

CONSTRUCTION UPDATE AHEAD OF RARE EARTH PRODUCTION AT NECHALACHO

HIGHLIGHTS

- 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
- Ore sorter is currently in storage in Yellowknife, awaiting delivery to the Nechalacho site in March 2021
- Ore sorter substructure has been delivered to site and awaiting final placement
- Fabrication of feed hoppers, stackers and conveyors is complete and awaiting transport to Nechalacho
- Other equipment and infrastructure including air compressor, receivers and dryer are also ready for transit.
- Neodymium prices continue to rise trading above US\$100/kg

Vital Metals Limited (ASX: **VML**) (“**Vital Metals**” or “**the Company**”) is pleased to provide an update on delivery of its ore sorter and other equipment and infrastructure to its Nechalacho rare earths project in Northwest Territories, Canada. Vital Metals expects to commence ore sorting operations at Nechalacho in Q2 CY21.

Vital Metals Managing Director Geoff Atkins said,

“It is exciting to see our production equipment at Nechalacho start to take shape and our infrastructure on site will continue to expand over the coming weeks as we receive these items from Yellowknife.

“Vital and its subsidiary Cheetah Resources are on track to produce rare earth oxide at Nechalacho in the next quarter of CY21, making us only the second producer of rare earths in North America as we start production from the North T deposit in Stage 1 with plans for expanded production from Tardiff.”

Vital Metals confirms the ore sorter has been purchased and is in storage in Yellowknife, awaiting delivery to site in March 2021. The supporting substructure for the ore sorter has already been delivered to site at Nechalacho and is awaiting final placement.

Fabrication of feed hoppers, conveyors and stackers for the project is complete, and transit to Yellowknife is underway. Other equipment and infrastructure for the project including an air compressor, receivers and dryer are currently in transit to Yellowknife. These items are also expected to reach Nechalacho in March.



Figure 1: Ore sorter substructure for Vital Metal's Nechalacho rare earths project on-site and awaiting final placement



Figure 2: Infrastructure for Vital Metal's Nechalacho rare earths project is awaiting delivery to site



Figures 3 and 4: Feed conveyor and belt feeder for Vital Metal's ore sorter at Nechalacho



Figures 5: AC compressor (left) and receivers and dryer for Vital Metal's Nechalacho project are ready for delivery to site

Mining is on track to commence at Nechalacho in March 2021 after Vital Metals signed a definitive mining contract with local company Det'on Cho Nahanni Construction Ltd for work to commence at the North T Zone. Scope of work under the mining contract includes mining, site clearing, preparation of retention pond, site roads, ROM pad, plus crushing and screening. Det'on Cho Nahanni Construction will mobilise to site at Nechalacho via ice road by the end of March.



The Company has produced a rare earth carbonate sample within specification from Nechalacho, following its execution of a definitive agreement with Norwegian rare earth separation company REEtec AS earlier this month. Vital Metals has been working with REEtec to finalise the rare earth carbonate specification and associated process flowsheet, and has now commenced a bulk customer sample production program to generate sufficient quantities of rare earth carbonate to provide to REEtec, and other prospective customers, as part of the customer qualification process.

In addition, Vital Metals has commenced a drill program at Nechalacho to define a mine plan for Stage 2 of production from the Tardiff and will test three high-grade targets in the Tardiff deposit and evaluate potential expansion of the T Zone by targeting two additional zones, the South T and the S zones, which lie adjacent to the planned North T pit, where Vital Metals plans to commence production.

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

ABOUT VITAL METALS

Vital Metals is on track to become the first producer of rare earths in Canada with Rare Earth production at Nechalacho in 2021.

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,

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.



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.