
Vital Metals Hits High Grade Gold at Doulnia in West Africa – Quartz Reef Shows Values of 23.5 g/t

Summary

Vital Metals has encountered high-grade gold mineralisation in an exposed quartz reef system at its new gold project - Doulnia/Campala in Burkina Faso, West Africa.

Assaying of a batch of hand-crushed vein material from shallow surface diggings about one kilometre south of the Kollo South prospect returned an assay of 23.5 g/t Au. The material was derived from manual excavations carried out by a small group of local 'artisanal' miners. 'Kollo South' prospect is situated within the Doulnia Exploration Permit.

This encouraging result complements earlier excellent gold results obtained by Vital staff during the initial evaluation visit in early September. Grab sampling of sub-outcropping east-north-east trending quartz veins at Kollo South and Kollo North prospects, returned gold analyses of 6.73, 3.42, and 6.00 grams per tonne (g/t) Au.

Vital is preparing to drill test identified targets at the Kollo prospects and elsewhere in early 2010.

Background

As reported in an announcement to the ASX on 19 November 2009, Vital has entered into a farm-in Agreement with Ampella Mining Ltd, whereby Vital may earn up to 80 per cent equity in the Doulnia and Campala Permits in Burkina Faso, West Africa, by sole funding the first A\$3.5 million of expenditure and carrying the project to pre-feasibility stage.

Vital will expend around \$300 000 on soil sampling, trenching and RC drilling in the first quarter of 2010 to satisfy its initial obligations to the Ampella farm-in agreement. At this point the company will decide whether to proceed with more intensive exploration, or not.

The project is situated about 180km south of Ouagadougou, the capital of Burkina Faso.

The Doulnia and Campala exploration permits cover a combined area of 463 square kilometres. Previous work by the UNDP, BRGM, Incanore Resources and Anmercosa (Anglo American) established the prospectivity of the Project area for Volcanogenic Massive Sulfide-style (VMS) zinc-silver deposits. A drill intercept of 164 metres at 0.47 per cent Zn was achieved by Anmercosa.

The potential for these Permits to host significant gold mineralisation was identified in early 2008, following a re-interpretation of existing airborne geophysics (aeromagnetics and EM) and geological and structural mapping by Ampella Mining. Coincident EM conductors, major shear zones, sub-outcropping quartz veins and gold-in-soil geochemical anomalies were tested by Ampella with trenching and rock-chip sampling at the Kollo North and Kollo South prospects, situated within the southern Doulnia Permit.

Ampella re-interpreted soil geochemistry data from previous exploration within an area of 7.5 km by 3 km. This resulted in the definition of 14 gold-in-soil anomalies exceeding 250 ppb Au, aggregating to 530,000 square metres in surface area. Four trenches across the Kollo South prospect exposed multiple quartz veins trending east-north-east (ENE), parallel to the regional foliation. The best gold result from these trenches was ten metres at 7.87g/t Au.

Since this work was completed Ampella has subsequently focused entirely on its world-class Batie West project in south-western Burkina Faso, and no more work was conducted at Doulunia prior to Vital's farm-in.

Vital has completed a review of the controls on gold mineralisation in the West African Birimian greenstone belts since conducting its initial field inspection. This review identified strong regional-to-local scale, structural, geological and geochemical similarities between Doulunia and known Birimian gold deposits in this region of West Africa, and highlighted the gold prospectivity of previously untested NW trending structures within the Doulunia project area.

Vital's most recent field investigation identified repetitions and extensions of known east-north-east trending quartz veins around 1km south of the Kollo South mineralisation. New extensions of artisanal workings have exposed two sub-outcropping quartz veins between 0.10 and 0.75m wide over a strike length of around 150m.

A sub-sample, taken by Vital, of a batch of hand-crushed quartz vein material (ready for gold panning) from this 'artisanal operation' returned a gold assay of **23.5 g/t Au**. This result is significant as the collected sub-sample is not a rock-chip grabbed from a single location, but is representative of around 50 metres of exposed quartz veins currently being mined by artisans. Further, it confirms that the Kollo district is characterised by repetitions of high grade vein sets over several square kilometres. An initial soil sampling and trenching program over identified ENE and NW trending structures is scheduled ahead of a first-stage drilling campaign in early in 2010.

These encouraging early results suggest Doulunia may well host a significant greenfield gold system, and justifies our belief in targeting bulk tonnage gold deposits in Burkina Faso.

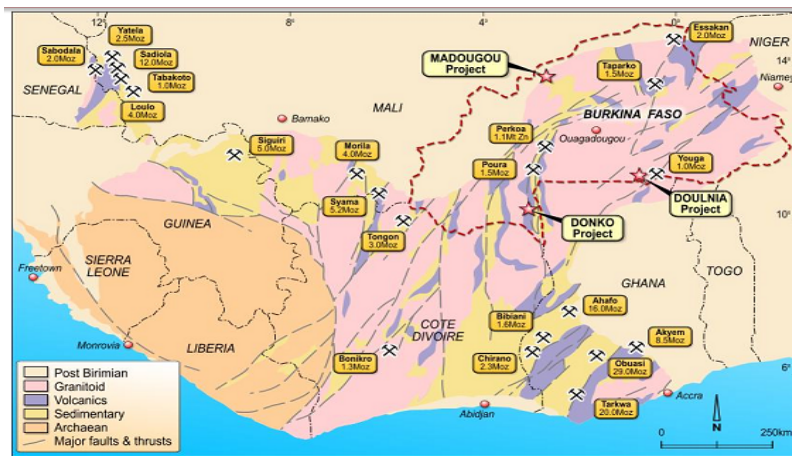
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Gold Occurrences in West Africa – including Burkina Faso

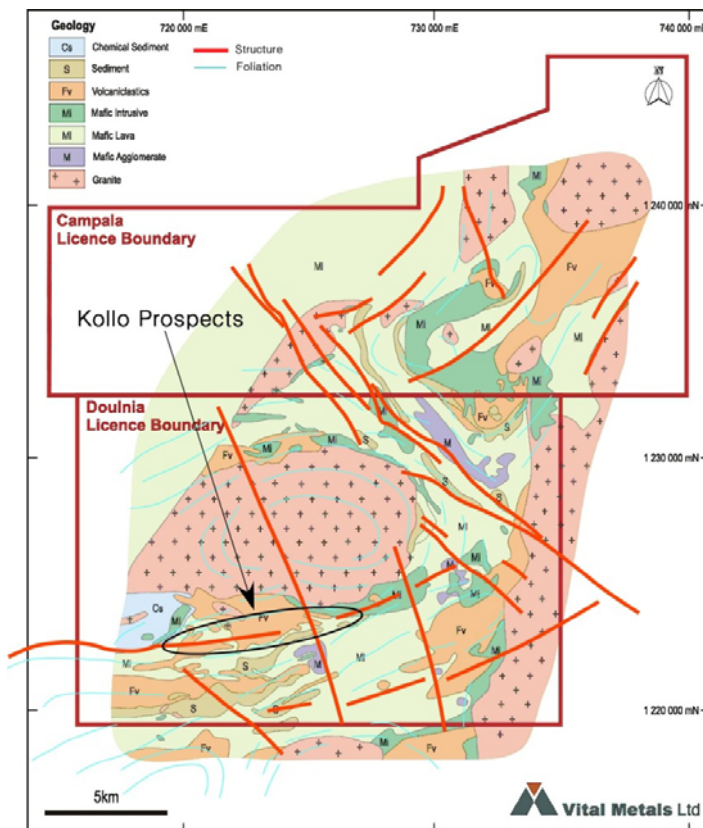


Figure 2 - Doulnia/Campala Project - Geological Setting

Doulnia Project; Permit Boundaries, Geology, Structure and Kollo Prospects.

Note: "The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Bruce Arthur Pertzel, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Pertzel is an employee of Vital Metals Ltd 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 Pertzel consents to the inclusion in the report of the matters based on his information in the form and context in which it appears."

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