



**ASX / Media Announcement
20 January 2012**

**FURTHER HIGH GRADE GOLD ASSAY RESULTS FROM
DRILLING AT THE KOLLO GOLD PROSPECT, BURKINA FASO**

Highlights

- Drilling continues to intersect high grade gold mineralisation at the Kollo Gold Prospect.
- Gold mineralisation is shallow, less than 100m and open at depth and along strike.
- Significant results received for infill drilling on the Kollo Gold Prospect include:
 - **4m @ 6.29 g/t** gold from 78m (KRC249);
 - **3m @ 6.41 g/t** gold from 88m (KRC262);
 - **8m @ 3.62 g/t** gold from 15m (KRC266).

Vital Metals Ltd (Vital) (ASX: VML) is pleased to announce that it has received gold assay results for an additional 16 holes 1,745m from the recently completed 51 Hole 5,530m RC drilling program in Burkina Faso (Refer to ASX release 30/01/2012).

The drill program is targeting shallow high grade gold mineralisation at the Kollo Gold Prospect, located on the Doulnia Tenement (Vital 60%, Ampella 40%) in Burkina Faso.

Doulnia is part of Vital's 850 sq km tenement package that contains significant strike length of Birimian Greenstones and is favourably located next to the Markoye Fault Corridor and Bole shear zone which are proven gold systems and host multi-million ounce deposits.



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The most significant gold intercepts received for these 16 holes are from KRC 249 and KRC266, which reported **4m @ 6.29 g/t** gold from 78m and **8m @ 3.62 g/t** gold from 15m respectively. A full listing of drilling results can be found in Figure 3 and Table 1.

Previous drilling results from Kollo have included, **18m @ 2.95 g/t** gold from 37m (KRC001)¹, **31m @ 3.19 g/t** gold from 34m (KRC019)¹ and **44m @ 6.39 g/t** gold from 8m which included **4m @ 58 g/t** gold from 24m (KRC210)².

The latest drilling on the Kollo trend (which has a strike of around 2.5km) has been focussed on the Kollo South, Kollo Central and Kollo North areas with the aim of bringing the drill spacing in these areas to a nominal 50m by 50m spacing. Significantly the balance of the Kollo trend is untested by drilling.

Vital expects that the balance of assays from the RC drilling program will be received before the end of February or early March. Once these results are received Vital will commence work on interpreting the data and completing geological modelling of the gold mineralisation.

Vital's Exploration team is completing geochemical sampling program on a number of gold targets on the Kampala tenement. Planning has also commenced on the next drilling program and with the drilling season having just commenced there remains sufficient time to complete further drilling once all results have been received and interpreted.

ENDS

For further details, refer to the company's website, www.vitalmetals.com.au:

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Competent Person's Statement

The information in this announcement that relates to exploration results and mineralisation is based on information compiled by Mr Mark Strizek, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Strizek is an employee of the company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 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 the information in the form and context in which it appears.

¹ Reported Previously 25/05/2010

² Reported Previously 04/08/2011

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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 will earn 30% of the Project for \$5.4M. The funds are being used to complete a Definitive Feasibility Study (DFS) which is scheduled for completion in Q4 2012.

Doulnia Gold Project – Burkina Faso

In November 2009, Vital entered into a farm-in agreement with Ampella Mining Ltd to earn up to 80% of the Doulnia Gold Project in southern Burkina Faso, West Africa. Vital has completed a comprehensive review of previous exploration and the regional to local geophysical, structural, geological and geochemical attributes of the Project. Vital has expanded its landholding adjacent to the Doulnia farm-in area, and to-date has been granted the Mediga and Zeko exploration tenements (100%).

About JOGMEC

Japan Oil, Gas and Metals National Corporation (JOGMEC) was 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 partners.



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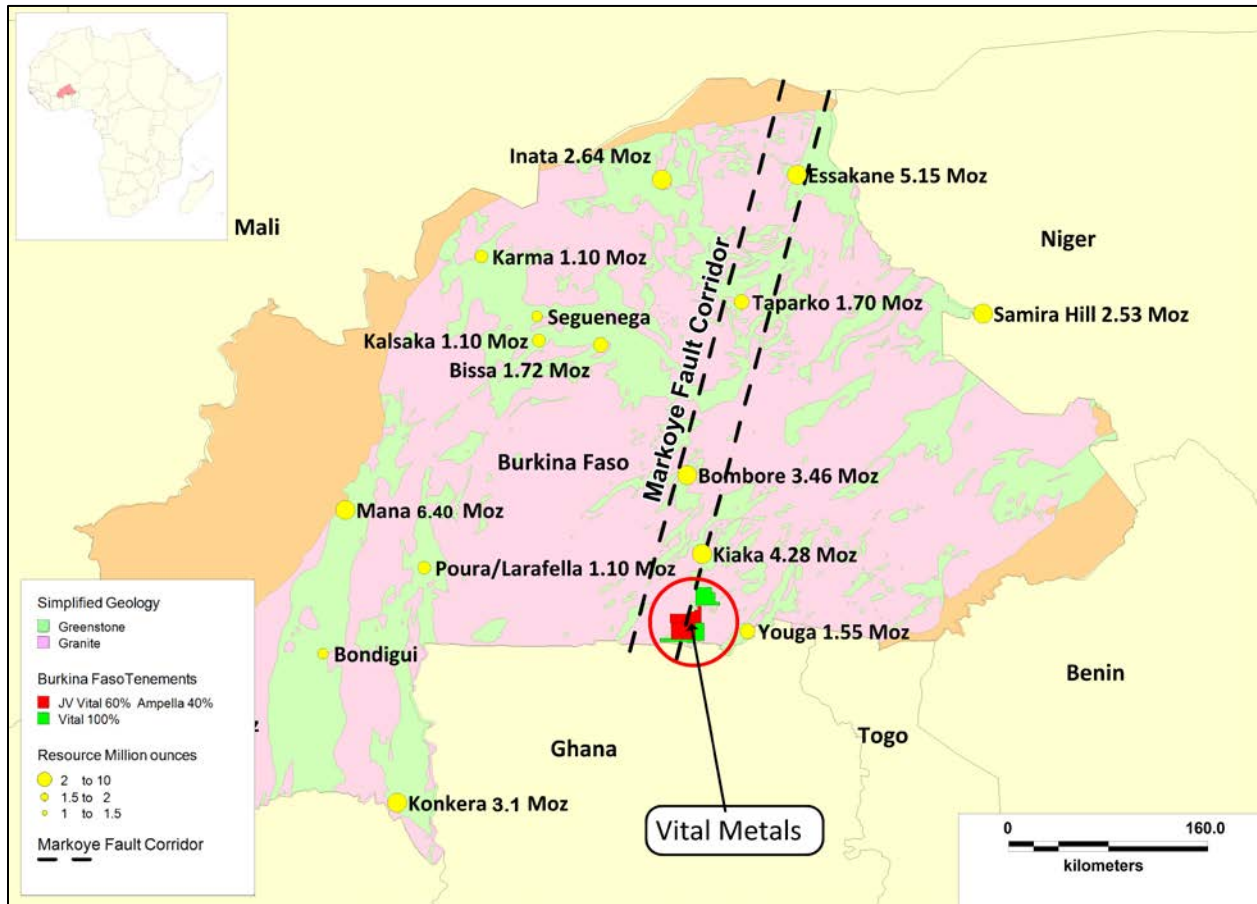


Figure 1: Location of Vital Metals tenements in Burkina Faso

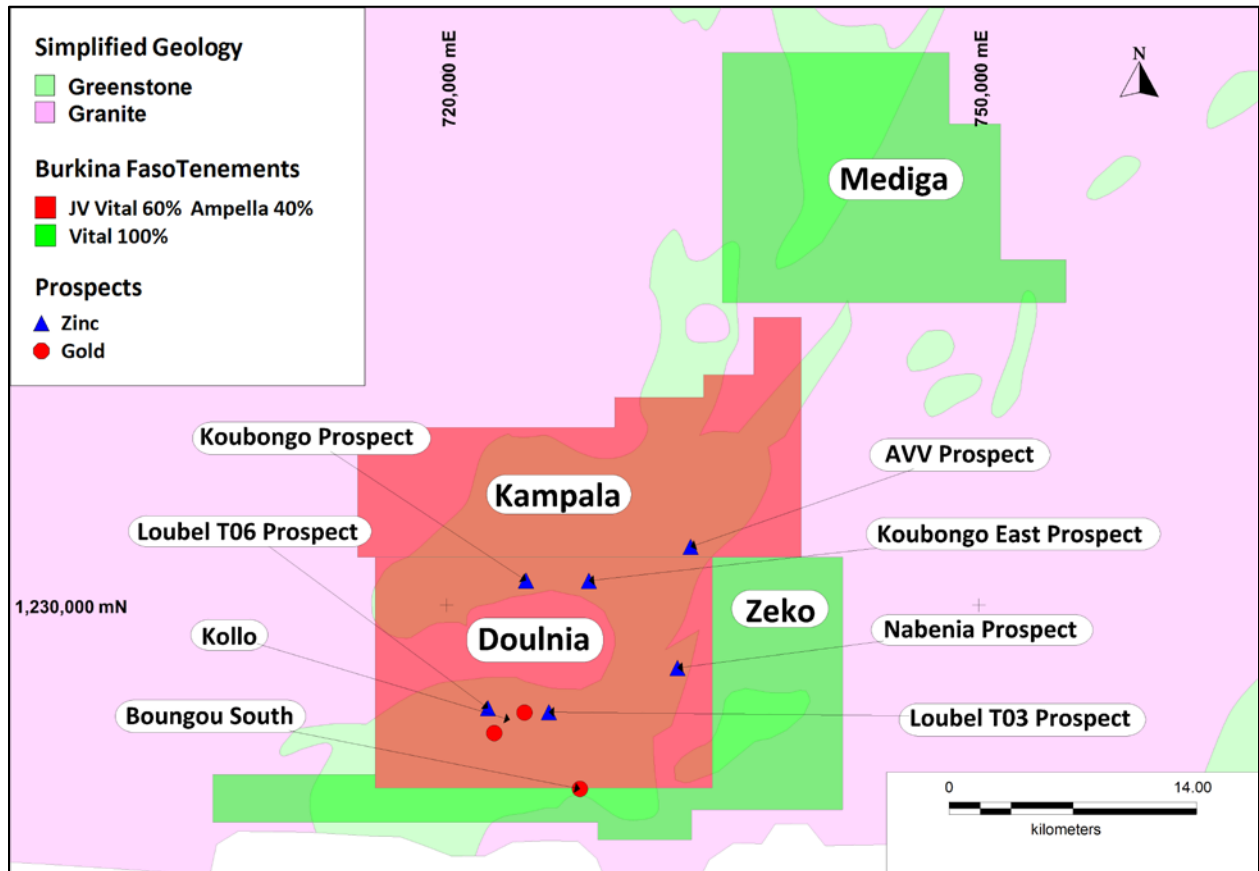


Figure 2: Location of Vital Metals tenements and prospects in Burkina Faso

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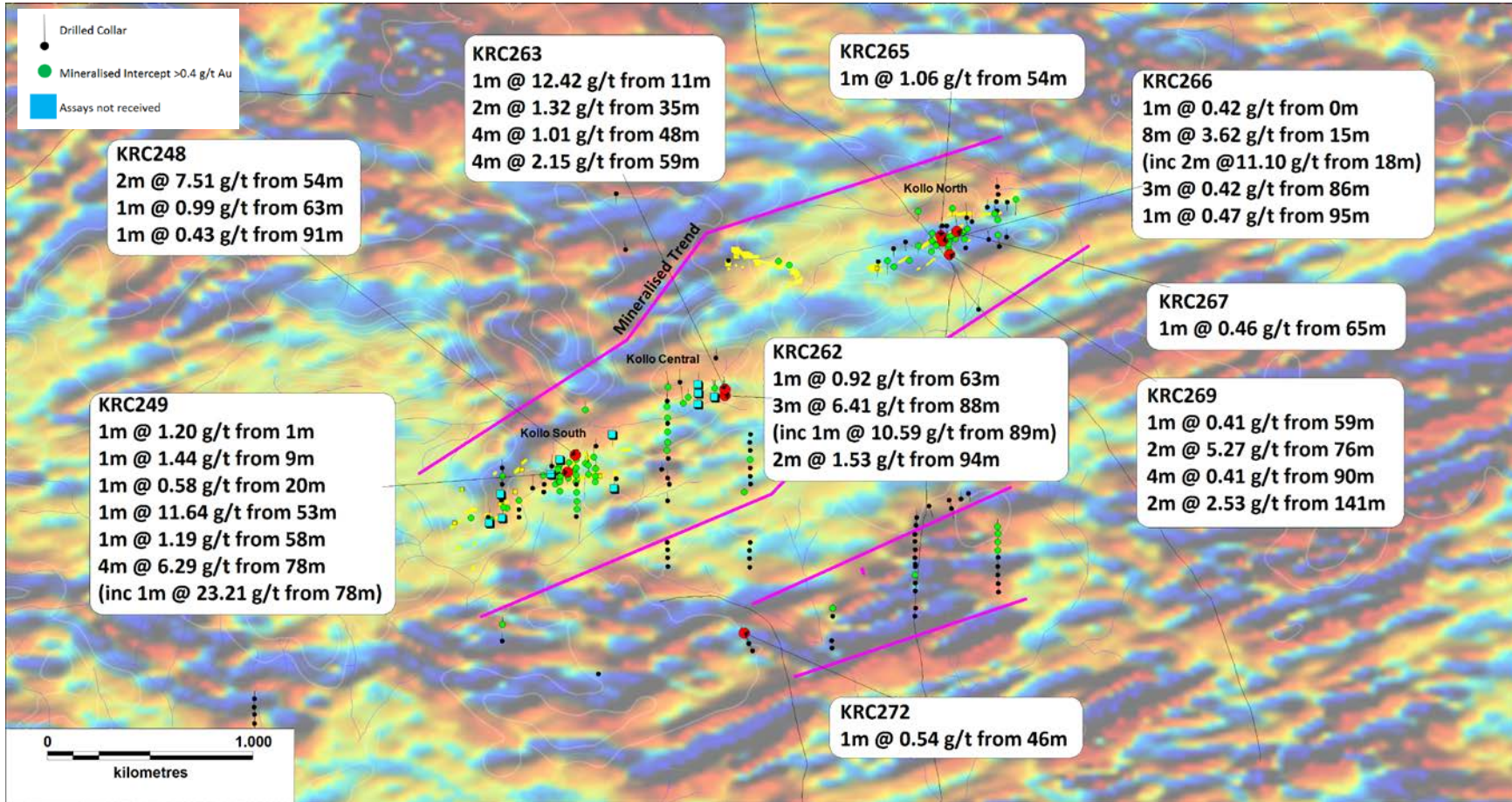


Figure 3: Kollo drilling showing reported intersections with gridded magnetic data

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Table 1: Kollo gold intercepts

BHID	DIP	Azimuth (UTM)	Depth	From (m)	To (m)	Intersection Length (m)	Gold Assay (g/t)	Gold Intersection
KRC248	-55	180	120	54	56	2	7.51	2m @ 7.51 g/t from 54m
				63	64	1	0.99	1m @ 0.99 g/t from 63m
				91	92	1	0.43	1m @ 0.43 g/t from 91m
KRC249	-55	180	100	1	2	1	1.20	1m @ 1.20 g/t from 1m
				9	10	1	1.44	1m @ 1.44 g/t from 9m
				20	21	1	0.58	1m @ 0.58 g/t from 20m
				53	54	1	11.64	1m @ 11.64 g/t from 53m
				58	59	1	1.19	1m @ 1.19 g/t from 58m
				78	82	4	6.29	4m @ 6.29 g/t from 78m (inc 1m @ 23.21 g/t from 78m)
KRC250	-55	360	100	-	-	-	NSI	
KRC262	-55	360	120	63	64	1	0.92	1m @ 0.92 g/t from 63m
				88	91	3	6.41	3m @ 6.41 g/t from 88m (inc 1m @ 10.59 g/t from 89m)
				94	96	2	1.53	2m @ 1.53 g/t from 94m
KRC263	-55	360	101	11	12	1	12.42	1m @ 12.42 g/t from 11m
				35	37	2	1.33	2m @ 1.33 g/t from 35m
				48	52	4	1.01	4m @ 1.01 g/t from 48m
				59	63	4	2.15	4m @ 2.15 g/t from 59m
KRC264	-55	180	132	-	-	-	NSI	
KRC265	-55	360	82	54	55	1	1.06	1m @ 1.06 g/t from 54m
KRC266	-55	360	120	0	1	1	0.42	1m @ 0.42 g/t from 0m
				15	23	8	3.62	8m @ 3.62 g/t from 15m (inc 2m @ 11.10 g/t from 18m)
				86	89	3	0.42	3m @ 0.42 g/t from 86m
				95	96	1	0.47	1m @ 0.47 g/t from 95m
KRC267	-55	360	130	65	66	1	0.46	1m @ 0.46 g/t from 65m
KRC268	-55	360	120	-	-	-	-	NSI
KRC269	-55	360	150	59	60	1	0.41	1m @ 0.41 g/t from 59m
				76	78	2	5.27	2m @ 5.27 g/t from 76m
				90	94	4	0.41	4m @ 0.41 g/t from 90m
				141	143	2	2.53	2m @ 2.53 g/t from 141m
KRC270	-55	180	50	-	-	-	-	NSI
KRC271	-55	360	120	-	-	-	-	NSI
KRC272	-55	340	60	46	47	1	0.54	1m @ 0.54 g/t from 46m

BHID	DIP	Azimuth (UTM)	Depth	From (m)	To (m)	Intersection Length (m)	Gold Assay (g/t)	Gold Intersection
KRC273	-55	340	110	-	-	-	-	NSI
KRC274	-55	340	130	-	-	-	-	NSI

Table 1 presents the complete list of drill collars and mineralised gold intercepts obtained from 1m samples. Mineralised intercepts calculated with a 0.4 g/t gold cut-off grade and maximum of 4m internal dilution. Results reported are for drilling and assaying completed since 21 November 2011 and received and validated prior to date of this release. The RC chips were assayed by Fire Assay at BIGS Global Laboratories in Ouagadougou using a 50g charge. Vital inserted QA/QC reference material samples (blanks and gold standards) at regular intervals of not less than one in 20 for all batches of samples.

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