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YALGOO IRON ORE PROJECT

LARGE ADDITIONAL MAGNETITE IRON ORE EXPLORATION TARGETS IDENTIFIED AT YALGOO IRON ORE PROJECT WITH TARGET POTENTIAL OF 150-300 MT (Fe CONTENT OF 30-35%)

The directors of Venus Metals Corporation Limited are pleased to announce the results of evaluation of magnetic data and field mapping of the Yalgoo Iron Ore project, which has identified further large open pittable magnetite exploration targets* in addition to the **JORC Compliant Inferred Magnetite Iron Ore Resource of 443.9 Million Tonnes at Bilberatha Hill** (refer ASX announcement 16th December 2010).

A number of separate target areas have been defined for drill testing within the company lease areas.

Exploration Target Potential:

Tonnage Range: 150 – 300MT**

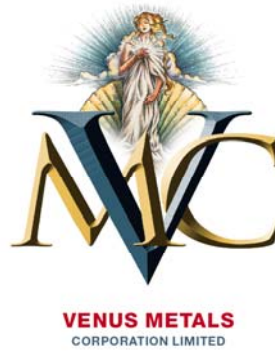
Fe Range: 30% - 35%

10,000m of RC Drilling is schedule to commence in February 2011 and the results of the scoping study are anticipated in early February.

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**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.*

***In accordance with the JORC Code (2004), the potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a Mineral Resource.*

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.

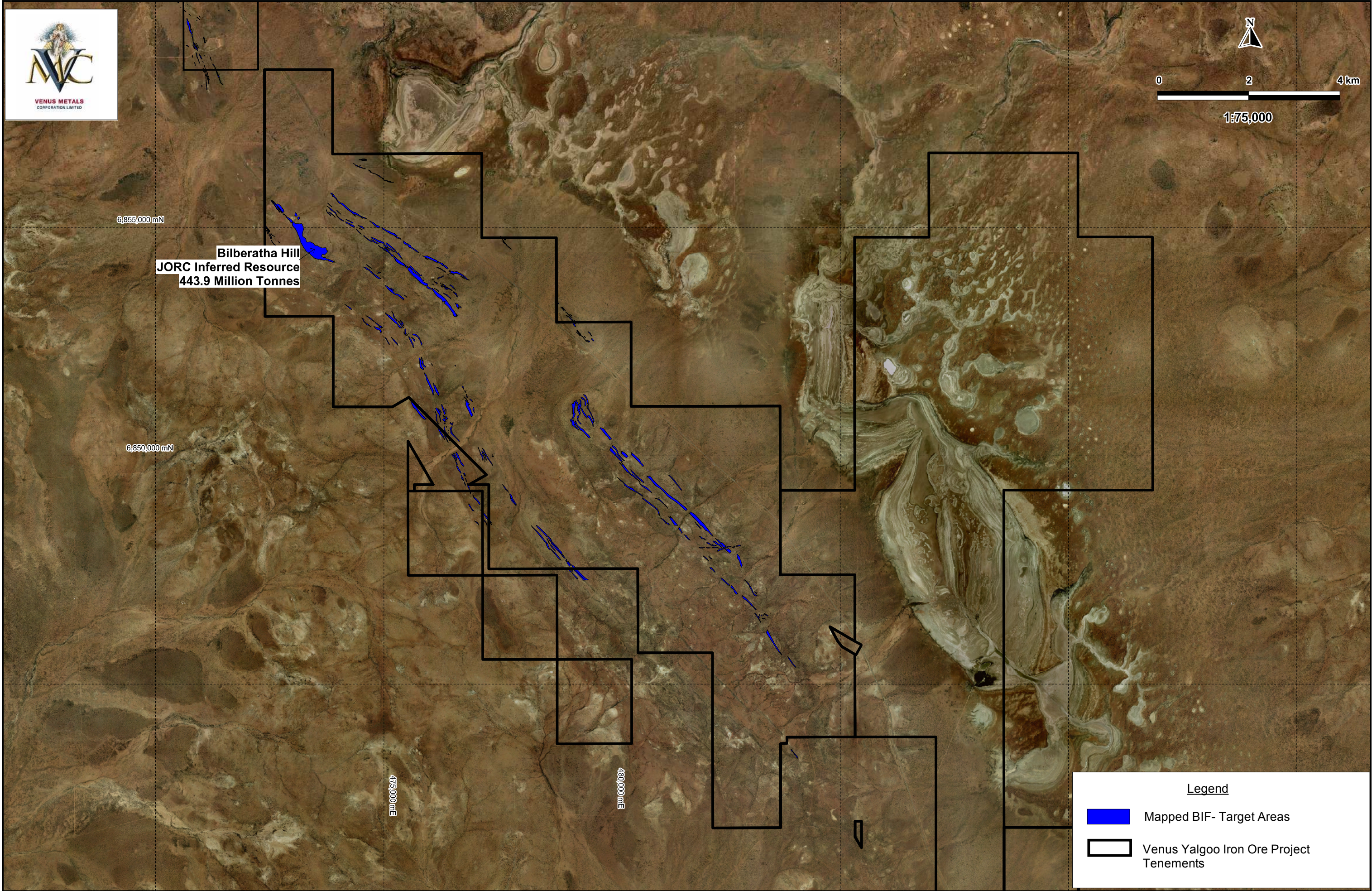


Figure 1. Venus Yalgoo Iron Ore Project Additional Target Areas