

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

+Rule 5.5

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

VITAL METALS LIMITED

ABN

32112032596

Quarter ended ("current quarter")

31-03-17

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months)
1.0 Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(732)	(2,001)
(b) development		
(c) production		
(d) staff costs	(88)	(271)
(f) administration and corporate costs	(18)	(268)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	9
1.5 Interest and other costs of finance paid	(67)	(199)
1.6 Income taxes paid		
1.7 Research and development refunds	105	105
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(798)	(2,626)
2.0 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) 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		

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3.0	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,750	3,263
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(113)	(223)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.1	Net cash from / (used in) financing activities	1,637	3,040

4.0	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	963	1,387
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(798)	(2,626)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,637	3,040
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,802	1,802

5.0	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	86	58
5.2	Call deposits	1,382	468
5.3	Bank overdrafts		
5.4	Other (Macquarie interest off-set accounts)	335	437
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,802	963

6.0	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	83
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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7.0	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.0	Financing facilities available	Total facility amount at quarter end	Amount drawn at quarter end
	<i>Add notes as necessary for an understanding of the position</i>	\$A'000	\$A'000
8.1	Loan facilities	3,000	3,000
8.2	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

\$3 million debt facility with Macquarie Bank Limited. Macquarie was issued with 68,181,818 options with an exercise price of 4.4 cents and expiring on 30 June 2017, which if exercised will extinguish the debt. Macquarie has the option to exercise all or part of the options during the term of the facility. The loan facility is repayable by 30 June 2017 with an interest rate of 7% over the bank bill swap rate. The facility is secured by a general security over all of the assets of Vital Metals Limited and its subsidiary, North Queensland Tungsten Pty Ltd. A gross revenue royalty of 1.5% on production from the Watershed Tungsten Project is payable to Macquarie Bank Limited.

9.0	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	(1,700)
9.2	Development	
9.3	Production	
9.4	Staff costs	(90)
9.5	Administration and corporate costs	(140)
9.6	Other (principal & interest repayments)	(1,050)
9.7	Total estimated cash outflows	(2,980)

10.0	Changes in tenements	Tenement reference and location	Nature of Interest	Interest at beginning of quarter
	(items 2.1(b) and 2.2(b) above)			
10.1	Interest in mining tenements and petroleum tenements lapsed, relinquished or reduced			
10.2	Interests in mining tenements and petroleum tenements acquired or increased			

Compliance statement

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

Sign here:



Date: 28 April 2017

Company secretary

Print name

Ian Hobson

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2 If this quarterly 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 report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies 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.

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