



vitalmetals



2010 AGM Update

November 2010

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CEO / MD

Disclaimer

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COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Dr Howard w. Carr (CEO, MD), an employee of the Company. Dr Carr is a Member of the Australian Institute of Geoscientists (AIG) and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Carr consents to the inclusion in the report of the matters based on his information in the form and context in which it appears



Executive Summary

- Two outstanding projects
- Burkina Faso Gold & Queensland Tungsten
- Technically focussed, operational
- 2011: exciting opportunity for development & value creation

Shares on issue:	186m
Shareholders:	1766
Top "3":	42%
William de Broe:	17.6%
Market Capitalisation:	\$19m
Watershed NPV	\$6-20m
Cash:	~2.0m



Overview

Doulunia Gold Project, Burkina Faso

- Highly Gold-prospective, grass-roots project; shallow, wide, high grade intersections
- Farm-In A\$1.5m for 60%; A\$3.5m for 70%; PFS for 80%
- Ampella Shareholder Agreement & Gold Rights
- 6000m Phase 2 Drill Programme January 2011
- Sufficient financial & human resources

Discovery & Definition of a Gold Resource

- **Technically challenging**
- **Time consuming**
- **Expensive**

Strong understanding , excellent attributes

More funding will increase scale

Costs are increasing

Watershed Tungsten Project, Queensland

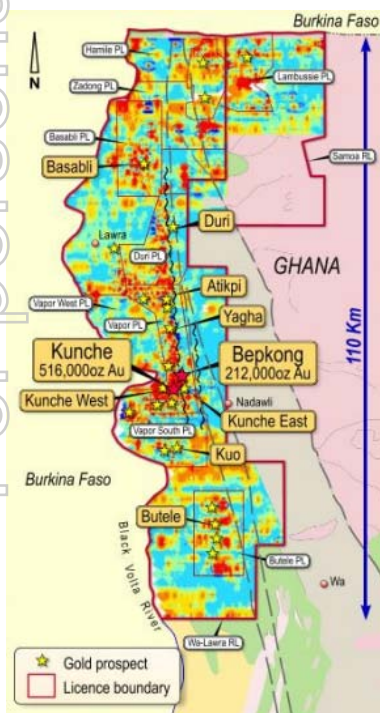
- In the past two months, high market value of tungsten has been re-established
- APT =US\$300-310/mtu with further price increases anticipated
- Financial models continuously updated
- Review of various develop options

Outcrop and residual soil sampling

Doulunia Soil & Rock Chip Sampling (Complete 25th October)

Phase 1 soils	Azumah	Vitalmetals
Total Permit Area	3100km ²	479km ²
Soil Survey Area	~2800km ²	375km ²
Sample Pattern	~1200 x 50m	800 x 50m
Samples	~47000	9375
Samples / km ²	17	25

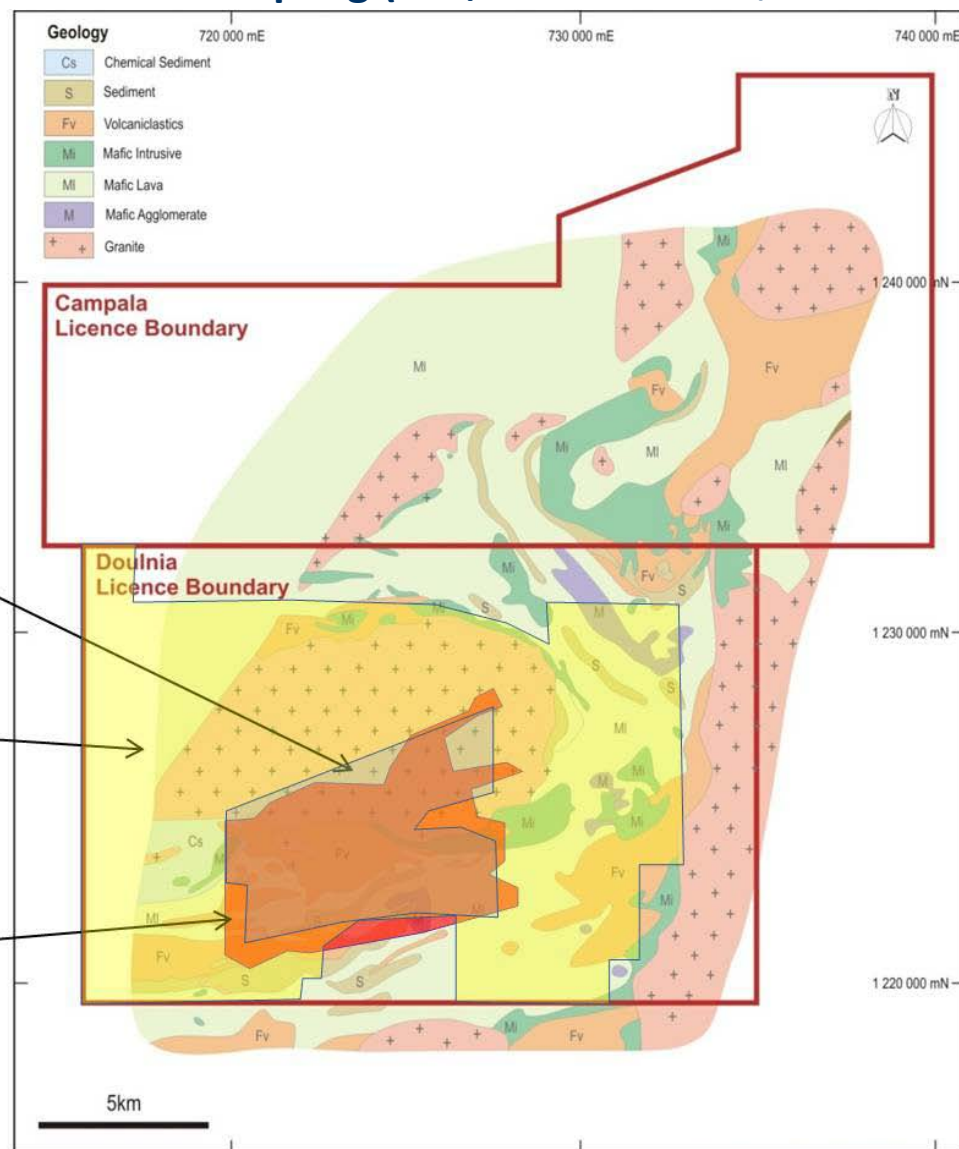
Azumah Phase 1 Soil Sampling (Initial Resource, May 2009 728 000oz)



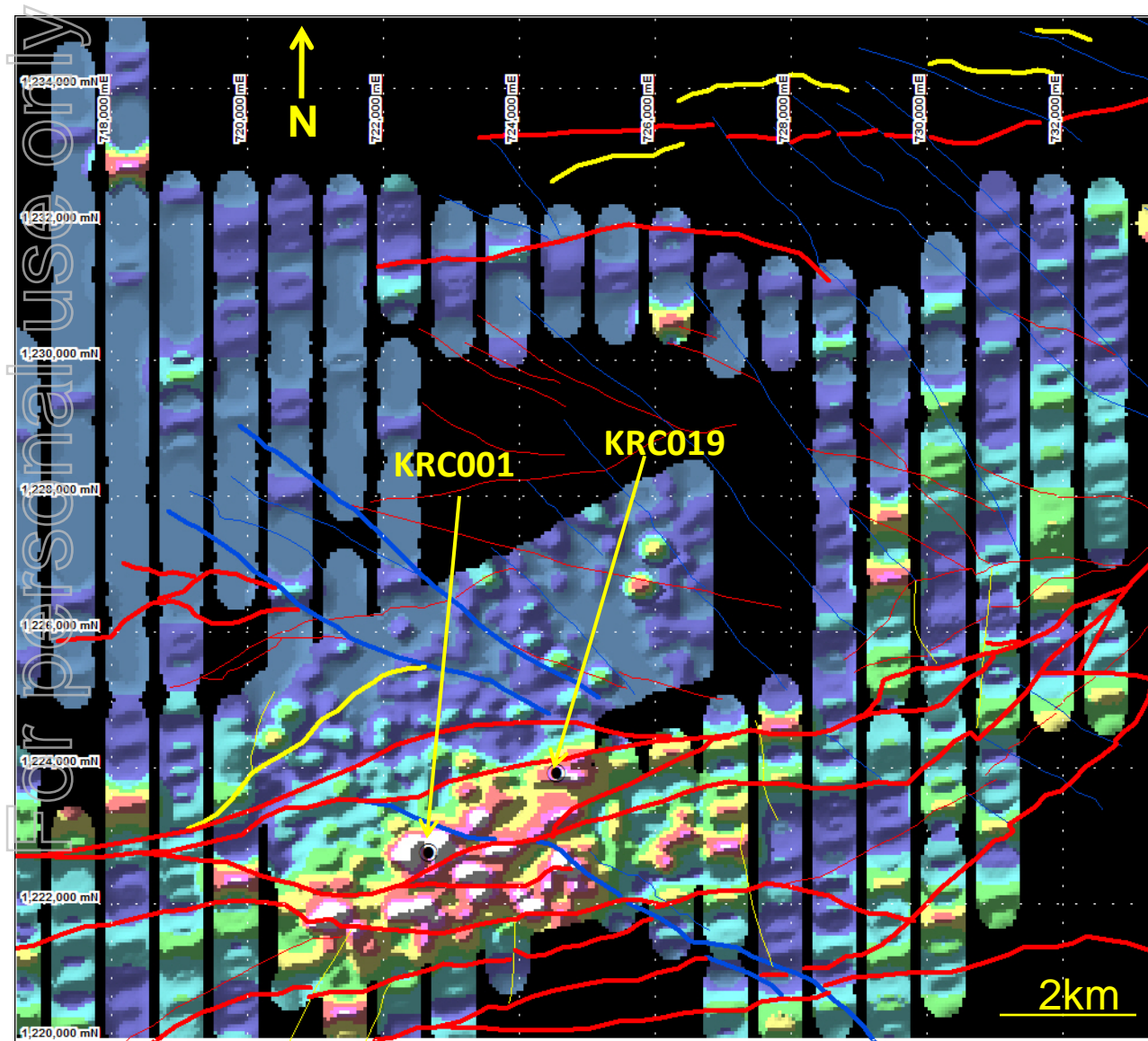
200m(EW) x 50m
(NS) soils area

800m (EW) x 50m
(NS) soils area

~400m x ~400m
hyperspectral
rock area



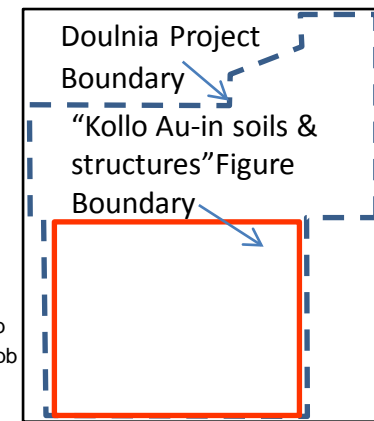
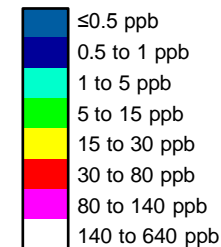
Gold anomalism



Phase 1 Drill Results

Hole	Width	Au (g/t)	From (m)
KRC019	31	3.19	34
(inc:)	2	16.91	41
KRC001	18	2.95	37
(inc:)	4	4.28	45
(and:)	2	9.56	53
KRC001	5	3.55	60
KRC001	4	18.71	76
KRC020	11	1.17	19
(inc:)	3	3.89	19
KRC018	2	3.63	41
KRC018	2	3.00	66
KRC011	3	2.75	13

Legend



Doulina Project Update

- Burkina Faso Presentation to Investor Tour Group
- Shareholder Agreement finalized and due for signing
- Burkina Faso Election Nov. 21st, limited uncertainty
- BUMIGEB Zinc & ground magnetics study
- VML can engage directly with Dept of Mines re: gold process.
- Submission of progress report & work plan
- Gold Rights a matter of routine process
- Review of drill collar sites, agreed dozer & access plan.
- Drill contractor confirmed for 6000m RC Jan 2011
- D8 dozer started on access
- KPI review of key staff. Technician pay rises. Good staff morale.
- Experienced Irish Exploration Geologist

Doulunia Work Schedule

Activity	jul	aug	sep	oct	nov	dec	jan	feb	mar	apr	may	jun
field camp occupied												
vehicle purchases												
AEROMAG mob., acquire, process												
AEROMAG interpretation												
drilling (<i>metres</i>)						3,150	3,150	?3,150	?3,150	? 3,150	?3,150	?2,520
soils sampling (<i>no</i>)	630	1,890	1,890	1,890	1,890	1,890	1,890	630	630	630	630	630
rock sampling												
country manager on site												
expat geologist												
Seasonal Conditions	wet	wet	wet	wet								

ASX announcements

- Nov Phase 2 Drill Programme confirmed
- Dec Phase 2 Drill Programme mobilisation
- Jan Phase 2 Drill Programme samples in laboratory
- Feb Phase 2 Drill Programme first results
- Mar-Jun Phase 2 Drill Programme on-going results

Low Cost Exploration

Gold Discovery Costs Indicated JORC Resource

- | | |
|---|------------------------|
| • Anglo Gold Ashanti, Tropicana Australia | ~A\$41/oz |
| • Anglo Gold Ashanti, Global: | ~A\$30/ oz (target) |
| • Ampella, Batie West: | <A\$5.00/oz (achieved) |
| • Vital Metals, Doulnia: | \$10/oz (target) |

ASX West African (+500 000oz) Indicated Resource Market Valuation:
~A100/oz

- **VML has the technical capabilities**
- **VML is a low-cost explorer**
- **VML has the capacity to accelerate progress**

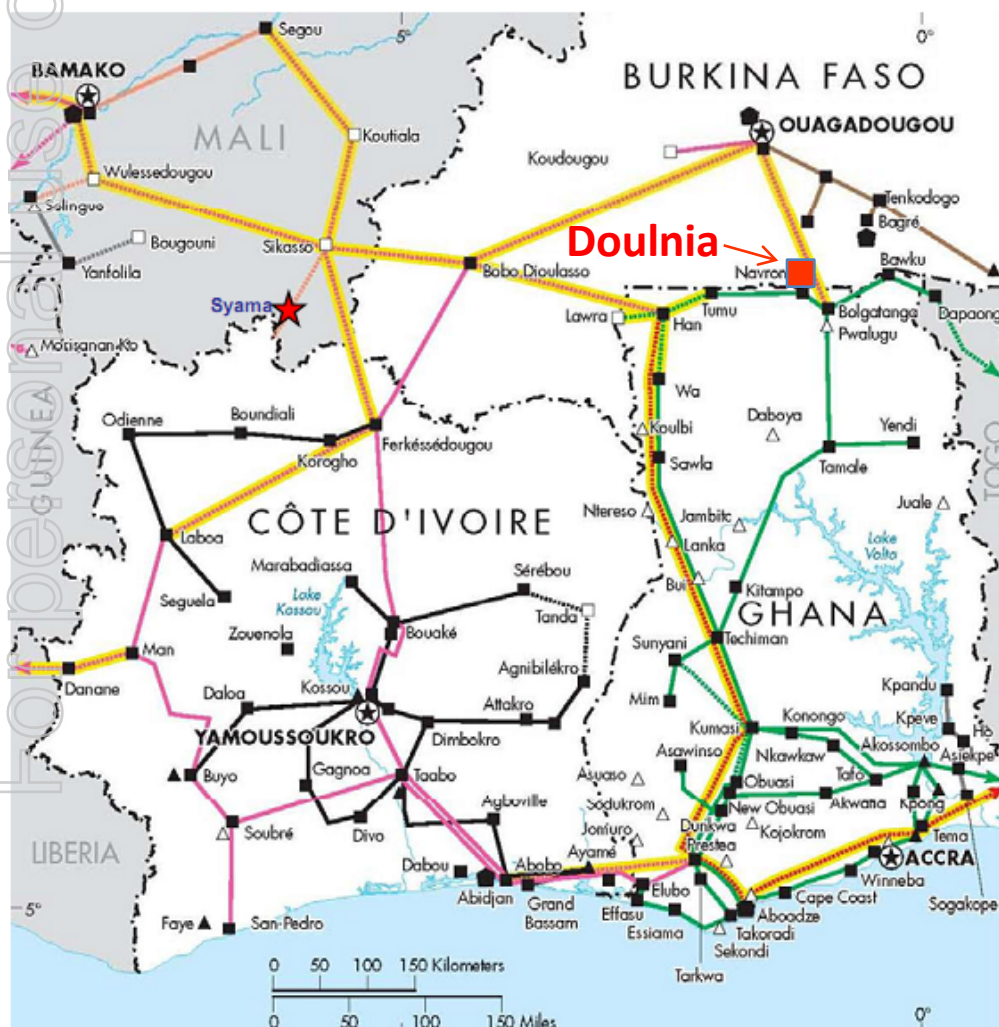


Doulnia Infrastructure

- Cost effective, efficient exploration
- Cost-effective, timely development

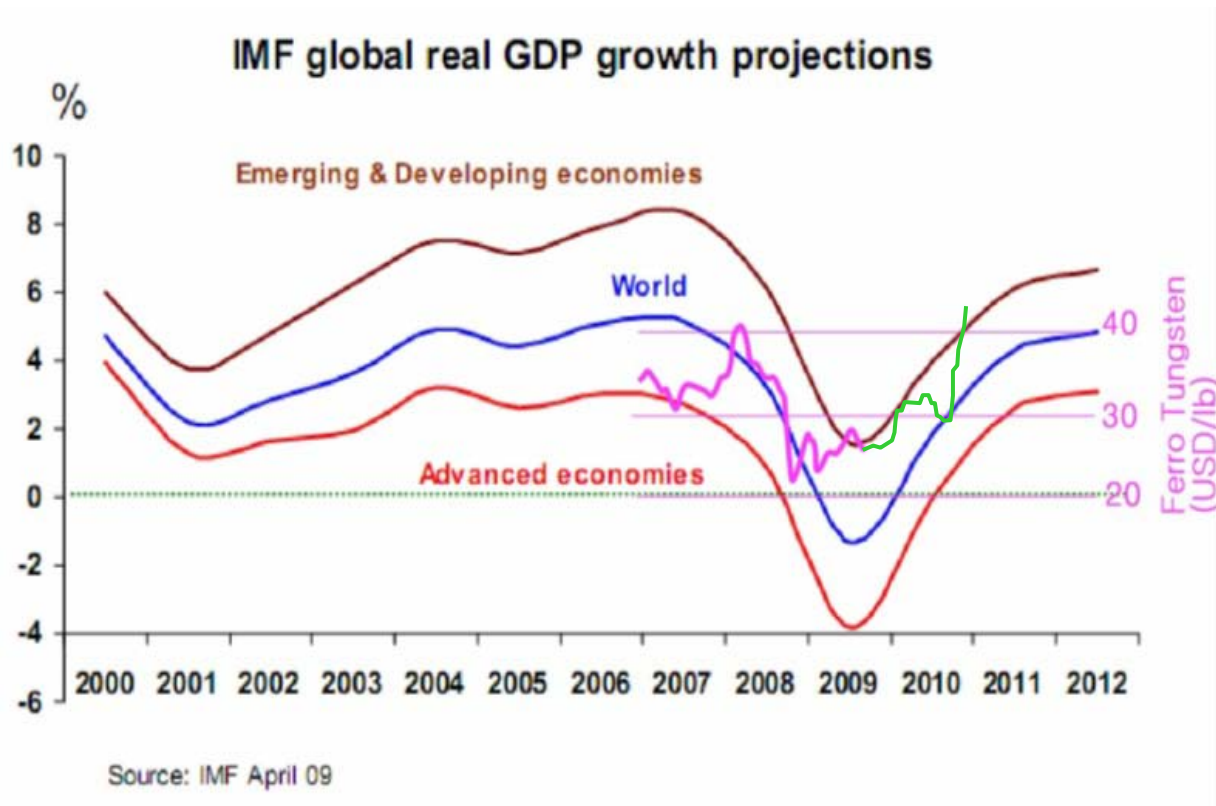
Doulnia Snap Shot

- On West African electricity grid
- 4 feed lines & 2 sources
- Abundant water
- 3 x 3G **reliable** mobile phone towers
- 2 x ATM's: 35km
- Sealed Hwy & road within 20km
- Airstrip within project area
- Youga Gold Mine: 35km
- Kiaka Gold Deposit: 45km



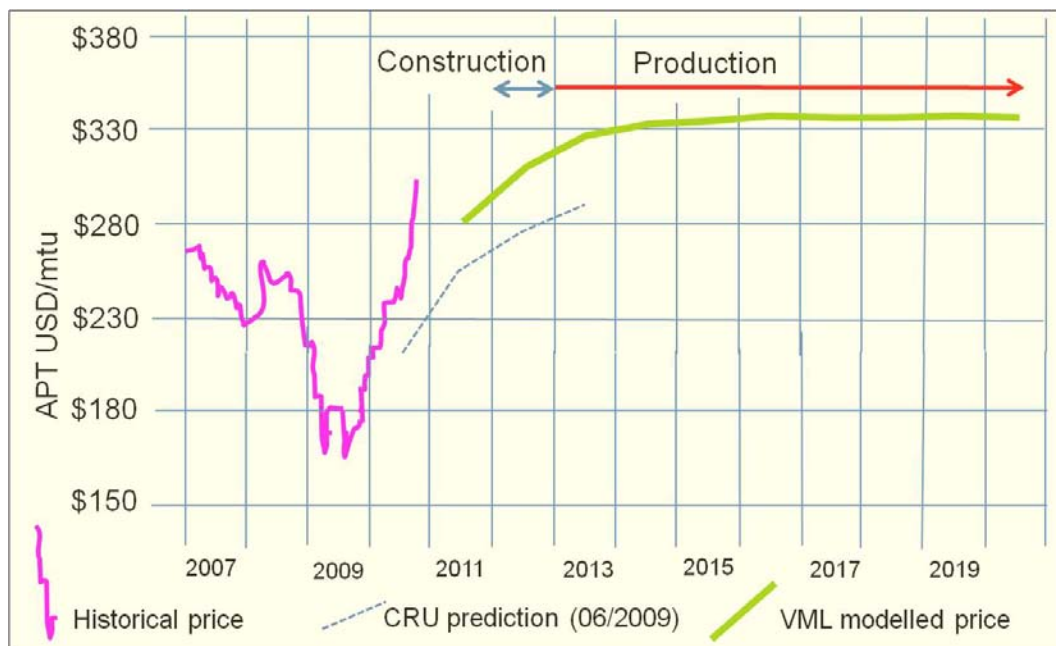
Tungsten Overview

- Global supply program seriously challenged over next decade
- High value in use
- Continuing strong increase in demand, led by cutting tools and drilling projects.
- China = **87%** global tungsten production (& consumption)
- Chinese mid 2010 ban on raw material exports = price response



Watershed Tungsten Project

- Indicated Resource 15.1Mt @ 0.46% WO₃ for 69300 t WO₃
- Recent strong increase in tungsten prices has renewed interest in project
- Further prices increases possible due to supply challenges
- Financial models routinely updated
- A number of development options under review
- Further market updates on viability and development



Closing Statement

- Vital Metals has two excellent projects
- Burkina Faso gold project offers low sovereign risk, sound business climate and stable mining laws
- Doulunia gold prospectivity is high and should be confirmed by intensive drilling program during 2011
- Recent rapid increase in tungsten prices has renewed interest in Queensland Watershed tungsten project.
- Reviewing several development options.
- Outlook for 2011 greatly enhanced and company looks forward to increasing value creation for shareholders.

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