

2 March 2021

Ms Belinda Giles
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Response to ASX Price and Volume Query

Vital Metals Limited (ASX:VML, “Vital” or “the Company”) provides this response in relation to ASX’s letter dated 1 March 2021 regarding a change in the price of VML’s securities from a low of \$0.051 to an intraday high of \$0.071. In addition, ASX has noted the significant increase in the volume of VML’s securities traded today.

In response to the questions detailed in ASX’s letter the Company advises as follows:

- 1. Is VML aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?**

No.

- 2. If the answer to question 1 is “yes”**

Not applicable.

- 3. If the answer to question 1 is “no”, is there any other explanation that JDR may have for the recent trading in its securities?**

The Company is not aware of any reason or information which could be an explanation for the manner of trading in the Company’s securities over the aforementioned period. However, the Company notes its three announcements last week in which it is clear that Vital is on track to commence rare earth production at the Nechalacho Project, Canada in Q2 CY21, making Vital the first REE producer in Canada and only the second producer of REE in North America.

The Company has confirmed that under the mining contract that has been entered into, it will undertake mining and crushing during a single campaign between March and September 2021. Mined ore will be stockpiled for use in ore sorting operations which will be undertaken by the Group’s personnel during the summer periods of 2021 to 2023. It is anticipated that a second mining campaign will be required in 2024 to replenish stockpiles.

In addition, production of a rare earth carbonate sample within specification at the Nechalacho Project in the North West Territories (“NWT”) in Canada was confirmed.

The Company also notes that its projects and work programs centre on rare earths, which is a very active sector experiencing favourable market conditions and increasing international media coverage. The price of Neodymium has increased significantly from \$97/kg on 24 February 2021 to \$105.40/kg as of 1 March 2021 (source: Shanghai Metals Market (www.metal.com)).



The Company will continue to advise the market of its progress towards the commencement of operations and continues to advance its mining program, further drilling works and proactively pursues project generation activities.

Vital has been in discussions in respect of the appointment of Mr George Bauk as adviser to the Company. The Company does not consider this position to be material. Please refer to the announcement titled “Vital Appoints Rare Earth Expert George Bauk as Strategic Advisor in Ramp Up to Production”.

4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1

The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5. Approval of responses

The above responses have been authorized and approved by the Board.

Yours faithfully
Vital Metals Limited

Louisa Martino
Company Secretary



1 March 2021

Reference: 31685

Ms Louisa Martino
Company Secretary
Vital Metals Limited

By email

Dear Ms Martino

Vital Metals Limited ('VML'): Price and Volume Query

ASX refers to the following:

- A. The change in the price of VML's securities from a low of \$0.051 to an intraday high of \$0.071 today.
- B. The significant increase in the volume of VML's securities traded today.

Request for information

In light of this, ASX asks VML to respond separately to each of the following questions and requests for information:

1. Is VML aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is VML relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in VML's securities would suggest to ASX that such information may have ceased to be confidential and therefore VML may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that VML may have for the recent trading in its securities?
4. Please confirm that VML is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that VML's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of VML with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3:00 PM AWST Monday, 1 March 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, VML's obligation is to disclose the information

'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require VML to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in VML's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in VML's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to VML's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that VML's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours faithfully

Belinda Giles
Adviser, Listings Compliance (Perth)