



Pre-Feasibility Study Highlights World Class Potential of Mt Lindsay Tin/Tungsten Project

ASX Announcement
Tuesday, 1 March 2011
Ref: VMS/606/VMS0249

Highlights:

- **Project generates substantial revenue at all price assumptions**
- **Excellent Internal Rate of Return - up to 55% at current spot prices**
- **Mine life of eight years already defined**
- **Capital cost estimated at A\$162m, including new APT plant for tungsten**
- **Immediate commencement of Bankable Feasibility Study**
- **Project financing & offtake strategies have commenced**
- **Vast exploration upside remains at the 100% owned Mt Lindsay Project**
- **A\$25 million in cash, 6 drill rigs on site testing multiple new skarn targets**

Venture Minerals Limited (ASX code: VMS), announces that the results of a Pre-Feasibility Study (PFS) at the Mt Lindsay Tin/Tungsten Project in north-west Tasmania, have confirmed the robust economics of the project, moving Venture a step closer to becoming a significant producer of tin and tungsten.

The detailed study has delivered impressive results, suggesting a future operation at Mt Lindsay would generate substantial revenue, operate at a high margin per tonne and deliver an excellent internal rate of return.

The study at Mt Lindsay, one of the world's largest undeveloped tin projects, focussed primarily on open pit mining, utilised indicated resources only and was based on a throughput of 1.3Mt per annum and optimised at a tin price of US\$25,400 per tonne, which represents more than a 20% discount to the current London Metal Exchange ("LME") tin price.

Pre-Feasibility Study Highlights include:

* Please note all figures are quoted pre-tax

- **Revenue Life of Mine**
- **Net Cash Life of Mine**
- **IRR (50% equity, 50% debt)**
- **Ave Net Cash per Annum**

Commodity Price Comparisons (A\$)

	Upside Case (Spot)	Preferred Case (Spot -10%)	Conservative Case (Spot -20%)
Revenue Life of Mine	\$1,410m	\$1,270m	\$1,130m
Net Cash Life of Mine	\$710m	\$570m	\$430m
IRR (50% equity, 50% debt)	55%	42%	29%
Ave Net Cash per Annum	\$90m	\$72m	\$54m

The study's financials have been presented at a range of commodity prices for tin, tungsten, magnetite and copper; these include an upside case utilising current spot prices, a preferred case using current spot prices -10%; and a conservative case which utilises spot prices -20%. Even at conservative commodity prices, the study suggests that the Mt Lindsay Project would be a very profitable operation.

Tin

Comparisons

- 1% Tin = 7.0g/t Gold
 - 1% Tin = 3.3% Copper
 - 1% Tin = 13.0% Zinc
 - 1% Tin = 12.7% Lead
 - 1% Tin = 2,112ppm U₃O₈
- Refer to Appendix Two

Tin

Fast Facts

- Tin LME price +US\$32,000 per tonne or approx. 3.3 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

Venture Fast Facts

ASX Code: VMS
Shares on Issue: 221 million
Market capitalisation: \$124
Cash: \$25 million

Recent Announcements

Feasibility Drilling Record Result
(ASX: 27/01/2011)

Resource Upgrade
(ASX: 25/11/2010)

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

Venture to Raise \$20m to Fast Track the
Development of Mt Lindsay
(ASX: 07/10/2010)

New Tin Discovery defined over 500m
(ASX: 28/5/2010)

New Scoping Study
increase margin per tonne by 300%
(ASX: 13/5/2010)

Located in North-West Tasmania
140 years of mining precedent



Venture Minerals Managing Director Hamish Halliday commented: “The successful completion of the prefeasibility study represents a major achievement for the Company and is a very important milestone in the development of the Mt Lindsay Project”.

“The delivery of such a robust study is the result of a number of exploration successes over the past two years. The study’s financials certainly suggest that the Mt Lindsay Project has the potential to transform Venture into a successful mining company”.

“Following completion of the PFS, we can now commence a Bankable Feasibility Study (“BFS”) as well as continuing to maintain an aggressive approach exploration. We are fully funded for the coming year with A\$25 million in cash and currently have six drill rigs on site.

Commencement of Bankable Feasibility Study (BFS)

With the successful completion of the prefeasibility study the Company will now commence a bankable feasibility study on the Mt Lindsay Project. The study will include additional infill drilling on the Main and No.2 Skarns to increase the resource category to measured and extensive drilling targeting neighbouring skarn targets to potentially deliver addition ore tonnes. The BFS will include detailed additional work on:

- Mining
- Metallurgy
- Process Design
- Geotechnical
- Transport
- Environmental
- Permitting

In addition to the above studies the Company has initiated a marketing and offtake strategy which includes the engagement of Penfold Limited to assist in all aspects of product marketing and sales. The Company has also initiated a project finance strategy which includes engaging with global investments banks and other industry financiers to deliver an optimal finance package for the development of the Mt Lindsay Project.

Independent Prefeasibility Study Results in Detail

Processing Plant

A 1.3Mtpa processing plant was designed by ProMet Engineers Pty Ltd in-conjunction with Esker Milling and Processing Pty Ltd and was based on up to date metallurgical test results for tin, tungsten, magnetite and copper. The capital cost of the plant was A\$155 million (includes 15% contingency for direct and indirect costs), whilst the operating costs were A\$31.24/t of Main Skarn mill feed and A\$35.49/t of No.2 Skarn mill feed.

Metallurgical Recoveries

An overall Tin recovery after using gravity and flotation processing techniques of 73% was used. An overall Tungsten Trioxide (WO₃) recovery after using gravity, flotation and ammonia leach processing techniques of 84% was used. An overall Magnetite recovery after using magnetic separation processing techniques of 95% was used. An overall Copper recovery after using flotation processing techniques of 60% was used.

Mine Design

Rock Team undertook the open pit and underground mine design work. GHD and Rock Team co-designed the Waste Dumps, whilst GHD designed the Haul Road from the stockpiles adjacent to the open pit to the primary crusher at the Processing Plant, the capital cost being A\$4.8 million (includes 15% contingency) and the cost of ore haulage estimated at A\$1.84/t.

The pit design with an overall slope angle for the pit was 45° had a waste to ore strip ratio of 8 to 1 with mining costs averaging A\$28.65/t of ore mined. An allowance of A\$2.5 million was given for mine site infrastructure.

The underground mine design was based on the bottom up long hole open stoping method (“also known as benching”) using consolidated and unconsolidated fill, this realises mining costs averaging A\$74.28/t ore mined.

Infrastructure & Logistics

Engineering consultant Mr Malcolm Hillbeck worked with other consultants to determine accommodation costs, power supply costs and ore transport costs.

Financials

	Commodity Price Comparisons (A\$)		
	Spot	Spot -10%	Spot -20%
▪ Net Cash Life of Mine	\$709m	\$568m	\$428m
▪ IRR (50% equity, 50% debt)	55%	42%	29%
▪ Total Revenue (Life of Mine)	\$1,406m	\$1,265m	\$1,125m
▪ Total Costs (Life of Mine)	\$697m	\$697m	\$697m
▪ Average Revenue per Annum	\$179m	\$161m	\$143m
▪ Average Costs per Annum	\$89m	\$89m	\$89m
▪ Average Net Cash per Annum	\$90m	\$72m	\$54m

* Please note all figures are quoted pre-tax

* Please refer to List of Assumptions for definitions of "spot price"

List of Financial Assumptions for Prefeasibility Study

Commodity Prices

The following commodity prices were used:

Commodity	Spot Metal Prices US\$/t	Spot Metal Prices US\$/t -10%	Spot Metal Prices US\$/t -20%
Tin	\$31,754	\$28,579	\$25,403
Tungsten (APT)	\$35,250	\$31,725	\$28,200
Magnetite	\$163	\$147	\$130
Copper	\$9,975	\$8,978	\$7,980

The spot prices were taken as at 14 February 2011. The Tin and Copper Prices were taken from the cash prices quoted on the London Metal Exchange. The Tungsten Price is based on the European Free Market APT (Ammonium paratungstate) price quoted in the Metal Bulletin Weekly Report (equivalent of 10kg of contained tungsten trioxide). The Magnetite price is based on the price Rio Tinto had agreed for the first quarter of 2011 of US\$135 per tonne fob for 61.5% Fe Pilbara blend fines plus a 7.5% industry standard premium for magnetite fines.

Exchange Rate

A constant exchange rate of USD/AUD = \$0.90 has been used.

Smelter Discount

A discount of 15% was used for the tin concentrate and a discount of 25% was used for copper concentrate.

Tax

All pre-feasibility study results, including net cash and internal rate of return, represent pre-tax figures.

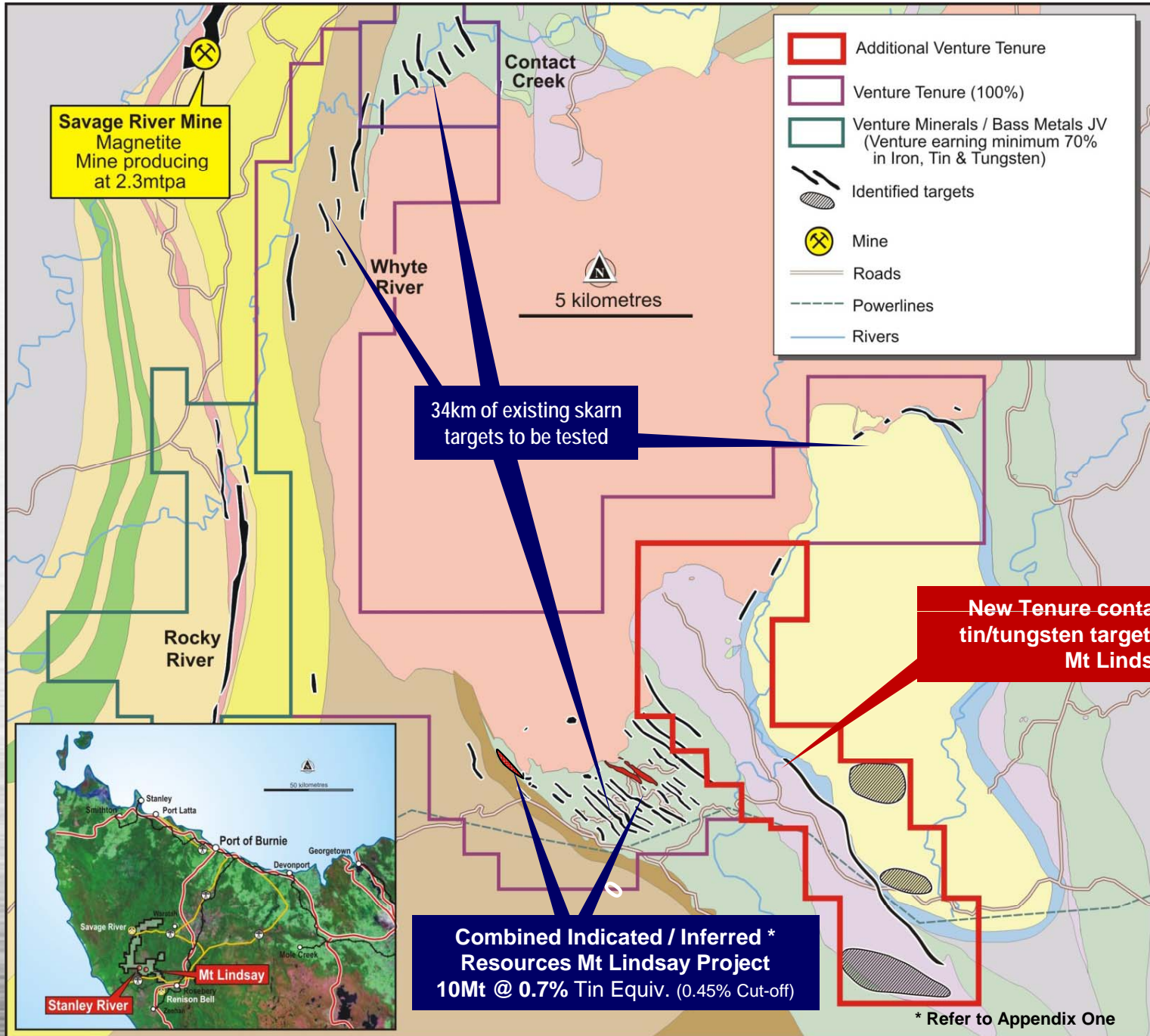
Kind regards

Venture Minerals Limited

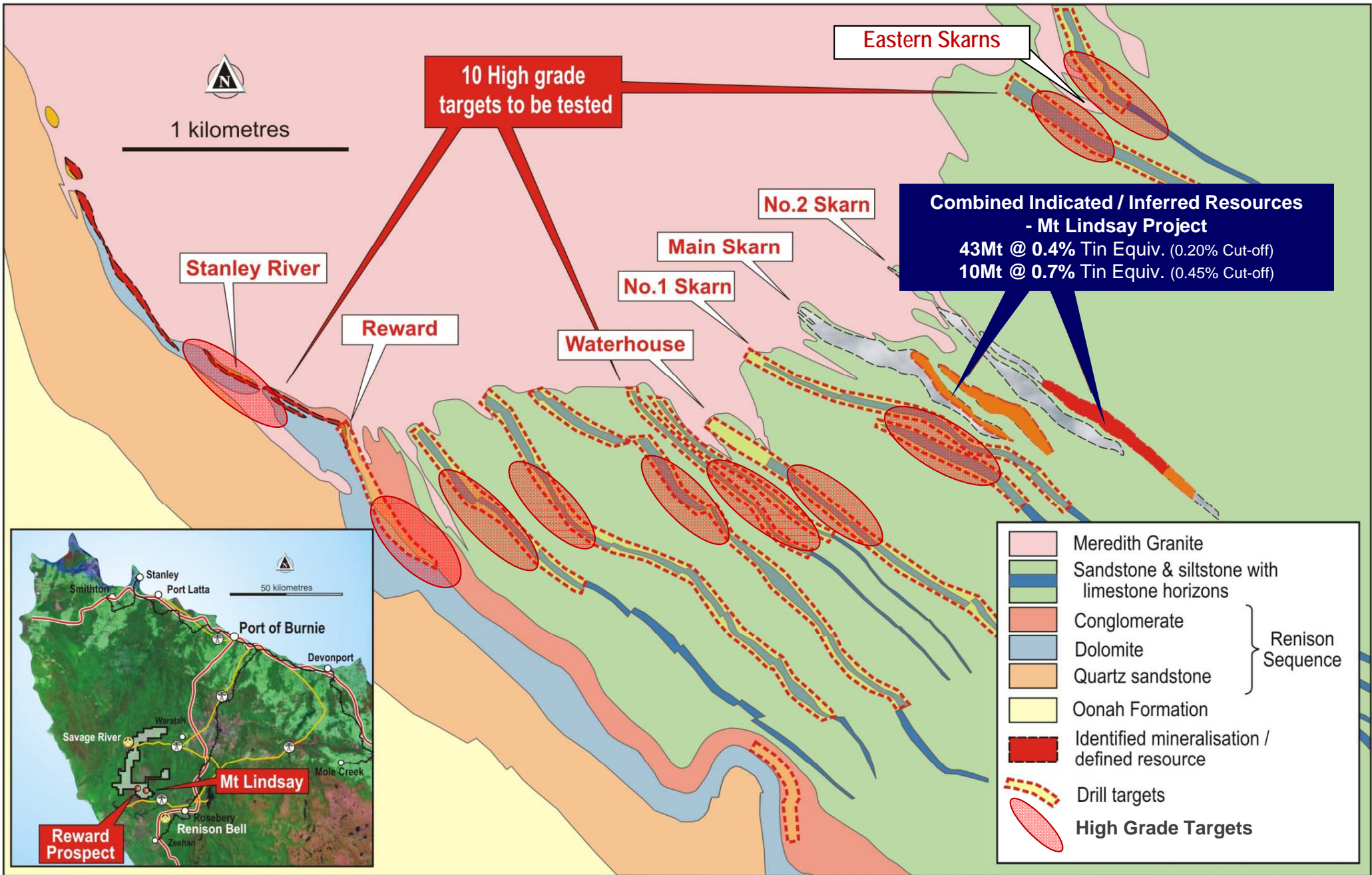


Hamish Halliday
Managing Director

Regional Exploration Targets



Mt Lindsay - High Priority Drill Targets



APPENDIX One

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.

Appendix Two

Tin Comparisons

Metal Prices as of 28 February 2011
Tin = US\$32,018 per tonne as quoted on LME
Gold = US\$1,415.30 / oz as quoted on Kitco
Copper = US\$9,766 per tonne as quoted on LME
Zinc = US\$2,463.75 per tonne as quoted on LME
Lead = US\$2,527 per tonne as quoted on LME
U ₃ O ₈ = US\$68.75/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.