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WIDE-SPACED PATTERN RECONNAISSANCE DRILLING OF THE CENTRAL SECTION OF THE BILBERATHA MAGNETITE TARGET RETURNS ENCOURAGING MAGNETITE BIF INTERSECTIONS UP TO 278 METRES

HIGHLIGHTS:

- Initial wide-spaced pattern reconnaissance RC and diamond drilling of the central part of the large Bilberatha magnetite iron ore target has returned substantial intersections of strongly magnetic BIF up to 278 m (drillhole YGRC0063).
- Drilling results from northern drill traverse lines BS1 and BS2 where assay results are to hand show that the Bilberatha BIF unit in this area has a weighted average iron grade of 30.2 % Fe. The drilling also shows that the unit has a minimum estimated true width of 200 metres and dips moderately at 45-60 degrees.
- Venus is encouraged by these early drilling results and believes that they support the original Bilberatha magnetite target* estimate of 268 – 420 million tonnes with an iron grade range of 30-36% Fe**.

YALGOO IRON ORE PROJECT

Mid West iron ore province:

Venus's Yalgoo Iron Ore project "Yalgoo" is centrally placed within Western Australia's emerging Mid West Iron Ore Province approximately 80 kilometres north of the world-class Gindalbie Metals Ltd Karara Iron Ore Project.

Yalgoo covers Yilgarn Craton Archaean Banded Iron Formation units interpreted by Venus to be equivalent to those hosting the Gindalbie Metals Limited/Ansteel Karara Iron Ore Project magnetite and DSO resources to the south of Yalgoo.

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In 2009 Gindalbie announced government approval for the development of the multi-billion dollar Karara Iron project containing a reported magnetite resource of 2.5 billion tonnes with an ore reserve (probable) of 522 million tonnes @ 36.3% Fe (Gindalbie web site). The Karara project has an anticipated 60 year mine life at an initial production rate of 8 Mtpa with a capacity to expand production to +30 Mtpa for more than 30 years. In March 2010 Gindalbie announced a long-term off-take agreement with joint venture partner Ansteel covering life-of-mine production from Karara; “Based on the 2009 Benchmark iron ore fines price and stage one production rate, the off-take agreement is worth approximately US\$580 million a year increasing to more than US\$2.1 billion a year at the project’s potential production rate”.

Yalgoo is subject to an iron ore farm-in and joint venture agreement with HD Mining and Investments Pty Ltd (HD Mining) a subsidiary of Shandong Provincial Bureau of Geology and Minerals. Under the terms of the agreement HD Mining is to sole spend up to AUD\$8 million over a 2 year period to earn a 50% interest in the Company's Yalgoo project. Venus is the manager of the exploration program during the HD Mining sole funding period.

Bilberatha Hill magnetite target

On the 21 April 2010 Venus announced the identification of the large Bilberatha Hill magnetite target* within the Yalgoo project area estimated to be in the tonnage range 268 – 420 million tonnes with an iron grade range of 30-36% Fe**. Figure 1 shows the interpreted extent of the Bilberatha BIF target in relation to analytical signal aeromagnetic imagery.

Drilling of the Bilberatha magnetite target commenced on 2 June 2010 with reverse circulation (RC) drillhole YGRC0034, and to date, fourteen RC and two diamond holes have been drilled into the target. The drilling is focussed on the central part of the target where there is a substantial thickness of outcropping BIF forming Bilberatha Hill. Here, the nominal drill line spacing is approximately 320 metres with a nominal drillhole spacing of 80 metres along the lines (Figure 1). The central area also corresponds to a marked change in strike direction from northwest to west northwest where structural thickening is interpreted to be present. Drillholes are sited at the base of Bilberatha hill where access is relatively easy; the steep hillsides of Bilberatha Hill remain undrilled. Two RC and one diamond drill rig are currently drilling at Bilberatha.

Magnetic BIF drill cuttings from the initial drillhole YGRC0034 are currently subject to Davis Tube magnetite recovery metallurgical test work.



Bilberatha reconnaissance drilling results

A summary of drilling results is shown in Table 1, and drillhole locations are shown in Figure 1. Assay results are only to hand from drill sections BS1 and BS2.

Drilling results from drill section BS1, where the Bilberatha BIF unit was tested by drillholes YGRC0053 and YGRC0053, show that the unit dips at approximately 50 degrees, has a minimum true width of 200 metres, and a weighted iron intersection grade of 30.7% Fe.

Drilling results from Section BS2 show RC drillhole YGRC0034 returned a weighted average BIF grade of 29.3% Fe. BIF intersections within diamond drillhole YGDD001 suggest a moderate dip of approximately 45 degrees. The minimum true width on this section is estimated to be 200 metres.

The weighted average BIF grade from both drill sections BS1 & BS2 is 30.2% Fe (Table 1).

Assay results from drill sections BS3 and BS4 remain pending but highly magnetic BIF intersections up to 278 metres (RC drillhole YGRC0063) are considered to be encouraging for the presence of a substantial BIF unit thickness comparable to the 200m thickness interpreted on drill sections BS1 and BS2.

Venus considers that these early drilling results from Bilberatha give substantial support to the original target* estimate of 268 to 420 million tonnes of magnetite BIF with an iron grade range of 30-36% Fe**.



VENUS METALS
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DRILL SECTION	HOLE_ID	DEPTH	EASTING	NORTHING	FROM	TO	LITHOLOGY	INTERVAL(M)	Fe% AV	COMMENTS
BS1	YGRC0054	191	473276	6854882	16	129	BIF	113	32.1	Weakly to strongly magnetic BIF.
	YGRC0053	300	473386	6854967	32	156	BIF	124	28.7	Strongly magnetic BIF.
					173	242	BIF	69	32.0	Strongly magnetic BIF.
	YGDD003		473446	6855007						Drilling in progress.
							Weighted average		30.7	Bilberatha BIF unit minimum thickness approx 200m. Dips at approximately 50 degrees NE on this section.
BS2	YGRC0034	257	473558	6854748	0	60	BIF	60	27.3	Oxidised, weakly magnetic
					101	232	BIF	131	30.2	Strongly magnetic BIF.
							Weighted average		29.3	Bilberatha BIF unit has a minimum thickness of approx 200m on this section. Outcrop dip is 60 degrees, and is approx 45 degrees down-dip.
	YGDD001	399.2	473592	6854775	123	256	BIF, minor mafic	133		Assays pending, moderate dip approx. 45 degrees.
BS1/BS2							weighted average		30.2	
BS3	YGRC0062	234	473774	6854621	78	234	BIF	156		Hole abandoned in strongly magnetic BIF, no assay results.
	YGRC0060	272	473790	6854659	88	272	BIF	184		Hole abandoned in strongly magnetic BIF, no assay results.
BS4	YGRC0064	270	473949	6854435	0	95	BIF	95		Oxidised BIF, assays pending
					122	220	BIF	98		Strongly magnetic BIF, assays pending
	YGRC0065	115	473980	6854504	18	67	BIF	49		Oxidised BIF, 0-18m colluvium, assays pending
	YGRC0063	373	474011	6854578	74	352	BIF	278		Strongly magnetic BIF, assays pending
	YGDD002	420.6	474033	6854643	141	397	BIF	256		Assays pending

BILBERATHA MAGNETITE TARGET BIF DRILLING RESULTS



**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.

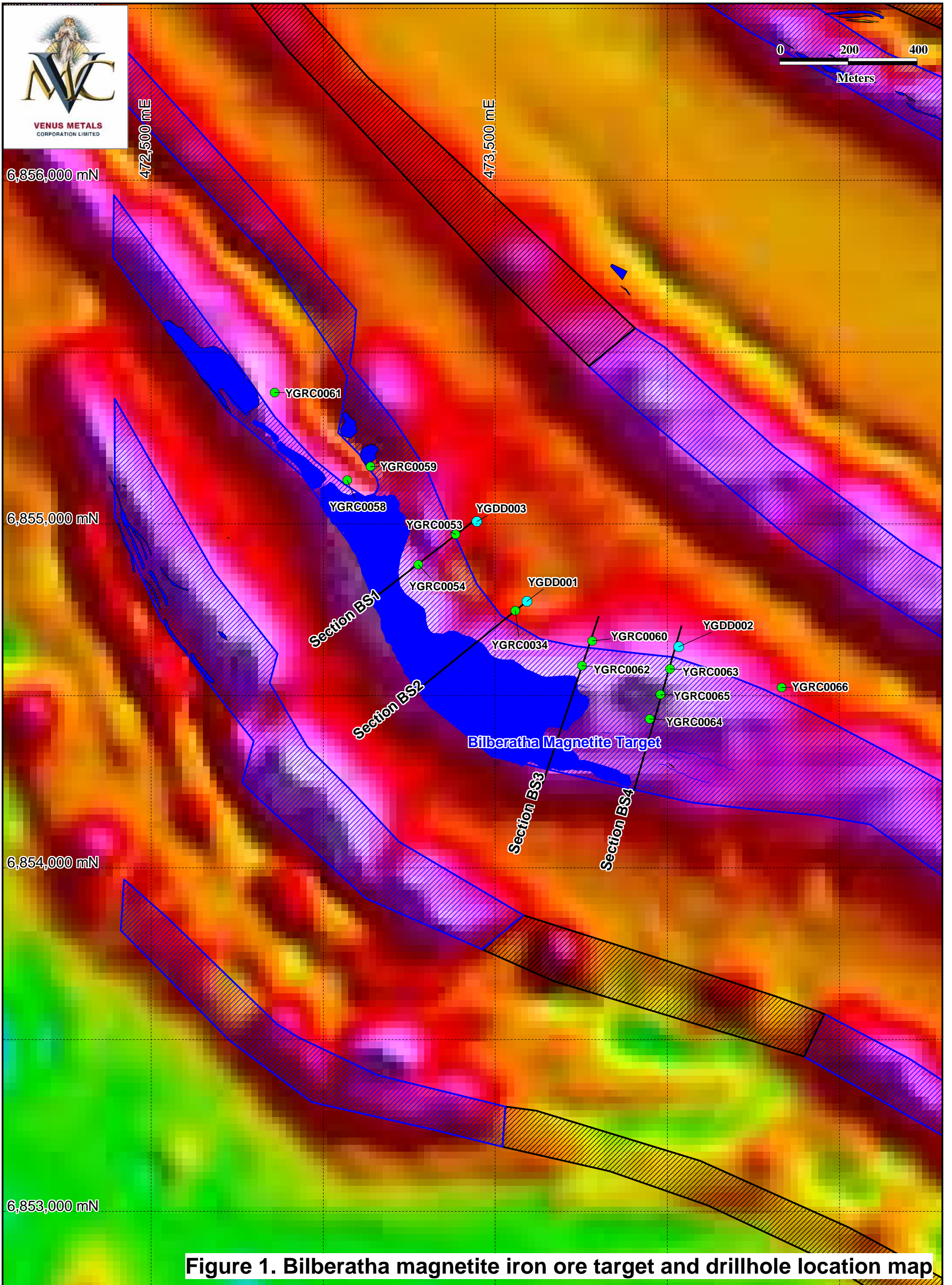


Figure 1. Bilberatha magnetite iron ore target and drillhole location map

- Venus magnetite iron target
- Venus DSO iron target
- BIF outcrop
- RC drillhole
- Diamond drillhole