

ASX / Media Announcement 3 August 2011

BEST GOLD INTERCEPT YET AT DOULNIA GOLD PROJECT

- **Vital Metals is pleased to report that the latest round of gold assay results from the phase 2 drilling at the Company's Doulnia Gold Project in Burkina Faso, West Africa includes a project best intercept of 4m at 58.03 g/t gold from 24m (KRC210):**
 - **Significant intercepts from the phase 2 drilling include:**
 - **44m at 6.39 g/t gold from 8m (KRC210) – including 4m at 58.03 g/t gold from 24m**
 - **4m at 3.70 g/t gold from 56m (KRC209)**
 - **8m at 2.29 g/t gold from 20m (KRC212)**
 - **4m at 1.95 g/t gold from 8m (KRC146)**
 - **4m at 1.58 g/t gold from 32m (KRC195)**
 - **12m at 1.03 g/t gold from 64m (KRC210)**

West African gold explorer and tungsten developer (Queensland), Vital Metals Ltd (Vital) (ASX: VML) and Farm In Partner Ampella Mining Limited (ASX: AMX) are pleased to provide an update on exploration progress at the Doulnia Gold Project in Burkina Faso.

Exploration Results

Since the last update on 09 June 2011 (that reported drill results from 30 holes), the Phase 2 drilling program has been completed; with a total of 60 holes being drilled for 5,520 metres. Sampling of the RC drilling has been undertaken by Vitals' geology team with all of the four metre composite samples submitted to BIGS Global Burkina SARL in Ouagadougou for fire analysis last month. The assay results reported are from 45 of the 60 holes drilled since 31/05/2011. Final assay reports are still outstanding for the remaining 15 holes.

The drilling has been focused around the Kollo area, located on the Doulnia Tenement (Figure 1) which is part of the Doulnia Joint Venture in Burkina Faso. Drilling has been targeting geochemical anomalies, and infill and step out drilling around known areas of mineralisation.

Vital's CEO, Mark Strizek said the team is very excited about these assay results and in particular the results from KRC210 (Figure 2) which has confirmed and extended the gold mineralisation identified in holes KRC001 and KRC001R (previously reported on 25/5/2010 and 24/03/2011 respectively).

"Importantly, gold mineralisation is not just hosted in quartz veins, but also in a quartz feldspar porphyry unit which provides the potential for the area to host significant tonnages," he said.

Further drilling will be required to test the extent of the gold mineralisation system (Figure 3) which is open along strike (2 – 3km) and at depth.

Once the final assay results are received, Vital intends to combine all existing geological data and refine the exploration model which will be used to plan the next phase of drilling. Prior to the next drilling program, should conditions warrant, a near term campaign including field mapping rock face exposures and artisanal workings will be undertaken to inform follow-up drilling of the positive results from the phase 2 program.

Farm-in Milestone

Vital is on track to meet the first farm-in milestone, with expenditure of AUD1.5M to secure a 60% interest in the Doulnia Gold Project Joint Venture with Ampella. This significant milestone is expected to be reached in the current quarter. Vital has the option to earn a 70% interest in the Joint Venture through spending AUD3.5M; while sole funding a Project Bankable Feasibility Study will earn Vital an 80% interest in the Project.

ENDS

Competent Person's Statement

The information in this announcement that relates to exploration results 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.

About Vital Metals

Vital Metals Ltd (ASX: VML) is a high-value in-use metal explorer and developer, focused on progressing two highly prospective mineral projects:

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 can earn 30% of the Project for \$5.4M over 2 years. The funds will be used to complete a BFS (Bankable Feasibility Study). The Company has also been progressing environmental approvals for Watershed, which is being assessed under the EIS process.

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 also applied for two exploration tenements (100%) adjacent to the farm-in area.

Project Locations



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

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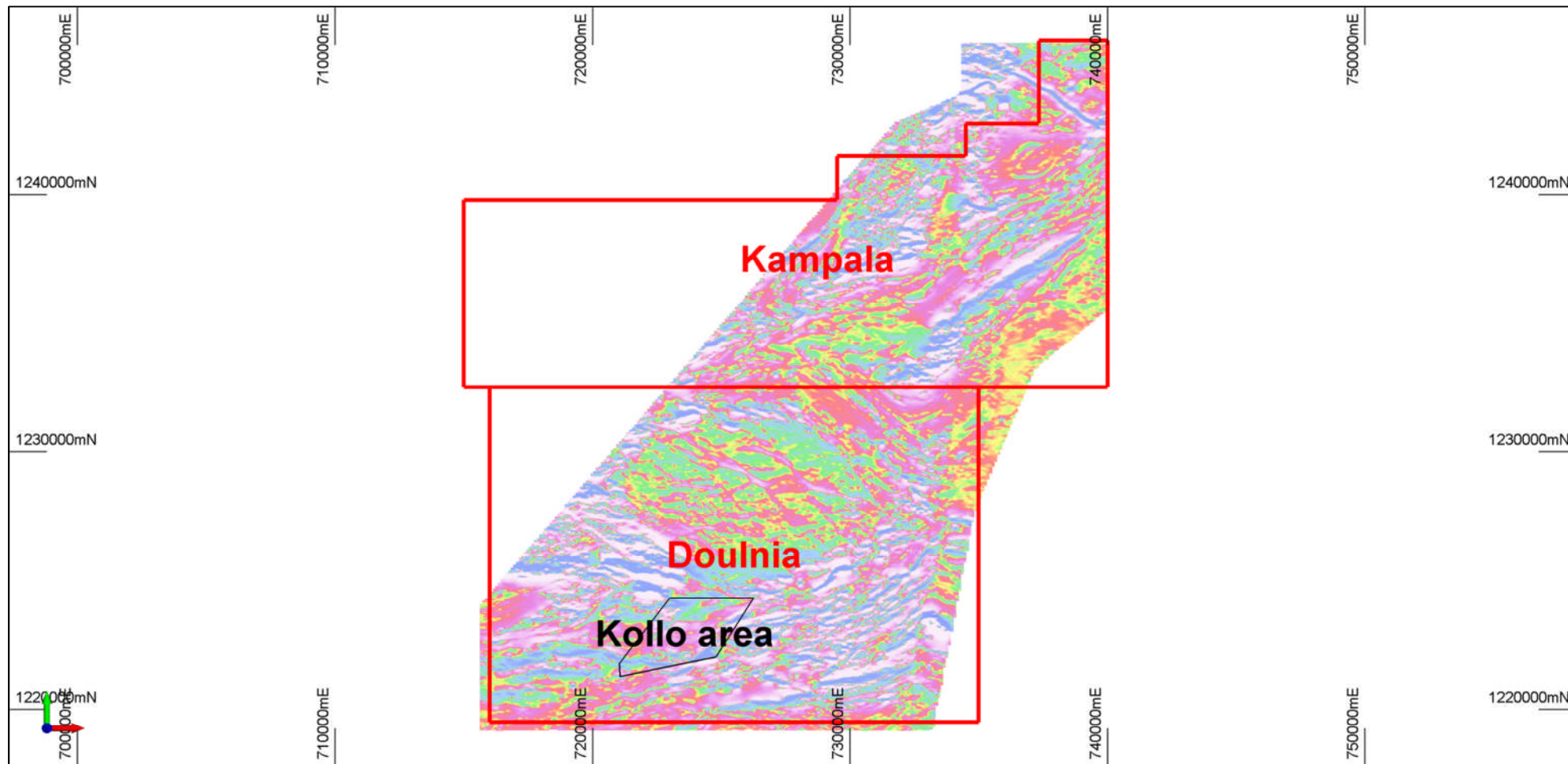


Figure 1: Location of the Doulnia Joint Venture area (Doulnia and Kampala exploration tenements) and the Kollo area overlying airborne magentic 1vd image.

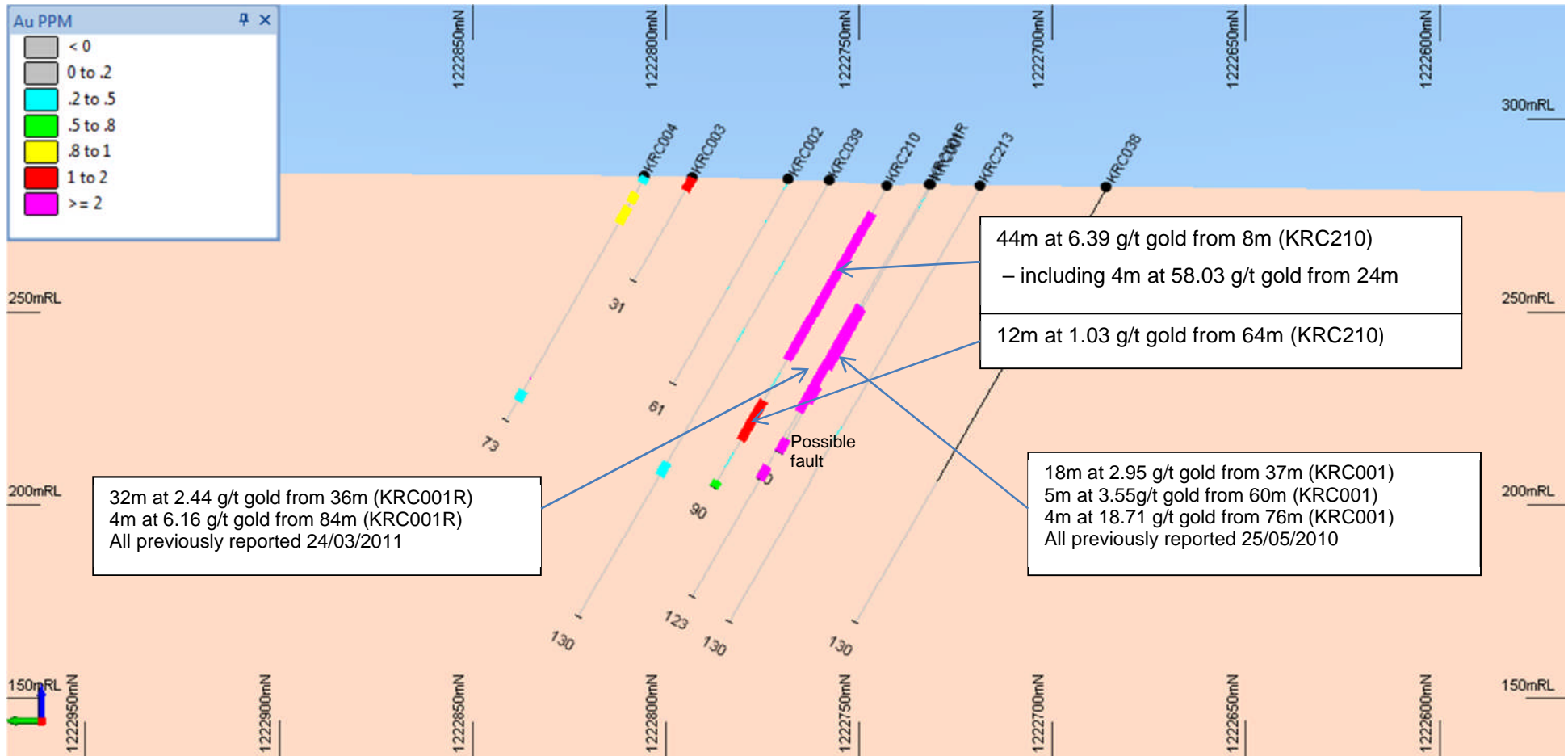


Figure 2 – Cross section KRC001 (+/- 20m) showing latest gold mineralisation intercept from KRC210 (44m at 6.39 g/t gold from 8m) and relationship to existing drilling.

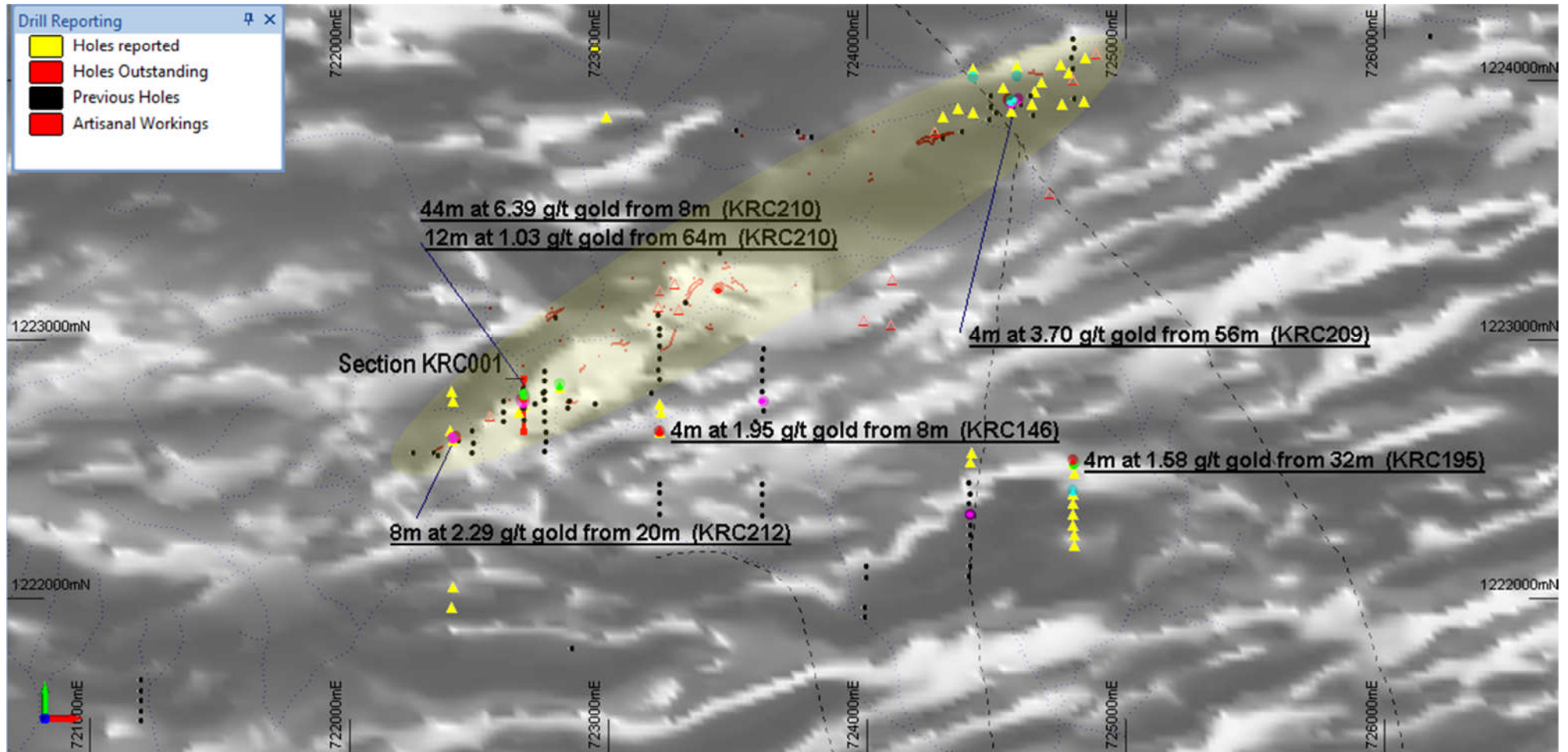


Figure 3 – Map showing significant RC intercepts from the Kollo prospect with grey shaded aeromagnetic 1VD as background showing north east trend of magnetic fabric, trend of artisanal workings and mineralisation.

Table 1: Gold Assays for Exploration Drilling at Kollo prospect

Hole ID	East UTM WGS84	North UTM WGS84	Depth (m)	Azimuth	Dip	From (m)	To (m)	Interval (m)	Grade (g/t Au)
KRC046	722,395	1,222,643	84	360	-60				NSI
KRC093	724,639	1,223,907	78	0	-60				NSI
KRC130	722,400	1,221,960	75	0	-60				NSI
KRC132	722,401	1,222,040	75	0	-60				NSI
KRC135	722,401	1,222,759	78	0	-60				NSI
KRC136	722,400	1,222,799	84	0	-60				NSI
KRC146	723,200	1,222,640	75	0	-60	8	12	4	1.95
KRC147	723,200	1,222,640	75	0	-60				NSI
KRC148	723,209	1,222,719	78	0	-60				NSI
KRC149	723,201	1,222,750	75	0	-60				NSI
KRC176	724,403	1,222,521	75	0	-60				NSI
KRC177	724,407	1,222,559	75	0	-60				NSI
KRC187	724,803	1,222,198	76	0	-60				NSI
KRC188	724,802	1,222,239	84	0	-60				NSI
KRC189	724,800	1,222,280	78	0	-60				NSI
KRC190	724,800	1,222,321	75	0	-60				NSI
KRC191	724,802	1,222,481	75	0	-60	72	75	3	0.78
KRC192	724,800	1,222,400	75	0	-60	24	32	8	0.43
KRC194	724,801	1,222,365	75	0	-60				NSI
KRC195	724,799	1,222,515	70	0	-60	32	36	4	1.58
KRC196	724,845	1,224,086	84	180	-60				NSI
KRC197	724,784	1,224,030	78	0	-60				NSI
KRC198	724,652	1,223,956	110	0	-60				NSI
KRC199	724,749	1,224,062	75	0	-60				NSI
KRC200	724,415	1,223,875	75	180	-60				NSI
KRC201	724,352	1,223,893	75	180	-60				NSI
KRC202	724,530	1,223,972	78	0	-60				NSI
KRC203	724,675	1,223,991	108	0	-60				NSI
KRC204	724,413	1,224,043	89	180	-60	56	60	4	0.48
KRC205	724,580	1,224,056	78	180	-60	72	78	6	0.45
KRC206	724,295	1,223,861	75	180	-60				NSI
KRC207	724,756	1,223,905	80	0	-60				NSI

Hole ID	East UTM WGS84	North UTM WGS84	Depth (m)	Azimuth	Dip	From (m)	To (m)	Interval (m)	Grade (g/t Au)
KRC208	724,842	1,223,918	84	0	-60				NSI
KRC209	724,561	1,223,882	110	0	-60	56	60	4	3.70
						76	80	4	0.41
KRC210	722,678	1,222,743	90	0	-60	8	52	44	6.39
						64	76	12	1.03
						88	90	2	0.58
KRC211	722,816	1,222,813	108	0	-60	16	28	12	0.54
						32	36	4	0.50
KRC212	722,406	1,222,607	78	0	-60	20	28	8	2.29
KRC213	722,656	1,222,719	130	0	-60				NSI
KRC214	722,997	1,223,857	84	0	-60				NSI
KRC215	722,952	1,224,127	90	180	-60				NSI

NSI = No Significant Intercept

Table 1 shows the complete list of mineralised gold intercepts from 4m sample composites.

Mineralised intercepts have been generated by applying a nominal 0.2 g/t Au lower cut-off grade.

Results reported are for drilling and assaying completed since 25 March 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.