

VITAL TO REDESIGN NORTH T PIT AT NECHALACHO AFTER ORE SORTER EXCEEDS EXPECTATIONS

HIGHLIGHTS

- Vital Metals has completed its first mining and ore sorting campaign representing an important milestone in its goal of guaranteeing feedstock to the rare earths' supply chain
- Vital mined nearly 58,000 tonnes of ore during the 2021 campaign with a significant volume of this material not included in the original resource calculation
- Mining also intersected a high-grade zone at North T
- Vital Metals is redesigning the North T pit at its Nechalacho rare earths project after a five-month maiden mining campaign in 2021
- Nechalacho ore sorter is capable of sorting lower grade ore than expected, allowing Vital to process material significant quantities of material previously identified as waste
- It produced more than 1,000 x 1,000kg bags of beneficiated product, with the first shipment of these transported to Saskatoon for extraction
- Logistics between Nechalacho and Saskatoon operates successfully
- Vital has more than 10,000m³ of high-grade, low-grade and fines crushed material stockpiled at Nechalacho for processing during 2022.

Vital Metals Limited (ASX: VML) (“Vital”, “Vital Metals” or “the Company”) is pleased to provide a summary of the 2021 maiden mining campaign at its Nechalacho rare earths project in Northwest Territories (NWT), Canada.

Local contract mining company Det'on Cho Nahanni Construction mined nearly 58,000 tonnes of ore from the North T pit at Nechalacho during a five-month mining campaign which aimed to demonstrate Nechalacho's viability as a rare earths project.

Vital mined about two thirds (68%) of overall material planned to be mined during the campaign, with 408,000 tonnes of the planned 599,000 tonnes mined.

While mining volumes were lower than originally planned, Vital's ore sorter at Nechalacho exceeded expectations, enabling the Company to successfully sort lower-grade material previously below the resource cut-off not included in the mine plan.

Vital also intersected a high-grade zone, the 'dragon's tail', at North T during mining which has prompted the Company to review its mine plan.

Vital Metals Managing Director Geoff Atkins said: *“We are very pleased to report that the 2021 mining campaign was successfully completed with over two years production worth of ore mined whilst incurring no lost time nor environmental incidents. To achieve this during the middle of a*

pandemic with its associated restrictions on travel and other operational matters is a testament to the entire Vital team and one which everyone should be extremely proud of.”

“The completion of this first mining and ore sorting campaign represents an important milestone in Vital’s vision of guaranteeing feedstock to the rare earths’ supply chain with the North T deposit forming the basis upon which Vital product will be qualified by end users enabling future expansion of operations.”

“The 58,000t of ore mined contains approximately 11,500t of ore previously identified within our pit design with the remaining 47,500t previously classified as waste. This includes ore which was in the top 5m from surface and hence excluded from the original resource and hence mine inventory, the high-grade zone in the ‘dragon’s tail’ and material which was below the resource cut-off which, during commissioning of the ore sorter, we found could be successfully sorted and is now regarded as ore which is suitable for processing. This presents a significant opportunity for increasing the quantity of rare earths to be processed from the North T deposit.”

“Because we have identified all this additional material which we are now able to process, we made the decision to amend our mining campaign, so that we can redesign the pit to ensure we maximise this additional quantity of rare earths which we will mine at North T in subsequent campaigns.”

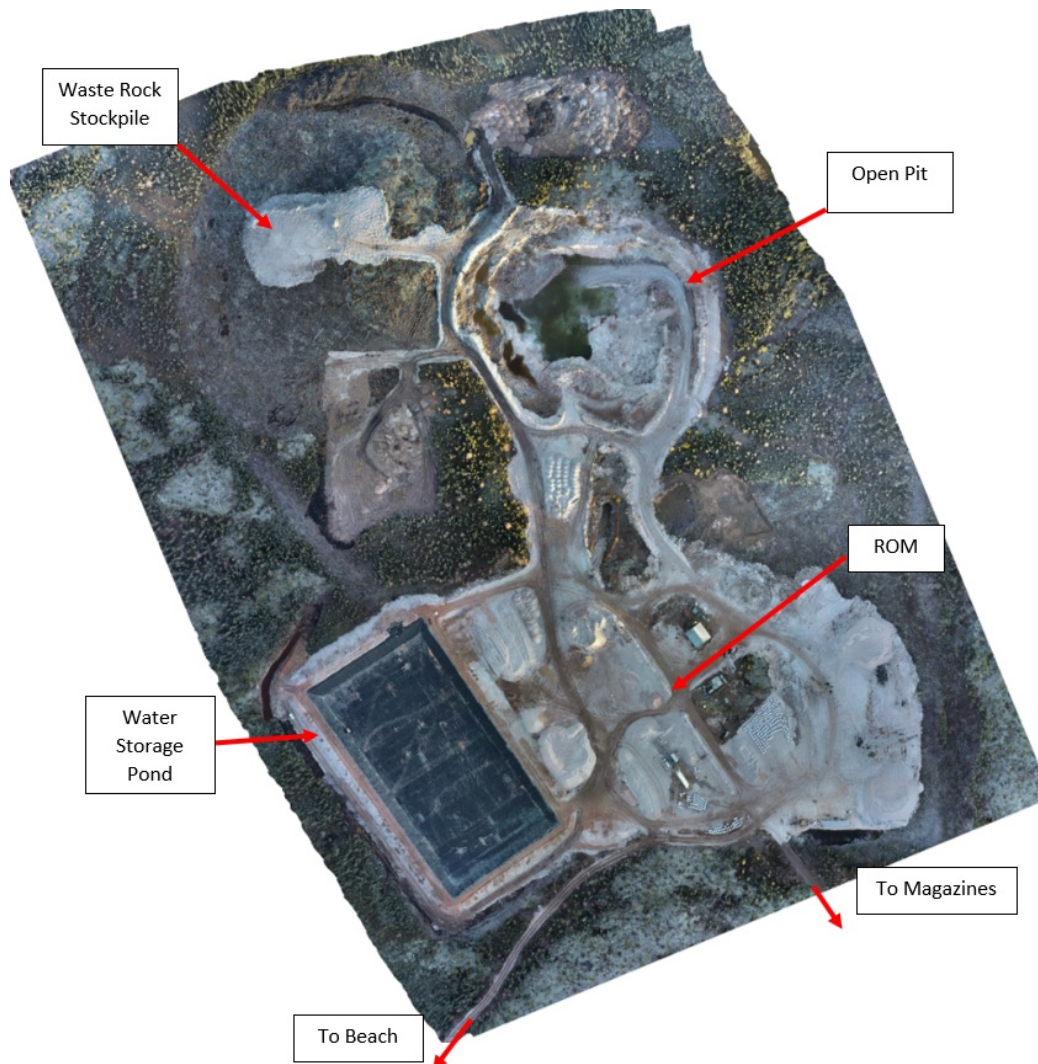
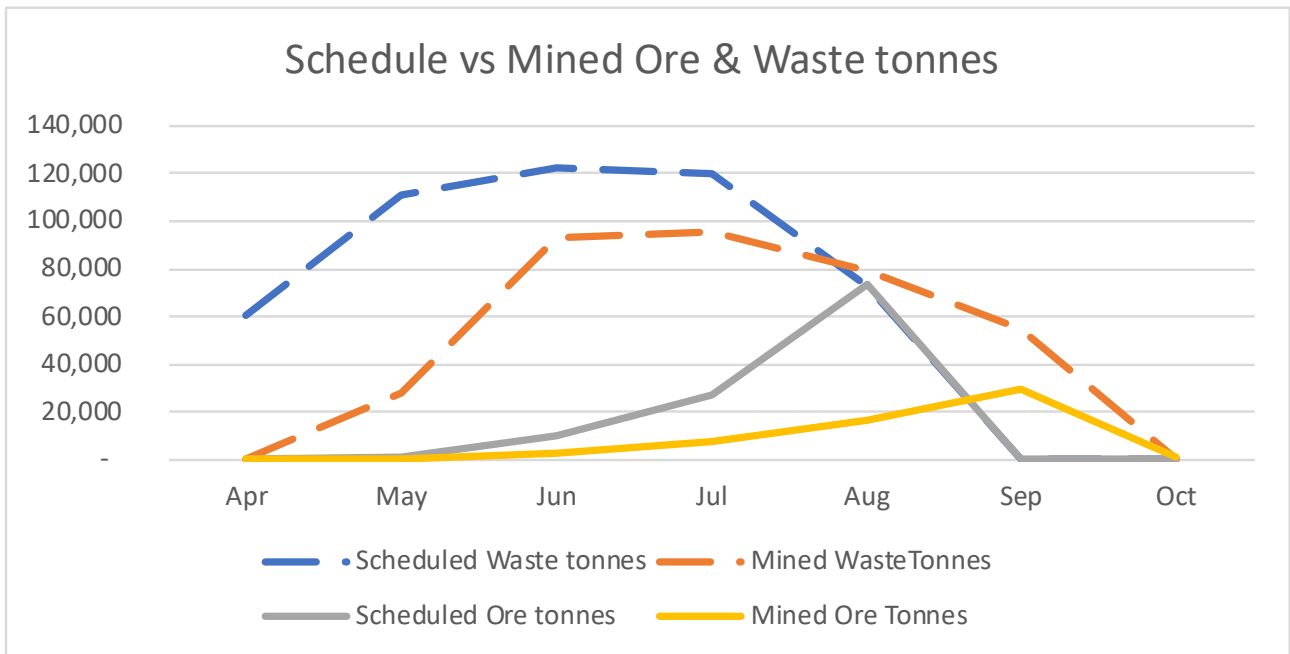


Figure 1 – Layout of North T mine at Nechalacho after conclusion of Vital’s 2021 mining campaign



The redesign of the pit will be completed during the Northern summer with a follow up mining campaign to be completed during the 2023 or 2024 summer period.

Due to the unique nature of mineralisation at North T, where ore is red and waste is white, Vital classified ore and waste on sight, not assays or grade.

Mining operations at Nechalacho ceased in October and equipment demobilised from site.



Figure 2 – Mining Fleet Demobilisation and Concentrate Loading

Vital produced more than 1,000 bags of beneficiated product at site, each totalling approximately 1,000kg of material. The first of these bags have arrived in Saskatoon to be processed at Vital's rare earths extraction plant, which is under construction. The transportation of this product has provided the first opportunity to test the logistics of transporting beneficiated product from site to the Saskatoon facility.



Figure 3 – Beneficiated Ore on MTS Barge at Hay River Commencing Unloading

In addition, it has stockpiled nearly 11,000m³ of material on site at Nechalacho, comprising high-grade (1,630m³) and low-grade (4,240m³) crushed material and fines (4,770m³), which it will process on site.

- ENDS-

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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 Canada's first rare earths producer following commencement of production at its Nechalacho rare earths project in Canada in June 2021. It holds a portfolio of rare earths, technology metals and gold projects located 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, 19 February 2020 and 15 April 2020. 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.