

RC DRILLING STARTS AT HIGH-GRADE KOLLO GOLD DEPOSIT

First assays from diamond drilling program expected within weeks

Key Points

- RC drilling has commenced at the high-grade Kollo deposit in Burkina Faso, West Africa
- The first batch of samples from the recently completed eight-hole (1,214m) HQ diamond drill program has been dispatched for assaying; results expected this month
- New artisanal gold workings have been discovered near the intersection of the Kollo Shear and Eastern Boundary Shear

Vital Metals Limited (ASX: VML) is pleased to provide an update on the progress of drilling at its 100 per cent-owned **Kollo Gold Project** in Burkina Faso, West Africa.

The first batch of diamond core from the current drilling program has been cut, sampled and dispatched to the assay laboratory in Ouagadougou, the capital of Burkina Faso, for gold assay.

Further core shipments are expected to be submitted in the coming weeks with initial assay results expected this month.

The exploration program stepped-up at the weekend with the commencement of Reverse Circulation (RC) drilling on the Kollo trend. This rig is scheduled to complete ~2,000m of drilling but the program can be expanded if the results justify it.

Regional field mapping has confirmed that shearing around Kollo is intense and pervasive. An expedition to the Eastern Boundary shear has discovered two new artisanal workings (pits of around 150m length) located to the south-west of the Nabenia zinc prospect.

The Company is planning to test this newly discovered shear system with Auger drilling once the wet season has ended.

Vital Managing Director Mark Strizek said the two-pronged drilling program at Kollo was set to generate strong news-flow for many weeks.

Vital Metals Limited

ASX Code: VML

ACN: 112 032 596

Suite 1, 91 Hay Street,
Subiaco, WA 6008

Tel: +61 8 9388 7742

Fax: +61 8 9388 0804

Email: vital@vitalmetals.com.au

www.vitalmetals.com.au

Capital Structure

593.7 million shares

91.1 million unlisted options

Board & Management

David Macoboy
Chairman

Mark Strizek
CEO and Managing Director

Peter Cordin
Non-Executive Director

Andrew Simpson
Non-Executive Director

Ian Hobson
Company Secretary

For further information:

Investors:

Mark Strizek
Managing Director
Vital Metals
(08) 9388 7742

Media:

Nicholas Read
Read Corporate
(08) 9388 1474

“We know there is high-grade gold at Kollo and we will have a steady flow of samples being submitted for assay over coming weeks,” Mr Strizek said.

“Given these circumstances, we expect strong news-flow as we seek to grow the known boundaries of the high-grade gold at Kollo and unlock the broader regional potential.”

ENDS

For further details, refer to the Company’s website, www.vitalmetals.com.au:

Contact:

Mark Strizek
Managing Director
Vital Metals Ltd

Phone: +61 8 9388 7742

Email: vital@vitalmetals.com.au

Media Inquiries:

Nicholas Read

Read Corporate

Telephone: +61-8 9388 1474

Email: info@readcorporate.com.au

Competent Person’s Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Mark Strizek, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Strizek is a full time employee of the Company. Mr Strizek has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a Competent Person as defined in the 2012 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 his information in the form and context in which it appears.

Forward looking statements

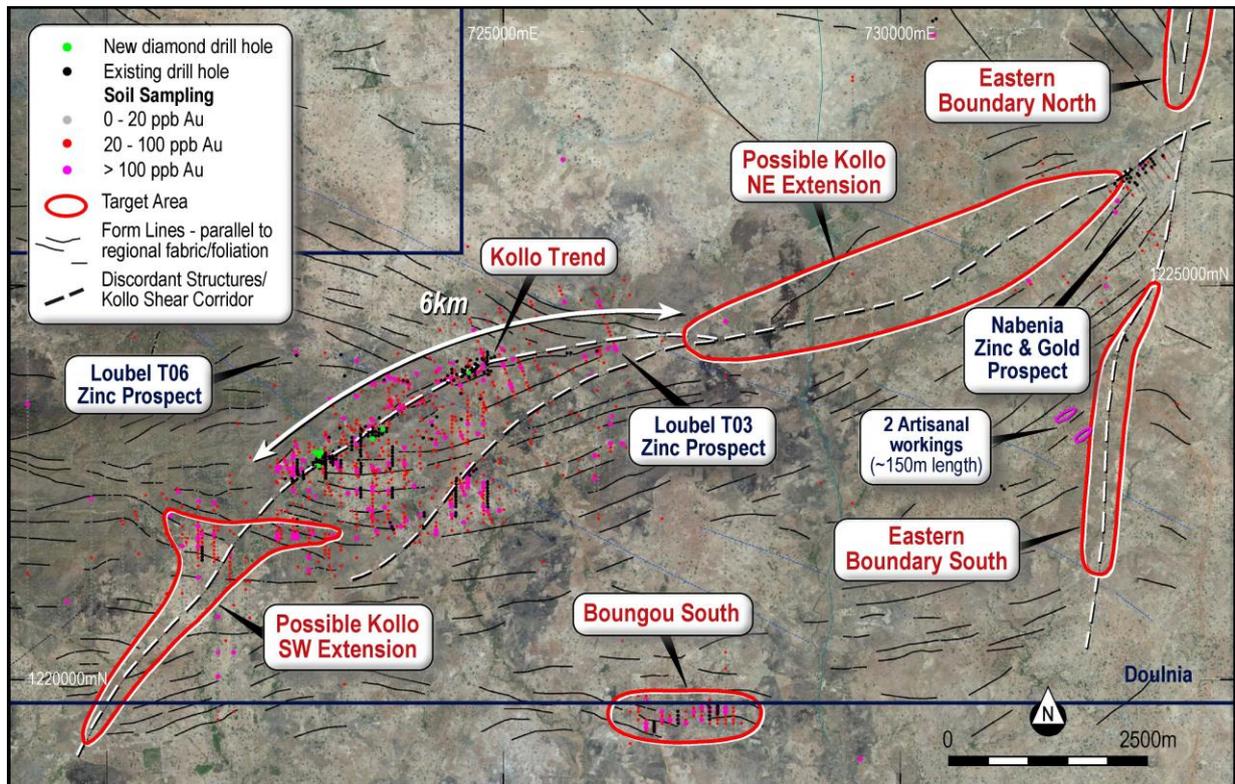
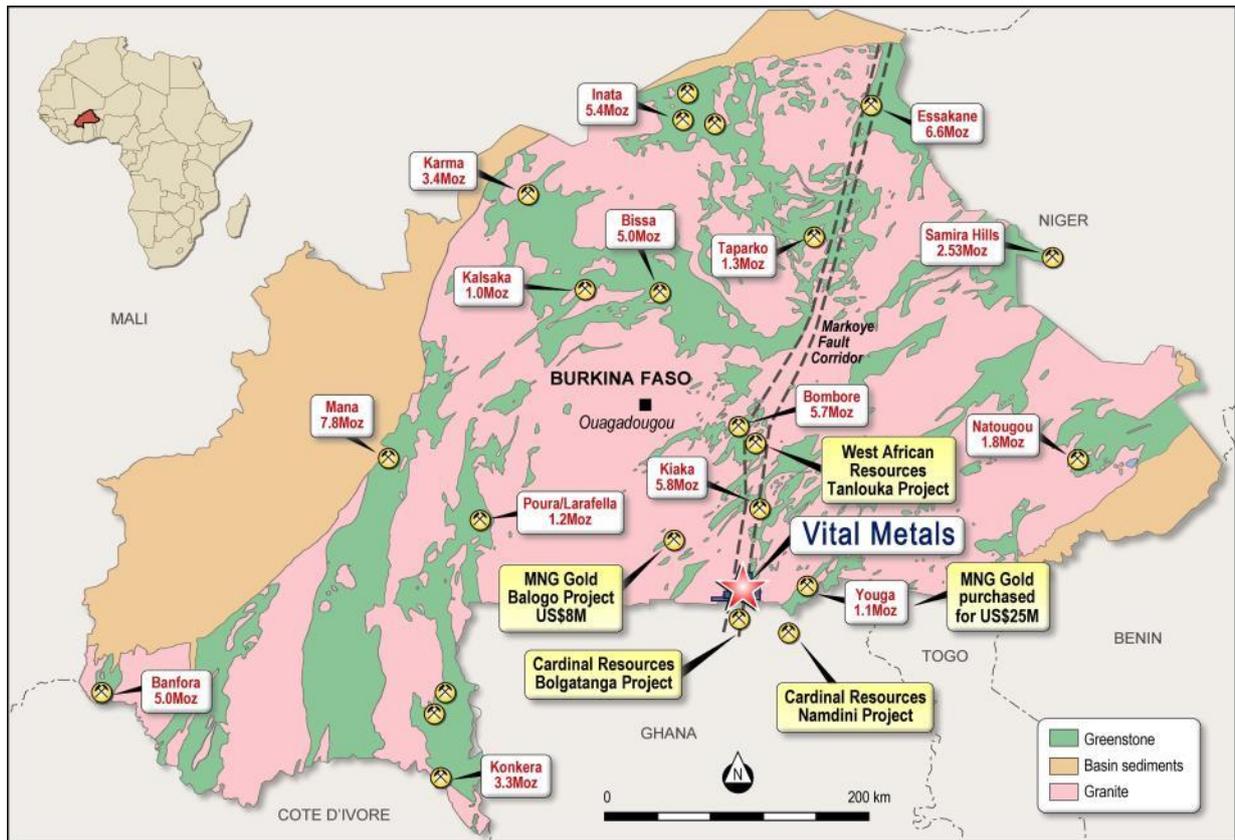
Certain written statements contained or incorporated by reference in this new release, including information as to the future financial or operating performance of the Company and its projects, constitute forward-looking statements. All statements, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intend”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward-looking statements.

Forward-looking statements include, among other things, statements regarding targets, estimates and assumptions in respect of tungsten, gold or other metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates. Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by the Company, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements.

Such factors include, but are not limited to: competition; mineral prices; ability to meet additional funding requirements; exploration, development and operating risks; uninsurable risks; uncertainties inherent in ore reserve and resource estimates; dependence on third party smelting facilities; factors associated with foreign operations and related regulatory risks; environmental regulation and liability; currency risks; effects of inflation on results of operations; factors relating to title to properties; native title and aboriginal heritage issues; dependence on key personnel; and share price volatility and also include unanticipated and unusual events, many of which are beyond the Company’s ability to control or predict.

For further information, please see the Company’s most recent annual financial statement, a copy of which can be obtained from the Company on request or at the Company’s website: www.vitalmetals.com.au. The Company disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. All forward-looking statements made in this new release are qualified by the foregoing cautionary statements.

Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, not to put undue reliance on such statements.



All results reported previously 25/5/2010, 24/3/2011, 9/6/2011, 3/8/2011, 30/1/2012, 20/2/2012, 29/3/2012. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements.

ABOUT VITAL METALS

Vital Metals Limited (**ASX: VML**) is an explorer and developer, focused on progressing three highly prospective mineral Projects: the Watershed Tungsten Project in far north Queensland, Australia, the Aue Tungsten Project in Saxony, Germany 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. The Watershed Tungsten Project is a development-ready project that has a completed Definitive Feasibility Study (DFS), is fully permitted and has all landowner and Indigenous agreements in place.

Aue Tungsten Project – Germany

The Aue Tungsten Project (100% Vital) is located in the western Erzgebirge area of the German state of Saxony. The permit, comprising an area of 78 sq. km is located in the heart of one of Europe's most famous mining regions, being surrounded by several world class mineral fields. Historical mining and intensive exploration work carried out between from the 1940's and 1980's showed high prospectivity of the Aue permit area for tungsten, tin, uranium and silver mineralisation.

Doulnia Gold Project – Burkina Faso

The Doulnia Gold Project (100% Vital) is located in southern Burkina Faso. The Project is made up of three contiguous permits; the Doulnia, Kampala and Zeko exploration permits. The Project is located in highly prospective Birimian Greenstone terrain with over 400 sq. km of contiguous tenements lying on the trend of the Markoye Fault Corridor and the Bole shear zone and hosting the Kollo Gold Project and Boungou South Gold Prospect.





Cutting diamond core from drilling on the Kollo trend.



The team begging the first RC hole of the current drilling program.