Venus Metals Corporation Limited - Announce JORC Compliant Inferred Magnetite Iron Ore Resource Of 443.9 Million Tonnes At Bilberatha Hill

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Perth, Australia (ABN Newswire) - Venus Metals Corporation Limited (ASX:VMC) ('Venus') is pleased to report a JORC Compliant Inferred Magnetite Iron Ore Resource of 443.9 Million Tonnes at Bilberatha Hill, and highly encouraging Metallurgical test results of drill holes YGDD001 and YGDD002.

'Venus is very pleased with this robust resource result which has been obtained with the support of Shandong Provincial Bureau of Geology and Minerals in the farm in phase of their involvement with the project. Venus looks forward to continue to work with Shandong to develop this project which has the potential to be a major new iron ore project with a long mine life in the heart of the Midwest Iron Ore Province of WA.'

Highlights

- JORC Inferred Magnetite Iron Ore Resource of 443.9 Million Tonnes exceeds the Company's previously announced target estimate tonnage range for Bilberatha Hill of: 268MT - 420MT (ASX announcement 21 April 2010).

- The strike length of Bilberatha orebody is approximately 1.6 km, the BIF extends up to 630m below surface vertically (and is still open at depth), and the true thickness varies from 100m to 220m with an average of approximately 170m.

- The Scoping Study on the Yalgoo Iron Ore Project to develop this world class magnetite deposit is progressing.

- Coarse cobbing metallurgical testwork programme has delivered very positive results.
- Rejection of gangue minerals at coarse size by magnetic separation was achievable for samples from YGDD001 and YGDD002.

- Davis Tube Recovery test showed that high grade concentrate can be successfully produced from YGDD002, assaying 70.6% Fe and 1.9% SiO2.

Yalgoo Iron Ore Project- Bilberatha Hill

Mid West Iron Ore Province

Venus's Yalgoo Iron Ore project is centrally placed within Western Australia's emerging Mid West Iron Ore Province approximately 80 kilometres north of the world-class Gindalbie Metals Ltd (ASX: GBG) (PINK: GDBGF) Karara Iron Ore Project. The Yalgoo Iron Ore Project area of 234 km2 covers Yilgarn Craton Archaean Banded Iron Formation units are comparable to those hosting the Gindalbie Metals Limited/Ansteel Karara Iron Ore Project Magnetite and DSO resources to the south of the project area.

The subject of this resource estimate is the main part of the Bilberatha Hill magnetite BIF deposit within Venus Yalgoo Iron Ore Project.

Venus commissioned geological consultants Widenbar and Associates to produce a preliminary JORC complaint resource estimate for Bilberatha Hill.

Total RC drilling on the Yalgoo Iron Ore Project exceeds 22,300m (130holes) and 2300m of diamond core drilling (9 holes), of which 34 RC holes and 9 diamond holes are in the area of interest for this resource

estimate. There are a total of 18,950 assay intervals, of which 6,642 are used in the resource estimate. In addition there are a limited number of assays available for the nine diamond holes which have been used to confirm the location of the BIF boundaries. There is a comprehensive set of logging data for both RC and diamond holes and all were used to generate domains which would be used to control the resource estimation. Essentially a main BIF domain was interpreted on sections and wireframed to produce a solid model. Bilberatha BIF resource limits and a long section through BIF wireframe are shown in Figures 4 and 5 (see link at the bottom of the release). In addition logging of the weathering was used to generate a Digital Terrain Model (DTM) surface to represent the Oxide/Fresh interface.

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Metallurgical Testing

Recent metallurgical test programme conducted on diamond drill holes YGDD001 and YGDD002 showed fresh magnetite BIF samples can easily be beneficiated. At -4 mm, while it rejected 19% of the feed mass to waste, the loss of iron was negligible. Approximately 94-99% of iron was reported to the magnetic concentrate. This highly encouraging result is expected to improve the project economics with the reduction in costs for downstream grinding.

Davis Tube Recovery (DTR) tests conducted on samples from YGDD002 confirmed the production of high grade magnetite concentrate. The concentrates produced from the low sulphur ore zone can be sold as a premium quality direct reduction concentrate.

On the basis of the iron and silica levels in the DTR concentrates of YGDD002 and YGRC0034 (refer ASX announcement 27 July 2010), 'the quality of the magnetic concentrates produced from Yalgoo Iron Ore project Bilberatha Hill are comparatively higher than many emerging magnetite projects in Australia'(METS, 2010). Further investigations are currently underway to optimise the grind versus Fe recovery and SiO2 reduction for the project.

This metallurgical work is being undertaken under the supervision of Mineral Engineering Technical Services (METS) Pty Ltd, an engineering consulting group in Perth. The Scoping Study is due to be completed in early 2011 with plans to progress into a Pre-Feasibility Study.

For the complete Venus Metals announcement including tables and figures, please refer to the following link: http://www.abnnewswire.net/media/en/docs/64827-ASX-VMC-520788.pdf

About Venus Metals Corporation Limited:

Venus Metals Corporation Limited (ASX:VMC) current projects consist of the Yalgoo Iron Ore Project which is located within the Murchison mid west region of Western Australia which is an emerging multi-billion dollar Chinese and Japanese iron ore investment province. The Yalgoo Project is subject to a formal farm-in agreement with HD Mining & Investment, a subsidiary of Shandong Provincial Bureau or Geology & Mineral Resources (SDGM) involving an $8m sole spend by HD Mining to earn a 50% interest in the Iron Ore Project. Once the joint venture is formed if Venus Metals elects not to contribute it will receive a 4.5% gross iron ore royalty from any production from the Yalgoo Iron Ore Project.

The company also has 3 super projects being Argyle North, Telfer North and Tropicana East projects. The focus of the super projects is for the discovery of world class deposits within concealed parts of the lower proterozoic orogenic belts which host the majority of Australia’s giant ore bodies including Argyle (diamonds), Telfer (gold), Olympic Dam (iron oxide copper gold), Broken Hill (base metals) and Mt Isa (base metals, IOCG).

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