

VITAL PRODUCES 12KG RARE EARTH CARBONATE BULK SAMPLE AT NECHALACHO

HIGHLIGHTS

- Vital completes bulk sample program at Nechalacho, Canada, producing a 12kg sample for offtake partner REEtec
- Vital will produce additional samples for other prospective customers
- Vital is on track to rare earth production in Q2 CY21, making it the first REE producer in Canada and only the second REE producer in North America
- Ore sorter set for delivery and mining to commence at Nechalacho by end of the month
- Other infrastructure/equipment is ready for transit to Nechalacho
- Rare earth market continues to strengthen with neodymium prices at \$105/kg

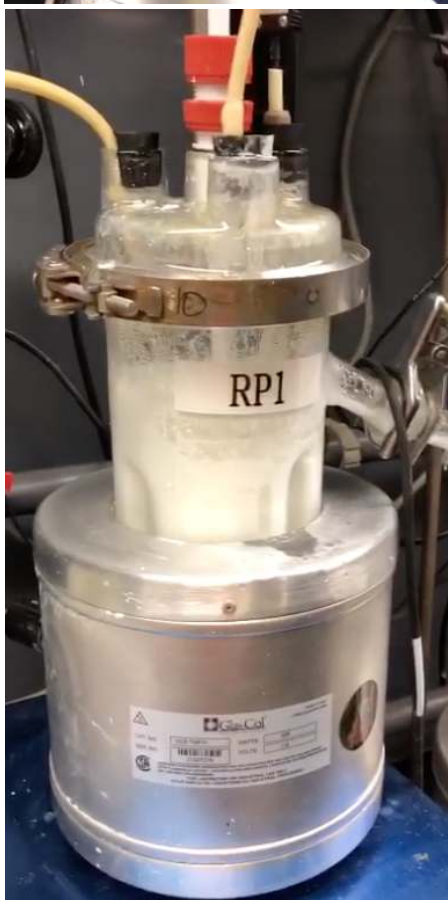
Vital Metals Limited (ASX: **VML**) ("**Vital**" or "**the Company**") is pleased to announce it has produced a 12kg sample of rare earth carbonate as part of a bulk sampling program at its Nechalacho project in Canada as the Company prepares for rare earth production in Q2 CY2021.

The sample is now being prepared for shipment to Vital's offtake partner REEtec AS in Norway in accordance with customer acceptance protocols.

Vital will prepare additional samples of carbonate which it will make available to other prospective customers.

Vital Metals Managing Director Geoff Atkins said, "*Production of our bulk sample for REEtec is another important step towards reaching full production at Nechalacho. Production of this sample demonstrates we have our processes working correctly and we are preparing to send the sample to REEtec so it can undergo customer acceptance, as well as producing samples for other potential customers.*"

"We are preparing for our ore sorter to arrive at Nechalacho while mining is also due to start within the next few weeks, so we are getting ready close to achieving our production goal."



Figures 1-4: Customer bulk sample undergoing leaching and purification



Figures 5-7: Mixed rare earth carbonate sample ready for transportation to REEtec



Mining is on track to commence at Nechalacho later this month after Vital signed a definitive mining contract with local company Det'on Cho Nahanni Construction Ltd for work to commence at the North T Zone. Scope of work under the mining contract includes mining, site clearing, preparation of retention pond, site roads, ROM pad, plus crushing and screening. Det'on Cho Nahanni Construction will mobilise to site at Nechalacho via ice road by the end of March.

In addition, Vital has commenced a drill program at Nechalacho to define a mine plan for Stage 2 of production from the Tardiff. Vital is testing three high-grade targets in the Tardiff deposit and will evaluate potential expansion of the T Zone by targeting two additional zones, the South T and the S zones, which lie adjacent to the planned North T pit, where Vital plans to commence production.

Advisor contract

With reference to the Company's announcement on 2 March 2021 regarding the appointment of rare earths expert George Bauk, Vital has been informed by Mr Bauk that following the public announcement, due to unforeseen circumstances, he can no longer continue to strategically advise the Company.

Mr Bauk stated *"It is with great disappointment that due to unforeseen circumstances I am no longer able to fulfil the role of Strategic Advisor to Vital. During my short time working with the Vital team I have been extremely impressed by the quality of the Nechalacho project, the management and Board of Vital.*

More importantly I believe that Vital's go to market strategy is the most appropriate way to develop a rare earth mine. My time with the team has left me in no doubt that Vital are well on track to successfully bringing the Nechalacho project into production in 2021 to become Canada's first rare earth operation."

The Company previously advised the issue of 50m options under the terms of the appointment however, as a result of the circumstances, nil options will be issued.

- ENDS-

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This announcement has been authorised for release by the Board of Vital Metals.

ABOUT VITAL

Vital Metals Limited (ASX:VML) is an explorer and developer focussing on rare earths, technology metals and gold projects. Our projects are located across a range of jurisdictions in Canada, Africa and Germany.



Nechalacho Rare Earth Project - Canada

The Nechalacho project is a high grade, light rare earth (bastnaesite) project located at Nechalacho in the Northwest Territories of Canada and has potential for a start-up operation exploiting high-grade, easily accessible near surface mineralisation. The Nechalacho Rare Earth Project hosts within the Upper Zone, a measured, indicated and inferred JORC Resource of **94MT at 1.46% TREO**.¹

Rare earth prices sourced from Shanghai Metals Market (www.metal.com) as at 4th March 2021.

Forward Looking Statements

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production output.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company’s business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company’s control.

Although the company attempts to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

¹ Refer ASX Announcement dated 13 December 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in that market announcement continue to apply and have not materially changed.