DSO Scoping Study Update Delivers $170 million in Net Cash.

ASX Announcement
Thursday, 19/04/12
Ref: /VMS/606/VMS00282

Australian mineral exploration company, Venture Minerals Limited **(ASX code: VMS)**, is pleased to announce an updated Scoping Study for the Company's Direct Shipping Ore ("DSO") Project. The updated study follows a maiden resource statement for the recently discovered Riley Creek DSO Deposit which is in addition to the previously announced Livingstone DSO resource.

The new study has delivered an overwhelmingly positive result including a $170 million in net revenue generated from a capital requirement of less than $7m.

DSO Project (Livingstone & Riley Deposits) – Scoping Study Highlights (pre-tax):

- **Net revenue (LOM) A$170m**
- **Capital cost estimate less than A$7m**
- **NPV_{10} A$123m**
- **Average operating cost per tonne (FOB) A$58**
- **Average operating margin per tonne: A$47**
- **Multiple off-take MOU's already signed**
- **TasRail MOU signed for total ore transport solution (mine gate to ship)**
- **Production target of 1 million tonnes of DSO per annum commencing early 2013**

The updated Scoping Study clearly demonstrates the significant opportunity afforded to the Company by the development of the DSO Project. With the DSO in production the Company will be generating significant cashflow putting Venture in a very strong financial position to develop the Company's flagship Mt Lindsay Tin/Tungsten Project.

Venture Minerals Managing Director Hamish Halliday commented: "The discovery of the Riley Creek DSO Project was always going to have a major impact on the Company, but now having completed the study, which has delivered a free cash figure equivalent to twice our market capitalization, we are extremely pleased with the result".

"The real benefit of the DSO Project is the very low capital requirement to commence production, combined with a healthy per tonne operating margin. With production scheduled for early next year we see ourselves in a very strong position to grow the Company and to develop our flagship Mt Lindsay Project"

Engineering Ingenuity Personally

VENTURE MINERALS

Venture Fast Facts
ASX Code: VMS
Shares on Issue: 232 million
Market Cap: $86 million
Current Cash: $13 million

Recent Announcements

Venture Doubles DSO Resource Base
(20/03/12)

MOU's Signed for DSO Off-take
(15/02/12)

DSO Project Fast Tracked – Following Signing of MOU with TasRail
(24/01/12)

Venture Attracts US Fund at a Premium via Conversion of Management Options
(16/01/12)

Venture Discovers Second DSO Hematite Prospect at Mt Lindsay, Tas
(22/11/11)

Feasibility Drilling Hits 48m @ 0.8% Tin Equiv. Mt Lindsay Project, Tasmania
(9/11/11)

Venture Completes Feasibility Drilling on Main Skarn – Mt Lindsay Project
(27/09/11)

Mining Lease Applications
(16/09/11)

Venture Signs with Grange Resources
(05/09/11)

Maiden Resource and Scoping Study for New Deposit
(29/07/2011)

Located in North-West Tasmania
140 years of mining precedent



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The Company's ability to bring the DSO Project into production with very minimal capital is a direct result of the excellent infrastructure surrounding the Mt Lindsay Project. Both the Riley and Livingstone Deposits are within 2 kilometres of a sealed road that connects to a rail and road network accessing the Port of Burnie less than 100km away (ref map). Venture has signed an MOU (non-binding) with TasRail (ASX: 24/01/12) for a total ore transport solution and is currently in the process of drafting a formal agreement.

Venture has also signed several MOU's (non-binding) with prospective off-take partners for the sale of the DSO. The parties include tier one commodity traders and vertically integrated iron ore companies. The Company will look to move to a formal off-take agreement over the coming months.

In addition to moving forward on off-take and transport agreements the Company will also continue to advance the approvals process. Venture submitted a mining lease application over the Livingstone DSO Deposit late last year and intends to submit a second application over the Riley Creek DSO Deposit over the coming weeks.

List of Assumptions for the Scoping Study

Commodity Price
Average FOB price of US$105/t was used for the DSO in this study. This is based on the current Steel Index Platts 62% Fe iron ore price with a discount for delivering 57% Fe and any impurities. An allowance has also been made for shipping to China.

Exchange Rate
A constant exchange rate of AUD/USD = 1.00 has been used.

Through Put
A 1Mtpa crushing & screening plant was assumed for the Scoping Study.

Operating Costs
The Scoping Study determined that an average operating cost was $58/t ore. This included open pit mining, crushing & screening, transport, port storage, ship loading and administration costs.

Net Revenue Life of Mine (LOM)
This figure represents EBIT including state royalties.

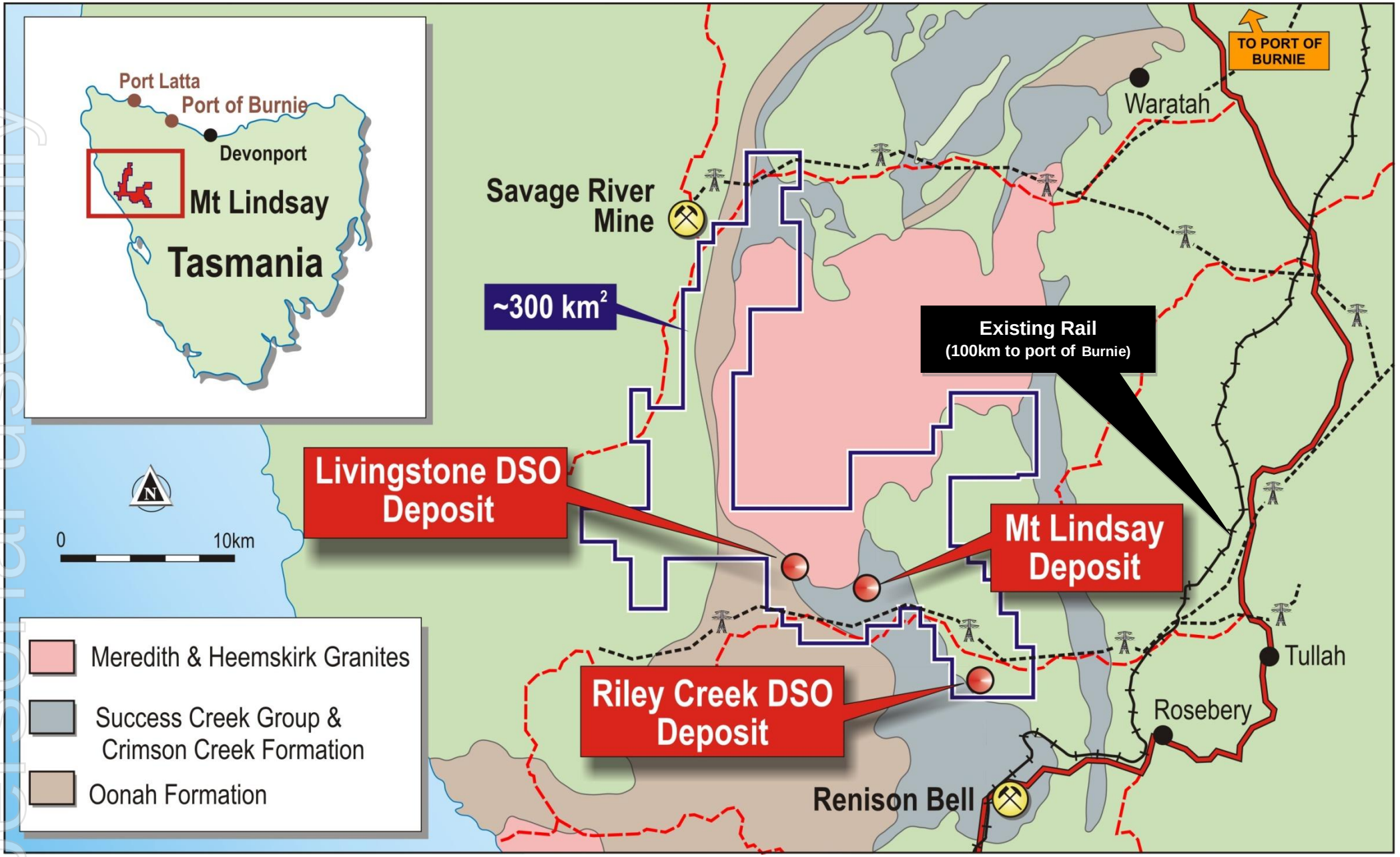
Net Present Value (NPV)
NPV includes capex, royalties however is pre-tax. Discount rate applied of 10%.

Kind regards
Venture Minerals Limited

Hamish Halliday
Managing Director

The information in this report that relates to Exploration Results, Exploration Targets, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Radonjic, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Radonjic is a full-time employee of the company. Mr Andrew Radonjic 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 Andrew Radonjic 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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