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**WATERSHED - 2008 DIAMOND DRILLING CAMPAIGN CONTINUES TO YIELD SIGNIFICANT RESULTS**

- Results from another seven diamond drill holes in the 2008 campaign confirm extensions to scheelite mineralisation outside the defined resource.
- Best results include:

<b>MWD227</b>	- 1m at 4.30 % WO <sub>3</sub> from 69m
	- 3m at 0.67% WO <sub>3</sub> from 84m
<b>MWD229</b>	- 25m at 0.70% WO <sub>3</sub> from 7m
	- 9m at 0.52% WO <sub>3</sub> from 44m
	- 3m at 0.70% WO <sub>3</sub> from 56m
	- 3m at 1.78% WO <sub>3</sub> from 97m
	- 1m at 5.23% WO <sub>3</sub> from 168m
<b>MWD231</b>	- 6m at 0.62% WO <sub>3</sub> from 62m
<b>MWD233</b>	- 5m at 0.41% WO <sub>3</sub> from 120m
<b>MWD235</b>	- 6m at 0.48% WO <sub>3</sub> from 34m

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**Vital Metals Ltd (ASX Code: VML)** has received results of analyses for another seven diamond drill holes for the 2008 diamond drilling campaign at the Watershed Tungsten Project in North Queensland.

These holes are at various locations in the north and south of the deposit and are depicted in red on the attached map. The results confirm that widespread scheelite mineralisation persists outside the known limits for the previously announced resource estimates (see ASX announcements 26 May 2008 and 18 July 2008).

The results for MWD227 confirm extensions to known mineralisation in the northeast of the estimated resource.

The significant extension to mineralisation encountered in drill hole MWD228 (announced 1 August 2008) north of the estimated resource limits has been confirmed by the results of MWD229, collared 50 metres to the south.

The results for diamond drill holes MWD232, MWD233 and MWD235 confirm that scheelite mineralisation extends into the previously undrilled 200 metre gap between the southern limit of the main resource area and the south-western extension area.

The results for MWD230 and MWD231 confirm that scheelite mineralisation extends outside the north-western limits of the estimated resource.

Details of these seven holes are given in Table 1 and mineralised intercepts, generated using a nominal lower cut-off grade of 0.10% WO<sub>3</sub> (but eliminating those intercepts that do not exceed one metre in down hole length that are less than 0.20% WO<sub>3</sub>) are listed in Table 2.

The results for the remaining 13 diamond drill holes of the 2008 Campaign should be available in four to six weeks, once sampling on site and analysis off site is completed.

**Table 1 – Details of Drill Holes**

Hole Number	Co-ordinates (Local Grid)		Azimuth (Magnetic)	Declination (degrees)	Total Depth (Metres)
	East	North			
MWD227	54055	92500	339	-60	153.0
MWD229	74005	92825	340	-60	171.1
MWD230	73800	92645	340	-60	201.2
MWD231	73850	92730	342	-60	153.0
MWD232	73800	92050	342	-60	165.2
MWD233	73750	92000	342	-60	150.0
MWD235	73700	91950	340	-60	119.9

**Table 2 – Mineralised Intercepts (at a cut-off grade of 0.1% WO<sub>3</sub>)**

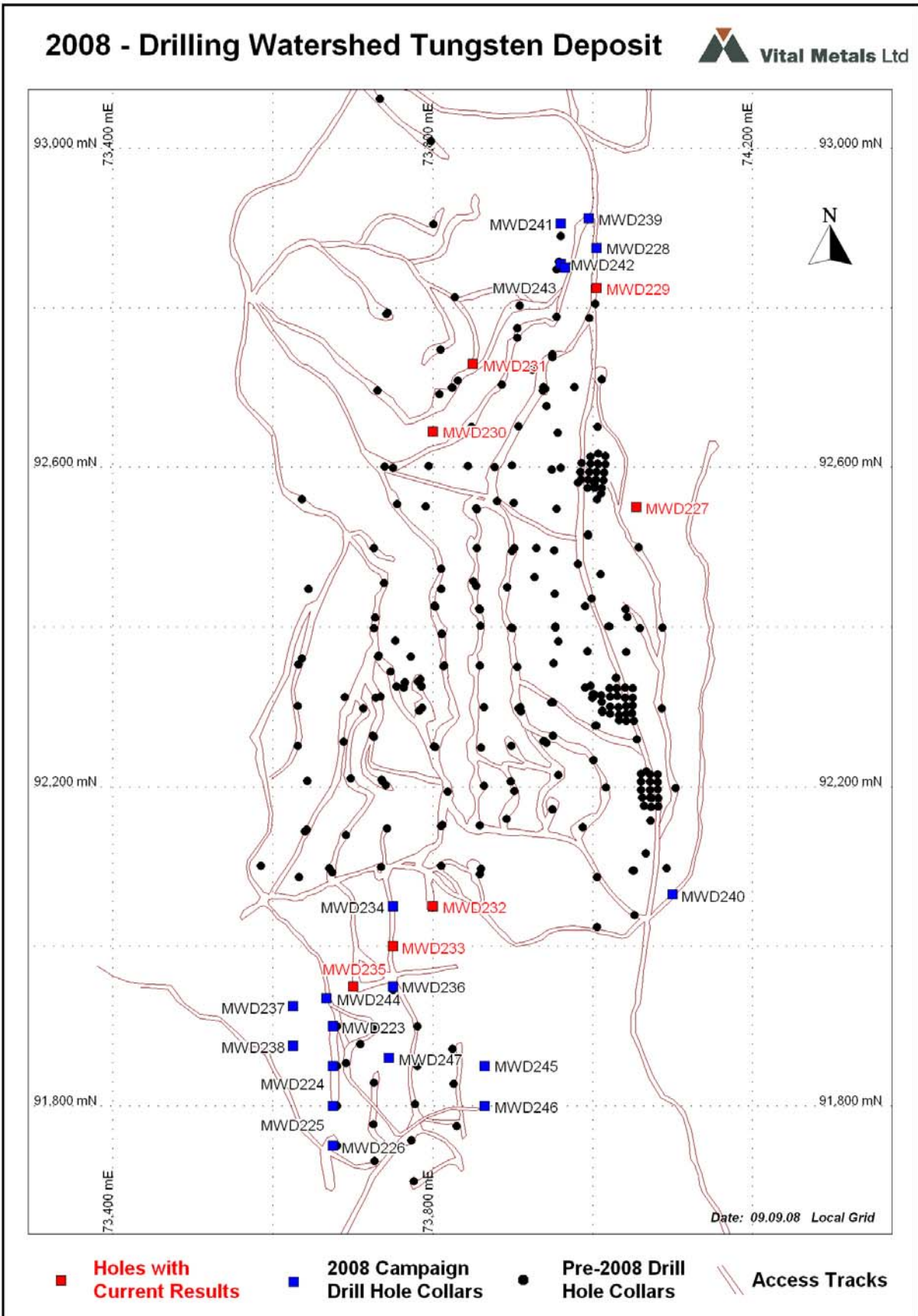
Hole Number	From (m)	To (m)	Interval (m)	Grade (% WO <sub>3</sub> )
MWD227	44	45	1	0.29
MWD227	69	70	1	4.30
MWD227	84	87	3	0.67
MWD227	103	104	1	0.45
MWD227	108	109	1	0.28
MWD227	111	113	2	0.25
MWD227	129	130	1	1.15
MWD229	0	4	4	0.22
MWD229	7	32	25	0.70
MWD229	44	53	9	0.52
MWD229	56	59	3	0.70
MWD229	97	100	3	1.78
MWD229	106	107	1	0.52
MWD229	129	134	5	0.16
MWD229	142	149	7	0.23
MWD229	155	158	3	0.15
MWD229	168	169	1	5.23
MWD230	100	104	4	0.17
MWD231	42	46	4	0.14
MWD231	62	68	6	0.62
MWD231	143	144	1	0.87
MWD232	91	94	3	0.25
MWD232	109	112	3	0.15
MWD233	120	125	5	0.41
MWD235	0	3	3	0.27
MWD235	18	21	3	0.24
MWD235	34	40	6	0.48
MWD235	52	56	4	0.17

**NOTE:** Only intercepts that are either greater than 1 metre or 0.20% WO<sub>3</sub> 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](http://www.vitalmetals.com.au) or contact:

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*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."*