

## **VITAL RAISES \$2 MILLION TO PROGRESS WATERSHED TUNGSTEN PROJECT**

### **HIGHLIGHTS**

- **Vital raises \$1.98M (before costs) through a heavily oversubscribed Share Placement at 0.75c per share to professional and sophisticated investors**
- **Proceeds will enable Vital to optimise the development study for its 100%-owned Watershed Tungsten Project in Northern Queensland, following on from its Definitive Feasibility Study**
- **Planned work includes a resource update, refinement of the metallurgical test work and update of operating and capital costs**
- **Shares to be issued using the Company's existing capacity under ASX Listing Rule 7.1 and Listing Rule 7.1A.**

Vital Metals Limited (ASX: VML), is pleased to advise that it has successfully raised \$1.98M through a heavily oversubscribed share placement to:

- Optimise the shovel ready Watershed Tungsten Project in Northern Queensland;
- Continue gold and zinc exploration on the highly prospective and large-scale Burkina Faso tenements

For Watershed, this raise provides the necessary funding to support the ongoing development and optimisation of the project, with work planned including, but not limited to:

- An update of the resource estimate;
- Ongoing metallurgical test work to optimise the process flow sheet;
- Update the capital and operating costs post the 2014 DFS; and
- Optimise the mining schedule.

Argonaut and Blackwood Capital acted as joint lead managers for the Placement which will issue 263,938,807 New Shares to raise \$1.98M, before costs, at a price of \$0.0075 per New Share. The New Shares issued under the Placement will be issued pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1 (158,362,684 shares) and 10% placement capacity under ASX Listing Rule 7.1A (105,575,123). The price of \$0.0075 meets the requirements of LR 7.1A.3 in being greater than 75% of the 15 day VWAP.

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Vital's Managing Director Mr Mark Strizek said: "The capital raising will help us improve on the good work already completed on Watershed, as well as continue to test and extend the large range of targets in Burkina Faso into 2018.

"The tungsten price has moved rapidly from about US\$196/mtu earlier this year to US\$335/mtu today.

"The reason for the increase is that China produces around 70% to 80% of world tungsten supply and has permanently closed a number of mines in 2017 because they are environmentally non-viable.

"This price increase adds to the significance and value of Watershed and our optimisation work plans to add further value."

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**Competent Person's Statement**

The information that refers to Mineral Resources in this announcement was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since last reported.

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Mark Strizek, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Strizek is a full time employee of the Company. Mr Strizek has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Strizek consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources for the Watershed Deposit is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (Maksim) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Tear is a Director of H&S Consultants Pty Ltd and he consents to the inclusion of the estimates in the report of the Mineral Resource in the form and context in which they appear.

This Ore Reserves statement has been compiled in accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code – 2012 Edition). The Ore Reserves have been compiled by Mr Steve Craig of Orology Group Pty Ltd, who is a Fellow of Australasian Institute of Mining and Metallurgy. Mr Craig has had sufficient experience in Ore Reserve estimation relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Craig consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

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## Forward looking statements

Certain written statements contained or incorporated by reference in this report, including information as to the future financial or operating performance of the Company and its projects, constitute forward-looking statements. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intend", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements.

Forward-looking statements include, among other things, statements regarding targets, estimates and assumptions in respect of tungsten, gold or other metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates. Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by the Company, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Such factors include, but are not limited to: competition; mineral prices; ability to meet additional funding requirements; exploration, development and operating risks; uninsurable risks; uncertainties inherent in ore reserve and resource estimates; dependence on third party smelting facilities; factors associated with foreign operations and related regulatory risks; environmental regulation and liability; currency risks; effects of inflation on results of operations; factors relating to title to properties; native title and aboriginal heritage issues; dependence on key personnel; and share price volatility and also include unanticipated and unusual events, many of which are beyond the Company's ability to control or predict.

For further information, please see the Company's most recent annual financial statement, a copy of which can be obtained from the Company on request or at the Company's website: [www.vitalmetals.com.au](http://www.vitalmetals.com.au). The Company disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements.

Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, not to put undue reliance on such statements.

## Cautionary Statement

The Definitive Feasibility Study (DFS) referred to in this report is based on a Proved and Probable Ore Reserve derived from a Measured and Indicated Mineral Resource, plus a small proportion of mining inventory, which comprises material that is currently classified as Inferred Mineral Resource. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

The Company advises that the Proved and Probable Ore Reserve provides 93% of the total tonnage and 93% of the total WO3 metal underpinning the forecast production target and financial projections, and that the additional life of mine plan material comprises less than 7% of the total tonnage and WO3 metal. Furthermore, in the first five years of production, 95% of the material planned to be processed is based on Proved and Probable Ore Reserves.

As such, the dependence of the outcomes of the DFS and the guidance provided in this announcement on the lower confidence Inferred Mineral Resource material contained in the life of mine plan is minimal. The Company has concluded that it has a reasonable basis for providing the forward looking statements included in this report.

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## ABOUT VITAL METALS

Vital Metals Limited (**ASX: VML**) is an explorer and developer, focused on progressing three highly prospective mineral Projects: the Watershed Tungsten Project in far north Queensland, Australia, the Aue Tungsten Project in Saxony, Germany and the Doulunia Gold Project in southern Burkina Faso, West Africa.

### Doulunia Gold Project – Burkina Faso

The Doulunia Gold Project (100% Vital) is located in southern Burkina Faso. The Project is made up of three contiguous permits; the Doulunia, Kampala and Zeko exploration permits. The Project is located in highly prospective Birimian Greenstone terrain with 400 sq. km of contiguous tenements lying on the trend of the Markoye Fault Corridor and hosting the Kollo Gold Project and Boungou South Gold Prospect.

### Watershed Tungsten Project – Queensland

The Watershed scheelite (calcium tungstate) Project, in far north Queensland, 150 kilometres north-west of Cairns, is the Company's flagship venture. The Watershed Tungsten Project is a development-ready project that has a completed Definitive Feasibility Study (DFS), is fully permitted and has all landowner and Indigenous agreements in place.

### Aue Tungsten Project – Germany

The Aue Tungsten Project (100% Vital) is located in the western Erzgebirge area of the German state of Saxony. The permit, comprising an area of 78 sq. km is located in the heart of one of Europe's most famous mining regions, being surrounded by several world class mineral fields. Historical mining and intensive exploration work carried out between from the 1940's and 1980's showed high prospectivity of the Aue permit area for tungsten, tin, uranium and silver mineralisation.

#### Vital Metals Limited

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#### Board & Management

David Macoboy  
Chairman

Mark Strizek  
CEO and Managing Director

Peter Cordin  
Non-Executive Director

Francis Harper  
Non-Executive Director

Andrew Simpson  
Non-Executive Director

Ian Hobson  
Company Secretary

#### Capital Structure

1,055.7 million shares

186.9 million unlisted options

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