

**VITAL METALS TO SLOW WATERSHED FEASIBILITY STUDY**

**Vital Metals Ltd (ASX Code: VML)** has decided to reduce the pace of the work being undertaken by external contractors on the Watershed Feasibility Study in an endeavour to conserve cash during the current period of significant volatility in world financial markets. The scale back is in relation to current work being undertaken on the tails dam, plant and pit design work.

The Board of Directors believes it prudent to slow down expenditure in relation to external contractors and to concentrate on refining the current resource model for the Watershed tungsten project, located in far North Queensland.

The final hurdle to project start-up is dependent upon Queensland Government EPA approval, which is not expected until March 2009. Such approval is the basis upon which mining leases are granted and as such, this prudent approach is not expected to alter the current timelines for the Watershed project.

It remains the company's intention to undertake a test program of a bulk sample from the Mt Mulgine tungsten deposit in the next month. The Mt Mulgine deposit remains an important part of our current on-going exploration program.

The company currently has approximately \$2 million in cash on hand, which is adequate for the near term.

**- ENDS -**

For further details, refer to the company's website, [www.vitalmetals.com.au](http://www.vitalmetals.com.au) or contact:

**Mr Andy Haslam**  
Managing Director

-or-

**Mr John Sobolewski**  
Company Secretary

**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](mailto:vital@vitalmetals.com.au)  
Website: [www.vitalmetals.com.au](http://www.vitalmetals.com.au)