



VITAL METALS LIMITED

ABN 32 112 032 596

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2024**

VITAL METALS LIMITED
31 DECEMBER 2024
CORPORATE DIRECTORY



Contents	Page
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	7
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
CONSOLIDATED STATEMENT OF CASH FLOWS	12
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS	13
DIRECTORS' DECLARATION	26
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS	27

CORPORATE INFORMATION

ABN 32 112 032 596

Directors

Mr Richard Crookes (Non-Executive Chairman)

Ms Lisa Riley (Managing Director and CEO)

Mr Michael Brooks (Non-Executive Director)

Mr Zane Lewis (Non-Executive Director)

Company Secretary

Louisa Martino

Registered Office and Principal Place of Business

Level 10, 27-31 Macquarie Place

Sydney NSW 2000

Telephone: +61 2 8029 0676

Share Register

Automic Registry Services

Level 5, 191 St Georges Terrace

Perth WA 6000

Telephone: 1300 288 664

Auditors

Hall Chadwick (NSW)

Level 40

2 Park Street

Sydney NSW 2000

Website

www.vitalmetals.com.au

Stock Exchange

Vital Metals Limited shares are listed on the Australian Securities Exchange (ASX code: VML)

VITAL METALS LIMITED
31 DECEMBER 2024
DIRECTORS' REPORT



Your Directors are pleased to present their report on the consolidated entity consisting of Vital Metals Limited ("Vital" or "the Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

DIRECTORS

The names of the directors who held office during or since the end of the half-year, to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Richard Crookes	Non-Executive Chairman
Ms Lisa Riley	Managing Director (from 15 July 2024, previously Non-Executive Director)
Mr Mike Brook	Non-Executive Director
Mr Zane Lewis	Non-Executive Director (Appointed 12 August 2024)
Dr Geordie Mark	Managing Director & CEO (Terminated 15 July 2024)
Mr Paul Quirk	Non-Executive Director (Resigned 12 August 2024)

REVIEW AND RESULTS OF OPERATIONS

Financial results

The net loss for the consolidated entity after providing for income tax from continuing operations amounted to \$2,003,269 (2023: \$4,400,311).

Financial position

At 31 December 2024, the consolidated entity had cash balances of \$1,805,948 (June 2024: \$3,532,597).

Dividends

There were no dividends paid, recommended or declared during the current period or previous financial year.

OPERATIONS REVIEW

Nechalacho Rare Earths Project, Canada

Following the receipt of final results from its 2023 Tardiff drilling program in July 2024, Vital reported an updated Mineral Resource estimate ("MRE") for the Tardiff Upper Zone ("Tardiff"), part of its Nechalacho Rare Earths Project, in January 2025.

The updated MRE represented a significant increase in reported tonnes in the Indicated Mineral Resource category in comparison to the historical MRE completed in April 2024 and a decrease in reported tonnes in the Inferred Mineral Resource category. The MRE is also reported above a 0.7% TREO cutoff grade instead of a metal equivalent value as previously used.

VITAL METALS LIMITED
31 DECEMBER 2024
DIRECTORS' REPORT



JORC Resource Classification	Tonnage	Average Grade (%)				Contained Oxide	
		TREO	Nd ₂ O ₃	Pr ₆ O ₁₁	Nb ₂ O ₅	TREO Kt	NdPr Kt
Measured	7.6	1.48	0.28	0.08	0.24	112	27
Indicated	41.0	1.29	0.25	0.07	0.25	528	131
Measured + Indicated	48.6	1.32	0.25	0.07	0.25	640	158
Inferred	144.1	1.31	0.26	0.07	0.32	1,883	477
Total	192.7	1.31	0.26	0.07	0.30	2,523	636

Notes:

1. Due to effects of rounding, the total may not represent the sum of all components.
2. TREO (ppm) includes: Light Rare Earth Oxides (LREO): La₂O₃, CeO₂, Pr₆O₁₁, Nd₂O₃, Sm₂O₃; and Heavy Rare Earth Oxides (HREO): Tb₄O₇, Dy₂O₃, Ho₂O₃, Er₂O₃, Tm₂O₃, Yb₂O₃, Lu₂O₃, Eu₂O₃, Gd₂O₃; + Y₂O₃
3. Mineral Resource is reported from blocks at or above the 150 m RL and within unconstrained optimised open pit shell "Optimized_Pits_2_Pit_85_100tr/pt"
4. Revenue in cutoff grade calculation is attributable to Nd₂O₃ and Pr₆O₁₁
5. NdPr = Nd₂O₃ + Pr₆O₁₁
6. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
7. The Mineral Resource effective date is 18th December 2024.

Tardiff contains REE and niobium mineralisation hosted within a nepheline syenite intrusion.

Recent metallurgical test work indicates strong potential to produce neodymium oxide (Nd₂O₃) and praseodymium oxide (Pr₆O₁₁), which are light rare earth oxides (LREO) used predominantly in permanent magnets . They are in increasing demand due to their use in wind turbines, EVs, smart phones and advanced technologies.

Recent metallurgical test work also indicated an opportunity to further investigate and advance the potential to recover niobium minerals from Tardiff ore. Niobium is in demand due to its low oxidation point and relatively high melting point. It is used as an alloy in aeronautic engines, electronic applications (due to its superconducting properties) and as an additive to lithium-ion batteries to enhance battery life.

In parallel with preparing the updated MRE, Vital moved ahead with a Scoping Study for the deposit, appointing ERM Consultants Canada Limited ("ERM") to examine the size and scalability of future production scenarios at Tardiff.

ERM's scope of work for Tardiff's Scoping Study includes:

- Development of a preferred flowsheet with Corem;
- Assessment of production volume for financial modelling;
- Identification of capital and operating costs estimates based on the preferred flowsheet;
- Development of Scoping Study-based design documents to inform proposed cost estimates
- Evaluations and calculations completed to the requirements of JORC 2012 and National Instrument 43-101 reporting standards.

VITAL METALS LIMITED
31 DECEMBER 2024
DIRECTORS' REPORT



The Scoping Study was expanded in February 2025 to include potential niobium recovery and is scheduled for completion in the second quarter of 2025.

In addition, Vital appointed Canada-based mineral processing consultancy Corem to complete processing testwork on samples from Tardiff. Corem's scope of work aims to establish a flowsheet (with oversight by VML and ERM staff) in order to recover the rare earth elements (REE) from samples at Tardiff by concentrating the ore via physical separation and flotation techniques. Once the optimal front-end flowsheet is determined, it will evaluate the preferred pathway for the further processing of a Tardiff concentrate.

During the period, Vital staked more than 25km² (2,500ha) of ground immediately north of Nechalacho. Three new mineral claims, M11875 to M11877, measure 11.50km² (1,150ha), 7.61km² (761ha) and 5.95km² (595ha), and are 100% owned by Vital's Canadian subsidiary, Nechalacho Resources Corp (formerly Cheetah Resources Corp). This is in addition to Vital's 50km² (5,000ha) existing mineral claims at Nechalacho, over which it holds mineral rights to resources only above a depth of 150 metres above sea level.

The new ground expanded Vital's footprint at Nechalacho to more than 75km² (7,500ha).

Vital's exploration team completed sampling, high-definition core photography and field work across the existing land package during the period. Additionally, ERM's technical team visited the site to review and quality control key information for the Scoping Study.

Corporate

Board Changes

On 15 July 2024, Vital appointed Lisa Riley as its Managing Director and CEO. Ms Riley has served on Vital's Board since December 2022 as an independent Director, based in Toronto, Canada. She has 30 years of experience in global capital markets, finance, mining advisory and government relations in Canada and Latin America.

Ms Riley's appointment followed Vital's decision to terminate the contract of Dr Geordie Mark, who was Managing Director and CEO from October 2023.

In August 2024, Vital announced the appointment of experienced corporate advisor and executive Zane Lewis as a Non-Executive Director, with Paul Quirk retiring as a director to maintain the current Board size.

Mr Lewis, the founder of SmallCap Corporate, has more than 25 years corporate advisory experience with various ASX and AIM listed companies. He is the Chairman of Kairos Minerals (ASX: KAI) and Odessa Minerals (ASX: ODE), and a non-executive director of ASX-listed companies Lion Energy (ASX: LIO).

Mr Lewis was previously Vital Metals' Executive Director and Company Secretary during 2019 and 2020, the period during which it acquired Nechalacho.

Change of Auditor

Vital appointed Hall Chadwick NSW as auditor of the Company, in accordance with Listing Rule 3.16.3. The appointment followed the resignation of BDO Audit Pty Ltd and ASIC's consent to the resignation in accordance with s329(5) of the Corporations Act 2001. The Board's decision to change auditors was made following rotation of the audit partner and the tendering of audit services.

VITAL METALS LIMITED
31 DECEMBER 2024
DIRECTORS' REPORT



Other Projects

During the half year the company fully impaired all amounts relating to the Wigu Hill Project in Tanzania.

SUBSEQUENT EVENTS

On 13 March 2025, the Company reached agreement for the issue of a \$1,000,000 Convertible Loan ("Loan") with a shareholder. This Loan has a term of 12 months and an interest rate of 12% p.a. The Loan and any interest may be converted into shares in the Company at an issue price of \$0.002 per share. As part of the Loan, the Company has agreed to issue 280 million options with an expiry date that is 18 months from the date of issue and an exercise price of \$0.004 to the Lender.

Other than as noted above, there has not been any matter or circumstance that has arisen since the end of the half-year, that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

This report is made in accordance with a resolution of directors.

A handwritten signature in dark ink, appearing to read "R.A. Crookes".

Richard Crookes
Chairman
Sydney, 13 March 2025

**VITAL METALS LIMITED
ABN 32 112 032 596
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF VITAL METALS LIMITED**

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Vital Metals Limited. As the lead audit partner for the review of the financial report of Vital Metals Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 13 March 2025

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9	Level 4	Level 1	Level 14	Level 11	Level 40
50 Pirie Street	240 Queen Street	48-50 Smith Street	440 Collins Street	77 St Georges Tce	2 Park Street
Adelaide SA 5000	Brisbane QLD 4000	Darwin NT 0800	Melbourne VIC 3000	Perth WA 6000	Sydney NSW 2000
+61 8 7093 8283	+61 7 2111 7000	+61 8 8943 0645	+61 3 9820 6400	+61 8 6557 6200	+61 2 9263 2600

Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352

www.hallchadwick.com.au



PrimeGlobal

The Association of Advisory
and Accounting Firms

VITAL METALS LIMITED
31 DECEMBER 2024



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	Half-year	
		2024	2023
		\$	\$
Continuing operations			
Ore sales		845,480	-
Less cost of goods sold		(499,481)	-
Gross Profit		345,999	-
Other Income			
Sundry income		96,394	49,095
Government Grants		111,622	-
Distribution from Liquidation		387,068	-
Total Income		941,083	49,095
Expenses			
Administration expenses		(1,327,380)	(1,506,995)
Depreciation and amortisation	8	(322,572)	(388,904)
Exploration Expenditure	9	(646,507)	-
Impairment of Inventory		-	(1,510,782)
Legal settlement		(375,000)	-
Share-based payments	14	(250,807)	(240,801)
Total Expenses		(2,922,266)	(3,647,482)
Loss from continuing operations before income tax and finance costs		(1,981,183)	(3,598,387)
Finance income		28,924	22,997
Finance and loan expenses		(51,010)	(824,921)
Net Finance Income/(Loss)		(22,086)	801,924
Income tax benefit / (expense)			
Income tax benefit / (expense)	4	-	-
Loss from continuing operations		(2,003,269)	(4,400,311)
Discontinued operations			
Profit/(loss) after tax from discontinued operations	16	-	7,343,506
PROFIT/(LOSS) FOR THE HALF-YEAR		(2,003,269)	2,943,195
OTHER COMPREHENSIVE INCOME / LOSS			
Items that may be reclassified subsequently to loss:			
Exchange differences on translation of foreign operations		1,348,927	(2,236,474)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE HALF-YEAR		(654,342)	706,721

VITAL METALS LIMITED
31 DECEMBER 2024



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Note	Half-year	
	2024	2023
	\$	\$
Loss from continuing operations attributable to:		
Owners of the Company	(2,003,269)	(4,400,311)
Profit/(loss) from continuing and discontinued operations attributable to:		
Owners of the Company	-	2,943,195
Total Comprehensive Profit attributable to:		
Owners of the Company	(654,342)	706,721
 Earnings/(loss) per share from continuing and discontinued operations for the half year attributable to the ordinary equity holders of the company	 (0.03) cents	 0.05 cents
Diluted earnings/(loss) per share from continuing and discontinued operations for the half year attributable to the ordinary equity holders of the company	(0.03) cents	0.05 cents
 Loss per share from continuing operations for the half year attributable to the ordinary equity holders of the company	 (0.03) cents	 (0.08) cents
Diluted loss per share from continuing operations for the half year attributable to the ordinary equity holders of the company	(0.03) cents	(0.08) cents

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

VITAL METALS LIMITED
31 DECEMBER 2024



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	As at 31 December 2024 \$	As at 30 June 2024 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,805,948	3,532,597
Trade and other receivables		423,567	603,091
Inventories	7	-	460,149
TOTAL CURRENT ASSETS		2,229,515	4,595,837
NON-CURRENT ASSETS			
Property, plant and equipment	6	3,183,305	3,312,378
Right of use asset	8	101,620	225,001
Exploration and evaluation asset	9	23,069,342	21,963,673
Mine under development	10	31,114,981	30,420,873
TOTAL NON-CURRENT ASSETS		57,469,248	55,921,925
TOTAL ASSETS		59,698,763	60,517,762
CURRENT LIABILITIES			
Trade and other payables		410,488	629,862
Refundable deposit		45,000	45,000
Government loans	11	106,052	103,693
Financial liabilities	12	145,667	304,782
Provisions		41,019	75,119
TOTAL CURRENT LIABILITIES		748,226	1,158,456
NON-CURRENT LIABILITIES			
Government loans	11	396,654	417,240
Financial liabilities	12	-	4,150
Provisions		876,898	857,390
TOTAL NON-CURRENT LIABILITIES		1,273,552	1,278,786
TOTAL LIABILITIES		2,021,778	2,437,242
NET ASSETS		57,676,985	58,080,520
EQUITY			
Contributed equity	13	155,541,316	154,661,301
Reserves		10,120,145	9,400,422
Accumulated Losses		(107,984,476)	(105,981,207)
TOTAL EQUITY		57,676,985	58,080,520

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

VITAL METALS LIMITED
31 DECEMBER 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Contributed Equity	Share-Based Payment Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total
BALANCE AT 1 JULY 2024	154,661,305	9,829,292	(428,870)	(105,981,207)	58,080,520
Profit for the half-year	-	-	-	(2,003,269)	(2,003,269)
Other Comprehensive Loss					
Exchange differences on translation of foreign operations	-	-	1,348,927	-	1,348,927
Total Comprehensive Loss for the Period	-	-	1,348,927	(2,003,269)	(654,342)
Transactions with Owners in their Capacity as Owners					
Share based payments included in contributions of equity	880,011	(880,011)	-	-	-
Share based payments expense included in profit and loss	-	250,807	-	-	250,807
BALANCE AT 31 DECEMBER 2024	155,541,316	9,200,088	920,057	(107,984,476)	57,676,985

	Contributed Equity \$	Share-Based Payment Reserve \$	Foreign Currency Translation Reserve \$	Retained Earnings \$	Total \$
BALANCE AT 1 JULY 2023	150,394,157	7,834,909	2,427,458	(108,301,306)	52,355,218
Profit for the half-year	-	-	-	2,943,195	2,943,195
Other Comprehensive Loss					
Exchange differences on translation of foreign operations	-	-	(2,236,474)	-	(2,236,474)
Total Comprehensive Loss for the Period	-	-	(2,236,474)	2,943,195	706,721
Transactions with Owners in their Capacity as Owners					
Contributions of equity (net of transaction costs, excluding share-based payments)	5,343,820	-	-	-	5,343,820
Share based payments included in contributions of equity	(883,627)	883,627	-	-	-
Share based payments expense included in profit and loss	-	751,684	-	-	751,684
BALANCE AT 31 DECEMBER 2023	154,854,350	9,470,220	190,984	(105,358,111)	59,157,443

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

VITAL METALS LIMITED
31 DECEMBER 2024



CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	Half-year	
		2024	2023
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		1,104,304	44,316
Interest received		28,924	23,752
Government incentives received		111,622	-
Distribution from liquidation		387,068	-
Payments to suppliers and employees		(2,101,011)	(1,620,132)
Payments for inventory		(48,499)	(141,707)
Interest paid		(11,355)	(291,619)
Net cash outflow from operating activities		(528,948)	(1,985,390)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of non-current assets		-	212,609
Payments for exploration and evaluation costs		(989,969)	(1,837,458)
Payments for mine under development		-	(332,040)
Payments for property, plant and equipment		-	(536,392)
Proceeds from refundable deposit		-	45,000
Cash from discontinued operations		-	(366,153)
Net cash outflow from investing activities		(989,969)	(2,814,434)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	5,889,172
Cost of share capital issued		-	(148,934)
Proceeds from borrowings		-	2,000,000
Repayment of borrowings		(69,030)	(2,041,036)
Payments for debt transaction costs		-	(58,000)
Repayment of lease liability		(165,776)	(236,743)
Net cash inflow from financing activities		(234,806)	5,404,459
Net increase in cash and cash equivalents		(1,753,723)	604,635
Cash and cash equivalents at the beginning of the half-year		3,532,597	3,620,509
Effects of exchange rate changes on cash and cash equivalents		27,074	(29,479)
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR		1,805,948	4,195,665
Cash outflows from discontinued operations	16	387,068	(623,629)

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Vital Metals Limited (“the Company”) is a company domiciled in Australia. The consolidated interim financial report of the Group as at, and for the six months ended 31 December 2024 comprises the Company and its subsidiaries (together referred to as the “Group”).

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. This consolidated interim financial report was approved by the Board of Directors on 13 March 2025.

1.1 MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies adopted in the preparation of the historical financial information included in this report have been set out below.

Accounting policies

The Company has consistently applied the accounting policies as described in the annual report for the year ended 30 June 2024 to all periods presented in the financial statements.

New and Amended Standards Adopted by the Group

In the half-year ended 31 December 2024, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2024.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2024. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

Going concern

These financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the half-year ended 31 December 2024, the Group incurred a loss of from continuing operations of \$2,003,269 (2023: \$4,400,311 and had net cash outflows from operating and investing activities of \$1,518,917 (2023: \$4,799,824). This includes cash outflows from discontinued operations of \$Nil (2023: \$623,629)

The ability of the entity to meet its planned activities, including continuing to progress its exploration and development activities to a commercial-ready stage, is dependent on securing additional funding through the sale of ore stockpiles, non-dilutive funding or the issue of securities to existing or new shareholders to continue to fund its operational and investing activities.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (continued)**

These conditions indicate a material uncertainty which may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have reviewed the cash flow forecast for the next 12 months from the date of signing this financial report, and assessed that there are reasonable grounds to believe the Group will be able to continue as a going concern due to the following factors:

- In March 2025, the Company reached agreement for the issue of a \$1,000,000 Convertible Loan ("Loan") with a shareholder. This Loan has a term of 12 months and an interest rate of 12% p.a. The Loan and any interest may be converted into shares in the Company at an issue price of \$0.002 per share.
- The Group expects to receive funds from an insurance claim lodged in 2024 relating to an incident at the Nechalacho Project. This claim is largely finalised and with funds expected to be received prior to 30 June 2025. The amount of the claim is estimated to be around \$450,000.
- The Group is working with various parties in Canada, including Indigenous and Government groups, on additional funding arrangements. These discussions are at various stages but the Board believes there is a reasonable prospect of potentially selling some or all of our existing stockpile to one or several of these sources.
- The Group will look to raise funds via the issue of equity securities to either existing or new shareholders should the above funding opportunities not materialise; and
- In the event of further funds not being raised, the Group's activities would be wound back to a sustainable level.

The Directors believe the Group is a going concern as they have sufficient funds or funding sources to meeting operating costs and committed exploration spend and have access capital to fund potential further exploration activities.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts which differ from those stated in the financial statements and the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities which might be necessary should the entity not continue as a going concern.

NOTE 2: ESTIMATES

The preparation of the interim financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2024.

VITAL METALS LIMITED
31 DECEMBER 2024

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 3: SEGMENT INFORMATION

The consolidated entity has four reportable segments being mineral exploration and prospecting for minerals in Canada.

	Canada (exploration and mine under development)		Total segments from continuing operations		Canada (Processing) Discontinued Operations	
	2024	2023	2024	2023	2024	2023
Segment income	941,083	49,905	941,083	49,905	-	-
Interest revenue	28,924	22,996	28,924	22,996	-	756
Total income	970,007	72,091	970,007	72,091	-	756
Segment profit/(loss)	(2,003,269)	(4,400,311)	(2,003,269)	(4,400,311)	-	7,343,506
Net profit/(loss) before tax	(2,003,269)	(4,400,311)	(2,003,269)	(4,400,311)	-	7,343,506
Segment assets	59,698,763	60,517,762	59,698,763	60,517,762	-	-
Segment liabilities	2,021,778	2,437,242	2,021,778	2,437,242	-	-

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 4: INCOME TAX

	31 December 2024	31 December 2023
	\$	\$
Income tax expense	-	-
	-	-

The income tax expense reflects tax on the loss on continuing operations.

NOTE 5: CASH AND CASH EQUIVALENTS

	31 December 2024	30 June 2024
	\$	\$
Cash at bank and on hand	929,050	2,622,377
Cash held as security deposits	876,898	910,220
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	1,805,948	3,532,597

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	31 December 2024	30 June 2024
	\$	\$
Software:		
At cost	104,255	101,936
Accumulated depreciation	(83,293)	(77,301)
	20,962	24,635
Plant and equipment:		
At cost	3,993,949	3,905,850
Accumulated depreciation	(1,324,220)	(1,147,416)
	2,669,728	2,758,434
Motor vehicles:		
At cost	627,557	613,596
Accumulated depreciation	(298,714)	(259,725)
	328,843	353,871
Fixtures and fittings:		
At cost	329,416	322,817
Accumulated depreciation	(165,643)	(147,379)
	163,772	175,438
Total property, plant & equipment		
- written down value	3,183,305	3,312,378

VITAL METALS LIMITED
31 DECEMBER 2024

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in carrying amounts

	Software	Plant and Equipment	Motor Vehicles	Fixtures and Fittings	Capital Works in Progress	Total
December 2024	\$	\$	\$	\$	\$	\$
Opening net book value	24,635	2,758,434	353,871	175,438	-	3,312,378
Depreciation Expense	(4,134)	(147,731)	(32,298)	(14,608)	-	(198,770)
Exchange differences	460	59,024	7,270	2,942	-	69,697
Balance at 31 Dec 2024	20,962	2,669,728	328,843	163,772	-	3,183,305
June 2024	\$	\$	\$	\$	\$	\$
Opening net book value	69,552	3,207,969	352,458	246,467	-	3,916,446
Additions	-	-	59,194	5,558	875,617	940,369
Write-offs	-	(2,338)	-	(24,379)	-	(26,717)
Disposals	-	-	-	-	(1,693,112)	(1,693,112)
Depreciation Expense	(43,764)	(355,531)	(86,960)	(46,767)	-	(533,022)
Impairment	-	-	-	-	823,166	823,166
Exchange differences	(1,153)	(91,666)	(10,821)	(5,441)	(5,671)	(114,752)
Balance at 30 Jun 2024	24,635	2,758,434	353,871	175,438	-	3,312,378

The depreciation periods used for each class of depreciable assets are:

Class of fixed asset	Depreciation period
Software	2-3 years
Plant and equipment	2-10 years
Motor vehicles	3 years
Fixtures and fittings	2-40 years

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 7: INVENTORIES

	31 December 2024 \$	30 June 2024 \$
Current	-	460,149
Ore at cost	-	460,149
Total Current Inventories	-	-
Non-Current		
Ore at cost	1,344,132	1,343,478
Consumables	120,689	120,689
Provision for Impairment	(1,494,735)	(1,501,092)
Exchange Differences	29,913	36,925
Total Non-current Inventories	-	-

NOTE 8: RIGHT OF USE ASSET

	31 December 2024 \$	30 June 2024 \$
Land and buildings		
Opening Balance	225,001	360,612
Depreciation	(123,802)	(248,388)
Deconsolidation of VML	-	71,254
Exchange differences	421	41,523
Total Right of use asset	101,620	225,001

Amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

	31 December 2024 \$	31 December 2023 \$
Depreciation Charges		
Land and Buildings – Right of Use Assets	123,802	123,873
Property, plant and equipment	198,770	265,031
Total Depreciation	322,572	388,904

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 9: EXPLORATION AND EVALUATION ASSET

	31 December 2024	30 June 2024
	\$	\$
Opening balance	21,963,673	19,635,566
Exploration expenditure	1,230,980	2,949,997
Exploration expenditure – written-off	(646,507)	-
Exchange differences	521,196	(621,890)
Closing balance	23,069,342	21,963,673
Comprising		
Canada (Nechalacho Rare Earths Project)	23,069,342	21,317,166
Tanzania (Wigu Hill)	-	646,507
Closing balance	23,069,342	21,963,673

NOTE 10: MINE UNDER DEVELOPMENT

	31 December 2024	30 June 2024
	\$	\$
Opening balance	30,440,873	31,407,129
Additions	1,904	64,907
Exchange differences	692,204	(1,051,163)
Closing balance	31,114,981	30,420,873

The Company has considered whether there are any conditions indicating impairment of this asset.

The methodology adopted at 30 June 2024 has been applied at 31 December 2024 with the following key assumptions:

- NdPr price (75% achievement used)	USD90,000/t
- AUD:CAD Exchange Rate	0.89
- AUD/USD Exchange rate	0.62
- Discount rate (pre-tax)	16.5%

Based on this analysis, the directors believe there are currently no grounds for impairment.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 11: GOVERNMENT LOANS

	31 December 2024	30 June 2024
	\$	\$
Current	106,052	103,693
Non-current	396,654	417,246
Total Government loans	<u>502,706</u>	<u>520,939</u>

The loan balance at 31 December 2024 is a loan from the Canadian Northern Economic Development Agency (CanNor). Full details of this loan are set out in the 30 June 2024 Annual Report. This loan is being repaid in accordance with an agreed repayment schedule.

NOTE 12: FINANCIAL LIABILITIES

	31 December 2024	30 June 2024
	\$	\$
Current		
Lease liabilities - current	145,667	304,782
Lease liabilities - non-current	-	4,150
Total Financial liabilities	<u>145,667</u>	<u>308,932</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 13: CHANGES IN EQUITY SECURITIES ON ISSUE

Movements in shares on issue during the half year

	Number of Shares
Beginning of the half year	5,895,066,951
Issued during the half year:	
- Nil	-
Share issue costs during the half year	-
End of the half year	5,895,066,951

Movements in options /performance rights on issue during the half year

	Options/ Performance Rights
Beginning of the half year - Options	795,500,000
Expired during the half year:	
- Options with an expiry date of 9 August 2024	(20,000,000)
- Options with an expiry date of 22 October 2024	(330,000,000)
- Options with an expiry date of 29 November 2024	(200,000,000)
Lapsed during the half year:	
- Options lapsed on 15 July 2024 - unvested	(60,000,000)
Issued during the half year:	
- Options exercisable at \$0.015 and expiring 10 December 2027 ¹	200,000,000
Issued and granted at the End of the half year	385,500,000
Granted but not yet issued	
- Director Options-Sign-on	60,000,000
- Director Options – Incentive	60,000,000
- Director Performance Rights	46,200,000
Total	551,700,000

Notes:

1. These options were granted to an adviser in the prior Financial Year and issued during the current Reporting Period.

VITAL METALS LIMITED
31 DECEMBER 2024

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 14: SHARE BASED PAYMENTS

As at 31 December 2024, Vital Metals Limited has granted the following share-based payments. Set out below are summaries of the options and performance rights granted during the half year:

	31-Dec-24	
	Number of options and performance rights	Weighted average exercise price (\$)
Outstanding at the beginning of the half year	795,500,000	0.027
Expired during the half year	(550,000,000)	(0.023)
Lapsed during the half year	(60,000,000)	(0.0085)
Adviser Options Issued (previously granted) ¹	200,000,000	0.015
Outstanding at half year-end	385,500,000	0.0162
Exercisable at half year-end	365,500,000	
Un-exercisable at half year-end (subject to vesting conditions)	20,000,000	

In addition to the above, the following options and performance rights were granted during the half year, but were not issued:

Director Options-Sign-on	60,000,000
Director Options – Incentive	60,000,000
Director Performance Rights	46,200,000
Total	166,200,000

Note 1 – These options were granted to an adviser in a prior financial period and issued during the current Reporting Period.

The weighted average remaining contractual life of share options outstanding at the end of the half year was 1.54 years (2023: 1.57 years), and the exercise price ranges from 0.0085 cents to 3.0 cents.

The fair value of options granted during the half year ended 31 December 2024 were calculated by using a Black-Scholes pricing model, applying the following inputs.

	Director – Sign-on	Director - Incentive	Director - Performance rights	Adviser Options
Grant dated	21 Nov 2024	21 Nov 2024	21 Nov 2024	21 Nov 2024
Number Issued	60,000,000	60,000,000	46,200,000	200,000,000
Share price at grant date	\$0.002	\$0.002	\$0.002	\$0.002
Exercise price	\$0.0045	\$0.0029	\$Nil	\$0.015
Life of options (years)	4	4	2	3
Vesting Period (years)	1	-	2	-
Expected share price volatility	135%	135%	135%	135%
Weighted average risk free interest rate	4.10%	4.10%	4.11%	4.10%
Fair value per option	\$0.00156	\$0.00164	\$0.002	\$0.00098

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 14: SHARE BASED PAYMENTS (continued)

(b) Amounts arising from share-based payment transactions

Total amounts arising from share-based payment transactions recognised in the profit and loss during the period were as follows:

	December 2024 \$	December 2023 \$
<i>Included in Share-based payments expense</i>		
• Options granted to a director (sign-on) but not issued	10,256	49,698
• Options granted to a director (incentive) but not issued	98,475	49,698
• Performance Rights granted to a director but not issued	5,063	49,698
• Options issued to employees and consultants (vesting)	137,013	167,293
• Options issued to employee (vested)	-	23,810
	<hr/> 250,807	<hr/> 240,801
<i>Included in Finance and loan expenses</i>		
• Options issued to Lenders (vested)	-	510,883
Total Share-based payments expense included in the profit and loss	<hr/> 250,807	<hr/> 751,684

Total amounts arising from share-based payment transactions recognised as share issue expenses and included as part of net Share Capital during the period were as follows:

• Options issued to Corporate Adviser (no vesting conditions) ¹	(880,011)	883,627
	<hr/> (880,011)	<hr/> 883,627
Total amounts recorded relating to share-based payments reserve	<hr/> (629,204)	<hr/> 1,635,311

Note:

- These options were granted to an adviser in the prior Financial Year and issued during the current Reporting Period.

VITAL METALS LIMITED
31 DECEMBER 2024

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 15: COMMITMENTS AND CONTINGENCIES

Capital commitments

The Group has capital commitments of \$Nil due in the next 12 months (30 June 2024: \$Nil).

Expenditure Commitments

The group has the following expenditure commitments relating to exploration licences:

	December 2024	December 2023
Due within 1 year	28,088	-
Due more than 1 year and less than 5 years	14,044	-
Due more than 5 years	-	-

Contingencies

Other than as reported in the 2024 Financial Report, the Group has no further contingencies to report other than to note that during the half year it settled the outstanding legal action.

NOTE 16: DISCONTINUED OPERATIONS

Discontinued operations disclosures relate to former subsidiary Vital Metals Canada Limited (VMCL) which was discontinued during the 2024 Financial Year. There is no impact of discontinued operations in the reporting period. Refer to the 2024 Financial Report for full disclosures.

NOTE 17: RELATED PARTY TRANSACTIONS

On 21 November 2024, the Company granted the following to KMP, Lisa Riley (Managing Director), however these have not issued as at the Reporting date:

	Sign-On Options	Incentive Options	Performance Rights
Number	60,000,000	60,000,000	46,200,000
Term	4 years ¹	4 years ¹	2 years
Exercise Price	\$0.0045	\$0.0029	NIL
Vesting Term	12 months after issue	Nil	2 years
Vesting Conditions	Continuing employment to vesting date	N/a	Completion of a positive Pre-Feasibility Study on the Tardiff Deposit at the Company's Nechalacho Rare Earths Project within 2 years from the date of issue

Notes:

1. Term is 4 years subject to continuous employment. In the event employment ceases, the expiry date is brought forward to be 30 days after the termination date.

In addition, Ms Riley's employment agreement provides for a further C\$60,000 (A\$67,250) in the form of share-based payments, subject to shareholder approval.

There have been no other material changes in related party transactions since 30 June 2024.

VITAL METALS LIMITED
31 DECEMBER 2024

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTE 18: EVENTS OCCURING AFTER THE REPORTING PERIOD

On 13 March 2025, the Company reached agreement for the issue of a \$1,000,000 Convertible Loan ("Loan") with a shareholder. This Loan has a term of 12 months and an interest rate of 12% p.a. The Loan and any interest may be converted into shares in the Company at an issue price of \$0.002 per share. As part of the Loan, the Company has agreed to issue 280 million options with an expiry date that is 18 months from the date of issue and an exercise price of \$0.004 to the Lender.

Other than as noted above, there has not been any matter or circumstance that has arisen since the end of the half-year, that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

VITAL METALS LIMITED
31 DECEMBER 2024
DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 9 to 25 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Vital Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Richard Crookes

Chairman

Sydney, 13 March 2025

VITAL METALS LIMITED
ABN 32 112 032 596
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF VITAL METALS LIMITED

Conclusion

We have reviewed the half-year financial report of Vital Metals Limited (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including material accounting policy information, other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the group's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the group incurred a net loss from continuing operations of \$2,003,269 and had net cash outflows from operating and investing activities of \$1,518,917 during the half-year ended 31 December 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9	Level 4	Level 1	Level 14	Level 11	Level 40
50 Pirie Street	240 Queen Street	48-50 Smith Street	440 Collins Street	77 St Georges Tce	2 Park Street
Adelaide SA 5000	Brisbane QLD 4000	Darwin NT 0800	Melbourne VIC 3000	Perth WA 6000	Sydney NSW 2000
+61 8 7093 8283	+61 7 2111 7000	+61 8 8943 0645	+61 3 9820 6400	+61 8 6557 6200	+61 2 9263 2600

Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352

www.hallchadwick.com.au



PrimeGlobal

The Association of Advisory
and Accounting Firms

VITAL METALS LIMITED
ABN 32 112 032 596
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF VITAL METALS LIMITED

Auditor's Responsibility for the Review of the Financial Report

ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 13 March 2025