

# Form 603

Corporations Act 2001  
Section 671B

## Notice of initial substantial holder

To Company Name/Scheme Vital Metals Limited

ACN/ARSN ACN 112 032 596

### 1. Details of substantial holder (1)

Name Lionhead Resources I B.V. ("Lionhead") and Lionhead Resources Fund I LP, Lionhead Resources Fund I GP Limited, Lionhead Resources Limited, Lionhead Resources Advisors Limited, LHR CICI I GP Limited, LHR CII LP, LHR Co-Invest I LP, and LHR Investments Coöperatief U.A. ("Other Lionhead Parties")

ACN/ARSN (if applicable) Not applicable

The holder became a substantial holder on 10 / 08 / 2022

### 2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	667,620,770	667,620,770	12.8%

### 3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Lionhead Resources I B.V.	Relevant interest under section 608(1) of the Corporations Act 2001 (Cth) ("Corporations Act") as holder of the securities	667,620,770 fully paid ordinary shares
Other Lionhead Parties	Relevant interest pursuant to section 608(3) of the Corporations Act	667,620,770 fully paid ordinary shares

### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Lionhead	Lionhead	Lionhead	667,620,770 fully paid ordinary shares

### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-Cash	
Lionhead	10 August 2022	A\$0.040 per share	Nil	667,620,770 fully paid ordinary shares

### 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Other Lionhead Parties	The persons are associates by virtue of section 12(2) of the Corporations Act

## 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Lionhead Resources I B.V.	Zuidplein 126, WTC Toren H, 15e, 1077XV Amsterdam
Lionhead Resources Fund I LP	North Suite 2, Town Mills, Rue du Pre, St Peter Port, Guernsey, GY1 1LT
Lionhead Resources Fund I GP Limited	
Lionhead Resources Limited	North Suite 2, Town Mills, Rue du Pre, St Peter Port, Guernsey, GY1 1LT
Lionhead Resources Advisors Limited	10 Orange Street Haymarket, London, United Kingdom, WC2H 7DQ
LHR CICI I GP Limited	North Suite 2, Town Mills, Rue du Pre, St Peter Port, Guernsey, GY1 1LT
LHR CII LP	North Suite 2, Town Mills, Rue du Pre, St Peter Port, Guernsey, GY1 1LT
LHR Co-Invest I LP	North Suite 2, Town Mills, Rue du Pre, St Peter Port, Guernsey, GY1 1LT
LHR Investments Cooperatief U.A.	Zuidplein 126, WTC Toren H, 15e, 1077XV Amsterdam

## Signature

print name **Samantha Gervaise-Brazier**

capacity **Director**

sign here



date 11 / 08 / 2022

## DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

**Annexure "A"**

**THIS IS ANNEXURE "A" OF 35 PAGES (INCLUDING THIS PAGE) REFERRED TO IN FORM 603 'NOTICE OF INITIAL SUBSTANTIAL HOLDER'.**

**SIGNATURE ON BEHALF OF LIONHEAD RESOURCES FUND I LP ACTING BY ITS GENERAL PARTNER LIONHEAD RESOURCES FUND I GP LIMITED:**



*sign here*  
*print name* Samantha Gervaise-Brazier

*capacity* Director  
*date* 11/08/2022

# Equity Subscription Agreement

Dated 27 July 2022

Lionhead Resources Fund I LP (“**LHR**”)  
Vital Metals Ltd (ACN 112 032 596) (“**VML**”)

**King & Wood Malleons**

Level 61  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia  
T +61 2 9296 2000  
F +61 2 9296 3999  
DX 113 Sydney  
[www.kwm.com](http://www.kwm.com)

# Equity Subscription Agreement

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# Equity Subscription Agreement

## Details

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<b>Parties</b>	LHR and VML	
<b>LHR</b>	Name	<b>Lionhead Resources Fund I LP</b>
	Address	North Suite 2, Town Mills Rue du Pre, St Peter Port Guernsey, GY1 1LT
	Telephone	
	Email	
	Attention	The Directors
<b>VML</b>	Name	<b>Vital Metals Ltd</b>
	ACN	112 032 596
	Address	Level 5, 56 Pitt St Sydney NSW 2000
	Telephone	
	Email	
	Attention	Company Secretary
<b>Governing law</b>	New South Wales	
<b>Date of agreement</b>	See signing page	

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# Equity Subscription Agreement

## General terms

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### 1 Interpretation

#### 1.1 Definitions

These meanings apply unless the contrary intention appears:

**Affiliate** means in respect of a person ("**Primary Person**"):

- (a) a person Controlled directly or indirectly by the Primary Person, including the Subsidiaries of the Primary Person;
- (b) a person Controlling directly or indirectly the Primary Person;
- (c) a person directly or indirectly Controlled by a person who Controls the Primary Person (whether alone or with another person or persons);
- (d) a person directly or indirectly under the common Control of the Primary Person and another person or persons; or
- (e) where the Primary Person is an individual:
  - (i) a trust which the Primary Person controls (either alone or with their spouse) or where all the beneficiaries are the Primary Person and/or their spouse;
  - (ii) a relative or spouse of the Primary Person; or
  - (iii) a self-managed superannuation fund for the Primary Person, the trustee of which is the Primary Person, the Primary Person and a spouse of the Primary Person, or a company controlled directly or indirectly by the Primary Person.

**Annual Report** means VML's annual report for the financial year ended 30 June 2021 lodged with ASX on 21 October 2021.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691).

**ASX Listing Rules** means the listing rules of ASX.

**Authorised Officer** means a director or secretary of a party or any other person appointed by a party to act as an Authorised Officer for the purposes of this document.

**Balance Date** means 30 June 2021.

**Balance of the Placement** means binding commitments for subscription proceeds of at least A\$15,000,000 and no more than A\$20,000,000, received by the Company after the date of this document (excluding the aggregate Subscription Price).

**Board** means the board of Directors of VML.

**Business Day** means a day other than a Saturday, Sunday or public holiday in Sydney, Australia and the Guernsey.

**Claim** means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

**Completion** means, in respect of a Tranche, the completion of the issue of Subscription Shares in accordance with clause 4.

**Completion Date** means:

- (a) in respect of the Tranche 1 Subscription Shares, the date which is 7 ASX trading days after the date on which the Condition Precedent in clause 3.1 is satisfied or waived; and
- (b) in respect of the Tranche 2 Subscription Shares, the date which is 5 Business Days after the date on which the last of the Conditions Precedent in clause 3.2 are satisfied or waived,

or any other date agreed in writing by VML and LHR.

**Conditions Precedent** means the conditions precedent set out in clause 3.1 and 3.2 ("Conditions Precedent").

**Confidential Information** means all Information exchanged between the parties before, on or after the date of this document including:

- (a) information which, either orally or in writing is designated or indicated as being the proprietary or confidential information of a party or any of its Related Bodies Corporate;
- (b) information derived or produced partly or wholly from the Information including any calculation, conclusion, summary or computer modelling;

whether the Information was disclosed:

- (a) orally, in writing or in electronic or machine readable form;
- (b) before, on or after the date of this document;
- (c) as a result of discussions between the parties concerning or arising out of the subscription for Subscription Shares; or
- (d) by a party or any of its Representatives, any of its Related Bodies Corporate, any Representatives of its Related Bodies Corporate or by any third person.

**Confidentiality Agreement** means the confidentiality agreement dated on or about 23 November 2020 between VML and Lionhead Capital Advisors Proprietary Limited.

**Constitution** means the constitution of VML.

**Control** means, with respect to any person other than an individual, the possession, directly or indirectly, of the power to:

- (a) determine the financial or operating policies of the person;
- (b) control the membership of the board or other governing body of the person; or

- (c) control the casting of more than one half of the maximum number of votes that may be cast at a general meeting of the person,

regardless of whether the power is in writing or not, expressed or implied, formal or informal or arises by means of trusts, agreements, arrangements, understandings, practices or otherwise and, solely for the purposes of this document:

- (a) a general partner is deemed to Control a limited partnership of which it is the general partner;
- (b) a fund advised or managed directly or indirectly by a person will also be deemed to be Controlled by such person; and
- (c) in respect of LHR, will also include any fund, account, client, limited partnership or other collective investment vehicle or other person which is managed or advised by it (as applicable); and
- (d) a person will also be taken to "Control" a trust if:
- (i) the person is the sole trustee of the trust;
  - (ii) the composition of the board of directors of any corporate trustee of the trust is or can be determined by the person (either alone or with its Affiliates);
  - (iii) the person holds or owns (either alone or with its Affiliates) and whether directly or indirectly:
  - (iv) the majority of the issued voting shares of any corporate trustee of the trust;
    - (A) the majority of the issued voting shares of the ultimate Controlling entity of any corporate trustee of the trust; or
    - (B) the majority of the units, securities or other rights granted by the trust entitling holders to distributions from the trust; or
    - (C) the person has the power to appoint the trustees or beneficiaries of the trust,

and **Controlled** and **Controlling** have a corresponding meaning.

**Controller** has the meaning it has in the Corporations Act.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Costs** includes all costs, charges and expenses incurred in connection with advisers.

**Details** means the section of this document headed "Details".

**Director** means a director of VML.

**Dispute** includes any dispute, controversy, difference or claim arising out of or in connection with this document or the subject matter of any of this document, including any question concerning their formation, validity, interpretation, performance, breach and termination.

**Encumbrance** means:

- (a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power, title retention or flawed deposit arrangement; or
- (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or
- (c) right that a person (other than the owner) has to remove something from land (known as a profit à pendre), easement, public right of way, restrictive or positive covenant, lease or licence to use or occupy;
- (d) any "security interest" as defined in sections 12(1) or (2) of the Personal Properties Securities Act 2009 (Cwth); or
- (e) third party right or interest or any right arising as consequence of the enforcement of a judgment,

or any agreement to create any of them or allow them to exist.

**Equity Offer** means an issue by VML of any Equity Securities, excluding:

- (a) Equity Securities issued under an employee incentive scheme pursuant to and in accordance with ASIC Class Order 14/1000 (or any variation or replacement of that class order) or other employee, director, officer or consultant incentive arrangement;
- (b) the exercise or conversion of any Equity Securities on issue as at the date of this document;
- (c) issues of Equity Securities to LHR or an Affiliate of LHR; or
- (d) pursuant to an agreement, arrangement or understanding disclosed by VML to the ASX in relation to the acquisition of any asset, business or company for scrip consideration.

**Equity Securities** has the meaning given to that term in the ASX Listing Rules.

**Excluded Information** means Confidential Information which:

- (a) is in or becomes part of the public domain other than through breach of this document or an obligation of confidence owed to a party or any Related Body Corporate of a party;
- (b) the party receiving the Confidential Information can prove by contemporaneous written documentation was already known to it at the time of disclosure by a party or its Related Bodies Corporate or Representatives (unless such knowledge arose from disclosure of information in breach of an obligation of confidentiality);
- (c) the party receiving the Confidential Information acquires from a source other than the party disclosing the Confidential Information or any Related Body Corporate or Representative of that party where such source is entitled to disclose it.

**FATA** means the *Foreign Acquisitions and Takeovers Act 1975* (Cth) and the *Foreign Acquisitions and Takeovers Regulation 2015* (Cth).

**Government Agency** means any government, governmental, semi-governmental, administrative, fiscal, judicial or quasi judicial body, department, commission, authority, tribunal, agency or entity.

**Group** means VML and its Subsidiaries from time to time.

**Group Member** means any member of the Group.

**Immediately Available Funds** means cash, bank cheque or telegraphic or other electronic means of transfer of cleared funds into a bank account in clear funds without deduction, set off or counter-claim unless authorised by the terms of this document.

**Information** means all information, regardless of its material form, relating to or developed in connection with:

- (a) the business, technology or other affairs of a party or any Related Body Corporate of a party; or
- (b) any systems, technology, ideas, concepts, know-how, techniques, designs, specifications, blueprints, tracings, diagrams, models, functions, capabilities and designs (including computer software, manufacturing processes or other information embodied in drawings or specifications), intellectual property or any other information which is marked "confidential" or is otherwise indicated to be subject to an obligation of confidence owned or used by or licensed to a party or a Related Body Corporate of a party.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- (b) is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to its property; or
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this document); or
- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this document reasonably deduces it is so subject); or
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

**Nechalacho Project** means the Nechalacho Rare Earths Project in Yellowknife, Northwest Territories, Canada.

**North T Project** means the deposit within the Nechalacho Project known as the 'North T deposit' held under mining lease NT3179, including all renewals thereof or replacement or substitute mineral tenures.

**Official Quotation** means quotation by ASX.

**Participation Right** has the meaning given in clause 7.1.

**Related Body Corporate** has the meaning it has in the Corporations Act.

**Relevant Interest** has the meaning given in sections 608 and 609 of the Corporations Act.

**Relevant Period** has the meaning given in clause 5.1(a).

**Representative** of a party includes an Affiliate, employee, agent, officer, director, auditor, adviser, partner, associate, consultant, joint-venturer, contractor or sub-contractor of that party or of an Affiliate of that party.

**Revenue Authority** means any person or agency authorised by law to impose, collect or otherwise administer any Tax.

**Securities** means Shares or securities which are convertible into Shares, any options to subscribe for any such Shares or convertible securities or instruments, warrants, options or other arrangements which would lead to VML issuing Shares to the holder of the relevant security or arrangement (or any other person).

**Share** means a fully paid ordinary share in the capital of VML.

**Subscription Amount** means A\$30,000,000;

**Subscription Price** means the price payable for each Subscription Share, being the lower of:

- (a) A\$0.045; or
- (b) the lowest price per share received by VML for the issue of shares to raise the Balance of the Placement.

**Subscription Shares** means the Tranche 1 Subscription Shares and Tranche 2 Subscription Shares, together being that number of Shares as are required to be issued by VML at the Subscription Price to LHR in respect of the Subscription Amount.

**Subsidiary** has the meaning given in the Corporations Act.

**Tax** means taxes, duties, fees, rates, charges and imposts of all kinds assessed, levied or imposed by the Commonwealth, a state or any other government, regional, municipal or local authority (Australian or overseas) and includes capital gains tax, fringe benefits tax, income tax, prescribed payments tax, superannuation guarantee charge, PAY withholding, undistributed profits tax, payroll tax, GST, group tax, land tax, import duty, excise, stamp duty, municipal and water rates, withholdings of any nature whatever imposed by a Governmental Agency, interest on tax payments and additional tax by way of penalty.

**Tranche** means the Tranche 1 Subscription Shares and/or the Tranche 2 Subscription Shares as the context requires.

**Tranche 1 Subscription Amount** means the Australian dollar amount equal to the Subscription Price multiplied by the total number of Tranche 1 Subscription

Shares.

**Tranche 1 Subscription Shares** means that number of Shares that VML may issue without shareholder approval under its available capacity under ASX Listing Rules 7.1 and 7.1A, such capacity remaining following deduction of the number of Shares forming the Balance of the Placement.

**Tranche 2 Subscription Amount** means the Australian dollar amount equal to the Subscription Price multiplied by the total number of Tranche 2 Subscription Shares.

**Tranche 2 Subscription Shares** means that number of Shares equal to the Subscription Shares less the Tranche 1 Subscription Shares.

**Warranties** means the warranties, undertakings and representations set out in schedule 1 ("**Warranties**") and Warranty has a corresponding meaning.

## 1.2 References to certain general terms

Unless the contrary intention appears, a reference in this document to:

- (a) **(variations or replacement)** a document (including this document) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this document;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, joint venture, an unincorporated body or association or any Government Agency;
- (g) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (h) **(jointly and individually)** an agreement, representation or warranty by two or more persons binds them jointly and each of them individually;
- (i) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (j) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (k) **(reference to a group of persons)** a group of persons or things is a reference to any two or more of them jointly and to each of them individually;

- (l) **(meaning not limited)** the words “include”, “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (m) **(time of day)** to time is a reference to Sydney time;
- (n) **(reference to any thing)** any thing (including any amount) is a reference to the whole and each part of it; and
- (o) **(dollars)** Australian dollars, dollars, \$, A\$ or AUD is a reference to the lawful currency of Australia.

### 1.3 Next Business Day

If an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

### 1.4 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this document.

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## 2 Subscription

### 2.1 Issue and subscription of shares

VML agrees to issue and allot and LHR agrees to subscribe for Subscription Shares and pay VML the Subscription Price on the terms and conditions of this document.

### 2.2 Agreement to serve as application

This document serves as an application by LHR for the allotment of the Subscription Shares on the relevant Completion Date and accordingly it will not be necessary for LHR to provide a separate (additional) application on or prior to the relevant Completion Date. LHR consents to become a member of VML and agrees to be bound by the Constitution of VML upon the issue of the Subscription Shares.

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## 3 Conditions Precedent

### 3.1 Condition Precedent to issue of Tranche 1 Subscription Shares

Completion of the Tranche 1 Subscription Shares is conditional on VML receiving the Balance of the Placement unconditional (other than for a condition that this agreement to issue the Tranche 1 Subscription Shares is unconditional) and the Board providing written confirmation to that effect to LHR.

### 3.2 Conditions Precedent to issue of Tranche 2 Subscription Shares

Completion of the Tranche 2 Subscription Shares is conditional on:

- (a) **(Tranche 1 Subscription Completion)** Completion of the issue of the Tranche 1 Subscription Shares; and
- (b) **(VML shareholder approval)** a duly convened general meeting of VML having approved the issue and allotment of the Tranche 2 Subscription Shares to LHR by the requisite majorities under Listing Rule 7.1 and otherwise in accordance with the Corporations Act and the ASX Listing Rules.

### **3.3 Members approval**

In connection with satisfying the Condition Precedent in clause 3.2(b), VML will:

- (a) procure that each member of the Board announces their unconditional intention to vote their or their associate's or Affiliate's Shares, and publicly recommends and continues to recommend that the shareholders of VML vote, in favour of the required resolution;
- (b) prepare a notice of meeting to seek the approval of the shareholders of VML for the purposes of the Condition Precedent in clause 3.2(b), and:
  - (i) consult in good faith with LHR in relation to the form and content of the resolution and the notice of meeting; and
  - (ii) ensure that the notice includes a unanimous recommendation by the Board that shareholders vote in favour of the required resolution, and otherwise complies with the ASX Listing Rules and applicable law; and
- (c) convene a general meeting and dispatch the notice of meeting to its shareholders, and conduct the general meeting, in each case in compliance with the ASX Listing Rules, Corporations Act and applicable law,

in each case as soon as reasonably practicable following the date of this document.

### **3.4 VML Directors' intentions**

VML represents and warrants to LHR that each Director has informed VML prior to entry into this document that the director, and/or their respective associates and Affiliates agree to VML disclosing their intention in clause 3.3(a) to the ASX, which VML undertakes to do on the date the transaction the subject of this document is announced.

### **3.5 Reasonable endeavours**

Each party must use its reasonable endeavours to obtain the satisfaction of the Conditions Precedent, including procuring performance by a third party. Each party must keep each other informed of any circumstances which may result in any Condition Precedent not being satisfied in accordance with its terms.

### **3.6 Benefit of Conditions Precedent and termination**

- (a) All of the Conditions Precedent (other than the Condition Precedent in clause 3.2(b) which cannot be waived) are for the benefit of LHR and can only be waived by LHR in writing (either unconditionally or on conditions LHR considers fit).
- (b) If the Condition Precedent in clause 3.1 is not fulfilled or waived by the date that is 14 days after the date of this agreement (or such other date agreed by the parties), then LHR may at any time before Completion, subject to LHR having complied with clause 3.5 ("Reasonable endeavours"), terminate this document by written notice to VML.
- (c) If the Conditions Precedent in clause 3.2 are not fulfilled by 30 November 2022 (or such other date agreed by the parties), then LHR may at any time before Completion, subject to LHR having complied with clause 3.5 ("Reasonable endeavours"), terminate this document by written notice to VML.

### 3.7 Effect of termination

If this document is terminated under clause 3.6 (“Benefit of Conditions Precedent and termination”) then, in addition to any other rights, powers or remedies provided by law:

- (a) each party is released from its obligations under this document other than in relation to clause 11 (“Costs and duty”) and clause 12 (“Confidentiality”); and
- (b) each party retains the rights it has against any other party in connection with any breach or claim that has arisen before termination.

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## 4 Completion

### 4.1 Time and place of Completion

Completion for each Tranche will take place on Completion Date at the offices of King & Wood Mallesons, Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney NSW or any other time and place agreed by VML and LHR.

### 4.2 Use of proceeds

VML acknowledges that the proceeds from Completion must primarily be used to finance the agreed uses of capital related to development of the Nechalacho Project and VML’s working capital requirements or as otherwise approved by the Board.

### 4.3 LHR’s obligations at Completion

At Completion of a Tranche, LHR will pay the Tranche 1 Subscription Amount or the Tranche 2 Subscription Amount (as applicable) to VML in immediately available funds.

### 4.4 VML’s obligations at Completion

At Completion of a Tranche, VML will:

- (a) issue Subscription Shares comprising the applicable Tranche to LHR (or a nominee of LHR); and
- (b) register LHR (or a nominee of LHR) as the holder of the applicable Tranche of Subscription Shares.

### 4.5 VML’s obligations after Completion

On the Completion Date of a Tranche, VML must:

- (a) **(quotation)** apply for and use its best endeavours to obtain Official Quotation of Subscription Shares by ASX;
- (b) **(holding statement)** deliver to LHR the holding statement for Subscription Shares; and
- (c) **(re-sale disclosure)** provide ASX with a notice in relation to the Subscription Shares in accordance with section 708A(5)(e) of the Corporations Act which complies with section 708A(6) of the Corporations Act, or if it is unable to provide such a notice (in respect of Tranche 2 Subscription Shares only), lodge a disclosure document with ASIC and ASX pursuant to section 708A(11)(b)(i) of the Corporations Act.

#### **4.6 Director appointment**

As soon as practical following Tranche 1 Completion or Tranche 2 Completion (if relevant), VML must deliver evidence to the reasonable satisfaction of LHR that the people nominated by LHR have been appointed to the Board with effect from Completion pursuant to clause 5.1 of this document and VML's constitution.

#### **4.7 Simultaneous actions at Completion**

In respect of Completion of a Tranche:

- (a) the obligations of the parties under this document are interdependent; and
- (b) all actions required to be performed will be taken to have occurred simultaneously on the Completion Date.

#### **4.8 Acknowledgements**

LHR acknowledges and agrees that:

- (a) subject to clause 4.5(c), no disclosure document of any kind will be lodged in connection with the offer or issue of the Subscription Shares;
- (b) this document does not constitute financial product advice and that VML has not had regard to LHR's particular objectives, financial situation and needs;
- (c) holding Securities involves a degree of risk and that the Subscription Shares are, therefore, a speculative investment;
- (d) except for any liability which cannot by law be excluded or to the extent set out in this document, none of VML nor any Representative of VML accepts any responsibility in relation to the issue of the Subscription Shares;
- (e) it has made and relied upon its own due diligence assessment of an investment in Shares;
- (f) it has not relied on any forecasts, projections, opinions of future performance or other statements relating to VML; and
- (g) it has not relied upon any representation made by VML or any of its Representatives, except the Warranties.

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## **5 Board representation**

### **5.1 LHR appointment right**

- (a) During the period commencing on Completion and continuing for so long as LHR (together with its Affiliates) has:
  - (i) a Relevant Interest in the lower of 10% of the Shares on issue from time to time and the proportion the Tranche 1 Subscription Shares bear to the issued share capital in VML on the Completion Date (and if the Tranche 2 Subscription Shares are issued, the aggregate the Subscription Shares bear to the then issued capital of VML), LHR will have the right to appoint 2 nominees to the Board; and

- (ii) a Relevant Interest in at least 5% but less than the proportion of the Shares as determined in 5.1(a)(i), LHR will have the right to appoint 1 nominee to the Board,

(each a “**Relevant Period**”), and VML will take all reasonable endeavours, subject to VML receiving a signed consent to act from the LHR nominated Director/s, to cause such person (or persons) to be appointed as a Director (or Directors).

- (b) For the purposes of clause 5.1(a), LHR’s right to appoint its nominees to the Board will not be forfeited if VML issues Shares without offering LHR to subscribe for additional Shares in accordance with clause 7.
- (c) Such nominee(s) shall:
  - (i) be remunerated in accordance with the Board’s remuneration policies (as amended from time to time);
  - (ii) be entitled to the directors’ and officers’ liability run-off insurance policy of the Company at the Company’s cost; and
  - (iii) satisfy any requirements of VML’s corporate governance policies that are applicable to all the members of the VML Board, the ASX and the Corporations Act for directors (other than being ordinarily resident in Australia) prior to their appointment.
- (d) Subject to any applicable laws and an information sharing protocol to be agreed which would apply to all the Directors, the director nominated by LHR under this clause 5.1 may provide LHR with any information acquired by that director in his or her capacity as an officer of VML (such information to be maintained by LHR in accordance with the confidentiality obligations in clause 12).

## **5.2 LHR appointment rights generally**

- (a) After the appointment of the LHR nominated Director(s) in accordance with clause 5.1, the VML Board must:
  - (i) ensure that the LHR nominated Directors are proposed for election as Directors at the next general meeting of VML’s shareholders convened after the appointment;
  - (ii) recommend the election of the LHR nominated Directors to VML’s shareholders at the general meeting referred to in clause 5.2(a)(i) and do all things as may be reasonably necessary or expedient on its part to ensure that such resolution is passed by the requisite majority; and
  - (iii) if the resolutions to elect the LHR nominated Directors are not approved by shareholders at any general meeting of the Company, re-comply with clauses 5.2(a)(i) and (ii) as many times as required during the Relevant Period until such election is made and the LHR nominated Directors are appointed to the VML Board.
- (b) For the avoidance of doubt:
  - (i) each LHR nominated Director shall have the right to appoint an alternate Director (subject to compliance with VML’s constitution provided that if a majority of directors do not approve the

appointment of any alternative director under this clause the provisions of clause 5.2(b)(ii) will apply);

- (ii) VML must (to the extent permitted by law, the ASX Listing Rules and the fiduciary duties of the Directors), continue to take all necessary steps to procure that the LHR Directors are appointed to the VML Board during the Relevant Period; and
- (iii) LHR's right to make the election under clause 5.1:
  - (A) may be made at any time during the Relevant Period in respect of clause 5.1;
  - (B) does not merge on Completion; and
  - (C) does not cease after either the first nomination to appoint the LHR nominated Directors or if any resolution to elect any LHR nominated Director is not approved by shareholders at any general meeting of the Company.
- (c) If LHR's Relevant Interest in Shares falls below the proportion of the Shares as determined in 5.1(a)(i)
  - (i) the right to nominate two Directors under clause 5.1(a)(i) ceases; and
  - (ii) LHR must procure the resignation of one of the Directors that was previously appointed in accordance with clause 5.1(a)(i) no later than three Business Days after the date LHR ceases to hold the required Relevant Interest in Shares.
- (d) If LHR's Relevant Interest in Shares falls below 5%:
  - (i) the right to nominate a Director under clause 5.1(a)(ii) ceases; and
  - (ii) LHR must obtain the resignation of the Director or Directors that were previously appointed in accordance with clause 5.1(a)(i) or 5.1(a)(ii) no later than three Business Days after the date LHR ceases to hold a Relevant Interest in Shares of at least 5%.

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## **6 Technical Advisory Committee**

### **6.1 Formation of Technical Advisory Committee**

- (a) Within 20 business days of Tranche 1 Completion, VML will ensure that a 'Technical Advisory Committee' ("TAC") is formed by the Board to, amongst other things, establish to provide guidance to the Company in respect of all aspects (including technical, financial, permitting, ESG and stakeholder engagement) that directly or indirectly affect the Company or its assets.
- (b) The TAC shall comprise no more than 6 members, 33% or 2 representative members, whichever is the lower, shall be appointed by LHR, with the remainder of the representative members to be appointed by the VML Board with one of its representative members to be VML's managing director or equivalent, who shall act as chairman of the TAC. Members of the TAC will receive all substantial reports produced by VML, including its monthly and quarterly management reports, annual budgets and cashflow projections.

## 6.2 Role and Power of the Technical Advisory Committee

The parties agree to use their best endeavours to document, within 20 business days of Tranche 1 Completion, details of the role and power of the Technical Advisory Committee, including the manner in which representative members may be appointed and removed.

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# 7 Participation right

## 7.1 Participation right

- (a) Subject at all times to the ASX Listing Rules and any policy or guidance published or notified by ASX from time to time, on and from Completion and provided LHR's Relevant Interest in VML at any time on and from Completion does not fall below 10%, VML agrees that it will not make any Equity Offers to other subscribers unless LHR is first given a reasonable opportunity to participate in the Equity Offer on equivalent terms to other subscribers (**Participation Right**).
- (b) For the avoidance of doubt and without limitation to the Participation Right in clause 7.1(a):
  - (i) if VML undertakes a pro-rata Equity Offer, VML must offer LHR the right to subscribe for such number of Shares as is necessary to enable LHR to maintain the same proportionate shareholding in VML as it held prior to the issue of Shares under the Equity Offer, or if the Equity Offer is of a new class of securities, the same proportionate shareholding in that new class of securities that LHR held in the class of fully paid ordinary shares prior to such Equity Offer; and
  - (ii) for so long as the VML does not produce sustainable positive cash flow, if VML undertakes a non-pro rata Equity Offer, the primary purpose of which is to finance the development, construction and commission of the North T Project, LHR shall have the right, but not the obligation, to invest such proportion as is equal to the proportion the Subscription Amount bears to aggregate of the Subscription Amount and the Balance of the Proceeds, provided that if LHR's voting power in VML following completion of such Equity Offer would exceed 20%, LHR's right to participate in the Equity Offer shall be reduced such that LHR's shareholding would be equal to 19.99% of the issued capital of VML immediately after completion of such Equity Offer.

## 7.2 Notice of Equity Offer

VML must notify LHR in writing of any proposed Equity Offer and LHR will have a period of at least 2 Business Days after receiving notice of any proposed Equity Offer (which must include the material terms of the offer) to accept the offer. If LHR has not accepted the offer within this period, the Participation Right in respect of that Equity Offer will lapse.

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# 8 Warranties and indemnity

## 8.1 Accuracy

VML represents and warrants to LHR that each Warranty is correct and not misleading in any material respect on the date of this document and will be correct and not misleading in any material respect on a Completion Date in respect of a Tranche as if made on and as of each of those dates.

## 8.2 Separate Warranties

Each Warranty is to be treated as a separate representation and warranty. The interpretation of any statement made may not be restricted by reference to or inference from any other statement.

## 8.3 No extinguishment

The Warranties are not extinguished or affected by any investigation made by or on behalf of LHR into the affairs of VML or by any other event or matter unless:

- (a) LHR has given a specific written waiver or release;
- (b) the Claim relates to a matter which was fully disclosed to LHR before the date of the agreement; or
- (c) the Claim relates to a thing done or not done after the date of this document at the request or with the approval of LHR.

## 8.4 Inducement

VML acknowledges that:

- (a) it has made and given the Warranties with the intention of inducing LHR to enter into this document; and
- (b) LHR has entered into this document in full reliance on the Warranties.

## 8.5 Warranty cap

VML's total liability for loss or damage of any kind however caused, in contract, tort (including negligence), under any statute or otherwise arising from or relating to any and all Claims arising from or relating in any way to a Claim by LHR for a breach of Warranty is limited to the Subscription Amount.

## 8.6 Access to information before Completion

Up and until the Completion Date, VML agrees to notify (and will procure that its Subsidiaries notify) LHR immediately after any of VML, its Subsidiaries or their Representatives (which does not include any joint-venturer) becomes aware of any fact, matter or circumstance that, could be expected to cause any Warranty to be incorrect or misleading when made.

## 8.7 Time limit on Claims

LHR may not make any claim for breach of Warranty unless full details of the claim have been notified to VML within 12 months from the Completion Date in respect of a Tranche. A claim is not enforceable against VML and is taken to have been withdrawn unless any legal proceedings in connection with the claim are commenced within 6 months after written notice of the claim is served on the Company.

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## 9 LHR's warranties

LHR represents and warrants to VML that each of the following statements is correct and not misleading in any material respect on the date of this document and will be correct and not misleading in any material respect as at the date of this document and the Completion Date for a Tranche as if made on each of those dates:

- (a) **(power)** it has the power to enter into and perform this document and has obtained all necessary consents and authorisations to enable it to do so;

- (b) **(binding obligation)** this document constitutes valid and binding obligations upon it enforceable in accordance with its terms by appropriate legal remedy;
- (c) **(no breach)** this document and Completion do not conflict with or result in a breach of any obligation (including any statutory, contractual or fiduciary obligation) or constitute or result in any default under any provision of its constitution or any material provision of any agreement, deed, writ, order, injunction, judgment, law, rule or regulation to which it is a party or is subject or by which it is bound;
- (d) **(solvency)** it is not Insolvent;
- (e) **(no disclosure document)** the offer and issue of Subscription Shares does not require a disclosure document of any kind to be lodged with a Government Agency and that LHR (or its nominee) is a person to whom an offer and issue of Securities can be made without disclosure in accordance with the laws of the jurisdiction of which LHR (or its nominee) is incorporated;
- (f) **(purpose of issue no resale)** it is not acquiring Subscription Shares for the purposes of selling or transferring the Subscription Shares (other than to an Affiliate in accordance with the terms of this document), or granting, issuing or transferring interests in, or options over, the Subscription Shares;
- (g) **(FIRB)** it is not a 'foreign government investor' or an 'associate' of a 'foreign government investor' (each as defined in the FATA).

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## 10 Announcements

### 10.1 Public announcements

Except in relation to any public announcement concerning the transactions referred to in this document already made by VML before the date of this document but subject to clause 10.2, neither party may, before or after Completion, make or send a public announcement, communication or circular concerning the transactions referred to in this document unless it has first provided the other party with a draft of the announcement, communication or circular and obtained the written consent of the other party, which consent is not to be unreasonably withheld or delayed.

### 10.2 Public announcements required by law

Clause 10.1 does not apply to a public announcement, communication or circular required by law or a regulation of a stock exchange, if the party required to make or send it has:

- (a) to the extent practicable, provided the other party with sufficient notice to enable it to seek a protective order or other remedy; and
- (b) provided all assistance and co-operation that the other party considers necessary (acting reasonably) to prevent or minimise that disclosure.

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## 11 Costs and duty

### 11.1 Costs and expenses

Each party agrees to pay its own legal and other costs and expenses in connection with the negotiation, preparation, execution and completion of this document.

## 11.2 Duty

VML agrees to pay all duty (including fines and penalties) chargeable, payable or assessed in relation to this document and the issue of Subscription Shares to LHR.

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## 12 Confidentiality

### 12.1 Disclosure of Confidential Information

All Confidential Information exchanged between the parties under this document or during the negotiations preceding this document is confidential to them and may not be disclosed to any person except:

- (a) employees, legal advisers, auditors and other consultants of the party or its Related Bodies Corporate requiring the information for the purposes of this document;
- (b) with the consent of the party who supplied the information;
- (c) if a party or its Related Bodies Corporate is required to do so by law, a stock exchange or any regulatory authority; or
- (d) if a party is required to do so in connection with legal proceedings relating to this document.

### 12.2 Use of Confidential Information

A party must not use any Confidential Information, except for the purpose of performing its obligations under this document or as otherwise required by operation of law.

### 12.3 Termination of Confidentiality Agreement

The parties agree that with effect from the date of this document, the Confidentiality Agreement is terminated.

### 12.4 Excluded Information

Clauses 12.1 ("Disclosure of Confidential Information") and 12.2 ("Use of Confidential Information") do not apply to the Excluded Information.

### 12.5 Survival of termination

This clause 10 ("Confidentiality") will survive termination of this document.

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## 13 GST

### 13.1 Construction

In this clause 13:

- (a) subject to **paragraph (b)**, words and expressions which are not defined in this document but which have a defined meaning in GST Law have the same meaning as in the GST Law;
- (b) **GST** has the meaning given to it in GST Law and in addition includes amounts payable by way of interest and penalties on the primary GST liability;
- (c) **GST Law** has the same meaning given to that expression in the *A New Tax System (Goods and Services Tax) Act 1999*; and

- (d) references to GST payable and input tax credit entitlement include GST payable by, and the input tax credit entitlement of, the representative member for a GST group of which the entity is a member.

### **13.2 Consideration GST exclusive**

Unless otherwise expressly stated, all prices or other sums payable or consideration to be provided under this document are exclusive of GST.

### **13.3 Payment of GST**

If GST is payable on any supply made by a party (or any entity through which that party acts) (**Supplier**) under or in connection with this document, the recipient will pay to the Supplier an amount equal to the GST payable on the supply.

### **13.4 Timing of GST payment**

The recipient will pay the amount referred to in clause 13.3 in addition to and at the same time that the consideration for the supply is to be provided under this document.

### **13.5 Tax invoice**

The Supplier must deliver a tax invoice or an adjustment note to the recipient before the Supplier is entitled to payment of an amount under clause 13.3. The recipient can withhold payment of the amount until the Supplier provides a tax invoice or an adjustment note, as appropriate.

### **13.6 Adjustment event**

If an adjustment event arises in respect of a taxable supply made by a Supplier under this document, the amount payable by the recipient under clause 13.3 will be recalculated to reflect the adjustment event and a payment will be made by the recipient to the Supplier or by the Supplier to the recipient as the case requires.

### **13.7 Reimbursements**

Where a party is required under this document to pay or reimburse an expense or outgoing of another party, the amount to be paid or reimbursed by the first party will be the sum of:

- (a) the amount of the expense or outgoing less any input tax credits in respect of the expense or outgoing to which the other party is entitled; and
- (b) if the payment or reimbursement is subject to GST, an amount equal to that GST.

### **13.8 No Merger**

This clause 13 does not merge on the completion or termination of this document or on the transfer of the property supplied under this document.

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## **14 Notices and other communications**

### **14.1 Form - all communications**

Unless expressly stated otherwise in this document, all notices, certificates, consents, approvals, waivers and other communications in connection with this document must be:

- (a) in writing;

- (b) in English or accompanied by a certified translation into English;
- (c) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (d) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

## **14.2 Delivery**

Communications must be:

- (a) left at the address set out or referred to in the Details; or
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details; or
- (c) sent by fax to the fax number set out or referred to in the Details;
- (d) sent by email to the email address set out or referred to in the Details; or
- (e) given in any other way permitted by law.

However, if the intended recipient has notified a changed address or fax number, then communications must be to that address or fax number.

## **14.3 When effective**

Communications take effect from the time they are received or taken to be received under clause 14.4 (“When taken to be received”) (whichever happens first) unless a later time is specified.

## **14.4 When taken to be received**

Communications are taken to be received:

- (a) if sent by post, three days after posting (or seven days after posting if sent from one country to another);
- (b) if sent by email, on the day when it is transmitted; or
- (c) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent.

whichever happens first.

## **14.5 Receipt outside business hours**

Despite clauses 14.3 (“When effective”) and 14.4 (“When taken to be received”), if communications are received or taken to be received under clause 14.4 after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

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# **15 Miscellaneous**

## **15.1 Discretion in exercising rights**

A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this document expressly states otherwise.

## **15.2 Partial exercising of rights**

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

## **15.3 Severability**

Any provision of this document which is prohibited or unenforceable in any jurisdiction will be ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this document nor affect the validity or enforceability of that provision in any other jurisdiction.

## **15.4 No liability for loss**

A party is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this document.

## **15.5 Approvals and consents**

By giving its approval or consent, a party does not make or give any warranty or representation as to any circumstance relating to the subject matter of the consent or approval.

## **15.6 Conflict of interest**

The parties' rights and remedies under this document may be exercised even if it involves a conflict of duty or a party has a personal interest in their exercise.

## **15.7 Remedies cumulative**

The rights and remedies provided in this document are in addition to other rights and remedies given by law independently of this document.

## **15.8 Rights and obligations are unaffected**

Rights given to the parties under this document and the parties' liabilities under it are not affected by anything which might otherwise affect them by law.

## **15.9 Variation and waiver**

A provision of this document or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

## **15.10 No merger**

The warranties, undertakings and indemnities in this document do not merge and are not extinguished on Completion and will survive after Completion.

## **15.11 Indemnities**

The indemnities in this document are continuing obligations, independent from the other obligations of the parties under this document and continue after this document ends. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this document.

## **15.12 Further steps**

Each party agrees, at its own expense, to do anything the other party asks (such as obtaining consents, signing and producing documents and getting documents completed and signed) as may be necessary or desirable to give full effect to the provisions of this document and the transactions contemplated by it.

### **15.13 Time of the essence**

Time is of the essence of this document in respect of any date or period determined under this document.

### **15.14 Entire agreement**

This document constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

### **15.15 Construction**

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this document or any part of it.

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## **16 Assignment**

LHR may transfer either:

- (a) all of Subscription Shares it holds at any time; or
- (b) any of its rights and obligations under this document,

to an Affiliate, provided the transferee agrees to be bound by the provisions of this document.

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## **17 Governing law and jurisdiction**

### **17.1 Governing law**

This document is governed by the law in force in the place specified in the Details. Each party submits to the non-exclusive jurisdiction of the courts of that place.

### **17.2 Jurisdiction**

Subject to clause 18, each party submits to the non-exclusive jurisdiction of the courts of the place specified in the Details and courts of appeal from them. Each party waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

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## **18 Dispute resolution**

### **18.1 Injunctive or interim relief**

Nothing in this clause prevents a party seeking urgent injunctive or similar interim relief from a court.

### **18.2 Submission to arbitration**

If a Dispute arises that cannot be resolved between the parties, then that Dispute is hereby submitted to arbitration in accordance with the requirements and procedures set out in this clause.

### **18.3 International arbitration**

Any Dispute is to be referred to and finally resolved by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce ("**Rules**"). The seat of the arbitration will be Sydney, Australia. The tribunal is to consist of three arbitrators appointed in accordance with the Rules. The language of the arbitration is English.

By agreeing to conduct the arbitration in accordance with the Rules, the parties are not contracting out of the Model Law for the purpose of Section 21 of the International Arbitration Act 1974 (Cth).

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## **19 Counterparts**

This document may consist of a number of copies, each signed by one or more parties to the agreement. If there are a number of signed copies they are treated as making up the one document and the date on which the last counterpart is executed will be the date of the agreement.

This document may be executed in counterparts. All counterparts when taken together are to be taken to constitute one instrument.

# Schedule 1 - Warranties

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## **1 Incorporation and power**

### **1.1 Incorporation**

VML is validly incorporated, organised and subsisting in accordance with all applicable laws.

### **1.2 Power**

VML has the power to own its assets and to carry on its business as it is now being conducted.

### **1.3 Compliance with constituent documents**

The business and affairs of VML have at all times been and continue to be conducted in accordance with the Constitution and the Corporations Act and the ASX Listing Rules (other than ASX Listing Rule 3.1) in all material respects.

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## **2 Power and authority**

### **2.1 Power**

VML has the power to enter into and perform its obligations under this document and has obtained all necessary or desirable consents and authorisations to enable it to do so.

### **2.2 Binding obligations**

This document constitutes legal, valid and binding obligations upon VML enforceable in accordance with its terms by appropriate legal remedy.

### **2.3 No breach**

The transactions contemplated by this document do not conflict with or result in a breach of any obligation (including any statutory, contractual or fiduciary obligation) or constitute or result in any default under any provision of the Constitution or any material provision of any agreement, deed, writ, order, injunction, judgment, law, rule or regulation to which VML is a party or is subject or by which it is bound.

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## **3 Disclosure**

### **3.1 Compliance with ASX Listing Rule 3.1**

VML has at all times during the 12 months up to and including the date of this document been, and continues to be, in compliance with ASX Listing Rule 3.1 in all material respects. VML is not withholding from disclosure any information on the basis of ASX Listing Rule 3.1A.

### **3.2 Information**

- (a) Save for the information referred to in paragraphs (b) and (c) below, no information provided to LHR by VML is incomplete, false or misleading in any material respect.
- (b) No information provided to LHR by VML which was prepared by a person other than VML and clearly marked as such, is, to the best of VML's knowledge, information and belief having made due and diligent enquiries, incomplete, false or misleading in any material respect.
- (c) To the extent that information provided to LHR by VML was prepared by VML based on materials prepared by a person other than VML and reliance was placed by VML on such materials (and the reliance concerned was clearly marked), such information is to the best of VML's

knowledge, information and belief having made due and diligent enquiries, not incomplete, false or misleading in any material respect.

- (d) No information provided by VML for use in preparation of the information referred to in paragraph (b) above, is incomplete, false or misleading in any material respect.
- (e) VML has disclosed to LHR all the information it possesses concerning VML which a subscriber or the Subscription Shares would reasonably require to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of VML.

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## **4 Solvency**

### **4.1 Solvency**

- (a) Each Group Member is not Insolvent;
- (b) No Group Member has received a deregistration notice under section 601AB of the Corporations Act or any communication from ASIC that might lead to such a notice or applied for registration under section 601AA of the Corporations Act;
- (c) so far as VML is aware, there are no circumstances justifying a petition or other process for winding up or dissolution;
- (d) no receiver, manager, liquidator or administrator is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of VML, and so far as VML is aware, there are no circumstances justifying such an appointment; and
- (e) there are no circumstances which could make this document or any transaction contemplated by it void, voidable or unenforceable under any applicable law about insolvency (or equivalent legal concepts in any application jurisdiction).

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## **5 Subscription Shares and share capital**

### **5.1 Proportion of capital**

The Subscription Shares will, upon issue will, upon issue, be fully paid.

### **5.2 Share capital**

At the date of this document, VML has no other Securities on issue or agreed to be issued, or other instruments which are still outstanding and may be converted into Shares and no person has any right to call for the issue or grant of, any Shares, options, warrants, performance rights or other securities or instruments other than the following:

- (a) 4,181,149,751 Shares;
- (b) 90,000,000 incentive options over shares expiring 5 years from issue, with an exercise price of \$0.02;
- (c) 90,000,000 incentive options over shares expiring 5 years from issue, with an exercise price of \$0.025;
- (d) 90,000,000 incentive options over shares expiring 5 years from issue, with an exercise price of \$0.03;

- (e) 20,000,000 unlisted options over Shares expiring on 22/10/2024, with an exercise price of \$0.02 per option;
- (f) 20,000,000 unlisted options over Shares expiring on 22/10/2024, with an exercise price of \$0.025 per option;
- (g) 20,000,000 unlisted options over Shares expiring on 22/10/2024, with an exercise price of \$0.030 per option;
- (h) 28,500,000 unlisted options over Shares expiring on 31/01/2025, with an exercise price of \$0.02 per option;
- (i) 28,500,000 unlisted options over Shares expiring on 31/01/2025, with an exercise price of \$0.025 per option;
- (j) 28,500,000 unlisted options over Shares expiring on 31/01/2025, with an exercise price of \$0.03 per option; and
- (k) 20,000,000 unlisted options over Shares expiring on 9/08/2024, with an exercise price of \$0.07 per option.

### **5.3 Ranking**

The Subscription Shares will rank equally in all respects with existing issued fully paid ordinary shares in VML, including the payment of any distributions following allotment.

### **5.4 No Encumbrances**

The Subscription Shares will be fully paid up and free from all Encumbrances and competing rights.

### **5.5 No restriction**

There is no restriction on issue of the Shares to LHR.

### **5.6 No Restriction of Sale**

Following compliance with clause 4.5(c) ("VML's obligations after Completion"), an offer of the Subscription Shares for sale (or an assignment of a right in respect of an interest in the Subscription Shares) on the date which is immediately after the Completion Date may be made without a disclosure document.

### **5.7 No resale**

VML is not issuing the Subscription Shares to LHR for the purpose of LHR selling or transferring the Subscription Shares, or any interests in them.

### **5.8 Consents**

VML has obtained all consents necessary to enable it to issue the Subscription Shares other than the shareholders' approval required for the issue of Subscription Shares.

### **5.9 No breach**

The issue of Subscription Shares does not breach any obligation or agreement binding on VML or its members, the Corporations Act and the ASX Listing Rules.

### **5.10 No regulatory approval is required**

There is no regulatory approval required for VML to execute, deliver and perform any of its obligations under this document in Australia, Canada, Tanzania or Burkina Faso.

## **5.11 No restrictions on allotment**

Other than the shareholder approval referred to in clause 3.2(b) for the Tranche 2 Subscription Shares, there is no restriction on the allotment and issue of the Subscription Shares and that the allotment and issue of the Subscription Shares does not need approval from shareholders under the ASX Listing Rules or Corporations Act.

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# **6 Corporate**

## **6.1 Subsidiaries**

- (a) The only bodies corporate in which VML has a direct or indirect interest in equity are:
  - (i) Cheetah Resources Pty Ltd;
  - (ii) NWT Rare Earths Ltd;
  - (iii) Cheetah Resources Corp;
  - (iv) Vital Metals Canada Limited (formerly Cheetah Resources Saskatchewan Corp.);
  - (v) Vital Metal Burkina Sarl; and
  - (vi) Kisasi Mining Company Limited.
- (b) Other than Kisasi Mining Company Limited, the Group Members listed in warranty 6.1 are wholly owned Subsidiaries of VML and no member of the Group has granted to any person (other than LHR pursuant to this document) a right to subscribe for or otherwise acquire any shares or other securities in its capital.

## **6.2 Annual Report**

The information included in VML's Annual Financial Report for the Financial year ending 30 June 2021 is true and correct in all material respects and no material information that is required to be included under the Corporations Act or the ASX Listing Rules has been omitted from it.

## **6.3 Statutory books**

The register of shareholders and option holders, statutory books and other registers of VML and its subsidiaries are up to date and have been properly kept in accordance with all legal requirements. No notice or allegation that any of them is incorrect or should be rectified has been received.

## **6.4 Contracts**

- (a) Each material agreement entered into by VML and its subsidiaries is valid, binding and enforceable against the parties to it in accordance with its terms;
- (b) No material agreement entered into by VML or its subsidiaries is outside the ordinary and normal course of business or is otherwise unusual;
- (c) VML is not and no VML subsidiary is materially in default under any material agreement to which it is a party;
- (d) No party to a material agreement to which VML or one of its subsidiaries is a party has done or failed to do anything which is a breach of or a default under that agreement;

- (e) VML is not and no VML subsidiary is party to any agreement or arrangement with a related party (other than a VML subsidiary), other than an executive services agreement that has been provided to LHR prior to the date of this document.
- (f) There is no proceeding pending nor has any VML subsidiary or VML itself received a written threat of a proceeding, in either case in connection with a material agreement to which any VML subsidiary or VML is a party.

## **6.5 Tax**

- (a) All Tax returns required by law to be lodged or filed by VML has been lodged or filed and no Tax return contains a statement that is false or misleading in any particular or omits to refer to any matter that is required to be included or without which the statement is false or misleading.
- (b) All records relating to Tax returns or to the preparation of those returns required by law to be maintained by the Group have been duly maintained in accordance with the *Income Tax Assessment Act 1997* (Cth);
- (c) All Tax for which VML is liable in relation to the period up to and including Completion, including any penalty, fine or interest, has been paid or, in the case of tax that is not yet due and payable, fully provided for in the Annual Report;
- (d) All amounts of Tax required by law to be deducted or withheld from payments by any member of VML has been deducted or withheld and paid to the appropriate authority;
- (e) No change has occurred in the business which would prevent any revenue loss being carried forward and deducted from assessable income in a subsequent year or which would prevent any capital loss being carried forward to offset capital gains in a subsequent year.
- (f) VML not has taken any action which does or might adversely affect an agreement with a Revenue Authority or a Tax ruling from a Revenue Authority;
- (g) Except for this agreement (and documents and transactions contemplated by it), all applicable Tax has been paid in connection with every document or transaction:
  - (i) which relates to the assets or the business of VML; or
  - (ii) by which VML received, receives or will or may receive a material benefit; and
- (h) VML has lodged or retained on file, as required, all returns, information, declarations, elections, notices and statements with respect to Taxes as required by law for all financial years ended on or prior to the Balance Date, has retained copies of same, and will continue to do so until the Completion Date and has made and will make a full and true disclosure of all information it is obliged to disclose to all Revenue Authorities.

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## **7 Litigation**

### **7.1 Threatened or pending Claims**

There are no prosecutions, litigation, arbitration, other dispute resolution proceedings, investigations or audits involving any member of the Group, in each case which would result in a material adverse change, nor (so far as VML is aware) is any such matter pending or threatened against any member of the Group.

### **7.2 Judgments**

There is no unsatisfied judgment, order, arbitral award or decision of any court, tribunal or arbitrator, or unsatisfied settlement of proceedings in any court, tribunal or arbitration, against any member of the Group or any of their assets.

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## **8 No breach of law**

No member of the Group is in breach, in any respect which would result in a material adverse change, of its constitution, any rules, regulations or requirements of ASX, or any applicable law, decree, judgment, legislation, order, regulation, statute, ordinance, treaty or other legislative measure including any environmental law.

# Equity Subscription Agreement

## Signing page

DATED: 27 July 2022

EXECUTED by VITAL METALS LTD in )  
accordance with section 127(1) of the )  
Corporations Act 2001 (Cth) by )  
authority of its directors: )

  
..... )  
Signature of director )

Geoff Atkins )  
..... )  
Name of director (block letters) )

  
..... )  
Signature of ~~director~~/company )  
secretary\* )  
\*delete whichever is not applicable )

Louisa Martino )  
..... )  
Name of ~~director~~/company secretary\* )  
(block letters) )  
\*delete whichever is not applicable )

EXECUTED by LIONHEAD )  
RESOURCES FUND I LP ACTING BY )  
ITS GENERAL PARTNER LIONHEAD )  
RESOURCES FUND I GP )

  
..... )  
Signature of witness )

Catherine Snell )  
..... )  
Name of witness (block letters) )

  
..... )  
By executing this document the )  
signatory warrants that the signatory is )  
duly authorised to execute this )  
document on behalf of LIONHEAD )  
RESOURCES FUND I LP )