VENUS METALS
CORPORATION LIMITED

ASX Release: 18 October 2010 **ASX Code: VMC**

TELFER NORTH SUPER PROJECT
FURTHER HIGHLY ENCOURAGING GRAVITY SURVEY RESULTS
IOCG TARGETS CONFIRMED AT Mt MORRIS

STRONG BOUGUER GRAVITY ANOMOLY AMPLITUDE OF 2mGal SIMILAR AS THE CARAPATEENA AND ERNEST HENRY IOCG DEPOSITS

Venus Metals Corporation is pleased to advise the results of the recently completed gravity surveys at Mt Morris IOCG/base metal target*. The gravity results **indicate three discrete 2 mGal gravity highs typical of Iron oxide-Copper-Gold deposits**.

Geophysical consultants Resource Potentials have modelled the gravity high as North-South striking three discrete gravity highs over a length of approximately 7km and over a width of 2km (Figures 1 and 2). The gravity anomaly amplitudes are comparable to other IOCG deposits e.g. Carapateena, Ernest Henry and Eloise as indicated in table 1, which has been modified from Vella, 2007.

Deposit	Magnetic Anomaly Amplitude	Magnetic Anomaly Dimensions	Gravity Anomaly Amplitude	Gravity Anomaly Dimensions
Olympic Dam	1400nT	8km across	17mgal	8km across
Wirrda Well	1800nT	6km x 9km	6mgal	6km x 9km
RADI HILLS*	***1500nT***	***3.5km x 2.5km***	***5mgal***	***3km x 2km***
Prominent Hill	7000nT	700m x 500m	5mgal	2.5km x 1km
MT MORRIS*	***800nT***	***8km x 5km***	***2mgal***	***7km x 2km***
Carapateena	200-300nT	1.5km x 1km	2-2.5mgal	2km x 2km
Ernest Henry	7000 - 10000nT	1.2km x 700m	2-3mgal	1.2km x 700m
Eloise	1100nT	750m x 250m	1mgal	1km x 500m

On review of historical exploration drilling by BHP in 1993/1994 (Davis,1994) shows that the drillhole ANN1 intersected Proterozoic basement at 256m with the hole ending at 360m. **The hole was drilled to the south-west of the southern gravity anomaly and it did not test the gravity anomaly as shown in Figure 1. The drill hole encountered fractured granitic basement with pegmatitic lenses. Minor sulphides were encountered and the geological environment is regarded to be very encouraging for IOGC type deposits.**

Please Direct Enquiries to:

Matthew Hogan
Managing Director
Ph: 08 9321 7541

Barry Fehlberg
Senior Expert Exploration Advisor
Ph: 08 9321 7541

VENUS METALS
CORPORATION LIMITED

Newcrest's drillhole MR0602 is located on the central gravity anomaly, but did not intersected basement. The drilling was abandoned at 165m due to running sands (Wright and Stewart, 2007) (Figure 1). It is also located on the flank of a magnetic feature visible in the regional magnetic (400m line spaced) data and has not effectively tested either the magnetic or gravity response. The remainder of the holes in this region were all too shallow and did not reach basement.

Resource Potential's 3D depth modelling (gravity inversion modelling) (Figure 3) on the VMC Bouguer gravity anomaly has been conducted and indicates a depth to the source to be approximately 250m for the southern gravity anomaly, 275m for the central gravity anomaly and 310m for the northern gravity anomaly. This compares well to the drill results at ANN1 and modelling completed by BHP on gravity and ground magnetics over two regional traverses close to ANN1.

The shallow depth to basement as proven by the BHP drilling and as indicated by the geophysical modelling makes drill testing of the Mt Morris gravity targets an eminently feasible proposition for the Company. The company is now preparing a programme of work for a drilling programme at the Mt Morris targets as soon as practicable.

References:

Davis,R.P.,1994. BHP Minerals Pty Ltd Anketell Project 1993 Annual Report (Period 8 April 1993 to 23 February 1994) and Final Report (Period 8 April 1992 to 23 February 1994) Northern Tenement Group ELs E45/1088,1089,1097, 1224. Department of Minerals and Energy Project M7939/3. CR8023. Open File Report A41253

Wright,P., and Stewart,M.A., 2007. Newcrest Mining Ltd Munro Group Annual and Final Report Period ending 15th February 2007. EL E45/2439, 2440, 2441. C23/2004. Open File Report A72108.

Vella,L.,2007. Geophysical Exploration for IOCG Deposits, with examples from the Gawler Craton and Eastern Succession. Centre for Exploration Targetting Iron-Oxide Copper Gold Deposits MSc Short Course February 2007.

VENUS METALS
CORPORATION LIMITED

**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.

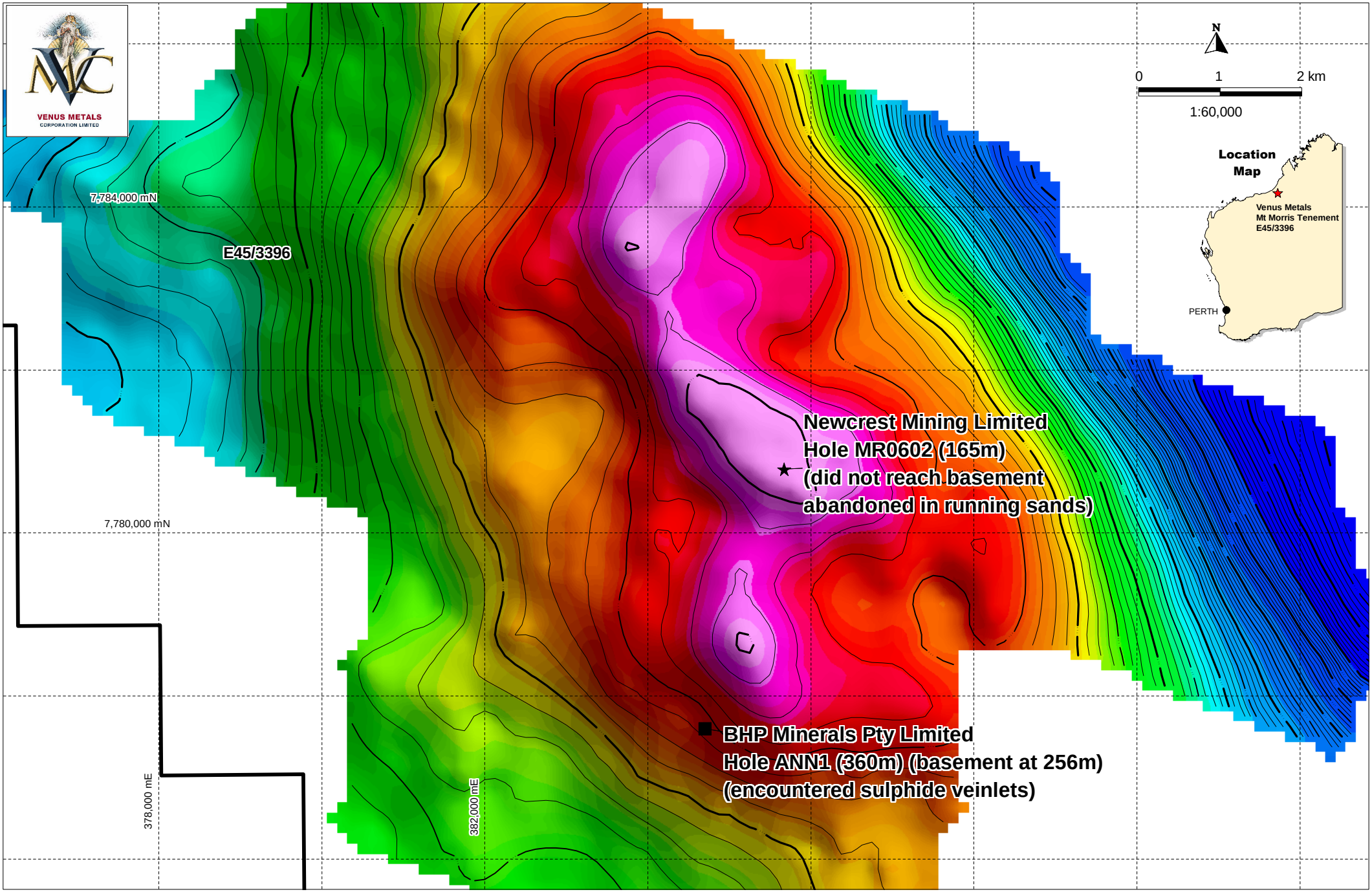

Figure 1.Bouguer gravity anomaly map and location of historical drillholes

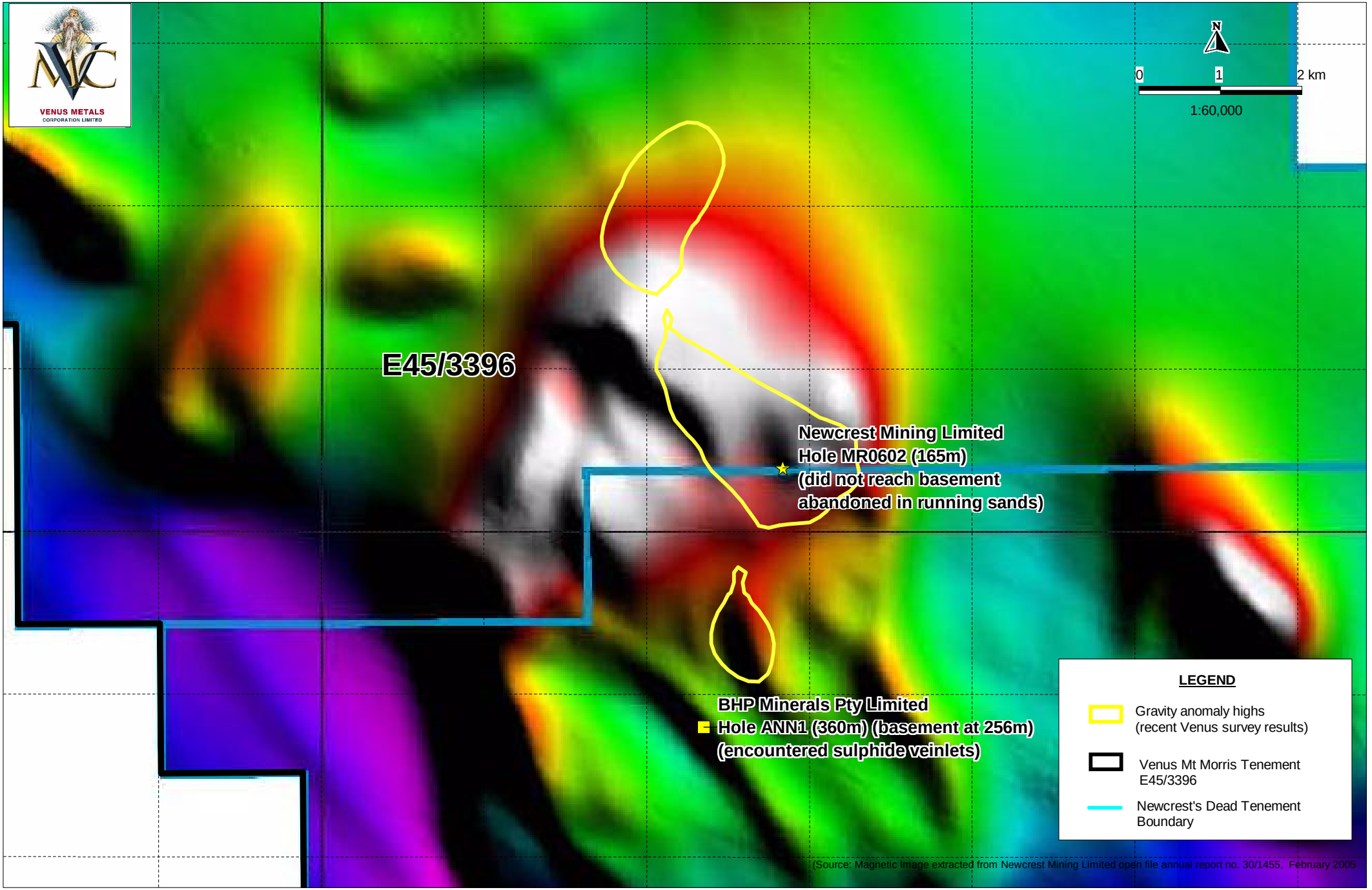

Figure 2. Gravity highs are shown on magnetic anomaly map and location of historical drillholes

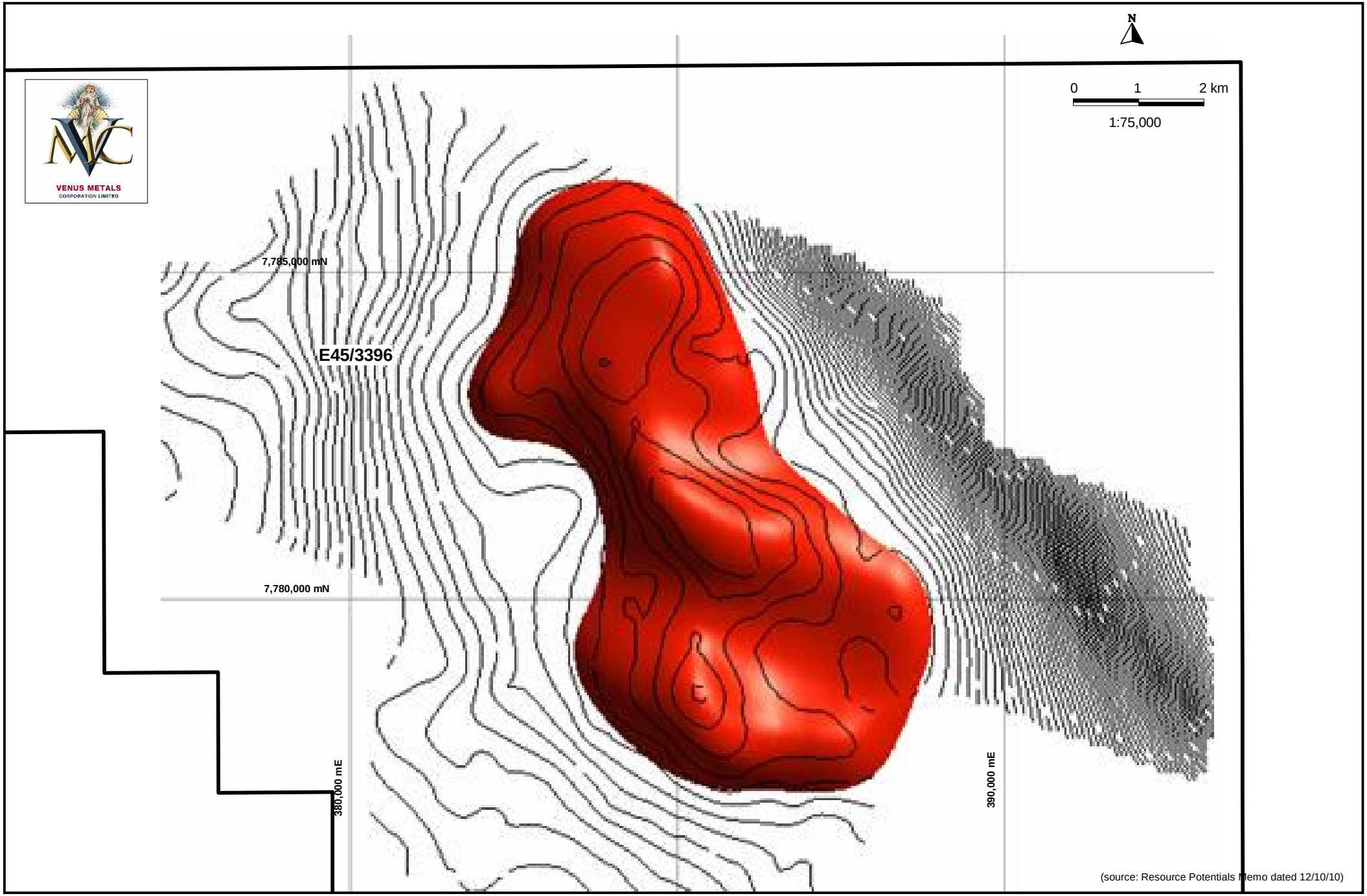

Figure 3. Mt Morris 3D Gravity Inversion Model and Contours- Top View