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2 The Esplanade
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Testwork points to Mount Lindsay Magnetite potentially being a low cost Iron Ore producer

Highlights:

- **Grind Size 4 times coarser than most other Magnetite Projects = Cost Savings**
- **Standard Davis Tube Recovery results confirm high quality concentrate product**
- **Coarse Grind Size beneficial to a potential Tin recovery circuit**

Australian-based mineral exploration company **Venture Minerals Limited (ASX code: VMS)** is pleased to report that the second stage of metallurgical testwork on magnetite-rich material from the No.2 Zone has produced a series of exceptional results suggesting the **Mount Lindsay Magnetite-Tin Project in North West Tasmania could potentially be a low cost Iron Ore Producer.**

ProMet Engineers Pty Ltd ("ProMet"), who are renowned for experience with Magnetite Iron Ore Processing reported from the recently completed testwork that when testing for the optimum grind **a final product grade suitable as supplementary Sinter feed "will only require a grind of around 150µm (micron). This is a coarse grind in comparison to other projects."**

Furthermore ProMet added that **"This coarse grind will more than likely also be beneficial to a tin recovery circuit"**. The impact of the results is **significant cost savings** to the Mount Lindsay project in **producing a saleable iron ore product at a much coarser grind than most other magnetite projects** which grind down to 40 micron or less to achieve similar products. The results are listed below:

Results at 150 micron

Weight Recovery %	Iron%	Silica%	Alumina%	Phosphorus%	Sulphur%
39.85	66.46	3.36	1.01	0.04	1.75

The first pass metallurgical analysis produced a concentrate at 40 micron that was described by ProMet as **"a high quality concentrate product"**. The second round of testwork has **now confirmed this result** with a larger combined composite sample analysed by the Standard Davis Tube Recovery method and done in quadruplicate.



The average weight recovery of the four results at 40 micron was **39.2% which compares favourably to other magnetite projects which range from 32 to 46%, whilst the Iron and Silica grades of 68.88% and 1.48% are also of good quality.** The high sulphur content can be removed by a common process of reverse flotation, the company will look to confirm with further testwork. The average of the four results is listed below:

Davis Tube Results at 40 micron

Weight Recovery %	Fe%	SiO₂%	Al₂O₃%	TiO₂%	MgO%	CaO%	P%	S%
39.2	68.88	1.48	0.67	0.67	0.14	0.43	0.02	1.94

As part of the testwork commissioned by the Company, ProMet also conducted iron recovery tests and Bond Work Index (BWI) tests. The iron recovery test results were **“typical of many magnetite deposits”**, whilst the BWI tests produced a result at the lower end of the spectrum of comparable magnetite projects **confirming a low energy requirement for processing.**

Venture Minerals Managing Director Andrew Radonjic said he was highly encouraged by the testwork results, as the No.2 Zone was shaping up as an **excellent source of iron ore that could be produced at a low cost** due to the **significantly reduced grinding requirements** to provide supplementary Sinter feed used in the production of steel.

“The Mount Lindsay Project is located in a historically rich mining province and is **quickly becoming a pivotal asset for the Company**, with this recent testwork indicating **significant potential for a low-cost iron operation.**”

“When combined with the lower energy requirements, an opportunity to recover tin as a second potential source of cashflow and, **another 20 kilometres of magnetic skarns to test** and with excellent access to infrastructure we believe there is outstanding potential for this project.”

“We are aggressively exploring Mount Lindsay and look forward to releasing further drill results with the company remaining **on track to announce an initial iron resource estimate in 2008.**”

Further Background

Typical magnetite deposits have in ground iron values of 20 to 40% iron, which is then later crushed and concentrated to a product containing 65 to 71% iron with low impurities.

Magnetite ore is a well-known, viable alternative to hematite ores and can produce high grade concentrate suitable for either pellet or sinter production. Magnetite can be used to produce steel and other iron products, and as an additive to increase the specific gravity of slurries.

The Mount Lindsay project is located 25kms south-east of the currently operating Savage River Magnetite Mine, 15kms north-west of the soon to be re-opened Renison Bell Tin Mine and is **adjacent to existing infrastructure.**

Kind regards

VENTURE MINERALS LIMITED

Andrew Radonjic
MANAGING DIRECTOR

The information in this report that relates to Exploration Results, 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.

ACN 119678 385
Freemasons Building, 181 Roberts Rd
Subiaco WA 6008
PO BOX 186 West Perth WA 6872
T: +61 8 9381 4222
F: +61 8 9381 4211



For further inquiries contact

Andrew Radonjic
Managing Director, Venture Minerals
Phone: 61 8 9381 4222

About magnetite – and global demand

The quality of direct shipping hematite ore products from the Pilbara continues to fall as higher grade deposits are depleted. Average iron grades and lump proportion have also been falling while impurity levels have been rising – putting increased pressure on steelmakers productivity worldwide

High quality magnetite concentrate and pellets typically attract a premium to hematite lump product, ranging from 20% to 30%. Recently, prices on the spot market for lump hematite delivered to China have surged, while China's domestic concentrate price has also increased, representing a large premium to Australian contracted ores. China's steel production continues to rise at an annual rate of around 18%, while production is also lifting in Germany and Japan, after years of steady production.

Rising demand for cars, buildings and railroads is also expected to boost China's iron-ore import demand by up to 15 per cent in 2008.

Editor's notes

Venture Minerals is an Australian diversified explorer with high quality energy and minerals projects, including magnetite, tin-tungsten and nickel in Tasmania, copper-gold-uranium in South Australia and uranium, nickel and gold in Western Australia.

The **Mount Lindsay** project is located in the magnetite, tin-tungsten and nickel province of western Tasmania within the south-eastern contact metamorphic aureole of the Meredith Granite approximately 10-20 km from the Rosebery Lead-Zinc-Silver-Gold Mine and Renison Bell Tin Mine. The Meredith Granite is part of a suite of Devonian granites which also host other mineral deposits that include the Savage River Magnetite Mine, the Mount Bischoff and Cleveland Tin Mines, the King Island Tungsten Mine and the Avebury Nickel-sulphide Mine.

Churchill Dam sits within the Olympic Dam province of the Gawler Craton. It is approximately 65km southwest of the Olympic Dam-Wirrda Well-Acropolis group which is dominated by the world class Olympic Dam deposit. Olympic Dam is currently the world's 16th largest copper and third largest uranium producer. Churchill Dam is also 95km west of the recently discovered Carrapateena prospect.

Other projects

The Maitland Channel uranium project in Western Australia has potential for the discovery of calcrete-hosted Uranium mineralisation. The project also has potential to host nickel sulphide mineralisation.

The Paulsens South project in Western Australia is prospective for gold discoveries.

MOUNT LINDSAY MAGNETITE - TIN PROJECT NORTH WEST TASMANIA

