

VITAL METALS' JUNE 2024 QUARTERLY REPORT

Highlights

- Results from final 24 drill holes completed in 2023 Tardiff resource definition drilling program (74 holes totaling 6,664m) continue to return shallow high grades. Best results include:
 - L23-639: **53.5m at 1.5% TREO** from 6.7m incl. **1.8m at 8% TREO** within **15.8m at 2.6% TREO**
 - L23-652: **27.45m at 1.5% TREO** from 4.55m incl. **2m at 6.3% TREO**
 - L23-664: **55.0m at 1.6% TREO** from 20.5m incl. **1.38m at 4.6% TREO**
 - L23-660: **47.07m at 2.1% TREO** from 9.12m incl. **8.8m at 3% TREO** within **22.24m at 2.4% TREO**
 - L23-633: **22.83m at 2.0% TREO** from 27.95m incl. **1.87m at 3.3% TREO** within **10.3m at 2.5% TREO**
- Mineralisation remains open to the west, northwest and on the southern margins – results confirm potential for shallow, higher-grade resource expansion
- Drilling focused on increasing confidence of the Tardiff Zones 1 and 3 resource definition and grade by narrowing drilling spacing for resource conversion
- Vital will use full results from 2023 program to update a Mineral Resource Estimate (MRE) for Tardiff which currently stands at **213Mt at 1.17% TREO**
- Vital receives C\$3 million (A\$3.3M¹) for rare earth material sold to Saskatchewan Research Council (“SRC”), Canada’s second largest research and technology organization, superseding a transaction announced in December 2023²
- Vital remains on track to deliver:
 - Focused Study Updates (H2 CY2024)
 - Updated Tardiff Mineral Resource Estimate (Q4 CY2024)
 - Tardiff Scoping Study (late CY2024).

CORPORATE

- Non-Executive Director Lisa Riley appointed Managing Director and CEO, having served on Vital’s Board since December 2022
- Ms Riley has 30 years of experience in global capital markets, finance, mining advisory and government relations in Canada and Latin America.
- Mining professional Michael Brook appointed Non-Executive Director, bringing extensive experience in the mining sector from funds management to resource analysis.

¹ Assumed CAD/AUD of 1.10

² See VML ASX announcement 18 December 2023



Vital Metals Ltd (ASX: **VML**) (“**Vital**”, “**Vital Metals**” or “the **Company**”), an advanced stage exploration/development rare earths company, is pleased to report on its activities for the June 2024 quarter, including at its 100%-owned Nechalacho Rare Earth Project in Yellowknife, Northwest Territories, Canada.

NECHALACHO RARE EARTHS PROJECT, NORTHWEST TERRITORIES, CANADA

Final 2023 Drilling Results

Post quarter end, on 23 July 2024, Vital announced final results from its 2023 resource definition drilling program at the Tardiff deposit at Nechalacho. Results from the final 24 holes included high-grade intersections including:

- L23-639: **53.5m at 1.5% TREO** from 6.7m incl. **1.8m at 8% TREO** within **15.8m at 2.6% TREO**
- L23-652: **27.45m at 1.5% TREO** from 4.55m incl. **2m at 6.3% TREO**
- L23-638: **12.52m at 2.3% TREO** from 22.48m incl. **1.65m at 5.3% TREO**
- L23-643: **24.7m at 1.5% TREO** from 20.25 incl. **1.35m at 4.9% TREO**
- L23-664: **55.0m at 1.6% TREO** from 20.5m incl. **1.38m at 4.6% TREO**
- L23-644: **24.18m at 1.94% TREO** from 18.85m incl. **2m at 3.7% TREO**
- L23-633: **22.83m at 2.0% TREO** from 27.95m incl. **1.87m at 3.3 % TREO**
- L23-628: **14m at 1.7% TREO** from 75m incl. **1m at 3.4% TREO**
- L23-660: **47.07m at 2.1% TREO** from 9.12m incl. **8.8m at 3% TREO** within **22.24m at 2.4% TREO**
- L23-633: **22.83m at 2.0% TREO** from 27.95m incl. **1.87m at 3.3% TREO** within **10.3m at 2.5% TREO**.

Outcomes from this final parcel of results for 24 drillholes (Figure 2) highlight the potential expansion of shallow higher grade mineralization. Results of the 2023 drill program will aid in the interpretation of the geological model as it pertains to mineralization controls, targeting further conversion and refining of Inferred resources in future resource estimate updates on the Tardiff deposit.

Vital’s 2023 resource definition drilling program was drilled on a nominal 50m by 50m grid to infill areas previously drilled on nominal 100m to 200m drill spacing. Drilling targeted mineralization above the 150m RL. Vital aims to complete a scoping study on the Tardiff deposit in CY 2024. Further updates on Tardiff resource are planned related to field work and scoping study activities.

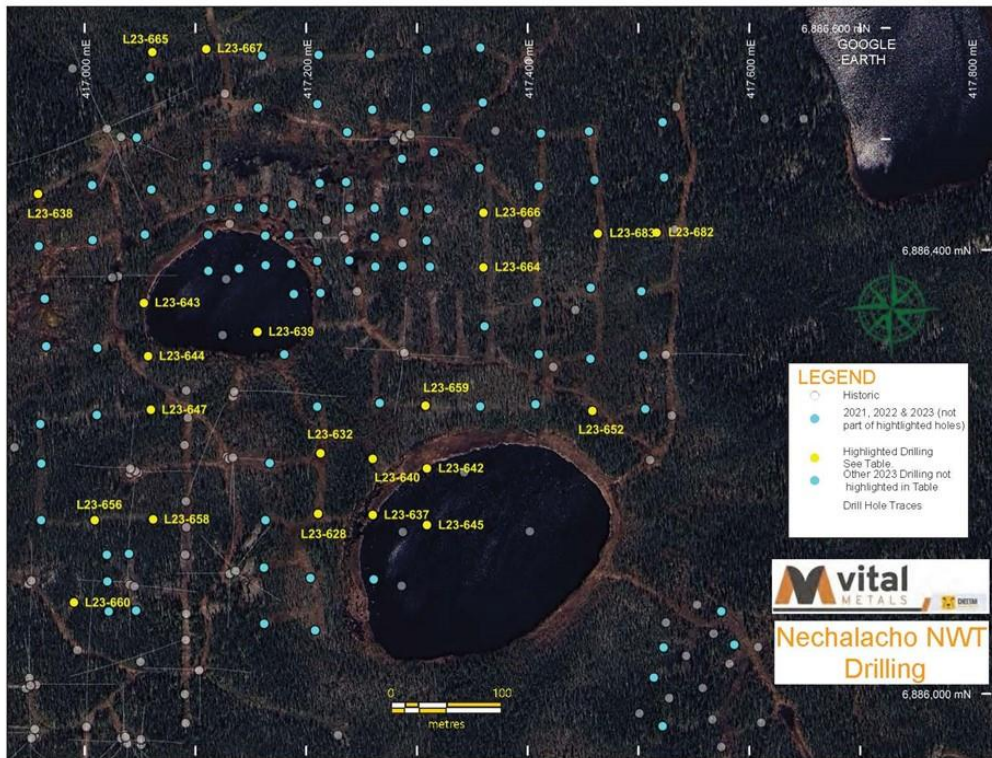


Figure 1: Plan view of the 2023 Tardiff drill program. Traces include the 2021 and 2022 drill programs.

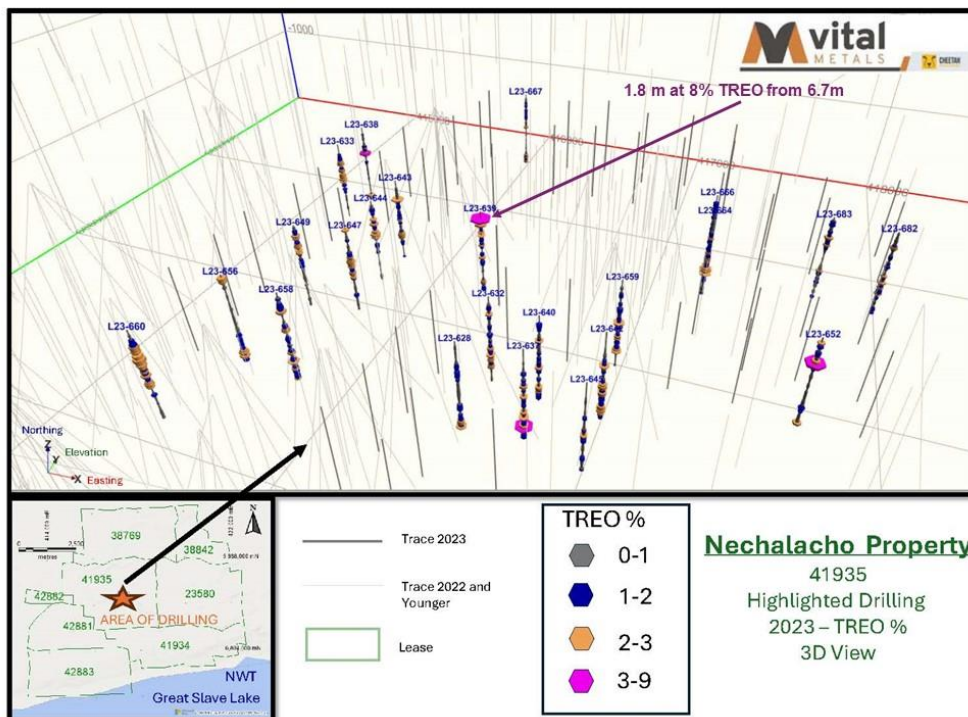


Figure 2: Projected drill strings highlighting (in colour) down-hole assays of the 24 drillholes released in this parcel of results from the 2023 drill program. All holes interpreted to intersect the Tardiff Upper Mineralized Zone within the Blachford Lake Complex. View is looking to the northeast. Assay results: Grey 0-1% TREO, blue 1-2% TREO, Orange 2-3% TREO and Fuchsia 3-9% TREO.

Results from this new data highlights shallow higher grades on the western extent of the 2023 drilling (hosting most of the discrete assays above 8% TREO in this parcel of data), which remains open for subsequent expansion. Shallow, higher-grade mineralization is hosted within predominantly strongly altered rock with varying degrees of magnetite, biotite and chlorite alteration and other secondary minerals replacing the majority of the primary mineralogy (i.e. secondary potassium feldspar).

A full table of results and discussion is available in Vital's ASX Announcement dated 23 July 2024.

All assays results from Vital's 2023 drill program have now been received and reported.

Stockpile Sale

In June, Vital advised it had signed an agreement to sell its stockpiled rare earth material to the Saskatchewan Research Council ("SRC") for C\$3,000,000 ("the Agreement"). The sale was facilitated by Natural Resources Canada ("NRCan"), and supersedes the prior transaction announced in December 2023. Vital's stockpiled rare earth material was derived from earlier mining on Nechalacho's North T deposit.

Under the Canadian Critical Minerals Strategy, Canada recognizes that critical minerals are strategic assets. Due to their important role in priority value chains including in electric vehicles, advanced manufacturing, and defence technologies, rare earth elements (REE) are among the critical minerals identified.

Vital received C\$2,750,000 during the June 2024 quarter and C\$750,000 in July 2024 from SRC after delivery of the material was completed.

Camp remediation

An evacuation of the Company's campsite between August 2023 and October 2023 because of local wildfires resulted in an unattended camp which was subsequently damaged by black bears and wolverines. Remediation of the campsite took place during the quarter, and it is anticipated that the costs incurred will be covered by insurance.

KEY MILESTONES ACHIEVED

Vital has achieved important milestones as part of a 2024 strategic plan that will ultimately culminate in the delivery of a Maiden Scoping Study on the Tardiff deposit at its Nechalacho Project by end CY2024:

- **High-grade drilling results** on the Tardiff deposit that showed newly defined areas of shallow, higher-grade rare earth mineralisation open in several directions for follow-up expansion testing
- An **updated Tardiff MRE** using economic principles demonstrated an increase in the total tonnage and contained NdPr content (213 Mt grading 1.2% TREO containing 623 kt NdPr) using a net metal revenue cut-off.
- **Inventory sale** for ~A\$3.3 million to the SRC.

Upcoming catalysts

Vital has several important milestones to achieve over the next six months which are expected to show a more matured understanding of the Upper Tardiff system, and reinforce the natural qualities of its unique combination of its incredible size, impressive grades, high NdPr:TREO ratio (25%), and shallow nature. These catalysts include:

- Recommencing targeted fieldwork (Q3 CY2024)
- Focused study updates (H2 CY2024)
- Updated Tardiff Mineral Resource Estimate (Q4 CY2024)
- Tardiff Scoping Study completion (late CY2024)

OTHER PROJECTS

Vital advises that licences relating to projects in Burkina Faso and Germany have expired. Vital will not seek renewal of these.

CORPORATE

Board Changes

During the quarter, Vital announced the appointment of Lisa Riley as its Managing Director and CEO. It terminated the contract of Dr Geordie Mark.

Ms Riley has served on Vital’s Board since December 2022 as an independent Director, based in Toronto, Canada. She has 30 years of experience in global capital markets, finance, mining advisory and government relations in Canada and Latin America.

Ms Riley serves as the Non-Executive Lead Director of Star Diamond Corp (TSX: DIAM), chairing its audit committee and is a member of its corporate governance, compensation and nomination committee. She is also a Director of GFG Resources Inc (TSX-V: GFG), and is a member of GFG’s corporate governance/compensation and audit committees. She was Chair of Tribeca Resources’ (TSX-V: TRBC) Board and a member of its corporate governance/compensation and audit committees from its listing until Dec. 2023. Previously, she was Lead Director of Scorpio Mining Corp (TSX: SPM), which became Americas Gold and Silver (TSX: USA), and chaired its audit committee. She was also a director of Scorpio Gold (TSXV: SGN).

Earlier in her career, Ms Riley held roles as Vice President and Director of Equity Sales at TD Securities in London, Vice President of Equity Sales at RBC Capital Markets in London and Vice President of Equity Research at Lehman Brothers in New York City. She has extensive experience advising mining companies on improving stakeholder relations and incorporating ESG focuses in real and measurable ways and is fluent in three languages.

Vital also appointed Michael Brook to the Board as an Australian-based non-executive director, following the resignation of James Henderson.

Mr Brook is a mining professional with diversified hands-on global mining industry experience underpinning a subsequent career path as a stockbroking resources analyst and then roles in Mining



Investment. In these roles, Mr Brook has driven the technical and commercial review of projects and companies across multiple jurisdictions and commodities and from early exploration through to production.

Mr Brook was previously Chairman / Manager of three successful African closed end resources investment funds (African Lion: AFL1, AFL2 and AFL3). These funds were supported by major development bank and commercial bank shareholders, working to world best practices.

Mr Brook has held numerous non-executive director positions on listed and unlisted junior resource company boards. He is currently a non-executive director of Geopacific Resources Limited (ASX:GPR), Principal – Mining for African Investments Limited (Private) and Chair of TuNya Resources (Private).

Change of Auditor

In accordance with Listing Rule 3.16.3, BDO Audit Pty Ltd (BDO Audit) was appointed as auditor of the Company, following the resignation of BDO Audit (WA) Pty Ltd (BDO WA) and ASIC’s consent to the resignation in accordance with s329(5) of the Corporations Act 2001 (the Act).

The change of auditor arose as a result of BDO WA restructuring its audit practice whereby audits will be conducted by BDO Audit, an authorised audit company, rather than BDO WA.

In accordance with s327C of the Act, a resolution will be proposed at the Company’s next Annual General Meeting to confirm the appointment of the Company’s auditor.

Cash position

As at 30 June 2024, the Company held approximately \$3,710,000 in cash.

During the quarter, the Company made payments of \$224,000 to related parties and their associates. These payments relate to existing remuneration agreements for the Directors. Of this amount, \$224,000 is included in operating cashflows and \$Nil is included in exploration expenditure.

During the quarter, Vital spent \$459,000 on exploration and evaluation expenditure and mine under development costs. Details of activities carried out during the quarter are set out in this report.

TENEMENT SCHEDULE – 30 June 2024

Location	Tenement	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
Canada	Nechalacho	100%*	100%	0%	100%

* Vital owns 100% of the mineral rights of the Nechalacho Project above the 150m RL elevation level.

- ENDS -



Contact:

Lisa Riley
Managing Director and CEO
Vital Metals Limited
Phone: +1 (581) 624 4833
Email: lriley@vitalmetals.com

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

ABOUT VITAL METALS

Vital Metals Limited (ASX: VML) is developing the large Nechalacho Rare Earth Project in Canada's Northwest Territories. Nechalacho has the potential to underpin significant rare earths supply chain for North America with responsibly sourced critical minerals for the green economy transformation.

Compliance Statements

This announcement contains information relating to Exploration Results extracted from an ASX market announcements reported previously in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code") and published on the ASX platform on 23 July 2024. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

This announcement contains information relating to Mineral Resource Estimates in respect of the Nechalacho Project extracted from ASX market announcements reported previously and published on the ASX platform on 4 April 2024. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. The Mineral Resource estimate of 212.7Mt @ 1.17% TREO comprises 181.6. Mt @ 1.17% TREO Inferred, 24.1Mt @ 1.08% TREO Indicated and 7.0Mt @ 1.39% TREO Measured.

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

VITAL METALS LIMITED

ABN

32 112 032 596

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	2,661	2,661
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production / inventory	(439)	(439)
	(d) staff costs	(250)	(1,072)
	(e) administration and corporate costs	(619)	(2,214)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	15	52
1.5	Interest and other costs of finance paid	(7)	(270)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Distribution from Liquidation)	1,086	1,086
	Other (Camp remediation costs)	(265)	(265)
1.9	Net cash from / (used in) operating activities	2,182	(461)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(5)	(625)
	(d) exploration & evaluation, mine under development	(459)	(3,234)
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	216
	(d) investments	-	-
	(e) other non-current assets (costs relating to the sale of ore -one-off)	-	(107)
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Cash outflow from discontinued operations)	-	(366)
2.5	Other (Cash flows from refundable Deposits)	-	(5)
2.6	Net cash from / (used in) investing activities	(464)	(4,121)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,889
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(546)
3.5	Proceeds from borrowings	-	2,000
3.6	Repayment of borrowings	(32)	(2,132)
3.7	Transaction costs related to loans and borrowings	-	(60)
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liabilities)	(81)	(369)
3.10	Net cash from / (used in) financing activities	(113)	4,782

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,201	3,621
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,182	(461)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(464)	(4,121)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(113)	4,782
4.5	Effect of movement in exchange rates on cash held	(96)	(111)
4.6	Cash and cash equivalents at end of period	3,710	3,710

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,622	1,041
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits supporting bank transaction facilities)	1,088	1,160
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,710	2,201

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	224
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	1,175	1,175
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	1,175	1,175
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Cheetah Resources Corp has received an unsecured loan of C\$1.26m from the Canadian Northern Economic Development Agency ("CanNor"), with no interest payable. The repayment period is in equal quarterly payment over 10 years commenced on 1 April 2023.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	2,182
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(459)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	1,723
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,710
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,710
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2024

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.