

Vital Metals stock is up 308% the past year as they commence rare earths production in NWT Canada

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It is always interesting to look back and see if what was written comes true. About 9 months ago I wrote an article here describing how [Vital Metals was on track to become a rare earths carbonate producer in 2021](#). Fast forward to today and Vital Metals has delivered on their plan.

On July 6 [Vital Metals Limited](#) (ASX: VML) (“Vital”) [announced](#) that the Company has commenced rare earth production at Nechalacho. This is a tremendous achievement and means Vital joins an elite group of only 2 or 3 North American rare earths producers (includes MP Materials and for rare earths processing Energy Fuels). It also means Vital has become the first Canadian rare earths producer. Congratulations to Vital Metals from the team at InvestorIntel!

Mining at Vital’s Nechalacho’s North T Zone in Canada’s Northwest Territories (NWT) is underway as part of Stage 1 production strategy. Vital is now crushing and sorting ore before sending it to a Saskatoon cracking and leaching facility later in 2021. Vital has also commenced drilling to define a mine plan for Stage 2 at Nechalacho as it works to develop a larger scale, longer life rare earths project.

Vital Metal’s Nechalacho Rare Earths Mine in NWT Canada location and key zones



[Source](#): Vital Metals

Nechalacho hosts a world-class resource of **94.7Mt at 1.46% REO** (measured, indicated and inferred). Nechalacho's North T Zone hosts **a high-grade resource of 101,000 tonnes at 9.01% LREO (2.2% NdPr)**, making it one of the highest grade rare earths deposits in the world. The resource has the potential to grow further as shown in recent drilling results that [reported](#) "broad high grade REO in near surface drilling at Tardiff Zone...thickness in excess of 60m in width and with grades up to 13.8% intersected". Vital stated in the release that high value Nd/Pr content was an impressive 24.2% of TREO and that Zone 1 was open in all directions. These results will form part of a new resource upgrade to be part of the Stage 2 expansion plans at Nechalacho.

The metallurgy is a simple process involving a 35%+ initial beneficiation via ore sorting and 97% recovery into solution via hydrochloric acid using an industry standard process.

In more good news, in May 2021 it was [announced](#) that Vital's offtake partner REEtec has formally accepted Vital's rare earth carbonate sample. Vital will provide REEtec with 1,000 tonnes REO (ex-cerium) per year for five years with the option to increase volume by up to 5,000 tonnes REO per year over 10 years.

Mid-term strategy and goals

Vital aims to become the lowest cost producer of mixed rare earth oxide outside of China by developing one of the highest grade rare earth deposits in the world and the only rare earth project capable of beneficiation solely by ore sorting. Vital also aims to be the largest independent supplier of clean mixed

rare earth feedstock outside China.

More than \$120 million has been spent by previous owners on drilling, permitting and project development at Nechalacho, which includes a 40-person camp and airstrip.

Vital aims to produce a minimum of 5,000 tonnes of contained REO at Nechalacho by 2025, or earlier.

Closing remarks

Achieving rare earths production in the West is no easy task. The process towards production, including permitting, can take over a decade. Vital has now achieved a low scale small CapEx rare earths production start-up operation, with big plans to expand in the years ahead. Given management's exceptional track record to date, it is looking good for Vital to achieve their expansion plans in the years ahead.

The production of rare earths on North American soil is not only a great step forward for Vital Metals, but it is also a significant step forward for the West to secure a safe rare earths supply.

Vital Metals now trades on a market cap of A\$208 million after a great past 1 year return of [308%](#).

They're back! Don Bubar on the

return of rare earths ...

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"We decided earlier this year when it started to become apparent that rare earths were coming back into focus again that we should probably look at trying to reactivate the project. One thing we kept in mind all along was, while we looked at one specific zone on that property called the Basal Zone, because of its enrichment in the heavy rare earths that everyone was interested in at the time, it is not the only resource on the property. There are multiple zones there. What we are realizing now is that we have a real opportunity to serve the specific needs of this emerging market for rare earth magnets that needs specifically neodymium, praseodymium." States Don Bubar, President, CEO and Director of [Avalon Advanced Materials Inc.](#) (TSX: AVL | OTCQX: AVLNF), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

Tracy Weslosky: Don you introduced me in 2008 to rare earths. Today I am going to ask you the critical question here, are rare earths back?

Don Bubar: It sure looks like it Tracy. We are seeing lots of renewed interest in the rare earth space. We knew it was just a matter of time. These things go through cycles. We had that big burst of interest with the rare earth bubble back in 2008, 2012. But, you knew at the time that it was going to have another day because there was so much new technology being created with these rare earth elements. The main application at the time that we talked about was rare earth magnets. They are just getting bigger and bigger and more important in so many applications. That is creating pressure on the supply chain once again to meet the demands of new technology needing these rare earth magnets.

Tracy Weslosky: Don let us start by talking about the Nechalacho

rare earths deposit. You just recently put out a news release update. Can you tell us more about this?

Don Bubar: We decided earlier this year when it started to become apparent that rare earths were coming back into focus again that we should probably look at trying to reactivate the project. One thing we kept in mind all along was, while we looked at one specific zone on that property called the Basal Zone, because of its enrichment in the heavy rare earths that everyone was interested in at the time, it is not the only resource on the property. There are multiple zones there. What we are realizing now is that we have a real opportunity to serve the specific needs of this emerging market for rare earth magnets that needs specifically neodymium, praseodymium. Other zones we have on this property are enriched in the rare earth mineral bastnasite right at surface, easy to access and have exceptionally high content of those two critical rare earth elements now. We are looking at the opportunity to focus on developing some of these zones in the short-term at a modest scale to start serving that market by taking advantage of new process technology using ore sorting.

Tracy Weslosky: We have over the years Don discussed how rare earths can also be referred to as technology metals or critical materials. With everything that is in the news right now with regards to sustainability do you see this being a variable in driving prices up with rare earths presently?

Don Bubar: I think it is all about technology creating more and more demand going forward. That is what is happening with rare earths. It is happening with a lot of critical materials that we are involved in. I think increasingly it is about getting involved in the downstream and understanding these downstream applications and starting to work with the developers of the technology and partnering with them on finding solutions that

create the supply and help them in finding ultimately the best markets and properties for the materials that they are creating using these rare elements...to access the complete interview, [click here](#)

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