

# Drilling Doubles High Grade Tin Zone Mt Lindsay Project - Tasmania

ASX Announcement  
Wednesday, 9 December 2009  
Ref: /VMS/606/VMS00200

- **Latest drilling confirms the MacDonald Zone represents a major tin discovery**
- **ML 142 intersects 10m @ 1.1% tin equivalent doubling the height of the MacDonald Tin Zone to over 200m**
- **ML 135 intersects 30m @ 0.64% tin equivalent extending the MacDonald Tin Zone to over 650m down plunge**
- **High grade tin is from surface and amenable to open pit mining**
- **Five diamond core rigs at site testing multiple tin/tungsten targets**

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 North-West Tasmania. Drilling has now confirmed the MacDonald Tin Zone is a major high grade tin discovery up to 200m in height and extending down plunge for at least 650m (Refer map).

## Main Skarn - High Grade MacDonald Tin Zone

Hole ID	Intercept Depth below surface (metres)	Interval (metres)	Tin (Sn) Grade	Tungsten Trioxide (WO <sub>3</sub> ) Grade	Tin (Sn) Equivalent Grade
ML135	240	<b>30</b>	0.5%	0.1%	<b>0.6%</b>
including		<b>8</b>	0.9%	0.1%	<b>1.0%</b>
ML142	165	<b>32</b>	0.5%	0.1%	<b>0.6%</b>
including		<b>10</b>	0.8%	0.2%	<b>1.1%</b>
<b>Previously Announced</b>					
ML03	30	<b>16</b>	1.6%	<i>Not assayed</i>	<b>1.6%</b>
ML09	45	<b>11</b>	1.7%	<i>Not assayed</i>	<b>1.7%</b>
ML102	205	<b>24</b>	1.1%	0.2%	<b>1.3%</b>
including		<b>12</b>	1.8%	0.3%	<b>2.2%</b>
ML122	10	<b>10</b>	1.1%	0.04%	<b>1.2%</b>
ML134	165	<b>28</b>	1.5%	0.2%	<b>1.7%</b>
including		<b>18</b>	2.2%	0.2%	<b>2.4%</b>

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

The latest drilling combined with previous high grade intersections, which **included 18m @ 2.2% tin**, have confirmed both the consistent nature of the mineralization within the MacDonald Zone and the potential scale of the discovery.

The MacDonald Tin Zone is hosted within the Main Skarn and is located **only 150m from the Company's recently announced major tungsten discovery, which is situated within the neighbouring No.2 Skarn** (Refer map).

- ### Tin Fast Facts
- Tin LME price \$US15,000 or more than twice the price of copper
  - The average grade of large hard rock deposits worldwide - 0.4% Sn
  - China is the world's largest producer and consumer of Tin
  - China has new 10% export tax on Tin
  - China is a net importer ("Protect Resources Policy")
  - Rare Metal - Tin is 30 times rarer than Copper

#### Venture Fast Facts

ASX Code: VMS  
Shares on Issue: 144 million  
Cash: \$9 million - Sept Q'tly

#### 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

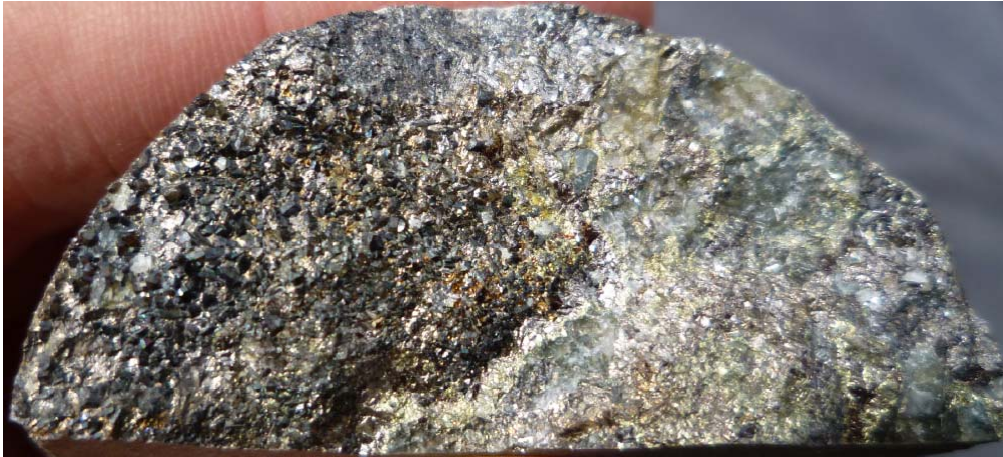
Internal Rate of Return - 30% (ASX: 30/06/2009)

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The receipt of additional information from the latest drilling has resulted in the MacDonald Tin Zone being extended all the way to the Tulloch Fault. This combined with the merging of the previously interpreted Second Shoot has seen the zone double in size. In addition ML 135 which targeted the zone at depth, successfully intersecting 30m @ 0.64% tin equivalent, extending the tin zone to 650m down plunge, but still only 300m below surface.

Tin mineralization within the MacDonald Zone is typically dominated by relatively coarse cassiterite (Refer photo). This observation is consistent with the Company's previously announced metallurgical results for the Main Skarn which suggests at least 75% recovery of tin can be achieved via a simple gravity circuit (Refer Announcement 28/4/2009).



Drill core from hole ML134 showing coarse grained cassiterite on the left hand side which contains 79% Tin

As noted in the Tin Fast Facts, the average grade of large hard rock tin deposits worldwide is 0.4% which emphasises the high grade nature of the MacDonald Tin Zone discovery. This combined with the consistency and scale of the discovery, suggests the MacDonald Zone **will have a major impact on the future economics of the Mt Lindsay Project.**

**Following on-going exploration success the Company believes there is scope to significantly increase the MacDonald Tin Zone at depth and has therefore dedicated one diamond core rig to drilling out the zone over the coming weeks.**

**In addition to the drilling on the MacDonald Zone there are another four diamond core rigs at Mt Lindsay targeting multiple tin and tungsten zones. Drilling is scheduled to continue well into next year.**

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 - Diamond Core Drill Results - MacDonald Tin Zone - Main Skarn

Hole ID	Location				Intersection (metres)		Interval (metres)	Tin (Sn) Grade	Tungsten Trioxide (WO <sub>3</sub> ) Grade	Tin (Sn) Equivalent Grade	Intercept Depth below surface (metres)
	East (MGA55) (metres)	North (MGA55) (metres)	Dip (°)	Azimuth (°)	From	To					
ML03	360,939	5,382,442	-54	11	27.4	43.5	16.1	1.55% <sup>Ⓢ</sup>	Not assayed	1.55%	30
ML09	360,601	5,382,587	-45	11	49.5	60.4	10.9	1.72% <sup>Ⓢ</sup>	Not assayed	1.72%	45
and					77	82.6	5.6	0.29% <sup>Ⓢ</sup>	Not assayed	0.29%	
ML102	361,097	5,382,274	-65	10	184	208	24	1.09%	0.20%	1.34%	205
including					194	206	12	1.84%	0.26%	2.16%	
ML122	360,910	5,382,480	-25	5	0	25	25	0.54%	0.04%	0.59%	10
including					13	23	10	1.11%	0.04%	1.16%	
or					13	17	4	2.45%	0.06%	2.52%	
ML134	361,012	5,382,311	-55	35	150	178	28	1.45%	0.17%	1.66%	165
including					160	178	18	2.15%	0.19%	2.39%	
including					172	174	2	14.0%	0.26%	14.3%	
ML135	361,097	5,382,274	-70	30	193	199	6	0.17%	0.49%	0.78%	205
and					213	243	30	0.54%	0.08%	0.64%	240
including					215	221	6	0.82%	0.12%	0.97%	
including					229	237	8	0.85%	0.08%	0.95%	
ML142	360,937	5,382,347	-50	45	138	170	32	0.48%	0.11%	0.62%	165
including					158	168	10	0.81%	0.23%	1.10%	
including					166	170	4	1.76%	0.11%	1.90%	

**Note:**

<sup>Ⓢ</sup>—Historic Drill Results with no further breakdown of the quoted intersection available.

- The tin equivalent formula used to calculate the tin equivalent values is as follows: Tin Equivalent (%) = tin % + (WO<sub>3</sub> % x 1.24783).
- This formula is based on a tin metal price as of September 24 2009 of US\$14,425/t and a minimum 65% WO<sub>3</sub> concentrate price of US\$180/mtu as used in the ASX announcement on the Scoping Study results released on June 30 2009.
- The metallurgical recovery for tin is 67% and for WO<sub>3</sub> is 90%, this is based on metallurgical testwork results as stated the ASX announcement of April 28 2009.
- It is the Company's opinion that the tin and WO<sub>3</sub> included in the metal equivalent calculations have a reasonable potential to be recovered if the Mt Lindsay Project goes into production.