

VITAL TERMINATES AGREEMENT TO ACQUIRE KIPAWA & ZEUS PROJECTS

Canada's first rare earths producer **Vital Metals Limited** (ASX: **VML** | OTCQB: **VTMXF**) ("**VML**", "**Vital**", "**Vital Metals**" or "**the Company**") has advised Quebec Precious Metals Corporation ("**QPM**") that it will not proceed with the acquisition of QPM's 68% interest in the Kipawa exploration project and 100% interest in the Zeus exploration project in Quebec, Canada (the "**Projects**").

Vital's new management has not been satisfied with the results of its due diligence on the Projects, in particular the ability to progress its understanding of the Kipawa (Kebaowek) First Nation's stated objection to the Projects and to determine whether support from the First Nation can ever be obtained for Vital's exploration and development of the Projects. The Company is also not satisfied with the technical due diligence completed by former management, which aimed to utilise alternate development and processing methodologies. Vital has informed QPM of its decision to terminate the agreement after not being able to agree on terms to extend the due diligence period to enable Vital to further reduce risk.

It has become evident to Vital that, given the excellent potential of the assets it currently holds, proceeding with the acquisition would divert funds from its current high priority Nechalacho Project construction, also noting that development of the Kipawa and Zeus Projects would not occur for several years.

Vital remains focused on its Saskatoon rare earths production facility and development of the Tardiff deposit at Nechalacho in NWT, Canada, which will consume all resources in the short to medium term.

In addition, the Company has the opportunity to develop the previously reported xenotime mineralisation at Nechalacho's North T pit near the base of the current mining envelope. Development of this mineralisation would allow Vital to achieve its vision of producing commercial quantities of both light and heavy rare earths.

Vital Metals Interim CEO Russell Bradford stated, "*We see significantly more value for our shareholders in aggressively advancing Stages 1 and 2 of our Nechalacho Project and in our existing Project pipeline, rather than being distracted on less rewarding opportunities*".

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

ABOUT VITAL

Vital Metals Limited (ASX: VML) is Canada's rare earths producer following commencement of operations 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.

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 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 entity 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 entity and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect business and operations in the future. There are no assurances that the assumptions on which forward-looking statements are based will prove to be correct, or that the business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the entity or management or beyond the entity's control.

Although there have been 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 entity. 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 entity 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.