruption practices, ethical behaviour, human rights, carbon emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and tax payments.

¹ World Economic Forum, White Paper: Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation [22 September 2020]

To ensure that VR8 can measure, monitor, and report on its ESG progress, the Company has engaged impact monitoring technology platform Socialsuite to streamline the outcomes measurement and ongoing ESG reporting process. The Company's goal is to demonstrate commitment and progress on its ESG scorecard, but more broadly, requires progress on a range of ESG benchmarks as set out by the WEF's ESG White Paper.

While Vanadium production is creating inherent positive impact, the adoption of the WEF framework has already paid ESG dividends. Some of the Company initiatives includes obtaining the IP for a zero carbon emission process to produce high value Vanadium products while also unlocking the value in the secondary metals in the orebody which includes Titanium, Iron and Aluminium. Development of this process is currently progressing with desktop evaluations and metallurgical test work programmes. The company has also entered into a Joint Development Agreement with Senergy (DRA global group company) to develop renewable energy supply solutions for both the Mine and Concentrator and the downstream Salt Roast facilities. These would include Solar PV solutions as well as co-generation from excess heat and hydrogen powered fuel cell technology. Going forward, the Company will update the market regularly on its ESG progress.

BASELINE ESG DASHBOARD

Making a commitment to ESG reporting and disclosures is the first step in building robust ESG credentials. Beyond the initial commitment, companies have to regularly demonstrate their progress in making ESG disclosures. Following through on the ESG commitment and showing stakeholders your progress is essential to mitigate against possible 'greenwashing' claims as well as to ingrain ESG-inclusive thinking and operations across your entire business.

ESG is disclosed against the WEF universal ESG framework and reported on a quarterly basis using Socialsuite ESG Go. The most recent ESG Go Dashboard report is included with commentary addressing progress made toward the disclosures.

ESG Go Dashboard

Baseline Report – Q2/2021

E Explanation
 Action
D Development
 R Reported
 V Verified
 A Audited

ESG Go Dashboard - Baseline Report



MATERIAL PRIORITY TIMEFRAME DISCLOSURE MATURITY
 A1 A2 A3 A4 A5

GOVERNANCE



GO-01-A	Setting purpose	Y	Y	Q3	2021	D	R	D			
GO-02-A	Governance body composition	Y	Y	Q3	2021	D	D	D	D	R	R
GO-03-A	Material issues impacting stakeholders	Y	Y	Q4	2021	D	D	D	D	D	D
GO-04-A	Anti-corruption practices	Y	Y	Q4	2021	D	R	D	D		
GO-04-B	Mechanisms to protect ethical behaviour	Y	N	Q4	2022	D	R	E			
GO-05-A	Integrating risk and opportunity into business process	Y	Y	Q4	2021	D	D	D	D	D	

PLANET



PL-01-A	GHG emissions	Y	N	H2	2022	D	D				
PL-01-B	TCFD implementation	Y	N	H2	2022	D					
PL-02-A	Land use and ecological sensitivity	Y	Y	Q2	2022	D	D	D	D	D	D
PL-03-A	Water consumption	Y	Y	Q4	2021	D	D				

PEOPLE



PE-01-A	Diversity and inclusion	Y	Y	Q4	2021	D	D	D	D	D	D
PE-01-B	Pay equality	Y	Y	Q4	2021	D	D				
PE-01-C	Wage level	Y	Y	Q4	2021		D				
PE-01-D	Child, forced or compulsory labour	Y	N	H1	2022	D	D				
PE-02-A	Health and safety	Y	N	H2	2022	D	D	D			
PE-03-A	Training provided	Y	N	H2	2022	D	D	D			

PROSPERITY



PR-01-A	Rate of employment	Y	N	H2	2022	D	D				
PR-01-B	Economic contribution	Y	Y	Q3	2021	R	R	R			
PR-01-C	Financial investment contribution	Y	Y	Q3	2021	R	R	R			
PR-02-A	Total R&D expenses	Y	Y	Q3	2021	D	D				
PR-03-A	Total tax paid	Y	Y	Q3	2021	R	R				

<p>DEFINITIONS</p> <p>Materiality depends on judgement and is crucial to prioritising relevant ESG information for external disclosure. The application of materiality ensures that important information is not obscured, and that information satisfies reporting requirements, the needs of the intended audience and management's reporting objectives.</p> <p>Priority identifies if the company has committed to making progress on the indicator in the current or next quarter.</p> <p>Timeframe provides insight into when the company aims to make progress toward disclosing the indicator and/or maturity actions.</p> <p>Disclosure provides the status of publicly reporting the indicator (see Legend).</p> <p>Maturity indicates the progress made on specific actions (A1 ... A5) that together fulfill the indicator disclosure requirements.</p>	<p>LEGEND</p> <p>Explanation is a short clarification why a disclosure is not made: either used when an indicator is not deemed material; or when the indicator is deemed material but the company has decided not to make a disclosure (at this point in time).</p> <p>Development is the stage in which a company is compiling and preparing the relevant information/data to make a public disclosure.</p> <p>Reported is the stage when a company has self-reported making a public disclosure as per the requirements of the indicator.</p> <p>Verified is the stage in which Socialsuite's ESG experts have confirmed that an indicator has been publicly disclosed and principally confirms with the indicator requirements.</p> <p>Audited is the stage in which an independent third-party Auditor has checked and confirmed that the indicator has been fully, correctly and publicly disclosed.</p>
<p>ESG Activity</p> <ul style="list-style-type: none"> • Acquired IP for zero carbon emission TCM process and established JV to develop process further. • VR8 has introduced, commenced and implemented ESG values and guidelines and structuring at Board level. • VR8 has introduced ESG KPI's to executive management. • The company has entered into a JDA with Senergy with regard to supplying renewable energy for the project. 	

ESG BACKGROUND

In its Summer Meeting for 2019, the WEF's International Business Council (IBC) flagged the existence of multiple ESG reporting frameworks and the lack of consistency and comparability of metrics as pain points preventing companies from credibly demonstrating to all stakeholders their progress on sustainability and their contributions to the sustainable development goals.

In collaboration with Deloitte, EY, KPMG and PwC, the IBC worked to identify a set of universal, material ESG metrics and recommended disclosures that could be reflected in the mainstream annual reports of companies on a consistent basis across industry sectors and countries.

The metrics were designed to be capable of verification and assurance, to enhance transparency and alignment among corporations, investors, and all stakeholders. The wider objective was to begin reporting collectively on this basis to encourage greater cooperation and alignment among existing standards as well as to catalyse progress towards a systemic solution, such as a generally accepted international accounting standard in this respect.

The result of this process is 21 core and 34 expanded metrics and disclosures, which the project commends to both IBC members and non-IBC companies for adoption.

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

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