

Major High Grade Tungsten Zone Discovered Mt Lindsay Project - Tasmania

ASX Announcement
Wednesday, 14 October 2009
Ref: /VMS/606/VMS00192

- **46m @ 1.01% Tungsten Oxide (WO₃) Equivalent**
- **Drill results suggest multi-million tonne target**
- **Near surface mineralisation - amenable for open pit mining**
- **Existing metallurgy suggests up to 90% recovery of WO₃**
- **Drilling ongoing; 10,000 metres to be completed in the coming months**

Australian mineral exploration company, Venture Minerals Limited (ASX code: VMS), announces the latest drill results from the Company's flagship Mt Lindsay Tin/Tungsten Deposit in northwest Tasmania, defining a substantial high grade tungsten zone with multi-million tonne potential.

Drill Intersections include:

- **46m @ 1.01% WO₃ Equivalent**
incl. **12m @ 2.04% WO₃ Equivalent**
- **40m @ 0.78% WO₃ Equivalent**
incl. **12m @ 1.26% WO₃ Equivalent**
- **22m @ 1.08% WO₃ Equivalent**

Note:

For full details of drill intersections and a list of assumptions for tungsten equivalents please see Appendix One.

The new high grade tungsten zone is situated within the No.2 Skarn and extends down plunge for at least 300m. **The plunge of the zone is very shallow, at less than 25 degrees, which means the three drill intersections above sit within 120m of surface, making the zone very amenable to open pit mining.** The true width of the zone is approximately 20m with the height yet to be defined.

Drill results to date suggest the new zone represents a **multi-million tonne target** which could substantially impact the future economics of the Mt Lindsay Project. The Company has already completed metallurgy on tungsten within the broader No.2 Skarn which saw up to **90% recovery of tungsten oxide** from a very coarse grind size, utilizing a simple gravity technique (Refer ASX Announcement 28/04/2009).

Following the latest results Venture has now dedicated one diamond core rig to drilling out the new high grade zone, as the Company believes the zone could extend down plunge for hundreds of metres.

Tungsten Fast Facts

- **Current contract price equates to US\$15,500 per tonne or 2.5 times the price of copper**
(London Metal Exchange 12/10/2009)
- **Average grade of major worldwide deposits - 0.5% WO₃**
- **China controls greater than 75% of world production**
- **China prohibits the export of tungsten concentrate**
- **Strategic metal: military applications**
- **Rare metal: 50 times rarer than copper**
- **Unique metal: physical properties limit substitution**

Venture Fast Facts

ASX Code: VMS
Shares on Issue: 144 million
Cash: \$9 million

Project Highlights

Substantial Poly-Metallic
Resource base
Tin/Tungsten/Magnetite
(ASX: 22/01/2009)

Australia's Third Largest Tin Resource

Located in North-West Tasmania
140 years of mining precedent



Scoping Study Highlights

Delivers \$700M in Net Cash (LOM)

Greater than 7 years of mine life

Average Annual Net Revenue - \$109M

Internal Rate of Return - 30%
(ASX: 30/06/2009)

Head Office

181 Roberts Road Subiaco WA 6008
PO BOX 186 West Perth WA 6872
T: +61 8 9381 4222
F: +61 8 9381 4211
W: www.ventureminerals.com.au
E: info@ventureminerals.com.au

As noted in the Tungsten Fast Facts above the **average grade of major worldwide deposits is 0.5% WO₃**, which makes the above zone a **high grade discovery**. With the current contract price equating to US\$15,500 per tonne, tungsten is trading at 2.5 times the price of copper. Demand for tungsten has been steadily increasing and supply steadily decreasing over the past few years, which provides a favourable environment for new discoveries.

In addition to the tungsten mineralization the zone also contains significant amounts of tin mineralization and massive magnetite. As detailed in the previously announced Scoping Study (Refer ASX Announcement 30/06/2009) both of these commodities can be recovered and therefore could add significantly to the value of the tungsten zone.

Diamond Core Drill Results - Tungsten Zone - No.2 Skarn

Hole ID	From (m)	To (m)	Interval (m)	Weight Recovery of Magnetic Iron (Fe) Grade*	Tin (Sn) Grade	Tungsten Trioxide (WO ₃) Grade	WO ₃ Equivalent Grade	Depth of Intersection Below Surface (m)
ML70	99	145	46	41%	0.10%	0.61%	1.01%	110
Incl.	105	117	12	34%	0.11%	1.69%	2.04%	
ML79	212	252	40	40%	0.09%	0.40%	0.78%	95
Incl.	228	240	12	54%	0.13%	0.74%	1.26%	
ML136	106	128	22	45%	0.12%	0.64%	1.08%	85
Incl.	116	124	8	51%	0.12%	1.05%	1.54%	

Note:
For full details of drill intersections and a list of assumptions for tungsten equivalents please see Appendix One.

Drilling is on-going at Mt Lindsay with two diamond rigs targeting multiple high grade tin and tungsten zones as well as testing new skarn targets such as the No.1 Skarn and Waterhouse. A total of 10,000m of diamond core drilling will be completed over the coming months focussed on significantly upgrading the Company’s current tin, tungsten and iron resource base, which already includes Australia’s third largest tin resource.

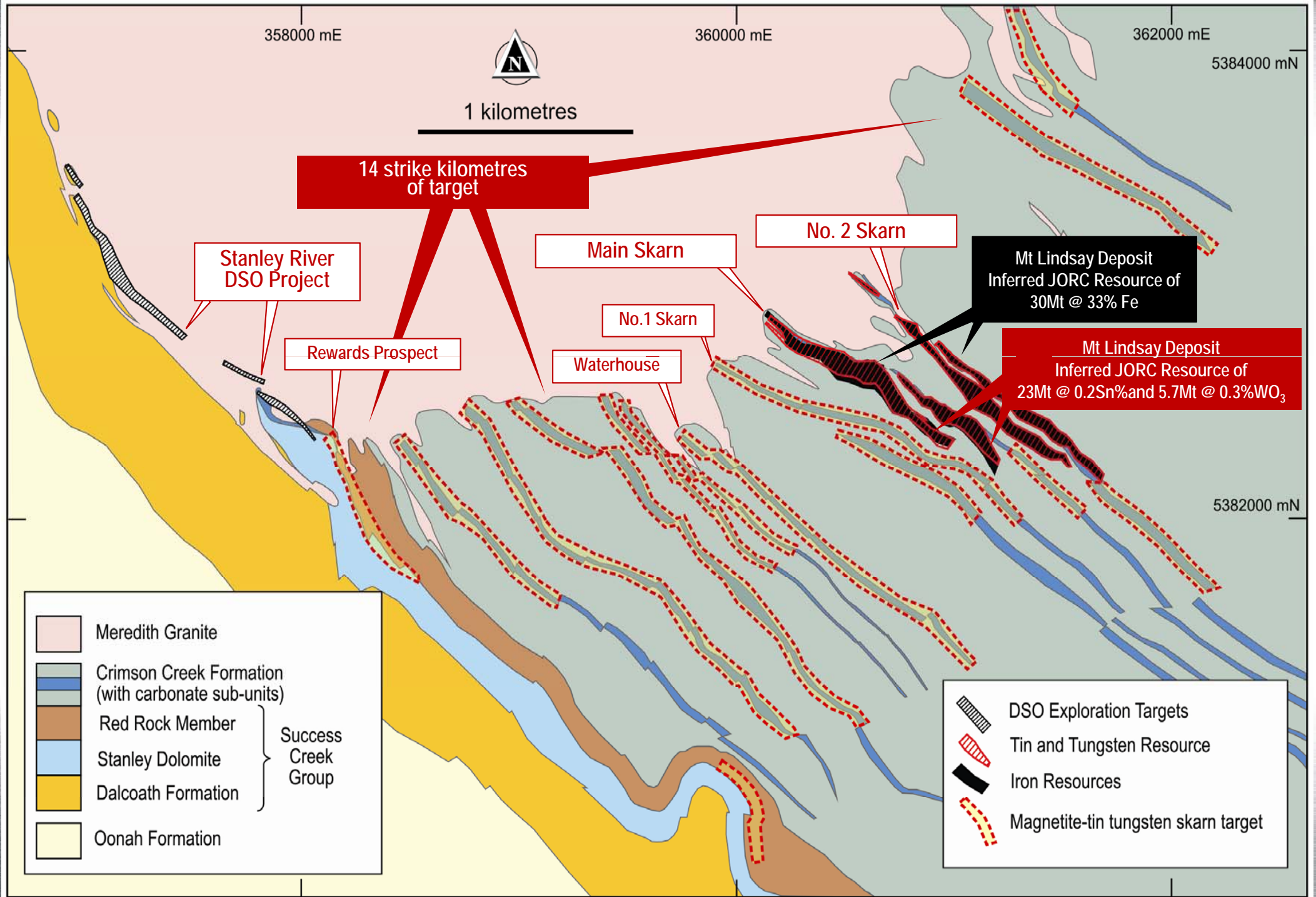
This announcement effectively lifts the trading halt that the Company requested on Friday, 9 October 2009. The Company is not aware of any reason why the ASX would not allow trading to recommence immediately.

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.



**14 strike kilometres
of target**

**Stanley River
DSO Project**

Rewards Prospect

Main Skarn

No.1 Skarn

Waterhouse

No. 2 Skarn

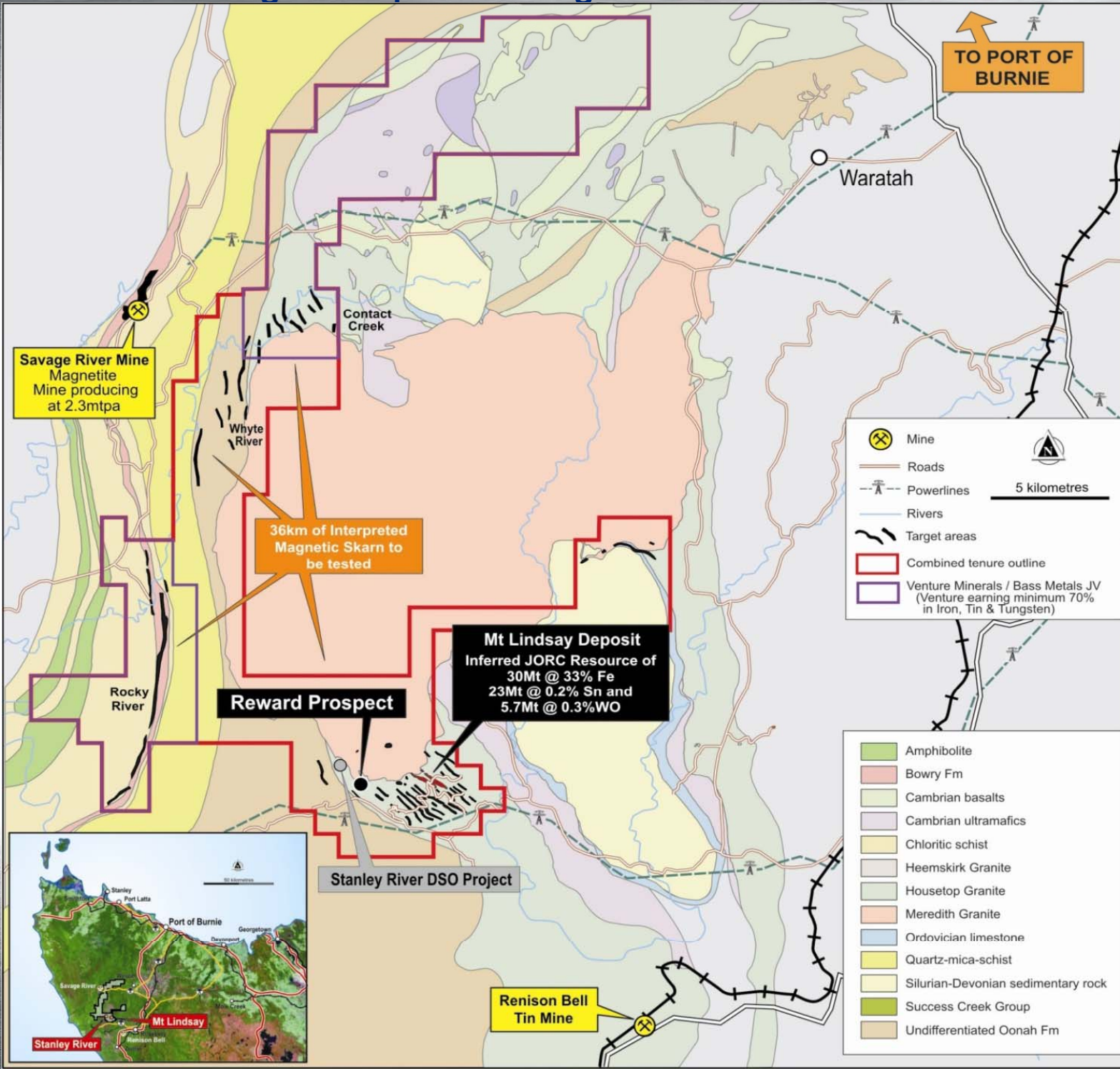
**Mt Lindsay Deposit
Inferred JORC Resource of
30Mt @ 33% Fe**

**Mt Lindsay Deposit
Inferred JORC Resource of
23Mt @ 0.2Sn% and 5.7Mt @ 0.3%WO₃**

- Meredith Granite
 - Crimson Creek Formation (with carbonate sub-units)
 - Red Rock Member
 - Stanley Dolomite
 - Dalcoath Formation
 - Oonah Formation
- } Success Creek Group

- DSO Exploration Targets
- Tin and Tungsten Resource
- Iron Resources
- Magnetite-tin tungsten skarn target

Mt Lindsay Project Infrastructure & Regional Exploration Targets



Appendix One - Diamond Core Drill Results - Tungsten Zone - No.2 Skarn

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Note:

“*” The weight recovery of the magnetic iron is determined by Davis Tube Results (“DTR”), except in the case of ML136 where the values were estimated using a simple regression calculation based on magnetic susceptibility readings versus known DTR mass recovery values.

- The WO₃ equivalent formula used to calculate the WO₃ equivalent values is as follows: WO₃ Equivalent (%) = WO₃ % + (weight recovery % of magnetic Fe x 0.007355) + (Sn % x 0.943548).
- This formula uses the current iron price spot price of US\$114/t, a tin metal price of US\$14,625/t as of October 9 2009, and a minimum 65% WO₃ concentrate price of US\$155/mtu as of September 2009.
- The metallurgical recovery for iron in the form of magnetite is 90%, for tin is 67%, and for WO₃ is 90%. The iron value was from part of the metallurgical testwork from which results were stated in the ASX announcement of February 7 2008. The tin and WO₃ values are from metallurgical testwork results as stated in the ASX announcement of April 28 2009.
- It is the Company’s opinion that the iron in the form of magnetite, tin and WO₃ included in the metal equivalent calculations have a reasonable potential to be recovered if the Mt Lindsay Project goes into production.