

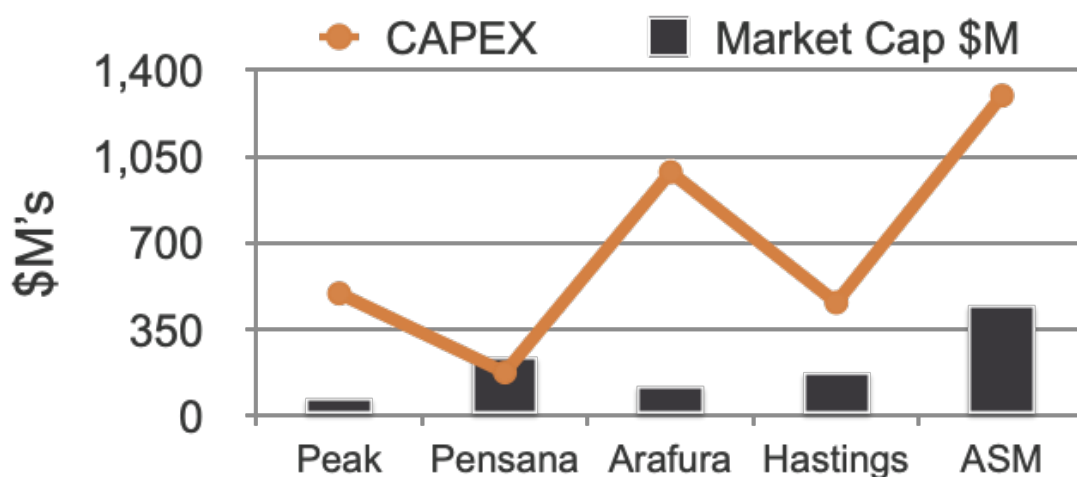
Retraction of CAPEX and Market Capitalisation Graph

Vital Metals Limited (ASX: **VML**) (“**Vital Metals**” or “**the Company**”) retracts the graph in its presentations lodged with ASX on 26 November 2020 (page 7) and 18 August 2020 (page 8) concerning the estimated capital expenditure (CAPEX) of non-producing entities compared with their market capitalisation.

In this graph Vital Metals has made a comparison of its anticipated CAPEX, which has not been the subject of technical studies, to the CAPEX of other entities which have been subject to technical studies.

As a consequence of the retraction of the graph the Company advises that the Information contained in the graph should be disregarded and that accordingly investors should not rely on the retracted Information for their investment decisions.

The following graph demonstrates the link between CAPEX and Market Capitalisation of aspiring rare earth producers. The graph shows targeted CAPEX to be significantly larger than the company’s market capitalisation. Vital Metals is however pursuing a low CAPEX approach to reduce risk and be less dilutive to shareholders.



The above graph is based on the following information:

Company	Market Capitalisation 26/11/2020	Estimated CAPEX	CAPEX/Mkt Cap Ratio	Capex Source
Peak Resources Limited (ASX:PEK)	\$74M	\$496M ²	6.7	ASX feasibility study Announcement 28 th August 2017
Pensana Rare Earths PLC (ASX:PM8)	\$238M	\$177M ^{1,2}	0.7	ASX pre-feasibility study Announcement 15 th November 2019
Arafura Resources Limited (ASX:ARU)	\$122M	\$986M ²	8.1	ASX feasibility study Announcement 7 th February 2019
Hastings Technology Metals LTD (ASX:HAS)	\$174M	\$449M	2.6	ASX feasibility study Announcement 29 July 2020
Australian Strategic Materials Ltd (ASX:ASM)	\$450M	\$1,297M	2.9	ASX feasibility study Announcement 4 June 2018 (prior to demerger ASX:ALK)

Note :

1. Pensana Rare Earths capital cost estimate is based on the 15 November 2019 Pre-Feasibility Study Announcement which includes only mining and concentration. On the 16th November 2020, Pensana announced that a feasibility study is currently underway for the production of a rare earth sulphate.
2. Capital cost estimates for Peak Resources, Pensana Rare Earths and Arafura Resources have been converted from United States Dollars to Australian Dollars at USD/AUD: 1.3583 (RBA rate 26/11/2020).

Attached is the revised AGM 2020 presentation.

- ENDS-

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

An aerial photograph of a mining site. The site is located in a green, hilly area. There are several large, rectangular concrete structures, possibly for water storage or processing. A small blue building is visible. A red truck is parked near the structures. The ground is reddish-brown, indicating mining activity.

Rare Earth Production Commencing 2021

AGM Presentation

November 2020

Disclaimer

This presentation provides an overview of prospective rare earth projects (“the Projects”) and development opportunities and contains “forward looking statements”. Forward-looking statements are all statements other than statements of historical fact included in this presentation including and without limitation those regarding the Projects’ strategy, financial positions, plans and identification of additional resources and reserves. Such forward looking statements are subject to risk factors associated with exploration, development and the acquisitions of mining tenements and involve known and unknown risks, uncertainties and other factors. These risk factors could have a material effect on the operating, financial performance and achievements of the Projects and may cause the actual results to be materially different from any future operating, financial performance and achievements expressed or implied in the forward-looking statements contained in this presentation. Although there are reasonable grounds for making the forward-looking statements, such forward looking statements may be materially affected by changes in the underlying assumptions and changes to the environment which the Projects will operate in the future and such assumptions may or may not prove to be correct. Some of the underlying assumptions in this presentation are based on information which has not been independently verified.

This presentation does not constitute, or form part of, an offer to sell or the solicitation of an offer to subscribe for or buy any securities, nor the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issue or transfer of the securities referred to in this presentation in any jurisdiction in contravention of applicable law.

To the extent permitted by law, neither Vital Metals, nor any directors, officers, employees or advisors nor any other person shall have any liability whatsoever for any errors or omissions or any loss however arising, directly or indirectly, for any use of this information or its contents or otherwise arising in connection therewith. Therefore, any potential investor or shareholder should consult with their professional advisors and seek independent advice before making any investment decisions regard to investing in Vital Metals or the Projects.

ASX LISTING RULE INFORMATION

This presentation contains information relating to Mineral Resource and Exploration Results extracted from ASX market announcements reported previously and published on the ASX platform on 13 December 2019, 19 February 2020 and 15 April 2020. 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, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original market announcements continue to apply and have not materially changed. Investors should note that the Mineral Resource estimate for the Wigu Hill Rare Earth Project is a foreign estimate and is not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify this foreign estimate as a mineral resource in accordance with the JORC Code and it is uncertain that following further exploration or evaluation work that the foreign estimate will be able to be reported as a mineral resource in accordance with the JORC Code. The Company has previously disclosed the foreign estimate in compliance with ASX Listing Rule 5.12 in the announcement dated 25 June 2019 titled “Vital to Transform into Rare Earth Oxide Developer” (“Announcement”). The Company is not in possession of any new information or data relating the foreign estimate that materially impacts on the reliability of the estimate or the Company’s ability to verify the foreign estimate in accordance with Appendix 5A (JORC Code). The Company confirms that the supporting information provided in the Announcement continues to apply and has not materially changed.

This presentation includes aspirational statements which have been reported in accordance with ASIC’s guidance on ‘Forward-looking Statements’ and ASX Guidance Note 31. These statements are not predictive in nature and the Company does not yet have reasonable grounds to assert that these aspirational statements can be achieved.

REFERENCES

1. ASX announcement dated 15 April 2020 titled “Substantial Increase in Resource Size and Grade at North-T Zone Nechalacho” (<https://www.asx.com.au/asxpdf/20200415/pdf/44qytlw5ckfbyr.pdf>); and
ASX announcement dated 13 December 2019 titled “Vital Announces JORC 2012 Compliant Resources for the Nechalacho Rare Earth Deposit” (<https://www.asx.com.au/asxpdf/20191213/pdf/44ckgzdngkmzpi.pdf>)
2. ASX announcement dated 25 June 2019 titled “Vital to Transform Into Rare Earth Oxide Developer” (<https://www.asx.com.au/asxpdf/20190625/pdf/446361nxqnn9w8.pdf>)
3. ASX announcement dated 19 February 2020 titled “Vital Intersects Ultra-High Grade, Near-Surface REO at Nechalacho” (<https://www.asx.com.au/asxpdf/20200219/pdf/44f74511z68r0.pdf>)
4. ASX announcement dated 5 December 2019 titled “Vital Demonstrates Ability to Produce Rare Earth Concentrate with Grades Above 35% REO” (<https://www.asx.com.au/asxpdf/20191205/pdf/44c9nq180gpl7h.pdf>)

VML is targeting to be the largest independent supplier of clean mixed rare earth feedstock outside of China

Highlights

Aspirational Targets

- Operations commencing 2021
- Maximum total construction cost to produce rare earth carbonate of A\$20M
- Aim for the production of a minimum of 5,000t contained REO by 2025

World class REO Development Team – ex Lynas Corporation Ltd

- Managing Director: Geoff Atkins - ex Lynas Corporate Development
- Chief Operating Officer: Tony Hadley - ex Lynas and Northern Minerals Operation Manager

2 World Class Rare Earth projects

- Nechalacho (Canada): 95mt at 1.46% TREO
- Wigu Hill (Tanzania): 3.3mt at 2.6% TREO

Simple Metallurgy

- 35%+ initial beneficiation via ore sorting
- 97% recovery into solution via hydrochloric acid with using industry standard process

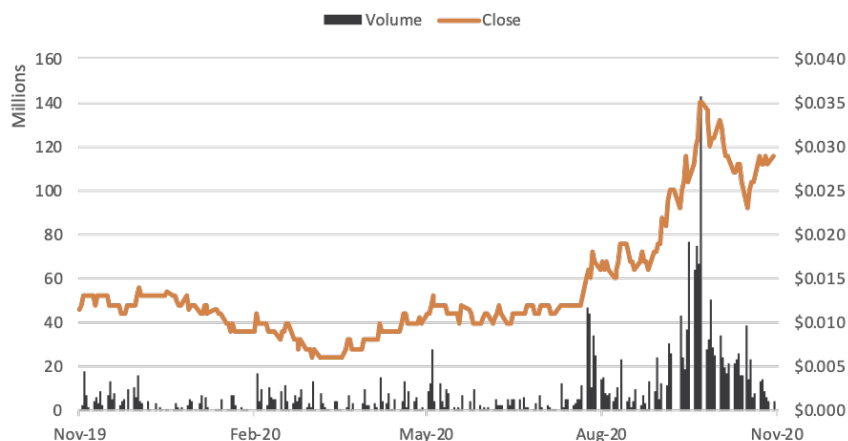
Supporting a non-China supply chain

- Nechalacho located in Canada
- Accepted into Canadian Government AGS scheme to promote Canadian Government assistance



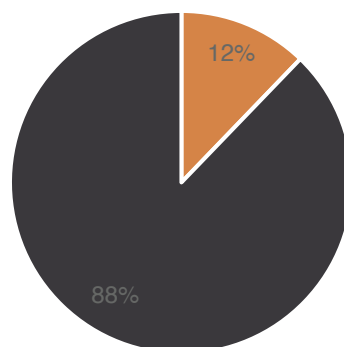
Company Overview

VML Share Price Performance



Shareholder Breakdown

■ Directors and Management ■ Other



Capital Structure

ASX Code	VML
Shares on Issue	2,629m
Performance Shares	800m
Performance Rights and Options on Issue	443m
Share Price (as 13 Nov 2020)	\$0.028
Market Capitalisation	\$73.6m
Cash (30 Sept 2020)	\$1.2m (\$8m raised October 2020)

Board and Management

Geoff Atkins	Managing Director
Evan Cranston	Chairman
Phil Coulson	Non-executive Director
James Henderson	Non-executive Director
Tony Hadley	Chief Operating Officer
Mathew Edler	Executive Vice President – Corporate Development
Ray Anguelov	Canada Operations Manager

Vital's senior management are world experts in developing rare earth projects

Senior Management

GEOFF ATKINS Managing Director

25 years of project and corporate development experience including four (4) years as Corporate Planning Manager at Lynas Corporation where he oversaw the development of and implementation of the strategic planning process and the development of the Mt Weld Concentration Plant and Lynas Advance Materials Plant in Malaysia.

TONY HADLEY Chief Operating Officer

Over 25 years metallurgical process experience including General Manager, Mt Weld where he successfully designed and commissioned the world's first rare earth phosphate flotation concentrator and General Manager, Browns Range where he successfully designed and commissioned the world's first heavy rare earth process plant for xenotime feedstock.

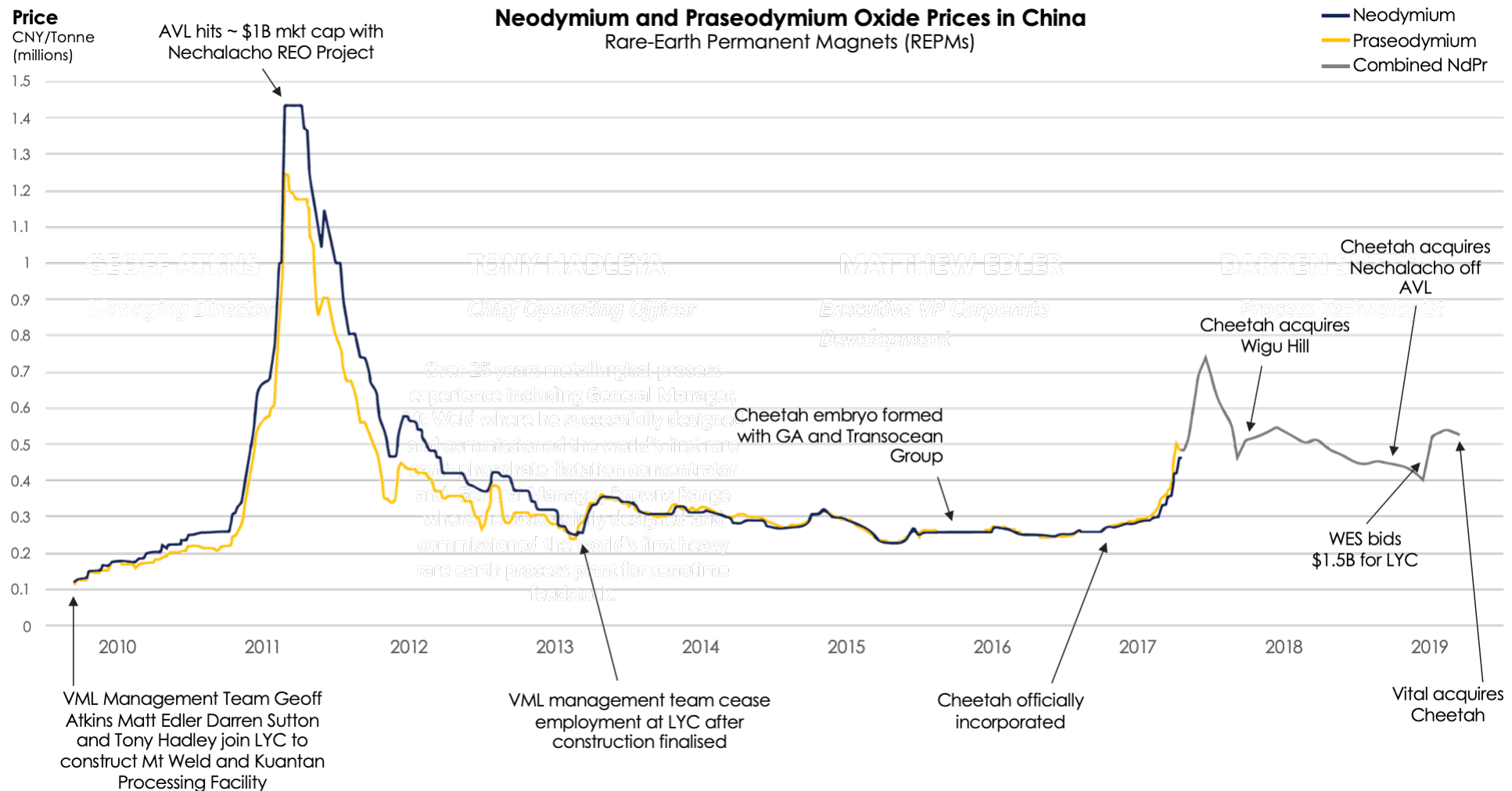
MATHEW EDLER Executive VP Corporate Development

Former General Manager for Lynas Corporation and was responsible for all in-country activities for the Kangankunde rare earth project – Malawi.

RAY ANGUELOV Canada Operations Manager

Over 25 years metallurgical process experience. Ray started as the senior metallurgist at North Minerals in 2018 and was later promoted to metallurgical superintendent. Ray was involved with all aspects of the day to day operations including plant commissioning and optimisation, and managing test work programs, metallurgical accounting, plant safety audits.

Vital has evolved from a rare earth development concept in 2015 to today being on the cusp of production



The traditional development model requires considerable time and capital

Traditional Project Development Model

Time Taken to Develop Projects

- Financing, contracting, construction and commissioning 4+ years
- Projects are complex and require 2-3 years to achieve design capacity

CAPEX to Develop Project (ARU PEK ASM PM8)

- Average CAPEX of aspiring SX RE developer is \$823M
- Average ASX Market capitalisation is \$3339M

Customer Acceptance of Product

- Due to very high specification levels, if replacing existing supply, customer will slowly ramp-up acceptance of product over 3-4 years

Building large REO projects utilising the tradition development model is potentially extremely dilutive to shareholders who will not see a return for many years

Graph Notes:

1. Market Capitalisation as at 26 November 2020

2. CAPEX Sources:

PEK: ASX Feasibility Announcement 28/8/2017

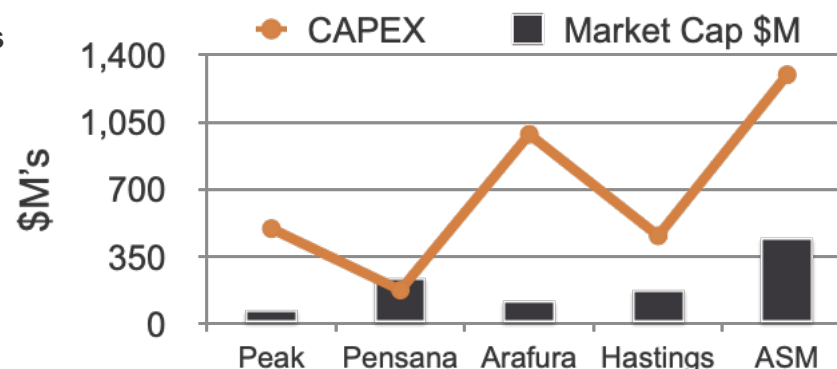
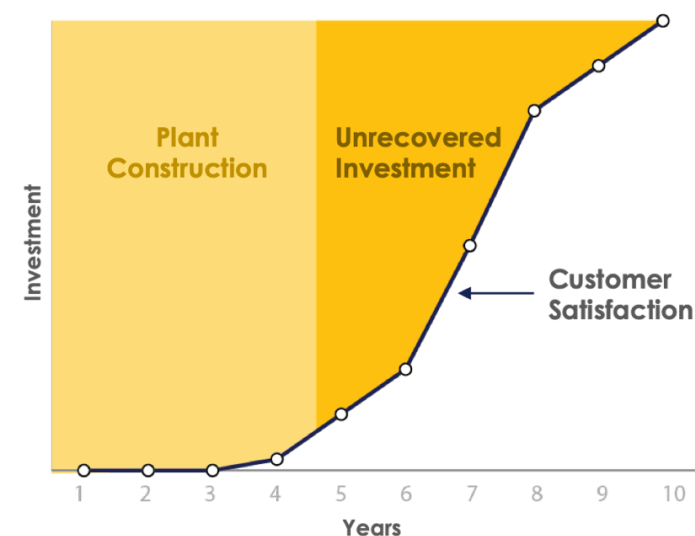
PM8: ASX Preliminary Feasibility Announcement 15/11/2019

ARU: ASX Feasibility Announcement 7/2/2019

HAS: ASX Feasibility Announcement 29/7/2020

ASM: ALK ASX Feasibility Announcement 4/6/2018

3. Foreign exchange rate USD/AUD : 1.3583 (RBA - 26 November 2020)



Vital's strategy is to generate low cost near-term cashflow to fund the development of large scale operations

Vital's 3 Stage Development Strategy and Aspirational Targets

Stage 1: Nechalacho North T

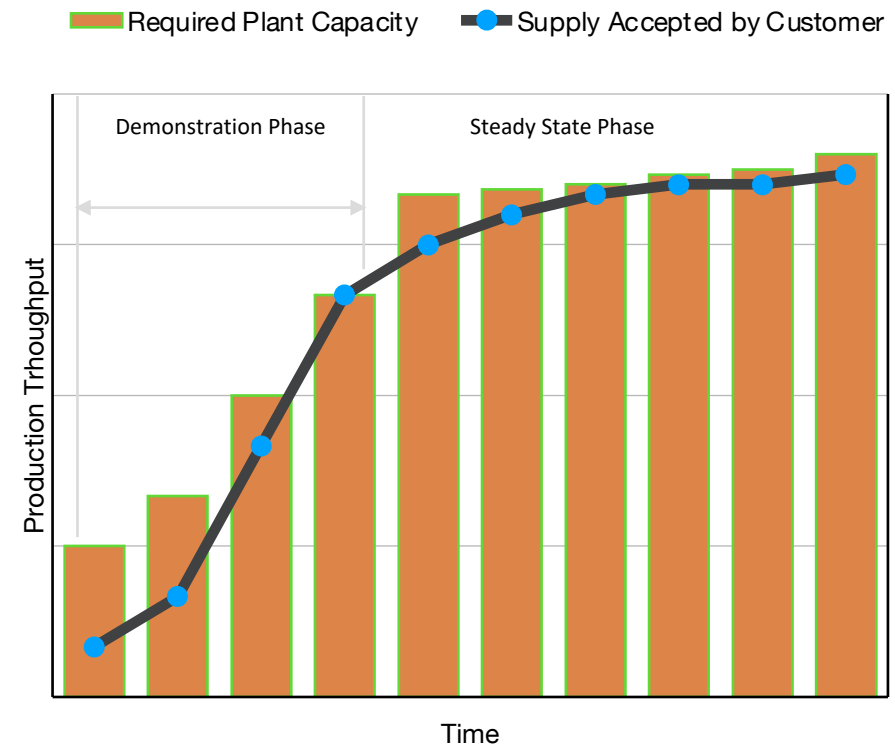
- Near term/low capex Demonstration Plant to finalise customer acceptance and ramp - up
- Commence production of Mixed RE Carbonate in 2021
- Total Construction cost for beneficiation and rare earth extraction plants to be a maximum of A\$20m

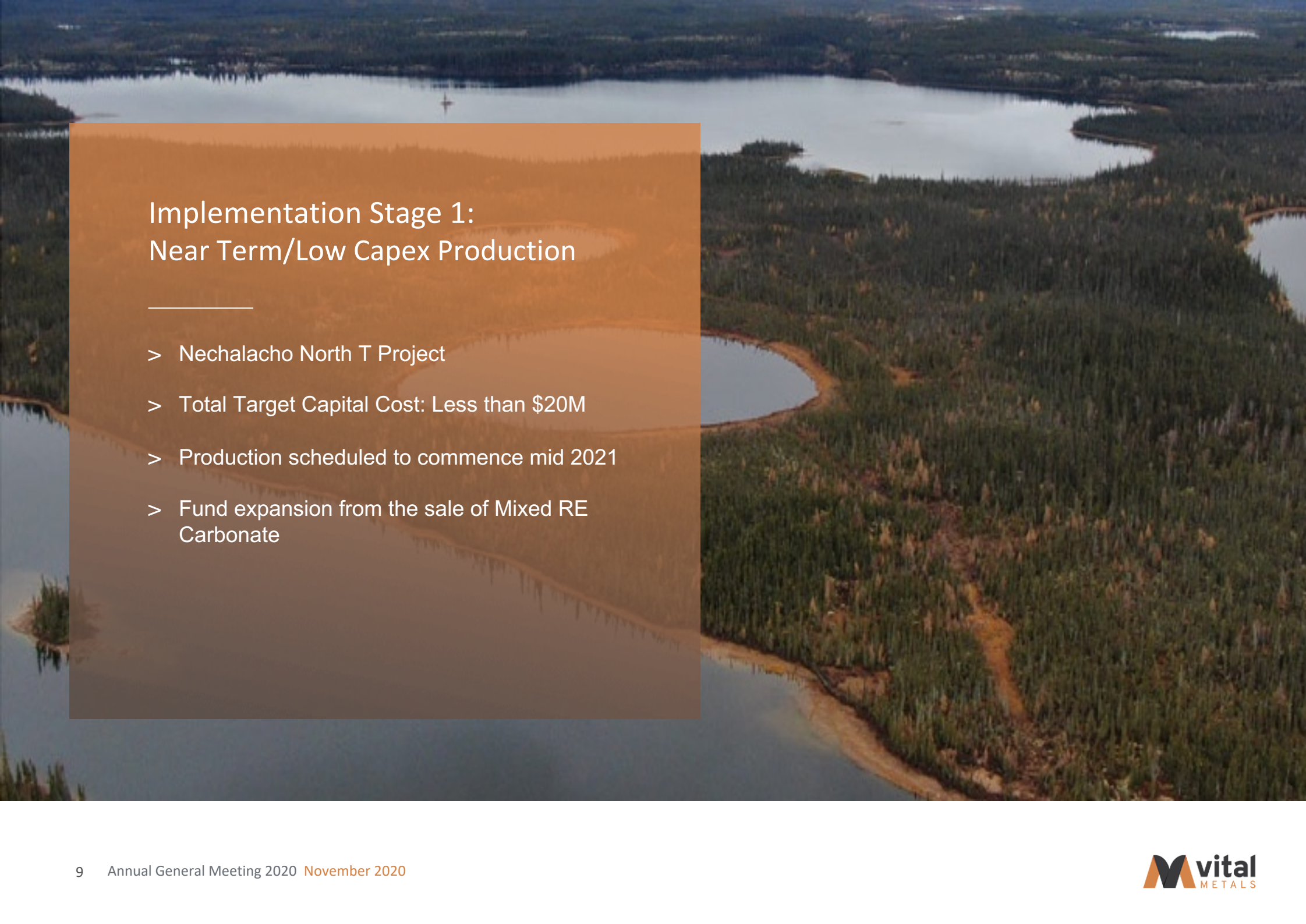
Stage 2: Nechalacho Tardiff

- Long term/large scale commercial operation providing long term security to the rare earth supply chain
- Fund expansion and the development of Tardiff through the sale of Mixed RE Carbonate from North T
- Aim for the production of 5,000t contained Total REO per year by 2025, with the potential for further expansion

Stage 3: Wigu Hill

- Expansion capability through additional project
- Multiple project enable flexibility to react quickly to changes in market and customer requirements





Implementation Stage 1: Near Term/Low Capex Production

- > Nechalacho North T Project
- > Total Target Capital Cost: Less than \$20M
- > Production scheduled to commence mid 2021
- > Fund expansion from the sale of Mixed RE Carbonate

The Nechalacho project is a world class rare earth project located in Northwest Territories, Canada

Large World Class REO Resource

- 94.7MT at 1.46% REO (measure, indicated and inferred)

Tier 1 Mining Jurisdiction

Excellent Infrastructure

- Located 100km from Yellowknife
- 40 person camp with air strip
- Barge access in summer, ice road in winter

Previous Owners spent C\$100m+

- Targeting heavy rare earth basal zone
- Completed DFS 2013 - \$1.6B CAPEX
- Upper Zone acquired for C\$5M in 2018

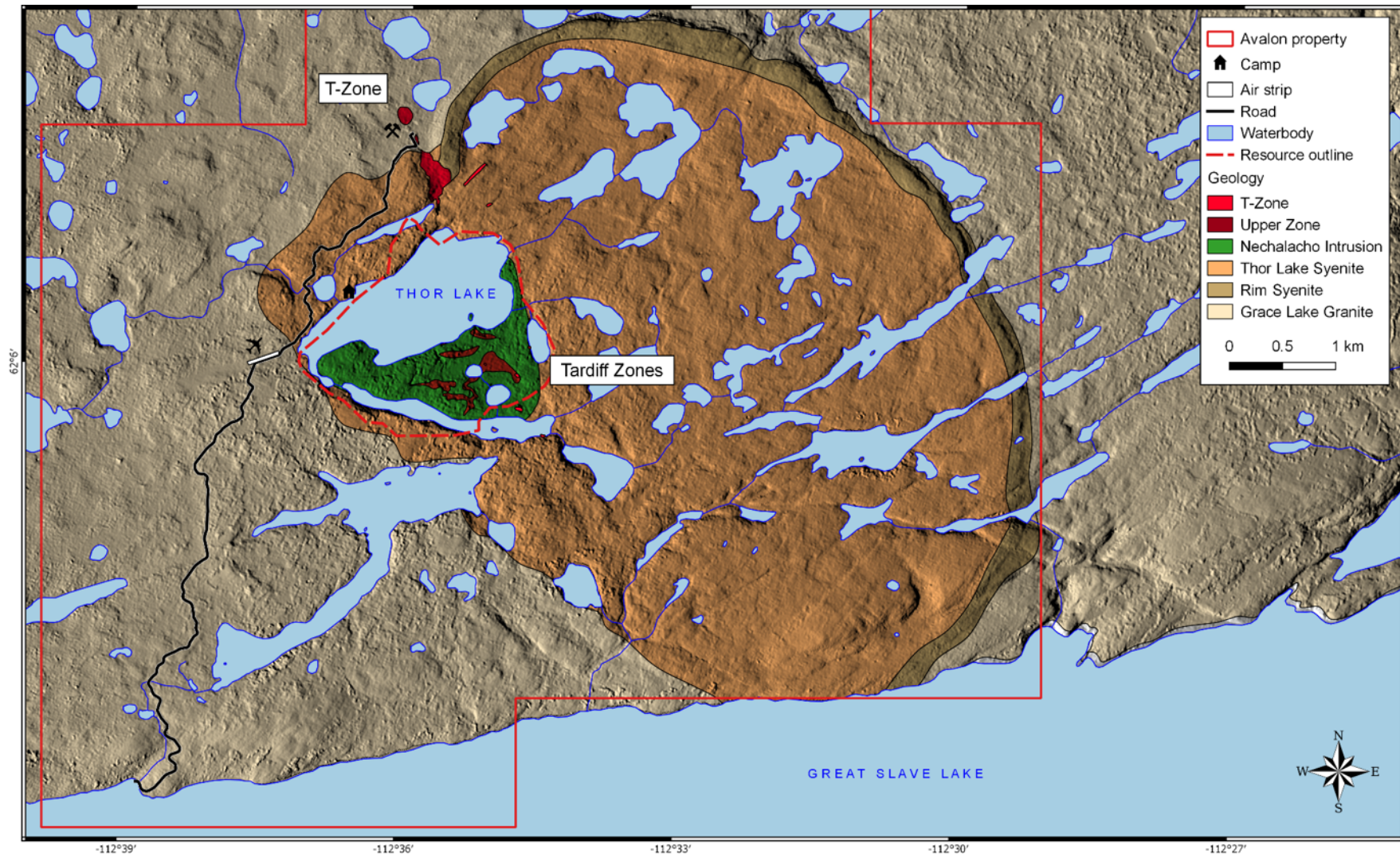
Fully permitted for commencement of operations

Vital to target LREO Upper Zone

- Potential for lowest quartile CAPEX and OPEX



The Nechalacho project consists of two distinct zones, the T Zone and Tardiff Zone



The project has world-class existing infrastructure



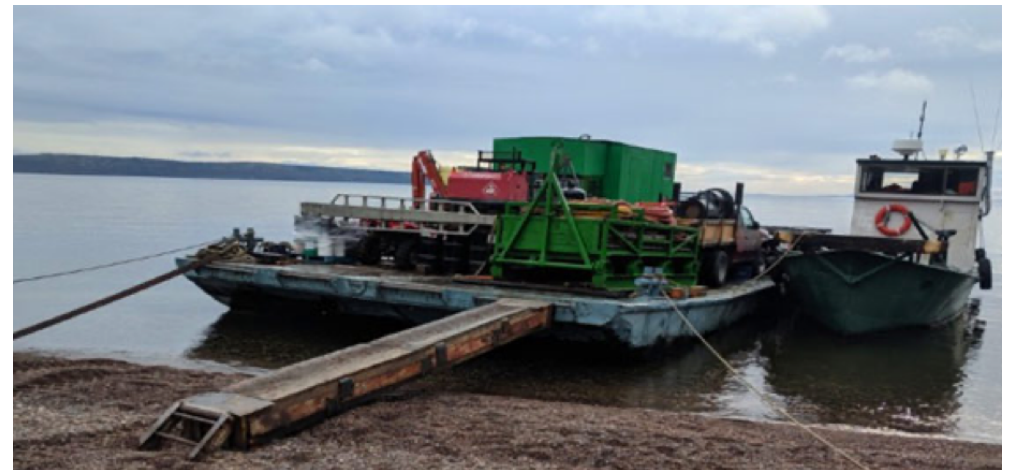
Access to Canadian National Railway at Hay River



Drill Rig being de-mobilised on the Nechalacho Ice Road



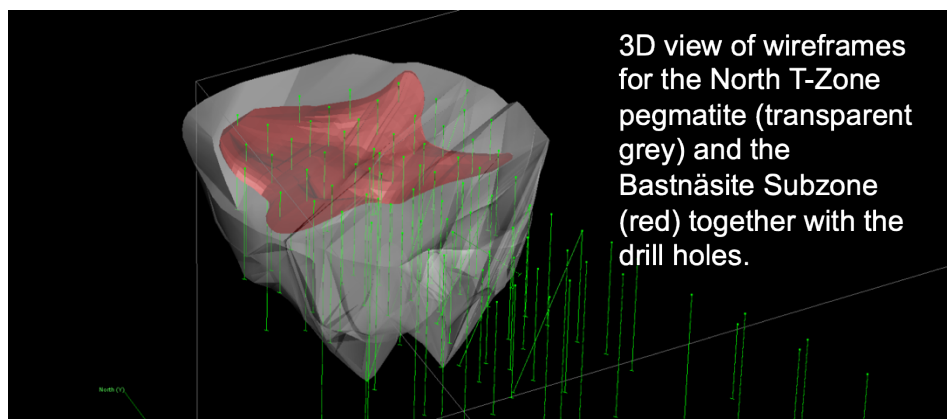
40 Person Camp on Thor Lake



Drill rig being mobilised via barge

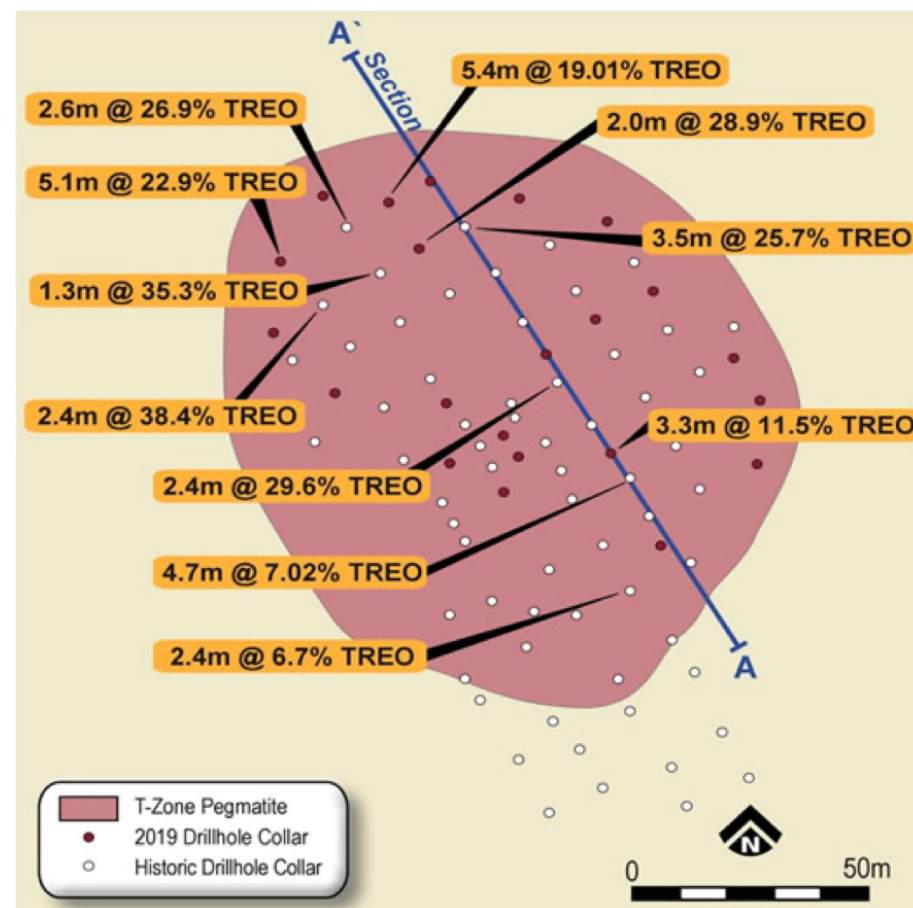
The North T Zone is one of the highest grade rare earth deposits in the world

North T Resource



Resource Type	Kt	LREO (%)	Pr ₆ O ₁₁ (%)	Nd ₂ O ₃ (%)
Measured	68	9.6%	0.5%	1.8%
Indicated	33	7.8%	0.4%	1.5%
Inferred	4	5.8%	0.3%	1.1%
Total	105	8.9%	0.5%	1.6%

Light Rare Earth Mineral Resources of the Nechalacho North T Bastnaesite Sub-zone. Mineral Resource Estimation prepared in accordance with JORC 2012 under the supervision of Brendan Shand, member of AusIMM as the Competent Person. The cut-off grade for the resource estimate is preliminary, at pre-scoping study level, as no detailed market, metallurgical or engineering studies have been performed



Process test work produced both high concentrate grades and recoveries

Process Testwork

Ore Sorting via X-Ray transmission (single pass)

- 36% REO concentrate produced from 10.5% REO
- Grades up to 41% REO achieved
- REO recoveries up to 87% achieved

Gravity Concentration on Fines

- Up to 40% REO concentrate via shaking tables at 80% recovery achieved

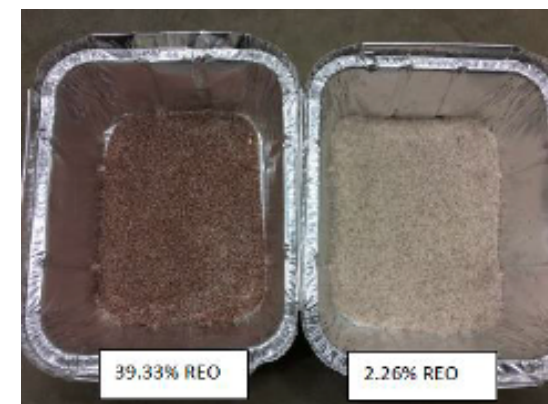
Leaching of Concentrate

- 97% recoveries into solution via sulphuric acid
- 93% recoveries into solution via hydrochloric acid

Concentrate sample via sorting



Concentrate sample via gravity



A detailed engineering report has estimated the installed capital cost of the ore sorter to be A\$3.7M

Ore Sorting



- Detailed engineering for the ore sorting operation is complete
- Total installed capital cost AUD\$3.7M
- Substructure delivered to site
- Operations scheduled to commence Mid 20021

ITEM	DESCRIPTION	AUD\$ 000
1	Ore Sorter	1,395
2	Materials Handling Equipment	863
3	Generator and Air Compressor Package	590
4	Installation	215
5	Commissioning	107
6	Mobile Equipment	215
Subtotal		3,385
Contingency		338
Total		3,723

Vital and SRC have signed a binding Term Sheet to progress

Rare Earth Extraction Plant

RE Extraction Plant Construction and Operation Term Sheet

- Term Sheet signed between VML and Saskatchewan Research Council (SRC) to negotiate definitive agreements for the construction and operation of a Rare earth Extraction Plant
- SRC to Engineer, Procure, Construction Manage, Commission and Operate a RE Extraction in Saskatoon, Saskatchewan
- Capital Cost, as estimated by SRC is A\$5.3M
- SRC to obtain all necessary permits and authorisations to construct and operate the plant, including waste disposal
- Objective is to commence operations in Q3, 2021

SRC Rare Earth Processing Facility

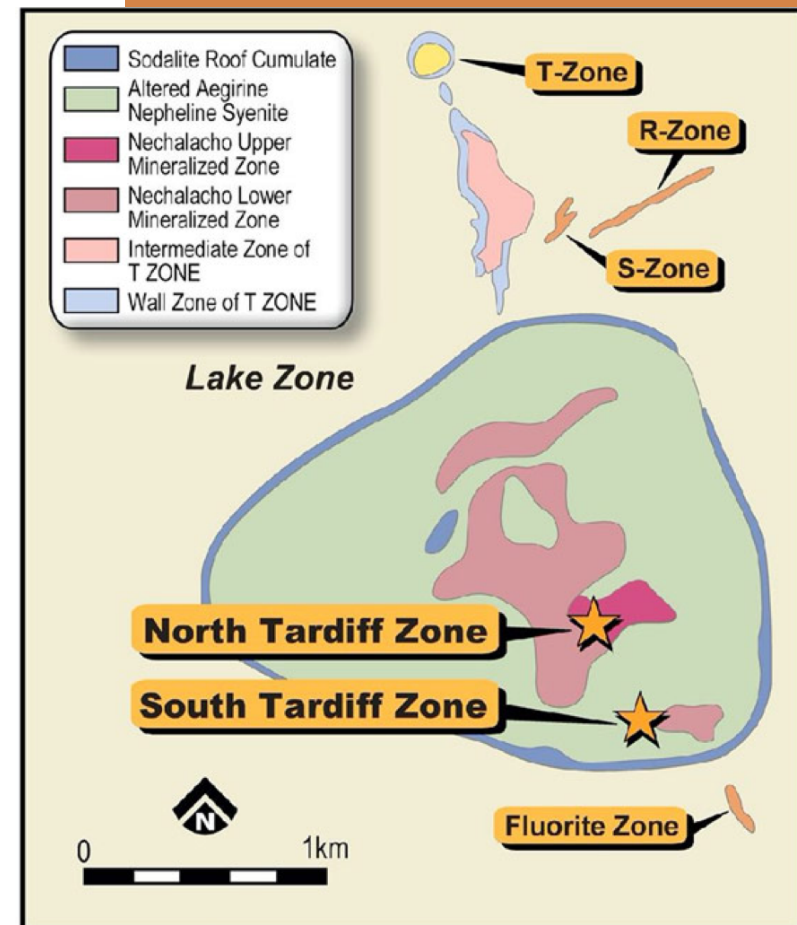
- The Government of Saskatchewan and SRC announced C\$31M in funding for the construction of a Rare earth Processing Facility in Saskatoon, Saskatchewan
- The facility will include the construction of a Rare Earth Separation Plant
- The Plant will convert rare earth carbonate feedstock, similar to that produced by VML's plant, into separated rare earth oxides
- Operations will commence in 2022

ITEM	DESCRIPTION	CAD\$ 000	AU\$ 000
Equipment Costs			
1	Crushing	365	379
2	Leaching	1,222	1,268
3	REO Precipitation and Finishing	610	633
4	Water and Waste Treatment	650	675
Other			
5	Miscellaneous Design, Fabrication	1,700	1,765
6	EPCM	516	536
Total		5,063	5,255
CAD:AUD	1.038		

The development of the North T project is on schedule for operations to commence in 2021

Next Steps

- Finalisation of definitive agreements for the construction and operation of a Rare Earth Extraction Facility to produce Mixed rare Earth Carbonate product for sale
- Commence site works for the construction of the Rare Earth Extraction Facility
- Commence procurement of long lead time items
- Finalise Off-take agreements
- Sampling and drilling program to be undertaken to in South T, R Zone and S Zone to evaluate the potential of T-Zone expansion
- Undertake infill drilling at Tardiff Zone

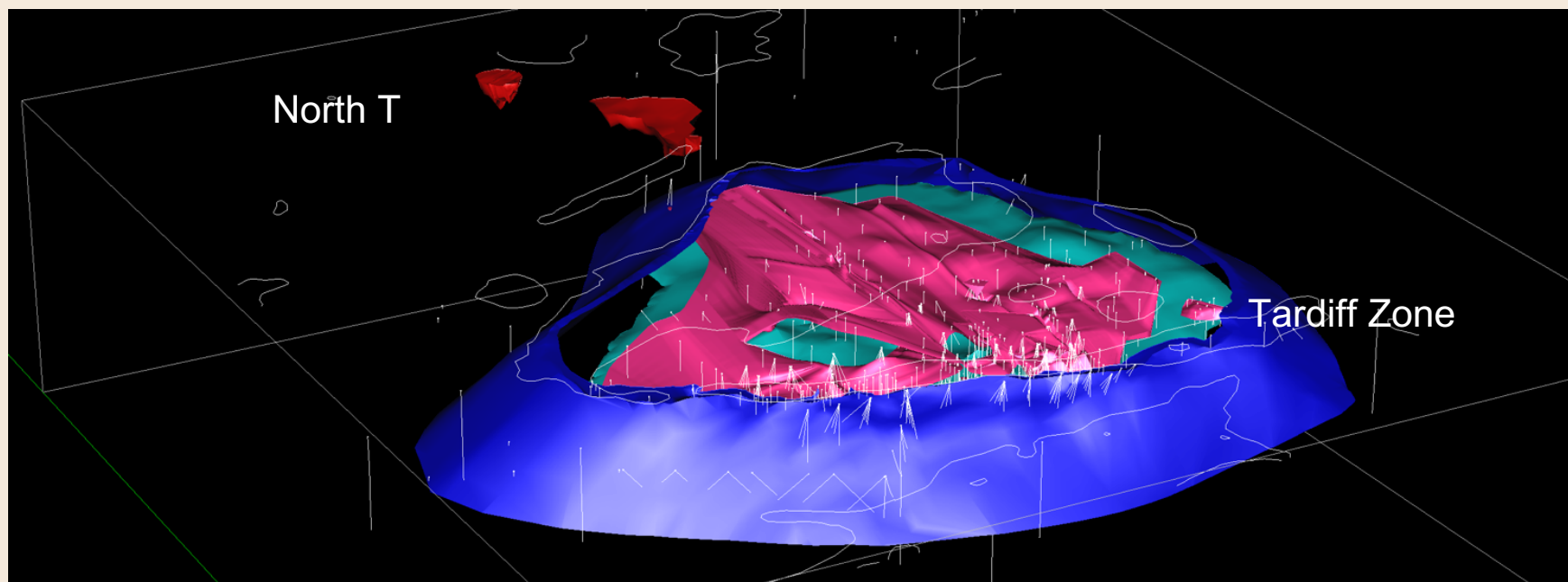




Implementation Stage 2: Long Term/Large Scale Production

- > Nechalacho Tardiff Project
- > Aim for Production of 5,000t REO/yr for 20 years
- > Operations targeted to commence in 2024

Sales revenue from North T will be used to fund the development at Tardiff



- The Upper Zone resource will be the focus of a large scale, long-term operation (95Mt @ 1.46% TREO)
- This Zone contains over 1Mt of contained rare earths
- The initial target will be the high grade Tardiff Zone
- A target operation in 5,000t REO/yr from 2025

Resource Type	Mt	TREO (%)	HREO/TREO	%NdPr/TREO
Measured	0.287	2.729%	7.7%	24.1%
Indicated	1.611	2.429%	7.2%	24.1%
Inferred	1.297	2.237%	6.8%	24.2%
Total	3.196	2.378%	7.1%	24.2%

Rare Earth Resources of the Upper Zone, Lake Zone Deposit, Nechalacho. Mineral Resource Estimation prepared in accordance with JORC 2012 under the supervision of Dr. William Mercer, registered Professional Geoscientist (P. Geo.) in the Northwest Territories and Ontario, Canada, as the Competent Person. The preferred cutoff grade for this resource estimate is preliminary, at pre-scoping study level, as no detailed market, metallurgical or engineering studies have been performed. Only resource blocks located above 150 m elevation are reported.

Tardiff Zones high-grade near-surface subset of the Rare Earth Resources of the Upper Zone, Nechalacho deposit. Mineral Resource Estimation prepared in accordance with JORC 2012 under the supervision of Dr. William Mercer, registered Professional Geoscientist (P. Geo.) in the Northwest Territories and Ontario, Canada, as the Competent Person. The cutoff grade for this resource estimate is preliminary, at pre-scoping study level, as no detailed market, metallurgical or engineering studies have been performed.

With mineralogy similar to the North T Zone, development will be fast tracked

Tardiff Zone

Development of the Tardiff Zone will be leveraged off the North T project

- The Tardiff Zone contains red basnaesite crystals similar to the North T Deposit (refer image)
- As with North T, ore sorting will be targeted for initial beneficiation
- With rare earth contained in the same minerals as the North T deposit, the Tardiff Zone will be a scaled up version of the North T project

Development timelines to be fast tracked

- Utilising operational infrastructure will enable the fast tracking of process test work
- Construction of an expanded operation will be funded through North T sales





Implementation Stage 3: Wigu Hill

Wigu Hill Project (90%) is targeted as VML's second rare earth project to enter production

Excellent Infrastructure

- Rail and power within 10km of project

Previous Owners spent US\$10m+

- Acquired for US\$1m in 2018

Potential to be a large world class resource

- Current high grade NI43-101 resource of 3.3Mt at 2.6%

Mineralisation widespread over entire hill with only 2 out of 10 known targets drilled

Barrick and Tanzania Government recently resolved mining issues

Vital to target Wigu Hill to be the second rare earth project to enter production



The initial focus for the Wigu Hill Project will be the Twiga deposit

Wigu Hill contains a historical NI43-101 Resource of 3.3M @ 2.6%REO

ZONE	MT	TREO (%)	LA2O3 %	CeO2 %	Pr6O11 (%)	Nd2O3 (%)
Twiga NE	1.6	2.6%	0.98%	1.26%	0.1%	0.23%
Twiga SW	0.5	3.6%	1.33%	1.71%	0.13%	0.3%
Tembo NW	0.9	2.2%	0.78%	1.09%	0.09%	0.23%
Tembo SE	0.2	2.2%	0.69%	1.1%	0.1%	0.27%
Total Inferred Resource	3.3	2.6%	0.96%	1.27%	0.1%	0.24%

1. The effective date for this Inferred Mineral Resource Statement is 25 August 2011 and reported on SEDAR (contained in a Canadian National Instrument NI 43-101 Technical Report by AMEC Earth and Environmental UK Ltd.).
2. A selective mining unit (SMU) size of 3m by 3m by 3m was assumed when creating the block model.
3. Reported grades are based on consideration of the grades of mineralised material and weakly to non-mineralised wallrock material estimated to fall within each SMU
4. The reported Mineral Resource is based on a grade cut-off of 1.0% LREO5 (sum of estimated grades of La2O3, CeO2, Pr6O11, Nd2O3 and Sm2O3).
5. The Mineral Resources for the Twiga and Tembo deposits have been constrained by an optimised pit shell defined by the following assumptions, slope angles of 50o; a mining dilution of 0% (already incorporated in the SMUs); a mining cost of USD2.85/t; process operating costs of USD12.0/t; G&A costs of USD3.0/t of resource, with a 90% recovery of REOs to a 45% LREO5 bastnaesite concentrate; and a concentrate price of USD10/kg

Similar to Nechalacho's T Zone the Twiga deposit contains large, discrete bastnaesite crystals



Excellent Infrastructure

- Located close to Tazara railway, power and water

Bastnaesite mineralisation

- Amenable to beneficiation via ore sorting
- Ability to leverage off Nechalacho

Vital is on track to be the world's next rare earth producer

Conclusion

Work Class Rare earth Development Team - ex Lynas Corporation

- Led by Vital Metals MD Geoff Atkins

2 World Class Projects

- Nechalacho REO Project (Canada): 95Mt at 1.46% TREO
- Wigu Hill (Tanzania): 3.3Mt at 2.6% TREO

Near Term/Low Cost Production

- Nechalacho's North T project is on track to commence production in 2021

Expansion Funded through Cashflow

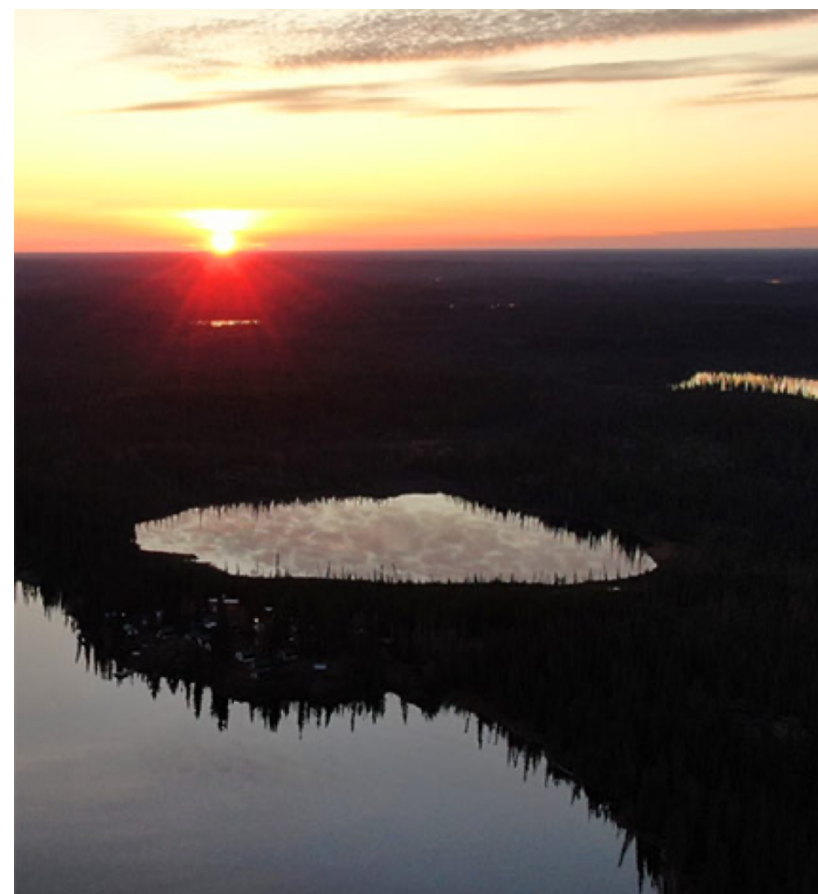
- Revenue from the North T project will be used to fund both the increase in production volumes from Nechalacho but also the development of new projects

Long Term/Large Scale Production

- Nechalacho's Tardiff Zone targeted to enter production in 2024

Flexibility and Scaleability to Meet Market Demand

- Wigu Hill project to provide additional ability to increase scale of production and the flexibility to react quickly to increased market demand



Contact us

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