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EUCLA MOODINI PROJECT

120m SULPHIDE RICH ALTERATION ZONE INTERSECTED IN ALTERED GRANITIC BASEMENT- RESULTS INDICATE THE POSSIBLE FRINGE OF A LARGE MINERALISED SYSTEM

The Directors of Venus Metals Corporation Limited are pleased to advise that the Moodini initial drill results include a **120m sulphide rich alteration zone in altered granitoids from 356m in hole MORCD002 which includes precious metal values in silver up to 31.9g/t over 1metre**. Results suggest drilling has intersected the edge of a potential large mineralised system with increased focus to the south of the current drillholes.

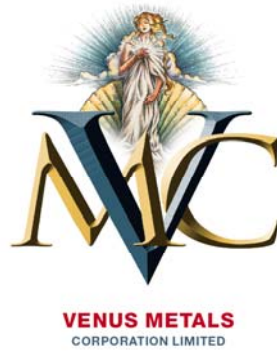
The reconnaissance drilling of two holes MORCD 001 and MORCD 002 have been completed up to the depths of 609m and 690m respectively at Moodini project area (Figure 1). The holes were successfully drilled using a combination of RC and diamond drilling. Assaying of core samples from these holes is in progress and the initial assay results of core samples (242 to 476m) from MORCD 002 were received.

Hole MORCD001 intersected altered granitic basement with weakly disseminated sulphide alteration from 375.5m down to 609.65m (EOH). **Hole MORCD002** intersected altered and fractured granitic basement from 356m down to 690.35m (EOH). This includes a **pyrite-pyrrhotite sulphide rich alteration zone from 356 to 476m carrying precious metal values in silver: 373 -374m 1m @ 8.4g/t Ag and 376-377m 1m @ 31.9g/t Ag.**

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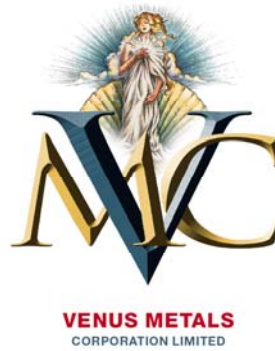


The Moodini tenement was taken out to cover a section of a Venus-interpreted continental-scale north trending Proterozoic basement fault evident on state-wide and Australia-wide aeromagnetic imagery. The fault, known as the Mundrabilla Fault is concealed beneath younger sediments of the Eucla Basin, and is interpreted by Venus to be the western boundary of the South Australian Craton.

Australian Proterozoic orogenic belts (orogens) host a variety of world-class and giant ore deposits including Mt Isa (base metals), Olympic Dam (Iron Oxide-Copper-Gold-Uranium), Telfer (Gold) and Argyle (diamonds). Venus is selectively targeting concealed parts of Proterozoic orogens where cover is interpreted from geophysics to be relatively thin (<500m).

Gravity survey results (ASX release 23rd June 2010) obtained across two concealed discrete magnetic highs showed that the magnetic highs have coincident gravity highs, **suggesting the possibility of extensive IOCG style mineralisation.** Venus Metals has Programme of Work approvals for 13 exploration holes covering both Moodini North and Moodini South targets.

Further assay results are awaited and evaluation continues for follow up drilling as soon as possible.

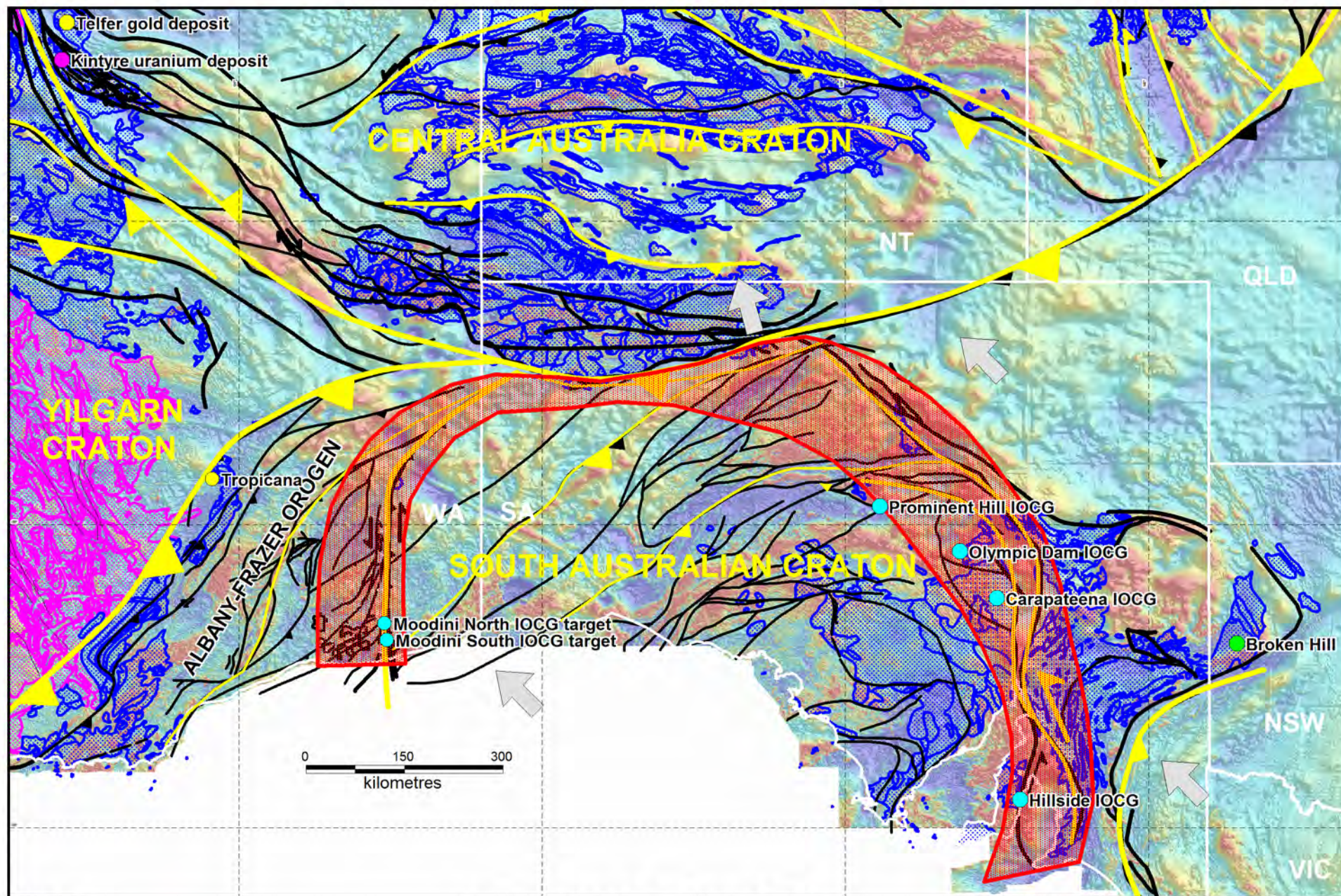


**The term "Target" should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.*

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 Barry Fehlberg, who is a Member of The Australasian Institute of Mining and Metallurgy and is a Senior Expert Exploration Advisor of the Company. Mr Fehlberg 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 Fehlberg consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this report has also been prepared by Mr Kumar Arunachalam, who is a Member of The Australasian Institute of Mining and Metallurgy and is a General Manager (Operations) of the Company. Mr Arunachalam 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 Arunachalam 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

Proterozoic
Archaean

Venus IOCG prospectivity region

Venus interpreted transpressional thrust fault

IOCG deposit
Base metal deposit
Gold deposit

Figure 1. Structural interpretation and interpreted craton-boundary IOCG prospectivity region

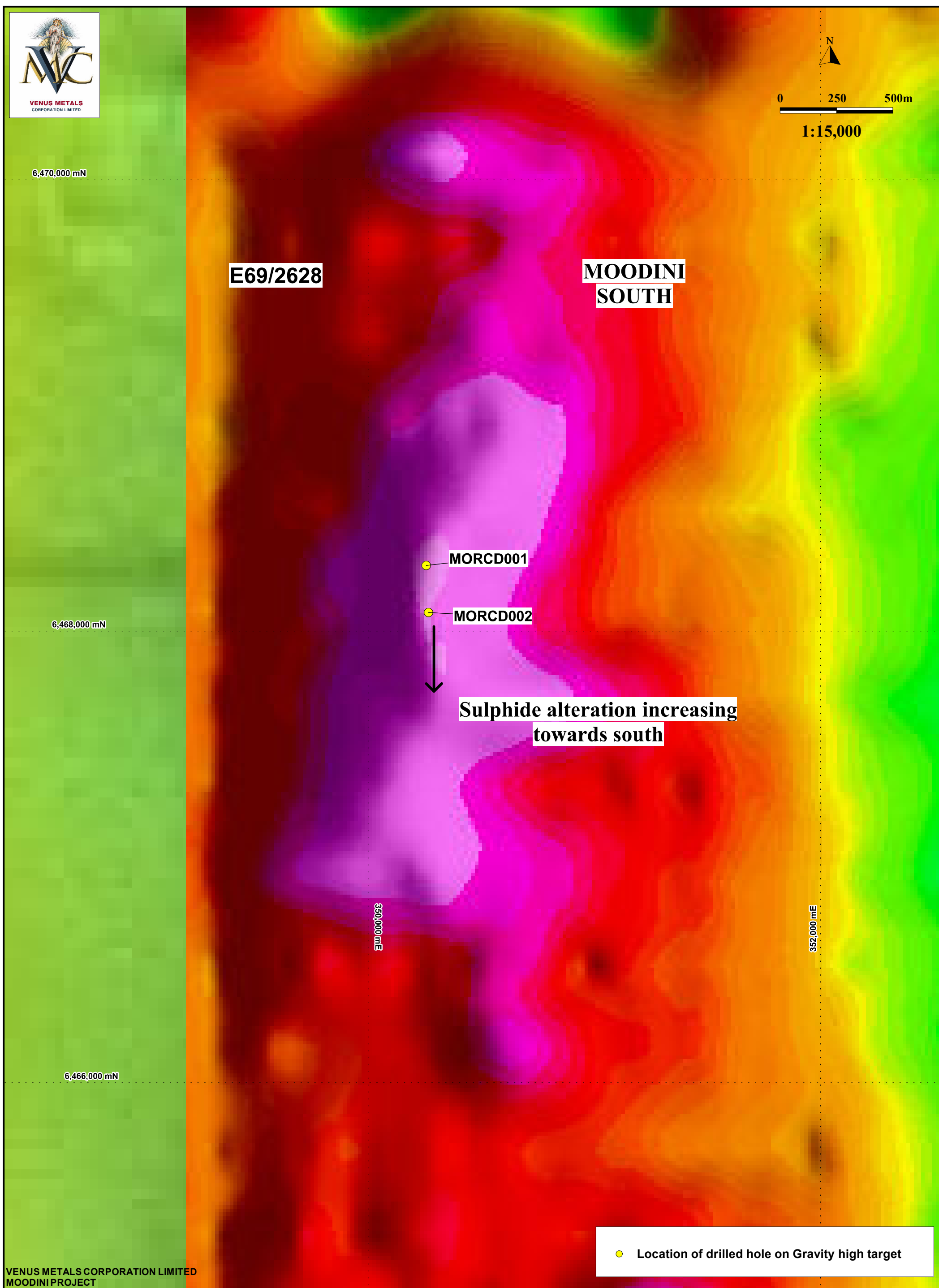


Figure 2. Location of Two Drilled holes in Moodini South