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SCOPING STUDY TO COMMENCE ON THE YALGOO IRON ORE PROJECT WITH A VISION TO DEVELOP A WORLD-CLASS MAGNETITE PROJECT.

HIGHLY ENCOURAGING DAVIS TUBE RECOVERY TEST RESULTS

HIGHLIGHTS:

Venus Metals plans to commence a Scoping Study on the Yalgoo Iron Ore Project with a vision to develop a world-class magnetite project.

Preliminary Davis Tube Recovery (DTR) test results by consultants Mineral Engineering Technical Services (METS) on magnetite BIF drill cuttings from the first drillhole into the Bilberatha magnetite target (YGRC0034) have returned the following highly encouraging metallurgical results:

- Concentrate magnetite grades up to 71.2% Fe.
- Concentrates that meet a specification of Direct Reduction magnetite assaying >65% Fe and <2% SiO₂.
- High iron recoveries of up to 97.6% Fe.

METS considers that preliminary Davis Tube Recovery (DTR) test results are highly encouraging and show that the ore's behaviour is conventional and capable of optimisation.

METALLURGICAL TEST WORK

Davis tube metallurgical test work on drill cuttings from drillhole YGRC0034 was undertaken under the supervision of Mineral Engineering Technical Services (METS) Pty Ltd, an engineering consulting group in Perth.

A sighter test programme conducted on 28 RC chip composites from drill hole YGRC0034 showed that the samples are amenable to upgrading by magnetic separation.

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The metallurgical results have delivered encouraging performances, yielding some high grade DTR concentrates that meet the specification of a Direct Reduction (DR) magnetite. Approximately 55.8%-97.6% of the iron was recovered in 14.9%-47.8% of the feed mass (Table 1).

Some of the DTR concentrates contained greater than 0.03% S. Preliminary investigation showed that blending of the S-rich magnetite concentrate with the low grade S magnetite concentrate may generate a magnetite concentrate with low level of impurities. Blending also helps to reduce the silica level in the DTR concentrates. These results indicated that additional test work is warranted to optimize the project economics.

Venus Metals plans to commence a Scoping Study to investigate the potential of upgrading by magnetic separation at coarse grain sizes as a means to reduce capital and operating costs of the project.

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.



VENUS METALS
CORPORATION LIMITED

Table 1: YGRC0034 Davis Tube Concentrate

YGRC0034 Composite	Hole Depth (m)		DTR Mass Recovery (%)	Fe Head Grade (%)	DTR Concentrate Grade (%)						
	From	To			Fe	SiO ₂	Al ₂ O ₃	P	S	LOI	
1	90	95	10.5	15.5	66.3	6.8	0.29	0.02	0.02	-3.0	
2	100	105	30.4	25.2	63.5	11.2	0.12	0.01	0.01	-2.5	
3	105	110	41.2	34.0	65.6	8.6	0.06	0.03	0.00	-2.9	
4	110	115	33.3	28.0	67.8	5.5	0.09	0.02	0.05	-3.1	
5	115	120	14.9	17.9	67.0	6.5	0.18	0.02	0.08	-3.2	
6	120	125	40.9	31.6	71.0	1.5	0.02	0.01	0.01	-3.4	
7	125	130	43.1	32.0	71.1	1.4	<0.0	1	0.01	0.01	-3.3
8	130	135	32.3	26.0	71.1	1.3	0.02	0.01	0.02	-3.4	
9	135	140	33.4	29.1	70.9	1.5	0.03	0.01	0.02	-3.3	
10	140	145	30.4	28.4	70.3	2.0	0.08	0.01	0.13	-3.3	
11	145	150	24.5	24.5	70.2	1.8	0.10	0.01	0.21	-3.3	
12	150	155	23.2	26.0	70.2	1.6	0.13	0.01	0.25	-3.2	
13	155	160	21.7	24.8	70.5	1.4	0.12	0.01	0.22	-3.3	
14	160	165	22.6	24.3	70.6	1.6	0.16	0.01	0.06	-3.4	
15	165	170	41.3	31.9	71.2	1.4	<0.0	1	0.01	0.01	-3.5
16	170	175	38.8	29.7	71.3	1.2	<0.0	1	0.01	0.01	-3.5
17	175	180	40.5	32.5	71.5	0.9	<0.0	1	0.00	0.01	-3.5
18	180	185	36.2	29.3	71.2	1.2	<0.0	1	0.01	0.01	-3.4
19	185	190	38.9	30.2	70.6	1.9	<0.0	1	0.01	0.04	-3.3
20	190	195	40.7	35.0	70.8	1.5	0.01	0.02	0.04	-3.3	
21	195	200	42.8	35.2	71.1	1.2	<0.0	1	0.02	0.02	-3.3
22	200	205	45.2	35.2	70.9	1.5	<0.0	1	0.02	0.02	-3.3
23	205	210	47.7	34.8	71.2	1.2	<0.0	1	0.01	0.01	-3.4
24	210	215	38.2	33.0	71.2	1.1	<0.0	1	0.02	0.02	-3.3
25	215	220	38.3	31.2	71.2	1.1	<0.0	1	0.01	0.07	-3.3
26	220	225	40.3	32.2	70.7	1.1	<0.0	1	0.01	0.25	-3.2
27	225	230	33.0	31.0	70.6	1.2	0.02	0.01	0.27	-3.1	
28	230	233	16.9	19.8	69.0	1.5	0.09	0.01	0.90	-2.9	