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The Directors
Vital Metals Ltd
45 Ventnor Avenue
West Perth WA 6005

Our ref Vital 0605 EngLtr0410-PAL
Contact Trevor R Hart (+61 (8) 9263 7110)

4 October 2005

Dear Sirs

In accordance with a letter dated 28 September 2005 from the Australian Stock Exchange (ASX), the Company is required to provide an update on the impact on the Company's financial statements of the International Financial Reporting Standards (IFRS).

At note 13 of the financial information section of the Vital Metals Limited prospectus, the company has set out which areas of IFRS would potentially impact the Company's statement and proforma statement of financial position and proceeded to quantify nil impact.

By way of update, and consistent with my investigating accountants report, I confirm that nothing has come to our attention which causes us to believe that the reconciliation to IFRS do not present fairly the differences of nil between the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia effective as at the date of this letter and those prescribed in IFRS, relevant to Vital.

Yours sincerely

Trevor Hart
Partner