

COMMISSIONING COMMENCES AT VITAL'S SASKATOON RARE EARTH EXTRACTION PLANT

HIGHLIGHTS

- Commissioning at Vital's Saskatoon Rare Earth Extraction Plant commences, with ore fed into the dense media separation (DMS) unit
- Commissioning and ramp-up of the Saskatoon Plant will occur over two distinct phases: the product qualification phase before the throughput ramp-up phase commences
- Initial focus is production of 2.5 tonnes of rare earth carbonate at specification for delivery to offtake partner REEtec in accordance with agreed qualification protocols
- Vital is targeting delivery of this product to REEtec in October 2022
- Phase 2 of plant commissioning will then commence with throughput ramp-up and associated contract deliveries to REEtec
- Saskatoon facility will process rare earth ore mined at Vital's Nechalacho project in Northwest Territories, Canada
- Vital expects to ramp up production volumes at Saskatoon through two stages:
 - Stage 1 throughput capacity of 1,000t/yr REO (ex-cerium), equivalent to 470t/yr NdPr
 - Stage 2 capacity of 2,000t/yr REO (ex-cerium), equivalent to 940t/yr NdPr
- Vital will supply REEtec with 750t/yr NdPr – or 75% of Saskatoon's Stage 2 capacity



Figures 1 & 2: Commissioning begins for a dense media separation plant at Vital's Saskatoon rare earths extraction facility



Figures 3-5: Commissioning commences; ore moving through the DMS; the finished product

Canada's first rare earths producer **Vital Metals Limited** (ASX: **VML** | OTCQB: **VTMXF**) ("**Vital**", "**Vital Metals**" or "**the Company**") is pleased to announce it has commenced feeding ore into a dense media separation (DMS) plant as part of commissioning its rare earth extraction facility in Saskatoon, Saskatchewan, Canada.

Vital will commission the Saskatoon facility incrementally over coming months with plans to produce a 2.5t rare earth carbonate sample for offtake partner REEtec Ag as the next step of product qualification. Vital is processing ore from the Company's Nechalacho operation in Canada's Northwest Territories, where mining commenced in mid-2021.

Vital Metals Managing Director Geoff Atkins said: *"This is an exciting step for the Company as we continue our transition from rare earth developer to operator. We have been a rare earth miner for more than 12 months and now we can commence production of rare earth carbonate. We are excited to have reached this milestone at Saskatoon despite the challenges surrounding supply chains and logistics across the world."*

"We are targeting to produce 2.5t of carbonate for REEtec as an important step of our production qualification process before we commence ramping up our volume. We are forecasting for this to occur in October 2022."

With DMS commissioning commenced, over the coming months Vital will incrementally commission the calcination, leaching and purification & precipitation equipment at Saskatoon. This approach will focus on producing product at specification whilst minimising off-spec production, and hence wastage.

Vital's Saskatoon plant will have initial throughput capacity of 1,000 tonnes/year of rare earth oxide (REO) excluding cerium, which is equivalent to ~470t NdPr/year. Stage 2 will produce 2,000 tonnes/year REO excluding cerium, equivalent to 940t NdPr/year.

Under Vital's amended offtake agreement with REEtec, following REEtec's decision to use Vital's product as its principal feedstock for its rare earth separation facility, Vital will incrementally deliver 187.5t NdPr (contained within approximately 500t TREO) to REEtec by October 2023 and a minimum of 750t/year NdPr over five years (total 3,750t NdPr) contained within approximately 2,000t/year

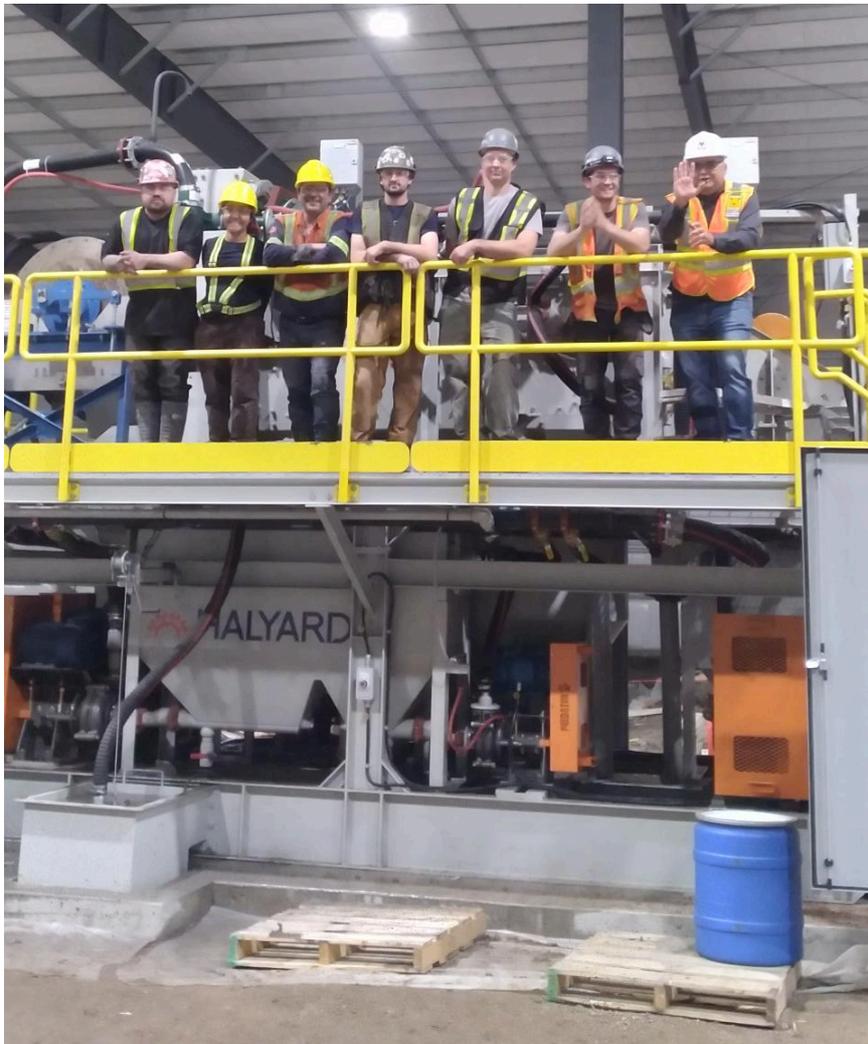


TREO. Vital's process will naturally remove a significant percentage of cerium with the final product to contain a maximum of 25% cerium.

Vital also has a Memorandum of Understanding ("MOU") with Ucore Rare Metals (TSX-V: UCU, OTCQX: UURAF) for Vital to supply rare earth carbonate feedstock for Ucore's ALASKA2023 project. Under the MOU, Vital will sell to Ucore a minimum of 500t REO (ex-cerium)/year, commencing H1 2024.

Vital's Saskatoon facility is adjacent to a rare earth processing plant under construction by Saskatchewan Research Council (SRC) as part of a rare earths hub. The SRC is providing technical support during the construction and operation of the plant as part of ongoing collaboration, allowing Vital and SRC to maximise potential synergies between the two operations.

Earlier this year, Vital was advised that it is to receive C\$5 million funding from PrairiesCan under Canada's Jobs and Growth Fund to assist with working capital during ramp-up of its operations, including establishing the Saskatoon facility. Vital will commence repaying the facility in monthly instalments over five years from April 2024.



Figures 6: Commissioning Team

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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 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 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. 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.