

# Hunting for Elephants...



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**Investor Presentation**  
**March 2017**  
**ASX:VML**



## Competent Person's Statement

The information that refers to Mineral Resources in this presentation was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since last reported. The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Mark Strizek, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Strizek is a full time employee of the Company. Mr Strizek has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Strizek consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears. The information in this presentation that relates to Mineral Resources for the Watershed Deposit is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion of the estimates in the report of the Mineral Resource in the form and context in which they appear. This Ore Reserves statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code – 2012 Edition). The Ore Reserves have been compiled by Mr Steve Craig of Orelogy Group Pty Ltd, who is a Fellow of Australasian Institute of Mining and Metallurgy. Mr Craig has had sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Craig consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

## Forward looking statements

Certain written statements contained or incorporated by reference in this presentation, including information as to the future financial or operating performance of the Company and its projects, constitute forward-looking statements. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intend", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements include, among other things, statements regarding targets, estimates and assumptions in respect of tungsten, gold or other metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates. Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by the Company, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such factors include, but are not limited to: competition; mineral prices; ability to meet additional funding requirements; exploration, development and operating risks; uninsurable risks; uncertainties inherent in ore reserve and resource estimates; dependence on third party smelting facilities; factors associated with foreign operations and related regulatory risks; environmental regulation and liability; currency risks; effects of inflation on results of operations; factors relating to title to properties; native title and aboriginal heritage issues; dependence on key personnel; and share price volatility and also include unanticipated and unusual events, many of which are beyond the Company's ability to control or predict. For further information, please see the Company's most recent annual financial statement, a copy of which can be obtained from the Company on request or at the Company's website: [www.vitalmetals.com.au](http://www.vitalmetals.com.au). The Company disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, not to put undue reliance on such statements.

## Cautionary Statement

The Definitive Feasibility Study (DFS) referred to in this presentation is based on a Proved and Probable Ore Reserve derived from a Measured and Indicated Mineral Resource, plus a small proportion of mining inventory, which comprises material that is currently classified as Inferred Mineral Resource. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The Company advises that the Proved and Probable Ore Reserve provides 93% of the total tonnage and 93% of the total WO3 metal underpinning the forecast production target and financial projections, and that the additional life of mine plan material comprises less than 7% of the total tonnage and WO3 metal. Furthermore, in the first five years of production, 95% of the material planned to be processed is based on Proved and Probable Ore Reserves. As such, the dependence of the outcomes of the DFS and the guidance provided in this announcement on the lower confidence Inferred Mineral Resource material contained in the life of mine plan is minimal. The Company confirms that all the material assumptions underpinning the production target, and the forecast financial information derived from the production target continue to apply and have not materially changed.

# Corporate Overview



## Capital Structure (ASX:VML)

Share price (10 Mar 2017)	A\$0.016 per share
Shares on issue	595.7 million
Market capitalisation	A\$9.5 million
Options on Issue	91.9 million
Cash*	A\$1.0 million
Debt	A\$3 million
Enterprise value	A\$11.5 million

## Directors

David Macoboy: Non Executive Chairman

Mark Strizek: Managing Director

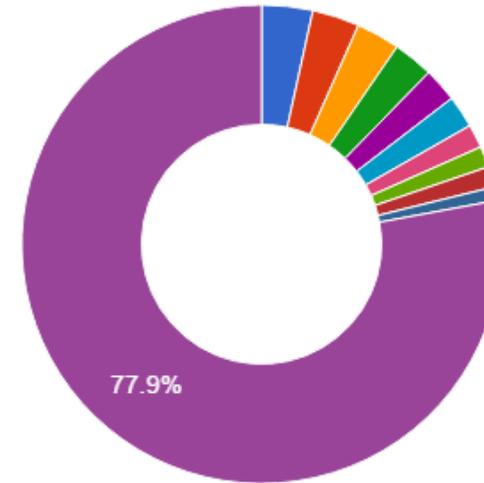
Peter Cordin: Non Executive Director

Andrew Simpson: Non Executive Director

## Management

Ian Hobson: Company Secretary

## Top 10 Shareholders



- HAYES CORPORATION PTY LTD
- NEREENA PTY LTD
- REX HARBOUR
- CITICORP NOMINEES PTY LIMIT...
- HSBC CUSTODY NOMINEES (AU...
- SEDGMAN LIMITED
- JEUMONT PTY LTD
- STANLEY MACDONALD
- NATIONAL NOMINEES LIMITED
- SOUTHERN CROSS CAPITAL PT...
- Others



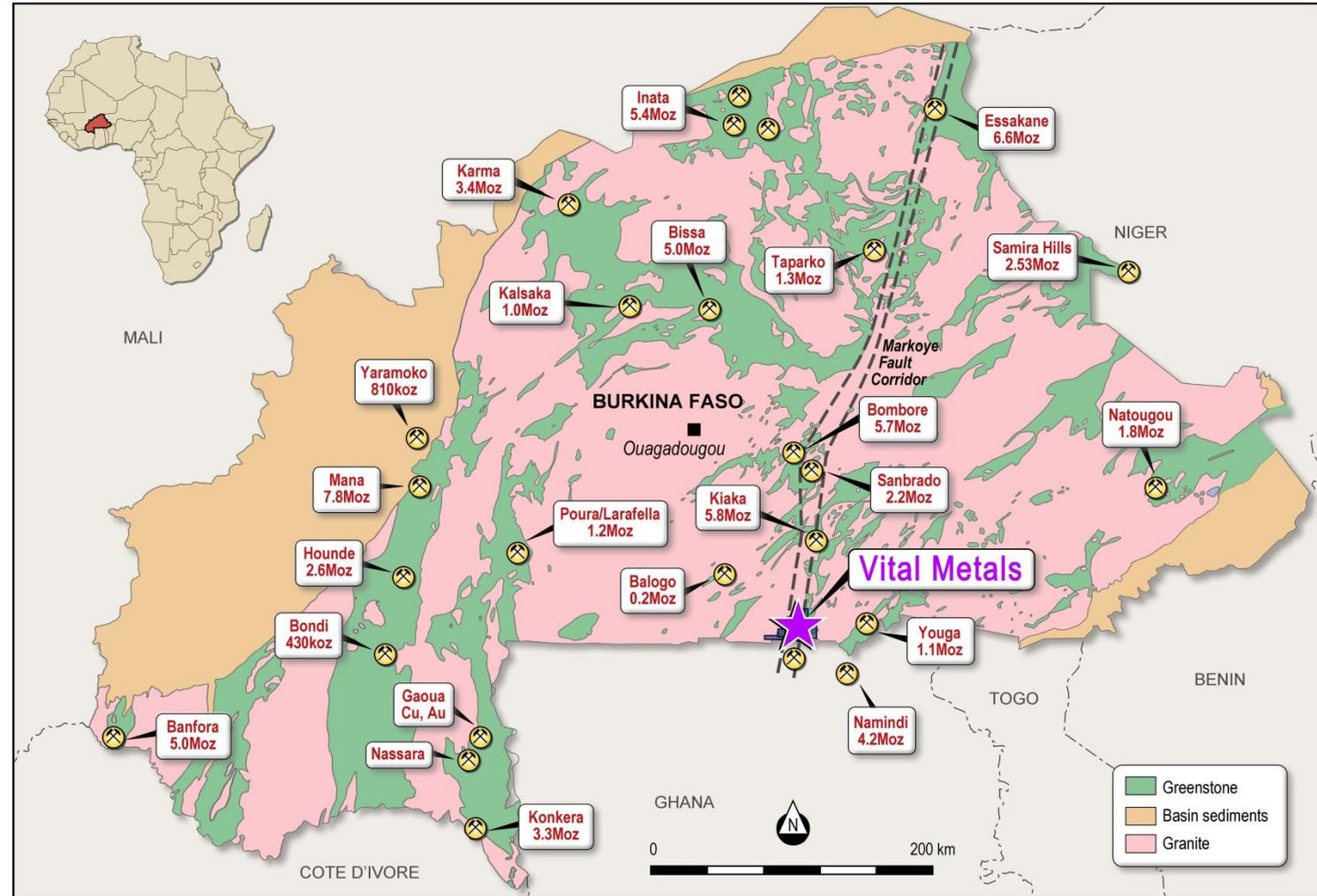
# Burkina Faso - Fastest Growing Gold Producer



- 4<sup>th</sup> largest gold producer in Africa
- 7 gold mines commissioned since 2007
- Exceptional geological potential - still underexplored
- Mining friendly Government

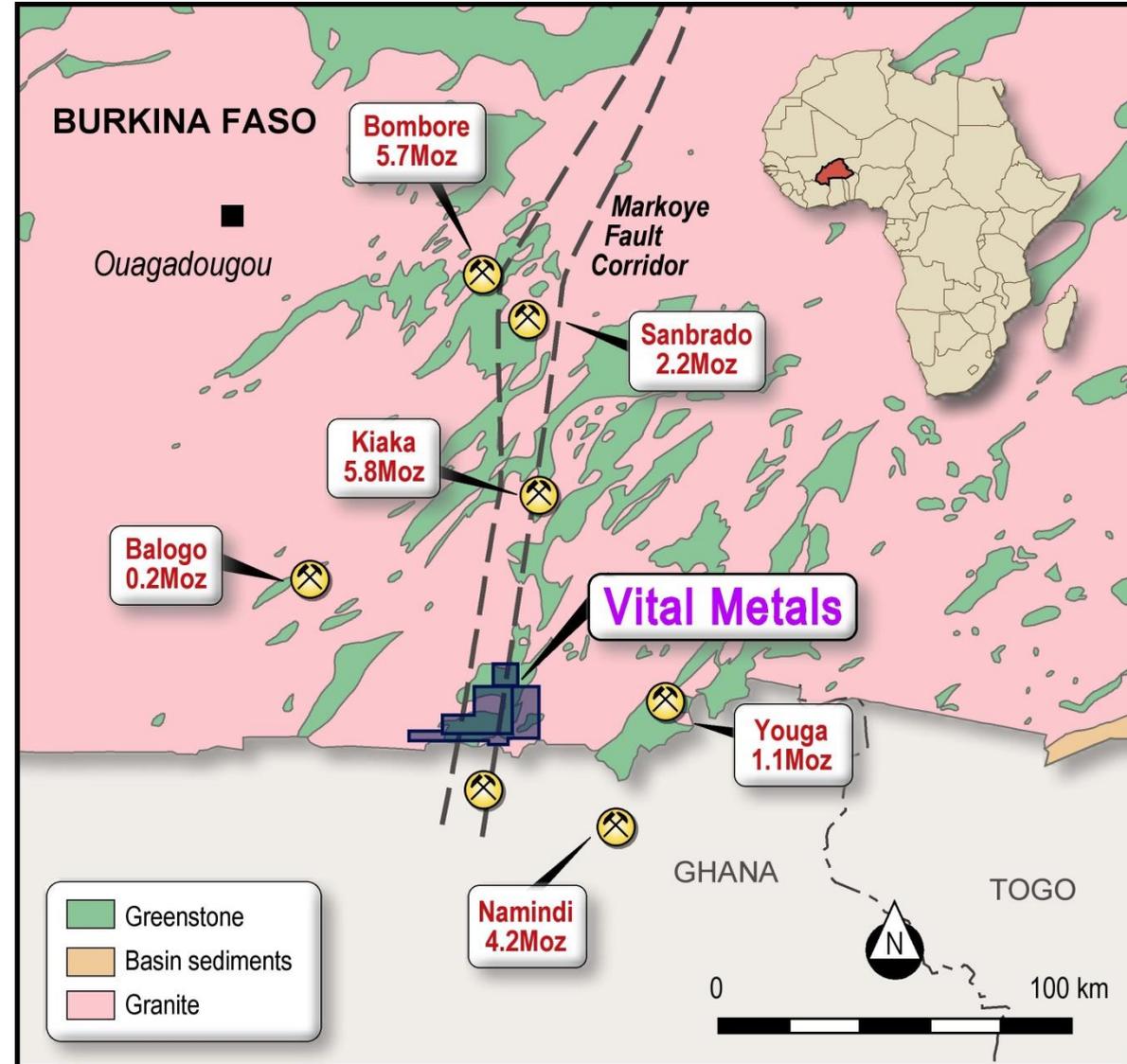
## New mines declaring commercial production in 2016

- Karma (Endeavour Mining TSX:EDV) – AISC of US\$750/oz
- Yaramoko (Roxgold Inc TSX.V:ROG) – AISC of US\$760/oz



# Permits are in a Multi Million Ounce Belt

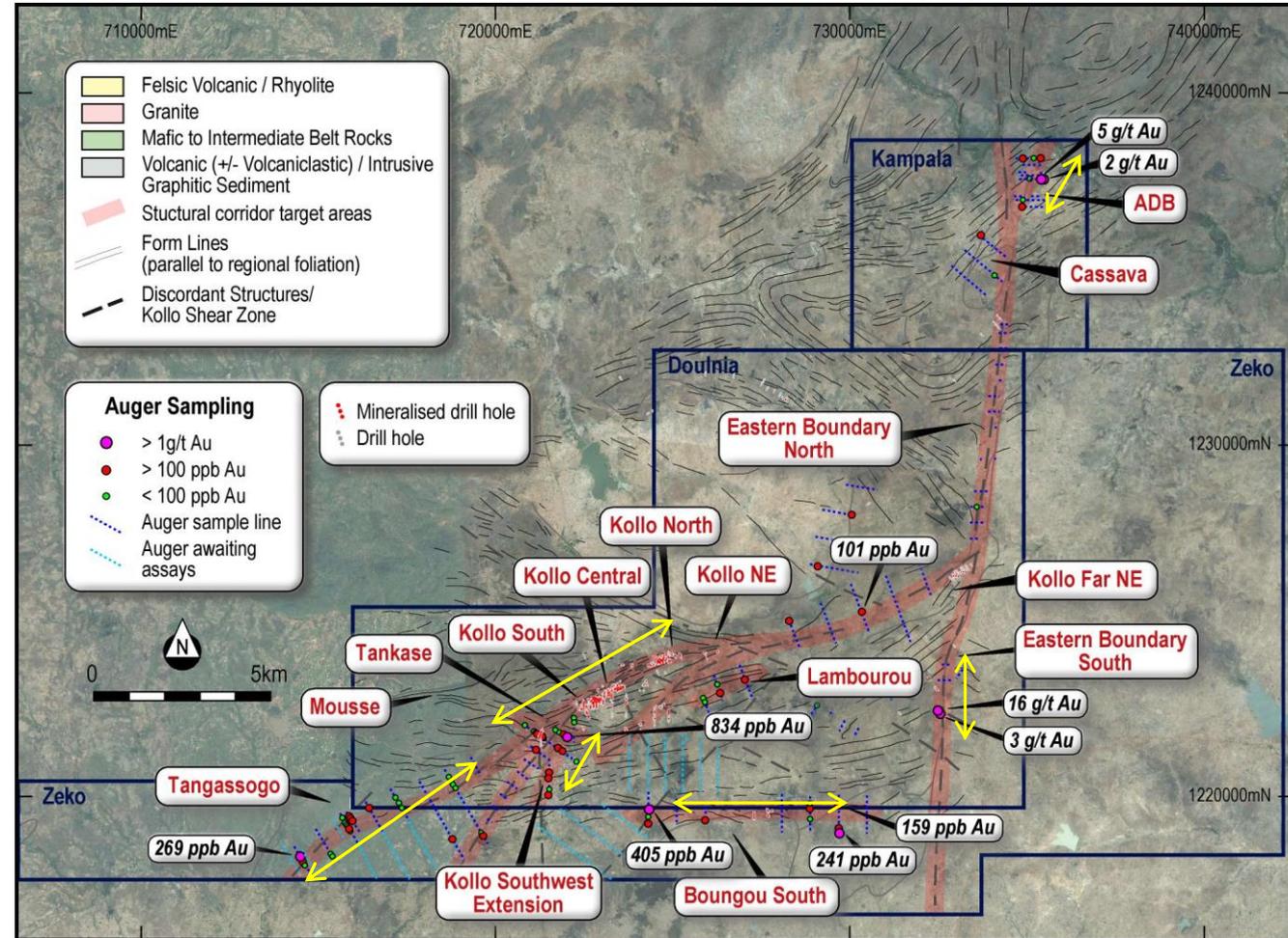
- Located in the fertile Markoye Fault Corridor
- Along strike from a number of +1Moz deposits
- Three 100% owned exploration permits of Birimian Greenstone
- District scale consolidation potential - permits within 35km of operating gold mine



# Early Exploration has Indicated Moz Potential

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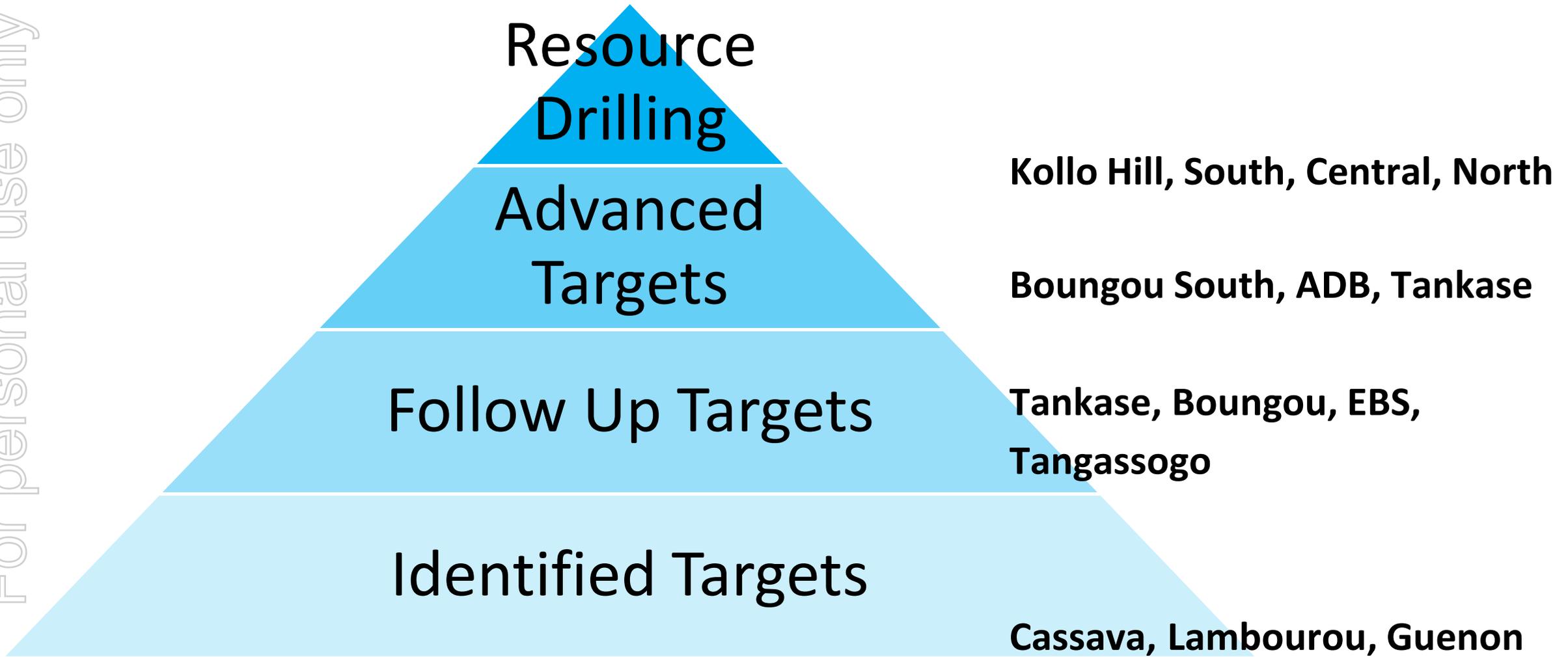
- Extensive favourable sites for gold mineralisation – multiple targets of substance
- Kollo is most advanced - many gaps along trend that require drill testing
- Over 40km of potential mineralised structures identified with most untested due to cover
- Auger program will fix this and is in progress – results to date have been exceptional



# Pipeline of Targets to build Resources



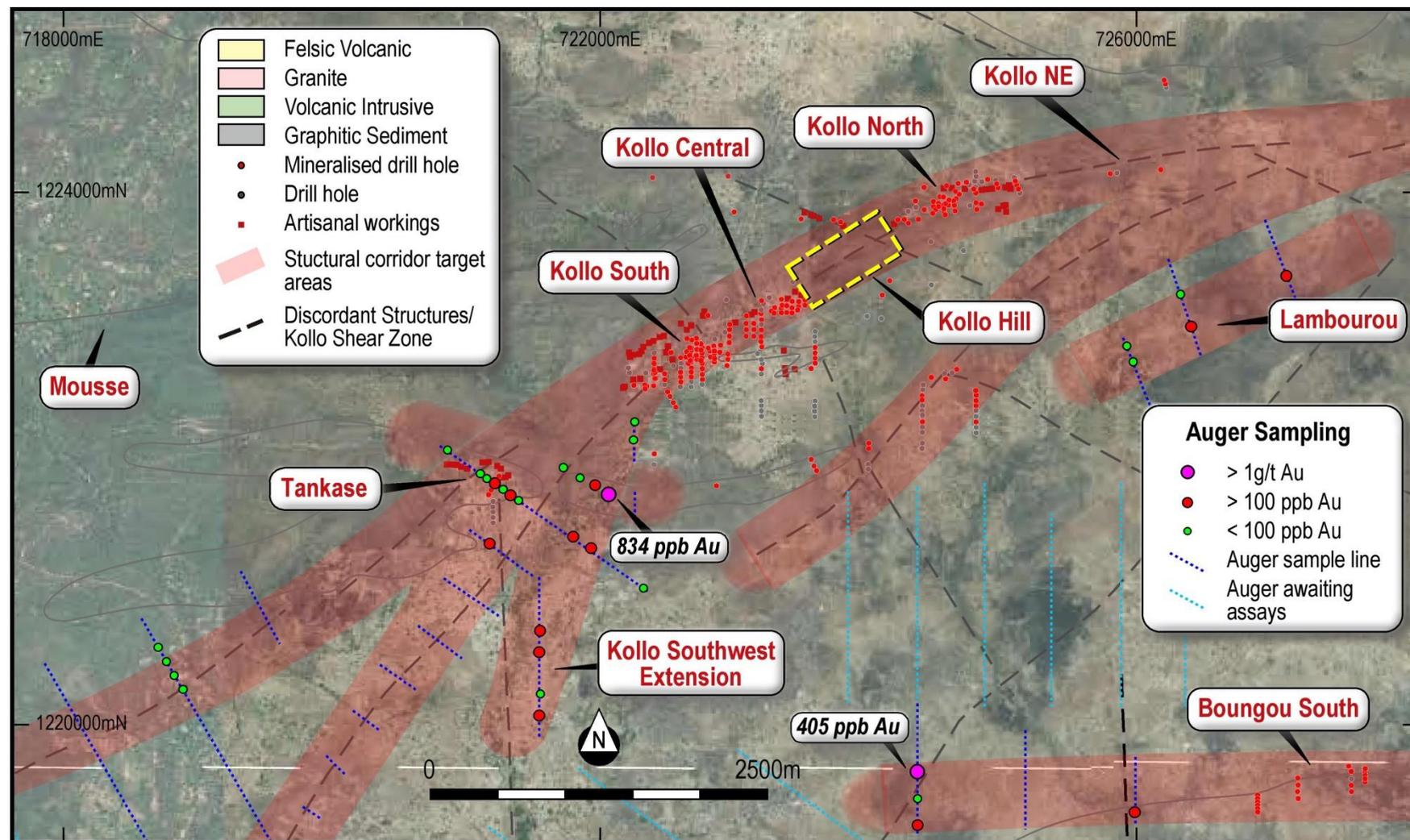
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# Kollo: Potential to be a significant gold project

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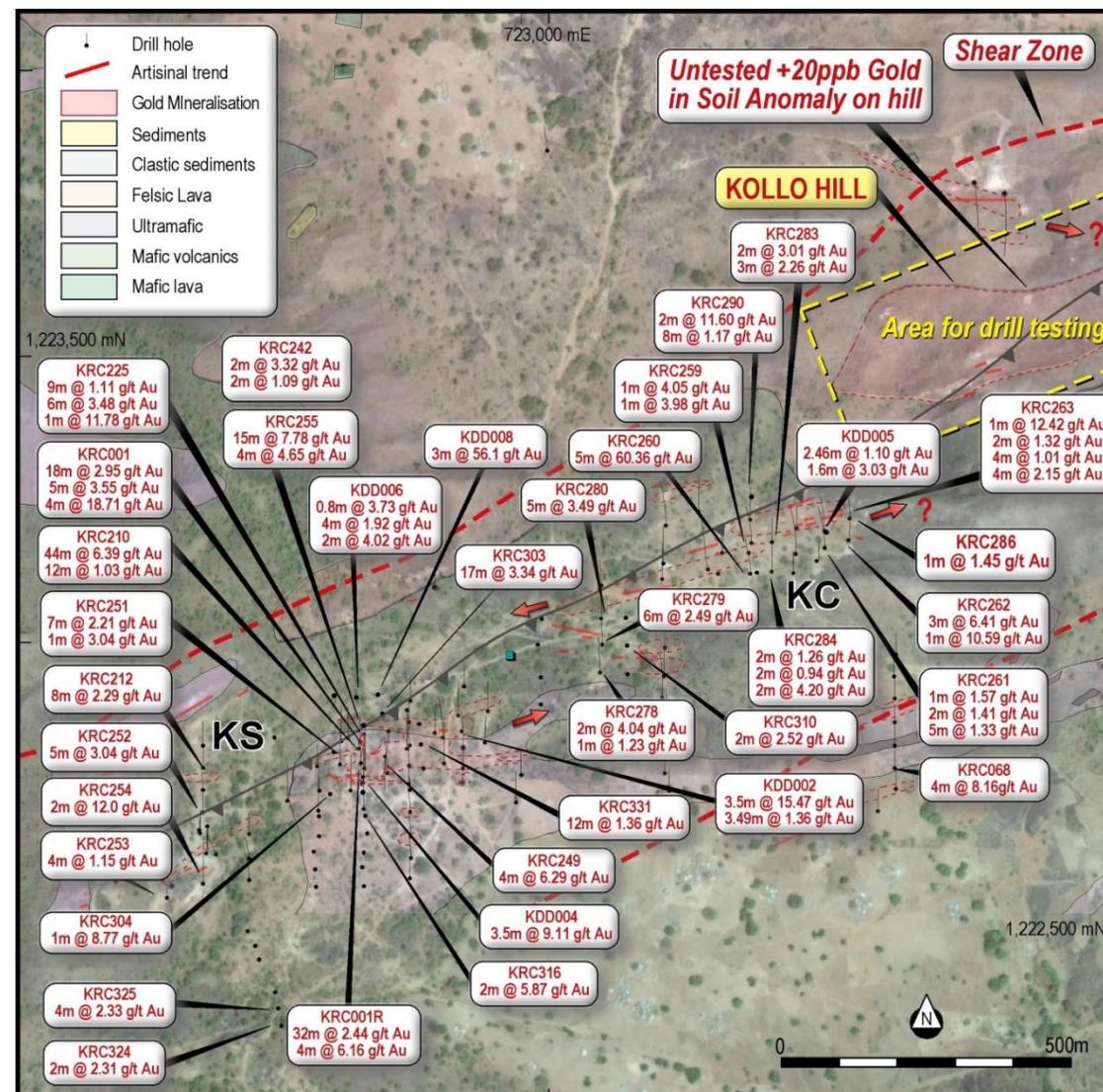
- Drilling to date has been focused on Kollo
- Still largely untested with many gaps that require drill testing



# Kollo: Potential to be a significant gold project

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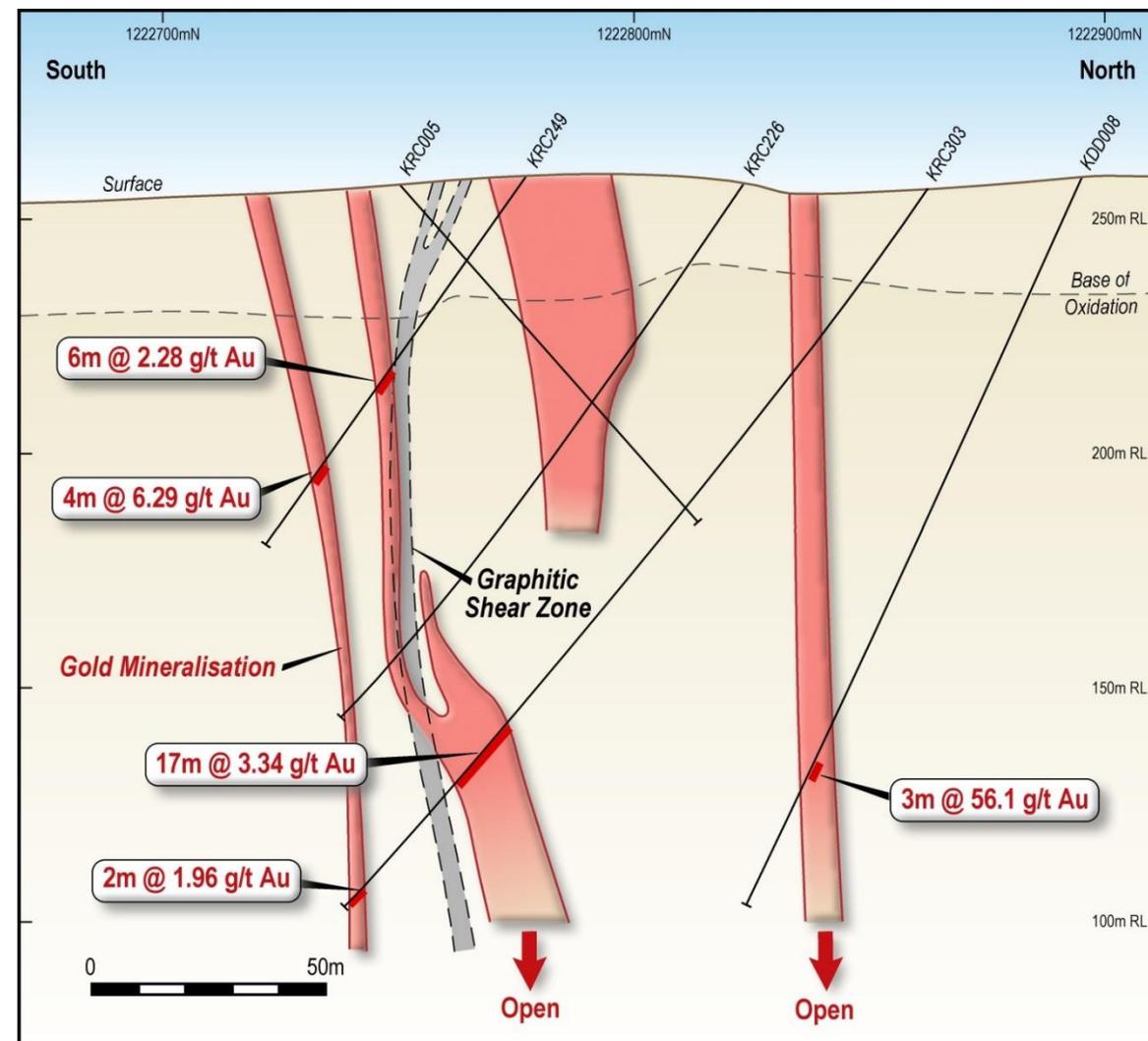
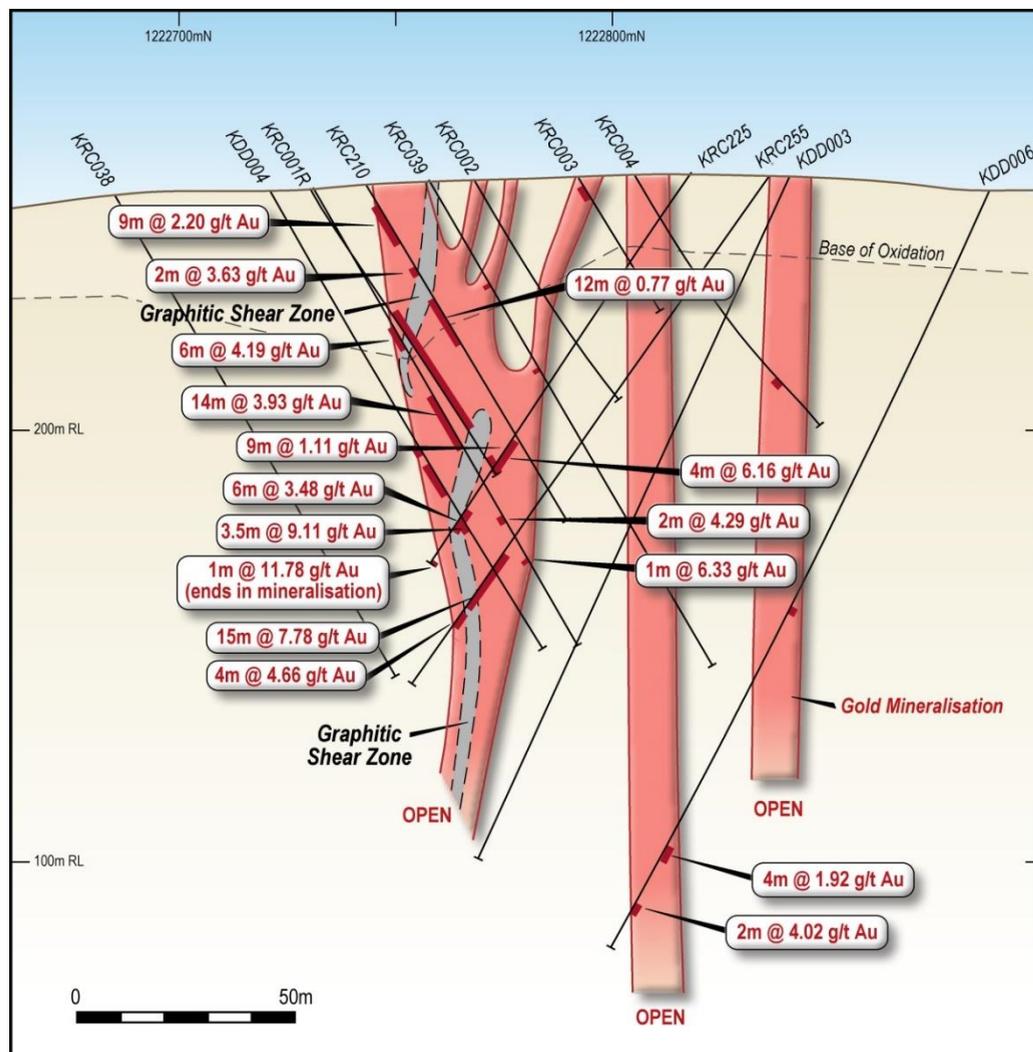
- Drilling has returned high grades:
  - 5m @ 60 g/t Au from 75m
  - 3m at 56 g/t Au from 134m
  - 15m @ 7.8 g/t Au from 105m
- Mineralisation remains open at depth and along strike
- Large gaps in drill coverage: eg Kollo Hill – never tested
- Preliminary metallurgical testing report >95% recoveries



Includes: Results reported previously 20 September 2016, 17/12/2013 and 18/04/2016 - The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements. Also includes results reported previously 25/5/2010, 24/3/2011, 9/6/2011, 3/8/2011, 30/1/2012, 20/2/2012, 29/3/2012. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements.

# Kollo - Sub Vertical Mineralisation

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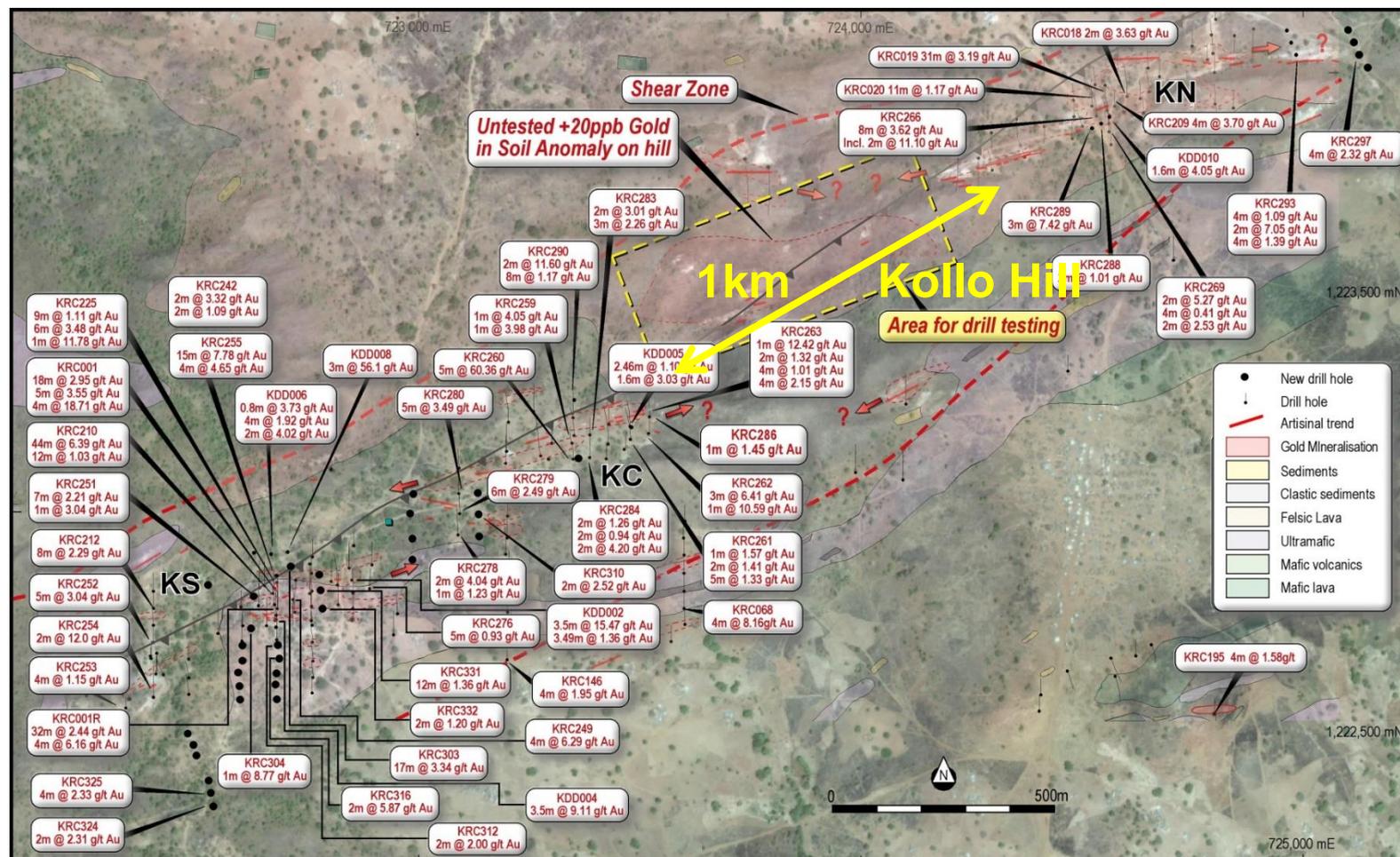


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# Kollo Hill - High Priority Drill Target

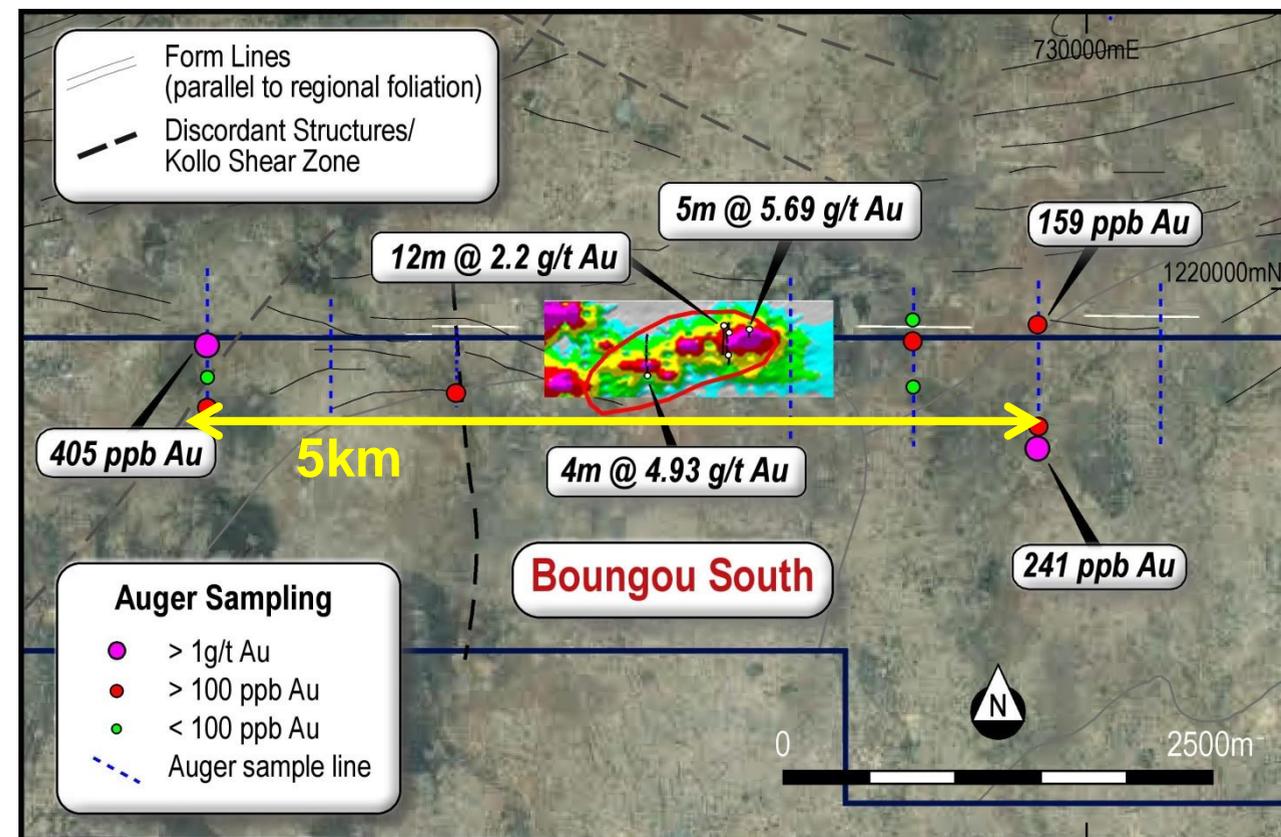
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- Sitting in the middle of a mineralised shear zone
- Over 1km between drill collars to the east and west
- Track mounted rig sourced to drill test



# Boungou South – Drill Ready

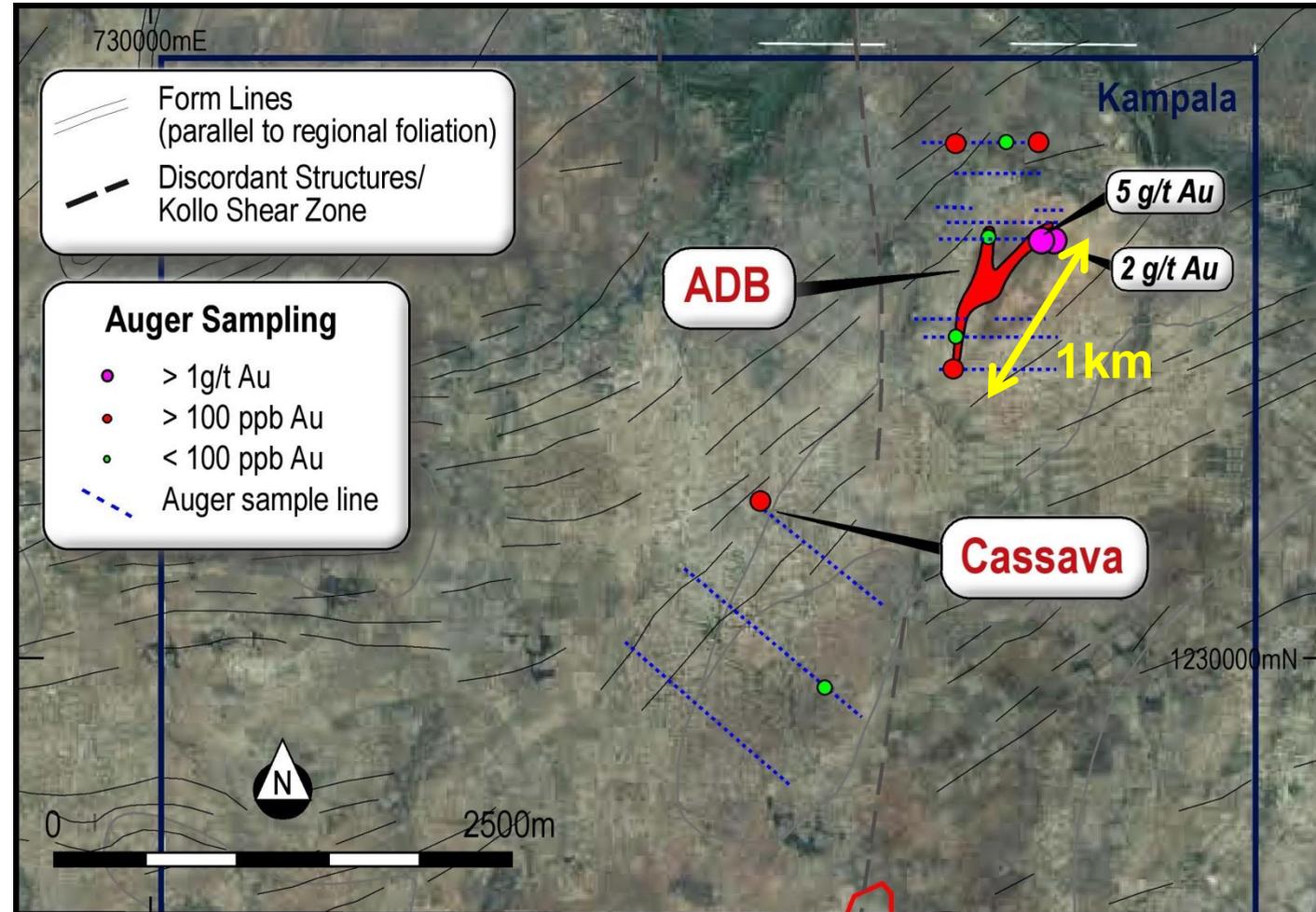
- For personal use only
- Located 6km to the south east of Kollo Project
  - Encouraging first pass RC (400m spacing) drill results include:
    - 5m @ 5.59 g/t Au from 31m
    - 4m @ 4.93 g/t Au from 65m
    - 12m @ 2.2 g/t (Trench)
  - Drilling planned to follow up
  - Auger program to test 5km mineralised trend



Results reported 20/2/2012. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012. The confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements. Company

# ADB – Drilling Target

- Located 20km to the north east of Kollo Project
- Tenor and extent of gold anomalism makes ADB a regional drilling target
- Peak auger samples of 5 g/t Au and 2 g/t Au
- ADB mineralised trend now extends for over 1km

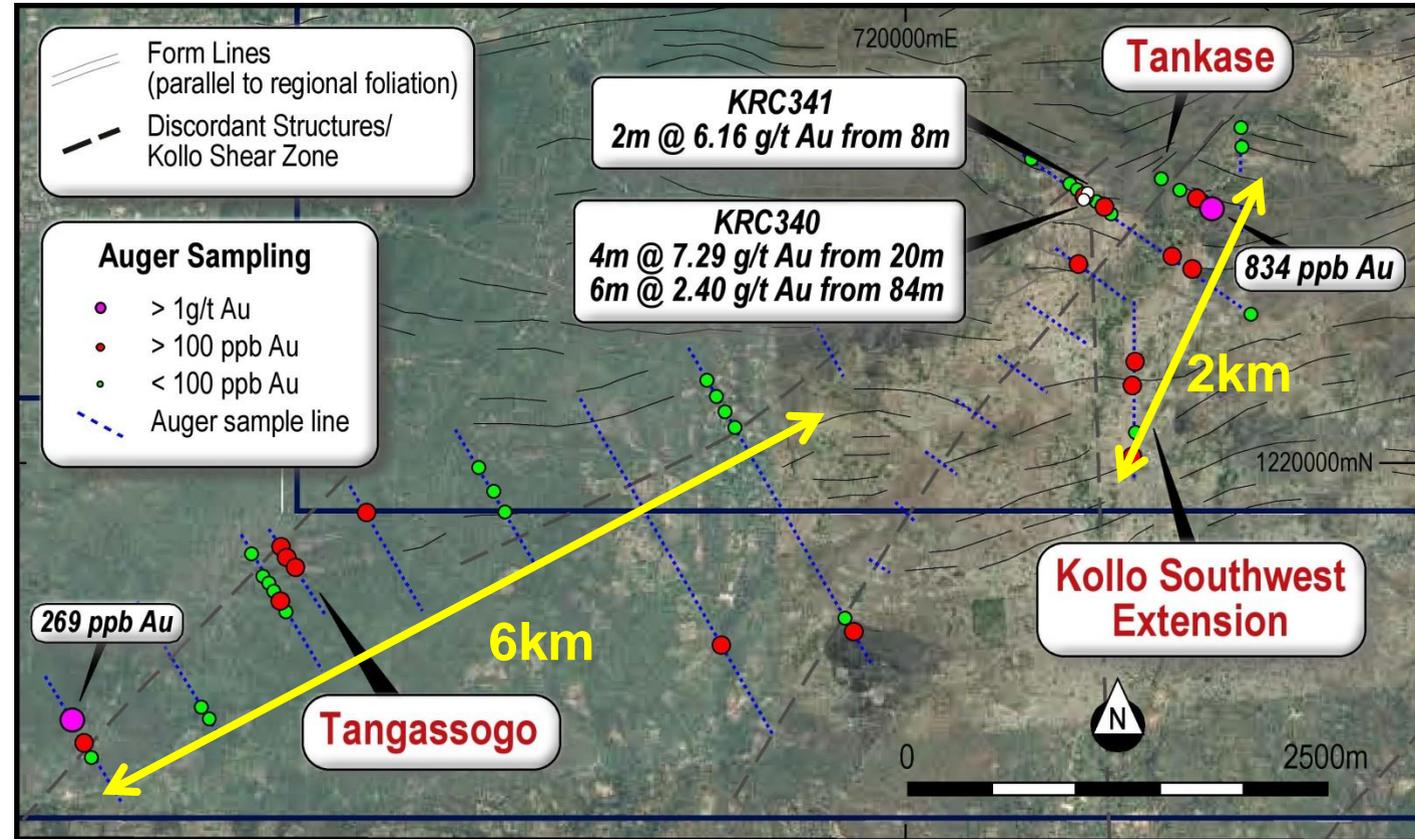


Results reported 27/2/2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements.

# Tankase & Tangassogo – Set to Grow

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- Tankase located 2km south from Kollo along major mineralised shear
- Planned to follow up encouraging RC drill results at Tankase:
  - 4m @ 7.29 g/t Au from 20m
  - 2m @ 6.16 g/t Au from 8m
  - 12m @ 2.2 g/t (Trench)
- Infill auger program to test 2km trend on Tankase east flank
- Auger program to test 6km mineralised trend at Tangassogo

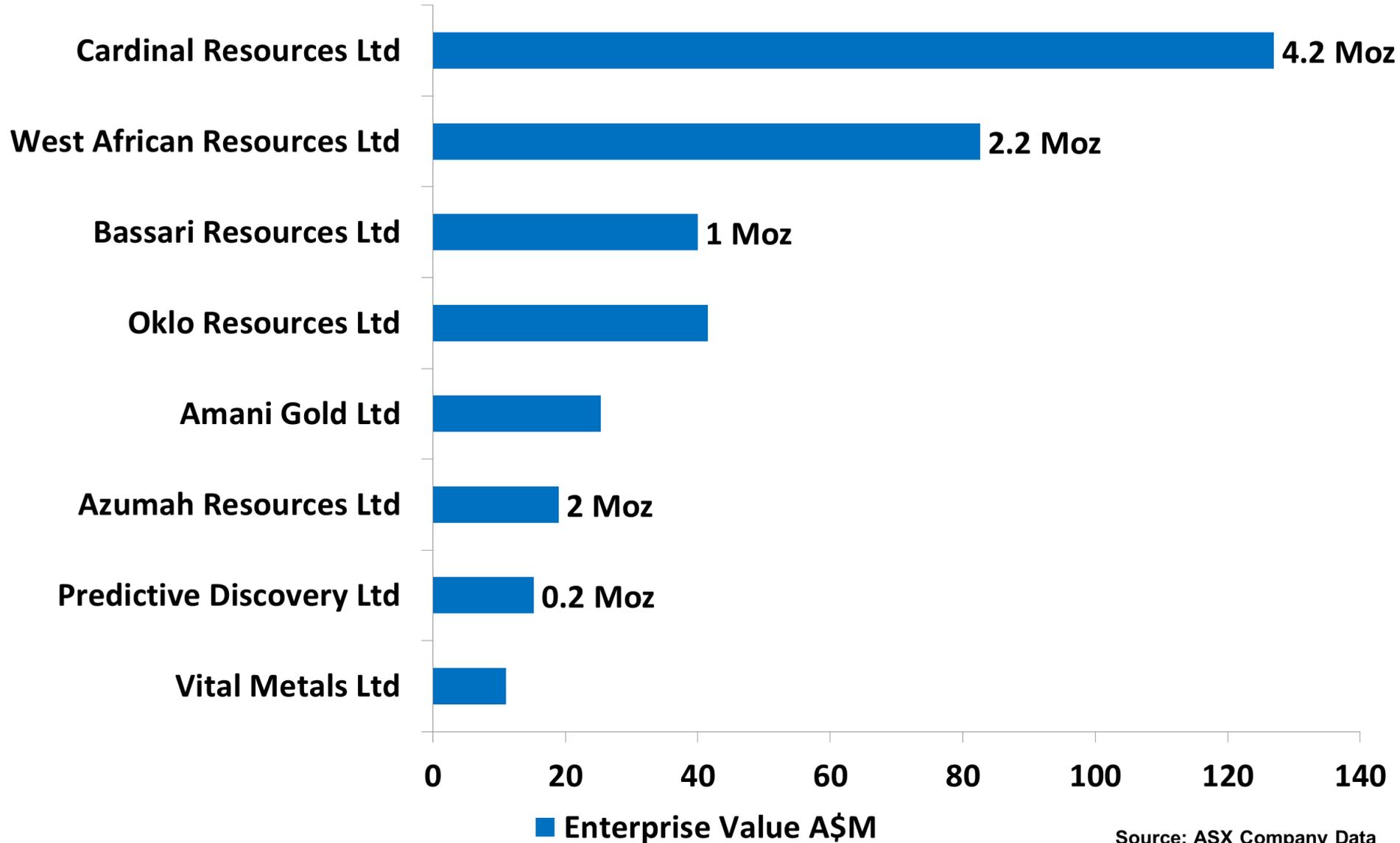


Results reported 20/1/2017. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements.

# Peer Comparison



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Source: ASX Company Data

[www.vitalmetals.com.au](http://www.vitalmetals.com.au)

# Work Program

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- 12,500m RC drill program planned before wet season
  - Kollo South and Hill
  - Bounkou South
  - ADB
  - Tankase
- Auger and soil geochem to prove up new targets for drilling
- Strong news flow



- Burkina Faso

- VMS Zinc

- Queensland

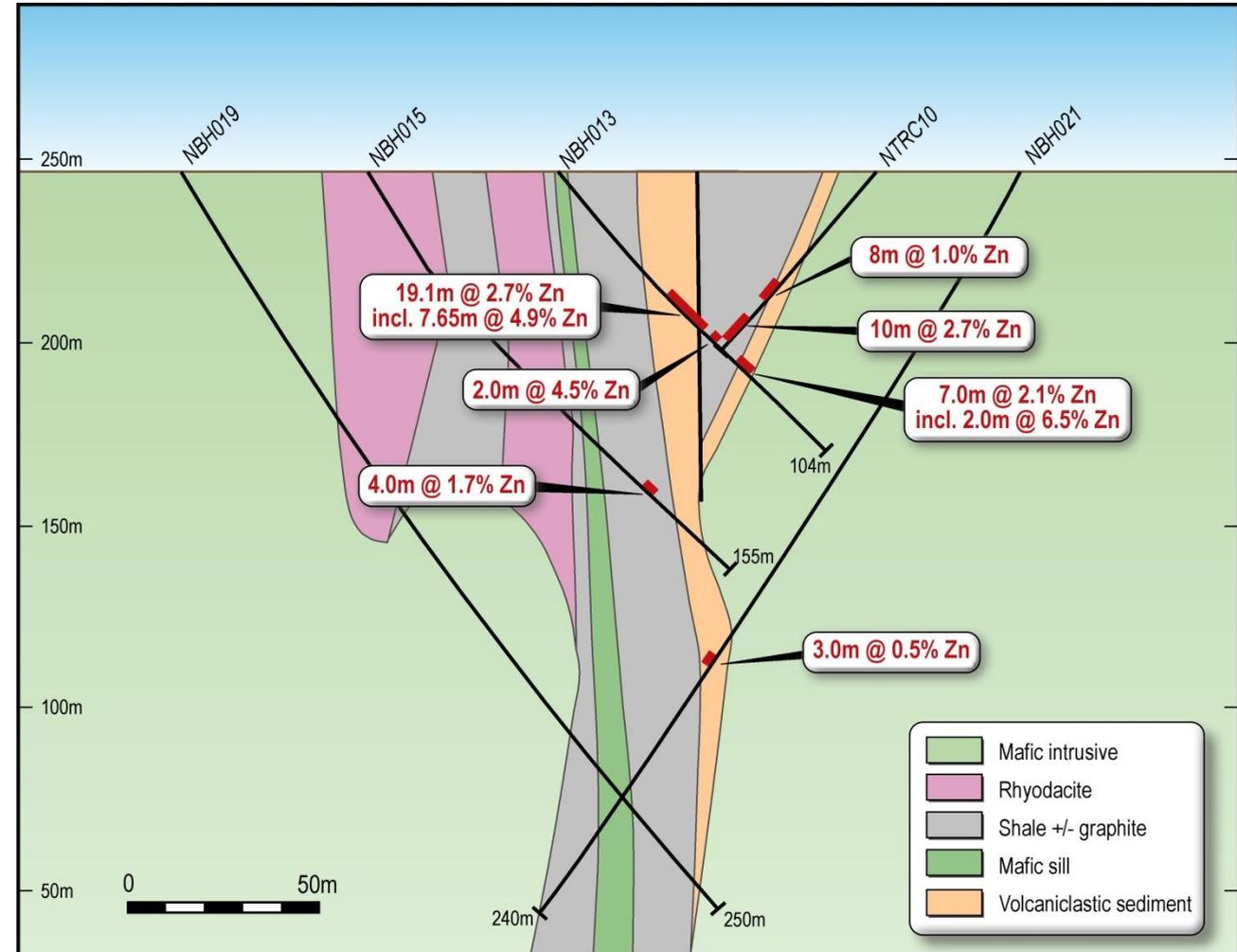
- Development ready - Watershed Tungsten Project
- Elephant Creek Gold
- Peninsula Copper



# Burkina Faso: Zinc

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- Highly prospective for VMS style mineral deposits.
- Drill-ready targets with historic ore grade drill intercepts of:
  - 14.2m @ 3.1% Zn from 44m
  - 6.0m @ 2.6% Zn from 30m
  - 10.0m @ 2.7% Zn from 59m including 2.0m @ 8.3% Zn
- Follow up drilling and greenfields targets to be tested as part of 2017 program



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# Queensland: Watershed - Shovel Ready



## Project Summary

### Location

- Vital Metals acquired the Watershed Project in 2005
- Watershed is located in far north Queensland, ~115km north-west of Cairns

### Proximity to Infrastructure

- The Project is close to the Mulligan Highway connecting it to the ports of Cairns and Townsville
- A 132kv power line runs parallel to the Highway, giving the project access to cheap grid power

### Mineral Resources and Ore Reserves

- Mineral Resource of ~49Mt @ 0.14% WO<sub>3</sub> for 70,400t WO<sub>3</sub>
- Ore Reserve of ~21Mt @ 0.15% WO<sub>3</sub> for 31,400t WO<sub>3</sub>

### Excellent Exploration Opportunity

- Significant exploration potential to add additional life to the proposed mine development – deposit is open at depth and along strike

## Key Value Drivers

### Positive DFS

- DFS has confirmed a 2.5Mtpa operation will deliver high-quality tungsten concentrate over an initial mine life of ~10 years

### Fully permitted

- All Mining Leases, Environmental Authority and Indigenous Land Use Agreements in place

### Straight forward mining and simple mineralogy

- Simple open cut mining operation using excavators & trucks, no pre-strip. Scheelite in a molybdenum-free variety is the only important tungsten mineral occurring at Watershed, producing a high-grade tungsten concentrate with low contaminants

### Market Factors

- Market forces expected to lead to a structural supply deficit in tungsten
- Falling input costs mean this is a great time to back & build a mining project in Australia
- Market conditions conducive for up to 20% operating cost reduction over DFS baseline
- Continuous DFS review has identified savings in pre-prod CAPEX (targeting ~US\$70M)

## Mineral Resources and Ore Reserves

Mineral Resources	Tonnage Mt	WO <sub>3</sub> %
Measured	9.5	0.16
Indicated	28.4	0.14
Inferred	11.5	0.15
<b>Total</b>	<b>49.3</b>	<b>0.14</b>

Mineral Resources	Tonnage Mt	WO <sub>3</sub> %
Proved	6.4	0.16
Probable	15	0.14
<b>Total</b>	<b>21.3</b>	<b>0.15</b>

Exploration Potential	Tonnage Range Mt	Grade Range WO <sub>3</sub> %
Exclusive of current Mineral Resource <sup>1</sup>	49 - 80	0.10 – 0.19

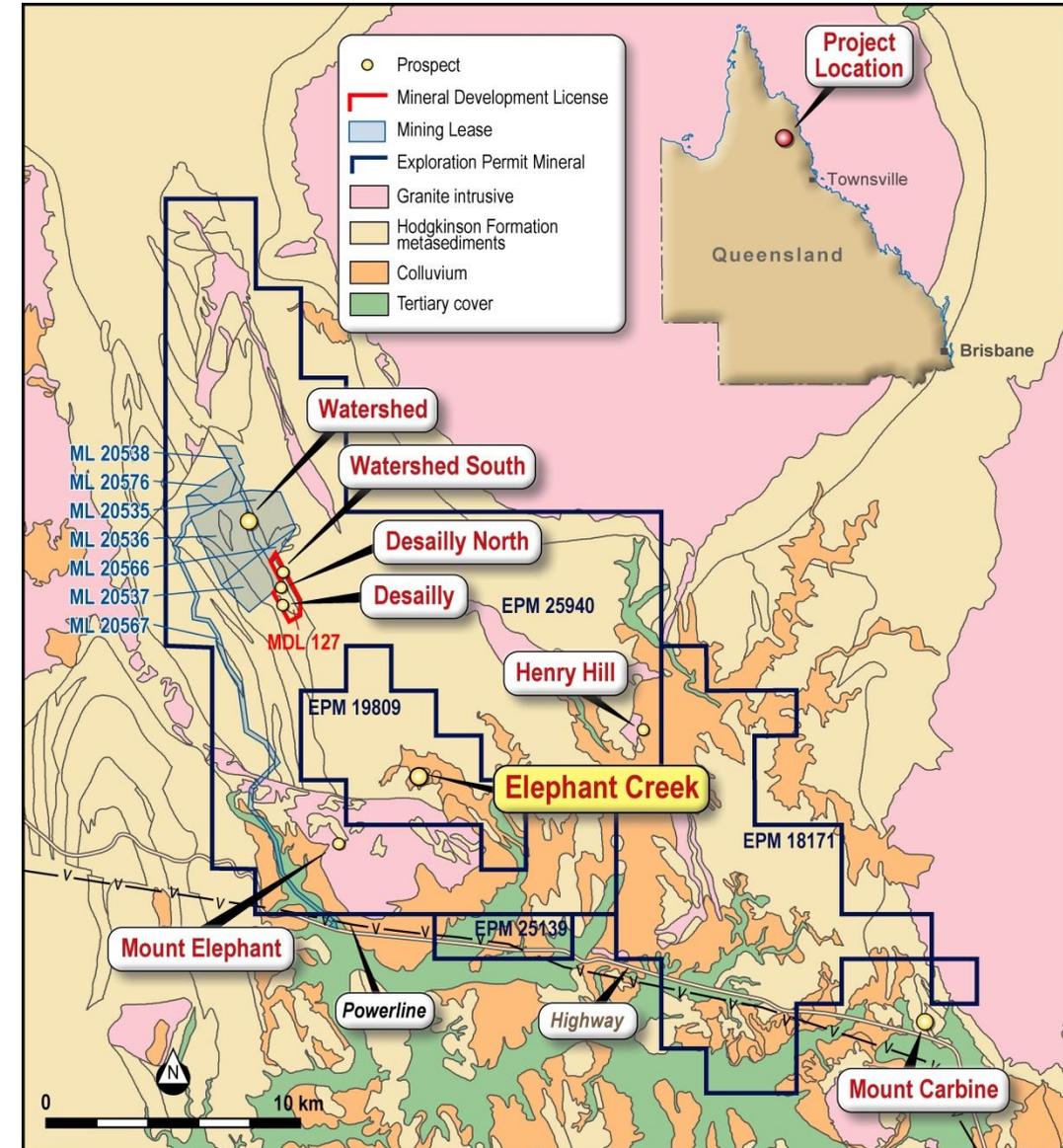


1. These Exploration Targets are conceptual in nature, and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource

# Queensland: Elephant Creek

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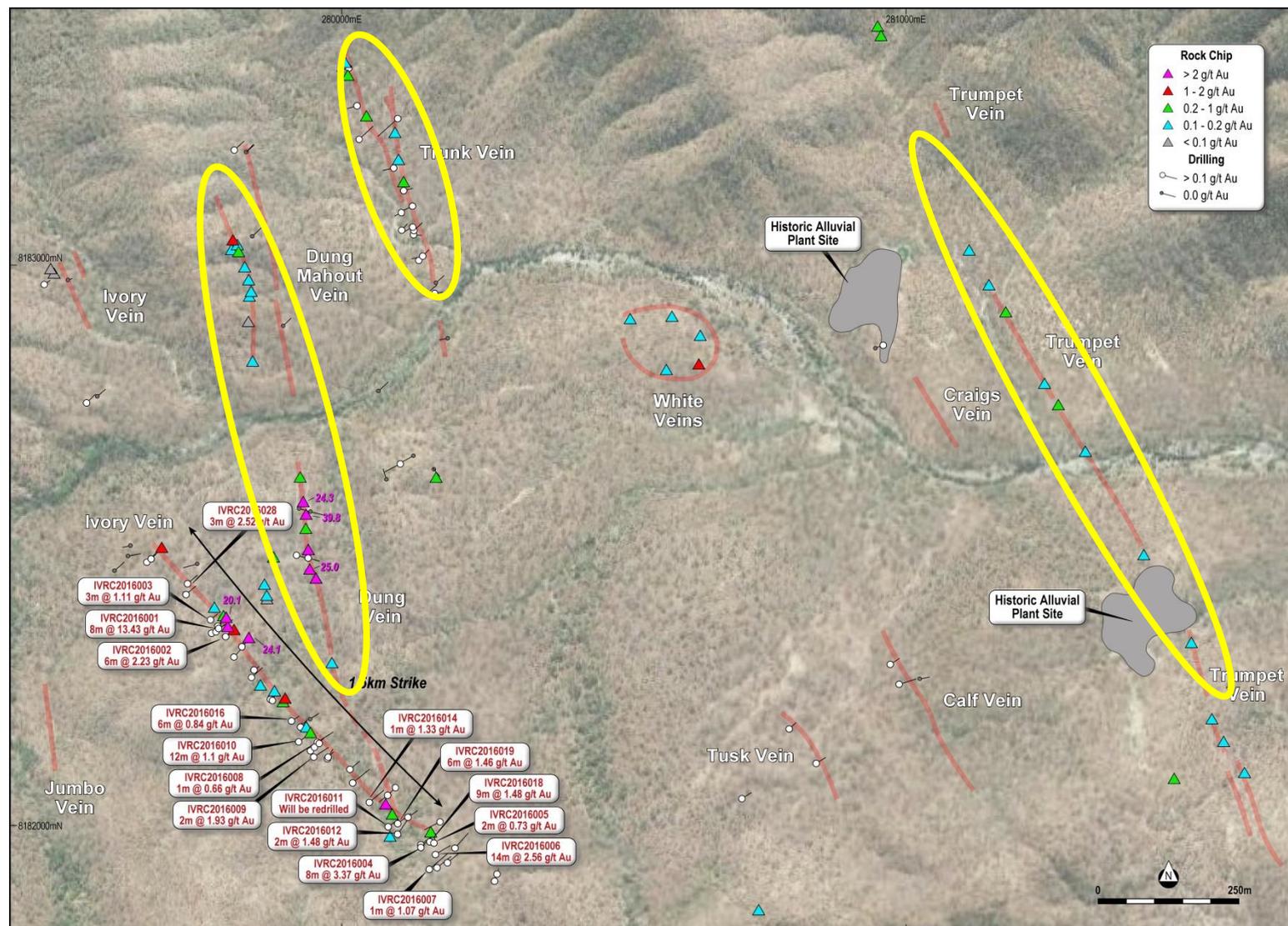
- Located in Far North Queensland
- Previous focus on Watershed tungsten
- 2016 exploration identified outstanding epithermal gold potential with numerous targets
- Parallels to gold mineralisation in Hodgkinson Basin region which had the 1873 Palmer River gold rush.
- Palmer River produced 1.34 million ounces, with additional 0.3 million ounces from the Hodgkinson field to the south



# Elephant Creek: Emerging Gold system

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- Elephant Creek has +10 veins identified to date
- 2016 RC drilling on Ivory:
  - 4m @ 26.39 g/t Au from 17m
  - 6m @ 2.23 g/t Au from 18m
  - 8m @ 3.37 g/t Au from 42m
  - 14m @ 2.56 g/t Au from 28m
  - 9m @ 1.48 g/t Au from 5m
  - 6m @ 1.46 g/t Au from 51m
  - 3m @ 2.52 g/t Au from 9m
- Drilling planned to test high priority targets in 2017

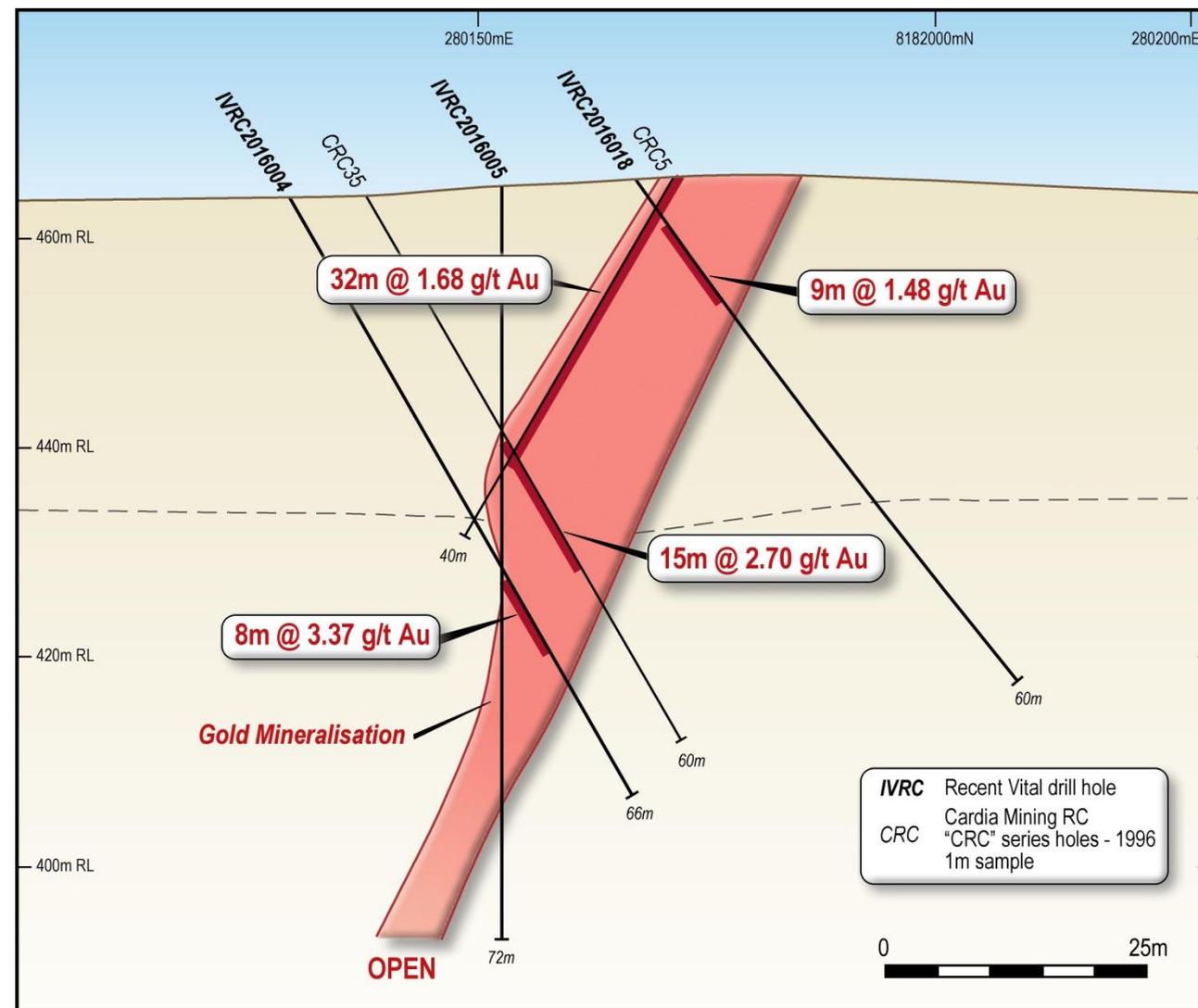


# Elephant Creek: Shallow Gold Mineralisation



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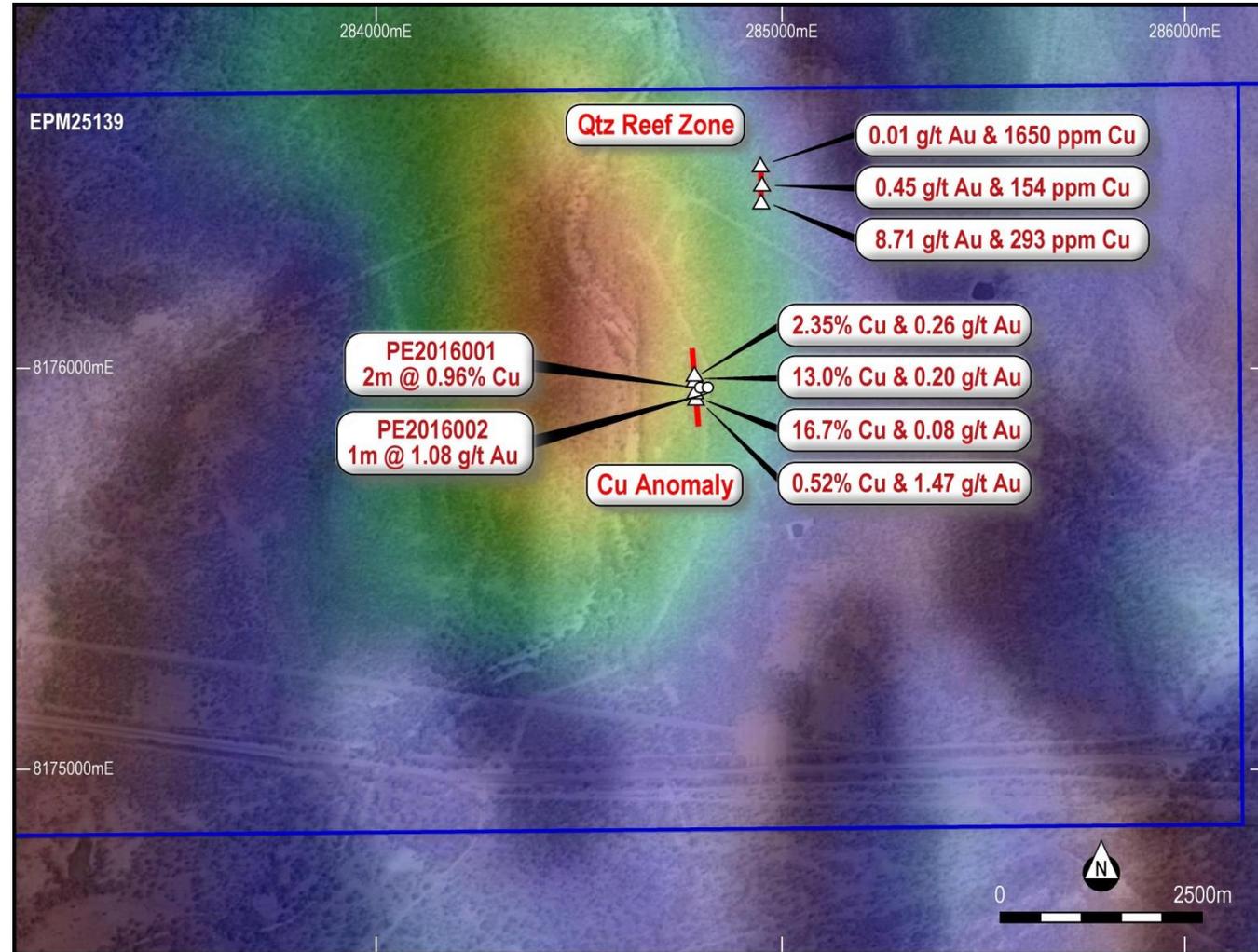
- Ivory tend remains open along strike and depth
- All drilling to date is relatively shallow with deepest hole to date of 80m
- Ivory & 9 other structures to be tested
- Drilling planned post Qld wet season



Results reported 3/11/2016 and 29/12/2016. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements.

# Queensland: Copper Potential

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- ~150m of copper-gold rich gossan on surface c.10km south of Elephant Creek
  - May represent sulphide mineralisation at depth
  - Coincident with a *magnetic/gravity* anomaly
  - First pass reconnaissance drilling intercepted anomalous copper and gold
  - More work needed....



Results reported 29/12/2016. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements.