

Vital Metals' December 2025 Quarterly Activities Report

Highlights:

- A\$12.47 million raised in H2 CY2025, including A\$9.47 million completed during the quarter, leaving the Company well-funded.
- VML is funded to deliver the Tardiff Pre-Feasibility Study (PFS), targeted for completion by February 2027.
- The funding will also be used to pursue value-accretive upside, including metallurgical optimisation to improve recoveries and payable products, and infill drilling to upgrade the Mineral Resource Estimate.
- Investor support reflects confidence in the July 2025 Scoping Study for the high-grade, magnet-rich Tardiff deposit, which outlines a post-tax NPV of US\$445 million, excluding potential upside from further optimisation and exploration.
- Board strengthened with appointment of experienced mining executive, Andrew Nesbitt, supporting execution through the next development phase.

Vital Metals Limited (ASX: VML) ("Vital", "Vital Metals" or "the Company") is pleased to report on its December 2025 quarter, which focused on advancing its 100%-owned Nechalacho Rare Earths and Niobium Project in Yellowknife, Northwest Territories, Canada.

During the quarter, Vital completed Tranche 2 of its equity placement with A\$3.8m received from accredited US investors (refer ASX announcement 25 August 2025) and A\$5.6 million received from existing shareholders (refer ASX announcement 15 October 2025), bringing total funds raised in the second half of CY2025 to A\$12.47 million.

The support from investors reflects strong market confidence in the Scoping Study for the high-grade, magnet-rich Tardiff deposit at Nechalacho, released on 28 July 2025.

This funding will finance the Company's Tardiff Pre-Feasibility Study, targeted for completion by the end of February 2027, and represents a critical step in unlocking the project's post-tax NPV of US\$445 million identified in the Scoping Study.

Key catalysts expected from the use of funds:

- Optimisation of the Tardiff processing flowsheet, including further test work to add zircon and niobium to the payable product list.
- Evaluate new and existing technologies for the beneficiation of stockpiled material at North T during Q3 2026.
- Targeted infill drilling to increase the Tardiff Mineral Resource Estimate and upgrade resource confidence from Inferred to Measured and Indicated categories.
- Exploration fieldwork at South T, R and S Zones, and the three new concessions staked in November 2024 to broaden the Company's understanding of regional geology.
- Delivery of a Pre-Feasibility Study ("PFS") incorporating an updated Mineral Resource Estimate ("MRE") and the results of processing optimisation.

During the quarter, grab samples were collected from South T, R and S Zones (amongst other locations) as part of the Company's regional exploration program.

Results are expected within the coming weeks.

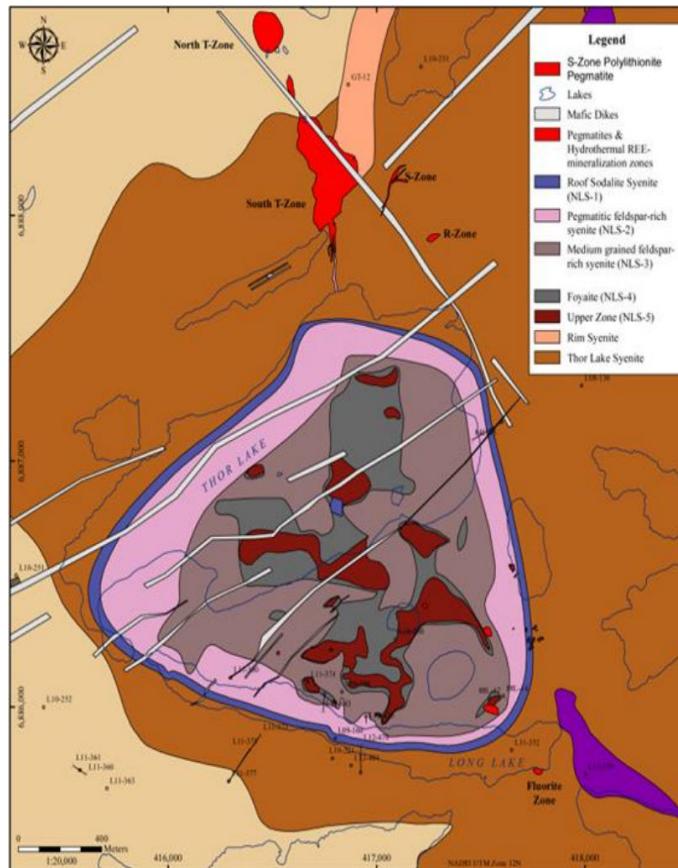


Figure 1: South T, R and S Zones



As reported previously, Canadian Federal and Provincial Governments have committed to advancing Critical Mineral supply chains and projects.

Management continues to progress these relationships.

The Board believes the Company is significantly de-risked financially, with the capacity to progress the Tardiff Scoping Study outcomes toward PFS while continuing to advance areas not included in the Nechalacho Project's MRE or Scoping Study.

Results from the Scoping Study

The Tardiff deposit at Nechalacho has an MRE of 192.7 million tonnes at 1.3% total rare earth oxide (TREO) and 0.3% niobium, containing 636,000 tonnes of NdPr (neodymium oxide + praseodymium oxide) and 578,000 tonnes of Nb_2O_5 ¹.

Tardiff is amongst the higher-grade rare-earth deposits in the world with a very attractive NdPr percentage of 25%, the two essential elements required for the manufacture of permanent magnets used for EVs, smart devices, wind turbines, and defense equipment.

Vital delivered a Scoping Study for its Tardiff deposit in July 2025² which outlined robust economics and upside potential with mixed rare earth and niobium concentrate production over an 11-year mine life.

The Study evaluated development of a hard rock starter open pit that extracts only 15% of the total Tardiff Mineral Resource Estimate. Importantly, the adjacent North T and South T deposits were not included providing further exploration upside.

Financial outcomes included:

- Pre-tax NPV_{8%} of US\$776M and 32% IRR
- Post-tax NPV_{8%} US\$445M and 25.5% IRR
- Payback period of 39 months

Base case commodity pricing for the study included:

- US\$90/kg for neodymium (Nd) & praseodymium (Pr)
- US\$1322/kg for terbium (Tb)
- US\$338/Kg for dysprosium (Dy)
- The breakeven price for NdPr using all other prices from the base case is US\$33.68/kg.

The Study estimated average annual production of 56kt of concentrate at a grade of 26.4% TREO and 3.3% Nb_2O_5 , with 45.1% global TREO recovery over an initial 11-year life of mine.

In addition, there is significant exploration potential across the broader Nechalacho Project,

¹ VML ASX Announcement dated 20 January 2025

² VML ASX Announcement dated 28 July 2025



including the high-grade North T bastnaesite starter pit (from which demonstration material was mined in 2021–22), as well as the South T, R and S Zones and newly staked leases from late 2024.

Further metallurgical test work could add substantial value by increasing concentrate grade from the current 26.4%, improving global TREO recoveries from 45.1%, confirming niobium as a payable product, and establishing zirconium payability.

CORPORATE

Completion of Capital Raise & Cash Position

During the quarter the Company completed its capital raise with the receipt of A\$9.47m in cash and the issue of 90.2m shares.

At the end of the December quarter, the Company held a strong cash position of A\$10.56m.

Vital is well-funded to advance Tardiff toward PFS and continue progressing additional targets outside the current MRE and Scoping Study at the high-grade, magnet-rich Nechalacho Rare Earths and Niobium Project.

During the quarter, the Company made payments of A\$183,000 to related parties and their associates. These payments relate to existing remuneration agreements for the Directors. Of this amount, A\$183,000 is included in operating cashflows and A\$Nil is included in exploration expenditure.

During the quarter, Vital spent A\$318,000 on exploration and evaluation expenditure and mine under development costs. Details of activities carried out during the quarter are set out in this report.

Andrew Nesbitt Appointed as Non-Executive Director

On 10 October 2025, Vital appointed experienced mining executive Andrew Nesbitt as a Non-Executive Director.

Andrew Nesbitt is the Chief Executive Officer of Australian Mines Limited (ASX: AUZ), an exploration and development company with assets in Australia and Brazil. He has nearly 30 years of international experience across the mining industry, spanning technical, operational, corporate, and investment roles.

Andrew previously served as CEO of Resource Mining Corporation Limited (ASX: RMI) and has extensive capital markets experience through senior roles with RiverFort Global Opportunities Plc (AIM) and Craton Capital Pty Limited, where he managed funds of over US\$400 million. He holds a BSc (Eng) in Mining Engineering and an MBA.

Andrew's appointment strengthens the Board's execution capability as Vital focuses on delivering a Pre-Feasibility Study and resource upgrades by February 2027.

Andrew's appointment follows the appointments of David Dikken, Douglas MacLennan and Alexius Chan which occurred on 22nd September 2025.



Less than Marketable Parcel Facility

The period for returning share retention forms under the Less Than Marketable Parcel facility (**Facility**) established for holders of less than a marketable parcel of Vital Metals Limited shares closed on 12 December 2025.

The final number of Vital Metals shares to be sold under the Facility is 3,820,872 Vital Metals shares from 5,182 shareholders. The closure of the Facility will reduce the number of Vital Metals shareholders to approximately 3,887 and will reduce Vital Metals' administrative costs associated with maintaining a large number of relatively small holdings on its share register.

Those who have not provided their bank account details are requested to contact Xcend Pty Ltd as soon as possible to facilitate payment of their sale proceeds, once the shares are sold. Shareholders can contact Xcend by telephone on +61 (2) 8591 8509, or by email at support@xcend.co for further assistance.

Annual General Meeting

Vital held its Annual General Meeting on 28 November 2025. All Resolutions were decided by poll and approved by the required majority.

During the AGM, a shareholder proposed an additional resolution relating to the confirmation of the appointment of the Company's Auditor. To allow shareholders a reasonable opportunity to consider this additional resolution, the Chair, in accordance with the Company's constitution, resolved to adjourn the AGM to 17 December 2025. At the reconvened meeting, Resolution 14 (Confirmation of Appointment of Auditor), was decided by poll and approved by the required majority.

TENEMENT SCHEDULE

Location	Project	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
Canada	Nechalacho * NT-3178, NT-3179, NT-3265 – NT-3267, NT-5534, NT-5535, NT-5561	100%	0%	100%
Canada	Nechalacho M11875 to M11877	100%	0%	100%

* Vital owns 100% of the mineral rights of the Nechalacho Project above the 150m RL elevation level. The licences are held 50% by Nechalacho Resources Corp and 50% by Avalon Advanced Materials Inc.



This announcement has been approved by the Board of Vital Metals Limited.

Contact

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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 a significant rare earths supply chain for North America with responsibly sourced critical minerals for the green economy transformation.

ASX Listing Rule Information

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 20 January 2025. 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 192.7Mt @ 1.3% TREO comprises 144.1 Mt @ 1.31% TREO Inferred, 41.0Mt @ 1.29% TREO Indicated and 7.6Mt @ 1.48% TREO Measured.

This announcement contains information relating to the Company's Scoping Study extracted from an ASX market announcement 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 28 July 2025. The Company confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target in the original ASX announcement continue to apply and have not materially changed.

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.

Cautionary statement – Scoping Study and forecast financial information: The Scoping Study results presented in this announcement are **preliminary** and are intended to provide an **order-of-magnitude** indication of potential project viability. The production target and forecast financial information are based on **Mineral Resources** (and may include **Inferred Mineral Resources**), and there is **no certainty** that further exploration and technical work will result in the estimation of Ore Reserves or that the production target will be realised. The outcomes are subject to a range of assumptions and risks (including commodity prices, metallurgical performance, capital and operating costs, permitting and approvals, financing and execution), and **future studies (including the planned PFS)** are required to confirm the results.

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")

31 DECEMBER 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production/inventory	-	-
(d) staff costs	(226)	(434)
(e) administration and corporate costs	(279)	(614)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	12
1.5 Interest and other costs of finance paid	(3)	(7)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Camp remediation costs)	(348)	(348)
1.9 Net cash from / (used in) operating activities	(849)	(1,391)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(318)	(509)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Return of rental bond)	-	138
2.6	Net cash from / (used in) investing activities	(318)	(371)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	9,469	12,472
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	(68)	(68)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(34)	(369)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liabilities)	(21)	(44)
3.10	Net cash from / (used in) financing activities	9,346	11,991

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,375	329
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(849)	(1,391)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(318)	(371)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	9,346	11,991
4.5 Effect of movement in exchange rates on cash held	3	(1)
4.6 Cash and cash equivalents at end of period	10,557	10,557
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	10,557	2,375
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,557	2,375
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		183
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>		

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.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	1,135	1,135
7.2	Credit standby arrangements	-	-
7.3	Other (Convertible Loan)	1,000	1,000
7.4	Total financing facilities	2,135	2,135
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.		
	Nechalacho 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. Amount is principal after repayments to date.		
	As announced on 14 March 2025, the company secured a \$1 million convertible loan which is due for repayment or conversion by 7 April 2026.		
8. Estimated cash available for future operating activities		\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)		(849)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))		(318)
8.3	Total relevant outgoings (item 8.1 + item 8.2)		(1,167)
8.4	Cash and cash equivalents at quarter end (item 4.6)		10,557
8.5	Unused finance facilities available at quarter end (item 7.5)		-
8.6	Total available funding (item 8.4 + item 8.5)		10,557
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)		9.05
	<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?		
	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?		
	N/A		

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: 30 January 2026

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.