VITAL METALS LIMITED

ABN 32 112 032 596

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2024

DIRECTORS
Richard Crookes - Non-Executive Chairman
Lisa Riley – Managing Director from 15 July 2024, previously Non-Executive Director
Zane Lewis - Non-Executive Director (appointed 12 August 2024)
Michael Brook - Non-Executive Director (appointed 8 May 2024)

COMPANY SECRETARY
Ms Louisa Martino

BANKER
National Australia Bank Ltd
Level 14
100 St Georges Tce
Perth, WA, 6005

AUDITORS
BDO Audit Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth, WA, 6000

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STOCK EXCHANGE
The Company's securities are quoted on the official list of the Australian Securities Exchange Limited (ASX code: VML)

SHARE REGISTRY
Automic Registry Services
Level 5
191 St Georges Terrace
Perth, WA, 6000
Telephone: 1300 288 664

Dear Fellow Shareholders,

Welcome to the 2024 Annual Report for Vital Metals Limited (ASX: VML), as we reflect on our progress over the past 12 months in developing the large-scale Tardiff Rare Earths Deposit (including North T) at our Nechalacho Project in Northwest Territories (NWT), Canada.

We have taken significant steps over the past year in progressing development at Tardiff, albeit with some challenges to address along the way and against a backdrop of subdued commodity prices for Neodymium and Praseodymium negatively affecting sentiment for the rare earth sector.

The start of the year saw us place subsidiary company Vital Metals Canada Limited (VMCL) into voluntary liquidation because the Saskatoon demonstration plant was unfeasible and uneconomic to complete and operate. The assets of VMCL, primarily the partially completed rare earth processing facility, were placed under the control of a Trustee, who managed their realisation and return of capital to creditors, the largest of which was VML. This closed a disappointing chapter in the Company's history where it was overly ambitious in its objective of rushing to become Canada's first producer of rare earth minerals, seemingly trying to run before learning to walk.

The Board subsequently focussed on securing additional funding, which resulted in a A$5.9m placement of new shares in December 2023, anchored by new major shareholder Shenghe Resources (Singapore) Pte Ltd, a wholly-owned subsidiary of Shenghe Resources Holding Co. Shenghe is a global leader in the rare earth sector, producing RE products across the entire spectrum, from concentrates to metals and metallurgical materials. Shenghe grew in China, but holds its vision globally, with international cooperation projects in California at the Mountain Pass rare earths mine, Greenland at the Kvanefjeld polymetallic deposit, with Peak Resources at Ngualla in Tanzania and in Vietnam, operating a RE metallurgical & separating plant. VML will benefit greatly from its collaboration with Shenghe and from their technical innovation and RE know-how. Shenghe joined Vital's register as a cornerstone investor with a 9.9% strategic position in the Company.

With a renewed focus at Nechalacho, our team delivered a new Mineral Resource Estimate (MRE) update for Tardiff in April 2024, which saw overall tonnage increase by 79 per cent to 213 million tonnes at 1.17% total rare earth oxides (TREO) and contained neodymium oxide and praseodymium oxide (NdPr) increase by 49 per cent 623,000 tonnes, compared to our previous MRE in February 2023.

As we build a development pathway for Tardiff, the size and grade of the deposit is crucial, and this update has reinforced its world-class status. Tardiff is an outstanding asset, given that it represents a shallow deposit hosted within a single pit-constrained resource with a high NdPr:TREO ratio (~25%). NdPr offers the largest value market within the lanthanide series of rare earths, providing essential components in high-strength magnet production.

We believe Tardiff's resource has potential for project size and scalability of production over a protracted period and we've commenced a Scoping Study to examine this, appointing ERM Consultants Canada Ltd ("ERM") to complete this study, as we announced post year-end in July 2024. Our team has been progressing technical workstreams for the Scoping Study over recent months, informed by our 74-hole drilling program completed last year. The study is expected to be complete before the end of calendar year 2024.

Progress on the study will accelerate now that we have received the final results from that drilling, announced in July 2024, which again demonstrated Tardiff's high-grade nature, with results up to 8% TREO received. Mineralisation remains open to the west, northwest and on the southern margins of the deposit, confirming potential for shallow, higher-grade resource expansion.

Our cash position was boosted with the sale of stockpiled rare earth materials previously mined at Nechalacho's North T deposit to Saskatchewan Research Council ("SRC") for C$3 million (A$3.3M) in a transaction facilitated by Natural Resources Canada ("NRCan"). The transaction superseded a prior transaction with Shenghe announced in December 2023. This sale underlined Canada's commitment to its Critical Minerals Strategy, which recognises critical minerals as strategic assets due to their important role in priority value chains including in electric vehicles, advanced manufacturing, and defence technologies, with rare earth elements (REE) among these.

There have been several important changes in our Board and Management team over the past year as we aimed to bring together the best people possible to drive development of Tardiff. This saw Lisa Riley recently move from a Non-Executive Director role to become our Managing Director and CEO. Lisa, who is based in Canada, has served on the Vital Board since late 2022 and has 30 years of experience in global capital markets, finance, mining advisory and government relations in Canada and Latin America. She is driven and motivated to deliver results from our work at Tardiff and we are seeing increased news flow since she has taken over from former Managing Director Dr Geordie Mark.

Michael Brook and Zane Lewis also joined our Board in recent months, bringing extensive experience across mining, finance and corporate advisory roles. Mike is a mining professional with diversified hands-on global mining industry experience that led to roles in stockbroking resources analysis and mining investment, while Zane has more than 25 years' experience in corporate advisory, finance and M&A and executive roles, including as a Chief Financial Officer and Company Secretary, and was a previous Executive Director of Vital, with extensive knowledge of the Nechalacho project. Their appointments followed the departures of James Henderson and Paul Quirk from the Board. We thank James for his support and commitment over six years, having been involved with our subsidiary Cheetah Resources since 2018 and similarly we thank Paul, who also made a valuable contribution to the Board during what has been a challenging time for the Company. It's pleasing for all of us that with we have emerged as a stronger entity with an exciting future ahead.

I thank my fellow Directors for their hard work and support over the past year, and I also thank our Shareholders and other important stakeholders in Canada for their patience as we reset the focus and team to develop Tardiff.

Looking forward, we continue to develop our positive relationships with the key stakeholders in Canada, being NWT First Nations communities, Federal and Territorial Government departments and potential strategic partners. The management team has several important milestones to achieve over the next six months which will show a more matured understanding of the Upper Tardiff system, and reinforce the natural qualities of its incredible size, impressive grades, high NdPr:TREO ratio, and shallow nature. We're recommencing fieldwork at the project, with our camp refurbished in recent months, and we'll deliver project and study updates over the coming months, ahead of an updated MRE and Scoping Study by year end. We expect strong news flow during this time and look forward to keeping you updated on our progress.

Yours sincerely

R.A. Crookes

Richard Crookes
Chairman

Nechalacho Rare Earths Project, Canada

Vital remains focused on developing the Tardiff deposit at its Nechalacho project in Northwest Territories (NWT), Canada. Tardiff is a large-scale deposit, which represents one of the single largest rare earths systems in the western world.

Updated Tardiff Mineral Resource Estimate

During the year, an updated Mineral Resource Estimate (MRE) for the Tardiff Upper Zone Deposit ("Tardiff") was prepared by SLR Consulting (Canada) (January 2024 MRE[1]) and demonstrated a significant lift in the total resource in comparison to the earlier published resource estimate in February 2023[2] (see Table 1).

Table 1: 2024 Mineral Resource Estimate in comparison to previous MRE

Effective Date	December 31, 2022			January 30, 2024			Change		
Class	Tonnage (Mt)	Nd_2O_3 (%)	Pr_6O_{11} (%)	Tonnage (Mt)	Nd_2O_3 (%)	Pr_6O_{11} (%)	Tonnage (Mt)	Nd_2O_3 (%)	Pr_6O_{11} (%)
Measured	4.6	0.307	0.083	7.0	0.267	0.074	+2.4	-0.040	-0.009
Indicated	6.3	0.283	0.076	24.1	0.213	0.057	+17.7	-0.070	-0.019
Measured + Indicated	**10.9**	**0.293**	**0.079**	**31.1**	**0.225**	**0.061**	**+20.1**	**-0.068**	**-0.018**
Inferred	108.1	0.275	0.073	181.6	0.232	0.062	+73.5	-0.043	-0.011
Total	**119.0**	**0.277**	**0.074**	**212.7**	**0.231**	**0.062**	**+93.7**	**-0.046**	**-0.012**

No additional drilling has been included in the resource database since the previous Mineral Resource estimate (December 31, 2022; published February 14, 2023). The current Mineral Resource estimates 20.1 Mt more combined Measured and Indicated tonnes, and 73.5 Mt more Inferred tonnes, for an overall increase in estimated tonnage of 93.7 Mt.

The January 2024 MRE was informed by an integrated cost and recovery approach which employs a Net Metal Revenue (NMR) cut-off based on projected cost and recovery factors (see Table 2). In comparison, the former estimate applied more simplified Total Rare Earth Oxide(TREO) cut-off criteria.

Table 2: Operating Cost assumptions for Tardiff Upper Zone

Cost Parameter	Unit	Amount per unit
Mining	C$/tonne moved	4.5
Processing	C$/tonne milled	92
G&A	C$/tonne milled	15
Transport to Hydrometallurgical Processing Plant	C$/tonne milled	70
Transport of Final Product	C$/tonne moved	115

The January 2024 resource estimate was estimated using first principles cost and metal recovery factors, and payability assumptions utilizing peer and operational data to generate an NMR of C$115 per tonne and is reported within an optimized pit shell.

[1] See VML ASX Announcement dated 4 April 2024
[2] See VML ASX Announcement dated 14 February 2023

The January 2024 MRE (Measured, Indicated and Inferred) of **212.7 Mt at 1.17% TREO containing 2.48 Mt TREO** including more than **623,000 tonnes of NdPr**. The NMR based approach to the January 2024 MRE delivers a better alignment with the currently projected cost structures and metallurgical recovery factors that will be further reviewed as key components of the Scoping Study for the Tardiff Deposit.

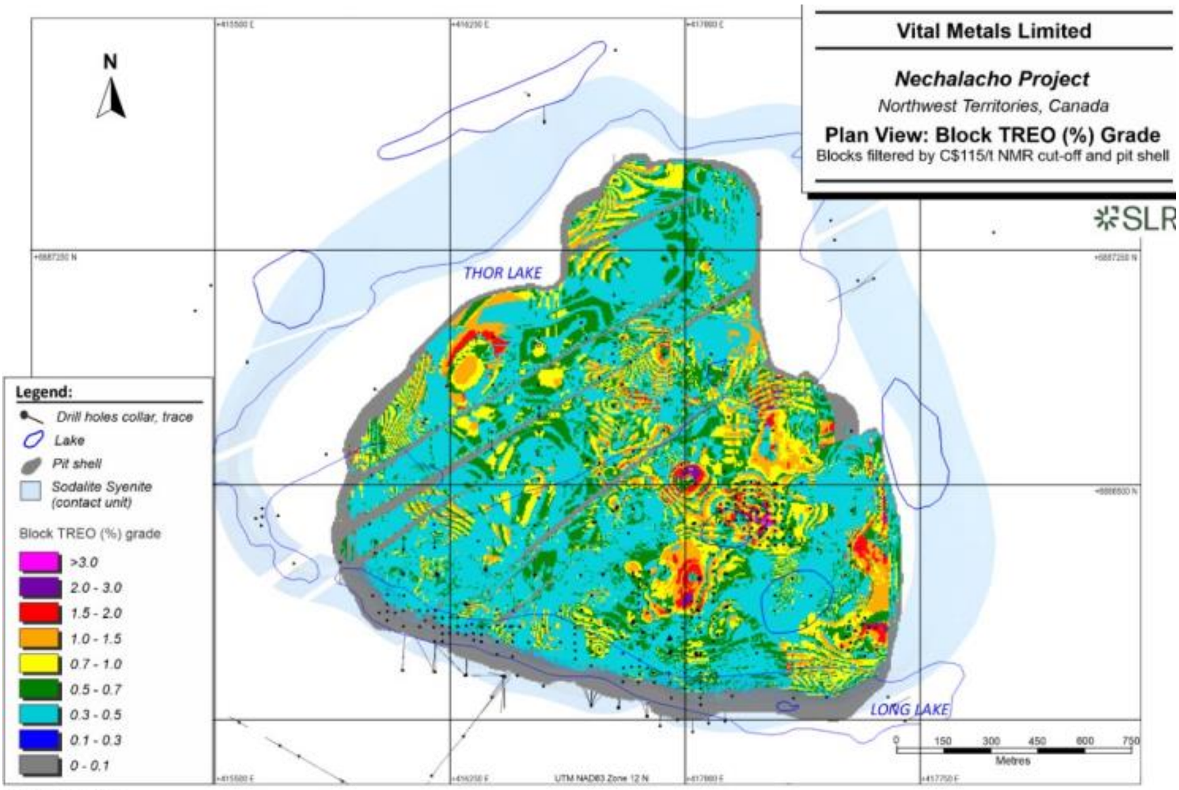

Figure 1: Tardiff plan showing the resource blocks at a C$115/t NMR cut-off within the pit shell

The MRE was classified in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). Tardiff Mineral Resources were classified as Measured, Indicated, and Inferred based on drill hole spacing, the reliability of data, geological confidence, and with consideration to the continuity of grade (Figure 1). Measured Mineral Resources were guided by a nominal drill hole spacing of approximately 25m, Indicated Mineral Resource by a nominal drill hole spacing of approximately 50m, and Inferred Mineral Resources by a nominal drill hole spacing of less than approximately 200m. Small volumes with locally wider drill hole spacing were included in the Measured and Indicated volumes to maintain continuity of classification shapes.

Tardiff Drilling

Vital completed a 74-hole drilling program at Tardiff in 2023 to expand on work completed in 2021 and 2022. A key objective of the 2023 drill program was to further convert resources to higher confidence categories in the Tardiff Upper Mineralised Zone. This program was drilled on a nominal 50m by 50m grid to infill areas previously covered by a nominal 100m to 200m drill pattern. The program has also expanded the understanding of REE mineralogy, distribution and mineral alteration zonation at Tardiff underpinned by the availability of high quality diamond drill core.

Vital reported results in batches as they became available, with initial results from 17 holes reported in May 2023[3], broadly confirming previous geological interpretations of mineralisation leading to potential conversion of resources and incrementally de-risking the understanding of the distribution of rare earth mineralisation at Tardiff.

[3] VML ASX Announcement 30 May 2023 – *Vital intersects up to 2.8% TREO in drilling at Tardiff*

Vital reported results from a further 23 drillholes in November 2023[4]. Best results included:

- **56.0m at 1.2% TREO** from 34.00m incl. **1.05m at 5.4% TREO** within **2.16m at 4.8% TREO**;
- **79.7m at 1.5% TREO** from **13.30m incl. 1.5m at 4.3% TREO** within **3.0m at 3.3% TREO** and **4.15m at 3.0% TREO**;
- **33.45m at 2.2% TREO** from 47.00m incl. **3.85m at 3.3% TREO** within **8.95m at 2.8% TREO**;
- **31.76m at 2.1% TREO** from 34.24m and **1.92m at 4.0% TREO** from 88.76m;
- **23.85m at 2.0% TREO** from 9.15m; and
- **15.50m at 2.7% TREO** from 30.50m.

Results from these 23 drillholes highlighted the potential expansion of shallow higher-grade mineralisation beyond the 2023 program footprint, and consolidated Vital's geological interpretations and modelling of the distribution of rare earth mineralisation.

In February 2024[5], Vital reported results from a further 10 drillholes, including:

- **18.90m at 2.40% TREO** from 12.10m including
  - **1.9m at 7.9% TREO** from 12.1m and
  - **1.4m at 3.8% TREO** from 19.2m;
- **18.00m at 2.10% TREO** from 72.00m;
- **12.90m at 2.40% TREO** from 56.05m;
- **43.50m at 1.80% TREO** from 38.50m; and
- **46.25m at 1.70% TREO** from 24.00m.

These holes confirmed results from earlier reported intersections from 2023 and highlighted the potential for further expansion of shallow higher grade mineralisation beyond the 2023 drill-program footprint.

Results from final 24 drill holes were reported post year end in July 2024[6] and these continued to return shallow high grades including:

- **53.5m at 1.5% TREO** from 6.7m incl. **1.8m at 8% TREO** within **15.8m at 2.6% TREO**
- **27.45m at 1.5% TREO** from 4.55m incl. **2m at 6.3% TREO**
- **55.0m at 1.6% TREO** from 20.5m incl. **1.38m at 4.6% TREO**
- **47.07m at 2.1% TREO** from 9.12m incl. **8.8m at 3% TREO** within **22.24m at 2.4% TREO**
- **22.83m at 2.0% TREO** from 27.95m incl. **1.87m at 3.3% TREO** within **10.3m at 2.5% TREO**.

Vital will use full results from its 2023 program to estimate an updated Mineral Resource for the Tardiff deposit, which it expects to complete in late CY2024.

[4] VML ASX Announcement 21 November 2023 – *Vital drilling at Tardiff returns up to 5.4% TREO*
[5] VML announcement 6 February 2024 – *Tardiff returns further high grade results up to 7.9%*
[6] VML ASX announcement 23 July 2024 – *Vital receives final drill results from Tardiff including 1.8m at 8% TREO from 6m*

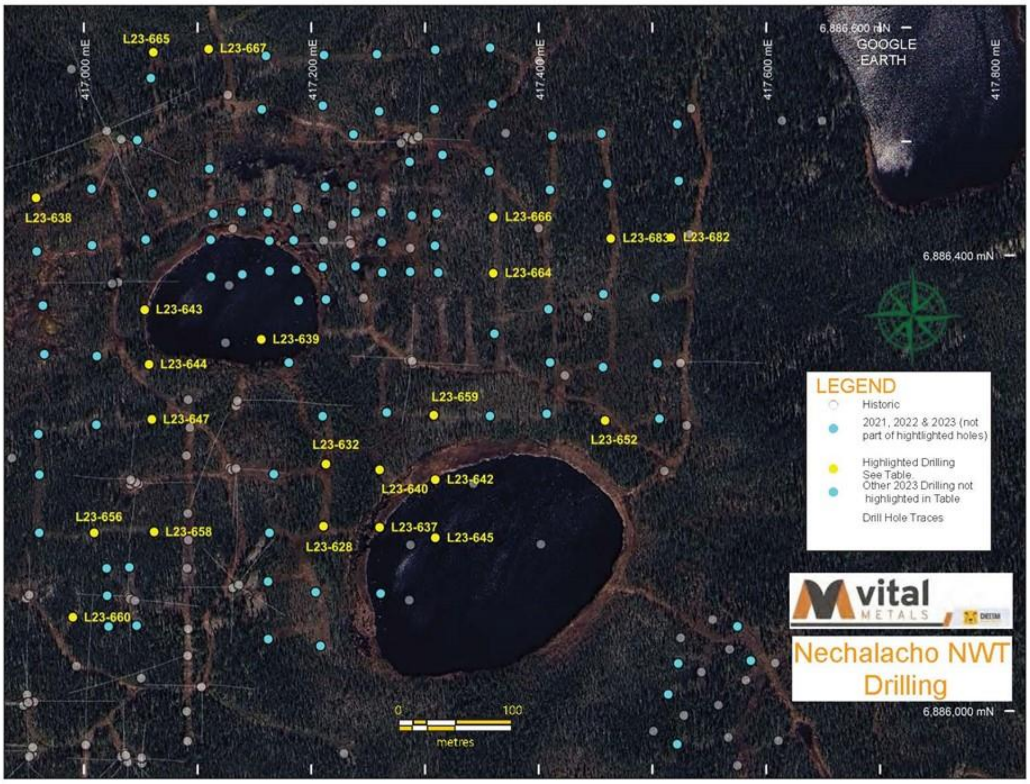

Figure 2: Plan view of the 2023 Tardiff drill program. Traces include the 2021 and 2022 drill programs.

Tardiff Scoping Study

Post year-end, in July 2024, Vital announced the appointment of ERM Consultants Canada Limited ("ERM") to complete a Scoping Study examining the size and scalability of future production scenarios for the Tardiff deposit.

Various workstreams continue to provide key inputs to the Tardiff Scoping Study that will consider the future size and scalability of production scenarios. ERM will review previous work by Vital, including data verification and metallurgical testwork, define a saleable product, estimate capital expenditures and trade-off analysis, estimate operating costs, and review environmental information relating to the project in completing its report.

ERM's scope of work for Tardiff's Scoping Study includes:

- Development of a preferred flowsheet;
- Assessment of production volume for financial modelling;
- Identification of capital and operating costs estimates based on the preferred flowsheet;
- Development of Scoping Study-based designed documents to support proposed cost estimates
- Evaluations and estimates completed to the requirements of JORC 2012 and National Instrument 43-101 reporting standards.

Nechalacho Stockpile Sale

In June 2024, Vital advised it had signed an agreement to sell its stockpiled rare earth material to the Saskatchewan Research Council ("SRC") for C$3,000,000 (A$3,377,998) ("the Agreement"). The sale was facilitated by Natural Resources Canada ("NRCan"), and superseded a prior transaction announced in December 2023.

Vital's stockpiled rare earth material was derived from earlier mining on Nechalacho's North T deposit.

Under the Canadian Critical Minerals Strategy, Canada recognizes that critical minerals are strategic assets. Due to their important role in priority value chains including in electric vehicles, advanced manufacturing, and defence technologies, Rare Earth Elements (REE) are among the critical minerals identified.

Vital received C$2,250,000 (A$2,533,498) during the financial year and C$750,000 (A$844,500) in July 2024 from SRC after delivery of the material was completed.

Camp remediation

An evacuation of Vital's Nechalacho campsite between August 2023 and October 2023 due to local wildfires resulted in an unattended camp which was subsequently damaged by black bears and wolverines.

Remediation of the campsite took place during the June 2024 quarter, and it is anticipated that the costs incurred will be covered by insurance.

Saskatoon Processing Facility

Vital initiated a strategic review process in April 2023 to investigate potential pathways for the long-term future and viability of a rare earth processing facility it had developed in Saskatoon, Saskatchewan, Canada.

The Company evaluated alternative business strategies for its wholly owned subsidiary, Vital Metals Canada Limited ("VMCL"), the owner of the Saskatoon Facility, to deliver a sustainable business model for the Saskatoon business. As a result of the review on 29 September 2023, Vital Metals Canada Limited (VMCL), the holding company owning the Saskatoon processing facility, was placed into bankruptcy.

Vital's other Canadian subsidiary, Cheetah Resources Corporation, the owner of the mineral properties in NWT, was unaffected by this process.

OTHER PROJECTS

Vital advises that licences relating to projects in Burkina Faso and Germany have expired. Vital will not seek renewal of these.

Wigu Hill

Vital did not complete any activities at its project Wigu Hill Project in Tanzania during the year. In December 2023, Vital entered into a binding term sheet for Shenghe Resources Holding Co Ltd, to acquire up to 75% of the non-Tanzanian Government interest in the Wigu Hill Project, subject various conditions precedent, including the issue of the licence by the Tanzanian Government. Further details are included below under *Shenghe Resources investment.*

CORPORATE

Board Changes

In July 2024, Vital appointed Lisa Riley as its Managing Director and CEO. Ms Riley served on Vital's Board since December 2022 as an independent Director, based in Toronto, Canada. She has 30 years of experience in global capital markets, finance, mining advisory and government relations in Canada and Latin America.

Ms Riley is Non-Executive Lead Director of Star Diamond Corp (TSX: DIAM), chairing its audit committee and is a member of its corporate governance, compensation and nomination committee. She is also a Director of GFG Resources Inc (TSX-V: GFG), and is a member of GFG's corporate governance/compensation and audit committees. She was Chair of Tribeca Resources' (TSXV: TRBC) Board and a member of its corporate governance/compensation and audit committees from its listing until Dec. 2023.

Previously, she was Lead Director of Scorpio Mining Corp (TSX: SPM), which became Americas Gold and Silver (TSX: USA), and chaired its audit committee. She was also a director of Scorpio Gold (TSXV: SGN).

Earlier in her career, Ms Riley held roles as Vice President and Director of Equity Sales at TD Securities in London, Vice President of Equity Sales at RBC Capital Markets in London and Vice President of Equity Research at Lehman Brothers in New York City. She has extensive experience advising mining companies on improving stakeholder relations and incorporating ESG focuses in real and measurable ways and is fluent in three languages.

Ms Riley's appointment followed Vital's decision to terminate the contract of Dr Geordie Mark, who was Managing Director and CEO from October 2023.

In May 2024, Vital appointed Michael Brook to the Board as an Australian-based non-executive director, following the resignation of James Henderson. Mr Brook is a mining professional with diversified hands-on global mining industry experience underpinning a subsequent career path as a stockbroking resources analyst and then roles in Mining Investment. In these roles, Mr Brook has driven the technical and commercial review of projects and companies across multiple jurisdictions and commodities and from early exploration through to production.

Mr Brook was previously Chairman / Manager of three successful African closed end resources investment funds (African Lion: AFL1, AFL2 and AFL3). These funds were supported by major development bank and commercial bank shareholders, working to world best practices.

Mr Brook has held numerous non-executive director positions on listed and unlisted junior resource company boards. He is currently a non-executive director of Geopacific Resources Limited (ASX:GPR), Principal – Mining for African Investments Limited (Private) and Chair of TuNya Resources (Private).

He replaced James Henderson on the Board, who retired. Mr Henderson was a founding director of Vital's subsidiary Cheetah Resources Pty Ltd in 2018 and oversaw the acquisition and early development of Nechalacho.

Post year-end, in August 2024, Vital appointed Zane Lewis as a Non-Executive Director. Mr Lewis, the founder of SmallCap Corporate, has more than 25 of years corporate advisory experience with various ASX and AIM listed companies. He is also the Chairman of Kairos Minerals (ASX: KAI) and Odessa Minerals (ASX: ODE), and a non-executive director of ASX-listed companies Lion Energy (ASX: LIO)

Mr Lewis was previously an Executive Director and Company Secretary at Vital Metals in 2019-2020, the period during which it acquired the Nechalacho Rare Earths Project in Canada.

To maintain the Board at its current size, Mr Paul Quirk concurrently agreed to retire as a director. Mr Quirk has contributed extensively to the Board, during what has been a challenging time for the Company, enabling Vital to emerge as a stronger entity with an exciting future ahead.

Vital secures $2m loan

In September 2023, Vital entered a short-term loan agreement with a syndicate of three lenders – Malekula Projects Pty Ltd, INVL Group Pty Ltd and Treasury Services Group Pty Ltd as trustee for the Nero Resource Fund ("Lenders"), for A$2 million to fund continued development of the Tardiff deposit and for general working capital requirements. This was repaid during the period.

Shenghe Resources investment

In October 2023, Vital entered into a subscription agreement (**Subscription Agreement**) with Shenghe Resources (Singapore) Pte Ltd, a wholly-owned subsidiary of Shenghe Resources Holding Co., Ltd. (**Shenghe**), a global leader in the rare earth sector with experience across the entire value chain. Shenghe agreed to subscribe for:

- 9.99% of the issued share capital in Vital (post-deal) at a subscription price of A$0.01 per share to raise a minimum of approximately A$5.9 million (**Tranche 1 Subscription**); and
- At its election and subject to Vital shareholder approval, up to a further 592 million shares at a subscription price of A$0.015 per share which, if exercised, would raise approximately A$8.9 million (**Tranche 2 Subscription**).

Following receipt by Shenghe of overseas direct investment approval (ODI) in China, all conditions precedent to the Tranche 1 Subscription under the subscription agreement with Shenghe were satisfied and the Company completed the issue and allotment of 588,917,200 ordinary Vital shares to Shenghe, raising approximately A$5.9 million (before costs).

In addition, Shenghe, Vital and its wholly-owned subsidiary, Cheetah Resources Pty Ltd (**Cheetah**) entered into a binding term sheet for Shenghe, subject to satisfaction of conditions precedent, to acquire 50% of the issued share capital in Kisaki Mining Ltd (**Kisaki**), the applicant for a Mining Licence or Special Mining Licence (**Licence**) over the tenure comprising the Wigu Hill Project, for cash consideration of up to US$1.5 million[7] (**Stage 1 Purchase**).

Conditions precedent include the grant of a Licence by the Government of Tanzania to Kisaki, an entity in which Cheetah owns 90% of the issued share capital, on or before 19 November 2027. Kisaki is the registered applicant for the Licence but does not presently have an interest in the Licence because it has not yet been granted.

Upon completion of the Stage 1 Purchase, Shenghe is able to increase its ownership position in Kisaki to 60% (of the non-government interest) (**Stage 2 Earn-In**) through sole funding and leading the work associated with the pre-feasibility study on Wigu Hill within 4 years of completion of the Stage 1 Purchase.

Upon completion of the Stage 2 Earn-In, Shenghe is able to increase its ownership position in Kisaki to 75% (of the non-government interest) (**Stage 3 Earn-In**) through sole funding and leading the work associated with a definitive feasibility study on Wigu Hill within 2 years of completion of the Stage 2 Earn-In.

Change of Auditor

In accordance with Listing Rule 3.16.3, BDO Audit Pty Ltd (BDO Audit) was appointed as auditor of the Company, following the resignation of BDO Audit (WA) Pty Ltd (BDO WA) and ASIC's consent to the resignation in accordance with s329(5) of the Corporations Act 2001 (the Act).

The change of auditor arose as a result of BDO WA restructuring its audit practice whereby audits will be conducted by BDO Audit, an authorised audit company, rather than BDO WA.

In accordance with s327C of the Act, a resolution will be proposed at the Company's next Annual General Meeting to confirm the appointment of the Company's auditor.

[7] Consideration equal to 50% of the total costs, expenses and liabilities reasonably incurred by or on behalf of Vital in relation to the Wigu Hill Project (capped at US$1.5m).

ASX Listing Rule Information

This annual report 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 4 April 2024. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed. The Mineral Resource estimate of 212.7Mt @ 1.17% TREO comprises 181.6. Mt @ 1.17% TREO Inferred, 24.1Mt @ 1.08% TREO Indicated and 7.0Mt @ 1.39% TREO Measured.

This annual report contains information relating to Exploration Results extracted from ASX market announcements 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 30 May 2023, 21 November 2023, 6 February 2024 and 23 July 2024. 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

The Company's Mineral Resources Statement has been compiled and is reported in accordance with the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC 2012 edition) and Chapter 5 of the ASX Listing Rules.

Vital's governance arrangements and internal controls for reporting its Mineral Resources Estimate include reporting on an annual basis and in compliance with the 2012 Edition of JORC and ASX Listing Rules. The Competent Person is suitably qualified and experienced, as defined in the 2012 Edition of JORC.

Nechalacho Rare Earths Project

As of 30 June 2024, the Nechalacho Rare Earths Project in Canada has Mineral Resource Estimates, as defined in Table 3 below.

An update to the Tardiff Upper Zone was released in April 2024, informed by an integrated cost and recovery approach which employs a Net Metal Revenue (NMR) cut-off based on projected cost and recovery factors (see Table 4). In comparison, the former estimate employed a more simplified TREO cut-off criteria. The updated Mineral Resource Estimates for the Tardiff Upper Zone are highlighted in Table 3 below. This table also shows the changes between the Mineral Resource Estimate at 30 June 2023 and the 2024 MRE.

No additional drilling has been included in the resource database since the previous Mineral Resource estimate (December 31, 2022; published February 14, 2023). The current Mineral Resource delivers 20.1 Mt additional combined Measured and Indicated tonnes, and 73.5 Mt additional Inferred tonnes, for an overall increase in estimated tonnage of 93.7 Mt.

Table 3: 2024 Mineral Resource Estimate in comparison to previous MRE

Effective Date	June 30, 2023 *			June 30, 2024 **			Change		
Class	Tonnage (Mt)	Nd_2O_3 (%)	Pr_6O_{11} (%)	Tonnage (Mt)	Nd_2O_3 (%)	Pr_6O_{11} (%)	Tonnage (Mt)	Nd_2O_3 (%)	Pr_6O_{11} (%)
Measured	4.6	0.307	0.083	7.0	0.267	0.074	+2.4	-0.040	-0.009
Indicated	6.3	0.283	0.076	24.1	0.213	0.057	+17.7	-0.070	-0.019
Measured + Indicated	**10.9**	**0.293**	**0.079**	**31.1**	**0.225**	**0.061**	**+20.1**	**-0.068**	**-0.018**
Inferred	108.1	0.275	0.073	181.6	0.232	0.062	+73.5	-0.043	-0.011
Total	**119.0**	**0.277**	**0.074**	**212.7**	**0.231**	**0.062**	**+93.7**	**-0.046**	**-0.012**

* Mineral Resource estimate (December 31, 2022; published February 14, 2023)
** Mineral Resource estimate (January 30, 2024; published April 4, 2024)

Table 4: Operating Cost assumptions for Tardiff Upper Zone

Parameter	Unit	Amount per unit
Mining	C$/tonne moved	4.5
Processing	C$/tonne milled	92
G&A	C$/tonne milled	15
Transport to Hydrometallurgical Processing Plant	C$/tonne milled	70
Transport of Final Product T	C$/tonne moved	115

The Annual Mineral Resource Estimate in respect of the Tardiff Upper Zone is based on, and fairly represents, information and supporting documentation prepared by a competent person and announced on ASX on April 4, 2024 "Vital increases Tardiff Mineral Resource Estimate tonnage by 79% and contained NdPr by 49%."

The Mineral Resource Estimate as a whole has, as to the form and content in which it appears in the Annual Report, been approved by Dr. Natalie Pietrzak-Renaud. Dr. Natalie Pietrzak-Renaud is a Competent Person and a member of the Association of Professional Geoscientists of Ontario, Canada and a member of the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists. She is a contract consultant for the Company. Dr. Pietrzak-Renaud has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr. Natalie Pietrzak-Renaud consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Location	Project	Tenement	Beneficial Interest
Canada	Nechalacho	NT-3178	100%*
Canada	Nechalacho	NT-3179	100%*
Canada	Nechalacho	NT-3265	100%*
Canada	Nechalacho	NT-3266	100%*
Canada	Nechalacho	NT-3267	100%*
Canada	Nechalacho	NT-5534	100%*
Canada	Nechalacho	NT-5535	100%*
Canada	Nechalacho	NT-5561	100%*
Tanzania	Wigu Hill		0%**

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

****** Vital has signed a project development and option agreement to acquire Wigu Hill. The Company has the right to acquire the licence upon the issuance of the licence by the Tanzanian Government. In December 2023, Vital entered into a binding term sheet for Shenghe Resources Holding Co Ltd (Shenghe), to acquire up to 75% of the non-Tanzanian Government interest) in the Wigu Hill Project through a 3-stage earn-in process and subject various conditions precedent.

The Board of Directors present their report on the Consolidated entity (referred to hereafter as the Group) consisting of Vital Metals Limited and the entities it controlled at the end of, or during the year ended 30 June 2024.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Mr Richard Crookes
Non-Executive Chairman (Appointed Chairman 23 October 2023, previously Interim Chairman)

Mr Crookes has over 35 years' experience in the resources and investments industries. He is a geologist by training having worked in the industry most recently as the Chief Geologist and Mining Manager of Ernest Henry Mining in Australia. Mr Crookes is Managing Partner of Lionhead Resources, a Critical Minerals Investment Fund and formerly an Investment Director at EMR Capital. Prior to that he was an Executive Director in Macquarie Bank's Metals Energy Capital (MEC) division where he managed all aspects of the bank's principal investments in mining and metals companies as well as the origination of numerous project finance transactions.

Mr Crookes has extensive experience in deal origination, evaluation, structuring and completing investment entry and exits for both private and public resource companies in Australia and overseas.

Mr Crookes held directorships with the following listed companies in the three years immediately prior to the date of this report.

	Date Appointed	**Date Resigned**
Barton Gold Holdings Ltd	February 2021	May 2022
Black Rock Mining Ltd	October 2017	Current
Brightstar Resources Ltd	May 2024	Current
Highfield Resources Limited	April 2013	March 2022
Lithium Power International Ltd	November 2018	March 2024

Mr Crookes holds a Bachelor of Science in Geology and a Graduate Diploma in Applied Finance, is a member of the Australasian Institute of Mining and Metallurgy (AusIMM), a Fellow of the Financial Services Institute of Australia (FINSIA) and a member of the Australian Institute of Company Directors (AICD).

Ms Lisa Riley
Managing Director (Appointed Managing Director 15 July 2024, previously Non-Executive Director)

Ms Riley has nearly 30 years of experience in global capital markets, finance, mining advisory and government relations in Canada and Latin America. She is a Non-Executive Director of Star Diamond Corp (TSX: DIAM) (Appointed February 2020), chairing its audit committee and is a member of its corporate governance, compensation and nomination committee. She is also a Director of GFG Resources Inc (TSX-V: GFG) (Appointed December 2022) and is a member of GFG's corporate governance/compensation and audit committees.

Previously, she was Chair of the Board of Tribeca Resources (TSX-V: TRBC) (appointed October 2022, resigned December 2023) and a member of the corporate governance/compensation and audit committees. She was Lead Director of Scorpio Mining Corp (TSX: SPM) which became Americas Gold and Silver (TSX: USA) and chaired its audit committee. She was also a director of Scorpio Gold (TSX-V: SGN).

Earlier in her career, Ms Riley held roles as Vice President and Director of Equity Sales at TD Securities in London, Vice President of Equity Sales at RBC Capital Markets in London and Vice President of Equity Research at Lehman Brothers in New York City.

She has extensive experience advising companies on improving stakeholder relations and incorporating ESG focuses in real and measurable ways and is also fluent in three languages.

Mr Michael Brook
Non-Executive Director (Appointed 8 May 2024)

Mr Brook is a mining Professional with diversified hands on global mining industry experience underpinning a subsequent career path as a stockbroking resource analyst and then roles in Mining Investment. In these roles, Mr Brook has driven the technical and commercial review of project and companies across multiple jurisdictions and commodities and from early exploration through to production.

Mr Brook is currently a non-executive director of Geopacific Resources Limited (ASX:GPR) (appointed July 2022), Principal – Mining for African Investments Limited (Private) and Chair of TuNya Resources (Private).

He graduated with a BSc (Hon) Mining Geology from the University of Wales (Cardiff) and is a member of AusIMM.

Mr Zane Lewis
Non-Executive Director (Appointed 12 August 2024)

Mr Lewis, the founder of SmallCap Corporate, has more than 25 of years corporate advisory experience with various ASX and AIM listed companies. He currently serves as the Chairman of Kairos Minerals (ASX: KAI) (appointed March 2022), and Odessa Minerals (ASX: ODE) (appointed November 2019), and as a Non-Executive Director of Lion Energy (ASX: LIO) (appointed February 2018).

Mr Lewis was also an Executive Director and Company Secretary of Vital Metals (Appointed February 2019, resigned August 2020) , including at time the Company acquired the Nechalacho Rare Earths Project in Canada.

He brings to the board a wealth of knowledge drawn from his extensive financial and corporate experience in previous roles, and he is a Fellow of the Governance Institute of Australia.

Mr James Henderson
Non-Executive Director (Resigned 8 May 2024)

Mr Henderson is currently Executive Chairman of Transocean Group Pty Ltd, a corporate advisory and private equity group focused on the emerging company market. His expertise is in the area of corporate strategy and structuring, capital raising and commercial negotiation.

Mr Henderson has led teams on a variety of transactions including mergers, acquisitions, dispositions, takeovers, and capital raisings particularly in Australia, Canada, the USA and Africa and was a founding shareholder in Cheetah Resources Pty Ltd.

Mr Henderson is also a Non-Executive Director of Compass Gold Corporation (TSX-V: CVB) (Appointed April 2010).

Mr Paul Quirk
Non-Executive Director (resigned 12 August 2024)

Mr Quirk is currently a partner at Lionhead Resources (LHR) and is responsible for originating new investments opportunities and building and maintaining investor relations.

Prior to LHR, Mr Quirk co-founded Lionhead Capital Partners, a multi-strategy principal investment firm focused on mining, real estate and private equity investing. Mr Quirk was one of the founding partners of Cora Gold, a gold exploration and development company operating in Mali.

Mr Quirk holds a Bachelor of Commerce in Accounting and Finance from the Northeastern University.

Dr Geordie Mark
Managing Director and CEO (Appointed 16 October 2023, terminated 15 July 2024)

Dr Mark was previously the Head of Mining for Haywood Securities Inc., where he held different roles and sub-sector coverages from 2008. These responsibilities developed experience in assessing natural resource-related equities including exploration and project development-related risk, corporate strategy effectiveness, commodity sentiment and financial forecasts and estimates delivery. He also held an analyst position at Passport Capital that encompassed a spectrum of coverage from explorers to large cap. producers across a range of commodities.

Prior to moving to Canada, Dr Mark was a lecturer in Economic Geology and Logan Fellow at Monash University in Melbourne.

COMPANY SECRETARY

Ms Louisa Martino
Company Secretary

Ms Martino has a Bachelor of Commerce from the University of Western Australia, is a member of the Institute of Chartered Accountants Australia & New Zealand (ICAA), a member of the Financial Services Institute of Australasia (FINSIA) and a fellow of the Governance Institute of Australia (FGIA). She provides a number of listed companies with company secretarial services and has worked within corporate finance, assisting with company compliance and capital raisings. Ms Martino holds the position of Company Secretary for listed companies, PYX Resources Ltd (NSX: PYX), Cokal Ltd (ASX: CKA), EV Resources Ltd (ASX: EVR) and Dominion Minerals Limited (ASX: DLM).

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were mineral exploration and development in Canada.

FINANCIAL POSITION

As of 30 June 2024, the Company held $3,532,597 (2023: $3,442,417) in cash.

The Group's net assets at 30 June 2024 were $58,080,520 (30 June 2023: $52,355,218).

FINANCIAL RESULTS

The Group recorded an operating loss from continuing operations for the year of $5,027,493 (2023: $6,422,234) and a profit of $2,320,099 (2023: loss of $51,681,194) from continuing and discontinued operations. The 2024 result is consistent with the current nature and operations of the Group.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 29 September 2023, following a strategic review of the viability of the rare earth processing facility in Saskatoon, Saskatchewan, Canada, owned by subsidiary Vital Metals Canada Limited ("VMCL"), VMCL was placed into bankruptcy. This resulted in VMCL being deconsolidated from the Group – refer Note 6.2.

Other than as stated above and disclosed in this Annual Report, no significant changes in the state of affairs of the Group occurred during the financial year.

EVENTS SUBSEQUENT TO REPORTING DATE

On 15 July 2024, Ms Lisa Riley was appointed as Managing Director and CEO. On the same date the contract with Dr Geordie Mark was terminated. Ms Riley's remuneration includes the issue of 60,000,000 options at an exercise price of $0.045 with a 12 month vesting period from the date of issue and a further CAD$60,000 (A$65,753) per annum in share-based payments. The grant of the options and share-based payments are subject to shareholder approval.

As part of the termination of Dr Mark, 60,000,000 option lapsed as vesting conditions had not been met.

On 19 July 2024, the Company confirmed that it had completed the sale of stockpiled ore to Saskatchewan Research Council in early July 2024 . The majority of ore was delivered and sales recorded in the 2024 financial year, with the final delivery of ore on 2 July 2024.

On 8 August 2024, 20,000,000 options expired, unexercised.

On 12 August 2024, Mr Zane Lewis was appointed a director and Mr Paul Quirk retired as a director.

Other than the above, there has not been any matter or circumstance that has arisen since the end of the financial year, that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIVIDENDS

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group intends to continue its exploration and development activities at the Nechalacho projects whilst assessing opportunities to acquire further suitable projects for exploration and development as they arise.

ENVIRONMENTAL REGULATION

The Group is subject to significant environmental regulation in respect to its exploration and development activities.

The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the year under review.

RISK MANAGEMENT

The Directors are responsible for ensuring that risks and opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with these risks and opportunities. The Board's collective experience will generally enable identification of the principal risks that may affect the Company's business, and an Audit and Risk Committee has been established. Vital Metals Limited has a Risk Management Policy for oversight and management of material business risks. Key operational risks and their management will be recurring items for deliberation at Board meetings.

The Company operates in a changing environment and is, therefore, subject to factors and business risks that will affect future performance.

Set out below are the principal risks and uncertainties that could have a material effect on Vital's future results, both operationally and financially. It is not possible to determine the likelihood of these risks occurring with any certainty. In the event that one or more of these risks materialise, Vital's reputation, strategy, business, operations, financial condition and future performance could be materially and adversely affected. There may also be other risks that are currently unknown or are deemed immaterial, but which may subsequently become known and/or material. These may individually or in aggregate adversely affect Vital.

Operational Risks

Exploration Risk
Mining exploration and development is a high-risk undertaking. The success of the Company depends on the delineation of economically-minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Tenure, access and grant of application
The Company's operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of licences/permits from the existing operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation.

Rare earth prices
Rare Earth prices are calculated by pricing formulae that reference published pricing for various Rare Earths materials. The market price has been volatile in the past because it is influenced by numerous factors and events. These include:

- Supply side factors: periods of restricted supply, over supply or speculative trading of Rare Earths can lead to significant fluctuations in Rare Earth pricing.
- Demand side factors: Demand for end-products that utilise Vital's material fluctuates due to factors including global economic trends, regulatory developments and consumer trends.
- Geopolitical factors: Recently Rare Earths have been the focus of significant attention, including as a result of supply chain issues highlighted by the COVID-19 pandemic.

Strong Rare Earth prices, as well as real or perceived disruptions in supply, may create economic incentives to identify or create alternate technologies that ultimately could depress future long-term demand for Rare Earths. This may, at the same time, incentivise the development of additional mining properties to produce Rare Earths. If industries reduce their reliance on Rare Earth products, the resulting change in demand could have a material adverse effect on Vital's business.

It is impossible to predict future Rare Earths price movements with certainty. Any sustained low Rare Earths prices or further declines in the price of Rare Earths, including as a result of periods of over-supply and/or speculative trading of Rare Earths, will adversely affect Vital's business and its ability to finance planned capital expenditures, including development projects.

Operational and development risks

Vital's operations and development activities could be affected by various unforeseen events and circumstances, such as hazards in exploration, the ability of third parties to meet their commitments in accordance with contractual arrangements, and the delivery and grades of ore and performance of processing facilities at design specification. Factors such as these may result in increased costs. Any negative outcomes flowing from these operational risks could have an adverse effect on Vital's business, financial condition, profitability and performance.

Nature of mining

Mineral mining involves risks, which, even with a combination of experience, knowledge and careful evaluation, may not be able to be fully mitigated. Mining operations are subject to hazards normally encountered in exploration and mining. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment, which may cause a material adverse impact on Vital's operations and its financial results. Projects may not proceed to plan with potential for delay in the timing of targeted output, and Vital may not achieve the level of targeted mining output. Mining output levels may also be affected by factors beyond Vital's control.

Mineral Resource and Ore Reserves

No assurance can be given that the anticipated tonnages and grades of ore will be achieved during production or that the anticipated level of recovery will be realised. Mineral Resource and Ore Reserve estimates are based upon estimates made by Vital personnel and independent consultants. Estimates are inherently uncertain and are based on geological interpretations and inferences drawn from drilling results and sampling analyses. There is no certainty that any Mineral Resources or Ore Reserves identified by Vital will be realised, that any anticipated level of recovery of minerals will be realised, or that an identified Ore Reserve or Mineral Resource will be a commercially mineable (or viable) deposit which can be legally and economically exploited.

Further, the grade of mineralisation which may ultimately be mined may differ materially from what is predicted. The quantity and resulting valuation of Ore Reserves and Mineral Resources may also vary depending on, amongst others, metal prices, cut-off grades and estimates of future operating costs (which may be inaccurate). Production can be affected by many factors. Any material change in the quantity of Ore Reserves, Mineral Resources, grade, or stripping ratio may affect the economic viability of any project undertaken by Vital.

Vital's estimated Mineral Resources and any future Ore Reserves should not be interpreted as assurances of commercial viability or potential or of the profitability of any future operations. Investors should be cautioned not to place undue reliance on any estimates made by Vital. Vital cannot be certain that its Mineral Resource and any future Ore Reserve estimates are accurate and cannot guarantee that it will recover the expected quantities of metals. Future production could differ dramatically from such estimates for the following reasons:

- actual mineralisation or Rare Earth grade could be different from those predicted by drilling, sampling, feasibility or technical reports;
- increases in the capital or operating costs of the mine;
- decreases in Rare Earth oxide prices;
- changes in the life-of-mine plan;
- the grade of Rare Earths may vary over the life of a Vital project and Vital cannot give any assurances that any MRE will ultimately be recovered; or
- metallurgical performance could differ from forecast.

The occurrence of any of these events may cause Vital to adjust its Mineral Resource and future Ore Reserve Estimates or change its mining plans. This could negatively affect Vital's financial condition and results of operations. Moreover, short-term factors, such as the need for additional development of any Vital project or the processing of new or different grades, may adversely affect Vital.

Vital reports its Mineral Resources and Ore Reserves in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code").

Attraction and retention of skilled personnel
Attraction and retention of skilled personnel is important to Vital's operations and its further growth.

In addition, industrial and labour disputes, work stoppages and accidents, and logistical and engineering difficulties may also have an adverse effect on Vital's profitability and share price.

Industry trends, including changes in technology
Changes in technology, including switches to renewable energy sources, present both opportunities and risks to the Vital business. As technologies and consumer trends continue to evolve, new competing technologies may emerge that may reduce demand for Vital's Rare Earth products. Any significant trends away from technologies that utilise Vital Rare Earths products could materially adversely affect the Vital business.

Regulatory, legal and environmental risks

General regulatory risks
Vital's business is subject to various national and local laws and regulations relating to the mining, production, marketing, pricing, transportation and storage of products and residues, predominantly in Canada. A change in the legislative and administrative regimes, taxation laws, interest rates, and other legal and government policies may have an adverse effect on the assets, operations and ultimately the financial performance of Vital and the market price of Vital's shares. Other changes in the regulatory environment (including applicable accounting standards) may have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on Vital's business and financial condition.

Licences, permits, approvals, consents and authorisations
Vital's mining and production activities are dependent on the granting and maintenance of appropriate licences, permits, approvals, and regulatory consents and authorisations (including those related to interests in mining tenements), which may not be granted or may be withdrawn or be made subject to limitations at the discretion of government or regulatory authorities. Although such licences, permits, approvals and regulatory consents and authorisations may be granted, continued or renewed (as the case may be), there can be no assurance that such licences, permits, approvals and regulatory consents and authorisations will be granted, continued or renewed as a matter of course, or as to the terms of renewals or grants, including that new conditions, or new interpretations of existing conditions, will not be imposed in connection therewith. Whether such licences, permits, approvals and regulatory consents and authorisations may be granted, continued or renewed (as the case may be) often depends on Vital being successful in obtaining the required statutory approvals for proposed activities. If there is a failure to obtain or retain the appropriate licences, permits, approvals and regulatory consents and authorisations, or if there is a material delay in obtaining or renewing them or they are granted subject to onerous conditions or withdrawn, then Vital's ability to conduct its mining and production activities may be adversely affected.

Political risks and government actions
Vital's operations could be affected by government actions predominantly in Australia and Canada and other countries or jurisdictions in which it has interests. Vital is subject to the risk that it may not be able to carry out its operations as it intends, including because of a change in government, legislation, guidelines, regulation or policy, including in relation to the environment, the Rare Earths sector, competition policy, native title and cultural heritage. Such changes could affect land access, the granting of licences and other tenements, the approval of developments and freedom to conduct operations.

The possible extent of Geopolitical imperatives related to supply chain security of Critical Minerals including Rare Earths Minerals or the introduction of additional legislation, regulations, guidelines or amendments to existing legislation that might affect Vital's business is difficult to predict. Any such government action may require increased capital or operating expenditures and could prevent or delay certain operations by Vital, which could have a material adverse effect on Vital's business and financial condition.

Vital also may not be able to ensure the security of its assets located outside Australia, and is subject to risks of, among other things, loss of revenue, property and equipment as a result of hazards such as expropriation, war, insurrection and acts of terrorism and other political risks and increases in taxes and government royalties. The effects of these factors are difficult to predict and any combination of one or other of the above may have a material adverse effect on Vital' business and financial position.

Environmental risks

Vital's activities are subject to extensive laws and regulations controlling not only the mining of exploration for and processing of Rare Earths, but also the possible effects of such activities upon the environment and interests of local communities. In the context of obtaining environmental permits, including the approval of reclamation plans, Vital must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. With increasingly heightened government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent, and Vital could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of certain of its properties, greenhouse gas emissions, the storage, treatment and disposal of residues and the effects of its business on the water table and groundwater quality.

Sanctions for non-compliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault. Given the sensitive nature of this area, Vital may be exposed to litigation and foreseen and unforeseen compliance and rehabilitation costs despite its best efforts.

Climate change risks

Climate change and the rapidly evolving response to it may lead to a number of risks, including but not limited to transition risk such as:

- Increased political, policy and legal risks (e.g. the introduction of regulatory changes aimed at reducing the impact of, or addressing climate change, including reducing or limiting carbon emissions);
- Increased capital and operational costs, including increased costs of inputs and raw materials;
- Increased actual risk to physical property damage arising from the impact of climate change (for example bushfire or floods); and
- Technological change and reputational risks associated with Vital's conduct.

Community acceptance and reputation

Vital recognises that a strong mutual relationship with each community in which it operates is a pre-condition to successful operations. Failure to maintain those relationships and the acceptance by those communities may have an adverse effect on Vital's operations.

In addition, Vital recognises the importance of maintaining its reputation with its stakeholders including shareholders, regulatory authorities, communities, customers and suppliers. Failure to maintain its reputation with some or all stakeholders may have a negative effect on the future performance of Vital.

Legal action

It is possible that, Vital could be exposed to litigation or proceedings, either from shareholders, financiers, regulators or members of the communities in which Vital operates.

Financial risks

Funding risk
The Company has no operating revenue and is unlikely to generate consistent operating revenue unless and until the Company's projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities.

In order to successfully develop the Company's projects and for production to commence, the Company will require further financing in the future. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the tenements being subject to forfeiture and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

General risks

General economic conditions
Vital's operating performance and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates, exchange rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates or decrease in consumer and business demand, could be expected to have an adverse impact on Vital' business, results of operations or financial condition and performance.

Accounting standards
Accounting standards may change. This may affect the reporting earnings of Vital and its financial position from time to time. Vital has previously and will continue to assess and disclose, when known, the effect of adopting new accounting standards in its periodic financial reporting.

Force majeure events
Events may occur within or outside Vital's key markets that could affect global economies and the operations of Vital. The events include, but are not limited, to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, changes in weather patterns or other severe weather events, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on market conditions, the demand for Vital's product offering and services and Vital's ability to conduct business.

Cyber security
Cyber security risks are increasing in the external environment. Cyber security risks include computer viruses targeting IT systems, unauthorised access, cyber-attack (either targeted at Vital for financial gain or due to geopolitical matters), social media disinformation campaigns, penetration of Vital's systems (including through attacks on Vital's suppliers) and other similar matters. A cyber event may lead to adverse impacts on Vital's operations and financial performance.

INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into an agreement to indemnify all directors and officers against any liability arising from a claim brought by a third party against the Company. The agreement provides for the Company to pay all damages and costs which may be awarded against the officer or director.

During the period the Company has paid an insurance premium in respect of a Directors' and Officers' Liability Insurance Contract. The insurance premium relates to liabilities that may arise from an Officer's position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain personal advantage.

The officers covered by the insurance policies are the Directors, Company Secretary and Officers of the Company. The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of the premium.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

There we no non-audit services for the 2024 financial year (2023: $8,581).

The Group has not provided any indemnity to the Auditors.

DIRECTORS' INTERESTS IN SECURITIES OF THE GROUP

As at the date of this report, the interests of the Directors in the shares, options and other performance securities of Vital Metals Limited were:

DIRECTOR	ORDINARY SHARES	OPTIONS
Richard Crookes	21,425,743	Nil
Lisa Riley*	Nil	Nil
Michael Brook	833,333	Nil
Zane Lewis	25,030,000	Nil

* On 15 July 2024, Ms Riley was appointed Managing Director and CEO of the Company and as part of her remuneration arrangements was granted 60,000,000 options at an exercise price of $0.045 with a 12 month vesting period from the date of issue and a further CAD$60,000 (A$65,753) per annum in share based payments. The grant of the options and share based payments are subject to shareholder approval, which will be sought at the Company's 2024 Annual General Meeting.

SHARES UNDER OPTION

At the date of this report, the Group had on issue 5,895,066,951 ordinary shares and 715,500,000 options over ordinary shares.

Unissued ordinary shares of the Company under option at the date of this report are as follows:

DATE OPTIONS GRANTED	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION
22 October 2019	22 October 2024	$0.02	110,000,000
22 October 2019	22 October 2024	$0.025	110,000,000
22 October 2019	22 October 2024	$0.03	110,000,000
24 December 2020	31 January 2025	$0.02	6,000,000
24 December 2020	31 January 2025	$0.025	6,000,000
24 December 2020	31 January 2025	$0.03	6,000,000
31 January 2020	31 January 2025	$0.02	22,500,000
31 January 2020	31 January 2025	$0.025	22,500,000

DATE OPTIONS GRANTED	EXPIRY DATE	EXERCISE PRICE	NUMBER UNDER OPTION
31 January 2020	31 January 2025	$0.03	22,500,000
31 July 2023	11 January 2028	$0.0085	30,000,000
10 October 2023	11 January 2028	$0.015	40,000,000
23 November 2023	29 November 2024	$0.015	200,000,000
29 November 2023	11 January 2028	$0.0085	30,000,000
		TOTAL	**715,500,000**

In addition to the above options, the Company has agreed, subject to shareholder approval, to grant:

- Ms Lisa Riley 60,000,000 options with an exercise price of $0.045 with a 12 month vesting period from the date of issue and a further CAD$60,000 (A$65,753) per annum in share-based payments; and
- Ashanti Capital, financial adviser to the Company, 200,000,000 options to acquire ordinary Vital shares (3 year expiry, A$0.015 exercise price).

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

DIRECTORS' MEETINGS

The table below sets out the number of Board, Audit and Risk Committee and Remuneration and Nominations Committee meetings held during the period and the number of meetings attended by each as a Director. The number of these meetings held and the number attended by the committee members are set out below.

	Board Meetings		Audit and Risk Committee		Remuneration and Nominations Committee	
Director	**Number of Meetings held while in office**	**Meetings attended**	**Number of Meetings held while in office**	**Meetings attended**	**Number of Meetings held while in office**	**Meetings attended**
Richard Crookes	23	23	-	-	1	1
Lisa Riley	23	23	3	3	1	1
Paul Quirk	23	17	3	3	-	-
Michael Brook	2	2	-	-	-	-
James Henderson	20	20	3	3	1	1
Geordie Mark	8	8	-	-	-	-

CORPORATE GOVERNANCE STATEMENT

Pursuant to the ASX Listing Rules, the Company's Corporate Governance Statement will be released in conjunction with this report. The Company's Corporate Governance Statement is available on the Company's website at: https://www.vitalmetals.com.au/corporate/corporate-governance/

AUDITED REMUNERATION REPORT

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001. The Directors and Key Management Personnel for the year ended 30 June 2024 were:

Name	Position for the year ended 30 June 2024
Richard Crookes	Chairman from 23 October 2023 (previously Interim Chairman)
Lisa Riley	Non-Executive Director (appointed Managing Director from 15 July 2024)
Paul Quirk	Non-Executive Director (resigned 12 August 2024)
Michael Brook	Non-Executive Director (appointed 8 May 2024)
James Henderson	Non-Executive Director (resigned 8 May 2024)
Geordie Mark	Managing Director and CEO (from 16 October 2023 then terminated on 15 July 2024)

Remuneration Policy

Remuneration of Directors and Executives is referred to as compensation throughout this report. Key Management Personnel including Directors of the Company and other executives have authority and responsibility for planning, directing and controlling the activities of the Group. Compensation levels for Directors and Key Management Personnel of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives.

The Board is responsible for compensation policies and practices. The Board, where appropriate, seeks independent advice on remuneration policies and practices, including the compensation packages and terms of employment. No such advice was sought in the current year.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account a number of factors, including length of service and the particular experience of the individual concerned.

Fixed Compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles) as well as employer contributions to superannuation funds. Compensation levels are reviewed annually by the Board where applicable.

Share–based compensation

Share options are granted to key employees as the Directors believe that this is the most appropriate method of aligning performance to the interests of shareholders. The Directors feel that it appropriately links the long-term incentives of key employees to the interest of shareholders. The ability to exercise the options is conditional on continued service for a period as determined by the Board upon each issuance of options. The Group does not have a policy that prohibits those that are granted share-based payments as part of their remuneration from entering into other arrangements that limit their exposure to losses that would result from share price decreases.

Employment Contracts of Directors and Executives
As at 30 June 2024, all Directors and all executives, have formal contracts with the Company.

The terms during the financial year are set out as follows:

Name	Position	Annual Remuneration A$
Richard Crookes	Non-Executive Director / Chairman	100,000
Lisa Riley [1,2]	Non-Executive Director	80,000[1]
Mike Brook [2]	Non-Executive Director (Appointed 8 May 2024)	70,000
James Henderson	Non-Executive Director (resigned 8 May 2024)	70,000
Paul Quirk	Non-Executive Director (resigned 12 August 2024)	70,000
Geordie Mark	Managing Director and CEO (appointed 16 October 2023, terminated 15 July 2024)	472,920 (C$420,000)

1. Annual fee of $80,000 as Non-Executive Director to 15 July 2024.Additional exertion fees of $149,796 paid during the financial year.
2. Refer below for details of remuneration from 15 July 2024.

Lisa Riley (appointed 15 July 2024) Managing Director and CEO
Ms Riley has an employment agreement that commenced on 15 July 2024. The key terms of the agreement are as follows:

Commencement:	15 July 2024
Term:	From Commencement Date until terminated in accordance with the provisions for termination.
Termination And Notice:	Within 6 months of appointment, the Company may terminate this agreement with no notice period required and after six (6) months, by giving not less than six (6) months' notice. The Executive may terminate this agreement by giving not less than two (2) months' notice.
Base Salary:	C$360,000 per annum in cash and C$60,000 per annum in share based payments, subject to shareholder approval.
Short Term Incentive:	Short term incentive of up to 30% of the Base Salary at the Board's absolute discretion.
Long Term Incentives:	Long term incentive of up to 70% of the Base Salary, awarded annually, at the Board's absolute discretion.
Incentive Securities:	Issue of 60,000,000 options in the Company, subject to shareholder approval, each with an exercise price of A$0.0045 and an expiry date 4 years less 1 day from the date of issue. Options vest 12 months after award, subject to continued employment.

Geordie Mark (appointed 16 October 2023, terminated 15 July 2024) Managing Director and CEO
Mr Mark was under an employment agreement that commenced on 6 October 2023 and was terminated on 15 July 2024. The key terms of the agreement were as follows:

Commencement:	16 October 2023
Term:	From Commencement Date until terminated in accordance with the provisions for termination.
Termination And Notice:	Within 6 months of appointment, the Company may terminate this agreement with no notice period required and after six (6) months, by giving not less than six (6) months' notice. The Executive may terminate this agreement by giving not less than two (2) months' notice.
Fixed Remuneration:	C$420,000 per annum.
Short Term Incentive:	Short-term incentive of up to 70% of the Base Salary at the Board's absolute discretion.
Long Term Incentives:	Long-term incentive of up to 100% of the Base Salary, awarded annually, at the Board's absolute discretion.
Incentive Securities:	Issue of 60,000,000 options in the Company with an exercise price of A$0.0085 and an expiry date 4 years less 1 day from the date of issue. Options vest 1/3 at a time annually over the first 3 years (12, 24 and 36 months after award), subject to continued employment. The options will be issued utilising the Company's available placement capacity under Listing Rule 7.1.

Non-Executive Directors
Total compensation for all Non-Executive Directors, last voted upon by shareholders at the 2007 AGM, is not to exceed $400,000 per annum.

Company performance, shareholder wealth and directors' and executives' remuneration
No relationship exists between shareholder wealth, director and executive remuneration and Company performance due to the infant stage of the Company's operations.

Historical Information
The table below shows the gross revenue, losses and earnings per share for the last five years for the listed entity.

	2024	2023	2022	2021	2020
Net profit/(loss) ($)	2,320,099	(51,681,194)	(4,770,105)	(4,745,906)	(4,578,593)
Share price at year end (cents)	0.2	0.90	3.9	4.8	1.0
Earnings/(loss) per share (cents)	0.04	(1.00)	(0.11)	(0.16)	(0.23)

Details of remuneration
The Key Management Personnel of the Group are the Directors and the former Chief Operating Officer. Given the size and nature of operations of the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

Remuneration of Key Management Personnel

Details of the remuneration provided to the Key Management Personnel of the Group are set out in the following table:

	Short term Salary and Fees$	Short Term Bonus $	Post-employment Superannuation $	Termination $	Share-based payments Options[1] $	Total $	Performance related %
Directors of Vital Metals Limited							
Non-Executive Directors							
Richard Crookes (Chairman) (Interim Chairman to 22 October 2023)							
2024	**100,000**	**-**	**-**	**-**	**-**	**100,000**	**-**
2023	45,625	-	-	-	-	45,625	-
Lisa Riley (Non-Executive Director)							
2024	**229,796[1]**	**-**	**-**	**-**	**-**	**229,796**	**-**
2023	87,783	-	-	-	-	87,783	-
Paul Quirk (Non-Executive Director)							
2024	**69,997**	**-**	**-**	**-**	**-**	**69,997**	**-**
2023	35,000	-	-	-	-	35,000	-
Michael Brook (Non-Executive Director) (appointed 8 May 2024)							
2024	**10,511**	**-**	**1,156**	**-**	**-**	**11,667**	**-**
2023	-	-	-	-	-	-	-
James Henderson (Non-Executive Director) (resigned 8 May 2024)							
2024	**59,839**	**-**	**-**	**-**	**-**	**59,839**	**-**
2023	55,000	-	-	-	-	55,000	-
Evan Cranston (Non-Executive Director) (resigned 15 February 2023)							
2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2023	35,000	-	-	-	-	35,000	-
Executive Directors							
Geordie Mark (Managing Director and CEO) (appointed 16 October 2023)							
2024	**336,504**	**-**	**-**	**-**	**-**	**336,504**	**-**
2023	-	-	-	-	-	-	-
Geoff Atkins (Managing Director) (resigned 2 September 2022)							
2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2023	45,000	-	-	-	-	45,000	-
John Dorward (Managing Director) (appointed 21 November 2022, resigned as a director on 20 March 2023 and CEO on 16 June 2023)							
2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2023	230,490	-	24,201	-	-	254,691	-
Other Key Management Personnel							
Russell Bradford							
2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2023	135,000	-	-	-	-	135,000	-
Anthony Hadley							
2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2023	290,710	-	24,820	-	116,080	431,610	-
Total compensation							
2024	**806,647**	**-**	**1,156**	**-**	**-**	**807,803**	**-**
2023	959,608	-	49,021	-	116,080	1,124,709	-

1. Includes personal exertion fees of $149,796

There were no options or performance rights granted to Key Management Personnel as compensation during the reporting period, other than those set out below.

Options and Performance Rights granted as compensation

Options and performance rights are issued at no cost to Directors and Executives as part of their remuneration. The options and performance rights are not issued based on performance criteria, but are issued to increase goal congruence between Executives, Directors and Shareholders.

Options issued to Key Management Personnel during the year are as follows.

	Grant Date	Exercise Price	Number Granted	Number Vested	Expiry Date	Volatility	Fair Value per security at grant date (cents)	Exercised Number
Options								
2024 Financial Year								
Geordie Mark[1,2]	16/10/2023	$0.0085	60,000,000	-	20/12/2027	80%	0.00	-
2023 Financial Year								
John Dorward	18/11/2022	$0.045	40,000,000	-	30/11/2026	75%	1.31	-

1. One third (1/3) of these options will vest annually on 12, 24 and 36 months from the date of grant, subject to continued employment.
2. These options were forfeited subsequent to year end due to the termination of employment and therefore, a probability of 0% has been applied to the satisfaction of the service condition and nil expense attributed to remuneration.

Exercise of options and performance rights granted as compensation

During the reporting period, there were Nil shares issued on the exercise of options and performance rights previously granted as compensation, and there were no modifications to the terms of previously granted options.

Additional disclosures relating to Key Management Personnel

Shareholding

The numbers of shares in the Company held during the financial year by each Director of Vital Metals Limited and other Key Management Personnel of the Group, including their personally-related parties, are set out below.

2024

	Balance at start of the year*	Acquired during the year	Disposed of during the year	Balance at end of the year *
Directors of Vital Metals Limited				
Ordinary shares				
Richard Crookes	-	12,425,743	-	12,425,743
Lisa Riley	-	-	-	-
Paul Quirk	-	-	-	-
Michael Brook	-	833,333	-	833,333
James Henderson	98,296,342	-	-	98,296,342
Geordie Mark	-	15,000,000	-	15,000,000
	98,296,342	28,259,076	-	126,555,418
Other Key Management Personnel				
N/A				
	98,296,342	28,259,076	-	126,555,418

** Where a director was appointed or resigned during the year, as at date of appointment or ceasing to be a Director as the context applies.*

Option and Performance Rights holding

The number of performance rights and options over ordinary shares in the Company held during the financial year by each Director of Vital Metals Limited and other Key Management Personnel of the Group, including their personally-related parties, are set out below:

2024	Balance at start of the year*	Granted as compensation	Exercised	Expiry	Lapsed	Balance at end of the year *	Vested and exercisable
Directors of Vital Metals Limited							
Options							
Richard Crookes	-	-	-	-	-	-	-
Lisa Riley	-	-	-	-	-	-	-
Paul Quirk	-	-	-	-	-	-	-
Michael Brook	-	-	-	-	-	-	-
James Henderson	60,000,000	-	-	-	-	60,000,000	60,000,000
Geordie Mark	-	60,000,000	-	-	-	60,000,000	-
	60,000,000	60,000,000	-	-	-	120,000,000	60,000,000
Other Key Management Personnel							
Options							
N/A							
Total	60,000,000	60,000,000	-	-	-	120,000,000	60,000,000

** Where a director was appointed or resigned during the year, as at date of appointment or ceasing to be a Director as the context applies.*

Loans to Key Management Personnel

There were no loans to Key Management Personnel during the year (2023: nil).

Other transactions with Key Management Personnel

There were no other transactions with Key Management Personnel during the year other than salaries and wages, as disclosed in the remuneration report except the following transactions conducted on an arm's length basis:

- Advisory and financial services fees paid to Transocean Securities Pty Ltd, a company related to Mr James Henderson, totalling $Nil (2023: $45,000); and
- Capital raising fee paid to Transocean Securities Pty Ltd, a company related to Mr James Henderson, totalling $Nil (2023: $110,000).

Securities Trading Policy

The Company's Securities Trading Policy provides guidance on acceptable transactions in dealing in the Company's various securities, including shares, debt notes and options. The Company's Securities Trading Policy defines dealing in company securities to include:

(a) Subscribing for, purchasing or selling Company Securities or entering into an agreement to do any of those things;
(b) Advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in Company Securities; and
(c) Entering into agreements or transactions which operate to limit the economic risk of a person's holdings in Company Securities.

The Securities Trading Policy details acceptable and unacceptable times for trading in Company Securities including, detailing potential civil and criminal penalties for misuse of "inside information". The Directors must not deal in Company Securities without providing written notification to the Chairman. The Chairman must not deal in Company Securities without the prior approval of the Chief Executive Officer. The Directors are responsible for disclosure to the market of all transactions or contracts involving the Company's shares.

Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')

At the 2023 AGM, 91% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

End of Audited Remuneration Report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 35.

This report has been made in accordance with a resolution of the Board of Directors pursuant to s.298 (2) of the Corporations Act 2001.

Signed in accordance with a resolution of the directors

R.A. Crookes

Richard Crookes
Chairman
Sydney: 30 September 2024

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DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF VITAL METALS LIMITED

As lead auditor of Vital Metals Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Vital Metals Limited and the entities it controlled during the period.

Neil Smith

Director

BDO Audit Pty Ltd

Perth

30 September 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $	Restated 2023* $
Continuing Operations			
Ore Sales		2,654,672	-
Less cost of goods sold		(1,831,241)	-
Gross Profit		**823,431**	**-**
Other income	1.1	1,258,382	26,490
Total other income		**2,081,813**	**26,490**
Exploration and evaluation expenditure		-	(1,181,760)
Administration expenses	1.1	(3,575,981)	(4,362,164)
Depreciation		(774,024)	(1,002,374)
Share-based payments expense	8.1	(407,759)	(144,531)
Impairment of inventory	1.1	(1,501,092)	-
Asset write-off	3.1	(26,717)	-
Total expenses		**(6,285,573)**	**(6,690,829)**
Loss from continuing operations before income tax and finance cost		**(4,203,760)**	**(6,664,339)**
Finance income		51,480	416,968
Finance and loan expenses		(875,213)	(174,863)
Net finance income/ (loss)		(823,733)	242,105
Loss before income tax		**(5,027,493)**	**(6,422,234)**
Income tax expense	1.2	-	-
Loss from continuing operations		**(5,027,493)**	**(6,422,234)**
Discontinued operations			
Profit/(loss) after tax from discontinued operations	6.2	7,347,592	(45,258,960)
PROFIT/(LOSS) FOR THE YEAR		**2,320,099**	**(51,681,194)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(2,856,328)	386,737
Other comprehensive income for the year, net of income tax		(2,856,328)	386,737
Total comprehensive loss for the year		**(536,229)**	**(51,294,457)**

* - restated to include comparative for discontinued operations

	Note	2024	Restated* 2023
		$	$
Loss from continuing operations attributable to:			
Owners of the Company		(5,027,493)	(6,422,234)
		(5,027,493)	(6,422,234)
Profit/(loss) from continuing and discontinued operations attributable to:			
Owners of the Company		2,320,099	(51,681,194)
		2,320,099	(51,681,194)
Total Comprehensive Profit/(loss) attributable to:			
Owners of the Company		(536,229)	(51,294,457)
		(536,229)	(51,294,457)
Earnings/(loss) per share from continuing and discontinued operations for the year attributable to the ordinary equity holders of the company	1.3	0.04 cents	(1.0) cents
Diluted earnings/(loss) per share from continuing and discontinued operations for the year attributable to the ordinary equity holders of the company	1.3	0.04 cents	(1.0) cents
Loss per share from continuing operations for the year attributable to the ordinary equity holders of the company	1.3	(0.09) cents	(0.12) cents
Diluted loss per share from continuing operations for the year attributable to the ordinary equity holders of the company	1.3	(0.09) cents	(0.12) cents

* - restated to include comparative for discontinued operations

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 $	2023 $
CURRENT ASSETS			
Cash and cash equivalents	2.1	3,532,597	3,442,417
Trade and other receivables	2.2	766,175	793,724
Inventories	3.5	460,149	-
TOTAL CURRENT ASSETS		4,758,921	4,236,141
NON-CURRENT ASSETS			
Receivables	2.2	-	178,092
Property, plant and equipment	3.1	3,312,378	3,916,446
Right of use asset	3.2	225,001	360,612
Exploration and evaluation expenditure	3.3	21,800,589	19,484,535
Mine under development	3.4	30,420,873	31,407,129
Inventories	3.5	-	3,249,982
TOTAL NON-CURRENT ASSETS		55,758,841	58,596,796
TOTAL ASSETS		60,517,762	62,832,937
CURRENT LIABILITIES			
Trade and other payables	2.3	629,862	2,384,143
Refundable deposit		45,000	-
Government loans	3.6	103,693	143,037
Financial liabilities	3.7	304,782	674,929
Provisions		75,119	165,381
TOTAL CURRENT LIABILITIES		1,158,456	3,367,490
NON-CURRENT LIABILITIES			
Government loans	3.6	417,246	3,391,939
Financial liabilities	3.7	4,150	2,831,261
Provisions		857,390	887,028
TOTAL NON-CURRENT LIABILITIES		1,278,786	7,110,228
TOTAL LIABILITIES		2,437,242	10,477,719
NET ASSETS		**58,080,520**	**52,355,218**
EQUITY			
Contributed equity	4.1	154,661,305	150,394,157
Reserves	4.2	9,400,422	10,262,367
Accumulated losses		(105,981,207)	(108,301,306)
TOTAL EQUITY		**58,080,520**	**52,355,218**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

	Contributed Equity $	Share-based Payment Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2023	**150,394,157**	**7,834,909**	**2,427,458**	**(108,301,306)**	**52,355,218**
Profit for year	-	-	-	2,320,099	2,320,099
Other comprehensive income					
Exchange differences on translation of foreign operation	-	-	(2,856,328)	-	(2,856,328)
Total other comprehensive income	-	-	(2,856,328)	-	(2,856,328)
Total comprehensive profit/(loss) for the year	-	-	(2,856,328)	2,320,099	(536,229)
Transactions with owners in their capacity of owners					
Contributions of equity (net of transaction costs, excluding share-based payments)	5,342,888	-	-	-	5,342,888
Share-based payments included in contributions of equity	(1,075,740)	1,075,740	-	-	-
Share-based payments expense included in profit and loss	-	918,643	-	-	918,643
Balance at 30 June 2024	**154,661,305**	**9,829,292**	**(428,870)**	**(105,981,207)**	**58,080,520**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Contributed Equity $	Share-based Payment Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2022	**107,553,071**	**7,690,378**	**2,040,721**	**(56,620,112)**	**60,664,058**
Loss for year	-	-	-	(51,681,194)	(51,681,194)
Other comprehensive income					
Exchange differences on translation of foreign operation	-	-	386,737	-	386,737
Total other comprehensive income	-	-	386,737	-	386,737
Total comprehensive profit/(loss) for the year	-	-	386,737	(51,681,194)	(51,294,457)
Transactions with owners in their capacity of owners					
Contributions of equity, net of transaction costs	42,841,086	-	-	-	42,841,086
Share-based payments	-	144,531	-	-	144,531
Balance at 30 June 2023	**150,394,157**	**7,834,909**	**2,427,458**	**(108,301,306)**	**52,355,218**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Note	2024 $	2023 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		2,661,139	-
Distribution from Liquidator of VMCL		1,086,214	-
Payments for exploration and evaluation costs		-	(163,915)
Payments to suppliers and employees		(3,556,669)	(5,193,966)
Payments for inventory		(546,369)	(1,627,318)
Government incentive received		-	26,489
Interest received		52,236	2,751
Interest paid		(269,832)	(7,509)
Net cash outflow in operating activities	2.1	**(573,281)**	**(6,963,468)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(2,948,045)	(6,288,675)
Payments for mine under development		(316,434)	(5,211,167)
Payments for property, plant and equipment		(625,202)	(31,321,776)
Cash from discontinued operations		(366,153)	-
Payments for refundable deposit		(5,000)	-
Proceeds from disposal of non-current assets		212,609	-
Net cash outflow in investing activities		**(4,048,225)**	**(42,821,618)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issues		5,889,172	45,000,000
Proceeds from borrowings		2,000,000	5,922,200
Repayment of borrowings		(2,132,168)	(71,518)
Options exercised		-	160,000
Cost of share capital issued		(546,284)	(2,318,914)
Debt transaction costs		(60,000)	-
Repayment of lease liability		(329,448)	(444,522)
Net cash from financing activities		**4,821,272**	**48,247,246**
Net increase/(decrease) in cash held		**199,766**	**(1,537,841)**
Cash at beginning of the year		3,442,417	4,980,258
Foreign exchange variances on cash		(109,586)	-
Cash at the end of the year	2.1	**3,532,597**	**3,442,417**
Cash outflows from discontinued operations	6.2	**(623,629)**	**(27,850,324)**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

ABOUT THIS REPORT

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Vital Metals Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is also the parent entity's functional currency. Canadian entities adopt Canadian dollars as the functional currency. Vital Metals Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 30 September 2024. The Directors have the power to amend and reissue the financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Vital Metals Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Vital Metals Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New accounting standards and interpretations

New, revised or amended Accounting Standards and Interpretations adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

(iii) Early adoption of standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2023.

(iv) New and amended standards not yet adopted by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. The directors have not early adopted any of these new amended standards and interpretations. The directors are in the process of assessing the impact of the applications of the standard and its amendment to the extent relevant to the financial statement of the Group.

(v) Historical cost convention

These financial statements have been prepared under the historical cost convention.

Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Vital Metals Limited ("Company" or "parent entity") as at 30 June 2024 and the results of all subsidiaries for the year then ended. Vital Metals Ltd and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Going concern
The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The Group recorded a loss from continuing operation of $5,027,493 for the 30 June 2024 financial year (30 June 2023: $6,422,234) and has a cash balance of $3,532,597 (30 June 2023: $3,442,417), a net working capital surplus of $3,600,465 (30 June 2023: $868,652), a net cash outflows from operating activities of $573,281 (30 June 2023: $6,963,468) and net cash outflow from investing activities of $4,048,225 (30 June 2023: $42,821,618).

These conditions indicate a material uncertainty which may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The ability of the entity to meet its planned activities, including continuing to progress its exploration and development activities to a commercial-ready stage, and recommencing mining activities is dependent on securing additional funding through the sale of equity securities to either existing or new shareholders to continue to fund its operational and investing activities.

The directors have reviewed the cash flow forecast for the next 12 months from the date of signing this financial report and assessed that there are reasonable grounds to believe the Group will be able to continue as a going concern they expect to receive additional funds via the issue of equity securities to either existing or new shareholders.
In the event of further funds not being raised, the Group's activities would be wound back to a sustainable level.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts which differ from those stated in the financial statements and the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities which might be necessary should the entity not continue as a going concern.

The Directors are confident that a funding source is to be found and are currently in discussion with a number of parties. As a result, the financial report has been prepared on a going concern basis.

Impairment of assets
Assets, except for deferred tax assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Share-based payments

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions') - refer to Note 8.1.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using an appropriate option pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of options that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Key estimates and judgements

Key estimates and judgements are discussed in the following notes:

Impairment of inventories	(Note 1.1)
Property, plant and equipment	(Note 3.1)
Deferred exploration and evaluation costs	(Note 3.3)
Mine Under Development	(Note 3.4)
Contingencies	(Note 7.2)
Share based payments	(Note 8.1)

CONTENTS OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. FINANCIAL PERFORMANCE

1.1. INCOME AND EXPENSES

	2024 $	Restated 2023* $
The following significant Income and expense items not separately highlighted in the Statement of Profit or Loss and Other Comprehensive Income are relevant in explaining the financial performance:		
Income:		
Distribution from Liquidator of VMCL (Note 6.2)	1,086,214	-
Government incentives	-	26,490
Sundry income	172,168	-
Total Other Income	**1,258,382**	**26,490**
Administration expenses		
Professional fees	1,106,472	891,640
Corporate compliance	491,832	478,417
Personnel expenses	980,764	1,786,240
Other administration expense	996,913	1,205,867
Total other administration expenses	**3,575,981**	**4,362,164**
Personnel expenses		
Wages and salaries	927,974	1,546,846
Annual leave	(1,187)	(36,079)
Superannuation	13,651	105,001
Recruitment costs	40,326	170,472
Total personnel expenses	**980,764**	**1,786,240**

* - restated to adjust comparative for discontinued operations disclosure

	Note	Amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income 2024 $	Amounts recognised on the Statement of Financial Position 2024 $
Impairment of Inventories:			
Ore stockpiles		(1,380,403)	1,343,478
Consumables		(120,689)	120,689
Total impairment expense	3.5	**(1,501,092)**	**1,464,167**

The impairment expense during the 2024 financial year relates to impairment of inventory stockpiles and consumables.

The assets and liabilities (Balance Sheet) of Cheetah Resources Corp, a foreign operation, are translated to the functional currency (AUD) at exchange rates at the reporting date. The income and expenses (reflected in the Statement of Profit or Loss and Other Comprehensive Income) of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions (an average exchange rate for the year is used).

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity (Refer Reserves Note 4.2).

1.2. INCOME TAX

	2024 $	Restated 2023* $
(a) The major components of income tax are:		
Statement of Profit or Loss and Other Comprehensive Income		
Current income tax		
Current income tax benefit	-	-
Deferred income tax		
Relating to origination and reversal of temporary differences	-	-
Unused tax losses not recognised as deferred tax asset	-	-
Income tax benefit reported in the Statement of Profit or Loss and Other Comprehensive Income	-	-
The aggregate amount of income tax attributable to the financial period differs from the amount calculated on the operating loss. The differences are:		
Accounting loss before taxation	(5,027,493)	(**6,422,234**)
Prima facie tax benefit at the Australian tax rate of 30% (2023: 30%)	(1,508,248)	(1,926,670)
Add tax effect of:		
Non-deductible items	794,689	400,347
Timing differences and tax losses not recognised	365,323	1,307,020
Differences in tax rate of subsidiaries operating in other jurisdictions	348,236	219.304
Income tax expense	-	-
(b) Deferred income tax:		
Statement of Financial Position		
Deferred income tax at 30 June relates to the following:		
Deferred tax liabilities	-	-
	-	-
Deferred tax assets		
Tax value of losses carried forward	(18,287,180)	(17,463,580)
Accrued expenses	6,343	40,358
Asset impairments	243,267	2,404,020
Employee benefits	(27,889)	10,694
Exploration and Development Expenditure	(449,600)	(1,407,780)
Other prepayments/capital expenditure	(230,398)	527,093
Non-recognition of deferred tax assets	18,745,457	(15,889,194)
	-	-

* - restated to adjust comparative for discontinued operations disclosure

1.2 INCOME TAX (CONT.)

(c) Tax losses

At 30 June 2024, the Consolidated Entity has $91,911,065 (2023: $79,695,319) of taxable losses that are available for offset against future taxable profits of the consolidated entity, subject to the loss recoupment requirements in the Income Tax Assessment Act 1997 and equivalents in other taxable Jurisdictions.

No deferred tax asset has been recognised in the Statement of Financial Position in respect of the amount of these losses, as it is not presently probable future taxable profits will be available against which the Company can utilise the benefit.

	2024	**Restated 2023***
Unrecognised deferred tax assets	**$**	**$**
Tax losses – revenue (at 30%)	27,573,319	23,908,596

* - restated to adjust comparative for discontinued operations disclosure

(d) Tax consolidation legislation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated Group with effect from 3 October 2005 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Vital Metals Limited.

The controlled entities have been fully compensated for all deferred tax assets and liabilities transferred to Vital Metals Limited on the date of forming a tax consolidated group. The entities have also entered into a tax sharing and compensation agreement where the wholly owned entities reimburse Vital Metals Limited for any current income tax payable or receivable by Vital Metals Limited in respect of their activities. The group has decided to use the “separate taxpayer within group” approach in accordance with UIG 1052 to account for the current and deferred tax amounts amongst the entities within the consolidated group

(e) Corporate Tax Rate

In 2018, the Australian government enacted a change in the eligibility to access the lower income tax rate for small business entities. For the year ending 30 June 2024, Vital Metals Ltd does not satisfy these requirements and is therefore subject to the corporate tax rate of 30%.

1.2 INCOME TAX (CONT.)

Accounting policy

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax for the year

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.3. EARNINGS PER SHARE

	2024 Cents	Restated* 2023 Cents
Earnings/(loss) per share from continuing and discontinued operations for the year attributable to the ordinary equity holders of the company	0.04	(1.00)
Diluted earnings/(loss) per share from continuing and discontinued operations for the year attributable to the ordinary equity holders of the company	0.04	(1.00)
Loss per share from continuing operations for the year attributable to the ordinary equity holders of the company	(0.09)	(0.12)
Diluted loss per share from continuing operations for the year attributable to the ordinary equity holders of the company	(0.09)	(0.12)
The following reflects the loss and share data used in the calculations of basic loss per share and diluted loss per share:		
Net profit (loss) from continuing and discontinued operations	2,320,099	(51,681,194)
Net profit/(loss) from continuing operations	(5,027,493)	(6,422,234)
Weighted average number of shares outstanding:		
Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share:	5,620,776,748	5,169,030,976
Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share:	6,251,509,625	5,169,030,976

*** - restated to adjust comparative for discontinued operations disclosure**

Classification of securities

Diluted earnings/(loss) per share is calculated after classifying all options on issue and all ownership-based remuneration scheme shares remaining uncovered at 30 June 2024 that are dilutive as potential ordinary shares. As at 30 June 2024, the company has on issue a total of 795,500,000 options over unissued capital. Diluted earnings/(loss) per share has been calculated excluding the dilutionary effect of the options where the group results reflect a loss for the year as the impact would be to reduce the loss per share.

1.3 EARNINGS PER SHARE (Cont.)

Accounting Policy

Earnings per share

Basic earnings per share is determined by dividing the profit from ordinary activities after related income tax expense by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

1.4. SEGMENT INFORMATION

The consolidated entity operations are in one reportable segment being mineral exploration and development in one geographical segment, being Canada.

	Canada (exploration and mine under development)		Total segments from continuing operations		Canada (Processing) (discontinued operations)	
	2024	Restated* 2023	2024	Restated* 2023	2024	Restated* 2023
	$	$	$	$	$	$
Segment income	3,913,054	26,490	3,913,054	26,490	-	6,319
Interest revenue	51,480	416,968	51,480	416,968	756	3,124
Total income	3,964,534	**443,458**	3,964,534	**443,458**	**756**	**9,443**
Segment profit/ (loss)	(5,027,493)	(6,422,234)	(5,027,493)	(6,422,234)	7,347,592	(45,258,960)
Net profit/ (loss) before tax	**(5,027,493)**	**(6,422,234)**	**(5,027,493)**	**(6,422,234)**	**7,347,592**	**(45,258,960)**

	Canada (exploration and mine under development)		Total segments from continuing operations		Canada (Processing) (discontinued operations)	
	2024	Restated* 2023	2024	Restated* 2023	2024	Restated* 2023
	$	$	$	$	$	$
Segment assets	60,517,762	61,958,296	60,517,762	61,958,296	-	874,641
Segment liabilities	2,437,242	2, 870,289	2,437,242	2, 870,289	-	7,607,430

* - restated to adjust comparative for discontinued operations disclosure

1.4 SEGMENT INFORMATION (Cont.)

Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

The Group has identified one material reportable segment being activities undertaken in Canada. this segment include the activities associated with the determination and assessment of the existence of commercially economic reserves, from the Group's mineral assets in this geographic location.

Segment performance is evaluated based on the operating profit or loss or cash flows and is measured in accordance with the Group's accounting policies.

2. WORKING CAPITAL

2.1. CASH AND CASH EQUIVALENTS

	2024 $	2023 $
Cash at bank	2,622,377	2,073,233
Cash held on deposits	910,220	1,369,184
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	**3,532,597**	**3,442,417**
Reconciliation of Loss after Income Tax to net cash flows from operating activities:		
Profit/(Loss) after income tax	2,320,099	(51,681,194)
Non-cash flows from continuing operations:		
Depreciation	898,189	1,669,209
Amortisation of Loan Interest - CaNNor Loan	72,080	-
Share based payments	918,642	144,531
Impairment of assets in Saskatoon	(1,185,191)	42,892,519
Impairment of Inventory	1,501,092	-
Other asset write-off	26,717	-
Movement in Provision for Diminution of investments	10	-
Movement in Provision for Doubtful Debts	39,247,860	-
Loss/(gain) on deconsolidation	(46,597,275)	-
Other Adjustments		
Loss on sale of non-current assets	853,175	-
Debt Financing Costs recorded as Financing activity	58,000	-
Changes in assets and liabilities:		
Increase / (decrease) in short term deposit	-	(357,913)
Increase / (decrease) in receivables	(82,013)	(1,149,927)
(Increase) / decrease in payables	116,123	(144,770)
Increase / (decrease) in inventory	1,276,360	1,546,231
(Increase)/ decrease in provisions	3,650	61,671
FX Movement	(799)	56,175
Net cash (used in) operating activities	**(573,281)**	**(6,963,468)**

2.1 CASH AND CASH EQUIVALENTS (Cont.)

Accounting Policy
For the purpose of the statement of cash flows, cash includes cash on hand and in banks and at call deposits with banks or financial institutions.

The Group's risk exposure in relation to cash and cash equivalents is further discussed in Note 5.1.

2.2. TRADE AND OTHER RECEIVABLES

Trade and other receivables	**2024 $**	**2023 $**
Current		
Trade Debtors	162,615	26,863
Other receivables	603,560	889,867
Impairment of other receivables	-	(123,006)
	766,175	793,724
Non-Current		
Other receivables	-	178,092
Cash at bank and short-term bank deposits		
AAA rating	3,532,597	3,442,417

Carrying value is considered to approximate fair value. Refer to Note 5.1 for the Group's interest rate and liquidity risk.

2.3. TRADE & OTHER PAYABLES

	2024 $	**2023 $**
Current		
Trade creditors and other payables	424,166	1,052,634
Accrued expenses	205,696	1,331,509
	629,862	2,384,143

Carrying value is considered to approximate fair value. Refer to Note 5.1 for the Group's interest rate and liquidity risk.

Accounting Policy
Trade creditors and other payables are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

3. INVESTED CAPITAL

3.1. PROPERTY, PLANT AND EQUIPMENT

	2024 $	2023 $
Software:		
At cost	101,936	183,942
Accumulated depreciation	(77,301)	(114,390)
	24,635	69,552
Plant and Equipment:		
At cost	3,905,850	4,282,861
Accumulated Depreciation	(1,147,416)	(895,573)
Impairment of Plant and Equipment	-	(179,319)
	2,758,434	3,207,969
Motor Vehicles		
At cost	613,596	653,013
Accumulated depreciation	(259,725)	(204,419)
Impairment of Motor Vehicles	-	(56,136)
	353,871	392,458
Fixtures and Fittings		
At cost	322,817	441,796
Accumulated depreciation	(147,379)	(195,329)
	175,438	246,467
Capital Works in Progress		
At cost	-	35,487,682
On costs	-	4,495,968
Impairment of Capital Works in Progress	-	(39,983,650)
	-	-
Total property, plant & equipment – written down value	**3,312,378**	**3,916,446**

Movements in carrying amounts

2024	Software $	Plant and Equipment $	Motor Vehicles $	Fixtures and Fittings $	Capital Works in Progress $	Total $
Opening net book value	69,552	3,207,969	392,458	246,467	-	3,916,446
Additions	-	-	59,194	5,558	875,617	940,369
Write-offs	-	(2,338)	-	(24,379)	-	(26,717)
Disposals	-	-	-	-	(1,693,112)	(1,693,112)
Depreciation	(43,764)	(355,531)	(86,960)	(46,767)	-	(533,022)
Impairment	-	-	-	-	823,166	823,166
Exchange differences	(1,153)	(91,666)	(10,821)	(5,441)	(5,671)	(114,752)
Balance at 30 June 2024	**24,635**	**2,758,434**	**353,871**	**175,438**	**-**	**3,312,378**

3.1 PROPERTY PLANT AND EQUIPMENT (CONT.)

	Software	Plant and Equipment	Motor Vehicles	Fixtures and Fittings	Capital Works in Progress	Total
2023	**$**	**$**	**$**	**$**	**$**	**$**
Opening net book value	-	3,540,268	483,184	217,229	13,653,666	17,894,347
Additions	105,460	285,929	77,808	102,260	26,329,984	26,901,441
Exchange differences	-	25,903	2,422	1,358	-	29,683
Disposals	-	(5,414)	-	-	-	(5,414)
Depreciation	(35,907)	(459,398)	(114,820)	(74,381)	-	(684,506)
Impairment	-	(179,319)	(56,136)	-	(39,983,650)	(40,219,105)
Balance at 30 June 2023	**69,552**	**3,207,969**	**392,458**	**246,467**	**-**	**3,916,446**

Key estimates and judgements (PPE)
The estimations of useful lives, residual values and depreciation methods require management judgements and are regularly reviewed. If they need to be modified, the depreciation expense is accounted for prospectively from the date of the assessment until the end of the revised useful life (for both the current and future years).

Estimated economically recoverable reserves are used in determining the depreciation and/or amortisation of mine-specific assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life-of-mine production. The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure.

The calculation of the depreciate rate could be impacted to the extent that actual productions in the future is different from current forecast production based on economically recoverable reserves, or if future capital expenditure estimates change. Changes to economically recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- the effect on economically recoverable reserves of differences between actual commodity prices and commodity price assumptions
- unforeseen operational issues

Changes in estimates are accounted for prospectively, if appropriate.

Capital Works in Progress represents capital items (ultimately plant and equipment and directly attributable costs) that have been ordered and partly paid for at the Reporting Date, but where the asset has not been received and/ or is still being constructed at the Reporting Date. Management do not deem the Saskatoon plant as ready for intended use therefore, depreciation has not commenced. The capital works related to VMCL (a Discontinued Operation) and were fully impaired at the date of deconsolidation (refer Note 6.2)

Accounting Policy
Each class of property, including software, plant and equipment and motor vehicles is carried at cost less, where applicable, any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

3.1 PROPERTY PLANT AND EQUIPMENT (CONT.)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

Depreciation
Depreciation is provided on a diminishing value basis on all property, plant and equipment. This is done over the useful lives of the asset to the Company commencing from the time the asset is held ready for use.

The depreciation periods used for each class of depreciable assets are:

Class of fixed asset	**Depreciation period**
Software	2-3 years
Plant and equipment	2-10 years
Motor vehicles	3 years
Fixtures and fittings	2-40 years

Impairment of assets
Assets, except for deferred tax assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss and other comprehensive income when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation/ amortisation are reviewed at each reporting period and adjusted prospectively, if appropriate.

3.2. RIGHT OF USE ASSET

Accounting Policy

AASB 16 eliminates the distinction between operating and finance leases and brings all leases (other than short term and low value leases) on to the balance sheet. As a lessee, the Group recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

An assessment is made at inception to determine whether the contract is a lease. A contract is a lease if it conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these leases, the Group recognises the leases payments as an operating expense on a straight-line basis over the shorter of the term of the lease and the estimated useful lives of the assets, as follows:

Right of use asset	**Depreciation period**
Land and buildings	3-10 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Right of use assets are measured at cost, less any accumulated depreciation, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Movements in carrying amounts	**Land and buildings**	**Total**
2024	**$**	**$**
Opening net book value	360,612	360,612
Additions	-	-
Depreciation Expense	(248,388)	(248,388)
Deconsolidation of VMCL	71,254	71,254
Exchange Differences	41,523	41,523
Balance at 30 June 2024	**225,001**	**225,001**
2023	**$**	**$**
Opening net book value	568,139	568,139
Additions	3,515,120	3,515,120
Depreciation Expense	1,060,019	1,060,019
Impairments	(2,662,628)	(2,662,628)
Balance at 30 June 2023	**360,612**	**360,612**

3.2 RIGHT OF USE ASSET (CONT.)

Lease assets – amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2024 $	Restated 2023* $
Depreciation charge		
Land and buildings – right of use assets	248,388	405,469
Property, plant and equipment	525,636	596,905
Total depreciation	**774,024**	**1,002,374**

Interest expense (included in finance expenses) in relation to leased assets for the year ended 30 June 2024 was $20,305 (2023:$174,862)

* - restated to adjust comparative for discontinued operations disclosure

3.3. EXPLORATION AND EVALUATION

	2024 $	2023 $
Costs carried forward in respect of areas of interest in the exploration and evaluation phases:		
Opening net book amount	19,484,535	13,531,004
Exploration expenditure	2,932,428	6,027,969
Exploration expenditure – written off(Wigu Hill)	-	(74,438)
Exchange differences	(616,374)	-
Closing net book amount	21,800,589	19,484,535
The closing balances relate to the following areas of interest:		
Nechalacho Project, Canada	21,800,589	19,484,535
	21,800,589	19,484,535

At each reporting date the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. As a result of this review, no amounts have been written off in respect of the Nechalacho Project.

Exploration expenditure of $Nil (2023: $1,181,759) on the Wigu Hill and Kipawa Projects (of which $Nil (2023: $74,438) related to previously capitalised amounts relating to the Wigu Hill Project) were written off and recognised in the Statement of Profit or Loss as this project currently does not possess the rights to tenure.

In 2019 the Company signed a project development and option agreement to acquire the Wigu Hill Project from Montero Mining & Exploration Limited (**Montero**). The Company has the right to acquire the project from Montero upon the issuance of a mining licence by the Tanzanian Government. In December 2023, the Company entered into a binding term sheet for Shenghe to acquire up to 75% of the non-Tanzanian Government interest in the Wigu Hill Project through a 3-stage earn-in process and, subject to various conditions precedent, including the issue of the mining licence.

3.3 EXPLORATION AND EVALUATION (CONT.)

Accounting Policy
The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

The Group reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. This assessment requires judgement as to the status of the individual projects and their estimated recoverable amount.

Exploration and evaluation costs related to areas of interest are carried forward to the extent that:

- The rights to tenure of the areas of interest are current and the Group controls the area of interest in which the expenditure has been incurred, and
- Such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale, or
- Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation costs include the acquisition of rights to explore; topographical, geological, geochemical and geophysical studies; exploratory drilling, trenching and sampling; and associated activities relating to the evaluation of the technical feasibility and commercial viability of extracting the mineral resource. General and administrative costs are included in the measurement of exploration and evaluation costs where they are directly related to operational activities in a particular area of interest.

Significant judgements and estimates
The above accounting policy requires certain estimates and assumptions on future events and circumstances, in particular whether an economically viable extraction operation can be established. These estimates and assumptions may change as new information becomes available and could have a material impact on the carrying value of deferred exploration and evaluation costs. Exploration and evaluation assets are assessed and reviewed at each reporting date for impairment, where facts and circumstances suggest that the carrying amount of the assets may exceed its recoverable amount. If the recoverable amount is less than the carrying amount, the asset is written down to its recoverable amount and an impairment loss recognised.

At each reporting date the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets.

3.4. MINE UNDER DEVELOPMENT

Mine under Development	2024 $	2023 $
Balance at the start of the year	31,407,129	26,532,671
Transferred from deferred exploration and evaluation costs	-	-
Additions	64,907	3,987,430
Rehabilitation provision	-	887,028
Exchange differences	(1,051,163)	-
Balance at the end of the year	**30,420,873**	**31,407,129**

Accounting Policy

Mine under development includes aggregate expenditure in relation to mine construction, mine development, exploration and evaluation expenditure where a development decision has been made and acquired mineral interests.

Expenditure incurred in constructing a mine by, or on behalf of, the Group is accumulated separately for each area of interest in which economically recoverable reserves and resources have been identified. This expenditure includes direct costs of construction, drilling costs and removal of overburden to gain access to the ore, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads.

Mines under development are accumulated separately for each area of interest in which economically recoverable reserves have been identified and a decision to develop has occurred. This expenditure includes all capitalised exploration and evaluation expenditure in respect of the area of interest, direct costs of development, an appropriate allocation of overheads and where applicable borrowing costs capitalised during development. Once mining of the area of interest can commence, the aggregated capitalised costs are classified under non-current assets as mines in production or an appropriate class of property, plant and equipment.

The Group undertakes regular impairment reviews incorporating an assessment of recoverability of cash generating assets. Cash generating assets relate to specific areas of interest in the Group's mine property assets. The recoverable value of specific areas of interest are assessed by value in use calculations determined with reference to the projected net cash flows estimated under the Life of Mine Plan.

Significant judgements and estimates

Production start date

The Group assesses the stage of each mine under development to determine when a mine moves into the production phase, this being when the mine is substantially complete and ready for its intended use. The Group considers various relevant criteria to assess when the production phase is considered to have commenced. At this point, all related amounts are reclassified from 'Mines under development' to 'Mines in production'. Some of the criteria used to identify the production start date include, but are not limited to:

1. Level of capital expenditure incurred compared with the original development cost estimate;
2. Completion of a reasonable period of testing of the mine plant and equipment;
3. Ability to produce metal in saleable form (within specifications);
4. Ability to sustain ongoing production of metal; and
5. Positive cash flow position from operations.

3.4 MINE UNDER DEVELOPMENT (CONT.)

When a mine development project moves into the production phase, the capitalisation of certain mine development costs and pre-production revenues cease and costs are either regarded as forming part of the cost of inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements or mineable reserve development. It is also at this point that amortisation commences. At 30 June 2024, the North T Zone is not considered to be at this stage and therefore, remains as a development asset with no amortisation charge.

Recoverability of North T CGU

The Group undertakes an impairment review to determine whether any indicators of impairment are present. Where indicators of impairment exist, an estimate of the recoverable amount of the Cash Generating Unit (CGU) is made. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash flows. Where an impairment loss subsequently reverses, the carrying amount of the asset, other than goodwill, is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Impairment assessment of North T cash generating unit
The North T area of interest is determined to be a separate cash generating unit ('CGU') to the Tardiff area of interest within the Nechalacho Project. Given the nature of the Group's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchases or similar transactions are taking place.

As impairment indicators existed at 30 June 2024, including the fact that mining operations had been paused, the value in use for the CGU has been estimated based on discounted future estimated cash flows (expressed in nominal terms) expected to be generated from the continued use of the CGU. Production and cost assumptions were derived from estimated quantities of recoverable minerals, production levels, operating costs and capital requirements. These cashflows were discounted using a nominal pre-tax discount rate that reflects the weighted average cost of capital of the Group. Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are generated as part of the Group's planning process.

This assessment is in accordance with the relevant accounting standards, taking into consideration the current outlook for commodity pricing and other macroeconomic cost assumptions.

Based on this assessment, no impairment was recognised in relation to the North T assets.

Key assumptions
The table below summarises the key assumptions used in the 30 June 2024 year end carrying value assessment:

	North T
NdPr price (75% achievement of the NdPr price used)	USD 90,000/t
Foreign exchange rate (AUD:CAD)	0.91
Foreign exchange rate (AUD:USD)	0.66
Discount rate- pre tax	16.5%

3.4 MINE UNDER DEVELOPMENT (CONT.)

NdPr
NdPr price assumption is determined based on market price comparisons. As noted above, 75% of this forward price was applied.

Foreign exchange rates
Based on spot price.

Discount rate
In determining the fair value of the CGU, the future real cash flows are discounted using the Group's target nominal pre-tax weighted average cost of capital, with adjustments made to reflect specific risks associated with the CGU. 16.5% has been used for the North T CGU.

Operating costs
Life of mine operating cost assumption is based on relevant historic data and life of mine plans.

Sensitivity
As disclosed above, the directors have made judgements and estimates in respect of impairment testing of the North T CGU. Should these judgements and estimates not occur, the NPV of the CGU may decrease. The commodity price assumption used would need to decrease by 22.5% in order for there to be an impairment recognised in the North T CGU.

The Directors believe that other reasonable changes in the key assumptions on which the recoverable amount of the CGU is based would not cause this CGU's carrying amount to exceed its recoverable amount.

3.5. INVENTORY

	2024	2023
Current	**$**	**$**
Ore - at cost	460,149	-
Balance at the end of the year	460,149	-
Non-current	**$**	**$**
Ore - at cost	1,343,478	3,249,982
Consumables	120,689	918,032
Impairment	(1,501,092)	(918,032)
Exchange differences	36,925	
Balance at the end of the year	-	**3,249,982**

Accounting Policy
Ore stockpiles are valued at the lower of cost and net realisable value. Regular reviews are undertaken to establish whether any items are obsolete or damaged, and if so, their carrying value is written down to net realisable value.

Inventory is recognised when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. Ore is recognised as inventory as soon as it is extracted and an assessment of mineral content is possible.

Consumables are valued at the lower of cost or net realisable value. Any provision for obsolescence is determined by reference to specific items of stock. A regular and ongoing review is undertaken to determine the extent of any provision for obsolescence.

3.5 INVENTORY (CONT.)

The Group engaged a mining contractor that has resulted in extraction of ore and improvement of access to the ore body for future periods. On the basis of mining costs incurred, the relevant portion of costs has been allocated to inventory, with the remainder capitalised as Mine under Development costs, representing the removal of overburden material. Net realisable value is the estimated selling price in the ordinary course of business less processing cost and the estimated selling cost.

If the ore stockpile is not expected to be processed in 12 months after reporting date, it is included in Non-Current Assets and the net realisable value is calculated on a discounted cash flow basis. The non-current ore stockpiles represent the stockpiles held at the Group's interest in Yellowknife that are not expected to be processed in the next 12 months. The determination of the current and non-current portion of ore stockpiles includes the use of estimates and judgements about when ore stockpile draw downs for processing will occur. These estimates and judgements are based on current forecasts and ramp-up schedules. The Group will retain ownership of the inventory as it is held by Cheetah Resources Corporation.

The current portion of ore stockpiles represents the balance of the cost of the ore, which was sold to SRC, the balance representing the part finalised after the end of the financial year.

Significant judgements and estimates
Inventories require certain estimates and assumptions most notably in regard to grades, volumes and densities. Costs are allocated based on the cost of the mining campaign and the total of ore produced over the amount of tonnes mined.

Stockpiles are measured by estimating number of tonnes added and removed from the stockpile, with surveys performed to track volumetric data.

3.6. GOVERNMENT LOANS

At the end of the report period, the Group had:

1. $1,382,552 (C$1,261,579) Government unsecured loan with Canadian Northern Economic Development Agency (CanNor) fully drawn down (2023: $1,430,345 (C$1,261,579), with terms as follows:
   - Maturity date: 1 January 2033
   - Interest on loan: 0%
   - Repayment terms: agreed repayment schedule, over 10 years, commencing 1 April 2024

2. $Nil (C$Nil) Government unsecured loan with PrairiesCan (2023: $5,668,870 (C$5,000,000), with terms as follows:
   - Maturity date: 1 March 2029
   - Interest on loan: 0%
   - Repayment terms: agreed repayment schedule, over 5 years, commencing 1 April 2024

The above unsecured loan from PrairiesCan was with Vital Metals Canada Limited, the subsidiary placed into voluntary bankruptcy on 29 September 2023 and discontinued from the group from that date (refer note 6.2).

AASB 9 requires non-current loans that carry no interest are to be measured at fair value using prevailing interest rates for a similar instrument. The notional interest will be unwound over the loan period.

Government loans	2024 $	2023 $
Current	103,693	143,037
Non-current	417,246	3,391,939

	520,939	3,534,976

3.7 FINANCIAL LIABILITIES

	2024 $	2023 $
Lease liabilities - current	304,782	674,929
Lease liabilities – non-current	4,150	2,831,261
	308,932	3,506,190

Leases of property where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as financial liabilities. Property leases are recognised at inception at the fair value of the leased property, or if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in financial liabilities.

The corresponding right of use asset is described in Note 3.2.

4. CAPITAL STRUCTURE AND FINANCING ACTIVITIES

4.1. CONTRIBUTED EQUITY

	2024 $	2023 $
(a) Issued and paid-up capital		
Fully paid ordinary shares	154,661,305	150,394,157

(b) Movements in shares on issue	2024 Number of shares	2023 Number of shares	2024 $	2023 $
Beginning of the year	5,306,149,751	4,170,483,084	150,394,157	107,553,071
Issued during the year:				
Issue of shares on capital raisings	588,917,200	1,125,000,000	5,889,172	45,000,000
Issue of shares on exercise of options	-	10,666,667	-	160,000
	5,895,066,951	1,135,666,667	156,283,329	45,160,000
Transaction costs on capital raisings	-	-	(1,622,024)	(2,318,914)
End of the year	5,895,066,951	5,306,149,751	154,661,305	150,394,157

On 18 December 2023, the Company issued 588,917,200 shares at an issue price of $0.01 to Shenghe pursuant to a Subscription Agreement dated 20 November 2023.

4.1 CONTRIBUTED EQUITY (CONT.)

(c) Movements in options on issue	Number of options 2024	2023
Beginning of the financial year	435,500,000	446,833,334
Granted during the year:		
– Exercisable at 1.5 cents and expiring 29 November 2024	200,000,000	-
– Exercisable at 0.9 cents and expiring 20 December 2027	60,000,000	-
– Exercisable at 0.9 cents and expiring 11 January 2028	60,000,000	-
– Exercisable at 1.5 cents and expiring 11 January 2028	40,000,000	-
– Exercisable at 0.9 cents and expiring 30 November 2026	-	40,000,000
Exercised during the year:		
– Exercised at 1.5 cents and expiring 19 July 2022	-	(10,666,667)
Expired/cancelled during the year:		
– Options expired 19 July 2022	-	(666,667)
– Options lapsed during the year	-	(40,000,000)
End of the financial year	795,500,000	435,500,000

(d) Terms and condition of contributed equity

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(e) Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future developments of the business. The Board's focus has been to raise sufficient funds through equity (via rights issues and placements) to fund exploration and evaluation activities. There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Management also monitor capital through the assessment of adequate working capital. The working capital as at 30 June 2024 is shown below:

	2024 $	2023 $
Current assets	4,298,772	4,414,234
Current liabilities	(1,158,456)	(3,367,490)
Working capital	3,140,316	1,046,744

Accounting Policy

Ordinary shares are classified as equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, e.g. as the result of a share buyback, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

4.2. RESERVES

	2024 $	2023 $
Share based payment reserve		
Opening balance	7,834,909	7,690,378
Movement for the year	1,994,383	144,531
Closing balance	9,829,292	7,834,909
Foreign Currency Translation Reserve		
Opening balance	2,427,458	2,040,721
Movement for the year	(2,856,328)	386,737
Closing balance	(428,870)	2,427,458
Total Reserves	**9,400,422**	**10,262,367**

(i) Share based payment reserve
The share-based payments reserve is used to recognise the fair value of options issued. Refer to Note 8.1 for details.

(ii) Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described below. The reserve is recognised in profit or loss when the net investment is disposed of.

Accounting Policy
(i) *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities, denominated in foreign currencies, are recognised in profit or loss.
(ii) Foreign operations
The assets and liabilities of foreign operations are translated to the functional currency as exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and are presented in the translation reserve in equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

4.3. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

5. RISK

5.1. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Group believes that it is crucial for all board members to be involved in this process. The Managing Director, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

(a) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial instruments other than receivables that potentially subject the Group to concentrations of credit risk consist principally of cash deposits. The Group places its cash deposits with high credit quality financial institutions, being in Australia one of the major Australian (big four) banks. Cash holdings in other countries are not significant. The Group's cash deposits are all on call or in term deposits and attract a rate of interest at normal short-term money market rates.

The Group's exposure to credit risk is low and limited to cash and cash equivalents and other receivables. All cash and cash equivalents total $3,532,597 as at 30 June 2024 (2023: $3,442,417) are held with financial institutions that have a AAA credit rating (Standard & Poor's).

The maximum exposures to credit risk are the amounts as shown in the Statement of Financial Position.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

(b) Cash flow interest rate risk

The Group's exposure to the risks of changes in market interest rates, foreign exchange rates, and equity prices will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group is exposed to fluctuations in foreign exchange rates of the Canadian Dollar in respect of its operations in Canada. The group maintains required working capital in Canada and transfers additional cash funds as required, as such the Consolidated Statement of Financial Position exposure at any point in time is not significant. Foreign exchange risk will also arise from commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

The Group is also exposed to fluctuations in interest rates in relation to its cash deposits and commodity prices in relation to the carrying value of its exploration and evaluation assets. The Group monitors all of the above-mentioned risks and takes action as required.

5.1 FINANCIAL RISK MANAGEMENT (CONT.)

The Group's exposure to interest rate risk, and the effective weighted average interest rate for each class of financial asset and financial liability is set out below:

2024	Weighted Average Effective Interest Rate 2024	Variable Interest Rate 2024 $	Fixed Interest Rate Maturing Within 1 Year 2024 $	Fixed Interest Rate Maturing 1-5 Years 2024 $	Non-Interest Bearing 2024 $	Total 2024 $
Financial assets:						
Cash at bank	1.2%	3,532,597	-	-	-	3,532,597
Trade and other receivables	-	-	-	-	766,175	766,175
Total financial assets	**-**	**3,532,597**	**-**	**-**	**766,175**	**4,298,772**
Financial liabilities:						
Trade and other payables	-	-	-	-	629,862	629,862
Government loans	-	-	-	-	520,939	520,939
Financial liabilities	-	-	-	-	353,932	353,932
Total financial liabilities	**-**	**-**	**-**	**-**	1,504,733	1,504,733

2023	Weighted Average Effective Interest Rate 2023	Variable Interest Rate 2023 $	Fixed Interest Rate Maturing Within 1 Year 2023 $	Fixed Interest Rate Maturing 1-5 Years 2023 $	Non-Interest Bearing 2023 $	Total 2023 $
Financial assets:						
Cash at bank	1.40%	3,442,417	-	-	-	3,442,417
Trade and other receivables	-	-	-	-	971,816	971,816
Total financial assets	**-**	**3,442,417**	**-**	**-**	**971,816**	**4,414,233**
Financial liabilities:						
Trade and other payables	-	-	-	-	2,384,143	2,384,143
Government loans	-	-	-	-	3,534,976	3,534,976
Financial liabilities	-	-	-	-	3,506,190	3,506,190
Total financial liabilities	**-**	**-**	**-**	**-**	**9,425,309**	**9,425,309**

5.1 FINANCIAL RISK MANAGEMENT (CONT.)

At 30 June 2024, if interest rates had changed by -/+ 25 basis points from the weighted average rate for the period with all other variables held constant, post-tax loss for the Group would have been $8,831 higher/lower (2023: -/+ 25 basis points, $4,074 higher/lower) as a result of lower/higher interest income from cash and cash equivalents.

Sensitivity Analysis

At the reporting date, the variable interest profile of the Group's interest-bearing financial instruments were:

	2024 $	2023 $
Financial assets	3,532,597	1,629,603
0.25% (2023- 0.25%) increase	8,831	4,074
0.25% (2023- 0.25%) decrease	(8,831)	(4,074)

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash is available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration and development, the Group has limited access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitors the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group comprise trade and other payables, government loans and lease liabilities as disclosed in the statement of financial position. All trade and other payables are due within 12 months of the reporting date. Government Loans and finance leases are due and payable over the life of the contracted term.

The following are the contractual maturities of trade and other payables.

Group: at 30 June 2024	Less than 6 months $	6 – 12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount (assets) /liabilities $
Trade and other payables	629,862	-	-	-	-	629,862	629,862
Government Loans	27,427	54,853	59,481	158,371	220,807	520,939	520,939
Finance leases	152,391	197,391	4,150	-	-	353,932	353,932
Financial liabilities	809,680	252,244	63,631	158,371	220,807	1,504,733	1,504,733

5.1 FINANCIAL RISK MANAGEMENT (CONT.)

Group: at 30 June 2023	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets) /liabilities
	$	$	$	$	$	$	$
Trade and other payables	2,384,143	-	-	-	-	2,384,143	2,384,143
Financial liabilities	674,929	-	-	-	-	674,929	674,929

(d) Foreign Exchange Risk

A risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency other than the consolidated entity's functional currency.

The Group operates internationally, with its major assets being held in Canada, and is exposed to foreign exchange risk arising from currency exposures to the Canadian Dollar. Historically, given the level of expenditure and available funding, the Group considered its exposure to foreign exchange risk was manageable and hedging policies were not adopted. The Company, through the Managing Director and the Chief Financial Officer regularly monitor movements in the foreign currencies that the Company is exposed to. If appropriate, and from time to time, the Company may enter into forward foreign exchange contract to minimise its exposure to foreign exchange risks. The Company also has foreign currency denominated accounts that are utilised to manage this risk. The Company did not enter into any new forward foreign exchange contracts during the year.

The Board considers policies relating to foreign currency exposure from time to time and, based on available funding, proposed exploration programs and foreign currency exposures, may or may not decide to enter in forward foreign exchange contracts. The Board will continue to review its position in respect of foreign exchange risk management and will adopt suitable policies as required.

The carrying value of foreign currency denominated monetary assets and liabilities as at the reporting date are as follows:

	Assets		Liabilities	
	2024 AUD	2023 AUD	2024 AUD	2023 AUD
CAD	3,434,302	2,378,963	968,924	12,651,243

5.1 FINANCIAL RISK MANAGEMENT (CONT.)

Foreign Currency Sensitivity Analysis

The Group is mainly exposed to CAD. The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate that represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative.

	CAD Dollars	
	2024	**2023**
	AUD	**AUD**
Financial Assets		
+10% Appreciation	682,091	237,896
-10% Depreciation	(682,091)	(237,896)
Financial Liabilities*		
+10% Appreciation	192,439	911,627
-10% Depreciation	(192,439)	(911,627)

Forward Foreign Exchange Contracts

As at 30 June 2024 there were no outstanding forward foreign exchange contracts (2023: Nil).

(e) Fair value of financial instruments

The carrying amounts of all financial assets and liabilities approximate their respective net fair values at reporting date.

Fair value estimation

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade and other receivables

Fair value, which is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Trade and other payables

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Borrowings

Fair value, which is determined for disclosure purposes, at the time of for establishing the financial liability and based on the present value of the remaining cash flows, discounted at the assessed weighted average cost of capital.

6. GROUP STRUCTURE

6.1. SUBSIDIARIES

The consolidated financial statements include the financial statements of the ultimate parent entity Vital Metals Limited and the subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Interest	
		2024	2023
Cheetah Resources Pty Ltd	Australia	100%	100%
NWT Rare Earths Ltd	Canada	50%	50%
Cheetah Resources Corp.	Canada	100%	100%
Vital Metals Canada Limited	Canada	0%	100%
Vital Metal Burkina Sarl	Burkina Faso	100%	100%
Kisaki Mining Company Limited	United Republic of Tanzania	90%	90%

6.2. DISCONTINUED OPERATIONS

Description

In April 2023, the Company initiated a strategic review process to investigate potential pathways for the long-term future and viability of its rare earth processing facility owned by Vital Metals Canada Limited ("VMCL") located in Saskatoon, Saskatchewan, Canada (the "Saskatoon Facility"). Following this review, the completion of the Saskatoon Facility and plan to produce an intermediate product was found not to be economic. As a result, on 29 September 2023 (28 September 2023 Canada time) the Company placed VMCL into bankruptcy.

In the directors' opinion from the time of the appointment of the trustee in bankruptcy to VMCL, the directors no longer had control over the assets and undertakings of VMCL and, as a result, VMCL was deconsolidated from the consolidated group on 29 September 2023.

At the date of deconsolidation:

- VMCL had cash reserves of $366,153 (including bank guarantees);
- The assets of VMCL had largely been impaired at 30 June 2023 and the carrying value of assets at that date (including cash) totalled $912,569; and
- The liabilities of VMCL totalled $48,612,602, including loans payable to the group of $40,932,946.

Accounting Policy

A discontinued operation is a component of consolidated entity where the operations and cashflows can clearly be distinguished from the rest of the group, and which:
- represents a separate major line of business or geographical area of operations; and
- is part of a Single co-ordinated plan to dispose of such a line of business or area of operation; or
- is a subsidiary acquired exclusively for resale; or
- is a subsidiary with separate operations where there has been a loss of control, for example by the appointment of a trustee in bankruptcy.

Classification as a discontinued operation occurs at the earlier of the date of disposal, the date the operation meets the criteria to be classified as held for resale, or the date of loss of control, in the case of the appointment of a trustee in bankruptcy.

When an operation is classified as a discontinued operation, the comparative statement of profit and loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

NOTE 6.2: DISCONTINUED OPERATIONS (CONT.)

Financial performance information

The results of the discontinued operations included in the consolidated comprehensive income statement are set out below.

	Note	Consolidated June 2024 $	June 2023 $
Other Income		756	9,444
Expenses			
Impairment of Saskatoon Plant		1,185,191	(42,892,519)
Administration Expenses		(174,839)	(1,463,611)
Depreciation		(124,165)	(666,835)
Other expenses		(888,766)	(245,439)
Total Expenses		(2,579)	(45,268,404)
Net loss to date of deconsolidation		**(1,823)**	**(45,258,960)**
Deconsolidation amounts			
Gain on deconsolidation	(a)	46,597,275	-
Provision for doubtful debts	(b)	(39,247,860)	-
Net gain on deconsolidation		**7,349,415**	**-**
Profit/(Loss)before income tax)		**7,347,592**	**(45,258,960)**
Attributable income tax expense		-	-
Profit/(loss) for the period from discontinued operations (attributable to owners of the company)		**7,347,592**	**(45,258,960)**

Notes:

(a) The gain on deconsolidation is calculated based on the net assets of VMCL at the date of deconsolidation. This totalled a net liability position of $46,699,337. As a result of the deconsolidation, the group no longer has to repay these liabilities. The net assets of VMCL included a provision for impairment of the Saskatoon plant of $42,892,519 which was included in the 30 June 2023 Annual Report.

(b) As a result of the deconsolidation of VMCL, intercompany amounts owed by VMCL at the date of deconsolidation were fully provided for.

(c) During the financial year, after the deconsolidation had occurred, the Company received a total of $1,086,214 (C$986,714) from the trustee in bankruptcy of VMCL. This amount has been recorded as income in the profit and loss statement as part of Continuing Operations.

NOTE 6.2: DISCONTINUED OPERATIONS (CONT.)

Cashflow information

Ther cashflows of the discontinued operations included in the consolidated cashflow statement are set out below.

		Consolidated	
		June 2024	June 2023
	Note	$	$
Cashflows from discontinued operations			
Net cash outflows from operating activities		(311,153)	(1,942,083)
Net cash outflows from investing activities		(312,476)	(31,444,142)
Net cash inflows from investing activities		**-**	**5,535,901**
Net Cash Outflows		**(623,629)**	**(27,850,324)**

7. UNRECOGNISED ITEMS

7.1. COMMITMENTS

	2024 $	2023 $
EXPENDITURE COMMITMENTS		
(a) Capital expenditure commitments		
- Within one year	-	3,881,154
- Later than one year but not later than five years	-	-
(b) Mineral tenement commitments		
- Within one year	-	-
- Later than one year but not later than five years	-	-
	-	3,881,154

$Nil (2023:2,587,248) of the above commitments relate to purchase orders of Vital Metals Canada Limited (VMCL), which was assigned into bankruptcy during the reporting period (refer Discontinued Operations - Note 6.2). Consequently, all the property, assets and undertakings of VMCL (including the purchase orders) vested in the trustee in bankruptcy, who has liquidated the assets and will distribute the proceeds to proven creditors of VMCL in accordance with the applicable priorities.

7.2. CONTINGENCIES

There are two royalties in place relating to the Nechalacho Project:

1. A 3% net smelter return royalty.
    a) the royalty holder has agreed to waive their right to the royalty for the first five (5) years following commencement of commercial production at the Nechalacho Project; and
    b) the royalty holder has also agreed to grant an option to pay C$2,000,000 at any time during the eight (8) year period following the acquisition of the Nechalacho Project to cancel the royalty.
2. The Murphy Royalty which is a 2.5% net smelter return royalty held by a third party. Vital holds an option to purchase the royalty for an inflation-adjusted fixed amount estimated to currently be C$1,500,000.

The NWT Mining Regulation require that a sliding scale net profit royalty (ranging between 0% - 14%, based on mine profitability) is payable once the project is in profit and the pre-development costs are recouped.

The Group has obtained several licence permits in Canada on the commencement of operations at Nechalacho. In accordance with these permits, the Group must meet all requirements for waste management, spillage contingency, water management etc., with reclamation costs estimated at $857,390 (C$872,412). The Group holds $880,549 (C$796,076) as a deposit in favour of the Canadian Department of Lands as a reclamation security in respect of the permits held. Should the Group not meet all permit requirements in relation to rehabilitation, these funds will be accessed directly by the Canadian Department of Lands to meet the Group's obligations.

As part of VMCL being placed into Bankruptcy (Note 6.2), the Company engaged in dialogue with REEtec to amend the Offtake Agreement to address changes in key economic and technical conditions that are beyond the control of Vital and which would cause unfair hardship to Vital if the Offtake Agreement continued in force on its existing terms, as well as discussing other alternative options with REEtec. During the year, Vital issued a Notice of Termination under the Offtake Agreement, which was delivered to REEtec on 28 September 2023 (Australian time). The Offtake Agreement terminated on 26 December 2023. REEtec has indicated that it does not agree with Vital's assessment that it has suffered unfair hardship, nor does it consider the Notice of Termination to be valid. REEtec has therefore reserved its rights in that regard, which may include arbitration proceedings.

During the year, the Company entered into a Subscription Agreement with Shenghe for the issue of 588,917,200 shares at an issue price of $0.01 (refer Note 4.1). As part of the Subscription Agreement, Shenghe has been granted a right to acquire up to a further 591,668,698 Shares at a subscription price of $0.015 per Share. This right is subject to shareholder and Government approvals and must be exercised by 18 December 2024.

In addition, as part of an Investor Rights Agreement entered into at the same time as the Subscription Agreement, Shenghe has the right to nominate one person as a non-executive director to the Board.

During the year, former Managing Director, Geoff Atkins and Atkins Projects and Infrastructure Pty Ltd commenced legal action against the Company in the Federal Court of Australia in respect of detrimental conduct and breach of contract. As at balance date, the Board expects that this matter will be settled for an amount up to $375,000.

7.3. EVENTS OCCURING AFTER THE REPORTING PERIOD

On 15 July 2024, Ms Lisa Riley was appointed as Managing Director and CEO. On the same date the contract with Dr Geordie Mark was terminated. Ms Riley's remuneration includes the issue of 60,000,000 options at an exercise price of $0.045 with a 12 month vesting period from the date of issue and a further CAD$60,000 (A$65,753) per annum in share based payments. The grant of the options and share based payments are subject to shareholder approval.

As part of the termination of Dr Mark, 60,000,000 option lapsed as vesting conditions had not been met.

On 19 July 2024, the Company confirmed that it had completed the sale of stockpiled ore to Saskatchewan Research Council in early July 2024 . The majority of ore was delivered and sales recorded in the 2024 financial year, with the final delivery of ore on 2 July 2024.

On 8 August 2024, 20,000,000 options expired, unexercised.

On 12 August 2024, Mr Zane Lewis was appointed a director and Mr Paul Quirk retired as a director.

Other than the above, there has not been any matter or circumstance that has arisen since the end of the financial year, that has significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

8. OTHER INFORMATION

8.1. SHARE-BASED PAYMENTS

(a) Amounts arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised profit and loss during the financial year were as follows:

	2024 $	2023 $
Included in Share-based payments expense		
Options granted to a director (unvested)	-	-
Options granted to Employees/Consultant (Vesting)	383,949	144,531
Options granted to Employee (Vested)	23,810	-
	407,759	**144,531**
Included in Finance and loan expenses		
Options granted to Lenders (Vested)	510,883	-
	510,883	-
Total Share-based payments expenses recognised in the profit and loss	**918,642**	**144,531**

Total amounts arising from share-based payment transactions recognised as share issue expenses and included as part of net Share Capital during the period were as follows:

	2024 $	2023 $
Included in share issue expenses in net equity		
Options issued to Corporate Adviser (no vesting conditions)	1,075,741	-
Total Share-based payments amounts recognised as share issue expenses in net equity	**1,075,741**	**144,531**
Total amounts recorded relating to share-based payments reserve	**1,994,383**	**144,531**

The fair value of options issued were calculated by using a Black-Scholes pricing model applying the following inputs.

	Lender	**Director**	**Adviser**
Grant dated	23 November 2023[1]	16 October 2023	21 September 2023
Number Issued	200,000,000	60,000,000	200,000,000
Share price at grant date	\$0.01	\$0.01	\$0.01
Exercise price	\$0.015	\$0.0085	\$0.015
Life of options (years)	1	4.18	3[3]
Vesting period (years)[2]	Nil	3[2]	Nil
Probability that Vesting condition will be achieved	N/a	0%[4]	N/a
Expected share price volatility	95%	80%	80%
Weighted average risk free interest rate	4.205%	3.95%	4.04%
Fair value per option	\$0.00256	\$Nil	\$0.00527

1. Grant dates were over 3 days 21 to 23 November
2. Vesting period is over 3 years, subject to continuous employment
3. Life of options will be 3 years from issue date. Issue is subject to shareholder approval which had not been obtained at the Reporting Date
4. Probability assessment based on Director leaving in July 2024

8.1 SHARE-BASED PAYMENTS (CONT.)

	Consultant	Employee	Employee
Grant dated	10 October 2023	29 November 2023	31 July 2023
Number Issued	40,000,000	30,000,000	30,000,000
Share price at grant date	$0.01	$0.01	$0.01
Exercise price	$0.015	$0.085	$0.0085
Life of options (years)	4.26	4.12	4.45
Vesting life (years)[2]	1[2]	3[3]	2[1]
Probability that Vesting condition will be achieved	100%	100%	100%
Expected share price volatility	80%	80%	80%
Weighted average risk free interest rate	3.92%	4.09%%	3.87%
Fair value per option	$0.00541	$0.0065	$0.00666

1. One third vested on the grant date, the balance of the vesting period is over 2 years, subject to continuous employment
2. Vesting period is over 1 year, subject to continuous employment
3. Vesting period is over 3 years, subject to continuous employment.

Historical volatility has been used as the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.

The fair value and grant date of the options is based on historical exercise patterns, which may not eventuate in the future.

For service provider options the value of the service received was unable to be measured reliably and therefore the value was measured by reference to the fair value of the options issued.

(b) Options

Set out below are summaries of the options granted:

	Consolidated			
	2024		2023	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	435,500,000	2.70	446,833,334	2.70
Granted	360,000,000	1.28	40,000,000	4.50
Exercised	-	-	(10,666,667)	1.50
Expired / lapsed	-	-	(40,666,667)	4.50
Outstanding at year-end	795,500,000	2.06	435,500,000	2.70
Exercisable at year-end	645,500,000	2.30	425,000,000	2.60
Un-exercisable at year-end	150,000,000	1.02	10,000,000	7.00

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 1.12 years (2023: 1.32 years), and the exercise price ranges from 0.085 to 7.0 cents (2023: 2.0 to 7.0 cents).

Options exercised during the year resulted in Nil shares (2023: 10,666,667 shares) being issued at an average price of $Nil (2023: $0.015) each.

8.1 SHARE-BASED PAYMENTS (CONT.)

(c) Performance shares
At 30 June 2024, Nil Performance Shares are on issue (2023: Nil).

Accounting Policy
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Significant judgements and estimates
The Group has an Incentive Option Scheme (“Scheme”) for executives and employees of the Group. In accordance with the provisions of the Scheme, as approved by the shareholders at the November 2020 annual general meeting, executives and employees may be granted options at the discretion of the directors.

Each share option converts into one ordinary share of Vital Metals Limited on exercise. No amounts are paid or are payable by the recipient on receipt of the option. The options carry neither rights of dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Options issued to directors are not issued under the Scheme but are subject to approval by shareholders.

8.2. RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity within the Group is Vital Metals Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 6.1.

(c) Key Management Personnel disclosures

Directors and other Key Management Personnel

The directors of Vital Metals Limited during the financial year were:

- Richard Crookes
- Lisa Riley
- Paul Quirk
- Michael Brook
- James Henderson
- Geordie Mark

There were no other Key Management Personnel.

Compensation of Directors and Key Management Personnel

	2024 $	2023 $
Short-term employee benefits	806,647	959,608
Post-employment benefits	1,156	49,021
Share-based payments	-	116,080
	807,803	1,124,709

Other disclosures regarding Key Management Personnel are made in the remuneration report on pages 28 to 34.

Other Transactions with Related Parties

There were no other transactions with Key Management Personnel during the year other than salaries and wages, as disclosed in the remuneration report except as follows conducted on an arm's length basis:

- Advisory and financial services fees paid to Transocean Securities Pty Ltd, a company related to Mr James Henderson, totalling $Nil (2023:$45,000).
- Capital raising fee paid to Transocean Securities Pty Ltd, a company related to Mr James Henderson, totalling $Nil (2023: $110,000)

8.3. PARENT ENTITY FINANCIAL INFORMATION

The following information relates to the parent entity, Vital Metals Limited, as at 30 June 2024. The information presented here has been prepared using accounting policies consistent with those presented in this report.

	2024 $	2023 $
Assets		
Current assets	505,032	1,900,108
Non-current assets	4,999,078	5,164,910
Inter-company loan	65,687,163	64,139,924
Total assets	71,191,273	71,204,942
Liabilities		
Current liabilities	558,490	642,197
Non-current liabilities	-	243,715
Total liabilities	558,490	885,911
Net Assets	70,632,783	70,319,031
Equity		
Issued capital	154,661,305	150,394,157
Reserves	9,829,293	7,834,911
Accumulated losses	(93,857,815)	(87,910,037)
Total equity	70,632,783	70,319,031
Financial performance		
Profit/(loss) for the year	(3,769,368)	(3,676,279)
Impairment of Intercompany loan	(2,178,409)	(28,000,000)
Other comprehensive income	-	-
Total comprehensive Profit/(loss)	(5,947,777)	(31,676,279)
Contingent liabilities and commitments	-	-

There are no parent company guarantees in place at the Reporting date.

8.4. REMUNERATION OF AUDITORS

	2024 $	2023 $
Amounts received or due and receivable by BDO		
- Audit and review of financial statements by BDO Audit Pty Ltd*	109,972	120,968
- Other amounts received or due and receivable by BDO Law LLP	-	8,581
- Other amounts received or due and receivable by BDO Canada LLP	-	41,163
Total remuneration	109,972	170,712

* - The BDO entity performing the audit of the group transitioned from BDO Audit (WA) to BDO Audit Pty Ltd on 17 May 2024. The disclosures include amounts received or due and receivable by BDO Audit (WA) Pty Ltd, BDO Audit Pty Ltd and their respective related entities.

8.5. OTHER ACCOUNTING POLICIES

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

BASIS OF PREPARATION

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency
Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of 'Australian resident' and 'foreign resident' in the Income Tax Assessment Act 1997 are mutually exclusive. This means that if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of disclosure in the CEDS.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency
Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Name of Entity	Type of Entity	% Share of capital held	Country of Incorporation	Australian resident or Foreign resident (for Taxation purposes)	Foreign tax jurisdiction of foreign residents
Vital Metals Limited	Body Corporate	100%	Australia	Australian	N/A
Cheetah Resources Pty Ltd	Body Corporate	100%	Australia	Australian	N/A
NWT Rare Earths Ltd	Body Corporate	50%	Canada	Foreign	Canada
Cheetah Resources Corp.	Body Corporate	100%	Canada	Foreign	Canada
Vital Metal Burkina Sarl	Body Corporate	100%	Burkina Faso	Foreign	Burkina Faso
Kisaki Mining Company Limited	Body Corporate	90%	United Republic of Tanzania	Foreign	United Republic of Tanzania

Notes:

None of the entities are participants in a joint venture or partnership

VITAL METALS LIMITED AND ITS CONTROLLED ENTITIES
ABN 32 112 032 596

DIRECTORS' DECLARATION

In the directors' opinion:

1. the consolidated financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes set out on pages 36 to 82 are in accordance with the Corporations Act 2001, including

   (a) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and,

   (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2024, comply with Section 300A of the Corporations Act 2001; and contingencies.

4. The consolidated entity disclosure statement set out on page 83 is true and correct.

The Notes to the Consolidated Financial Statements confirm that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.

R.A. Crooks

Richard Crookes
Chairman
Sydney: 30 September 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Vital Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Vital Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to page 43 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Recoverability of the North T CGU

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 3.4, at 30 June 2024, impairment indicators existed in relation to the North T cash generating unit ('CGU') resulting in the requirement for impairment testing to be performed to determine the CGU's recoverable value. As the CGU contains significant assets of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this CGU may exceed its recoverable amount. The recoverable value of the CGU is impacted by various key estimates and judgements in particular: • Ore Reserves and estimates; • Discount rate; • Assumed commodity prices; and • Capitalisation of mine development costs. The determination of the recoverable value of the CGU requires management to make significant accounting judgements and estimates which includes the items above. This was determined to be a key audit matter due to the significant judgement applied in determining the recoverable value of the CGU in accordance with Australian Accounting Standard AASB 136 Impairment of Assets ("AASB 136").	Our procedures included, but were not limited to: • Assessing the appropriateness of the CGU identification and the allocation of assets and liabilities to the carrying value of the CGU; • Assessing the arithmetic accuracy and integrity of management's value in use model; • Analysing management's commodity price assumptions against external market information; • Challenging the appropriateness of management's discount rate used in the value in use financial model in conjunction with our internal valuation experts; • Reviewing management's updated assessment of ore resources based on management's expert estimates performed in prior years; • Challenging management's sensitivity assessment by performing analysis in respect of the key assumptions within the value in use model and assessing for resultant significant changes in the CGU value; and • Assessing the adequacy of the related disclosures in Note 3.4 to the Financial Statements.

Discontinued Operations

Key audit matter	How the matter was addressed in our audit
As disclosed in note 6.2 to the financial statements, Vital Metals Canada Limited ('VMCL') was placed into bankruptcy and deconsolidated from the Group on 29 September 2023, being the date of loss of control of the subsidiary. This has been accounted for as a discontinued operation in accordance with AASB 5. Discontinued operations are a key audit matter due to the significance of the transaction and impact on the presentation of the financial statements.	Our procedures included, but were not limited to: • Reviewing management's assessment and supporting documentation for the loss of control of VMCL, and corresponding deconsolidation accounting adjustments from the Group in accordance with AASB 10; • Assessing management's classification as a discontinued operation in accordance with AASB 5; and • Assessing the adequacy of the related disclosures in Note 6.2, as well as the classification between continuing operations and discontinued operations throughout current and comparative information within the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 34 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Vital Metals Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

Neil Smith

Director

Perth, 30 September 2024

The Australian Securities Exchange Limited, in respect of listed public companies, requires the following information:

1. Shareholding

(a) Distribution of shareholders as at 26 August 2024 - fully paid ordinary shares

Size of Holding	Number of Shareholders	Percentage of Holders	Number of Shares	Percentage of Shares
1 - 1,000 shares	120	1.2%	17,395	0.00%
1,001 - 5,000 shares	35	0.3%	102,370	0.00%
5,001 – 10,000 shares	965	9.3%	8,272,524	0.14%
10,000 – 100,000 shares	5,464	52.6%	239,067,309	4.06%
100,001 shares and over	3,805	36.6%	5,647,607,353	95.80%
Total	**10,389**	**100.0%**	**5,895,066,951**	**100.0%**

(b) Marketable Parcels

The number of shareholdings less than a marketable parcel is 7,458 holders with 363,785,528 shares as at 26 August 2024. The required marketable parcel is $500 (166,666 shares).

(c) Substantial Shareholders

As at 26 August 2024, there was one substantial shareholder who had notified the Company in accordance with section 671B of the Corporations Act 2001 as having a substantial interest of 5% or more in the Company’s voting securities.

Substantial Shareholder	Number of Securities	Voting Power
Shenghe Resources (Singapore) Pte Ltd	588,917,200	9.99%
D.A.C.H.S Capital AG	454,451,810	7.72%%

(d) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction. There are no voting rights attached to any class of options, Performance Rights or Performance Shares on issue.

(e) On-market Buy-Back

Currently there is no on-market buy-back of the Company’s securities.

(f) Top Twenty Shareholders of Vital Metals Limited – Ordinary Shares:

	Fully Paid Ordinary Shares	Percentage of Total (%)
Shenghe Resources (Singapore) Pte Ltd	588,917,200	9.99%
BNP Paribas Noms Pty Ltd	502,322,733	8.52%
Citicorp Nominees Pty Limited	296,466,032	5.03%
HSBC Custody Nominees (Australia) Limited	262,921,240	4.46%
BT Portfolio Services Ltd <Cranston S/F A/C>	145,797,467	2.47%
Kobia Holdings Pty Ltd	101,087,160	1.71%
Tisia Nominees Pty Ltd <Henderson Family A/C>	100,000,467	1.70%
HSBC Custody Nominees (Australia) Limited	98,212,562	1.67%
Blu Bone Pty Ltd	93,587,160	1.59%
BNP Paribas Nominees Pty Ltd <Clearstream>	77,536,074	1.32%
Transocean Private Investments Pty Ltd <Transocean Private Inves A/C>	70,296,342	1.19%
HSBC Custody Nominees (Australia) Limited - A/C 2	61,938,302	1.05%
Atkins Projects And Infrastructure Pty Ltd <G & C Atkins Family A/C>	61,099,547	1.04%
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	55,736,791	0.95%
Ponderosa Investments WA Pty Ltd <The Ponderosa Investment A/C>	47,000,000	0.80%
Mr Rameshweren Kanagalingam	46,665,000	0.79%
Mr Alexius Chan & Mrs Turid Bente Chan & Mr Benedict Wai-Nam Chan <Turid Chan Sf A/C>	41,021,003	0.70%
Ocean View WA Pty Ltd	33,950,000	0.58%
Mr Jack Dwyer	30,649,848	0.52%
Mr Russell Gregory Garrod	30,000,000	0.51%
Totals: Top 20 Holders of ORDINARY Shares (TOTAL)	**2,745,204,928**	**46.57%**
Total Remaining Holders Balance	**3,149,862,023**	**53.43%**
Total All shareholders	**5,895,066,951**	**100.0%**

2. UNQUOTED EQUITY SECURITIES

The unquoted equity securities outstanding are as follows:

Number	Class	Holders with more than 20% interest in that class
110,000,000	Unlisted options exercisable at 2.0 cents expiring 22 October 2024	Atkins Projects and Infrastructure Pty Ltd (30,000,000) Konkera Pty Ltd <Konkera Family A/c> (60,000,000)
110,000,000	Unlisted options exercisable at 2.5 cents expiring 22 October 2024	Atkins Projects and Infrastructure Pty Ltd (30,000,000) Konkera Pty Ltd <Konkera Family A/c> (60,000,000)
110,000,000	Unlisted options exercisable at 3.0 cents expiring 22 October 2024	Atkins Projects and Infrastructure Pty Ltd (30,000,000) Konkera Pty Ltd <Konkera Family A/c> (60,000,000)
200,000,000	Unlisted options exercisable at 1.5 cents expiring 29 November 2024	Treasury Services Group Pty Ltd ATF The Nero Resources Fund (50,000,000) Malekula Projects Pty Ltd (100,000,000) INVL Group Pty Ltd (50,000,000)
28,500,000	Unlisted options exercisable at 2.0 cents expiring 31 January 2025	Mathew Edler (12,500,000) Darren Sutton (7,500,000) Anthony Hadley (6,000,000)
28,500,000	Unlisted options exercisable at 2.5 cents expiring 31 January 2025	Mathew Edler (12,500,000) Darren Sutton (7,500,000) Anthony Hadley (6,000,000)
28,500,000	Unlisted options exercisable at 3.0 cents expiring 31 January 2025	Mathew Edler (12,500,000) Darren Sutton (7,500,000) Anthony Hadley (6,000,000)
40,000,000	Unlisted options exercisable at 1.5 cents expiring 11 January 2028	Issued under employee incentive plan
60,000,000	Unlisted options exercisable at 0.85 cents expiring 11 January 2028	Issued under employee incentive plan

Distribution of holders of unquoted equity securities

	Unlisted options ($0.02 @ 22/10/2024)		Unlisted options ($0.025 @ 22/10/2024)		Unlisted options ($0.03 @ 22/10/2024)		Unlisted options ($0.015 @ 29/11/2024)	
	No. of holders	No. of securities	No. of holder	No. of securities	No. of holder	No. of securities	No. of holder s	No. of securities
1 – 1,000	-	-	-	-	-	-	-	-
1,001 – 5,000	-	-	-	-	-	-	-	-
5,001 – 10,000	-	-	-	-	-	-	-	-
10,001 – 100,000	-	-	-	-	-	-	-	-
100,001 and over	3	110,000,000	3	110,000,000	3	110,000,000	3	200,000,000
Total	3	110,000,000	3	110,000,000	3	110,000,000	3	200,000,000

	Unlisted options ($0.02 @ 31/01/2025)		Unlisted options ($0.025 @ 31/01/2025)		Unlisted options ($0.03 @ 31/01/2025)		Unlisted options ($0.015 @ 11/01/2028)		Unlisted options ($0.0085 @ 11/01/2025)	
	No. of holders	No. of securities	No. of holders	No. of securities	No. of holder	No. of securities	No. of holders	No. of securities	No. of holders	No. of securities
1 – 1,000	-	-	-	-	-	-	-	-	-	-
1,001 – 5,000	-	-	-	-	-	-	-	-	-	-
5,001 – 10,000	-	-	-	-	-	-	-	-	-	-
10,001 – 100,000	-	-	-	-	-	-	-	-	-	-
100,001 and over	4	28,500,000	4	28,500,000	4	28,500,000	1	40,000,000	2	60,000,000
Total	4	28,500,000	4	28,500,000	4	28,500,000	1	40,000,000	2	60,000,000

3. **RESTRICTED SECURITIES:**

The Company has the following restricted securities: nil

4. **COMPANY SECRETARY**

The name of the Company Secretary is Louisa Martino.

5. **REGISTERED OFFICE**

Level 10, 27-31 Macquarie Place
Sydney, NSW, AUSTRALIA, 2000
Telephone: +61 2 8029 0676
Website: www.vitalmetals.com.au

6. **REGISTERS OF SECURITIES**

Automic Registry Services
Level 5
191 St Georges Terrace
Perth, WA, 6000
Telephone: 1300 288 664

7. **STOCK EXCHANGE LISTING**

Australian Securities Exchange Limited
(ASX Code: VML)