

Venture Upgrades DSO Resource Base and Delivers a 4mt Maiden Ore Reserve.

ASX Announcement
Thursday, 26/07/12
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Australian mineral exploration company, Venture Minerals Limited (**ASX code: VMS**), is pleased to announce 100% of the Company's DSO resource base has now been upgraded from the inferred to indicated category. Furthermore the Company has received a combined, independent maiden ore reserve of 4 million tonnes of Direct Shipping Ore ("DSO") from the Riley and Livingstone hematite deposits.

The 4 million tonne maiden reserve represents a 90% conversion of resources to reserves.

Highlights:

- **Resource upgrade at the Riley DSO Project represents a 100% conversion from inferred to indicated.**
- **Resource upgrade at the Livingstone DSO Project represents a 100% conversion from inferred to indicated.**
- **Total DSO resource base in the indicated category now exceeds 4.4mt @ 57% Fe**

Table 1 - Resource Statement – DSO Projects

Project	Resource Category	Tonnes	Fe (%)	Fe (%) Calcined	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)	Cr (%)	LOI (%)
Riley	Indicated	**2.0mt**	**57**	61	3.7	2.6	0.03	0.08	2.8	7.7
Livingstone	Indicated	**2.4mt**	**57**	61	5.4	1.9	0.07	0.05	-	7.0
TOTAL=	**Indicated**	**4.4mt**	**57**	**61**	**4.6**	**2.2**	**0.05**	**0.06**	**-**	**7.3**

- **Venture receives an independent maiden ore reserve of 4mt at 57% Fe representing a 90% conversion of resources to reserves**

Table 2 – Reserve Statement – DSO Projects

Project	Reserve Category	Tonnes	Fe (%)	Fe (%) Calcined	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)	Cr (%)	LOI (%)
Riley	Probable	**1.8mt**	**57**	61	3.7	2.6	0.03	0.07	2.8	7.8
Livingstone	Probable	**2.2mt**	**57**	62	5.3	1.9	0.08	0.03	-	7.1
TOTAL=	**Probable**	**4.0mt**	**57**	**62**	**4.6**	**2.2**	**0.05**	**0.06**	**-**	**7.4**

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Venture has made major advancements on its DSO projects over the past four months with additional infill drilling and pitting defining a new combined indicated resource of 4.4mt @ 57% Fe, which represents a 100% conversion from the inferred to the indicated category. The high conversion rate indicates the consistent nature of both deposits.

Following completion of the new resource, an independent ore reserve has been estimated by mine engineering consultants at Rock Team Pty Ltd ("Rock Team"), who delivered a 90% conversion of resources to reserves. The high conversion rate was due to the consistent and near surface nature of both the Livingstone and Riley Deposits.

Venture Minerals Managing Director Hamish Halliday commented: "We have been working hard to advance our DSO Projects to production as soon as possible, so the receipt of an independent maiden reserve for both the Riley and Livingstone Projects represents a major milestone for us. The Company is particularly pleased with the high conversion rate of resources to reserves delivering us over four million tonnes of probable reserves".

Having completed the reserve statement the Company will now look to finalise off-take and ore transport agreements, as well as advance all necessary development approvals. As previously stated the Company is in a unique position of being able to bring the DSO Projects into production with a minimal capital outlay of only $7 million (ASX: 19/04/12). This is a direct result of the excellent infrastructure surrounding the Riley and Livingstone Deposits, both of which are located within 2 kilometres of a sealed road that accesses existing rail and port facilities all of which have spare capacity.

Riley DSO Project

The Riley DSO Project is located 12km from the Mt Lindsay Project (Ref fig 2) and occurs as a hematite rich pisolitic and cemented laterite. The deposit is all at surface, located less than two kilometres from a sealed road that accesses existing rail and port facilities.

Over the past few months Venture has completed infill pitting on the Riley Project which sees the deposit sampled to a density of 50m by 50m providing all the necessary data to complete a final resource upgrade. The new estimate has resulted in 100% of the inferred resource base being converted to the indicated category.

Table 3 – Resource Statement – Riley DSO Project

Resource Category	Tonnes	Fe (%)	Fe (%) Calcined	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)	Cr (%)	LOI (%)
Indicated	**2.0mt**	**57**	61	3.7	2.6	0.03	0.08	2.8	7.7

***refer to appendix one for parameters**

The new resource was provided to independent mining engineers, Rock Team who were engaged to complete a mining study on the deposit and produce a reserve statement. Due to the near surface and consistent nature of the Riley Deposit (Ref fig. 2) the study delivered a very high conversion rate of resource to reserve.



Table 4 – Reserve Statement – Riley DSO Project

Reserve Category	Tonnes	Fe (%)	Fe (%) Calcined	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)	Cr (%)	LOI (%)
Probable	**1.8mt**	**57**	61	3.7	2.6	0.03	0.07	2.8	7.8

NOTES

- *An Ore Reserve estimate for the Riley DSO deposit has been determined using accepted industry practices.*
- *The deposit will be mined using conventional excavator and truck mining methods. Due to the nature of the deposit no drilling and blasting is expected to be required.*
- *The same cost and revenue assumptions were used as in the Scoping Study (refer to ASX announcement on April 19 2012).*

Livingstone DSO Project

Livingstone is located 3.5km from the Mt Lindsay Tin/Tungsten Deposit (Ref fig 1) and consists of an outcropping hematite cap overlaying a magnetite rich skarn. The hematite occurs from surface, is consistent in grade and located only 2km from a sealed road which accesses existing rail and port facilities.

Over the past few months Venture has been focussed on upgrading the resource base at Livingstone and converting the resources to reserves. The Company completed a final infill drill program in the second quarter which sees the deposit now drilled to an average density of 50m by 20m. The new drilling has provided all the necessary data for a final resource upgrade, which resulted in 100% of the inferred resources now converted to the indicated category.

Table 5 – Resource Statement Livingstone DSO Project

Resource Category	Tonnes	Fe (%)	Fe (%) Calcined	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)	LOI (%)
Indicated	**2.4mt**	**57**	61	5.4	1.9	0.07	0.05	7.0

***refer to appendix one for parameters**

The new resource was provided to independent mining engineers, Rock Team who were engaged to complete a mining study on the deposit and produce a reserve statement. Due to the near surface and consistent nature of the Livingstone Deposit the study delivered a very high conversion rate of resource to reserve.

Table 6 – Reserve Statement – Livingstone DSO Project

Reserve Category	Tonnes	Fe (%)	Fe (%) Calcined	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)	LOI (%)
Probable	**2.2mt**	**57**	62	5.3	1.9	0.08	0.03	7.1

NOTES:

- *The open pit for the Livingstone deposit was optimised using the Whittle Four-X implementation of the Lerchs–Grossman algorithm. Ore selection within Whittle has been based on cashflow. Ore is selected by comparing the cash flow which would be produced by processing versus the cashflow produced by mining it as waste. If the cashflow from processing is higher, the material is treated as ore. If not, it is treated as waste. Material is defined as ore when revenue less fixed, mining, processing and realisation costs is greater than zero.*
- *The 100% revenue factor shell has the highest undiscounted cash flow and is generated at the base DSO selling price. This shell has been used as the basis of detailed open pit designs.*
- *The same cost and revenue assumptions were used as in the Scoping Study (refer to ASX announcement on April 19 2012).*

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Detailed information on all aspects of Venture Minerals' projects can be found on the Company's website www.ventureminerals.com.au.

Kind regards
Venture Minerals Limited



Hamish Halliday
Managing Director

The information in this report that relates to Exploration Results, Exploration Targets or Mineral Resources s 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

The information in this letter that relates to Ore Reserves is based on information compiled by Mr Denis Grubic, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Grubic is an independent consultant employed by Rock Team Pty Ltd. Mr Grubic qualifies 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 Grubic 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 One:

Resource Estimation Parameters

- The Resources have been allocated entirely into the Indicated category with the Livingstone resource reported above a 46% Fe cut-off with no top cut applied, whilst the Riley resource is reported for +1mm screened product above a 53% Fe cut-off with no top cut applied.
- The reported grades and tonnages are rounded to two significant figures in accordance with recommendations of the JORC code.
- This Resource estimation covers approximately 750 m strike extent of the Livingstone iron deposit and an area approximately 1100 m by 1200 m (c. 130 ha) of the Riley iron laterite deposit. The Livingstone deposit includes a range of shallow dipping to vertical bodies. The Riley laterite deposit is a gently sloping surficial veneer.
- A total of 59 diamond core drill holes for a total of 8,247 m and one 20 m adit channel sample were used to define the geological model and hematite mineralized zones for the Livingstone resource estimate. Of this drilling some 35 holes for 5,048 m pierced the mineralised zone, including 34 holes for 4,914 m of NQ and HQ size (47.6 mm and 63.5 mm diameter respectively) and 134 m of BQ size (36.5mm diameter). Drill hole intercept density in the Livingstone deposit ranges from approximately 5 m by 50 m to c. 50 m by 75 m.
- Some 312 test pits were excavated by a 20 t excavator on c. 50 m spacings along lines 50 m apart to an average depth of 2.5m to define the Riley resource.
- The entire Livingstone resource is within 200 m of surface, and all of the Riley resource is within 4 m of surface.
- The Livingstone drill core was sampled by core saw in a continuous and volumetrically consistent basis generally in 1.5 m to 2 m intervals (average 1.8 m) across the mineralised zones.
- The Livingstone samples were submitted to ALS Global, Perth for assay by XRF on fused glass beads made with a lithium metaborate flux for Fe, Si, Al, K, Na, Mg, Ca, Ti, P, S, LOI and an extensive suite of minor and trace elements.
- The Riley test pits were sampled in lithological intervals between 0.1 and 5.4 m (average 0.9 m) thickness and submitted to Bureau Veritas, Perth where all samples were dried, crushed to -10 mm then screened at 1 mm to produce +1mm and -1mm fractions. Weight proportions of the two fractions were determined, and both +1 mm and -1mm fractions were assayed by XRF on fused glass beads using a lithium metaborate flux for Fe, Si, Al, K, Na, Mg, Ca, Ti, P, S, Ni, Cr, LOI and a board suite of trace elements.
- Venture Minerals Limited's QAQC samples included standards and field duplicates which were submitted with each drill hole and at a rate of 1 per 10 samples with the pitting samples. The QC data is considered to be very acceptable for the current resource estimate.
- All diamond drill core and all test pits were geologically logged.
- Density for the Livingstone resource was based on 1270 dry specific gravity measurements made on the diamond drill core and estimated to the block model using Inverse Distance Weighting to the power of two. Average density for the Livingstone iron resource at a 46% Fe lower cut off is 2.79 t/m3.
- Seven test pits were excavated within the Riley resource area to determine dry density (by volume and weight) of the lateritic materials and an average density has been assigned to the resource block model according to the modelled lithology. 2.48 t/m3 was assigned to gravelly material, 2.56 t/m3 for cemented laterite.
- All drill hole collars and test pits used in the resource estimate were surveyed in MGA Zone 55 GDA94 by licensed surveyors using a combination of differential GPS and total station survey systems. Some 63% of drill holes were down hole surveyed with non-magnetic instruments (Gyroinclinometer and Deviflex) and 19% with conventional magnetic instruments (all plunge but only selected azimuth data were accepted).
- Terrain models for both the Livingstone and Riley deposits were triangulated from data collected by a high quality airborne laser scanning LiDAR survey conducted in 2011. Project specifications and technical processes were designed to achieve vertical data accuracy of 0.30 m and horizontal data accuracy of <0.30 m.
- Two mineralisation wireframes representing the hematite zone >50% Fe within the Livingstone Skarn were constructed from geological cross section interpretation for this Resource estimate. The wireframes were filled with blocks of 10x5x2.5 m xyz dimensions with 4x2x2 m sub-blocking. The iron grades were then interpolated to the blocks by Inverse distance Weighting to the power of two with an initial 25x26x19 m search ellipse oriented parallel to the strike and dip of the mineralised skarn followed by progressively more relaxed searches until all blocks were assigned an iron grade. Four sectors were used for each search ellipse with a maximum of 6 points per sector, and a minimum of 3 points per sector for the first, third, fifth, sixth and seventh search, two points for second, fourth and eighth search, and one point for the ninth and last search.
- Two mineralisation wireframes representing the hematite zone >50% Fe were constructed for the Riley deposit from geological cross section interpretation. The wireframes were filled with blocks of 25x25x1 m xyz dimensions with 5x5x4 m sub-blocking. The iron grades were then interpolated to the blocks by Inverse Distance weighing with an initial 50x50x1 m search ellipse oriented parallel to the strike of the mineralised material. Progressively more relaxed searches followed until all blocks were assigned an iron grade. A flattening function was used in the interpolation to account for the strong influence of the topography on the deposit. Four sectors were used for each search ellipse, with a maximum of 10 points per sector and a minimum of 4 points for the first two searches, 3 points for third and fourth search, two points for fifth and sixth search and one point of the seventh and last search.

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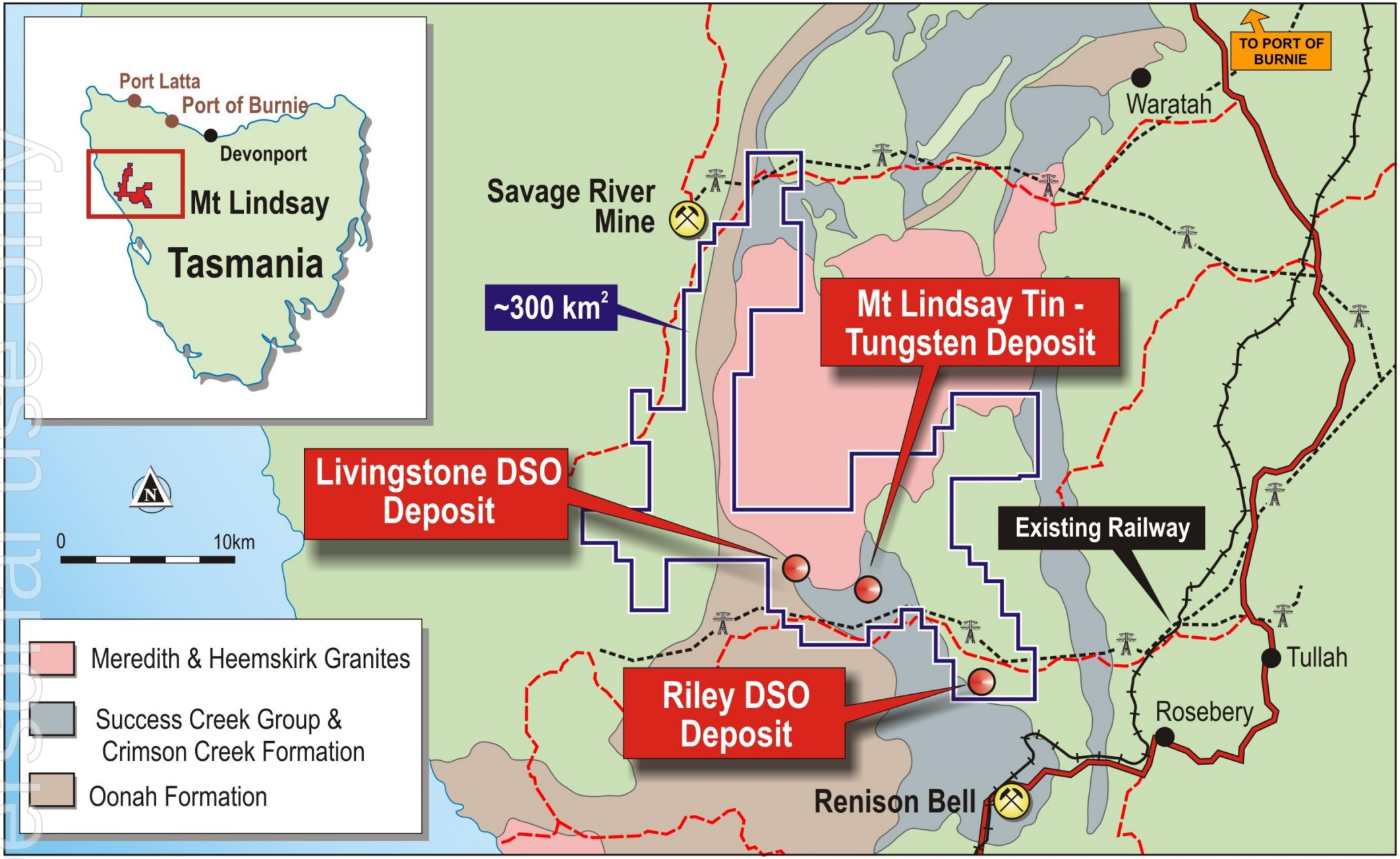


Figure 1: Location Map for Mt Lindsay Tin/Tungsten Deposit/Riley DSO Project/Livingstone DSO Project

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Figure 2: Riley DSO Project

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