



ABN: 99 123 250 582

ASX Release: 12th July 2007

ASX Code: VNS

Quarterly Report

**Fourth Quarter
Period Ending 30th June 2007**

Venus Resources Limited is pleased to present its inaugural quarterly report.

Highlights:

- 1) Successful ASX Listing on the 12th June 2007 with a strong appreciation of the IPO issue price.
- 2) Finalisation and signing of a Heritage Agreement with the Indigenous Traditional Owners.
- 3) On ground heritage surveys completed over the proposed drill sites and access tracks with four family groups. They are all supportive of the planned exploration activities and are happy for the work to proceed.
- 4) Submission of the POW (Programme of Work) to the Department of Industry and Resources (DOIR) and Department of Indigenous Affairs (DIA). The DIA has advised the DOIR that they have no outstanding issues regarding heritage matters on the proposed exploration on E80/3253. Final DOIR approval expected in the second week of July.
- 5) Preparation for the drilling of the diamond targets is well advanced. Earthmoving contractor for site access has been selected with access tracks due to be completed by the end of July.
- 6) Discussions and negotiations with a number of drill companies ongoing with the aim to select the appropriate contractor and move towards testing of the diamond targets ASAP.

Please Direct Enquiries to

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Matthew Hogan
Non Executive Director
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Venus Resources Limited
Mezzanine Level, BGC Centre
28 The Esplanade, Perth WA 6000

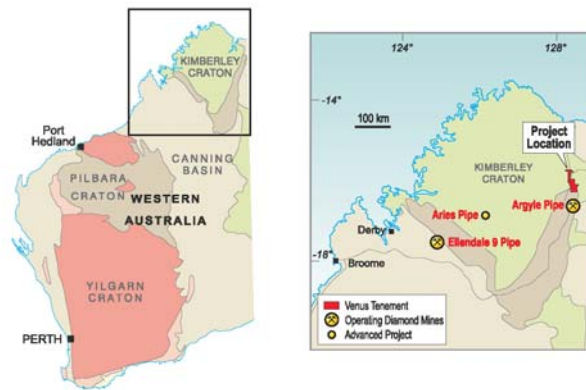
Introduction

Venus Resources Limited has been formed to explore for buried diamond pipes on strike from the Argyle Diamond Mine under younger Devonian cover rocks. The IPO closed over subscribed and the Company successfully listed on the ASX on the 12th June 2007.

Venus has recently noted an article in Mining News.net (6th March 2007) where it was reported from the PDAC conference in Canada that:

“...Rio Tinto has scaled back its local diamond exploration efforts to the vicinity of the Argyle diamond mine...” “Rio is confident any commercial lamproite pipes are likely to be under the Devonian cover in the vicinity of Argyle...”

The Company is encouraged by the reported statement which coincides with Venus’s geological concept of buried diamond pipes lying beneath the Devonian cover on its tenement which is adjacent to Argyle.



Work Completed

Venus is pleased to report that since the ASX listing, negotiations have been ongoing with the traditional owners of the land (four family groups) resulting in the signing of an access agreement and the completion of a Heritage Survey over the proposed drill targets and access tracks.

During the survey no cultural material was identified and the traditional owners have signed off on the Heritage Survey and are happy and supportive of the planned exploration activities of the Company.

Venus has established a strong, open and honest relationship with the four family groups (the Traditional Owners) and laid the groundwork for a harmonious ongoing working relationship in the event of a new discovery.

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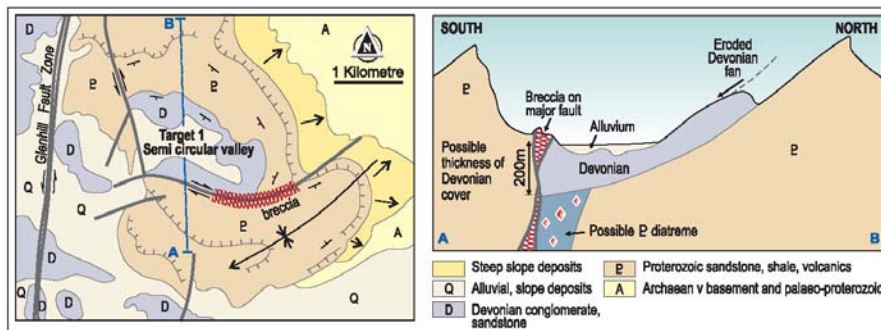
Traditional Owners; Evelyn Hall, Patsy Curtin and associated family members with Venus Resources Director, Matthew Hogan on site within E80/3253.

Ongoing discussions with the Department of Indigenous Affairs (DIA) has also resulted in positive feedback with the DIA advising Venus that they have no outstanding issues regarding heritage matters on the proposed exploration drill programme for E80/3253.

A POW (Programme of Work) has been lodged with the Department of Industry and Resources (DOIR) and the Company is now waiting on the formal approval from the department which is expected shortly. Once this has been received the access track and drill site preparation works can commence immediately and timing of a drill rig can be finalized.

Discussions have commenced with a number of drilling companies with a view to starting the drilling programme as soon as possible.

The initial drilling programme will target six priority areas with approximately 40 drill holes planned to be drilled to test for the presence of buried Proterozoic lamproite diamond pipes located under Devonian cover rocks.

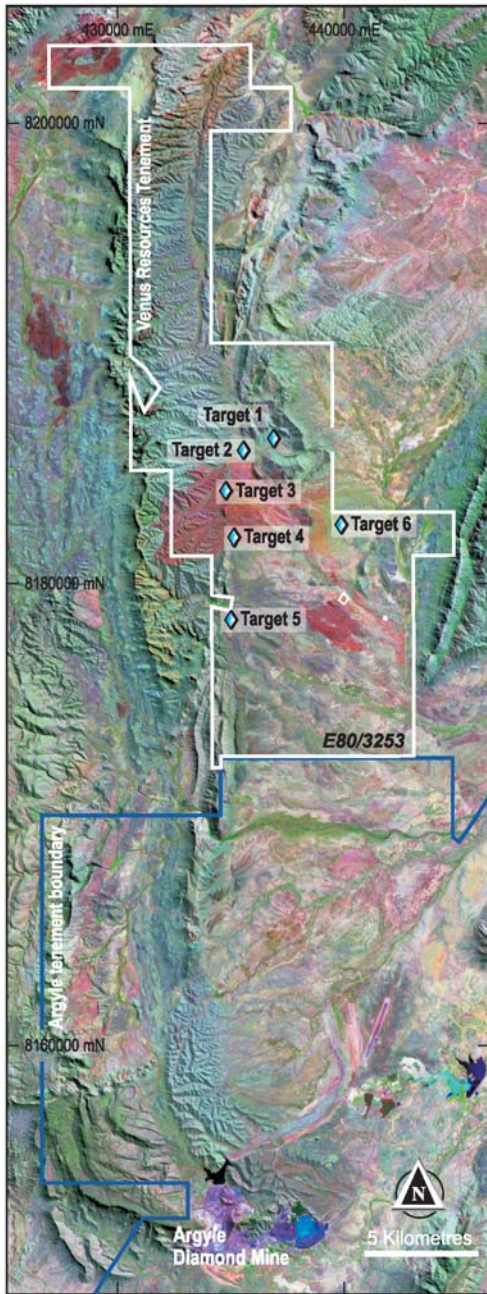


Geological Model: Diamond Pipe Target 1

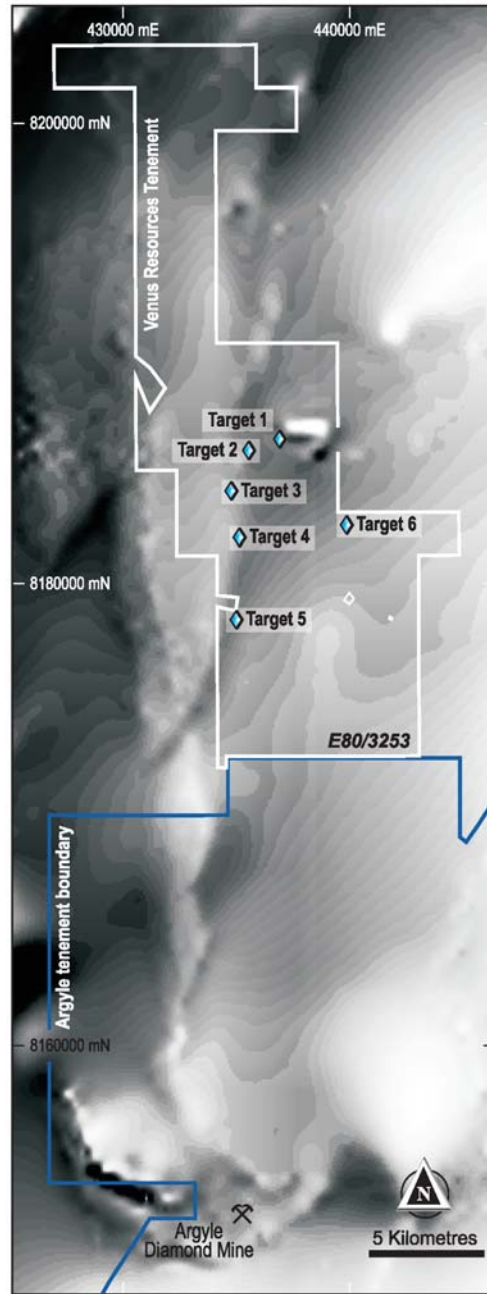
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Tenement Location on Landsat Plan



Diamond Pipe Targets on Magnetics

The information in this report that relates to Exploration and Geological Work and Concepts is based on information compiled by Simon Coxhell, who is a member of the Australian Institute of Mining and Metallurgy and is a consultant of the Company. Mr Coxhell has sufficient experience which is relevant to the style of mineralisation 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 Coxhell 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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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

VENUS RESOURCES LIMITED

ABN

99 123 250 582

Quarter ended ("current quarter")

30 JUNE 2007

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(80)	(112)
(b) development		
(c) production		
(d) administration	(62)	(81)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	19	24
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (GST, TFN & PAYG)	(22)	(30)
Net Operating Cash Flows	(145)	(199)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets	(9)	(16)
(d) bond	(1)	(10)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(10)	(26)
1.13 Total operating and investing cash flows (carried forward)	(155)	(225)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(155)	(225)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,048	2,600
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (capital raising costs)	(245)	(249)
	Net financing cash flows	1,803	2,351
	Net increase (decrease) in cash held	1,648	2,125
1.20	Cash at beginning of quarter/year to date	477	0
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,125	2,125

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	26
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		

+ See chapter 19 for defined terms.

3.2 Credit standby arrangements		
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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	400
4.2	Development	
Total		

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	40	8
5.2 Deposits – short term	2,085	469
5.3 Bank overdraft		
5.4 Other – Bank Bills		
Total: cash at end of quarter (item 1.22)	2,125	477

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	25,237,501	12,887,501		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,237,500	10,237,500	20 cents	20 cents
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>Non Employee Options</i>	3,500,000	Not Quoted	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 30 June 2012
<i>Employee Options</i>	3,600,000	Not Quoted	\$0.25	30 June 2012
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (<i>totals only</i>)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 12th July 2007
(*Company Secretary*)

Print name: **E CZECHOWSKI**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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