

**ASX / Media Announcement
28 September 2020**

Placement Raises A\$8 Million to Progress Vital to Processing Operations in 2021

Vital Metals Limited (ASX: VML) (“Vital Metals” or “the Company”) advises that it has successfully received firm commitments to raise A\$8.0 million (before costs) in new equity via a fully committed share placement to institutional, sophisticated and professional investors (“Placement”).

The Placement comprises the issue of approximately 400 million new shares in the Company (“New Shares”) at an issue price of A\$0.02 per New Share. The New Shares to be issued under the Placement will rank *pari passu* with existing fully paid ordinary shares and the Company will be utilising its existing placement capacity in accordance with ASX Listing Rules. The Company will issue 184,488,872 New Shares pursuant to ASX Listing Rule 7.1 and 215,511,128 New Shares under ASX Listing Rule 7.1A.

Net proceeds from the Placement will primarily be used to progress the Company towards commencing processing operations in Q2 CY2021 including the purchase of the ore sorter, sampling and met testwork, extraction plant EPCM and for general working capital. Strong demand for the Placement resulted in additional funds being raised which will be used to accelerate further exploration and development work at the Tardiff zone within the Company’s Nechalacho Project.

Vital Metals’ Managing Director, Geoff Atkins, commented: *“We are pleased with the support from new investors and existing shareholders. This equity funding coupled with the recent announcement that Vital has executed a binding term sheet to construct its rare earth extraction facility adjacent to Canada’s first rare earth separation facility underpins Vital’s plans to become the World’s newest independent supplier of clean rare earth feedstock outside China”*.

Canaccord Genuity acted as Lead Manager to the Placement. Peloton Capital acted as Co-Lead Manager to the Placement.

Settlement of the new Placement securities is expected to occur on 1 October 2020, with quotation on 2 October 2020.

- ENDS-



Contact:

Mr Geoff Atkins

Managing Director

Vital Metals Ltd

Phone: +61 2 8823 3100

Email: vital@vitalmetals.com.au

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

ABOUT VITAL METALS

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

Nechalacho Rare Earth Project - Canada

The Nechalacho project is a high grade, light rare earth (bastnaesite) project located at Nechalacho in the Northwest Territories of Canada and has potential for a start-up operation exploiting high-grade, easily accessible near surface mineralisation. The Nechalacho Rare Earth Project hosts within the Upper Zone, a JORC Compliant Resource of 94.7Mt at 1.46% REO (25% NdPr). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement dated 13 December 2019 and 15 April 2020 in respect of the resource estimate and that all material assumptions and technical parameters underpinning the estimate in the original market announcement continue to apply and have not materially changed.

Wigu Hill Project - Tanzania

The Company has signed a project development and option agreement with Montero Mining & Exploration Ltd, to acquire and develop the Wigu Hill Project located near Kisaki in Tanzania.

The Wigu Hill project is a light rare earth element deposit and consists of a large carbonite complex with bastnaesite mineralisation with a 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. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement dated 25 June 2019 in respect of the resource estimate and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed.

Investors should note that the Mineral Resource estimate for the Wigu Hill Rare Earth 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 the foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code.

Forward Looking Statements

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

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



the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

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

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

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