

FIRST RESULTS FOR 2008 DRILLING AT WATERSHED CONTINUE TO EXTEND RESOURCE AT HIGH GRADE

- **Initial results from first holes 2008 drill program confirm further extensions to tungsten mineralisation to the south-west and north, outside the defined resource.**
 - **Best results – south-west extension:**
 - MWD223 - 3m at 1.08% WO₃ from 132m**
 - MWD224 - 4m at 2.13% WO₃ from 79m**
 - 12m of 0.77% WO₃ from 85m**
 - MWD225 - 2m at 0.79% WO₃ from 99m**
 - 7m at 0.41% WO₃ from 103m**
 - **Best results - northern area**
 - MWD228 - 7m at 0.44% WO₃ from 114m**
 - 6m at 2.55% WO₃ from 143m**
 - **Drilling continues to show high-grade tungsten mineralisation over an expanding area and further verifies the potential long-term value in persisting with the progressive, staged, development of Watershed, designed to extract full benefit from this world-class resource.**
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Vital Metals Ltd (ASX Code: VML) has received results of analyses for the first five diamond drill holes for the 2008 diamond drilling program at its Watershed Tungsten Project in far North Queensland. These are the first results from a 25 hole program of 3,700m of diamond core drilling which will be complete on Sunday 3 August 2008.

Three of the four holes situated in the south-west extension area contain high-grade intercepts of scheelite and further define the westward extension to the shallow mineralisation in this area. The fourth, most southerly, hole (MWD226) contained no significant mineralisation.

The fifth hole (MWD228) is situated north of the defined resource and further extends the mineralisation beyond the current northern limits of the deposit. Drill hole MWD228 is the most northerly hole drilled by Vital to date in the main area of the deposit. It also hosts one of the Project's best-ever intercepts, with 6 metres at 2.55% WO₃.

Details of these five holes are given in Table 1 and mineralised intercepts, generated using a nominal cut-off grade of 0.10% WO₃ but eliminating those intercepts that do not exceed one metre in down hole length that are less than 0.20% WO₃, are listed in Table 2.

Further results will be released when they become available.

Drilling continues to show high-grade tungsten mineralisation over an expanding area and further verifies the potential long-term value in persisting with the progressive, staged, development of Watershed, designed to extract full benefit from this world-class resource.

Table 1 – Details of Drill Holes

Hole Number	Co-ordinates (Local Grid)		Azimuth (Magnetic)	Declination (degrees)	Total Depth (Metres)
	East	North			
MWD223	73675	91900	342	-60	150.1
MWD224	73675	91850	342	-60	150.0
MWD225	73675	91800	342	-60	153.2
MWD226	73675	91750	342	-60	105.0
MWD228	74005	92875	342	-60	159.0

Table 2 – Mineralised Intercepts (at a cut-off grade of 0.1% WO₃)

Hole Number	From (m)	To (m)	Interval (m)	Grade (% WO ₃)
MWD223	33	34	1	0.25
MWD223	124	127	3	0.12
MWD223	132	135	3	1.08
MWD224	79	83	4	2.13
MWD224	85	97	12	0.77
MWD225	99	101	2	0.79
MWD225	103	110	7	0.41
MWD225	119	121	2	0.70
MWD225	135	136	1	0.37
MWD225	141	142	1	0.25
MWD225	148	149	1	0.37
MWD228	27	30	3	0.16
MWD228	52	53	1	0.26
MWD228	114	121	7	0.44
MWD228	134	135	1	0.69
MWD228	143	149	6	2.55

NOTE: Only intercepts that are either greater than 1 metre or 0.20% WO₃ are listed

1. Interval (m) is down hole length and not necessarily true width.

2. Analyses quoted are a mix of XRF and ICP (Inductively Coupled Plasma) methods.

3. Samples are taken over whole metre lengths.

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For further details, refer to the company's website, www.vitalmetals.com.au or contact:

Mr Andy Haslam Managing Director	Mr John Sobolewski Company Secretary
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Vital Metals Ltd
Level 1, 335 Hay Street, Subiaco WA 6008
PO Box 8243, Subiaco East WA 6008
Telephone: +61 8 9388 7742
Fax: +61 8 9388 0804
Email: vital@vitalmetals.com.au
Website: www.vitalmetals.com.au

Note: "The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Bruce Arthur Pertzel, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Pertzel is an employee of Vital Metals Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pertzel consents to the inclusion in the report of the matters based on his information in the form and context in which it appears."