

VITAL METALS LIMITED
ACN 112 032 596

CLEANSING PROSPECTUS

For the offer of up to 10,000 Shares in the capital of the Company at an issue price of \$0.01 per Share to raise up to \$100 (before expenses).

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it, you should consult your professional advisors without delay. The Shares offered by this Prospectus should be considered highly speculative.

CORPORATE DIRECTORY

Directors

Richard Crookes
Non-Executive Chairman

Geordie Mark
Managing Director

James Henderson
Non-Executive Director

Paul Quirk
Non-Executive Director

Lisa Riley
Non-Executive Director

Company Secretary

Louisa Martino

Share Registry*

Automatic Registry Services
Level 5, 126 Phillip Street
SYDNEY NSW 2000

Telephone: 1300 288 664

Registered Office

Level 10
27-31 Macquarie Place
SYDNEY NSW 2000

Telephone: +61 2 8029 0676
Email: vital@vitalmetals.com.au
Website: www.vitalmetals.com.au

ASX Code

VML

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditors*

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

TABLE OF CONTENTS

1.	TIMETABLE AND IMPORTANT NOTES	1
2.	DETAILS OF THE OFFER.....	4
3.	PURPOSE AND EFFECT OF THE OFFER.....	7
4.	RIGHTS AND LIABILITIES ATTACHING TO SHARES	9
5.	RISK FACTORS	12
6.	ADDITIONAL INFORMATION	23
7.	DIRECTORS' AUTHORISATION	31

1. TIMETABLE AND IMPORTANT NOTES

1.1 Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	18 December 2023
Opening Date	18 December 2023
Closing Date*	5:00pm (WST) on 18 December 2023
Expected date of Official Quotation of the Shares issued under the Offer	19 December 2023

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date. Additionally, the date the Shares issued under this Prospectus (if any) are expected to commence trading on ASX may vary depending on the Company's ability to satisfy ASX requirements for reinstatement to trading.

1.2 Important Notes

This Prospectus is dated 18 December 2023 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

1.3 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.vitalmetals.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

1.4 Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 5 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

1.5 Overseas Investors

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

1.6 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

1.7 Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus which is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

2. DETAILS OF THE OFFER

2.1 Background

On 18 December 2023, the Company announced that the conditions precedent to the Tranche 1 Subscription under the Subscription Agreement with Shenghe Resources (Singapore) Pte. Ltd. (**Shenghe**) were satisfied and that the Company had completed the allotment and issue of the Tranche 1 Subscription Shares to Shenghe to raise A\$5.9 million (before costs) (**Tranche 1 Subscription**).

The Company completed the allotment and issue of the Tranche 1 Subscription Shares on 14 December 2023 utilising available placement capacity under ASX Listing Rules 7.1 and 7.1A. The Company will apply for Official Quotation of the Tranche 1 Subscription Shares on 18 December 2023.

Further details regarding the Tranche 1 Subscription are set out in the Company's ASX announcements released on 27 October 2023 and 18 December 2023 which are available on the Company's ASX Market Announcements Platform (ASX: VML).

2.2 Purpose

Trading in the Company's Shares on the ASX has been suspended for more than a total of 5 trading days in the 12-month period before the date on which the Shares issued under the Tranche 1 Subscription were issued.

Accordingly, the Company is required to issue this Prospectus to remove any trading restrictions that may have attached to the Shares issued by the Company prior to the Closing Date, including the Shares issued under the Tranche 1 Subscription.

2.3 Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 10,000 Shares at an issue price of \$0.01 per Share to raise up to \$100 (before expenses) (**Offer**).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

2.4 Objective

The Company is seeking to raise only a nominal amount of \$100 (before expenses) under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and

- (b) either:
- (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

2.5 Application for Shares

Applications for Shares under the Offer must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.01 per Share.

Completed Application Forms and accompanying cheques must be mailed or delivered to the Company as follows:

Delivery by hand	Delivery by post
Level 10 27-31 Macquarie Place SYDNEY NSW 2000	Level 10 27-31 Macquarie Place SYDNEY NSW 2000

Cheques should be made payable to “**Vital Metals Limited – Share Offer Account**” and crossed “**Not Negotiable**”. Completed Application Forms and cheques must reach the address set out above by no later than the Closing Date.

2.6 Minimum subscription

There is no minimum subscription.

2.7 Issue of Shares

Issue of Shares under the Offer will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until the Shares are issued. This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued, and each Applicant waives the right to claim any interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for.

Where the number of Shares issued is less than the number applied for, the surplus moneys will be returned by cheque as soon as practicable after the Closing Date. Where no issue of Shares is made, the amount tendered on application will be

returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

2.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days of the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.9 Restrictions on the distribution of the Prospectus

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

2.10 Enquiries

Any questions concerning the Offer should be directed to Ms Louisa Martino, Company Secretary, on +61 2 8029 0676.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus).

All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 6.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

3.2 Effect of the Offer on capital structure

The effect of the Offer on the Company's capital structure is set out below.

Shares ¹	Number
Shares currently on issue	5,306,149,751
Shares offered under this Prospectus ²	10,000
Shares issued under the Tranche 1 Subscription ³	588,917,200
Total Shares on issue on completion of the Offer	5,895,076,951

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 4.
2. This assumes the Offer is fully subscribed and no Options are exercised prior to the Closing Date.
3. Refer to Section 2.1 above for further details regarding the Tranche 1 Subscription. Refer also to the ASX announcement released on 27 October 2023 and available on the Company's ASX Market Announcements Platform (ASX: VML).

Options ^{1,2}	Number
Unlisted Options exercisable at \$0.02 each expiring 22 October 2024	110,000,000
Unlisted Options exercisable at \$0.025 each expiring 22 October 2024	110,000,000
Unlisted Options exercisable at \$0.03 each expiring 22 October 2024	110,000,000
Unlisted Options exercisable at \$0.02 each expiring 31 January 2025	6,000,000
Unlisted Options exercisable at \$0.025 expiring 31 January 2025	6,000,000
Unlisted Options exercisable at \$0.03 expiring 31 January 2025	6,000,000
Unlisted Options exercisable at \$0.02 expiring 31 January 2025	22,500,000
Unlisted Options exercisable at \$0.025 expiring 31 January 2025	22,500,000
Unlisted Options exercisable at \$0.03 expiring 31 January 2025	22,500,000
Unlisted Options exercisable at \$0.07 expiring 9 August 2024	20,000,000

Options ^{1,2}	Number
Unlisted Options exercisable at \$0.015 expiring 29 November 2024	200,000,000
Options offered under the Offer	Nil
Total Options on issue on completion of the Offer	635,500,000

Notes:

1. This table does not include 200,000,000 Options (exercisable at \$0.015, on or before 3 years from the date of issue) to be issued to the Ashanti Capital Pty Ltd ACN 614 939 981 (AFSL 493204) in consideration for its engagement as corporate advisor to the Company (**Advisor Options**). The issue of the Advisor Options is subject to Shareholder approval at the General Meeting.
2. This table does not include 100,000,000 Options to be issued to members of the Company's key management personnel (**Management Options**). The issue of the Management Options will occur under the Employee Securities Incentive Plan approved by Shareholders at the Company's Annual General Meeting held on 16 November 2023. The Management Options comprise: (i) 60,000,000 Options to be issued with an exercise price to be set at a 45% premium to the 10 day volume weighted average share price of Shares prior to the 30th day after recommencement of trading of the Company's securities on ASX, expiring 4 years less 1 day from the date of issue and subject to vesting conditions relating to continued employment with the Company (ii) 40,000,000 Options to be issued with an exercise price of \$0.015, expiring 4 years less 1 day from the date of issue and subject to a vesting condition relating to continued employment with the Company.
3. This table does not include 60,000,000 Options to be issued to Geordie Mark with an exercise price to be set at a 45% premium to the 10 day volume weighted average share price of Shares prior to the 30th day after recommencement of trading of the Company's securities on ASX, expiring 4 years less 1 day from the date of issue and subject to vesting conditions relating to Dr. Mark's continued employment with the Company. Refer to the Company's announcement of 16 October 2023 for further details on the Options to be issued to Dr. Mark.

3.3 Financial effect of the Offer

After expenses of the Offer of approximately \$100, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$100) will be met from the Company's existing cash reserves.

As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$100 less costs of preparing the Prospectus of approximately \$15,208.

4. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

4.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

4.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

4.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms

and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

4.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

4.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

4.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

4.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

4.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

4.9 Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

5.2 Company specific

Risk Category	Risk
Satisfaction of ASX Reinstatement Conditions	The Company's securities are currently voluntarily suspended from trading on the ASX. On 27 November 2023, the Company received confirmation from ASX that it would, subject to completion of the Tranche 1 Subscription, be reinstated to trading on the ASX (Reinstatement Condition). Notwithstanding ASX's confirmation, it is noted that reinstatement of the Company's securities remains subject to the discretion of ASX and there remains a risk that the Company may not be able to meet the Reinstatement Condition and seek re-quotations of its securities on ASX. If the Company is unable to satisfy the Reinstatement Condition, the Company's securities will not be re-admitted to Official Quotation.
Going concern	<p>The Company's 2023 Annual Report (Financial Report) includes a note on the financial condition of the Group and the possible existence of a material uncertainty about the Group's ability to continue as a going concern. The relevant section of the Financial Report states:</p> <p><i>"For the 30 June 2023 financial year the Group recorded a loss of \$51,681,194 (30 June 2022: loss of \$4,770,105) and a cash balance of \$3,620,509 (30 June 2022: \$5,158,350), a net working capital surplus of \$1,046,743 (30 June 2022: \$1,099,602), a net cash outflows from operating activities of \$6,963,468 (30 June 2022: \$4,752,348) and net cash outflow from investing activities of \$42,821,618 (30 June 2022: \$26,118,168).</i></p> <p><i>As of 28 September 2023, the Board assigned Vital Metals Canada Limited ("VMCL") into bankruptcy under the Bankruptcy and Insolvency Act (Canada) and has appointed MNP Saskatoon as trustee in bankruptcy of VMCL. As a result of the bankruptcy, all the property, assets and undertaking of VMCL have vested in the trustee in bankruptcy, who will liquidate the assets and distribute the proceeds to proven creditors of VMCL in accordance with the applicable priorities.</i></p> <p><i>As a consequence of assigning VMCL into bankruptcy, the assets of that entity have been fully impaired as at 30 June 2023. As at 28 September 2023 VMCL will be deconsolidated from the Group and any amounts realised from the sale of the VMCL assets (which have</i></p>

Risk Category	Risk
	<p>been impaired to nil as at 30 June 2023) by the trustee in bankruptcy will have an immaterial impact on the Consolidated Statement of Profit or Loss and Other Comprehensive income in the following year.</p> <p>In addition, subsequent to year end the Group entered into a \$2,000,000 short-term loan that matures on 6 December 2023.</p> <p>The 30 June 2023 financial report has 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 ordinary course of business. The ability of the Group to continue as a going concern is impacted by a number of matters including:</p> <p>(a) The successful raising of sufficient funding through debt, equity or other arrangements (or a combination of transactions) to progress the development of the Nechalacho project and working capital requirements; and/or</p> <p>(b) The sale of inventory, providing funding from the monetisation of ore mined at North T.</p> <p>These conditions indicate a material uncertainty that may cast significant doubt on the Group'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."</p> <p>Notwithstanding the 'going concern' comments included in the Financial Report, the Directors believe that the funds received under the Tranche 1 Subscription will be sufficient to adequately meet the Group's commitments for the Nechalacho Project and short-term working capital requirements. However, it is likely that further funding will be required to meet the medium to long-term working capital costs of the Group.</p>
VMCL liquidation	<p>The Company announced to the ASX on 29 September 2023 that as part of its strategic review of the Company's Saskatoon Facility, designed to process rare earth concentrates from its North T demonstration mine at the Nechalacho Project, located in the Northwest Territories of Canada, it has assigned Vital Metals Canada Limited (VMCL) (a controlled subsidiary of the Company which owns the Saskatoon Facility) into bankruptcy under the <i>Bankruptcy and Insolvency Act (Canada)</i> and has appointed MNP Saskatoon as trustee in bankruptcy of VMCL. As a result of the bankruptcy, all the property, assets and undertakings of VMCL have vested in the trustee in bankruptcy, who will liquidate the assets and distribute the proceeds to proven creditors of VMCL in accordance with the applicable laws relating to priority. There is no certainty as to the quantum of proceeds (if any) which might be realised by the trustee via the assignment and liquidation of VMCL, and there can be no guarantee that any proceeds will be realised by the Company as part of the process.</p>
Additional requirements for capital	<p>The Company's continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability to raise additional funds for future operations and to repay or refinance debts as they fall due. The Company may require additional financial resources to finance future acquisitions, pay down debt or continue funding its operations. It is difficult to predict the level of funding that may be required with any accuracy at this time. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms acceptable to the Company or its Shareholders. If additional funds are raised through the issue of equity securities, this may be dilutive to Shareholders (if the Company determines that a pro rata</p>

Risk Category	Risk
	<p>entitlement offer is not the most appropriate method of equity fundraising or Shareholders elect not to participate in such entitlement offers) and such securities may, subject to requisite Shareholder approval, have rights, preferences or privileges senior to those of the holders of Shares then on issue. In the future, the Company may also need to consider debt finance to satisfy its working capital requirements. The terms on which debt financiers are willing to provide funding may vary from time to time depending on macro-economic conditions, the performance of the Company and an assessment of the risks and intended use of funds. Debt finance, if available on terms acceptable to the Company, may involve restrictions on financing and operating activities. If sufficient funds are not available from either debt or equity markets to satisfy the Company's short, medium or long-term capital requirements, when required, the Company may be required to limit the scope of its anticipated operations, which could adversely impact on its business, financial condition and value of Shares.</p>
<p>Potential for significant dilution</p>	<p>The effect of completion of the Tranche 1 Subscription and the Offer, assuming no Options are exercised into Shares, is that the number of Shares in the Company will increase from 5,306,149,751 to 5,895,076,951. This means that each Share will represent a lower proportion of the ownership of the Company.</p> <p>It is not possible to predict what the value of the Company or a Share will be following the Tranche 1 Subscription and the Offer and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the date of this Prospectus of \$0.01 per Share is not a reliable indicator as to the potential trading price of Shares upon reinstatement of the Company's securities to Official Quotation on the ASX.</p>
<p>Sovereign risk</p>	<p>While the Company's corporate headquarters are located in Sydney, New South Wales, the Group's its business and operations are focused on the Nechalacho Rare Earth Project, which is located in the Northwest Territories of Canada, as well as other assets and interests located outside Australia, including Tanzania. In addition to operational risks, there are risks associated with operating in jurisdictions outside Australia, including, but not limited to, economic, social or political instability or change, disease outbreak, hyperinflation, currency instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, royalty arrangements, mining, rates of exchange, export duties, mine safety, labour relations, exploration licensing, environmental protection, as well as government control over mineral properties or government regulations that require the employment of local residents or contractors.</p> <p>In addition, changes to exploration, mining or investment policies or a shift in political attitude in the jurisdictions in which the Group operates may have a material adverse effect on the Group, including the Company's ability to raise additional equity and debt funding. The Company may also be required by local authorities to invest in social projects for the benefit of the local community.</p> <p>Any of these factors may, in the future, adversely affect the financial performance of the Group and the market price of the Company's securities. No assurance can be given regarding future stability in any country in which the Group operates.</p>
<p>Investment risk</p>	<p>There is currently an elevated focus by governments on critical mineral assets and critical mineral supply chains. This focus by governments has included the review of the ownership of critical mineral assets by foreign investors. There is a risk that relevant</p>

Risk Category	Risk
	government authorities review the ownership of the Company, any adverse findings as to foreign ownership or control could have a material adverse effect on the Group, including the Company's ability to raise additional equity and debt funding.
Community acceptance and reputation	The Company recognises that a strong mutual relationship with each community in which it operates is a pre-condition to successful operations. Failure to maintain those relationships and the acceptance by those communities may have an adverse effect on the Group's operations. In addition, the Company recognises the importance of maintaining its reputation with its stakeholders including shareholders, regulatory authorities, communities, customers and suppliers. Failure to maintain its reputation with some or all stakeholders may have a negative effect on the future performance of the Company.
Resource estimates	The Company's mineral resources are estimates. Such estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Group's operations.
Replacement mineral resources and exploration activity	The Company will have to continually replace mineral resources depleted from any production to maintain production levels over the long term. Mineral resources can be replaced by expanding known mineral deposits, locating new deposits or making acquisitions. There is a risk that depletion of mineral resources will not be offset by discoveries or acquisitions or that divestitures of assets will lead to a lower reserve base. The mineral resource base of the Company may decline if deposits are mined without adequate replacement and the Company may not be able to sustain production beyond the current mine lives, based on current production rates. Exploration is highly speculative in nature and costly. The Company's exploration and development projects involve many risks and may be unsuccessful. There is no assurance that current or future exploration programs will be successful. Also, if a discovery is made, it may, in some cases, take up to a decade or longer from the initial phases of exploration drilling until mining is permitted and production is possible. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, government regulation, land tenure, land use and environmental protection. There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will ultimately result in discoveries of commercial quantities of ore.
Litigation risks	The Company is party to an ongoing dispute before the Federal Court of Australia with Atkins Projects and Infrastructure Pty Ltd (an entity related to a former director of the Company, Geoff Atkins) (API) relating to allegations by API of amounts owed in connection with Mr Atkins' role as a former director of the Company, plus interest and costs. The Company does not accept the claim and will continue to defend its position in ongoing proceedings. With respect to timing, the trial may occur in early 2024 depending on the outcome of submissions currently before the Federal Court.

Risk Category	Risk
	<p>As announced on 29 September 2023, the Company has terminated an offtake agreement between the Company and REEtec AS dated on or about 2 February 2021. The termination will be effective from 26 December 2023, 90 days after the date on which the notice of termination was delivered by the Company. REEtec AS has notified the Company that it does not agree with the basis on which the Company has terminated the offtake agreement, nor that the notice of termination is valid. REEtec AS has therefore reserved its rights in respect of taking action against the Company in respect of the matter, including commencement of arbitration proceedings.</p> <p>The Group is exposed to other possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future, such as shareholders, financiers, regulators or members of the communities in which the Group operates, in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Group's operations, financial performance and financial position.</p>
Tranche 2 Subscription	<p>As announced by the Company on 27 October 2023, the Company's ability to secure funding under the Tranche 2 Subscription with Shenghe remains subject to (i) approval of the Company's shareholders for the issuance of the Tranche 2 Shares to Shenghe for the purposes of ASX Listing Rule 7.1 and for all other purposes; (ii) Shenghe making an election to subscribe for the Tranche 2 Shares; (iii) no material adverse change; and (iv) receipt of relevant government and regulatory approvals (Tranche 2 Conditions). Absent a waiver from ASX (which will be applied for), the Company is required to issue the Tranche 2 Shares within 3 months of the General Meeting. No funds will be raised by the Company under the Tranche 2 Subscription unless and until the Tranche 2 Conditions are satisfied. There can be no guarantee that the Tranche 2 Conditions (or any one of them) will be satisfied and that those funds will be made available to the Company.</p>

5.3 Industry specific

Risk Category	Risk
Exploration costs	<p>The exploration costs of the Group are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Group's viability.</p>
Operational uncertainties	<p>As with mining and processing operations they are subject to uncertainty with respect to (among other things) ore tonnes, mine grade, ground conditions, recovery and unanticipated metallurgical issues, mining performance, processing performance, regulatory changes, accidents and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment, storms, floods, bushfires or other natural disasters. The occurrence of any of these circumstances could result in adverse production or financial performance.</p>
Mine development	<p>Possible future development of mining operations at the Company's projects is dependent on a number of factors including, but not</p>

Risk Category	Risk
	<p>limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production on one of the projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the projects. The risks associated with the development of a mine will be considered in full should the projects reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
<p>Tenure of mining permits</p>	<p>Mining and exploration permits are subject to periodic renewal. The renewal of the term of granted permits is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the permits. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.</p> <p>The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in the jurisdictions in which it operates and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted permit for reasons beyond the control of the Company could be significant.</p>
<p>Exploration and development risks</p>	<p>The business of exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:</p> <ul style="list-style-type: none"> (a) the discovery and/or acquisition of economically recoverable reserves; (b) access to adequate capital for project development; (c) design and construction of efficient development and production infrastructure within capital expenditure budgets; (d) securing and maintaining title to interests; (e) obtaining consents and approvals necessary for the conduct of exploration, development and production; and (f) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants. <p>Whether or not income will result from the Company's projects undergoing an exploration and development program depends on successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.</p>

Risk Category	Risk
	<p>Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.</p> <p>Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.</p> <p>There is no assurance that any exploration on current or future interests will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.</p>
Commodity Price Volatility	<p>Any future revenue derived through any future sales of minerals exposes the potential income of the Group to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities.</p>
Foreign Exchange Rate Risk	<p>International prices of various commodities are denominated in the United States dollar, whereas the income and expenditure of the Company will be taken into account in Australian currency, which will expose the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p> <p>To comply with Australian reporting requirements, the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and the volatility of the rate of exchange between other currencies and the Australian dollar, as determined by international markets.</p> <p>In addition, at this stage, the Company has decided not to put in place any hedges in relation to foreign exchange. This may result in the Company being exposed to exchange risk, which may have an adverse impact on the profitability and/or financial position of the Group.</p>
Climate Risk	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Group. The climate change risks particularly attributable to the Group include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible</p>

Risk Category	Risk
	<p>restraints on industry that may further impact the Company and its profitability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by the Group, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Group operates.</p>
<p>Trading price of the Company Shares</p>	<p>The Group's operating results, economic and financial prospects and other factors will affect the trading price of the Company's Shares. In addition, the price of the Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the Australian dollar and United States dollar performance on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general or Australian mining stocks in particular, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.</p> <p>In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.</p>
<p>Environmental</p>	<p>The operations and proposed activities of the Group are subject to state and federal laws and regulations concerning the environment in the relevant jurisdictions in which they are undertaken. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Group's operations more expensive.</p>

Risk Category	Risk
	Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.
Regulatory Compliance	<p>The Group's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Group's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Group or its properties, which could have a material adverse impact on the Group's current operations or planned development projects.</p> <p>Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the permits.</p>

5.4 General risks

Risk Category	Risk
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Group's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Competition risk	<p>The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions</p>

Risk Category	Risk
	may, positively or negatively, affect the operating and financial performance of the Group's projects and business.
Dividends	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Group, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Group if one or more of these employees cease their employment.
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Group's operations and financial performance, including the Group's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p>
Force Majeure	Events may occur within or outside the Company's key markets that could affect global economies and the operations of the Group. The events include, but are not limited, to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, changes in weather patterns or other severe weather events, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on market conditions, the demand for the Group's product offering and services and the Group's ability to conduct business.
Cyber security	Cyber security risks are increasing in the external environment. Cyber security risks include computer viruses targeting IT systems, unauthorised access, cyber-attack (either targeted at Vital for financial gain or due to geopolitical matters), social media disinformation campaigns, penetration of Vital's systems (including through attacks on Vital's suppliers) and other similar matters. A cyber event may lead to adverse impacts on the Group's operations and financial performance.

5.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

6. ADDITIONAL INFORMATION

6.1 Litigation

The Company is party to an ongoing dispute before the Federal Court of Australia with Atkins Projects and Infrastructure Pty Ltd (an entity related to a former director of the Company, Geoff Atkins) (**API**) relating to allegations by API of amounts owed to Mr Atkin's in connection with his role as a former director of the Company, plus interest and costs. The Company rejects the claim and will continue to defend its position in ongoing proceedings. With respect to timing, the trial may occur in early 2024 depending on the outcome of submissions currently before the Federal Court.

As announced on 29 September 2023, the Company has terminated an offtake agreement between the Company and REEtec AS dated on or about 2 February 2021. The termination will be effective from 26 December 2023, 90 days after the date on which the notice of termination was delivered by the Company. REEtec AS has notified the Company that it does not agree with the basis on which the Company has terminated the offtake agreement, nor that the notice of termination is valid. REEtec AS has therefore reserved its rights in respect of taking action against the Company in respect of the matter, including commencement of arbitration proceedings.

As at the date of this Prospectus, except as set out above, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
18 December 2023	Appendix 2A
18 December 2023	Completion of Tranche 1 Subscription and Reinstatement
14 December 2023	Request for Extension of Voluntary Suspension
4 December 2023	Vital Metals Strengthens Canadian Executive Team
29 November 2023	Notification regarding unquoted securities - VML
21 November 2023	Vital Drilling at Tardiff Returns up to 5.4% TREO
16 November 2023	Results of Annual General Meeting
16 November 2023	AGM Presentation
31 October 2023	Quarterly Activities and Cash Flow Report
27 October 2023	Proposed issue of securities – VML

Date	Description of Announcement
27 October 2023	Proposed issue of securities – VML
27 October 2023	Vital Secures Cornerstone Investment
23 October 2023	Vital Bolsters Board and Management
19 October 2023	Initial Director's Interest Notice
16 October 2023	Proposed issue of securities – VML
16 October 2023	Vital Appoints Geordie Mark as Managing Director and CEO
12 October 2023	Notice of Annual General Meeting/Proxy Form
9 October 2023	Request for Extension of Voluntary Suspension
6 October 2023	Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.vitalmetals.com/investor-centre/asx-announcements.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the most recent dates of those sales were:

	Price	Date
Highest	\$0.011	5, 6, 10, 14, 17 July 2023
Lowest	\$0.007	28, 29, 30 June 2023
Last	\$0.01	27 September 2023

6.4 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
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.	750,000,000	14.13%

In the event all Shares offered under this Prospectus are issued and all Shares are issued under the Tranche 1 Subscription, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue will be as set out below:

Shareholder	Shares	%
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.	750,000,000	12.72%
Shenghe Resources (Singapore) Pte. Ltd	588,917,200	9.99%

6.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options
Richard Crookes	Nil	Nil
Geordie Mark ¹	Nil	Nil
James Henderson ²	98,296,342	60,000,000
Paul Quirk	Nil	Nil
Lisa Riley	Nil	Nil

Notes:

1. As announced on 16 October 2023, the Company intends to issue 60,000,000 Options to Mr Mark with an exercise price to be set at a 45% premium to the 10-day volume weighted average share price of Shares prior to the 30th day after recommencement of trading of the Company's securities on ASX, expiring 4 years less 1 day from the date of issue and subject to vesting conditions relating to Mr Mark's continued employment with the Company.

2. Comprising:
 - (a) 98,296,342 Shares held indirectly by Transocean Private Investments Pty Ltd <Transocean Private Inves A/C>
 - (b) 20,000,000 Options exercisable at \$0.02 and expiring 22 October 2024 held indirectly by Jalonex Investments Pty Ltd;
 - (c) 20,000,000 Options exercisable at \$0.025 and expiring 22 October 2024 held indirectly by Jalonex Investments Pty Ltd; and
 - (d) 20,000,000 Options exercisable at \$0.03 and expiring 22 October 2024 held indirectly by Jalonex Investments Pty Ltd.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	FY ended 30 June 2023 (Actual)	FY ending 30 June 2024 (Proposed)
Richard Crookes	\$45,625 ¹	\$100,000
Geordie Mark	Nil	\$330,225 ²
James Henderson	\$55,000	\$70,000
Paul Quirk	\$35,000 ³	\$70,000
Lisa Riley	\$87,783 ⁴	\$80,000

Notes:

1. Mr Crookes was appointed Non-Executive Director on 10 August 2022 and Interim Chairman on 15 February 2023 and Chairman on 23 October 2023. Mr Crookes' salary increased from \$60,000 to \$100,000 per annum following his transition to Interim Chairman on 15 February 2023. Mr Crookes waived his director fees from 10 August 2022 to 31 December 2022.
2. Dr Mark was appointed as Managing Director and Chief Executive Officer effective from 16 October 2023. Details regarding Dr Mark's appointment and remuneration package are set out in the ASX announcement dated 16 October 2023. Exchange rate used CAD:AUD of 1.11 (source: ofx.com 29/11/2023).
3. Mr Quirk was appointed Non-Executive Director on 10 August 2022. Mr Quirk waived his director fees from 10 August 2022 to 31 December 2022.

4. Ms Riley was appointed Non-Executive Director on 2 December 2022. FY ended June 2023 includes personal exertion fees of \$44,450.

6.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$63,855 (excluding GST and disbursements) for legal services provided to the Company.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

6.8 Estimated expenses of Offer

The total expenses of the Offer are estimated to be approximately \$15,208 as follows:

Expense	(\$)
ASIC Fees	3,206
ASX Fees	2
Legal Fees	10,000
Miscellaneous, printing and other expenses	2,000
Total	15,208

6.9 Electronic Prospectus

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on +61 2 8029 0676 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

6.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

6.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988 (Cth)* (as amended), the *Corporations Act* and certain rules such as the *ASX Settlement Operating Rules*. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

GLOSSARY

\$ means Australian dollars.

Applicant means an investor who applies for Shares pursuant to the Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable in Section 1.1 of this Prospectus (unless extended or brought forward).

Company means Vital Metals Limited (ACN 112 032 596).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Directors means the directors of the Company as at the date of this Prospectus.

General Meeting means the extraordinary general meeting of Shareholders to be held in January 2024 to consider and approve, among other items of business, the allotment and issue of Shares under the Tranche 2 Subscription.

Group means the Company and its related bodies corporate, as that term is defined under the Corporations Act.

Lenders means Malekula Projects Pty Ltd, INVL Group Pty Ltd and Treasury Services Group Pty Ltd (as trustee for the Nero Resources Fund).

Lender Options means the 200,000,000 Options issued by the Company on 29 November 2023 to the Lenders (or their nominees).

Management Options means 100,000,000 Options to be issued to key management personnel under the Employee Securities Incentive Plan approved by Shareholders at the Company's Annual General Meeting held on 16 November 2023.

Offer means the offer of Shares referred to in the "Details of the Offer" Section of this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the opening date of the Offer as specified in the timetable set out in Section 1.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Prospectus means this prospectus.

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

Shareholder means a shareholder of the Company.

Share Registry means Automic Registry Services (ACN 152 260 814).

Shenghe means Shenghe Resources (Singapore) Pte. Ltd, a wholly owned subsidiary of Shenghe Resources Holding Co., Ltd.

Subscription Agreement means the subscription agreement between the Company and Shenghe dated 20 October 2023 (as varied on 26 October 2023) pursuant to which Shenghe agreed to the Tranche 1 Subscription and Tranche 2 Subscription, as set out in the Company's ASX Announcement dated 27 October 2023.

Tranche 1 Conditions Precedent means the conditions precedent to the Tranche 1 Subscription under the Subscription Agreement, as set out in the Company's ASX Announcement dated 27 October 2023.

Tranche 1 Subscription has the meaning given to it in Section 2.1 of this Prospectus.

Tranche 1 Subscription Shares means 588,917,200 Shares at a subscription price of \$0.01 per Share.

Tranche 2 Subscription means Shenghe's right to subscribe for the Tranche 2 Subscription Shares at any time in the 12 months following completion of the Tranche 1 Subscription on the terms and conditions set out in the Subscription Agreement.

Tranche 2 Subscription Shares means up to 591,668,698 Shares at a subscription price of \$0.015 per Share.

WST means western standard time as observed in Perth, Western Australia.