



Venture to raise \$20 million to Fast Track the Development of Mt Lindsay

ASX Announcement
Thursday 7 October 2010
Ref: /VMS/606/VMS0231

Australian mineral exploration company, Venture Minerals Limited (ASX code: VMS), announces it will raise **\$20 million to fund ongoing exploration and feasibility studies at the Company's flagship Mt Lindsay Tin/Tungsten Project** in northwest Tasmania. The capital raising includes an \$18 million placement to existing and new institutional investors and a share purchase plan to be offered to all eligible shareholders on the same terms as the placement.

Highlights:

- **Strong demand for the raising from new and existing institutional investors in Australia, Europe and North America**
- **Placement has been well oversubscribed**
- **Proceeds to fully fund both feasibility studies and on-going aggressive exploration at Mt Lindsay**
- **Share purchase plan to be offered to all eligible shareholders**
- **Success of the capital raising demonstrates strength of support for Venture and Mt Lindsay Project as tin price reaches all time highs of +US\$26,000 per tonne**

The \$20 million raising follows a number of major milestones achieved by the Company at Mt Lindsay including:

- The discovery of large high grade tin and tungsten zones;
- Exploration success at Reward;
- Excellent metallurgical results; and
- The completion of a successful scoping study.

The immediate focus for Venture is to upgrade its resource base, complete the current pre-feasibility study and continue its aggressive exploration program, testing multiple high-priority drill targets. **The Company is seeking to fast track all activities at Mt Lindsay with six diamond core drill rigs on site.**

The Placement

The Company has agreed to place a total of 40.9 million fully paid ordinary shares at 44 cents each, to institutional and sophisticated investors in two tranches:

- Tranche 1 - 24.5 million shares at 44 cents to raise \$10.8 million will be issued immediately under the Company's 15% capacity, pursuant to ASX Listing Rule 7.1; and
- Tranche 2 - 16.4 million shares at 44 cents to raise a further \$7.2 million will be issued subject to shareholder approval at the Company's Annual General Meeting to be held during November 2010. A notice of meeting will be sent to shareholders in due course.

Fast Facts

ASX Code: VMS
Shares on Issue 168 million
Cash: \$7.7m (Sept 2010)

Recent Announcements

- New Tin Discovery defined over 500m (ASX: 28/5/2010)
- New Scoping Study increase margin per tonne by 300% (ASX: 13/5/2010)
- Major tin/tungsten resource upgrade (ASX: 23/03/2010)
- Australia's Third Largest Tin Resource

Scoping Study Highlights

- Margin per tonne increased by 300% to \$80 per tonne
- Internal Rate of Return - 55%
- Net cash per annum \$80 million (ASX: 13/05/2010)



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In addition, Venture will initiate a share purchase plan open to all eligible shareholders, to raise up to A\$2.0 million at A\$0.44 a share. The record date to be eligible to participate in the share purchase plan is 6 October 2010. Documents relating to the share purchase plan will be distributed in due course.

Venture Minerals Managing Director Hamish Halliday said: "This capital raising leaves Venture fully funded through to the completion of feasibility studies at Mt Lindsay, where we have already defined substantial resources of both tin and tungsten. The success of the financing demonstrates strong support for Venture and the project, as well as optimism about the tin price which continues to outperform all other base metals."

"We continue to remain bullish on the long-term fundamentals of the tin market, as well as the attractiveness of the Mt Lindsay Project, which is located in an historic mining area with an established mineral endowment. We expect the Mt Lindsay Project to be within the lowest cost quartile of the global tin industry and, following the completion of feasibility studies and financing, we anticipate that production from the site may begin as early as 2013."

Petra Capital acted as Lead Manager to the Placement along with Max Capital, who also acted as co-manager and corporate adviser to the issue.

Please see attached Appendix 3B in relation to the capital raising.

This announcement effectively lifts the trading halt that the Company requested on Tuesday 5 October 2010. 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 - Tin Comparisons

Metal Prices as of October 6 2010
Tin = US\$25,750 per tonne as quoted on LME
Gold = US\$1,340 / oz as quoted on Kitco
Copper = US\$8,125 per tonne as quoted on LME
Zinc = US\$2,260 per tonne as quoted on LME
Lead = US\$2,275 per tonne as quoted on LME
U ₃ O ₈ = US\$48/lb as quoted on UX Consulting website

Note:
Tin comparison calculations are based on metal prices alone with no account for metallurgical recovery or payability,

T i n

C o m p a r i s o n s

1% Tin = 5.6g/t Gold
 1% Tin = 3.2% Copper
 1% Tin = 11.4% Zinc
 1% Tin = 11.3% Lead
 1% Tin = 2,400ppm U₃O₈
 Refer to Appendix One

T i n

F a s t F a c t s

- Tin LME price +US\$26,000 per tonne or approx. 3.2 times 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

T u n g s t e n

F a s t F a c t s

- Current contract price equates to ~US\$17,000 per tonne or ~2 times the price of copper
- Average grade of major worldwide deposits - 0.4% 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

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Venture Minerals Limited

ABN

51 119 678 385

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Ordinary fully paid shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) 24,500,000 Fully paid ordinary shares (Placement - Tranche 1)
b) 4,545,454 Fully paid ordinary shares (Share Purchase Plan) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Fully paid ordinary shares - Yes</p>				
<p>5 Issue price or consideration</p>	<p>\$0.44</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Proceeds of the placement will be used to fund:</p> <ul style="list-style-type: none"> • Resource and exploration drilling at the Mt Lindsay Project; • Pre-feasibility completion and commencement of Bankable Feasibility Study; and • Working capital and cost of the issue. 				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>a) On or around 13 October 2010 b) TBA</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1444 989 1478">Number</th> <th data-bbox="989 1444 1283 1478">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1478 989 1700">197,208,788</td> <td data-bbox="989 1478 1283 1700">Fully Paid Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	197,208,788	Fully Paid Ordinary Shares
Number	+Class				
197,208,788	Fully Paid Ordinary Shares				

+ See chapter 19 for defined terms.

	Number	+Class
9	9,580,000	50 cent options expiring 31 August 2011
	11,525,000	30 cent options expiring 20 February 2012
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	N/A	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	

Appendix 3B
New issue announcement

- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Company Secretary)

Date:7 October 2010...

Print name: Brett Dunnachie == == == == ==
