



ACN 112 032 596

Notice of Annual General Meeting and Explanatory Statement

**Annual General Meeting to be held at
The Subiaco Hotel, Upstairs Function Room, 465 Hay Street, Subiaco WA 6008
on 24 November 2010 commencing at 2.00 pm (WST).**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Corporate Directory

Directors	David Macoboy (Non-Executive Chairman) Howard Carr (Managing Director) Andrew Simpson (Non-Executive Director) Peter Cordin (Non-Executive Director)
Secretary	Graeme Smith
Registered Office	23 Altona Street West Perth, WA 6005 Telephone: (61 8) 9436 9644 Facsimile: (61 8) 9385 5782 Email: vital@vitalmetals.com.au Website: www.vitalmetals.com.au
Auditor	KPMG 235 St Georges Terrace Perth WA 6000
Lawyers	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth, WA 6000
Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross, WA 6153 Telephone: (61 8) 9315 2333 Facsimile: (61 8) 9315 2233
ASX Code	VML

Notice of Annual General Meeting

The 2010 Annual General Meeting of Vital Metals Ltd will be held at the Subiaco Hotel, Upstairs Function Room, 465 Hay Street, Subiaco WA 6008 on 24 November 2010 commencing at 2.00 pm (WST).

Ordinary Business

1 Financial statements and reports

Period 1 July 2009 to 30 June 2010

To receive and consider the Annual Financial Report, together with the Directors' and Auditor's Reports for the year ending 30 June 2010.

2 Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for all purposes, Shareholders adopt the Remuneration Report set out in the Directors' Report for the year ending 30 June 2010.”

Please note that the vote on this resolution is advisory only, and does not bind the Directors or the Company.

3 Resolution 2: Election of David Macoboy

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for all purposes, David Macoboy, who was appointed to the Board since the last Annual General Meeting of the Company is elected as a Director.”

4 Resolution 3: Election of Howard Carr

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for all purposes, Howard Carr, who was appointed to the Board since the last Annual General Meeting of the Company is elected as a Director.”

5 Resolution 4: Re-election of Peter Cordin

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for all purposes, Peter Cordin, who retires and offers himself for re-election, is re-elected as a Director.”

6 Resolution 5: Ratification of Allotment and Issue of Shares – ASX Listing Rule 7.4

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purpose of Listing Rule 7.4 of the Listing Rules of the ASX and for all other purposes, the Company approves and ratifies the allotment and issue of 12,500,000 Shares issued on terms and conditions set out in the Explanatory Statement accompanying this Notice to persons who are not related parties of the Company.”

Short Explanation: Under ASX Listing Rule 7.4, a Company may seek Shareholder approval to ratify an issue of securities provided that the issue does not fall within one of the exceptions to

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Listing Rule 7.1 and did not breach the 15% restriction contained in Listing Rule 7.1. This resolution, if approved, will allow the Company to have the flexibility to make future issues of securities up to the threshold of 15% of its total equity securities in any 12 month period. Please refer to the Explanatory Statement for details.

Voting Exclusion Statement

The Company will, in accordance with the Listing Rules of the ASX, disregard any votes cast on Resolution 5 by any person who participated in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Statement

The Explanatory Statement accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice of Annual General Meeting and Explanatory Statement.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

“Snap-shot” Time

The Company may specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Company’s directors have determined that all shares of the Company that are quoted on ASX at 5.00pm (WST) on 22 November 2010 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.

Corporate Representative

Any Corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative. An appointment of Corporate Representative form is enclosed if required.

Notice of Annual General Meeting

By Order of the Board of Directors



Graeme Smith
Company Secretary
Vital Metals Ltd

25 October 2010

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2010 Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

Financial statements and reports

The Annual Financial Report, Directors' Report and Auditor's Report for the Company for the year ending 30 June 2010 will be laid before the meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

In addition to taking questions at the meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- the preparation and content of the Auditor's Report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit

may be submitted no later than 17 November 2010 to:

Mr Trevor Hart

KPMG

235 St Georges Terrace

Perth WA 6000

Telephone: (61 8) 9263 7171

Facsimile: (61 8) 9263 7129

Resolution 1: Adoption of Remuneration Report (non-binding)

The Remuneration Report of the Company for the financial year ending 2010 is set out in the Director's Report of the Company's Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the meeting. Shareholders should note that the vote on this resolution is advisory only and does not bind the Company or the Directors.

Explanatory Statement

Resolutions 2 and 3: Election of David Macoboy and Howard Carr

Clause 7.3 of the Constitution requires that any Director appointed by the Board, either to fill a casual vacancy or as an addition to the Board, must retire at the next Annual General Meeting following his or her appointment, but is eligible for election at that Annual General Meeting.

Mr Macoboy and Mr Carr were appointed on 6 January 2010 and 25 March 2010 (respectively). Accordingly, Mr Macoboy and Mr Carr retire at the Annual General Meeting and offer themselves for election. Details in relation to Mr Macoboy and Mr Carr are set out in the 2010 Annual Report of the Company available at www.vitalmetals.com.au.

Resolution 4: Re-election of Peter Cordin

In accordance with Listing Rule 14.4 and clause 7.3(a) of the Constitution, at every Annual General Meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Accordingly, Mr Cordin retires and offers himself for re-election. Details in relation to Mr Cordin are set out in the 2010 Annual Report of the Company available at www.vitalmetals.com.au.

Resolution 5: Ratification of Allotment and Issue of Shares – ASX Listing Rule 7.4

Resolution 5 of the Notice of Annual General Meeting proposes the ratification of the allotment and issue on 17 May 2010 of 12,500,000 Shares in the capital of the Company at a issue price of \$0.08 each.

ASX Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such a ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

Resolution 5 is required to be approved in accordance with ASX Listing Rule 7.4 to ratify previous issues of securities. The Company confirms that the issue and allotment of the securities the subject of Resolution 5 did not breach ASX Listing Rule 7.1.

Listing Rule 7.5 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.4 and the following information is included in this Explanatory Statement for that purpose:

- (a) 12,500,000 Shares were issued by the Company;
- (b) the issue price per share was \$0.08;
- (c) the funds raised from this placement have been or will be applied to exploration activities in Burkina Faso West Africa and North Queensland Australia and for working capital purposes;
- (d) the Shares were allotted to clients of Melbourne Capital Limited;
- (e) the Shares rank equally with the existing Shares,
- (f) \$1,000,000 (before costs) was raised by this placement; and
- (g) a voting exclusion statement is included in this Notice.

Explanatory Statement

GLOSSARY

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

Annexure	The annexure to this Explanatory Statement.
ASX	ASX Limited.
Board	The board of Directors.
Company	Vital Metals Ltd (ACN 112 032 596).
Constitution	The constitution of the Company.
Corporations Act	Corporations Act 2001 (Cth).
Director	A director of the Company.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A shareholder of the Company.
WST	Western Standard Time.

Vital Metals Ltd
ACN 112 032 596

Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Name (if different from above):

Appointment of Proxy

I/We being a shareholder/s of Vital Metals Ltd and entitled to attend and vote hereby appoint

The Chairman
of the meeting

(mark with an 'X')

OR

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Vital Metals Ltd to be held at the Subiaco Hotel, Upstairs Function Room, 465 Hay Street, Subiaco WA 6008 on 24 November 2010 at 2.00 pm (WST) and at any adjournment of that meeting.



IMPORTANT

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box with an 'X'. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by him, other than as a proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolutions and your votes will not be counted in computing the required majority if a poll is called. The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.

Voting directions to your proxy – please mark to indicate your directions

Ordinary Business

Resolution 1. Adoption of Remuneration Report (non-binding)

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 2. Election of David Macoboy

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 3. Election of Howard Carr

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 4. Re-election of Peter Cordin

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 5. Ratification of Allotment and Issue of Shares

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointment of a second proxy (see instructions overleaf).

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form.

PLEASE SIGN HERE This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1

Sole Director and
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

How to complete this Proxy Form

Your Name and Address

Please print your name and address as it appears on your holding statement and the company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Graeme Smith on (08) 9389 2124 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Signing Instructions

You must sign this form as follows in the spaces provided:

- | | |
|--------------------|--|
| Individual: | where the holding is in one name, the holder must sign. |
| Joint Holding: | where the holding is in more than one name, all of the shareholders should sign. |
| Power of Attorney: | to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it. |
| Companies: | where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. |

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate is either included in the Notice of Annual General Meeting or may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. i.e. no later than 2.00 pm (WST) on 22 November 2010. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the company's registered office at 23 Altona Street, West Perth WA 6005 or sent by facsimile to the registered office on (08) 9389 2199.



Appointment of Corporate Representative

Vital Metals Ltd
ACN 112 032 596

Shareholder Details

This is to certify that by a resolution of the Directors of:

..... (Company),
Insert name of shareholder company

the Company has appointed:

.....,
Insert name of corporate representative

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that company at the meeting of the members of Vital Metals Limited to be held on 24 November 2010 at 2.00 pm and at any adjournments of that meeting/all meetings of the members of Vital Metals Limited.

DATED 2010

Please sign here

Executed by the Company)
in accordance with its constituent documents)
)

.....
Signed by authorised representative

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

.....
Position of authorised representative (print)

Instructions for Completion

1. Insert name of appointor Company and the name or position of the appointee (eg "John Smith" or "each director of the Company").
2. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
3. Print the name and position (eg director) of each company officer who signs this Certificate on behalf of the company.
4. Insert the date of execution where indicated.
5. Send or deliver the Certificate to Vital Metals Ltd's registered office at 23 Altona Street, West Perth WA 6005 or fax the Certificate to the registered office at (61 8) 9389 2199.