

Vital Metals' March 2025 Quarterly Activities Report

Highlights:

- Vital is finalising a Scoping Study examining the potential size and scalability of rare earths and niobium recovery from its Tardiff deposit at Nechalacho, NWT, Canada
- Tardiff Scoping Study is due for release in Quarter 2, 2025
- Canadian Strategic Rare Earth Elements (REE) Consortium formed as Vital works with the Canadian Government on potential acceleration of the creation of a Canadian-only rare earths supply chain.
- Vital anticipates updates on Government discussions in coming months.

Vital Metals Limited (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 March 2025 quarter, including at its 100%-owned Nechalacho Project in Yellowknife, Northwest Territories, Canada.

Tardiff has a 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 Nb₂O₅**¹.

Tardiff Scoping Study

Vital is finalising a Scoping Study for its Tardiff deposit, examining the potential size and scalability of rare earths and niobium recovery from the deposit. Vital expanded the study in February to incorporate niobium recovery testwork after reporting an initial niobium resource in its January 2025 Mineral Resource Estimate update for the deposit.

Niobium pentoxide is experiencing increased demand due to its low oxidation point and relatively high melting point. It is used as an alloy in aeronautic engines, electronic applications (due to its superconducting properties) and as an additive to lithium-ion batteries to enhance battery life. Niobium is a key critical mineral, with limited current production sources globally. If niobium is able to be recovered from Tardiff, it could add substantial value to the project.

The Scoping Study is due for release in the second quarter.

¹ See VML ASX Announcement dated 20 January 2025



Strategic Research Consortium - Accelerating the Canadian Rare Earth Supply Chain

With increasing geopolitical tensions globally, Vital's Managing Director and CEO Lisa Riley has taken a leadership role in progressing discussions between mining companies, industry and State, Territory and Federal Government bodies to better position Canada as a mine to metal REE producer. Vital's Tardiff and high-grade North T deposits at Nechalacho are positioned to be significant components of this initiative.

During the quarter, Vital and partners Appia Rare Earths & Uranium Corp., Commerce Resources, Defense Metals, March Consulting Associates Inc. and the mineral processing innovation centre Corem, announced the creation of a strategic research consortium dedicated to rare earth elements (REE).

This collaborative initiative is designed to accelerate the establishment of a national rare earth elements industry, thereby reinforcing Canada's strategic role in this key sector supporting the development of advanced technologies. Its creation will also contribute to the socio-economic development of northern communities.

This consortium will implement a collaborative approach aimed at optimizing the extraction and processing of rare earth elements through technological innovation. This initiative promotes sharing the know-how and expertise of players in the value chain, pooling state-of-the-art, agile and flexible pilot laboratories, and the creation of collective innovation to accelerate the development of promising Canadian mining projects.

CORPORATE

\$1 million loan secured

As it finalises the Scoping Study, the Company secured a A\$1 million loan. Terms of the convertible loan agreement are as follows:

- Loan: A\$1,000,000 in cleared funds.
- Maturity Date: 12 months.
- Interest Rate: 12% per annum, paid in arrears.
- Conversion to equity: on any date up to and including the Maturity Date, at the election of the Lender, by written notice to the Company, the Lender may elect to convert (**Conversion Date**):
 - (i) the Principal Amount; and
 - (ii) any interest accrued at the relevant Conversion Date,in whole or in part into fully paid ordinary shares in the capital of the Company (**Shares**) at the Conversion Price of \$0.002 per Share.
- Options – within 10 business days of receipt of the Loan, 280m options with an expiry date that is 18 months from the date of issue and an exercise price of \$0.004 are to be issued by the Company to the Lender.
- Security: Nil, unless the Company enters into any other loan in which case the Company will register a first ranking general security to the Lender

The Company used its placement capacity under Listing Rule 7.1 for the potential issue of 560m Shares and the issue of 280m Options. Funds received are being used for general working capital purposes.



Cash position

As at 31 March 2025, the Company held approximately \$1.6m in cash.

During the quarter, the Company made payments of \$153,000 to related parties and their associates. These payments relate to existing remuneration agreements for the Directors. Of this amount, \$153,000 is included in operating cashflows and \$Nil is included in exploration expenditure.

During the quarter, Vital spent \$659,000 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

Location	Project	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
Canada	Nechalacho *	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 (formerly named Cheetah Resources Corp) and 50% by Avalon Advanced Materials Inc.

- ENDS -

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.



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")

31 MARCH 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	31	1,135
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production/inventory	(5)	(53)
(d) staff costs	(176)	(798)
(e) administration and corporate costs	(176)	(1,655)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	36
1.5 Interest and other costs of finance paid	(3)	(14)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	112
1.8 Other (Distribution from Liquidator)	-	387
1.9 Net cash from / (used in) operating activities	(322)	(850)

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	(659)	(1,649)
(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 (9 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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(659)	(1,649)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	800	800
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(35)	(104)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liabilities)	(17)	(183)
3.10	Net cash from / (used in) financing activities	748	513
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,806	3,533
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(322)	(850)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(659)	(1,649)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	748	513

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(4)	22
4.6	Cash and cash equivalents at end of period	1,569	1,569

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	699	930
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits supporting bank guarantee)	870	876
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,569	1,806

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	153
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	1,075	1,075
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	1,000	800
7.4	Total financing facilities	2,075	1,875
7.5	Unused financing facilities available at quarter end		200
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.		
	As announced on 14 March 2025, the company secured a \$1 million convertible loan. At the end of the quarter \$800,000 had been received and the balance of \$200,000 was available at quarter end and was received on 4 April 2025.		

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(322)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(659)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(981)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,569
8.5 Unused finance facilities available at quarter end (item 7.5)	200
8.6 Total available funding (item 8.4 + item 8.5)	1,769
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.80
<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:	
No -during the quarter the majority of costs relating to committed expenditures were paid. The level of committed expenditure going forward is reduced pending finalisation of the Scoping Study and any further decisions regarding follow-up activities.	
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:	
The Company is looking at several non-dilutive sources of cash including:	
- Insurance proceeds from 2023 incident expected in Q2 2025	
- Sale of remaining ore stockpiles on site	
- Debt funding	
The Company has demonstrated a record of securing funds when required and is confident that it will be able to continue to do so. The Company retains its placement capacity under Listing Rule 7.1A.	
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:	
Yes. The Company believes that it will be able to continue its current operations and business objectives for the reasons outlined in items 1 and 2 above.	
<i>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.</i>	

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 April 2025

Authorised by: 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.