



VENUS METALS
CORPORATION LIMITED

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NEW GOLD DISCOVERY BASSIT BORE PROSPECT, MT PHILLIPS EXTREMELY HIGH GRAB SAMPLES UP TO 421g/t AU

The Directors of Venus Metals Corporation (“**Venus Metals**” or “**Company**”) are pleased to advise a **New Gold discovery at Bassit Bore Prospect, (E09-1676) (3.13 km²) Mt Phillips (Figure1) (“Tenement”)**. The Company has signed an agreement with a prospector for an option to purchase the Tenement for a total consideration of \$155,000 (inclusive of the option fee) payable in 3 instalments over a two year period. A \$25,000 non-refundable option fee has been paid and the option is exercisable at any time up to 10th February 2012.

In the event the Company exercises the option and produces minerals from the Tenement in commercial quantities, the Company will pay the vendor a gross royalty of 2.5% from minerals produced and sold from the Tenement. The Company has the right to purchase the royalty from the vendor for consideration of \$200,000 for each 0.5% of the royalty.

Venus Metals Senior Expert Exploration Advisor, Mr Barry Fehlberg collected surface grab samples from four of the more gossanous boudins (Figure 2) during the field inspection of the Tenement in July 2011. The aim of the grab sampling was to determine the levels of gold that might exist in the better locations. During the sampling, visible gold was noted at location BB2. There is evidence that the gossanous samples are derived from sulphides in the quartz reefs, traces of galena were noted in one sample.

Six samples were assayed extending over a strike of approximately 300m, BB1, BB2, BB3, BB4, BB5 and BB7. **All samples assayed are high in gold, with four of the six samples giving very high to extremely high gold values. The two stand out assays are 421g/t Au in BB5 and 277g/t Au in BB2. The samples also are high in silver, and strongly anomalous in copper and lead values (Table 1).**

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Table 1. Assays of Surface Grab Samples

Sample ID	Au	Ag	Cu	Pb	Zn	V
BB1	1.19	-	85	169	41	19
BB2	277	2.6	67	60	20	12
BB3	1.43	-	55	155	23	17
BB4	13.4	2.7	189	1169	155	7
BB5	421	15.4	1568	1123	82	21
BB7	45.3	8.5	637	378	65	26

Geology of Bassit Bore Prospect:

The Bassit Bore area is one of generally good outcrop of sheared granite and granite porphyries of the Proterozoic crystalline basement rocks in the Mt Phillips area. There is a strong east west trending shear fabric in the basement rocks.

Within the sheared basement rocks are foliated quartz bodies and reefs which strike slightly north of west. Some of these bodies form prominent ridges, others are more subtle and form bouldery outcrops.

The area under field investigation is a 300m long strike zone which carried gossanous quartz boudins that are from 3-5m long by 1-2m wide. Within the 300m strike zone there would be 20-30 such boudins developed, with quartz stringers passing into the sheared granite country rock.

The extremely high values must be coming from pockets of gold in the quartz reefs that might have a nugget effect. However, the widespread occurrence of high values is a positive sign for the overall gold bearing nature of the system.

The anomalous copper and lead values support the association of copper-lead sulphides in the samples.

The Bassit Bore prospect is a new gold discovery that has not seen any exploration testing and high grade gold does occur over an encouraging strike length. The potential of the prospect is for: (a) high grade, narrow vein gold as shown by the grab sample assays; and (b) a more broad spread dissemination of lower grade gold in the veins and vein margins that may form an open-pittable bulk mining operation, as evidenced by the widespread gold reported in creek samples and drainages from the tenement.



Two ELA'S (E09/1922 and E09/1936) (623 km²) were pegged by Venus Metals (Figure 1) to cover on strike projections to form the basis for a regional exploration program in a potential new gold province that is essentially unexplored and untested.

The Company plans to commence a drilling programme as soon as possible.

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) and Executive Director 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.

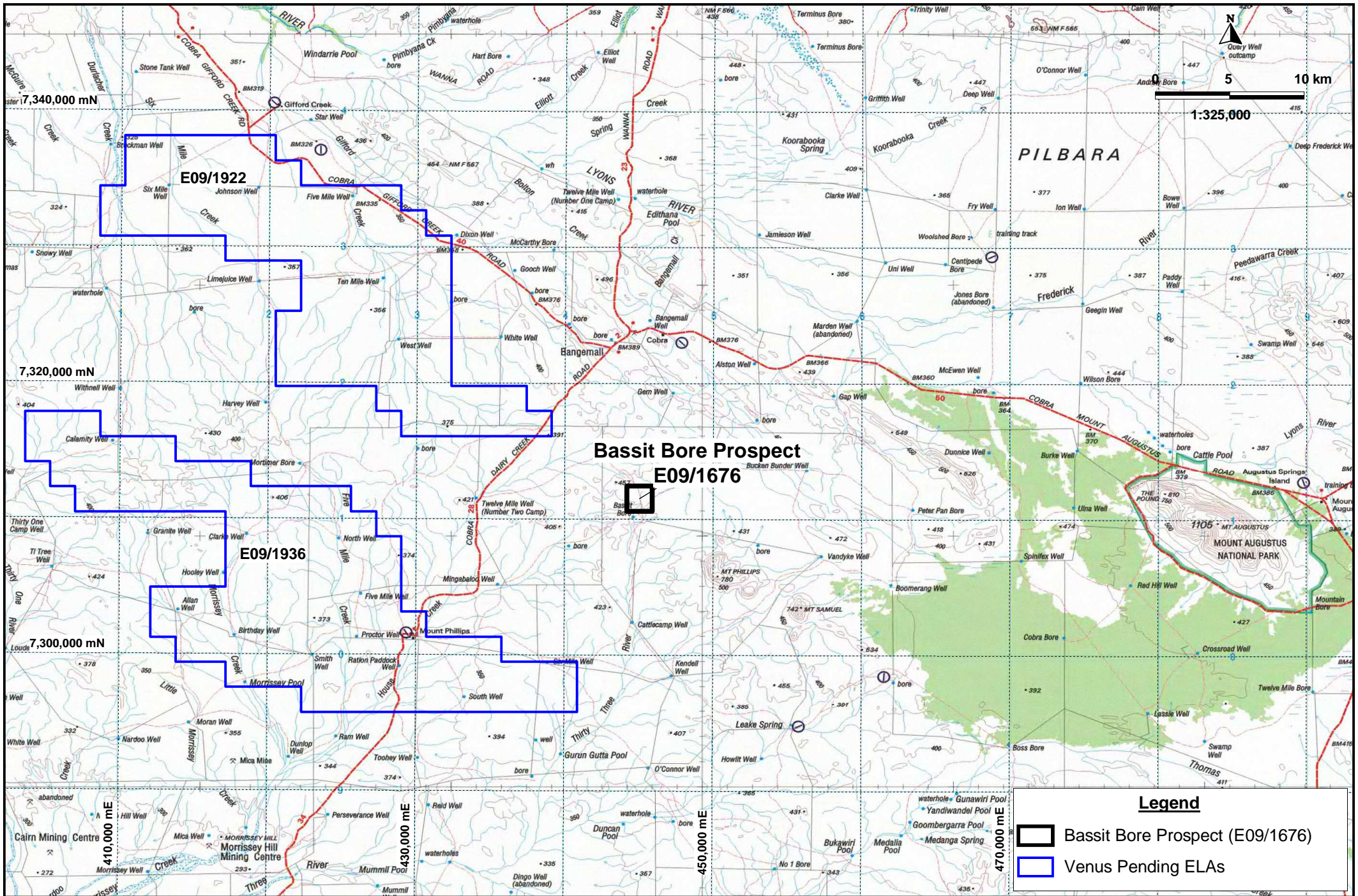


Figure 1. Tenement Location Plan

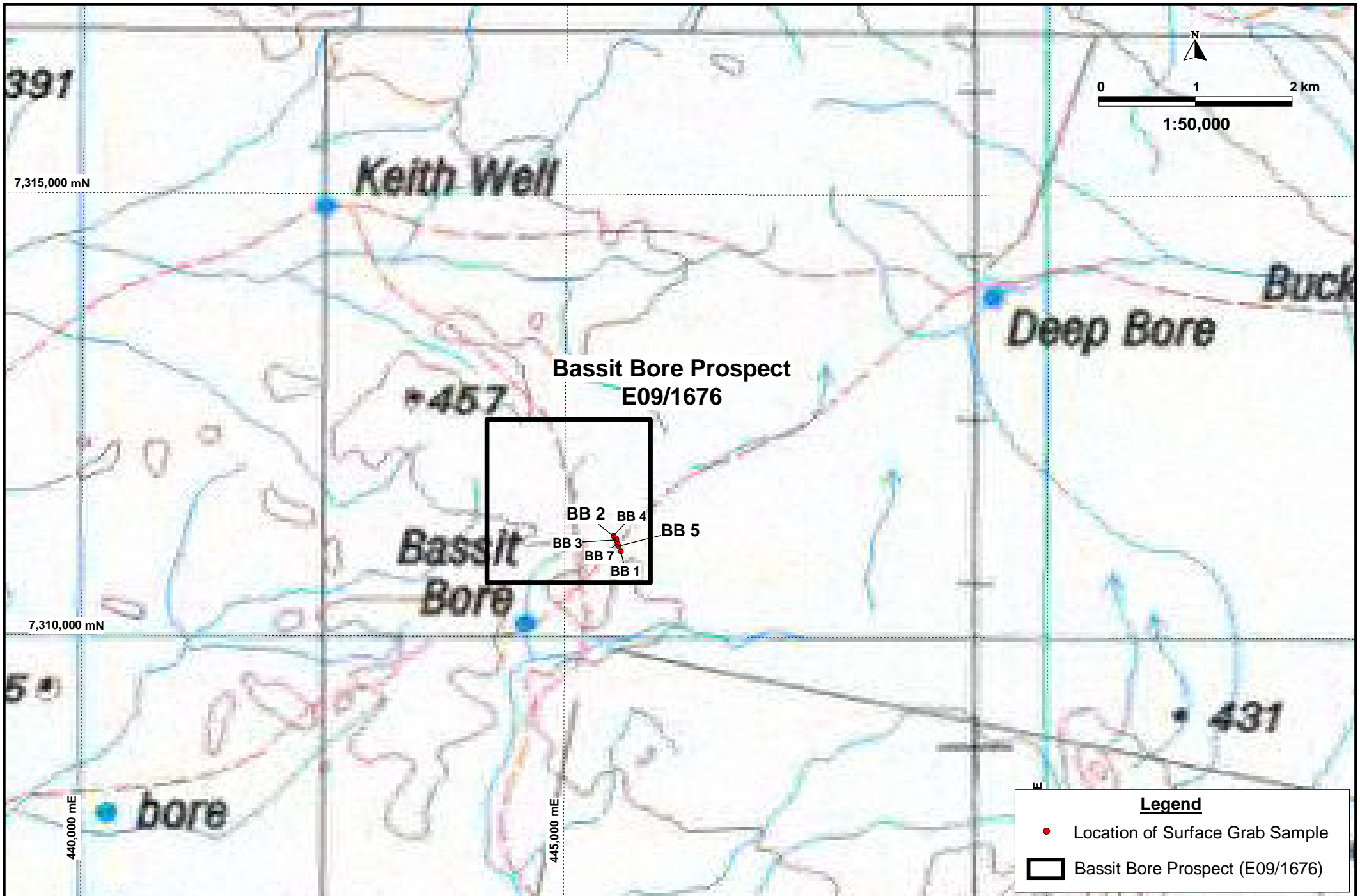


Figure 2. Location of Surface Grab Samples