

VITAL ACHIEVES FORMAL ACCEPTANCE OF RARE EARTH PRODUCT FROM REETEC

HIGHLIGHTS

- Offtake partner REEtec has formally accepted Vital's rare earth carbonate sample produced at Nechalacho in March 2021, satisfying Stage 2: Qualification of Specification
- Vital is on track to become Canada's first and North America's second rare earth producer with production via ore sorting to commence in June 2021
- Product acceptance from REEtec demonstrates Vital has its processes working correctly at Nechalacho
- Vital will provide REEtec with 1,000 tonnes REO (ex-cerium) per year for five years with the option to increase volume by up to 5,000 tonnes REO per year over 10 years.

Vital Metals Limited (ASX: VML) ("Vital Metals" or "the Company") is pleased to announce it has received formal acceptance of its rare earth carbonate sample from offtake partner REEtec AS ("REEtec"), a Norwegian-based rare earth separation company.

Vital Metals' Managing Director Geoff Atkins said, "*Customer acceptance from REEtec is a key milestone for the development of the Nechalacho rare earth project and the construction of our Extraction Plant in Saskatoon. This achievement demonstrates that we have our processes at Nechalacho working correctly and we can proceed in line with our plans. With the satisfaction of this milestone, the procurement of equipment for our Rare Earth Extraction Plant in Saskatoon will proceed.*"

Vital Metals produced a 12kg rare earth carbonate sample at its Nechalacho project in Canada for REEtec in March 2021 after the Company executed a definitive Offtake Agreement with REEtec on 2 February 2021 and announced material terms of an agreement with REEtec in December 2020. Following the completion of initial analysis of the material and basic laboratory testing, REEtec have confirmed that the material's purity is well within the agreed upon initial specification and that basic testing of chemical and physical compatibility with REEtec's process is as predicted.

Product acceptance from REEtec is an important milestone in Vital Metal's plans to become Canada's first rare earths producer and the second in North America, with production on track to commence via ore sorting in June 2021.

Under the definitive Offtake Agreement, Vital Metals will provide REEtec with mixed rare earth carbonate product containing an annual volume of 1,000 tonnes REO (ex-cerium) over five years. Both parties have an option to increase this offtake volume by up to 5,000 tonnes REO per annum over 10 years (subject to a corresponding supply agreement).

Contract mining has commenced at Nechalacho, with the first blast at the high-grade North T Zone on 9 May 2021.



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

ABOUT VITAL

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

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 measured, indicated and inferred JORC Resource of **94MT at 1.46% TREO**.¹

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.

¹ Refer ASX Announcements dated 13 December 2019. 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 and that all material assumptions and technical parameters underpinning the estimates in that market announcement continue to apply and have not materially changed.