

VITAL RAISES \$3.8 MILLION TO ADVANCE GOLD AND TUNGSTEN PROJECTS

HIGHLIGHTS

- \$3.8 million raised to accelerate exploration of the high grade Bouli Gold Project in Niger, and the progression of the Watershed Tungsten Project in Queensland

Vital Metals Limited (“**Vital**” or “**the Company**”) (ASX: VML) is pleased to announce it has successfully received commitments for a Two Tranche Placement to raise up to \$3.8 million through the issue of 422.2 million fully paid ordinary shares (“**New Shares**”) to sophisticated and institutional investors at an issue price of \$0.009 per share (“**Placement**”).

The Placement will be completed in two tranches as follows:

- 329.9 million New Shares will be issued on or about Wednesday, 4 April 2018 under Vital’s existing placement capacity under ASX Listing Rules 7.1 and 7.1A (“**Tranche 1**”)¹; and
- Up to 92.29 million New Shares will be issued subject to and immediately following the receipt of shareholder approval at a General Meeting (“**Tranche 2**”). A notice of general meeting will be sent to shareholders shortly.

The Directors of Vital plan to participate in the Placement by subscribing for a total of approximately 11.1 million New Shares, subject to the necessary approvals.

Vital’s Managing Director Mark Strizek said:

“Completing this Placement will allow Vital to accelerate the exploration of Bouli, where we have recently reported ultra-high-grade results from the Bella Tondi prospect and we expect to identify more high-grade shoots by targeting along strike, down-dip and down-plunge extensions to the mineralisation.”

“Additionally, an independent review of the capex required to develop the Watershed Tungsten Project in Queensland has reduced the original estimate determined in the 2014 Definitive Feasibility Study by \$70 million. Funds from the Placement will allow Vital to update the Watershed resource estimate and revise and optimise the mining schedule while continuing discussions with potential off-take partners.”

“We also intend to finalise the details of an exploration program at our Aue Project, Germany which is prospective for high grade cobalt.”

¹ 197,953,354 shares will be issued under ASX Listing Rule 7.1 with 131,968,903 shares issued under ASX Listing Rule 7.1A

The issue price represents a discount of 18.2% to Vital's last close (22 March 2018) of \$0.011 per share, a 15.4% discount to 5-day VWAP of \$0.0106 per share, and a 13.0% discount to the 15-day VWAP of \$0.0103 per share.

The New Shares will be listed on ASX and will rank equally with the existing fully paid ordinary shares. Settlement of Tranche 1 of the Placement is expected to be completed on Wednesday, 4 April 2018.

Blackwood Capital and Argonaut were Joint Lead Managers of the placement and Vital will seek shareholder approval issue up to 30 million broker options exercisable at 1.5¢ expiring four years from the date of issue.

ENDS

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Competent Person's Statement

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.

Forward looking statements

Certain written statements contained or incorporated by reference in this new release, 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. 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 new release 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.

ABOUT VITAL METALS

Vital Metals Limited (ASX: VML) is an explorer and developer holding a portfolio of technology metals, gold and base metals. Our projects range from shovel ready development to advanced exploration across a range of jurisdictions in Australia, West Africa and Germany.

Watershed Tungsten Project – Queensland

The Watershed scheelite (calcium tungstate) Project, in far north Queensland, 150 kilometres north-west of Cairns, is the Company's flagship venture. The Watershed Tungsten Project is development-ready having a completed Definitive Feasibility Study (DFS), is fully permitted and has all landowner and Indigenous agreements in place.

Nahouri Gold Project – Burkina Faso

The Nahouri Gold Project (100% Vital) is located in southern Burkina Faso. The Project is made up of three contiguous permits; the Nahouri, Kampala and Zeko exploration permits. The Project is located in highly prospective Birimian Greenstone terrain with 400km² of contiguous tenements lying on the trend of the Markoye Fault Corridor.

Bouli Gold Project – Niger

The Bouli Gold Project is a portfolio of three highly prospective gold permits in Niger, West Africa covering 4,289km² held by a subsidiary of SUMMA (a private Turkish company). Vital is working to earn interest in the project via the funding of an exploration work program.

Aue Project – Germany

The Aue Project (100% Vital) is located in the western Erzgebirge area of the German state of Saxony. The permit, comprising an area of 78km² is located in the heart of one of Europe's most famous mining regions surrounded by several world class mineral fields. Historical mining and intensive exploration work carried out between from the 1940's and 1980's showed high prospectivity of the Aue permit area for tungsten, tin, cobalt, uranium and silver mineralisation.

Vital Metals Limited

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Board & Management

David Macoboy
Chairman

Mark Strizek
CEO and Managing Director

Peter Cordin
Non-Executive Director

Andrew Simpson
Non-Executive Director

Francis Harper
Non-Executive Director

Matt Foy
Company Secretary

Capital Structure

1,320 million shares

231 million unlisted options