

Venus Metals Corporation Limited - Yalgoo Iron Ore Project Scoping Study Indicates Potential NPV Of A\$1.14 Billion

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Perth, Australia (ABN Newswire) - [Venus Metals Corporation Limited](#) (ASX: VMC) ('Venus') are pleased to report the results of the Scoping Study on the Yalgoo Iron Ore Project (as completed by Mineral Engineering Technical Services Pty Ltd ('METS')). Their financial model indicates a potential net present value ('NPV') of A\$1.14billion with internal rate of return ('IRR') of 24.4% based on a 30 Mtpa mine.

Venus commissioned ('METS') to undertake a scoping study of the Yalgoo Iron Ore Project ('YIOP') in the Mid-West region of Western Australia.

Highlights

- Potential NPV of A\$1.14billion with IRR of 24.4% pre-tax.
- The Yalgoo deposit contains a large and well identified JORC inferred magnetite mineral resource.
- The scoping study concluded that the ore is amenable to conventional treatment with magnetic separation and reverse sulphur flotation.
- Benchmarking of the plant capital and processing costs of the Yalgoo concentrator showed the project compared favourably among many emerging magnetite projects in Australia.
- Pre-Feasibility study to commence.

The YIOP is located 200 km to the east of Geraldton in the vicinity of the town of Yalgoo, approximately 500 km north of Perth. Strategically situated in the Mid-West iron ore province in Western Australia approximately 80 kilometres north of the [Gindalbie Metals Ltd](#) (ASX: GBG) Karara Iron Ore Project ('Karara').

The scoping study covered six major aspects of the project:

- Metallurgical testwork;
- Process selection;
- Infrastructure review;
- Factored capital cost;
- Plant operating cost estimate; and
- Preliminary financial modelling.

The metallurgical testwork programme was designed and supervised by METS. The results from the testwork programmes, which comprised head assays, Davis Tube tests, LIMS tests, sulphide flotation and comminution tests provided design criteria for the scoping study design work. The tests were carried out on two diamond drill cores which were composited into three master composites based on head assay and Davis Tube Recovery test results.

Based on the metallurgical testwork results, METS developed a preliminary process flowsheet (see Preliminary Process Flow Diagram) for the YIOP, to produce approximately 11.4Mtpa of magnetite concentrate. The proposed plant will have a capacity to process 30Mtpa.

The YIOPY is strategically situated near to existing infrastructures for transport energy and water. The Yalgoo bore field which draws water from the local fractured rock aquifer can adequately supply water for the processing plant. Energy may possibly be sourced from the Mid-West natural gas pipeline which passes within 10km of the project area for power generation of the concentrator.

The processing costs for the concentrator are mainly driven by the power consumption. This is typical for iron

ore processing plants.

The costs were estimated based on:

- Concentrate production rate: 11.4 Mtpa
- Fe head grade: 30.3% Fe
- Fe recovery: 85.7%
- Mass recovery: 37.9%
- Power cost: A\$0.16 kWh

Benchmarking of the plant capital and processing costs of the Yalgoo concentrator showed the project compared favourably among many emerging magnetite projects in Australia. The estimated plant capital cost was in line with other projects based on concentrate production. The plant processing costs are also comparable to projects such as Karara and Australasian Resources Ltd Balmoral South Project.

Concentrator capital cost for the development at YIOP is estimated at A\$1.04 billion with processing costs estimated at A\$7.37/tonne of ore treated. The capital investment associated with the port and rail infrastructures including owner's costs is estimated at A\$399.3 million.

The NPV of the project is calculated at A\$1,142.8 million at 8% discount rate, with a pre-tax IRR of 24.4%. The mine life is estimated at 14.8 years based on the current resource size. The plant costing and financial modelling is within an accuracy of +/- 35%.

Venus in conjunction with its farm-in/JV partners Shandong Provincial Bureau of Geology and Minerals plan to develop the project as a key supplier of iron ore to steel mills in the Shandong Province of China.

For the complete Venus Metals Corporation Limited announcement including tables and diagram, please view the following link:

<http://www.abnnewswire.net/media/en/docs/65238-ASX-VMC-529214.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 of 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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