

Maiden Resource and Scoping Study for New Livingstone (DSO) Iron Ore Deposit

ASX Announcement
Friday, 29/07/11
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Australian mineral exploration company, Venture Minerals Limited (ASX code: VMS), announces a maiden DSO (direct shipping ore) resource at the newly defined Livingstone Deposit, situated in the Stanley River area and located only 3.5km from the Company's world class tin/tungsten deposit at Mt Lindsay. In addition to the maiden resource estimate the Company has also completed a scoping study on the new deposit which delivered overwhelmingly positive results including **+\$90 million in net revenue generated from the sale of the DSO, with less than \$3 million of up front capital costs.**

Livingstone Deposit - Resource Highlights:

- **DSO Hematite Resource - 2.2 million tonnes @ 58% Fe with low impurities:**

Resource	Tonnes	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)
Inferred	2.2mt	58	5.3	1.8	0.09	0.03	7.1

*refer to appendix one

- **Resource is shallow, from surface and very consistent in grade.**
- **Deposit has exceptional access to infrastructure – 2km to a sealed road which accesses existing rail and port facilities.**

Livingstone Deposit – Scoping Study Highlights (pre-tax):

- **Net Revenue (LOM) – A\$92 million**
- **Capital Cost Estimate – less than A\$3 million**
- **\$50 operating margin per tonne**
- **The Livingstone Deposit brings Venture's Production timeframe forward by one year to the second half of 2012.**
- **Off-take discussions have already commenced with several parties**

Venture Minerals Managing Director Hamish Halliday commented: "The opportunity to deliver revenue as early as next year is a huge positive for Venture, particularly as there are no major plant or infrastructure costs required to commence mining".

"Importantly, the new DSO resource and scoping study at Livingstone is in addition to the Company's already world class Mr Lindsay Tin/Tungsten Deposit and the net revenue from just the Livingstone Deposit alone is larger than the Company's current market capitalisation."

Venture Fast Facts

ASX Code: VMS
Shares on Issue: 221 million
Market Cap: \$80 million
Cash: \$20 million

Recent Announcements

Drilling at Reward Prospect continues to deliver (ASX 02/06/11)

Venture Appoints Key Management (ASX 06/05/11)

First Drill Hole at Contact Creek (ASX 12/04/11)

Pre-Feasibility Study (ASX: 01/03/11)

Feasibility Drilling Intersects Record Result (ASX: 27/01/11)

Venture wins tender for ground adjacent to Mr Lindsay (ASX: 21/12/11)

Resource Upgrade (ASX: 25/11/2010)

Exploration Drilling Intersects 95m @ 0.5% Tin Equivalent (ASX: 14/10/2010)



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“The rapid advancement of the Livingstone Deposit has been achieved by utilizing Venture’s highly experienced team which includes senior management and board members who collectively have had decades of experience in the iron ore industry”

The opportunity and potential windfall for the Company in developing the Livingstone Deposit is a direct result of the excellent infrastructure surrounding the Mt Lindsay Project. All the ore bodies including the new hematite resource are within 2 kilometres of a sealed road that connects to a rail and road network which accesses the Port of Burnie, less than 100km away. An assessment of the transport route for the development has confirmed that the road, rail and port facilities are all government owned and all have spare capacity.

In addition to major savings gained through using existing infrastructure the Company is also able to minimise capital expenditure by utilizing local contracting companies to contract mine, crush, screen and transport the DSO hematite.

In light of such positive results at Livingstone, Venture will include the new deposit in the Company’s pending mining lease applications and the EPA approvals.

Mt Lindsay – Bankable Feasibility Study

The recent work at Livingstone has been carried out in parallel with the BFS (Bankable Feasibility Study) at Mt Lindsay ensuring that the Company maintains its schedule for the development of what has now become a world class tin/tungsten deposit.

With feasibility study drilling nearing completion the Company is well positioned to advance all aspects of the BFS. In addition the Company will continue its aggressive approach to exploration focussing on drilling multiple targets over the coming months.

Venture remains in a strong position with the BFS on target for the first half of next year, exploration delivering new deposits such as Livingstone, six drill rigs on site and approximately \$20 million in cash.

List of Assumptions for the Scoping Study

Commodity Price

A FOB price of US\$122/t was used for the DSO in this study. This is based on the Platts 58% Fe CFR North China spot price which for the first half of 2011 had been averaging around US\$150/t. A 10% discount has been taken to this price and an allowance has been made for shipping to China.

Exchange Rate

A constant exchange rate of AUD/USD = 1.00 has been used.

Throughput

A 1Mtpa crushing and screening plant was assumed for the Scoping Study.

Operating Costs

The scoping study determined that the total operating cost was \$72/t ore. This included open pit mining, crushing and screening, transport, port storage, ship loading and administration costs.

Net Revenue Life of Mine (LOM)

This figure represents EBIT excluding state royalties.

This announcement effectively lifts the trading halt that the Company requested on Wednesday 28 July 2011. The Company is not aware of any reason why the ASX would not allow trading to recommence immediately.

Kind regards

Venture Minerals Limited



Hamish Halliday
Managing Director

The information in this report that relates to Exploration Results, Exploration Targets, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Radonjic, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Radonjic is a full-time employee of the company. Mr Andrew Radonjic 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 Andrew Radonjic consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

APPENDIX One:

Resource Estimation Parameters

- The Resources have been allocated entirely to the Inferred category and are reported above the 50% Fe cut-off with no top cut applied.
- The reported grades and tonnages are rounded to two significant figures in accordance with recommendations of the JORC code.
- This Resource estimation covers approximately 750 m strike extent of the Livingstone Skarn at Stanley River. The Livingstone Skarn includes a range of shallow dipping to vertical bodies.
- A total of 31 diamond core drill holes for a total of 4,771 m were used to define the geological model and hematite mineralised zones for this Resource estimate. Of this drilling some 17 holes for 2,606 m pierced the mineralised zone. Of the total 31 drill holes used for the current Resource estimation some 7 holes for 866 m core of mainly BQ size (36.5mm diameter) were drilled by the previous owners Pacminex (CSR) Pty Ltd; the other 24 drill holes for 3,905 m were drilled by Venture Minerals Limited and comprised NQ (47.6mm diameter) and HQ (63.5 mm diameter) core sizes.
- The entire resource is within 200m of surface.
- Each sample was assayed for Fe, Si, Al, K, Na, Mg, Ca, Ti, P, S, LOI and an extensive suite of minor and trace elements.
- Drill hole density in the Livingstone Skarn ranges from approximately 15 m by 50 m to a maximum of c. 50 m by 100 m.
- Some of the previous owners' drill core was still available and where possible re-sampled and assayed for a broader suite of elements including iron by Venture Minerals Limited. The remaining core was ¼ core sampled with core saw, or in cases where only quarter core was available the entire remaining core was sampled.
- The Venture Minerals Limited drill core (NQ and HQ) was sampled by core saw in a continuous and volumetrically consistent basis generally in 1.5 m to 2 m intervals (average 1.8 m) across the mineralised zones.
- None of the previous owner's assays were used in the iron resource estimate. Venture Minerals Limited drill core samples were submitted to ALS Chemex (quality system complies with international standards ISO 9001:2000 and ISO 17025:2005) for assay by XRF on fused glass beads made with a lithium metaborate flux.
- Venture Minerals Limited's QAQC samples included standards and field duplicates which were submitted with each drill hole. The QC data is considered to be very acceptable for the current resource estimate.
- All diamond drill core was geologically logged.
- Weathered materials were assigned to the block model via separate domains with an average density 1.7 t/m³ for clay and 2.6 t/m³ for the hematite mineralised zone. The densities were based on down hole geophysical logging and 561 specific gravity measurements made on the diamond core.
- Drill hole collar positions for the previous owners' drilling were transformed to the MGA grid after several of the holes were relocated. Collars for all Venture Minerals Limited's drill hole used in the resource estimate were surveyed in MGA Zone 55 GDA94 by licensed surveyors using a combination of differential GPS and total station survey systems.
- Three of the previous owners drill holes were down hole surveyed with acid tube, and the remaining four were not surveyed. Some 50% of Venture Minerals Limited's drill holes were surveyed with conventional magnetic instruments (all plunge but only selected azimuth data were accepted), 17% were surveyed with a Deviflex non-magnetic down hole survey tool, 4% by north-seeking gyroinclinometer and 29% were not down hole surveyed.
- Three mineralisation wireframes representing the hematite zone within the Livingstone Skarn were constructed from geological cross section interpretation for this Resource estimate. The wireframes were filled with blocks of 20x10x20 m xyz dimensions with 4x2x4 m sub-blocking. The iron grades were then interpolated to the blocks by Inverse Distance Squared with an initial 25x9x26 m search ellipse oriented parallel to the strike and dip of the mineralised skarn followed by progressively more relaxed searches until all blocks were assigned an iron grade. Four sectors were used for each search ellipse with a maximum of 4 points per sector, and a minimum of 3 points per sector for the first 6 searches followed by a minimum of 1 point per sector for subsequent searches.

ASX CODE: VMS

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APPENDIX Two

Tin-Tungsten Resources

Lower Cut (Tin equiv)	Category	Tonnes	Tin Equiv. Grade	Tin Grade	Tungsten Grade (WO ₃)	Mass Recovery of Magnetic Iron (Fe) Grade	Contained Tin Metal (tonnes)	Contained Tin/ Tungsten Metal (tonnes)
0.20%	Indicated	23Mt	0.4%	0.2%	0.1%	18%	47,000	71,000
	Inferred	20Mt	0.4%	0.2%	0.1%	20%	36,000	49,000
	TOTAL	43Mt	0.4%	0.2%	0.1%	19%	82,000	120,000
0.35%	Indicated	11Mt	0.6%	0.3%	0.2%	19%	31,000	51,000
	Inferred	6.8Mt	0.5%	0.3%	0.1%	15%	22,000	30,000
	TOTAL	18Mt	0.6%	0.3%	0.2%	17%	53,000	81,000
0.45%	Indicated	6.2Mt	0.7%	0.4%	0.3%	18%	22,000	37,000
	Inferred	4.2Mt	0.6%	0.4%	0.2%	10%	17,000	23,000
	TOTAL	10Mt	0.7%	0.4%	0.2%	15%	38,000	61,000

Note: Reporting to two significant figures as per the JORC code.

Notes

- The Sn equivalent formula used to calculate the Sn equivalent values is as follows: Sn Equivalent (%) = Sn% + (WO₃% x 1.02306) + (weight recovery % of magnetic Fe x 0.005702).
- The mass recovery of the magnetic iron is determined mostly by Davis Tube Results ("DTR").
- This formula uses a tin metal price of US\$23,850/t, an APT (Ammonium Para Tungstate) price of US\$244/mtu (1mtu =10kgs of WO₃) and an iron price of US\$136/t.
- The metallurgical recovery for tin is 71%, for WO₃ is 80% and for iron in the form of magnetite is 95%. These recoveries are based on significant testwork used to support the Scoping Study as stated in the ASX announcement of 14 May 2010.
- It is the Company's opinion that the tin, WO₃ and iron in the form of magnetite as included in the metal equivalent calculations have a reasonable potential to be recovered for when the Mt Lindsay Project goes into production.