

RARE EARTH GRADES MINED AT NECHALACHO EXCEED VITAL'S EXPECTATIONS – SITE UPDATE

HIGHLIGHTS

- Nechalacho ore sorter commissioning has been completed with production continuing through August
- On-site analysis confirms ore sorter production is in line with expectations
- Approximately 28,000 tonnes of ore has been mined from Nechalacho's North T pit.
- High-grade fines have been direct bagged, without the need for further upgrading due to higher than expected TREO grades
- Vital expects to ship approximately 1,000t of beneficiated product to Saskatoon in the 3rd Quarter, 2021. This will be sufficient to supply the first 9 months commissioning with further deliveries to be scheduled as required.
- First feed at the Saskatoon Extraction Plant is forecast to occur by the end of 2021 with commissioning activities forecast to continue through the 1st half of 2022.
- Mining operations are scheduled to be completed, with demobilisation of the mining fleet occurring, at the end of September

Vital Metals Limited (ASX: VML) ("**Vital Metals**" or "**the Company**") is pleased to provide an update on operations at its Nechalacho rare earths project in Northwest Territories, Canada, where Vital commenced bagging high-grade ore mined from Nechalacho's North T pit.

Vital Metals' Managing Director Geoff Atkins said mining and sorting operations at Nechalacho have continued through August with key highlights being zones of high grade ore able to be bagged directly from the crusher, without the need to be processed through the ore sorter.

"As mentioned last month, mining at North T intersected high-grade REO mineralisation in the northern edge of the pit wall which was not part of our existing North T mineral resource. Mining in this area produced a high-grade ore that did not require processing through the ore sorter – we have simply crushed and bagged it, ready for transport to Saskatoon in coming weeks," he said.

"In addition to bagging high-grade ore, processing of medium and low-grade material through the ore sorter has continued through August. The ore sorter has continued to produce beneficiated product with production rates increasing according to plan. We expect to commence shipping approximately 1,000t of beneficiated product by the end of September. We will ship these to Saskatoon, where our rare earth extraction plant is currently under construction. The volume of material being transported to Saskatoon will be sufficient to commission and operate the Rare Earth Extraction Plant prior to further deliveries of product next northern summer."



Aerial view of Nechalacho operations



Night Shift operations



High Grade ore being loaded



Haul truck placing high-grade ore next to mobile crusher on ROM

For personal use only



Crushing high grade ore. The red of the bastnaesite is clearly visible



High grade fines ready for bagging



Crushed ore awaiting sorting



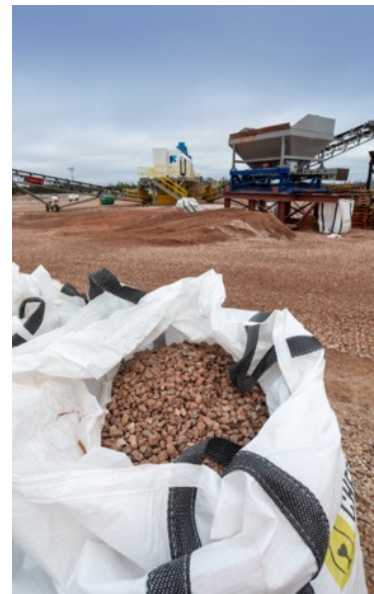
Ore sorter operations ongoing with product bagged



Ore sorter rejects



Ore sorter product



Product bagged



Product staging area at ore sorter reading for relocation to barge lay-down

- ENDS -

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This announcement has been authorised for release by the Board of Vital Metals.



ABOUT VITAL

Vital Metals Limited (ASX:VML) is an explorer and developer focussing on rare earths, technology metals and gold projects. Our projects are located across a range of jurisdictions in Canada, Africa and Germany.

Nechalacho Rare Earth Project - Canada

The Nechalacho project is a high grade, light rare earth (bastnaesite) project located at Nechalacho in the Northwest Territories of Canada and has potential for a start-up operation exploiting high-grade, easily accessible near surface mineralisation. The Nechalacho Rare Earth Project hosts within the Upper Zone, a JORC Resource of **94.7MT at 1.46% TREO** comprised of a Measured Resource of 2.9MT at 1.47% TREO, an Indicated Resource of 14.7MT at 1.5% TREO, and an Inferred Resource of 77.1MT at 1.46% TREO.¹

Forward Looking Statements

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production output.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company’s business and operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company’s control.

Although the company attempts to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

¹ Refer ASX Announcements dated 13 December 2019, 19 February 2020 and 15 April 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in that market announcement continue to apply and have not materially changed.