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YALGOO IRON ORE PROJECT

ADDITIONAL JORC INFERRED MAGNETITE MINERAL RESOURCE OF 201.7 MILLION TONNES INCREASES THE TOTAL JORC INFERRED MAGNETITE MINERAL RESOURCES AT YALGOO TO 645.6 MILLION TONNES

The Directors of Venus Metals Corporation Limited (“Venus”) are pleased to report an **Additional JORC Compliant Inferred Magnetite Mineral Resource of 201.7 Million Tonnes** surrounding Bilberatha Hill. The resource model has been updated with newly interpreted mineralised zones (known as **Additional Zones**) to the North-East, North-West and South of the main Bilberatha JORC Inferred Magnetite Mineral Resource (refer ASX 16 December 2010).

The total **JORC Compliant Inferred Magnetite Mineral Resource at Yalgoo Iron Ore Project has now been upgraded to 645.6 Million Tonnes** (refer Table 1).

Table 1. Total JORC Inferred Magnetite Mineral Resource Estimate at YIOP

Area	Cut-off	Tonnes	Fe	Al ₂ O ₃	SiO ₂	P	LOI
Bilberatha Hill (ASX 16 December 2010).	20% Fe	443,900,000	30.3	1.8	47.9	0.047	0.9
Additional Zones	20% Fe	201,700,000	27.1	3.0	50.0	0.040	2.6
Total	20% Fe	645,600,000	29.3	2.2	48.6	0.044	1.5

Widenbar and Associates (“WAA”) was commissioned by Venus Metals Corporation Limited to produce an updated inferred mineral resource estimate for the YIOP which is located within the Murchison mid west region of Western Australia.

The Resource Estimate has been classified in the Inferred category as defined by the 2004 edition of the JORC code. WAA has reviewed the drilling, sampling and assaying data used in the estimate and considers it to be of sufficient quality to support the resource classification applied. This resource update incorporates an additional 51 drillholes including 26 holes for 4900m drilled in 2011. The updated portion (**Additional Zones**) of the Inferred Resource is summarised in Table 2.

Table 2. JORC Inferred Magnetite Mineral Resource at Additional Zones

Fe cut-off	Tonnes	Fe	Al ₂ O ₃	SiO ₂	P	LOI
20% Fe	201,700,000	27.10	3.00	50.00	0.040	2.60

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The “Additional zone” update area has been interpreted in a similar way to the main zone, using a combination of downhole logging, chemistry and surface mapping. A series of section were used to digitise strings and a series of six separate mineralised wireframes were generated as illustrated below. Mineralised zones were interpreted to 0m RL, but the resource will only be reported to 100m RL due to limited drilling data at depth.

The subject of this additional resource estimate is surrounding areas of the Bilberatha Hill known as “Additional Zones”, as illustrated in Figures 1 to 3.

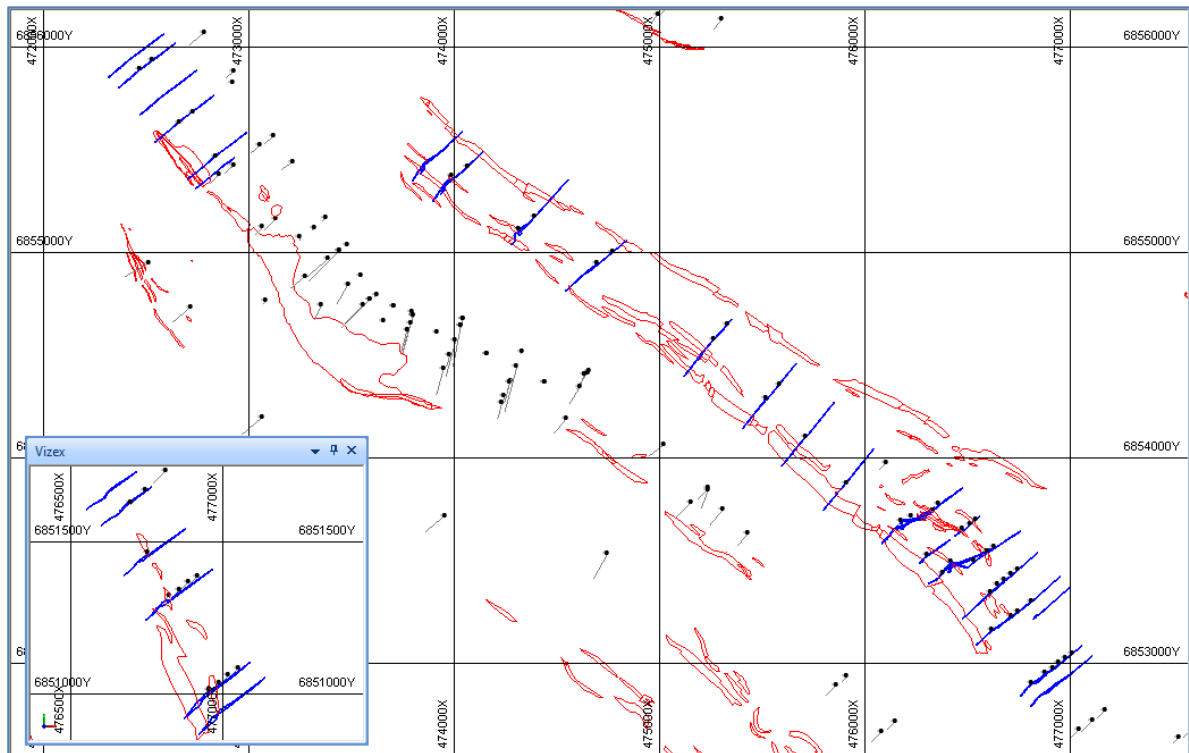


Figure 1. Section lines for Additional Zones (Southern Zone as Inset)



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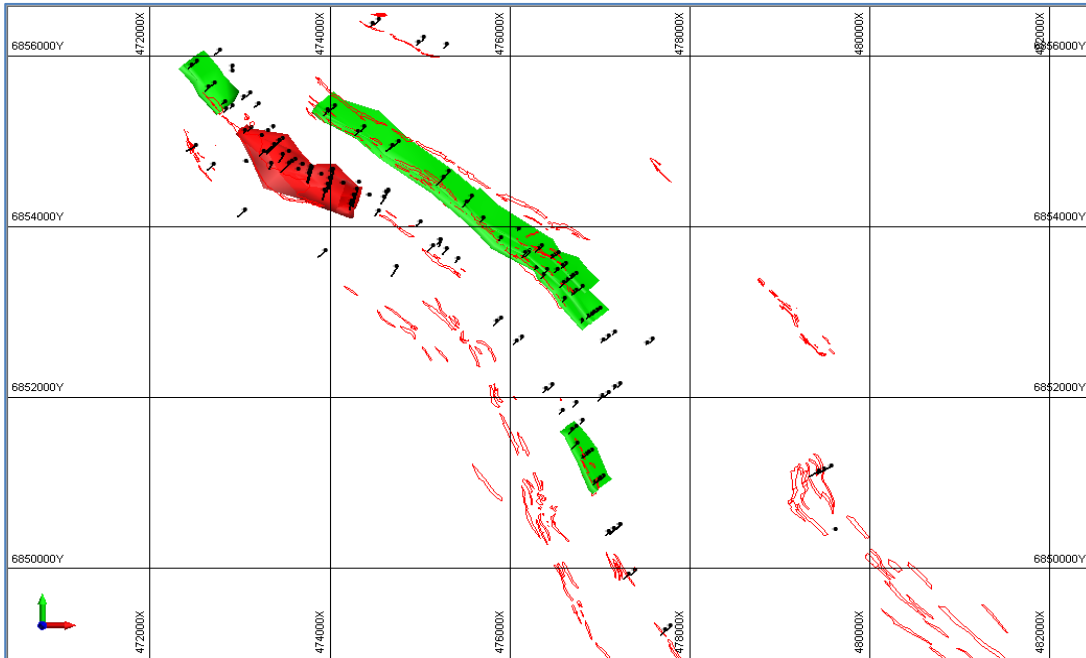


Figure 2. Updated Additional BIF Resource Limits (in green)

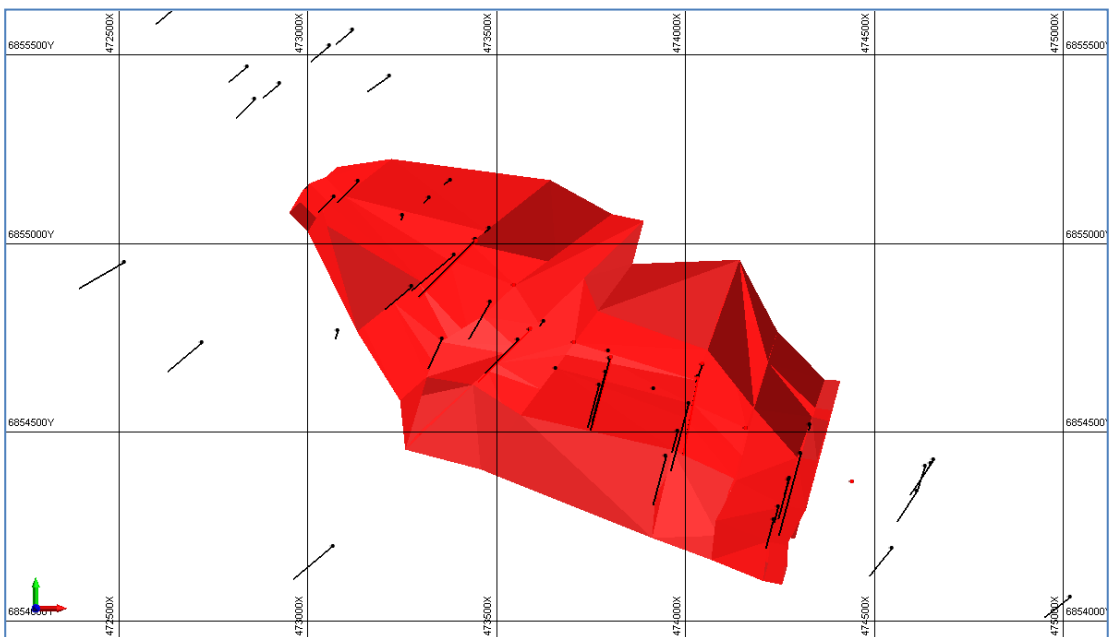


Figure 3 . Bilberatha BIF Resource Limits in Plan



RC drilling continues in other target areas and a Diamond drill rig has arrived on site to commence a program designed to upgrade the inferred resource to an indicated resource category at the main Bilberatha Hill. The pre-feasibility studies being carried out by ProMet Engineers is progressing well and the study is expected to be completed in July 2011. The company continues to work closely with Shandong Provincial Bureau of Geology and Minerals to progress the project to next stage of development.

References:

Lynn Widenbar, 2011 Yalgoo Inferred Resource Estimate May 2011



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 Lynn Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Widenbar and Associates and produced the Mineral Resource Estimate based on data and geological information supplied by Venus. Mr Widenbar has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

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.