

Vanadium Resources Limited: Binding Offtake for 100K TPM Executed for Direct Shipping Ore

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Sydney, Australia - [Vanadium Resources Ltd.](#) (ASX:VR8) (FRA:TR3) is pleased to announce that its subsidiary, Vanadium Resources (Pty) Limited ("VanRes"), has executed a binding Magnetite Ore Supply Agreement ("Agreement") with China Precious Asia Limited ("CPAL"), for the offtake of vanadium-rich magnetite DSO from VR8's world-class Steelpoortdrift Vanadium Project ("Steelpoortdrift" or the "Project") in Limpopo, South Africa. The Agreement follows the recently announced Memorandum of Understanding ("MoU") between VanRes & CPAL (the "Parties") and represents a significant step in VR8's strategy to move towards production and generate early cash flow from its fully permitted asset.

HIGHLIGHTS

- Vanadium Resources (Pty) Ltd ("VanRes"), a subsidiary of VR8, has signed a binding two-year offtake agreement with China Precious Asia Limited ("CPAL"), for the supply of vanadium-rich magnetite Direct Shipping Ore ("DSO Product"), from the world-class Steelpoortdrift Vanadium Project ("Project") in South Africa.
- Due to the absence of a standard spot price for this DSO Product, the Agreement is conditional on VanRes finalising pricing terms with CPAL by 30 August 2025. Additionally, as mining operations have yet to commence, the Agreement is subject to VanRes appointing a suitable mining contractor and ensuring that the DSO Product meets the agreed specifications (Collectively "Conditions Precedent").
- VanRes agreed to supply an average of 100,000 metric tonnes of DSO per month to CPAL over a two-year period. In any month the supply volume may be adjusted by +/-10% at VanRes's option.
- The offtake positions VR8 to transition from a developer to a producer.
- VR8 continues to advance its near-term cash flow strategy, which is aimed at unlocking value from Steelpoortdrift's vast JORC resource, while preserving the flexibility to pursue full-scale development as market conditions improve.

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

"We are pleased to formalise our partnership with CPAL through a commercially binding agreement. With a practical and realistic framework now in place for initiating mining activities and product supply, our attention will shift to closing this transaction. This includes finalising a pricing mechanism for our product-given the absence of a standard spot price-and appointing a mining contractor. The selected contractor will be responsible for establishing operations at Steelpoortdrift to extract, crush, screen, and stockpile ore in accordance with agreed specifications.

Alongside the anticipated delivery of DSO to CPAL, negotiations with other potential off-takers are also progressing. These may lead to the staged or full-scale development of beneficiation through concentration capacity, enabling the production of higher-grade ore. Concurrently, we are assessing commercialisation opportunities with entities that possess downstream processing capabilities.

Collectively, these initiatives are designed to establish realistic pathways for generating significant operational cash flow for VR8 and its shareholders, without sacrificing our strategy of downstream expansion as soon as market conditions for vanadium improve."

EXECUTED AGREEMENT WITH CPAL

The binding agreement formalises a two-year offtake arrangement for vanadium-rich magnetite DSO, providing a foundation for VR8 to commence near-term mining activities to generate revenue from the Steelpoortdrift Project. A summary of the key terms is provided in Appendix 1*. This summary is not exhaustive and the Agreement includes additional terms and conditions customary for agreements of this nature.

NEAR TERM FOCUS

With the Agreement now executed, VR8 is progressing toward the satisfaction of the conditions precedent. These include finalisation of pricing by 30 August 2025 and confirmation of both a mining contractor engagement and product specification compliance by 30 November 2025.

CONTINUED EXECUTION OF STRATEGY

As previously announced, VR8 is prioritising low-CAPEX, fast-to-market production pathways that support self-funded development whilst preserving the option to pursue full-scale development once vanadium market conditions materially improve. In addition to DSO sales, VR8 continues to assess other complementary initiatives in parallel. This includes potential concentrator development and concentrator offtake and third-party processing option through the access or acquisition of existing market infrastructure, which could produce products such as V2O5 flake, vanadium-pig iron, and vanadium nitride ("VN").

VR8's ability to capitalise on near-term cash flow opportunities is underpinned by the large, high-grade, and shallow orebody at Steelpoortdrift, as well as the Project's granted mining approvals and technical readiness.

These unique advantages have allowed VR8 to adapt to evolving market conditions by pursuing complementary development opportunities in the region.

ABOUT CHINA PRECIOUS ASIA LIMITED

China Precious Asia Limited, which was founded in 2012, is a metals and minerals trader and processor of magnetite-bearing ore, targeting the Asian steel markets. In recent years, CPAL has focused its procurement on vanadium-rich magnetite ore, which aligns with a broader trend in China of securing sources of vanadium due to rising demand and efforts to supplement domestic supply.

*To view tables and figures, please visit:
<https://abnnewswire.net/lnk/LXZWO4I0>

About Vanadium Resources Limited:

Vanadium Resources Limited (ASX:VR8) (FRA:TR3) is developing the Steelpoortdrift Vanadium Project, a 74% owned, tier 1, licensed mining project located in the Limpopo Province of South Africa (86.49% interest subject to completion as announced in May 2023).

The Steelpoortdrift project is titaniferous magnetite deposit and is located in the prolific Bushveld Geological Complex within a known mineral and vanadium producing area. Accordingly, the Project is within reach of proven processing plants, railway and road options, ports and utilities.

Source:
Vanadium Resources Limited

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