

VITAL SECURES C\$5M FUNDING FACILITY WITH PRAIRIESCAN

HIGHLIGHTS

- **Funding provided by PrairiesCan (formerly Western Economic Diversification Canada), the Government of Canada's Regional Economic Development Agency for the Prairies Region.**
- **The funding is for 32% of eligible costs relating to establishing operations and commissioning of the Rare Earth Extraction facility in Saskatoon.**
- **The C\$5 million contribution bears 0% interest and is unsecured.**
- **The funding will assist Vital's working capital requirements during commissioning and ramp up of its Rare Earths Extraction facility**
- **Construction activities continue at the Company's Saskatoon Rare Earth Extraction facility with first production of RE carbonate forecast to commence in June 2022.**

Vital Metals Limited (ASX: **VML** | OTCQB: **VTMXF**) ("**Vital**", "**Vital Metals**" or "**the Company**") is pleased to announce that its wholly owned subsidiary, Vital Metals Canada Ltd ("**VMCL**"), has signed a funding agreement with PrairiesCan (formerly Western Economic Diversification Canada) for C\$5 million. The funding has been provided under Canada's Jobs and Growth Fund.

The C\$5m funding assists with working capital during ramp-up of the Company's operations, including establishing the Saskatoon Rare Earth Extraction facility in Saskatchewan, for processing bastnaesite concentrate to produce a mixed rare earth carbonate. Activities associated with the new plant, for which funding is available, include engineering and design, equipment purchase and installation, commissioning, and optimization to finalise establishment of the new processing facilities.

The funding relates to reimbursement of 32% of eligible expenditure incurred by VMCL from 19 April 2021 to March 31, 2023 in respect of the Saskatoon Plant, with a maximum reimbursement of \$3m for expenditure incurred to 31 March 2022 and C\$2m for expenditure incurred to 31 March 2023.

Vital Metals' Managing Director Geoff Atkins said: "*We are very pleased to have the support of the Canadian Government through the funding provided by PrairiesCan, especially at this very exciting time as we ramp-up our operations to production. We welcome this additional funding which will be a great addition to our working capital requirements during commissioning of Vital's Rare Earth Extraction facility in Saskatoon. With production forecast to commence in June 2022, this will make Vital North America's only producer of high purity rare earth carbonate with feed from its own mines providing security of supply for the global rare earths supply chain.*"



Terms of the PrairiesCan Repayable Contribution are as follows:

- Amount of the repayable contribution: C\$5 million;
- Term of the repayable contribution: monthly payments over 5 years commencing 1 April 2024;
- Interest rate: 0%;
- Funds are repayable at any time without penalty, there is no security associated with the repayable contribution.
- Termination occurs upon full repayment of the contribution and receipt of final report by the government.

- ENDS-

Contact:

Mr Geoff Atkins
Managing Director
Vital Metals Limited
Phone: +61 2 8823 3100
Email: vital@vitalmetals.com.au

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

ABOUT VITAL

Vital Metals Limited (ASX: VML) is Canada's first rare earths producer following commencement of production at its Nechalacho rare earths project in Canada in June 2021. It holds a portfolio of rare earths, technology metals and gold projects located in Canada, Africa and Germany.

Nechalacho Rare Earth Project - Canada

The Nechalacho project is located at Nechalacho in the Northwest Territories of Canada and has potential for a start-up operation exploiting high-grade, easily accessible near surface mineralization before expanding into a large scale operation. 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

¹ Refer ASX Announcements dated 13 December 2019. 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.



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.