


**Venture Minerals Limited**
**VMS.ASX**
**\$0.210**
**SPECULATIVE BUY**

29 June 2009

All figures in Australian Dollars unless otherwise specified

## Emerging Strategic Metal Play: Tin, Tungsten and Iron Ore in Tasmania

### Recommendation and Price Target

- Speculative Buy. Stock currently in trading halt.
- Release of an initial scoping study is imminent.
- A price target will be established after evaluating the scoping study.

### Event

- Summary of operations and review following site visit.

### Key Features

- Established JORC-compliant inferred resource of tin, tungsten and magnetite co-products at Mount Lindsay in NW Tasmania.
- Metallurgical testwork conducted on composite samples from the two main resource zones has yielded encouraging results.
- Indication that tin and tungsten both recoverable by gravity circuit.
- Contained metal represents Australia's third largest tin resource.
- Proven tin field hosting world class Renison Bell, Mt Bischoff mines.
- Significant exploration potential: at least 3 new skarns to be tested.
- Nearby Stanley River iron ore project could deliver early cashflow.

### Differentiation Factors

- Polymetallic deposit delivers multiple cashflow streams, smoothing the impact of market fluctuations in any component commodity.
- Stanley River haematite deposit has premium characteristics.
- High iron grade and low contaminants are very attractive to buyers.
- Easy access to infrastructure and cheap power will help develop an initial DSO operation for early cashflow to support Mount Lindsay.
- Strategic metal plays rarely have this multi-commodity "hedge".
- Strong technical and management team with extensive local knowledge and contacts.

### Price Catalysts

- Scoping study release.
- Currently drilling at Stanley River to define a JORC resource.
- Identification of new tin-tungsten skarn targets.

### Other Issues

- Current cash position necessitates additional capital to advance the Tasmanian projects. Outcome of the scoping study will provide more direction and clarify the alternatives available to Venture.
- Further definition drilling at Mount Lindsay would theoretically advance the project status quickly and effectively.

#### Summary

Investment Term	12+ months
Price	\$0.210
12 Month Target	No price target
GICS Sector	15: Materials
Current Market Cap	\$22M
Cash ( current estimate )	\$2.6M
52 week high-low	\$0.430 - \$0.071

#### Issued Capital

fpo shares currently on issue	104M
Options ( various unlisted ) (NB: 7M opts lapse 30Jun09)	32M
Top 40 shareholders	59%
Turnover ( fpo past month )	2.9M
Turnover ( fpo past month )	2.8%
Major Shareholders Management	(as at 29 June 2009) 21.2%
City Glory Corp (Hong Kong)	16.1%
Black Peak Holdings	7.2%

#### Board and Management

Mel Ashton	Chairman
Hamish Halliday	Managing Director
Andrew Radonjic	Technical Director
Bruce McFadzean	Non Executive Director
Malcolm Hillbeck	Consultant
Dr Stuart Owen	Senior Geologist

#### 1 year chart

(Source: IRESS)



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### Mount Lindsay Tin-Tungsten Project

Venture’s Mount Lindsay Project in north-western Tasmania is shaping up as a significant hard-rock tin resource, with the added benefits of tungsten and magnetite by-products from the mineralised skarn.

The maiden resource already ranks Mount Lindsay as Australia’s third largest deposit of contained tin after the Renison Bell underground mine (25km SW) and its tailings retreatment project, Rentails.

Venture’s tin resource (0.10% Sn cut-off) is:

Main Zone	16Mt	0.2% Sn	38,000t Tin
No 2 Zone	7.6Mt	0.1% Sn	10,000t Tin
<b>Total Project</b>	<b>23Mt</b>	<b>0.2% Sn</b>	<b>49,000t Tin</b>

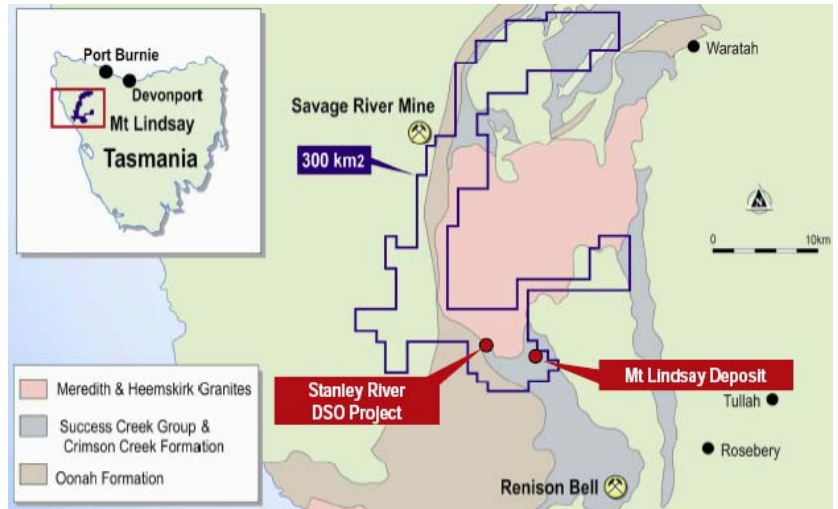
The tungsten resource (0.10%WO<sub>3</sub> cut-off) is:

Main Zone	3.9Mt	0.2% WO <sub>3</sub>	7,000t contained tungsten oxide
No 2 Zone	1.7Mt	0.4% WO <sub>3</sub>	7,000t contained tungsten oxide
<b>Total Project</b>	<b>5.7Mt</b>	<b>0.3% WO<sub>3</sub></b>	<b>14,000t contained tungsten oxide</b>

These are JORC-compliant inferred resources and complement the previously announced iron resource that the magnetite represents:

Main Zone	10Mt	31% Fe
No 2 Zone	20Mt	34% Fe
<b>Total Project</b>	<b>30Mt</b>	<b>33% Fe</b>

Mount Lindsay is 1.5km from a sealed road with direct access to rail and port. Port Burnie (see map above) currently has spare port capacity available.



Source: Venture presentation



View showing local topography. Source: Author

Re-interpretation of existing data combined with new regional mapping has identified a further 36km of potential magnetite skarns that require more detailed testing. The quality of geological control and rigour being applied by Venture’s team to the exploration effort has confirmed the area’s potential. We believe this will translate to material resource upgrades over time.

### Stanley River DSO Haematite Iron Ore Project

The Stanley River Project is 3.5km WNW from Mount Lindsay and was found during regional work following up further skarns for tin mineralisation. Initial sampling of the surface gossan was followed up by drilling that encountered high grade haematite with low silica, alumina and phosphorous contaminants over significant widths, including:

LV006 29.8m at 60.1% Fe from 92.3m downhole

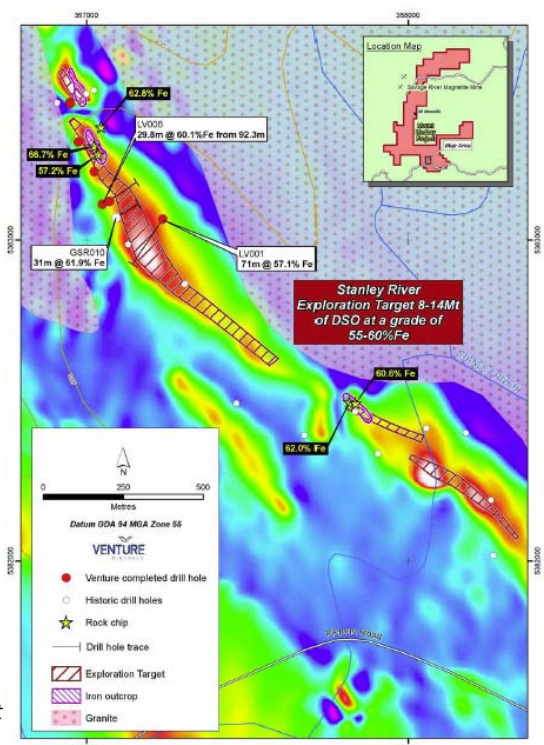
This mineralisation extends over 1,800m strike length. Drilling, surface rock chip sampling and aeromagnetics have combined to yield an exploration target of 8-14 million tonnes of potential DSO mineralisation at an estimated grade of 55-60% Fe for the Stanley River Project.

A drilling program is currently underway to define a JORC-compliant resource.

### Global Tin and Tungsten Markets

Tin and tungsten are both “strategic metals” with dominant global force China effectively freezing exports. This makes Western suppliers very attractive. Tin is currently trading at US\$15,000/t; and tungsten oxide at about US\$260/mtu.

Source: Venture company report



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Analyst disclosure of interests relevant to this report: the analyst holds no shares in Venture Minerals Ltd but was a guest of Venture Minerals on a recent trip to Tasmania to visit the project areas.