



**VENUS METALS**  
CORPORATION LIMITED

**ASX Release: 6 August 2010**

**ASX Code: VMC**

**YALGOO IRON ORE PROJECT  
FURTHER ENCOURAGING MAGNETITE BIF INTERSECTIONS AT BILBERATHA WITH  
AN APPARENT INCREASE IN Fe GRADE TO THE SOUTH**

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Venus Metals Corporation Limited (Venus) is continuing to drill the large Bilberatha magnetite target ("Bilberatha") at a nominal 320m line spacing and 80m hole spacing with the aim of determining a JORC-compliant resource. Two RC and one diamond drilling rigs are currently drilling at Yalgoo.

Further encouraging magnetite BIF intersections at Bilberatha are as follows:

- **163m @ 34.7% Fe from 109-272m (end of hole) in drillhole YGRC0060.**
- **157m @ 33.9% Fe from 77-234m (end of hole) in drillhole YGRC0062.**
- **262m @ 34.1% Fe from 75-337m in drillhole YGRC0063.**
- **100m @ 30.0% Fe from 122-222m in drillhole YGRC0064.**

Drillholes YGRC0060 and YGRC0062 are along drill traverse BS3 (Figure 1). Both holes were abandoned in magnetite BIF short of their planned target depths because of difficult ground conditions. Venus is currently drilling diamond drillhole YGDD004 beneath these two holes to determine the BIF thickness on this section, and to obtain core for metallurgical test work.

Percussion RC drillholes YGRC0063 and YGRC0064 were drilled along drill section BS4 where diamond drillhole YGDD002 intersected 256 metres of magnetite BIF from 141 – 397 metres.

Assay results suggest that the BIF iron grade of Bilberatha is increasing from north to south, as the weighted average iron grade from drill sections BS1 and BS2 was 30.2% Fe (ASX announcement 26 July 2010).

The above drilling results are considered by Venus to further support the original Bilberatha target\* estimate of 268 – 420 million tonnes with an iron grade range of 30-36% Fe\*\* (ASX release 21 April 2010).

The scheduled work that continues is as follows:

- Continued drilling of the high priority Bilberatha magnetite target with the aim of determining a JORC-compliant resource.
- Drilling of other high priority magnetite targets (Bilberatha West, Bilberatha East etc). Drilling of Bilberatha West has commenced.
- Davis Tube magnetite recovery test work on all diamond drillholes at Bilberatha.
- Commencement of a magnetite scoping study.

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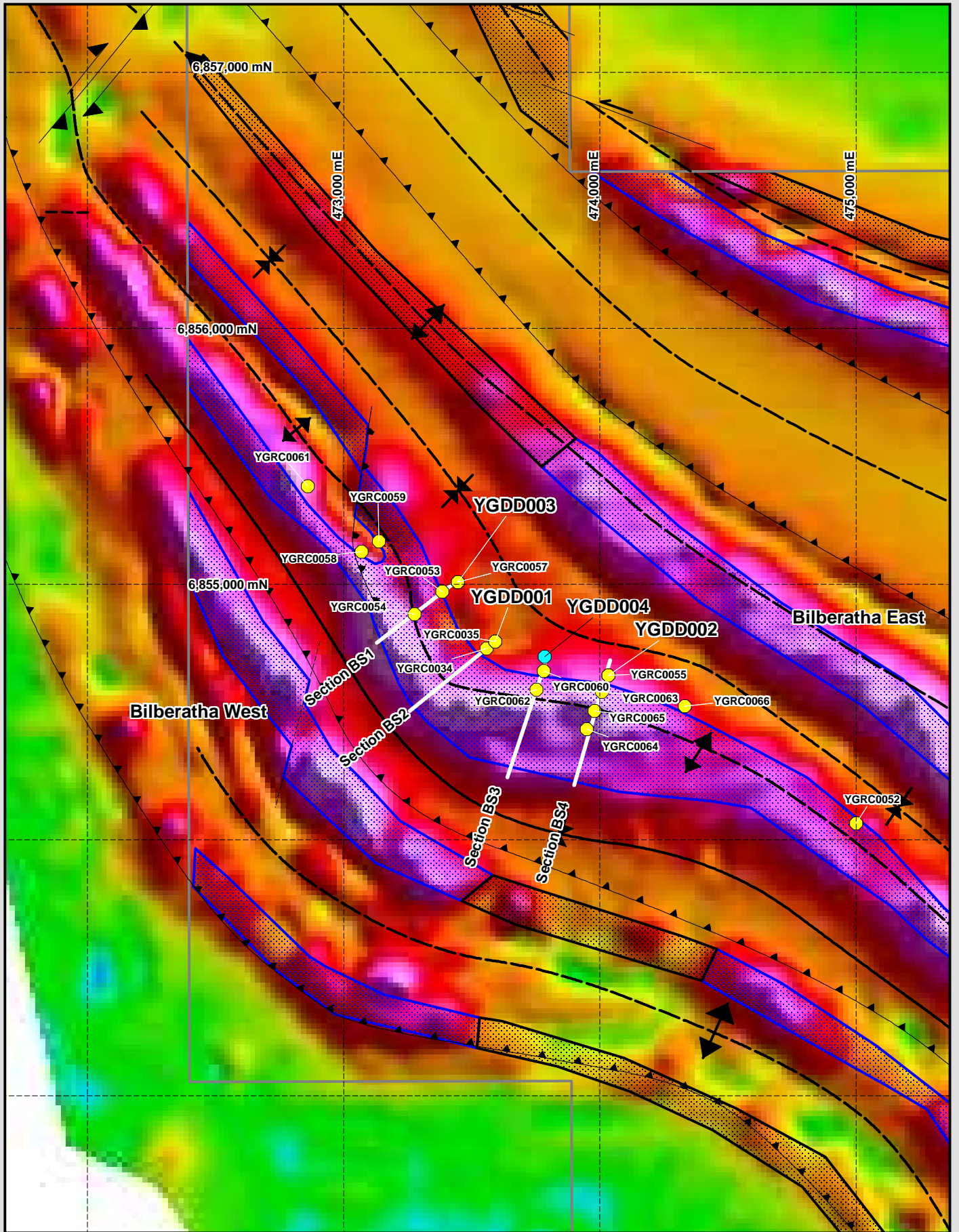
*\*The term "Target" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.*

*\*\*In accordance with the JORC Code (2004), the potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a Mineral Resource.*

**Competent Persons Declaration:**

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Kerry Taylor, who is a Member of The Australian Institute of Geoscientists and is a full time employee of the Company. Mr Taylor has sufficient experience which is relevant to the style of mineralization 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 Taylor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*David Jenkins has compiled the information in this report from information supplied by Venus Resources Limited. David Jenkins is a full time employee of Terra Search Pty Ltd, geological consultants employed by Venus Resources Limited. David Jenkins is a Member of the AIG and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results. Mr Jenkins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



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


-  Venus DSO (hematite-goethite target)
-  Venus drillhole
-  Venus magnetite target

Figure 1. Iron ore targets and drillhole locations