

**Vital Metals Limited**ASX Code: **VML**

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Email: [vital@vitalmetals.com.au](mailto:vital@vitalmetals.com.au)[www.vitalmetals.com.au](http://www.vitalmetals.com.au)**Capital Structure**

311 million shares

80 million unlisted options

**Board & Management**David Macoboy  
ChairmanMark Strizek  
CEO and Managing DirectorPeter Cordin  
Non-Executive DirectorAndrew Simpson  
Non-Executive DirectorIan Hobson  
Company Secretary**For further information:****Investors:**Mark Strizek  
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## MACQUARIE SUPPORTS VITAL WITH EXTENSION OF \$3M CONVERTIBLE LOAN FACILITY

*Roll-over of existing funding represents strong vote of confidence in tungsten development strategy***Key Points**

- **Agreement reached with Macquarie Bank Limited to amend and extend the terms of \$3 million Convertible Loan Facility by one year to 30 June 2016.**
- **Conversion into fully paid shares of \$250,000 convertible note held by Sedgman Limited.**

Australian tungsten developer Vital Metals Limited (ASX: VML) is pleased to advise that it has reached agreement with Macquarie Bank Limited ("Macquarie") to amend and extend the terms of its \$3 million Convertible Loan Facility by one year to 30 June 2016.

The original facility, which was secured in July 2012 to provide funding for the Feasibility Study on Vital's flagship 70%-owned **Watershed Tungsten Project** in North Queensland, was previously extended for one year in May 2014.

Vital completed the Watershed Feasibility Study in September last year, paving the way for financing and development of the Watershed Project.

Key terms of the revised facility agreement include; an interest rate of 7% over the bank bill swap rate, with interest capitalised at Vital's election. Vital to issue Macquarie 68,181,818 options with an exercise price of 4.4 cents (subject to shareholder approval). The exercise price of the options was set at 120% of the 20-day VWAP.

Vital's Managing Director, Mark Strizek, said the agreement with Macquarie to roll-over the convertible note for a further year represented a very positive outcome for the Company and its shareholders.

"This gives us time to realise the substantial value of this project by bringing in a partner and commencing development. I would like to thank Macquarie for their ongoing support of Vital and our goal to develop Watershed into a major supplier of tungsten concentrates that are used to create technology metals vital for modern industry," he said."

“At this time we are also seeing the global competitiveness of Australian resource projects such as Watershed being enhanced by a combination of lower Australian costs and a relatively healthy Australian tungsten price,” he added.

Vital has also provided notice to Sedgman Limited (Sedgman) of the conversion of its \$250,000 convertible note into 6,762,075 ordinary shares at 3.7 cents per share. The pricing of the new shares was determined using a conversion price based on a 30-day VWAP less a 5% discount.

Resolution of these matters should assist JOGMEC with their negotiations with Japanese corporations seeking to acquire JOGMEC’s stake in Watershed.

As previously advised, it is expected a Japanese company will replace JOGMEC as the joint venture partner and it is anticipated that they will be able to provide Vital with assistance in securing project financing and off-take.

Vital remains confident that JOGMEC will successfully secure a strategic partner for Vital that is able to assist with the development of the Watershed Tungsten Project.

“Watershed is a development-ready project with the potential to be a company-maker generating very attractive returns for our shareholders and joint venture partners alike,” Mr Strizek added.

For further details, refer to the Company’s website, [www.vitalmetals.com.au](http://www.vitalmetals.com.au):

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## ABOUT VITAL METALS

Vital Metals Limited (**ASX: VML**) is an explorer and developer, focused on progressing three highly prospective mineral Projects: the advanced Watershed Tungsten Project in far north Queensland, Australia, the Aue Tungsten Project in Saxony, Germany and the Doulunia Gold Project in southern Burkina Faso, West Africa.

### Watershed Tungsten Project – Queensland

The Watershed scheelite (calcium tungstate) Project, in far north Queensland, 150 kilometres north-west of Cairns, is the Company's flagship venture. Vital entered into a formal Earn-In Agreement with JOGMEC (Japan Oil, Gas and Metals National Corporation) where JOGMEC has earned 30% of the Project for \$5.4M (valuing the Project at the time of the farm-in at \$18M). The funds have been used to complete the Definitive Feasibility Study (DFS).

### Aue Tungsten Project – Germany

The Aue Tungsten Project (100% Vital) is located in the western Erzgebirge area of the German state of Saxony. The permit, comprising an area of 78 sq. km is located in the heart of one of Europe's most famous mining regions, being surrounded by several world class mineral fields. Historical mining and intensive exploration work carried out between from the 1940's and 1980's showed high prospectivity of the Aue permit area for tungsten, tin, uranium and silver mineralisation.

### Doulunia Gold Project – Burkina Faso

The Doulunia Gold Project (100% Vital) is located in southern Burkina Faso. The Project is made up of three contiguous permits; the Doulunia, Kampala and Zeko exploration permits. The Project is located in highly prospective Birimian Greenstone terrain with over 400 sq. km of contiguous tenements lying on the trend of the Markoye Fault Corridor and the Bole shear zone and hosting the Kollo Gold Project and Boungou South Gold Prospect.

### About JOGMEC

Japan Oil, Gas and Metals National Corporation (JOGMEC) were established in 2004. JOGMEC is Government owned and integrates the functions of the former Japan National Oil Corporation, which was in charge of securing a stable supply of oil and natural gas and the former Metal Mining Agency of Japan, which was in charge of ensuring a stable supply of nonferrous metal and mineral resources and implementing mine pollution control measures. It has an annual budget of around 1,600 billion yen (\$18B) and provides financial assistance, technology development and technical support to Japanese companies and their foreign subsidiaries.

