

**ASX / Media Announcement**  
**23 December 2011**

## **VITAL METALS PROJECTS UPDATE – WATERSHED TUNGSTEN DFS AND BURKINA FASO EXPLORATION**

### **Highlights**

#### **Watershed**

- New spiral concentrate flowsheet shows significant improvement in scheelite recovery over previous test-work
- Diamond drilling program of 8 holes for 1,400m completed and core submitted for chemical analysis
- Environmental Consultants appointed to oversee update of Environmental Management Plan (EMP)

#### **Burkina Faso**

- Reverse circulation (RC) drill program completed over Kollo and Boungou South with assay results expected to be all in by late February 2012
- Field work conducted over Kampala gold anomalies in preparation for soil geochemistry program in Q1 2012

**Vital Metals Ltd (Vital) (ASX: VML)** is pleased to provide a summary on DFS activities at the Watershed Tungsten Project and the gold exploration program in Burkina Faso.

The Watershed DFS, which is being fully funded by JOGMEC is closing the year on a positive note with encouraging results from a new spiral concentration (gravity) flowsheet which recovered 78% of the scheelite contained in the oxidised ore sample and 66% the scheelite contained in the fresh ore sample. This is a

significant improvement over the previous test-work that recovered 61% of the scheelite contained oxidised ore sample and 51% of the scheelite contained in the fresh ore sample.

The improvement in recovery is due to the spirals being initially fed with minus 2 mm feed; the +600 micron fraction of the spiral tail was then reground to 600 microns and then fed over the spiral again. Doing so simulates having the spirals in closed circuit with the grinding mill and being fed with 2 mm material with the spiral tail being minus 600 micron material.

Feeding the spiral minus 2mm feed rather than 600 micron feed enhances the gravity recovery of mid-size range scheelite and minimises the overgrinding of scheelite.

Both spiral concentrate samples are currently being upgraded to produce saleable gravity concentrates and it is expected that this work should be complete early in Q1 2012.

Flotation test-work on the gravity tails will also commence in Q1 2012 with the aim of producing a saleable flotation concentrates from the scheelite not recovered by gravity concentration.

Vital has completed an eight (8) hole (1,396.7m) Diamond Drilling (DD) program at Watershed. It is expected that assay results will be available from February 2012. The program was designed to close off the limits of known mineralisation and once drilling results are received the new data will be used to update the geological interpretation and resource model by Q2 2012.

NRA Environmental Consultants (NRA) was appointed to manage the update of the Environmental Management Plan (EMP) for the Watershed project. NRA are based in Cairns (where the environmental assessment is being managed) and have recently completed the environmental approvals for Deutsche Rohstoff AG and their Wolfram Camp Tungsten Project in Far North Queensland. The goal is to have the EMP document ready for review by the Department of Environment and Resource Management (DERM) by Q2 2012.



In Burkina Faso, Vital has completed the RC drilling program that started on the 20<sup>th</sup> of November 2011. At completion of the program over 5,400m will have been drilled on the Doulnia tenement (Vital 60% earning 80%, Ampella 40%) around the Kollo and Boungou South Gold Prospects.

The goal of the RC drilling program was twofold:

- Infill the drilling density on the Kollo Prospect with the aim of providing sufficient information on the gold mineralisation to allow a maiden resource to be calculated
- Test the soil-in-gold anomaly at Boungou South

Samples from the RC program are being submitted to the BIGS Laboratory in Ouagadougou. Final assay results are expected to be received by late February 2012.

Reconnaissance field work has been completed on the Kampala tenement (Vital 60% earning 80%, Ampella 40% and the Mediga and Zeko tenements (Vital 100%). A program of regional soil sampling is being planned for these tenements and it is expected that this work will commence early in 2012.

Vital is positive about the progress being made at Watershed and in Burkina Faso. The funding of the Watershed DFS by JOGMEC adds value by reducing risk and freeing up funds to continue to explore for gold in Burkina Faso.

In closing, Vital would like to thank all our Shareholders for their support during the year and we wish them a Merry Christmas and a Happy New Year

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For further details, refer to the company's website, [www.vitalmetals.com.au](http://www.vitalmetals.com.au):

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## ABOUT VITAL METALS

Vital Metals Ltd (ASX:VML) is a high-value metals explorer and developer, 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 tenement (100%). Vital now holds 850 sq km of tenements in prospective Birimian Greenstone terrain in Burkina Faso.

### 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.

