

SECURITIES TRADING POLICY

1 BACKGROUND

In order to preserve the reputation and integrity of Vital Metals Ltd (“Vital”), it is imperative that when people associated with Vital deal in Vital’s securities those dealings are not only fair, but are seen to be fair. When directors and employees deal in securities of Vital they must be sure that it does not reflect badly on them or Vital. The following policy is designed to avoid the possibility that misconceptions, misunderstandings or suspicions might arise.

The general scheme of this policy regarding allowable dealings by employees and directors in Vital’s securities is that those persons should:

- (a) never engage in short term trading of Vital’s securities;
- (b) not deal in Vital’s securities while in possession of price sensitive information;
- (c) notify the company secretary of any material intended transactions involving Vital’s securities; and
- (d) restrict their buying and selling of Vital’s securities within the “trading window”.

The law imposes a number of significant restrictions on directors and other employees of Vital when they deal in Vital’s shares. As fiduciaries, these corporate managers must not utilise their position for their own gain or for the gain of any person other than Vital.

The Corporations Act 2001 (Cth) imposes severe penalties (both criminal and civil) on persons who conduct insider trading activities. Perhaps more importantly, any perceptions of improper conduct by members of Vital has the potential to substantially damage Vital’s reputation.

Employees, senior management and their related parties have implemented the policy set out in this document in an effort to prevent the incidence of insider trading in Vital securities. The policy provides a general summary of the law in Australia in relation to insider trading, and as such operates in addition to the legal requirements. It is the personal responsibility of each individual to comply with this policy.

This is an important document. If you do not understand any aspect of this policy, it is strongly recommended that you contact the company secretary.

2 OVERVIEW OF THE INSIDER TRADING PROVISIONS IN THE CORPORATIONS ACT

It is illegal for anybody to deal in any securities of a body corporate (including Vital or any subsidiaries) when in possession of information that the person knows, or ought reasonably to know:

- (a) is not generally available (including information that Vital has not disclosed to the market in accordance with Vital's Continuous Disclosure Policy); and
- (b) might have a material effect on the price or value of those securities if it was generally available ("**Inside Information**").

This prohibition extends to procuring another person to deal and, in the case of securities of listed corporations, extends to communicating the inside information to another person, if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in the securities in question or procure another person to do so.

"**Dealing**" includes applying for, acquiring or disposing of, or entering into an agreement to apply for, acquire or sell, securities, and "**deal**" has a corresponding meaning.

"**Securities**" include shares, derivatives and other financial products that can be traded on a financial market including financial products issued or created over Vital securities by third parties and products which operate to limit economic risk in securities holdings in Vital.

3 CONFIDENTIALITY AND INSIDE INFORMATION

A person in possession of Inside Information about Vital has a duty to keep that information confidential and must not in any way disclose or communicate that information to any person. Confidentiality is also stressed in relation to external advisers.

4 DEALING WITH SECURITY ANALYSTS, INSTITUTIONAL INVESTORS AND JOURNALISTS

You may be exposed to persons outside Vital such as security analysts, institutional investors and journalists. It is important that you be aware that selective disclosure of non-public information may result in a breach of the insider trading rules. Thus, if a report containing material non-public information concerning Vital was communicated only to local or trade journals and if full public disclosure of the information was not made at the same time, it is possible that this may give rise to breach of the Corporations Act.

It is important to stress that it is the mere fact of conveyance of the material non-public information that gives rise to liability, not the manner in which it is conveyed. For example, the confirmation of an analyst's educated guess about a situation not known to the general public may be just as much a violation as the direct conveyance of information

to an analyst. This is clearly the case even if the analyst's case is based upon his or her independent and creative analysis of publicly available information.

Example

At a luncheon attended at Johnson & Co's offices security analysts from Sharp Dealing discussed generally with management the company's declining earnings. At one point Mr Cautious reveals that a preliminary earning statement would be released shortly, from which the analysts could deduce that earnings would be lower than expected. A week after the lunch on the basis of a follow up phone call from the security analysts, Mr Cautious confirmed that there was a good possibility that earnings would be down, and added that this information was confidential. In these circumstances, the first tip is likely to be considered immaterial; however, the second tip is, in all probability, material and a breach of this policy and the Corporations Act.

You convey information in breach of this policy and the Corporations Act by expressing subjective attitudes about Vital's performance or by calling attention to disparate bits of information not available as an aggregate to the general public. It is essential to avoid the indirect conveyance of information by any means whatsoever.

If during the course of a discussion with an analyst, journalist or other outsider, material non-public information concerning Vital is disclosed, inadvertently or otherwise, the recipient of the information should be informed of its non-public nature and cautioned against its use unless and until Vital has made full public disclosure of that information. The company secretary should be notified of the situation immediately so that a decision can be made regarding disclosure of the information. In view of the pitfalls inherent in responding to analyst's projections and questions regarding previously undisclosed operating results or other developments, no comment at all should be made on these matters except to correct serious factual errors in situations in which the facts are in the public domain.

5 SENIOR MANAGEMENT RESTRICTIONS ON TRADING

Senior Management of Vital, whose positions expose or are likely to expose them to information regarding Vital, being:

- (a) the Board;
- (b) the chief executive officer of Vital, and his or her direct reports;
- (c) group corporate accountant, the group taxation manager and the legal executive;
- (d) anyone else who directly reports to the chief executive officer,

(collectively called "**Senior Management**" for the purposes of this policy) are to be subject to restriction on trading in Vital securities other than at certain times of the year. This includes any employee who may be exposed to Inside Information in the course of their duties.

6 ASSOCIATED PARTIES

Each person in Senior Management has a personal responsibility to ensure that his or her “associated parties” (being immediate family (including a spouse (or equivalent) or dependent), family company or trust) complies with the same respective restrictions as apply to Senior Management of Vital.

7 EMBARGO ON SENIOR MANAGEMENT’S DEALING IN VITAL’S SHARES

In addition to the overriding prohibition on dealing when a person is in possession of Inside Information, Senior Management and their associated parties are at all times embargoed from dealing in Vital securities (**Closed Periods**) except for:

- (a) each period of 28 days immediately following each date upon which Vital gives to the ASX its preliminary final statement;
- (b) each period of 28 days immediately following each date upon which Vital gives to the ASX its half-yearly and quarterly reports; and
- (c) each period of 28 days immediately following each date upon which Vital holds its annual general meeting.

“Immediately following each date” means that Senior Management and their associated parties **cannot trade on the date** the full year, half year or quarterly announcements are made or on the date the annual general meeting is held. The [28] day period in which trading is allowed will, in each instance, start on the date after the announcement or the annual general meeting.

If any member of Senior Management is unsure as to the precise start and finish dates of these periods; they should consult their supervisor/manager or a representative from human resources. For the avoidance of doubt, it is stressed that the existence of these trading windows does not permit Senior Management to deal whilst in the possession of Inside Information - this restriction applies at all times.

Each Senior Manager will be provided with a copy of this policy and, within 10 days, is required to return a copy of the policy with the following signed acknowledgment:

[Date]

Vital Metals Ltd ACN 112 032 596

Attention: Compliance Officer

Securities trading policy

I have been supplied with a copy of Vital's securities trading policy. I have read and considered the contents of the policy.

I give my unqualified undertaking to comply with the letter and the spirit of the policy in all my dealings with or on behalf of the Vital.

Yours sincerely,

[Name]

8 TOTAL EMBARGO ON "SHORT-TERM" TRADING

In order to prevent the unfair use of information, Senior Management is generally prohibited from short-term trading at all times. Short-term trading is a purchase and sale of the same securities within a six month period.

This embargo on short term trading may be excepted in some very limited circumstances for example, exercising options in employee share ownership plans, redemption of securities or certain other option exercises.

9 EXEMPTION TO TRADE DURING EMBARGO PERIOD

Senior Management are not permitted, as a general rule, from trading in the Company's securities during an embargo period. An embargo period is either a Closed Period, or other periods when Senior Management are prohibited from trading, which are imposed by the Company from time to time, when the Company is considering matters which are subject to Listing Rule 3.1A.

In exceptional circumstance (as determined by the Company), Senior Management may be permitted to trade during an embargo period.

Senior Management wishing to deal in Vital securities within an embargo period must request approval in writing. The Chairman will determine such request (except in the case of his own securities, in which case the Board must approve the proposed dealing).

10 EXCLUSIONS

The following dealings are excluded from this Policy:

- (a) Dealings in the Company's securities which do not result in a change to the beneficial interest of the securities;
- (b) Acceptance of a takeover offer;
- (c) Trading under an offer made to all or most shareholders

11 BOARD OF DIRECTORS' DISCRETION

The Board of Vital have an absolute discretion to place an embargo on Senior Management and/or employees and/or their respective associated parties trading in Vital securities at any time.

12 NOTIFICATION RULES IN RELATION TO DEALING IN VITAL SECURITIES

Senior Management are required to notify Vital of intended dealings in Vital securities, by themselves or their associated parties, three days prior to such intended dealings. This should be done by written notice to the company secretary of Vital outlining:

- (a) name of security holder;
- (b) proposed date of dealing;
- (c) type of proposed transaction (purchase, sale, etc.); and
- (d) number of securities involved.

Following completion of the proposed dealing, the member of Senior Management in question must provide confirmation to the company secretary that the dealing has occurred, and details of the price per security.

13 DIRECTORS TO NOTIFY ASX OF SHAREHOLDING

The directors of Vital are required to complete either Appendix 3X, 3Y or 3Z (as applicable) and provide it to Vital to be filed with the ASX in respect of their shareholding in Vital for the purposes of section 205G of the Corporations Act and Listing Rule 3.19A.

14 DISCLOSURE

In order to maintain transparency, this policy is to be disclosed in the annual report and be made publicly available.

15 BREACHES OF POLICY

Any breaches of this policy will be severely dealt with and may lead to summary termination.