

**Vital Metals Limited**

ASX Code: VML

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[www.vitalmetals.com.au](http://www.vitalmetals.com.au)**Capital Structure**

261.3 million shares

21.8 million unlisted options

**Board & Management**David Macoboy  
ChairmanMark Strizek  
CEO and Managing DirectorPeter Cordin  
Non-Executive DirectorAndrew Simpson  
Non-Executive DirectorIan Hobson  
Company Secretary**For further information:****Investors:**Mark Strizek  
Managing Director  
Vital Metals  
(08) 9388 7742**Media:**Nicholas Read  
Read Corporate  
(08) 9388 1474**WATERSHED FEASIBILITY STUDY UPDATE*****JOGMEC REVIEW CONTINUING WITH OBJECTIVE OF FACILITATING  
LINK TO NEW JAPANESE DEVELOPMENT PARTNER***

Vital Metals Limited (ASX: VML) is pleased to provide an update on the progress of the Definitive Feasibility Study (DFS) for the Company's flagship 70%-owned **Watershed Tungsten Project** in North Queensland.

As announced on 30 July 2014, a draft of the DFS results has been sent to the Company's Joint Venture partner, JOGMEC, for review and input.

JOGMEC has advised that it is making good progress working through the draft DFS, and has indicated it should be in a position to provide Vital with its input for incorporation into the draft DFS document by around mid-September.

Importantly, JOGMEC has also reaffirmed its goal of transferring its 30% interest in the Watershed Project to a new Japanese company with interests in the tungsten industry as quickly as possible, with discussions with nominee companies to commence immediately, as soon as its review of the draft DFS has been completed.

JOGMEC (Japan Oil, Gas and Metals National Corporation) currently holds a 30% interest in the Watershed Project after contributing a total of \$5.4 million towards the completion of the Definitive Feasibility Study.

Under the earn-in agreement signed in May 2011, JOGMEC has the right to transfer its stake to a Japanese company that would have an off-take interest and responsibility for arranging their share of project finance.

Vital's Managing Director, Mr. Mark Strizek, said that JOGMEC's detailed review of the draft DFS results was an essential step to facilitate this transfer.

"JOGMEC is a Japanese government agency that is responsible for ensuring Japan has access to a steady flow of key natural resources, including tungsten," he said. "JOGMEC is therefore responsible for providing expert advice to Japanese nominee companies on all aspects of the multi-disciplined Watershed DFS to ensure that the transfer is completed within its Charter."

“The DFS is a detailed, technical document which first was required to be translated from English into Japanese, meaning that JOGMEC’s review will take a few more weeks to complete. However, this short delay is more than compensated for by the immeasurable value that JOGMEC brings to the Watershed Project through its ability to help us secure a long-term off-take, financing and development partner,” Mr. Strizek continued.

JOGMEC expects to provide input into the draft Watershed DFS by mid-September. Once JOGMEC’s comments have been incorporated, Vital will be in a position to report key DFS findings. The DFS will then undergo final technical and peer reviews in the second half of 2014, paving the way for a Final Investment Decision (FID).

The Watershed Tungsten Project is well positioned for development, being fully permitted, with all environmental approvals granted and Mining Leases in place, as summarised below:

#### Watershed Tungsten Project – Key Milestones towards Development

Environmental Approval	Open pit operation permitted by the Department of Environment and Heritage Protection on the 3 <sup>rd</sup> September 2013.
Mining Lease	Seven Mining Leases for a total of 1,904 hectares were granted on the 1 <sup>st</sup> December 2013 for a period of 20 years by the Department of Natural Resources and Mines.
ILUA	Agreement with the Western Yalanji people for development of the open pit operation secured and registered with the National Native Title Tribunal.
Development and Offtake Partner	JOGMEC planning to transfer their 30% interest in the Watershed Project to a Japanese company with interests in the tungsten industry. This company will have responsibility for arranging its share of project finance as well as its off-take interest.
Strategic Partner	Listed global mineral processing and infrastructure solution provider Sedgman Limited acquired a strategic interest in Vital Metals on 1 <sup>st</sup> July 2014.
Mineral Resource	Measured, Indicated and Inferred Mineral Resources. At a cut-off grade of 0.05% WO <sub>3</sub> the Watershed deposit contains Mineral Resources of 49.32Mt at 0.14% WO <sub>3</sub> for 70,400 tonnes of WO <sub>3</sub> . <sup>1</sup>

**ENDS**

For further details, refer to the Company’s website, [www.vitalmetals.com.au](http://www.vitalmetals.com.au):

<sup>1</sup> Estimate reported 25 Nov 2012, Quarterly Activities & Cashflow Report. Mineral Resources classified using JORC 2004 guidelines. See Table 1 for further details.

## Contact:

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### **Competent Person's Statement**

*The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Mark Strizek, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Strizek is a full time employee of the Company. Mr Strizek has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Strizek consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.*

*The information that refers to Mineral Resources in this announcement was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since last reported.*

### **ABOUT VITAL METALS**

Vital Metals Ltd (**ASX: VML**) is a developer and explorer, focused on progressing two highly prospective mineral projects: the advanced Watershed Tungsten Project in far north Queensland, Australia and the Doulnia Gold Project in southern Burkina Faso, West Africa.

#### **Watershed Tungsten Project – Queensland**

The Watershed scheelite (calcium tungstate) Project, in far North Queensland, 150 kilometres north-west of Cairns, is the Company's flagship venture. Vital has entered into a formal Earn-In Agreement with JOGMEC (Japan Oil, Gas and Metals National Corporation) where JOGMEC has earned 30% of the Project for \$5.4M (valuing the Project at the time of the farm-in at \$18M). The funds have been used to undertake a Definitive Feasibility Study (DFS).

#### **Doulnia Gold Project – Burkina Faso**

The Doulnia Gold Project (100% Vital) is located in southern Burkina Faso, West Africa. The Project is made up of four contiguous tenements; The Doulnia and Kampala exploration tenements which were recently secured following a deal with Ampella Mining Ltd and the Mediga and Zeko exploration tenements. The Project is located in highly prospective Birimian Greenstone terrain with over 850 sq. km of contiguous tenements lying on the trend of the Markoye Fault Corridor and the Bole shear zone and hosting the Kollo Gold Project and Boungou South Gold Prospect.

#### **About JOGMEC**

Japan Oil, Gas and Metals National Corporation (JOGMEC) were established in 2004. JOGMEC is Government owned and integrates the functions of the former Japan National Oil Corporation, which was in charge of securing a stable supply of oil and natural gas and the former Metal Mining Agency of Japan, which was in charge of ensuring a stable supply of nonferrous metal and mineral resources and implementing mine pollution control measures. It has an annual budget of around 1,564 billion yen (\$18B) and provides financial assistance, technology development and technical support to Japanese companies and their foreign subsidiaries.



**Figure 1: Vital Metals Project Locations**

**Table 1: Watershed Mineral Resource Estimates**

WO <sub>3</sub> % Cut off	Measured		Indicated		Inferred		Combined		
	Mt	WO <sub>3</sub> %	Mt	WO <sub>3</sub> %	Mt	WO <sub>3</sub> %	Mt	WO <sub>3</sub> %	WO <sub>3</sub> % Tonnes
0.05	9.47	0.16	28.36	0.14	11.49	0.15	49.32	0.14	70,400
0.1	4.42	0.25	11.51	0.24	4.73	0.26	20.66	0.25	50,700
0.15	2.69	0.34	6.66	0.32	2.83	0.35	12.18	0.33	40,400
0.2	1.93	0.41	4.56	0.39	2.05	0.41	8.53	0.40	34,100
0.3	1.09	0.53	2.40	0.52	1.17	0.54	4.66	0.53	24,600