

20 January 2010

Update on Doulunia Gold Project- Burkina Faso

Highlights:

- **Gold Potential at Doulunia Gold Project identified 2008**
- **Birimian Greenstones (cf Ashanti)**
- **Widespread gold in soil anomalies (> 250 ppb Au)**
- **Trenching 10m @ 7.87 g/t**
- **Artisinal "ROM" vein material grading 23.5 g/t**
- **Excellent structural targets**
- **Active exploration program planned for 2010 to confirm typical Burkina Faso/Ghanaian gold potential**

Exploration & Development History

The Doulunia Project, comprising the Doulunia and Campala Exploration Permits ("sub-project areas"), has for most of its history been explored for Zn and other base metals (Cu, Pb). In 2008 Ampella recognized the gold potential of the project, secured additional, adjacent Birrimian Greenstone terrain and focused exploration on gold.

Vital Metals has secured and reviewed the project datasets generated by previous explorers. Vital will drill existing gold targets in early 2010 and has developed new gold target areas based upon the highly prospective geology, geochemistry and structural characteristics of the project area.

A summary of previous work completed on the Doulunia Project is provided below:

Date	Entity	Activity	Results
1970	United Nations Development Project (UNDP)	Regional mapping Rock chip & stream sediment sampling	Back Arc Basin Terrain prospective for Volcanogenic Massive Sulfide (VMS) mineralization Identified
1971	Bureau de Recherches Géologiques et Minières (BRGM)	Regional mapping Rock chip sampling	Widespread chemical sediments identified. Loubel and Koubongo Zn anomalies identified.
1992-1997	Incanore Resources Ltd	Aerial photography Regional mapping Regional sampling (4013 samples) Ground magnetic & IP surveys 800m trenching, 6 RC holes (1356m)	Confirmation of VMS-type geology. Nabenia Zn, Cu, Pb anomaly identified
1998	Anmercosa Exploration Ltd (Anglo American subsidiary)	JV signed with Incanore	Funding & project management agreement Level 1, 335 Hay Street, Subiaco WA 6008 PO Box 8243, Subiaco East WA 6008

1998-2001	Anmercosa	Airborne EM (162km2) LandSat Ground magnetic survey Detailed mapping Detailed soil sampling Trenching 27 RC holes (2814m) 6 RC/DD holes (412m)	Loubel and Nabenia Prospects identified 500m NE conductor identified Graphitic schists & Mn shales identified. 14m @ 3.06% Zn 2m @ 8.34% Zn
2001	Anmercosa	Global withdrawal from VMS exploration	Termination of work on Doulunia Project
2006	West African Gold Resources	Acquisition of Doulunia Project	No work conducted
2007	Ampella Mining	Acquisition of WAGR. Purchase of Incanore / Amercosa database. Application for Campala Exploration Permit	Access to all previous work Doubling size of project area
2007-2008	Ampella Mining	Soil geochemistry (1274 samples) 10 RC/DD hole (1901m) 4 RC holes (380m)	Koubongo Zn anomaly confirmed Nabenia prospect confirmed 2m @ 6.47% Zn 1m @ 10.17% Zn 1m @ 4.21% Zn 5m @ 3.8% Zn
2008	Ampella Mining	Gold assays of previous soil samples 325m trenching,	Identification of Birrimian lode gold potential Kollo Au prospects identified Multiple +250ppb Au soil anomalies 10m @ 7.87g/t Au (trench)
2009	Ampella Mining	Farm-in Agreement with Vital Metals signed Application for gold to be included as a Specific Commodity for Exploration and Exploitation on Doulunia & Campala Tenements	Funding, equity & indemnity agreement Vital Metals JV agreement in preparation.
2009-2010	Vital Metals	Possession of previous datasets Reconnaissance mapping Rock chip sampling Structural interpretation Legal review	Project Due Diligence complete Review of previous work Confirmation of previous field grid Artisanal vein @ 23.5g/t Au 3 structural targets identified 2010 Exploration Programme designed

Current Exploration Activities

Vital metals plans to intensify gold exploration at Doulunia and Campala in 2010, as summarized below:

Activity	Duration (2010)
1. Soils along structures (ENE, NW)	Feb-Apr
2. Trenching: infill, extensions, new areas	Feb-Apr
3. Drill existing targets; soil anomaly, artisanal workings	May
4. Drill new targets from activities 1&2 (above)	May

- Programme complete before wet season (May 2010)
- Results & updates to **ASX** from mid **Feb to mid June 2010**
- Decision to proceed to drill-out by mid June 2010

Tenure

The Doulnia and Campala tenements are registered in the name of Ampella Mining SARL, a wholly-owned subsidiary of Ampella Mining. The tenements are summarised below:

Sub-Project	Exploration Permit No.	Size	Status
Doulnia	09-155	247km ²	Granted
Campala	08-062	216km ²	Granted

In November 2009, Vital entered into a farm-in agreement with Ampella Mining Limited to earn up to 80% of the Doulnia Gold project. The Doulnia / Campala Farm In Agreement requires Ampella to complete the process of formal listing of gold as a Specific Commodity for exploitation on the Doulnia and Campala Exploration Permit titles. Ampella are keeping Vital informed, and Vital are satisfied, as to progress on the listing of gold on the titles.

Gold exploration (as evidenced by Ampella's previous work) is permitted without it being listed as Specific Commodity. The explorer must include gold exploration activities in progress reports to the Department of Mines.

Background on Burkina Faso Political System

Burkina Faso was a French Protectorate until 1960. In June 1991 a new Constitution was approved by National Referendum, which proclaimed the Republic of Burkina Faso as a democratic, unitarian and secular state. Multi-party elections commenced in 1992. The President is elected by popular democratic vote and appoints the Prime Minister with the consent of the National Assembly. The Prime Minister is the head of the Government.

Legal System

The legal system is based on the French Civil and customary law. The Council of the Supreme Magistrate which ensures the independence of judges, is headed by the President of the country. In 2000 the Supreme Court was modified creating four independent entities, modeled on the modern French System: Appeal Court, Council of State, Council of Audit and Constitution Council.

Mining Tenure

The State of Burkina Faso owns the title to all mineral rights. The 2003 Mining Code provides that, prior to the issuance of an Exploration or Exploitation Permit, the State and the future holder of the permit must sign a Mining Agreement which states the rights and obligations of the parties applicable to exploration and exploitation of the mining project, including the State's 10% free carried interest in the exploitation company.

Exploration Permit

An Exploration Permit conveys to its holder the exclusive right to explore for the Specific Commodities for which the permit was granted. Exploration Permits are transferable.

The holder of an Exploration Permit has the exclusive right to obtain an Exploitation Permit if, in conducting exploration activities, the holder has outlined a mineable reserve and complied with the Mining Code.

Exploitation Permit

An Exploitation Permit conveys the exclusive right to extract, the Specific Commodities for which the permit was granted. It also conveys to its holder the right to treat and to dispose of mineral products. Environmental impact and rehabilitation issues must be addressed to allow for the granting of an Exploitation Permit.

DISCLAIMER

Certain oral and written statements contained or incorporated by reference in this presentation, 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 presentation 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.

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Bruce Pertzel (Principal Geologist), an employee of the Company. Mr Pertzel is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and a member of the Australian Institute of Geoscientists (AIG) and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Pertzel consents to the inclusion in the report of the of the matters based on his information in the form and context in which it appears.