



**VITAL METALS LIMITED
ACN 112 032 596**

NOTICE OF GENERAL MEETING

**A General Meeting of the Company will be held at
6/295 Rokeby Rd, Subiaco WA 6008 on
Wednesday, 16 October 2019 at 10.00am (WST).**

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6555 2950.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

VITAL METALS LIMITED

ACN 112 032 596

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Vital Metals Limited (**Company**) will be held at Suite 6, 295 Rokeby Rd on Wednesday, 16 October 2019 at 10.00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 14 October 2019 at 5pm (WST).

Terms and abbreviations used in the Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 - Approval to create a new class of Performance Shares

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

*"That, subject to each of the other Interconditional Resolutions being passed and pursuant to section 246B of the Corporations Act and for all other purposes, the Company be authorised to create a new class of shares (**Performance Shares**) on the terms and conditions set out in the Explanatory Memorandum."*

2. Resolution 2 - Approval to issue Consideration Securities

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to:

- (a) 400,000,000 fully paid ordinary shares (**Consideration Shares**);
- (b) 400,000,000 Performance Shares (**Tranche 1 Performance Shares**); and
- (c) 400,000,000 Performance Shares (**Tranche 2 Performance Shares**),

*(together, the **Consideration Securities**) to the Vendors (or their respective nominees) on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendors (and their respective nominees), any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 - Election of Director - Mr Geoff Atkins

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Clause 7.5 of the Constitution and for all purposes, Mr Geoff Atkins be elected as a Director."

4. Resolution 4 - Election of Director - Mr Evan Cranston

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance with Clause 7.5 of the Constitution and for all purposes, Mr Evan Cranston be elected as a Director."

5. Resolution 5 - Approval to issue Incentive Options to Messrs Geoff Atkins and Evan Cranston

To consider and, if thought fit, to pass with or without amendment, each as a separate ordinary resolution the following:

"That, subject to each of the other Interconditional Resolutions being passed and pursuant to and in accordance Listing Rule 7.1 and section 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of unquoted Options to Mr Geoff Atkins and Mr Evan Cranston (Proposed Directors) (or their nominees) as follows:

- (a) 90,000,000 unquoted Options to Mr Geoff Atkins; and
- (b) 180,000,000 unquoted Options to Mr Evan Cranston,

(together, the Incentive Options) on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of:

- For personal use only
- (a) Resolution 5(a) by or on behalf of Mr Geoff Atkins (or his nominee), or any of their associates; and
 - (b) Resolution 5(b) by or on behalf of Mr Evan Cranston (or his nominee), or any of their associates.

However, the Company need not disregard a vote if:

- (c) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (d) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

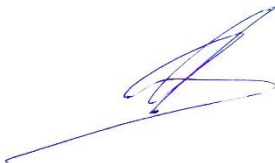
A person appointed as a proxy must not vote, on the basis of that appointment, on these Resolutions if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on these Resolutions.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

BY ORDER OF THE BOARD



Zane Lewis
Director
Vital Metals Limited
Dated: 13 September 2019

VITAL METALS LIMITED

ACN 112 032 596

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at 10.00am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Conditional Resolutions
Section 4	The Acquisition
Section 5	Resolution 1 - Approval to create a new class of Performance Shares
Section 6	Resolution 2 - Approval to issue Consideration Securities
Section 7	Resolutions 3 and 4 - Election of Directors - Messrs Geoff Atkins and Evan Cranston
Section 8	Resolution 5 - Approval to issue Incentive Options to Messrs Geoff Atkins and Evan Cranston
Schedule 1	Definitions
Schedule 2	Terms and conditions of Performance Shares
Schedule 3	Vendors
Schedule 4	Terms and conditions of Incentive Options
Schedule 5	Valuation of Incentive Options

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

The Chair intends to exercise all available proxies in favour of all Resolutions.

3. Conditional Resolutions

All Resolutions in this Notice are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any of the Resolutions are not approved at the Meeting, none of the Resolutions will take effect and any other matters contemplated by the Resolutions will not be completed.

For the avoidance of doubt, the Resolutions are referred to as the 'Interconditional Resolutions' throughout this Notice.

4. The Acquisition

On 25 June 2019, the Company announced that it had entered into a binding terms sheet to acquire (the **Acquisition Agreement**) 100% of the issued capital in Cheetah Resources Pty Ltd (ACN 625 460 513) (**Cheetah**) (**Acquisition**).

Cheetah is a private company incorporated in Australia. There are presently 23 shareholders of Cheetah, none of whom are related to the Company.

Cheetah has entered the following binding agreements:

- (a) **Thor Lake Rare Earth project**

Cheetah has entered into a binding terms sheet with Avalon Advance Materials Inc (**Avalon**) a TSX listed entity, to acquire near surface resources of the Thor

Lake Rare Earth Project at the Nechalacho Property on Thor Lake, near Yellowknife, NWT, Canada (**Avalon Agreement**).

Under the Avalon Agreement, Cheetah acquires the mineral rights to all mineralisation between surface and a depth of 150m above sea level. The Thor Lake Rare Earth Project hosts within the Upper Zone, a NI 43-101 compliant Indicated Resource of 47.21Mt grading at 1.52% REO and Inferred Resource of 102Mt grading at 1.38% REO for a combined Mineral Resource estimate of 149.30Mt grading at 1.42% REO.

Investors should note that the Mineral Resource estimate for the Thor Lake Project Upper Zone is a foreign estimate and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify this foreign estimate as a mineral resource in accordance with the JORC Code and it is uncertain that following further exploration or evaluation work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code.

See the Company's ASX Announcement dated 25 June 2019 for further information regarding the Avalon Agreement.

(b) **Wigu Hill project**

Cheetah has signed a project development and option agreement with Montero Mining & Exploration Ltd (**Montero**), a TSXV listed entity, to acquire all of the Intellectual Property (IP) rights of Wigu Hill (BVI) Ltd, a subsidiary company that owns these rights to develop the Wigu Hill Project located near Kisaki in Tanzania. Under the agreement Cheetah also has an option to acquire Montero's remaining interests in Wigu Hill (BVI) Limited for a total consideration of C\$1,100,000 (**Montero Agreement**).

Montero released an initial NI 43-101 Inferred resource estimate of 3.3Mt at 2.6% LREO5 including 510,000t @ 4.4% LREO5 on 2 of 10 possible drill targets.

Investors should note that the Mineral Resource estimate for the Wigu Hill Project is a foreign estimate and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify this foreign estimate as a mineral resource in accordance with the JORC Code and it is uncertain that following further exploration or evaluation work that this foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code.

See the Company's ASX Announcement dated 25 June 2019 for further information regarding the Montero Agreement.

4.2 Key terms of the Acquisition Agreement

(a) **Consideration**

The consideration payable to the Vendors, proportionate to their interests in Cheetah, will be satisfied by the issue of:

- (i) 400,000,000 fully paid ordinary shares (**Consideration Shares**);
- (ii) 400,000,000 Tranche 1 Performance Shares; and
- (iii) 400,000,000 Tranche 2 Performance Shares,

(together, the **Consideration Securities**).

The Tranche 1 Performance Shares will each convert to one Share on the Company entering into binding offtake for a minimum of 1,000 kgs of contained REO in respect of the Thor Lake Project or Wigu Hill Project within 2 years of the Acquisition completion date.

The Tranche 2 Performance Shares will each convert to one Share on the Company commencing mining operations at the Thor Lake Project or Wigu Hill Project within 3 years of the issue of the Tranche 1 Performance Shares.

Following the issue of the Consideration Shares, no individual Vendor will hold voting power in the Company of 5% or above post Acquisition.

In the event all Performance Shares are converted, and assuming no other Shares are issued and no options are exercised, two Vendors will hold 8.10% and 5.48% of the Company respectively.

(b) **Conditions Precedent**

The Acquisition Agreement is subject to and conditional upon, among other things:

- (i) **(due diligence):** the Company completing due diligence on the Tenements, Wigu Hill BVI, the Vendors and Cheetah to the Company's satisfaction (acting reasonably) by 14 August 2019 (or such other date as may be agreed between the Company and Cheetah) (**DD Date**). This condition has been satisfied;
- (ii) **(Shareholder approvals):** the Company obtaining all shareholder approvals required by the Acquisition Agreement and for the purposes of satisfying sections 246B and 246C of the Corporations Act, Listing Rules 7.1 and 10.11;
- (iii) **(Regulatory approval):** the Company obtaining any regulatory consents or approvals from relevant authorities required in connection with the Acquisition;
- (iv) **(Cheetah due diligence):** Cheetah completing due diligence on the Company to Cheetah's satisfaction (acting reasonably) prior to the DD Date; and
- (v) **(Cheetah maintenance of rights):** Cheetah maintaining all of its rights and interests under, and not doing or omitting to do, anything that may result in a material breach of the Avalon Agreement or Montero Agreement.

(c) **Loan**

The Company has also agreed to provide an unsecured loan facility to Cheetah of up to A\$4,500,000 at an annual interest rate of 12%, for the purpose of funding Cheetah's obligations arising under the Avalon Agreement, the Montero Agreement, and for other working capital purposes. In the event shareholder approval for the Acquisition is not obtained or due diligence is not satisfactorily completed, the loan is due and payable on the date that is the earlier of 12 months after the DD Date or the date of the Meeting.

As the date of this Notice, A\$2,495,900 has been drawn down on the Loan by Cheetah.

4.3 Board of Directors

The Board of the Company currently comprises:

- (a) Phillip Coulsen - Executive Director;
- (b) Zane Lewis - Executive Director;
- (c) Francis Harper - Non-Executive Chairman;
- (d) Peter Cordin - Non-Executive Director;

Post completion of the Acquisition, the Board will comprise:

- (a) Geoff Atkins - Managing Director;
- (b) Zane Lewis - Executive Director;
- (c) Francis Harper - Non-Executive Chairman;
- (d) Phillip Coulsen - Non-Executive Director;
- (e) Evan Cranston - Non-Executive Director.

Incoming director Mr Geoff Atkins controls Atkins Projects and Infrastructure Pty Ltd, a Cheetah Vendor.

An entity controlled by incoming director Mr Evan Cranston's father, Kingslane Pty Ltd (atf Cranston Super Pension Account) is a Cheetah Vendor.

4.4 Capital structure

The indicative capital structure of the Company following completion of the Acquisition and the issues of securities contemplated in this Notice is set out below:

	Shares	%	Unquoted Options	Performance Rights	Performance Shares
Currently on issue	1,742,611,289	81.3	163,598,492	57,500,000	-
Consideration Shares	400,000,000	18.7	-	-	-
Performance Shares	-	-	-	-	800,000,000
Director Options	-	-	270,000,000	-	-
TOTAL	2,142,611,289	100	433,598,492	57,500,000	800,000,000

5. Resolution 1 - Approval to create a new class of Performance Shares

5.1 General

Resolution 1 seeks Shareholder approval for the Company to be authorised to issue Performance Shares as a new class of shares.

Resolution 1 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Resolution 1 is an Interconditional Resolution and is subject to Shareholders passing each of the Interconditional Resolutions.

The Board recommends that Shareholders vote in favour of Resolution 1.

5.2 Requirements for Shareholder approval

Section 246B of the Corporations Act of the Constitution provides that the rights attaching to a class of shares cannot be varied without:

- (a) a special resolution passed at a meeting of the members holding shares in that class; or
- (b) the written consent of the members who are entitled to at least 75% of the votes that may be cast in respect of shares in that class.

The Company currently has only one class of shares on issue being fully paid ordinary shares and the terms of the Performance Shares are not the same. Accordingly, the Company seeks approval from Shareholders for the issue of the Performance Shares.

5.3 Purpose of the Performance Shares

The purpose of the issue of the Performance Shares is to link part of the consideration for the Acquisition to certain key performance criteria. If the milestones are not achieved within the prescribed timeframe, any Performance Shares that have not converted into Shares will automatically consolidate into a sum total of one Performance Share, which will then convert into one Share.

5.4 ASX approval pursuant to Listing Rule 6.1

Listing Rule 6.1 provides that the terms that apply to each class of equity security must, in ASX's opinion, be appropriate and equitable.

The Company has received confirmation from ASX for the issuance of the Performance Shares required under Listing Rule 6.1.

6. Resolution 2 - Approval to issue Consideration Securities

6.1 General

Resolution 2 seeks Shareholder approval to issue the Vendors (or their respective nominees) the Consideration Securities, consisting of Consideration Shares and Performance Shares.

The Consideration Securities will be issued in the proportions specified in Schedule 3, and the Performance Shares will be issued on the terms and conditions set out in Schedule 2.

Resolution 2 is an Interconditional Resolution and is subject to Shareholders passing each of the Interconditional Resolutions.

The Board recommends that Shareholders vote in favour of Resolution 2.

6.2 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

6.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Consideration Securities to Atkins Projects and Infrastructure Pty Ltd (an entity controlled by Proposed Director Mr Geoff Atkins) and Kingslane Pty Ltd (atf Super Pension Account) (an entity controlled by the father of Proposed Director Mr Evan Cranston) (together, the **Related Party Vendors**), because the Acquisition Agreement was negotiated on an arm's length basis and each of the Vendors are receiving Consideration Securities proportionate to their Cheetah shareholding.

6.4 Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

The Directors consider that Listing Rule 10.12 exception 6 applies to the proposed issue of the Consideration Securities to the Related Party Vendors and consequently Shareholder approval is not sought under Listing Rule 10.11.

6.5 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Consideration Securities:

- (a) a maximum of 1,200,000,000 securities are to be issued as Consideration Securities as follows:

- (i) 400,000,000 Consideration Shares at a deemed issue price of \$0.01 per Share;
- (ii) 400,000,000 Tranche 1 Performance Shares; and
- (iii) 400,000,000 Tranche 2 Performance Shares;
- (b) the Consideration Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Consideration Securities will occur on the same date;
- (c) the Consideration Securities are being issued as consideration for the acquisition of the Vendors' shares in Cheetah, and as such no funds are being raised;
- (d) the Consideration Securities will be issued to the Vendors (or their nominees), each of whom (other than the Related Party Vendors) are not related parties of the Company. The Directors consider that Listing Rule 10.12 exception 6 applies to the proposed issue of the Consideration Securities to the Related Party Vendors and as such no approval under Listing Rule 10.11 is sought in respect of those Consideration Securities;
- (e) the Consideration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue; and
- (f) the Tranche 1 and Tranche 2 Performance Shares have the terms and conditions set out in Schedule 2.

7. Resolutions 3 and 4 - Election of Directors - Messrs Geoff Atkins and Evan Cranston

7.1 General

Clause 7.5 of the Constitution allows the Company in general meeting by ordinary resolution to appoint any person as a Director.

Resolutions 3 and 4 seek the approval for the election of Mr Geoff Atkins and Mr Evan Cranston each as a Director of the Company. The Resolutions are Interconditional Resolutions and are subject to Shareholders passing the other Interconditional Resolutions.

The Board recommends that Shareholders vote in favour of Resolutions 3 and 4.

Information on the qualifications, skills and experience of Messrs Atkins and Cranston are set out below.

7.2 Mr Geoff Atkins

Mr Atkins is a Civil Engineer with over 20 years of project and corporate development experience across commercial, industrial, mining and infrastructure sectors with responsibility for driving projects from concept, through feasibility and development to operational assets.

Mr Atkins is the current Managing Director of Cheetah. Other recent roles include Corporate Planning Manager at Lynas Corporation where he oversaw development and implementation of the corporate strategic planning process. This included the management and governance of the following capital works and business development programs:

- Mt Weld Rare Earth Mine and Concentration Plant;
- Lynas Advanced Materials Plant (LAMP): Kuantan, Malaysia;
- Kangankunde Rare Earth Project: Malawi; and
- Crown Polymetallic Deposit.

He has also held the position of Group Executive - Operations at Rutila Resources. In this role, he managed corporate and project development activities including the following strategic and execution plans, business cases, feasibility assessments, project management and governance activities:

- \$4B Balla Balla Infrastructure Project: 100Mtpa open access, greenfield port and rail development; and
- \$1B Balla Balla Titano-Magnetite Project.

7.3 Mr Evan Cranston

Mr Evan Cranston is an experienced mining executive with a background in corporate and mining law. He is the principal of corporate advisory and administration firm Konkera Corporate and has extensive experience in the areas of equity capital markets, corporate finance, structuring, asset acquisition, corporate governance and external stakeholder relations. He holds both a Bachelor of Commerce and Bachelor of Laws from the University of Western Australia.

Mr Cranston is currently a director of ASX-listed companies New Century Resources Limited (an ASX-300 mining company), Boss Resources Ltd, Carbine Resources Ltd and African Gold Ltd.

8. Resolution 5(a) and 5(b) - Approval to issue Incentive Options to Messrs Geoff Atkins and Evan Cranston

8.1 General

Resolution 5 seeks Shareholder approval, subject to each of the other Interconditional Resolutions being passed, to issue a total of 270,000,000 unquoted Options to Proposed Directors Messrs Atkins and Cranston (or their respective nominees) (**Incentive Options**).

The Incentive Options form part of the Proposed Directors remuneration as Directors of the Company. The approval to issue the Incentive Options to each Proposed Directors are considered as separate resolutions.

The proposed Incentive Options are exercisable in 3 tranches as set out below:

Proposed Director	Incentive Options			
	Tranche 1 ¹	Tranche 2 ²	Tranche 3 ³	Total
Mr Geoff Atkins	30,000,000	30,000,000	30,000,000	90,000,000
Mr Evan Cranston	60,000,000	60,000,000	60,000,000	180,000,000
TOTAL	90,000,000	90,000,000	90,000,000	270,000,000

Notes:

1. Tranche 1 Incentive Options exercisable at \$0.02 each, expiring 5 years from date of issue.
2. Tranche 2 Incentive Options exercisable at \$0.025 each, expiring 5 years from date of issue.
3. Tranche 3 Incentive Options exercisable at \$0.03 each, expiring 5 years from date of issue.

The Board recommends that Shareholders vote in favour of Resolutions 5(a) and 5(b).

8.2 Purpose of the Incentive Options

The Incentive Options provide an incentive component to the Proposed Directors remuneration packages, and align their interests with those of Shareholders. The Board considers that the proposed number of Incentive Options to be granted are commensurate with the Proposed Directors value to the Company and is an appropriate method to provide cost effective remuneration.

8.3 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Incentive Options constitutes giving a financial benefit and Messrs Atkins and Cranston are related parties of the Company by virtue of being Proposed Directors of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Incentive Options to Messrs Atkins and Cranston (or their respective nominees).

8.4 Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

Consistent with the approach of the issue of Consideration Securities to the Related Party Vendors noted in Section 6.4, the Directors consider that Listing Rule 10.12 exception 6 applies to the proposed issue of the Incentive Options to the Proposed Directors and consequently Shareholder approval is not sought under Listing Rule 10.11, but under Listing Rule 7.1.

8.5 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with the requirements of ASX Listing Rule 7.3, the following information is provided in relation to the proposed grant of the Incentive Options:

- (a) a maximum of 90,000,000 Incentive Options will be issued to Mr Geoff Atkins (or his nominees);
- (b) a maximum of 180,000,000 Incentive Options will be issued to Mr Evan Cranston (or his nominees);
- (c) the Incentive Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended the issue occur within one week of the Meeting;
- (d) the Incentive Options will be issued for nil cash consideration as they will be issued as part of Messrs Atkins and Cranston's remuneration packages. Any funds raised from the exercise of the Incentive Options will be put towards working capital;
- (e) the Incentive Options will be issued on the terms and conditions set out in Schedule 4; and
- (f) a voting exclusion statement is included in this Notice.

8.6 Information requirements for Chapter 2E approval

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act, the following information is provided in relation to the proposed grant of the Incentive Options:

(a) **Valuation of financial benefit**

Using a Black & Scholes valuation model, the Company's valuation of the Incentive Options is in Schedule 5, with a summary for each Proposed Director below:

Proposed Director	Value of Incentive Options			
	Tranche 1	Tranche 2	Tranche 3	TOTAL
Geoff Atkins	\$192,000	\$183,000	\$174,000	\$549,000
Evan Cranston	\$384,000	\$366,000	\$348,000	\$1,098,000

(b) **Remuneration of Related Parties**

The total annual remuneration arrangements proposed for each of the Proposed Directors, to take effect from completion of the Acquisition, are set out below:

Proposed Director	Salary and fees
Geoff Atkins	\$270,000 per annum
Evan Cranston	\$60,000 per annum

(c) **Existing relevant interests**

At the date of this Notice, the Proposed Directors do not hold any relevant interests in Equity Securities of the Company.

Assuming that:

- (i) Resolution 2 and each of the resolutions which form part of Resolution 5 are approved by Shareholders;
- (ii) all of the Consideration Securities and Incentive Options are issued, and where applicable, vested and exercised into Shares; and
- (iii) no other Equity Securities are issued or exercised,

the respective interests of the Proposed Directors in the expanded issued share capital of the Company (totalling 3,212,611,289) would be as follows:

Proposed Director	Shares	%
Geoff Atkins	183,449,547	5.7
Evan Cranston	180,000,000	5.6

(d) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.014 per Share on 25 June 2019.

Lowest: \$0.006 per Share on 15 October 2018.

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.01 per Share on 13 September 2019.

(e) **Dilution**

The issue of the Incentive Options will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Incentive Options vest and are exercised. The potential dilution effect is summarised below:

Incentive Options	Dilutionary effect
Tranche 1	4.9%
Tranche 2	4.7%
Tranche 3	4.5%

The above table assumes the current Share capital structure as at the date of this Notice (being 1,742,611,289 Shares) and that no Shares are issued other than the Shares issued on exercise of the Incentive Options. The actual dilution will depend on the extent that additional Shares are issued by the Company.

(f) **Corporate governance**

Mr Geoff Atkins is a proposed Executive Director of the Company and the Board believes that the grant of the Incentive Options, subject to his appointment, is in line with Recommendation 8.2 of the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board acknowledges the grant of the Incentive Options to proposed non-executive Director, Mr Evan Cranston is contrary to Recommendation 8.2 of the 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, the Board considers the grant of Incentive Options to Mr Cranston reasonable in the circumstances for the reasons set out in Section 8.6(f).

(g) **Taxation consequences**

There are no material taxation consequences for the Company arising from the issue of the Incentive Options (including fringe benefits tax).

(h) **Director recommendations**

The Directors recommend that Shareholders vote in favour of each of the resolutions which form part of Resolution 5 for the following reasons:

- (i) Mr Atkins has significant experience in the mining industry which will be of substantial benefit to the Company. Mr Atkins has acquired considerable knowledge relating to Rare Earths mining, having undertaken recent roles such as Corporate Planning Manager at Lynas Corporation. This position required management and governance of capital works and business development programs of numerous Rare Earth projects. As the proposed Managing Director, the Company will

benefit from Mr Atkins' exceptional management of project teams and project development;

- (ii) Mr Cranston has extensive involvement in listed mining entities. As a corporate lawyer, Mr Cranston brings broad experience and understanding to the Board, particularly in connection to capital raisings, joint ventures, mergers and acquisitions and corporate governance. Further, Mr Cranston brings an invaluable understanding of African mining and resources, having held directorships in mineral exploration entities operating in Africa, such as Ampella Mining Limited and current ASX-listed African Gold Limited;
- (iii) the grant of the Incentive Options is a reasonable benefit to recognise Messrs Atkins and Cranston's experience and valuable skills;
- (iv) if all the Incentive Options are exercised, based on the exercise prices of \$0.02 (Tranche 1), \$0.025 (Tranche 2) and \$0.03 (Tranche 3), the Company will receive \$6,750,000;
- (v) the grant of the Incentive Options will further align the interests of Messrs Atkins and Cranston with those of Shareholders to increase shareholder value;
- (vi) the issue of the Incentive Options provides Messrs Atkins and Cranston with incentives to focus on superior performance in creating shareholder value;
- (vii) the grant of the Incentive Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Messrs Atkins and Cranston; and
- (viii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Incentive Options upon the terms proposed.

(i) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass each of the resolutions which forms part of Resolution 5.

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

ASX means the ASX Limited (ABN 98 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Company means Vital Metals Limited (ACN 112 032 596).

Consideration Securities has the meaning in Section 4.2(a).

Consideration Shares means 400,000,000 Shares.

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Interconditional Resolutions has the meaning given in Section 3.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of general meeting.

Performance Shares means any of a Tranche 1 Performance Shares or Tranche 2 Performance Shares issued on the terms and conditions in Schedule 2.

Proposed Directors means Mr Geoff Atkins and Mr Evan Cranston.

Proxy Form means the proxy form attached to the Notice.

Related Party Vendors has the meaning given in Section 6.3.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Tranche 1 Performance Shares means 400,000,000 Performance Shares to be issued on the terms set out in item 3 of Schedule 2.

Tranche 2 Performance Shares means 400,000,000 Performance Shares to be issued on the terms set out in item 3 of Schedule 2.

Vendors means the shareholders of Cheetah, as set out in Schedule 3.

WST means Western Standard Time being the time in Perth, Western Australia.

Schedule 2 - Terms and Conditions of Performance Shares

The terms and conditions of Performance Shares are set out as follows:

1. **(Performance Shares):** The Company intends to grant Performance Shares as follows:

Performance Shares	Number
Tranche 1 Performance Shares	400,000,000
Tranche 2 Performance Shares	400,000,000

2. **General**

- (a) **(Share capital):** Each Performance Share is a share in the capital of the Company.
- (b) **(General meetings):** Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. A Holder has the right to attend general meetings of the Company.
- (c) **(No voting rights):** A Performance Share does not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights provided under the Corporations Act or the Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No dividend rights):** A Performance Share does not entitle the Holder to any dividends.
- (e) **(No return of capital rights):** A Performance Share does not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(No rights on winding up):** A Performance Share has no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (g) **(Transfer of Performance Shares):** The Performance Shares are not transferable.
- (h) **(Reorganisation of Capital):** In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (i) **(Quotation):** The Performance Shares will not be quoted on ASX.
- (j) **(No participation in entitlements and bonus issues):** Subject always to the rights under condition 2(h) (Reorganisation of Capital), Holders will not be

entitled to participate in new issues of capital offered to Shareholders such as bonus issues and entitlement issues.

- (k) **(Amendments required by ASX):** The terms of the Performance Shares may be amended as considered necessary by the Board in order to comply with the Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (l) **(No other rights):** A Performance Share does not give a Holder any rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

3. Conversion of the Performance Shares into Shares

- (a) **(Milestones):** The Performance Shares will convert into Shares in accordance with the following Milestones:
 - (i) 400,000,000 Performance Shares (**Tranche 1 Performance Shares**) will convert into Shares upon the Company entering into a binding offtake agreement or agreements with an unrelated third party purchaser or purchasers with demonstrated capacity to complete for a minimum of 1,000 kgs of contained REO in respect of the Thor Lake Project or Wigu Hill Project within 2 years of the Completion Date (**Tranche 1 Milestone**); and
 - (ii) 400,000,000 Performance Shares (**Tranche 2 Performance Shares**) will convert into Shares upon the commencement of mining operations (based on a mining plan approved by the Company) in respect of the Thor Lake Project or Wigu Hill Project, within 3 years of the issue of the Tranche 1 Performance Shares (**Tranche 2 Milestone**).

Where the Tranche 2 Milestone is satisfied, the Tranche 1 Milestone will automatically be deemed to have been satisfied.

- (b) **(Change in Control Event):**
 - (i) All Performance Shares on issue shall convert, at the election of the Vendors, into Shares up to a maximum number that is equal to 10% of the Company's issued capital (as at the date of any of the following events) upon the happening of either of the following events:
 - (i) **takeover bid:** the occurrence of the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of more than 50.1% of Shares and that takeover bid has become unconditional; or
 - (ii) **scheme of arrangement:** the announcement by the Company that the Company's shareholders (**Shareholders**) have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Company securities are to be either cancelled transferred to a third party, and the Court, by order, approves the proposed scheme of arrangement.

- (ii) The Company must ensure the allocation of Shares issued under paragraph 2(b)(i) is on a pro rata basis to all Holders in respect of their respective holdings of Performance Shares and all remaining Performance Shares held by each Holder will automatically consolidate into one Performance Share and will then convert into one Share.
- (c) **(Expiry Date):** The Performance Shares expire on the date that is five years from the date of their issue (**Expiry Date**). To the extent that a milestone for a Performance Share has not been achieved by the Expiry Date, such Performance Shares will automatically consolidate into a sum total of one Performance Share, which will then convert into one Share. Subject to paragraph 2(e), where a milestone for the Performance Share is met on the Expiry Date, the Performance Shares expire upon conversion, which must occur within one month of the milestone being met.
- (d) **(Conversion of Performance Shares):** Any conversion of Performance Shares into Shares is on a one for one basis. For the avoidance of doubt, the conversion of the Performance Shares to Shares does not involve a cancellation, redemption or buy-back of the Performance Shares. Rather the conversion is simply varying the rights of the Performance Shares such that they are the same as the Shares
- (e) **(Takeover Provisions):**
- (i) If the conversion of Performance Shares (or part thereof) under paragraph 2(a) or 2(b) would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1). Following a deferment under this paragraph 2(e)(i), the Company shall at all times be required to convert that number of Performance Shares that would not result in a contravention of section 606(1).
- (ii) Where paragraph 2(e)(i) applies, if requested to do so by the affected Holder, the Company must seek to obtain the approval of its shareholders under section 611, item 7 of the Corporations Act for the conversion of the affected Performance Shares at the Company's next annual general meeting.
- (iii) A Holder must promptly notify the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under paragraph 2(a) or 2(b) may result in the contravention of section 606(1), failing which the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).
- (iv) The Company may (but is not obliged to) by written notice request that a Holder confirm to the Company in writing within 7 days if they consider that the conversion of Performance Shares under paragraph 2(a) or 2(b) may result in the contravention of section 606(1). If the Holder does not confirm to the Company within 7 days that they consider such conversion may result in the

contravention of section 606(1), then the Company is entitled to assume that such conversion will not result in any person being in contravention of section 606(1) (unless it is on notice to the contrary through a substantial holder notice which has been lodged in relation to the Company).

- (f) **(Quotation of Shares issued on conversion):** If the Company is listed on the ASX at the time, upon conversion of the Performance Shares into Shares in accordance with these terms, the Company must within seven days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion and issue either a cleansing notice under section 708A(5) of the Corporations Act or a cleansing prospectus under section 708A(11) of the Corporations Act to permit the on-sale on Shares issued on conversion within five days of the issue of Shares.
- (g) **(Conversion procedure):** The Company will procure that the Holder is issued with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into Shares.
- (h) **(Ranking of Shares):** The Shares into which the Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date of conversion.

Schedule 3 - Vendors

Column 1 Vendor	Column 2 Cheetah Shares	Column 3 Consideration Shares	Column 4 Tranche 1 Performance Shares	Column 5 Tranche 2 Performance Shares
Transocean Private Investments Pty Ltd atf Transocean Private Investment Trust	5,100,000	79,432,114	79,432,114	79,432,114
Atkins Projects and Infrastructure Pty Ltd (entity controlled by incoming director Mr Geoff Atkins)	2,000,000	31,149,849	31,149,849	31,149,849
Bill Brooks Pty Ltd <Bill Brooks Superannuation Fund>	1,000,000	15,574,924	15,574,924	15,574,924
Patricia Margaret Gwynne ATF High Hope Two Trust	500,000	7,787,462	7,787,462	7,787,462
Rameshweren Kanagalingam	1,000,000	15,574,924	15,574,924	15,574,924
RAB Special Situations (Master) Fund Ltd	600,000	9,344,955	9,344,955	9,344,955
Matthew Ernst Edler	250,000	3,893,731	3,893,731	3,893,731
Robert Farrer Gilmour <Syrah Trust A/C>	200,000	3,114,985	3,114,985	3,114,985
Kobia Holdings Pty Ltd ACN 127 642 264	2,250,000	35,043,580	35,043,580	35,043,580
Blu Bone Pty Ltd ACN: 113 587 992	2,250,000	35,043,580	35,043,580	35,043,580

Column 1 Vendor	Column 2 Cheetah Shares	Column 3 Consideration Shares	Column 4 Tranche 1 Performance Shares	Column 5 Tranche 2 Performance Shares
Tisia Nominees Pty Ltd	3,450,000	53,733,489	53,733,489	53,733,489
Thayne R Larson <Thayne and Carol Ann Larson Family Trust>	500,000	7,787,462	7,787,462	7,787,462
Jack Dwyer	1,000,000	15,574,924	15,574,924	15,574,924
Krystle Bandian	50,000	778,746	778,746	778,746
Leah Michelle Adams	60,000	934,495	934,495	934,495
Hutcheon Holdings Pty Ltd <Family A/c>	150,000	2,336,239	2,336,239	2,336,239
Daniel Middleton-Clifford	150,000	2,336,239	2,336,239	2,336,239
Portafortuna Pty Ltd <Portafortuna Family A/c>	320,000	4,983,976	4,983,976	4,983,976
Highbound Holdings Pty Ltd	150,000	2,336,239	2,336,239	2,336,239
Daniel Henderson	760,000	11,836,943	11,836,943	11,836,943
Kingslane Pty LTD (Cranston Super Pension Account)	2,692,308	41,932,489	41,932,489	41,932,489

Column 1 Vendor	Column 2 Cheetah Shares	Column 3 Consideration Shares	Column 4 Tranche 1 Performance Shares	Column 5 Tranche 2 Performance Shares
Seamist Enterprises Pty Ltd	1,250,000	19,468,655	19,468,655	19,468,655
TOTAL VENDORS	25,682,308	400,000,000	400,000,000	400,000,000

Schedule 4 - Terms and Conditions of Incentive Options

- (a) **(Entitlement):** Each Option entitles the holder to subscribe for one fully paid ordinary share in the Company (**Share**) upon exercise of the Option.
- (b) **(Issue Price):** No cash consideration is payable for the issue of the Options.
- (c) **(Exercise Price):** The Options have an exercise price as follows:
- (i) Tranche 1 - \$0.02 per Option;
 - (ii) Tranche 2 - \$0.025 per Option; and
 - (iii) Tranche 3 - \$0.03 per Option.
- (d) **(Expiry Date):** The Options will expire at 5:00pm (WST) on the date that is 5 years after the issue date (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (e) **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (f) **(Quotation of the Options):** The Options will be unquoted.
- (g) **(Transferability of the Options):** The Options are not transferable, except with the prior written approval of the Company.
- (h) **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (i) **(Lodgement instructions):** Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's Share Registry.
- (j) **(Shares issued on exercise):** Shares issued on exercise of the Options rank equally with the then Shares of the Company.
- (k) **(Quotation of Shares on exercise):** Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options on the date such Shares are issued.
- (l) **(Timing of issue of Shares):** Within 15 business days after the later of the following:
- (i) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment in cleared funds of the Exercise Price for each Option being received by the Company; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (iii) issue the Shares pursuant to the exercise of the Options;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If the Company is unable to deliver a notice under clause (l)(iv) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. Where a "cleansing prospectus" is required, any Shares issued on exercise of Options will be subject to a holding lock until such time as a prospectus is issued by the Company. The Company must issue the prospectus by no later than 30 days after the date of issue of the Shares, or such later date as is agreed with the Option holder.

- (m) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, Option holders will be given the minimum amount of notice required by the Listing Rules. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (n) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (o) **(Adjustment for entitlements issue):** If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue, to which paragraph (p) will apply) there will be no adjustment of the Exercise Price of an Option or the number of Shares over which the Options are exercisable.
- (p) **(Adjustments for reorganisation):** If there is any reorganisation of the issued share capital of the Company, the rights of the Option holders will be varied in accordance with the Listing Rules.

Schedule 5 - Valuation of Incentive Options

The Incentive Options to be issued to the Related Parties pursuant to resolutions which form part of Resolution 5 have been valued according to the Black & Scholes valuation model on the following assumptions:

Related Party	Geoff Atkins			Evan Cranston		
Incentive Options	Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2	Tranche 3
Assumed Share price at grant date	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
Exercise price	\$0.02	\$0.025	\$0.03	\$0.02	\$0.025	\$0.03
Market value on ASX of underlying Shares at time of setting exercise price	\$0.013	\$0.013	\$0.013	\$0.013	\$0.013	\$0.013
Exercise price premium to market value	\$0.07	\$0.012	\$0.017	\$0.07	\$0.012	\$0.017
Expiry period	5 years	5 years	5 years	5 years	5 years	5 years
Expected volatility	100%	100%	100%	100%	100%	100%
Risk free interest rate	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%
Annualised dividend yield	0%	0%	0%	0%	0%	0%
Value of each Incentive Option (rounded)	\$0.0064	\$0.0061	\$0.0058	\$0.0064	\$0.0061	\$0.0058
Aggregate value of Incentive Option	\$192,000	\$183,000	\$174,000	\$384,000	\$366,000	\$348,000

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Vote by Proxy: VML

Your proxy voting instruction must be received by **10.00am (WST) on Monday 14 October 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

Contact	<p>Return your completed form</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p> BY MAIL Automic GPO Box 5193 Sydney NSW 2001</p> </div> <div style="width: 30%;"> <p> IN PERSON Automic Level 5, 126 Phillip Street Sydney NSW 2000</p> </div> <div style="width: 30%;"> <p> BY EMAIL meetings@automicgroup.com.au</p> </div> </div>		<p>All enquiries to Automic</p> <p> WEBCHAT https://automic.com.au/</p> <p> PHONE 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)</p>
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STEP 1: Appoint Your Proxy	<p>Complete and return this form as instructed only if you do not vote online</p> <p>I/we being a Shareholder entitled to attend and vote at the General Meeting of Vital Metals Limited, to be held at 10.00 am (WST) on Wednesday 16 October 2019 at 6/295 Rokeby Rd, Subiaco WA 6008 hereby:</p> <p>Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.</p> <table border="1" style="width: 100%; height: 25px; border-collapse: collapse; margin-bottom: 10px;"> <tr> <td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td><td style="width: 15%;"></td> </tr> </table> <p>The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.</p> <p>Unless indicated otherwise by ticking the "for," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.</p> <p>AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS</p> <p>Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 5 (except where I/we have indicated a different voting intention below) even though Resolution 5 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.</p>																	

STEP 2: Your Voting Direction	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Resolutions</th> <th style="width: 10%; text-align: center;">For</th> <th style="width: 10%; text-align: center;">Against</th> <th style="width: 10%; text-align: center;">Abstain</th> </tr> </thead> <tbody> <tr> <td>1. Approval to Create a New Class of Performance Shares</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>2. Approval to Issue Consideration Securities</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>3. Election of Director – Mr Geoff Atkins</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>4. Election of Director – Mr Evan Cranston</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>5a. Approval to Issue 90m Incentive Options to Mr Geoff Atkins</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td>5b. Approval to Issue 180m Incentive Options to Evan Cranston</td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </tbody> </table> <p><i>Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.</i></p>	Resolutions	For	Against	Abstain	1. Approval to Create a New Class of Performance Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Approval to Issue Consideration Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. Election of Director – Mr Geoff Atkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. Election of Director – Mr Evan Cranston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5a. Approval to Issue 90m Incentive Options to Mr Geoff Atkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5b. Approval to Issue 180m Incentive Options to Evan Cranston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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STEP 3: Sign Here + Contact Details	<p>SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; text-align: center;">Individual or Securityholder 1</td> <td style="width: 33%; text-align: center;">Securityholder 2</td> <td style="width: 33%; text-align: center;">Securityholder 3</td> </tr> <tr> <td style="text-align: center;"><input style="width: 100%; height: 30px;" type="text"/></td> <td style="text-align: center;"><input style="width: 100%; height: 30px;" type="text"/></td> <td style="text-align: center;"><input style="width: 100%; height: 30px;" type="text"/></td> </tr> <tr> <td style="text-align: center;">Sole Director and Sole Company Secretary</td> <td style="text-align: center;">Director</td> <td style="text-align: center;">Director / Company Secretary</td> </tr> </table> <p>Contact Name:</p> <table border="1" style="width: 100%; height: 25px; border-collapse: collapse;"> <tr><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td></tr> </table> <p>Email Address:</p> <table border="1" style="width: 100%; height: 40px; border-collapse: collapse;"> <tr><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td></tr> <tr><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td></tr> </table> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Contact Daytime Telephone</td> <td style="width: 50%;">Date (DD/MM/YY)</td> </tr> <tr> <td style="text-align: center;"><input style="width: 100%; height: 20px;" type="text"/></td> <td style="text-align: center;"><input style="width: 20%; height: 20px;" type="text"/> / <input style="width: 20%; height: 20px;" type="text"/> / <input style="width: 20%; height: 20px;" type="text"/></td> </tr> </table> <p>By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).</p>	Individual or Securityholder 1	Securityholder 2	Securityholder 3	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	<input style="width: 100%; height: 30px;" type="text"/>	Sole Director and Sole Company Secretary	Director	Director / Company Secretary																																																						Contact Daytime Telephone	Date (DD/MM/YY)	<input style="width: 100%; height: 20px;" type="text"/>	<input style="width: 20%; height: 20px;" type="text"/> / <input style="width: 20%; height: 20px;" type="text"/> / <input style="width: 20%; height: 20px;" type="text"/>
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