



ASX Release: 12 December 2011

ASX Code: VMC

RC DRILLING COMMENCES AT BASSIT BORE GOLD PROJECT

The Directors of Venus Metals Corporation Ltd are pleased to announce RC drilling has commenced at the Company's Bassit Bore Project (refer ASX release 16th August 2011 option agreement signed to purchase the tenement) located in the Gascoyne Province of WA.

The drilling program of some 1500m for 20 holes will test high grade gold quartz veins outlined by a program of rock chip sampling and follow up soil sampling. Two main targets will be tested, namely the Bassit Vein shear zone over a 300 metre strike length, and the Kempton Vein also over a 300 metre strike length.

BACKGROUND

The Gascoyne region of WA, together with the adjacent Ashburton Region, is an emerging gold province with a number of new discoveries and significant production developments (Figure 1). Large scale open pit mining has taken place at Mt Olympus, high grade underground mining is underway at the Paulsens deposit, and the Glenburgh discovery is growing in size and magnitude. The high grade Andy Well deposit north of Meekatharra is also a new discovery (see Fig 1 for deposit location and resource numbers).

In particular, the Paulsens deposit has developed from very modest initial surface indications, highlighting the potential for high grade underground deposits in the general Province.

BASSIT BORE PROSPECT

High grade gold values up to 421g/t were obtained from grab samples taken by the Company in July 2011 from gossanous quartz boudins exposed over a 300 metre strike zone at Bassit bore (refer ASX release 16th August 2011). Assays were undertaken by SGS Laboratory, 50g fire assay with AAS finish. The prospect is a new discovery with no history of previous drill testing.

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Recent geological mapping by consultant Richard Russell has outlined two predominant mineralised shear zones both striking WNW (Figure 2). The Bassit Vein carries the high grade gold values, with the Kempton vein showing surface copper enrichments. The Kempton vein passes into adjacent tenements controlled by Gascoyne Resources who report surface assays up to 73g/t Au on the vein (named by them as the Harrier Prospect).

The geological mapping indicates that the two WNW vein sets are may be controlled by regional shears trending ENE within the sheared granite and granite porphyries of the Proterozoic crystalline basement rocks in the Mt Phillips area (see Figure 2).

SOIL SAMPLING RESULTS

The area of the Bassit vein was soil sampled in October. A total of 132 soil samples on a 20 by 40 meter grid were collected and assayed by SGS for Au (25gm Aqua Regia, DIBK,AAS finish), Cu Pb, Zn and Ag (ICP-AES after ARE Digest).

Gold assay results show a strong correlation with mapped quartz vein outcrops. Values for Cu, Pb, Zn and Ag also reinforce the vein prospectivity (See Figures 3, 4, 5, 6 and 7)

DRILL RESULTS

These will be released when available.



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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 Technical Director/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.



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VMC Bassit Bore Project

Yalgoo

Perth

Kalgoorlie-Boulder

Mandurah

Bunbury

Busselton

Esperance



0 50 100 km

Paulsens Project

Indicated and Inferred Mineral Resource

1.3 mt @ 5.3 g/t Au for 226,000 oz

(Source: Northern Star Resource Ltd, AGM 2011)

Mt Olympus Gold Mine

Indicated Mineral Resource

2 mt @ 6.1 g/t Au for 386000 oz

(Source: Northern Star Resource Ltd, AGM 2011)

**Venus Metals
Bassit Bore Gold Project
E09/1676**

E09/1922

E09/1936

Glenburgh Project

Inferred Mineral Resource

13.8 mt @ 1.2 g/t Au for 520,000 oz

(Source: Gascoyne Resource Ltd, Annual Report 2011)

Andy Well

Indicated and Inferred Resource

691,000 t @ 14.8 g/t Au for 329,000 oz

(Source: Doray Minerals Ltd, ASX 5th Dec 2011)

LEGEND

 **Gascoyne/Ashburton Province
Gold Deposits/Projects**

 **Venus Metals ELAs**

Figure 1. Location of Gascoyne / Ashburton Province Gold Deposits and VMC Bassit Bore Gold Project



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0 100 200 m

Scale: 1:4,000

E09/1676
(BASSIT BORE)

7,311,400 mN

KEMPTON
VEIN

7,311,000 mN






BASSIT VEIN

7,310,600 mN

445,200 mE

445,600 mE

LEGEND

-  Gold mineralised vein
-  Buried mineralised vein trend
-  Regional Shear Zones
-  Soil sampling area
-  VMC Bassit Bore Tenement E09/1676

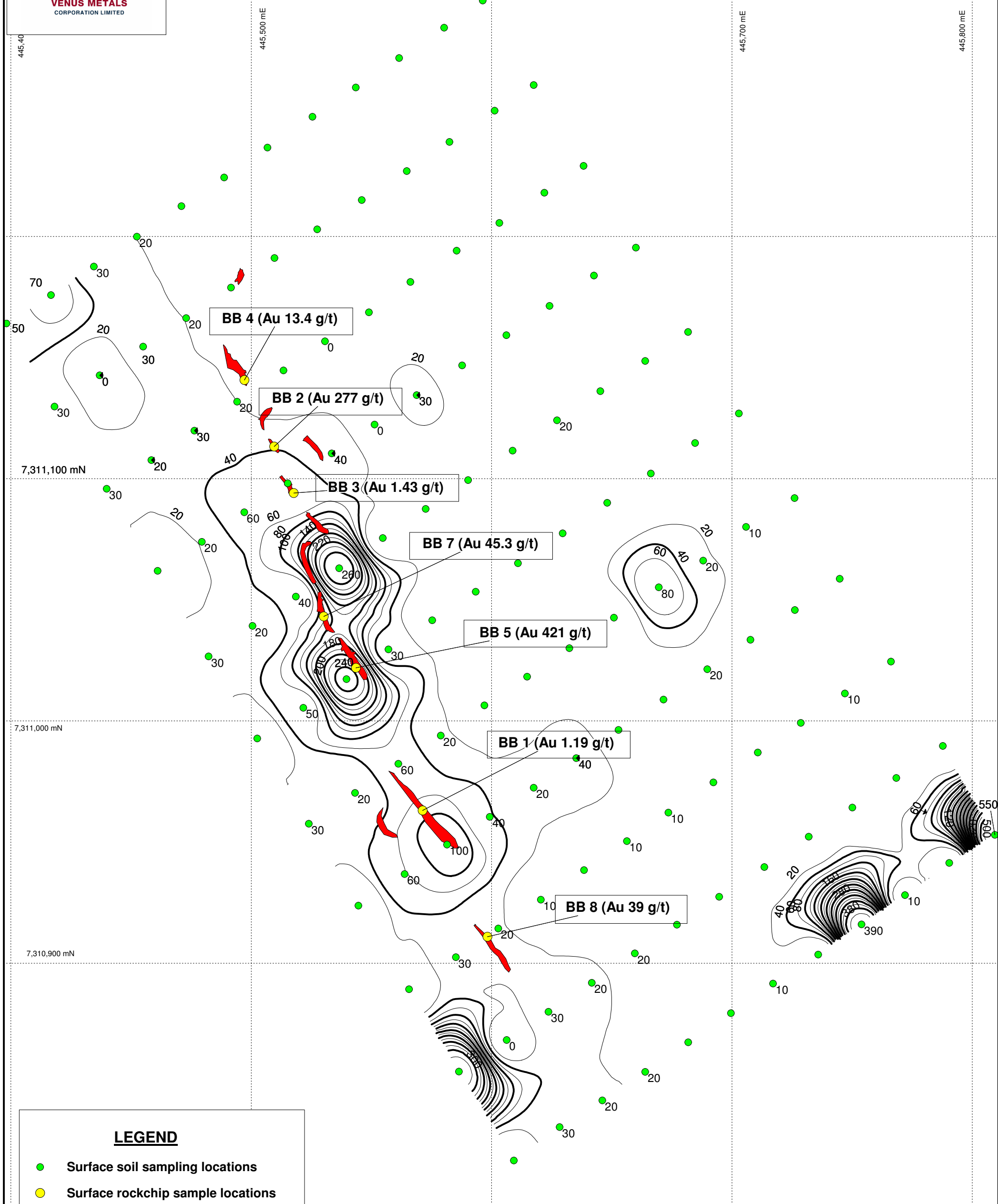
**FIGURE 2. GOLD MINERALISED VEIN STRUCTURES
BASSIT BORE PROSPECT**



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0 50 100 M



LEGEND

- Surface soil sampling locations
- Surface rockchip sample locations
- Au (ppb) contours @20ppb interval
- Gold mineralised veins

**FIGURE 3. SOIL SAMPLE GOLD RESULTS (ppb)
ROCK CHIP GOLD RESULTS (g/t)**



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445,500 mE

445,700 mE

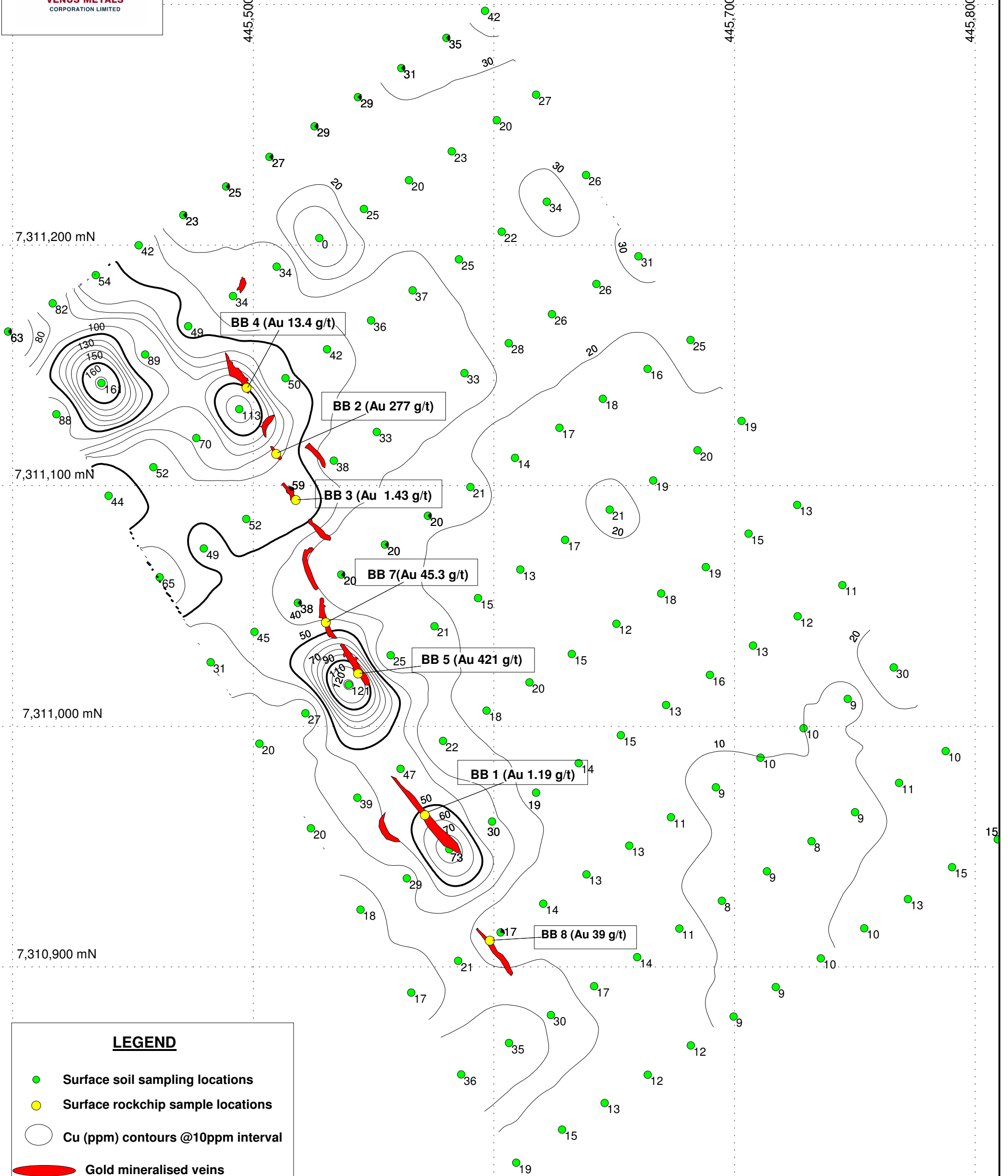
445,800 mE

7,311,200 mN

7,311,100 mN

7,311,000 mN

7,310,900 mN



LEGEND

- Surface soil sampling locations
- Surface rockchip sample locations
- Cu (ppm) contours @10ppm interval
- Gold mineralised veins

**FIGURE 4. SOIL SAMPLE COPPER RESULTS (ppm)
ROCK CHIP GOLD RESULTS (g/t)**



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445,500 mE

445,700 mE

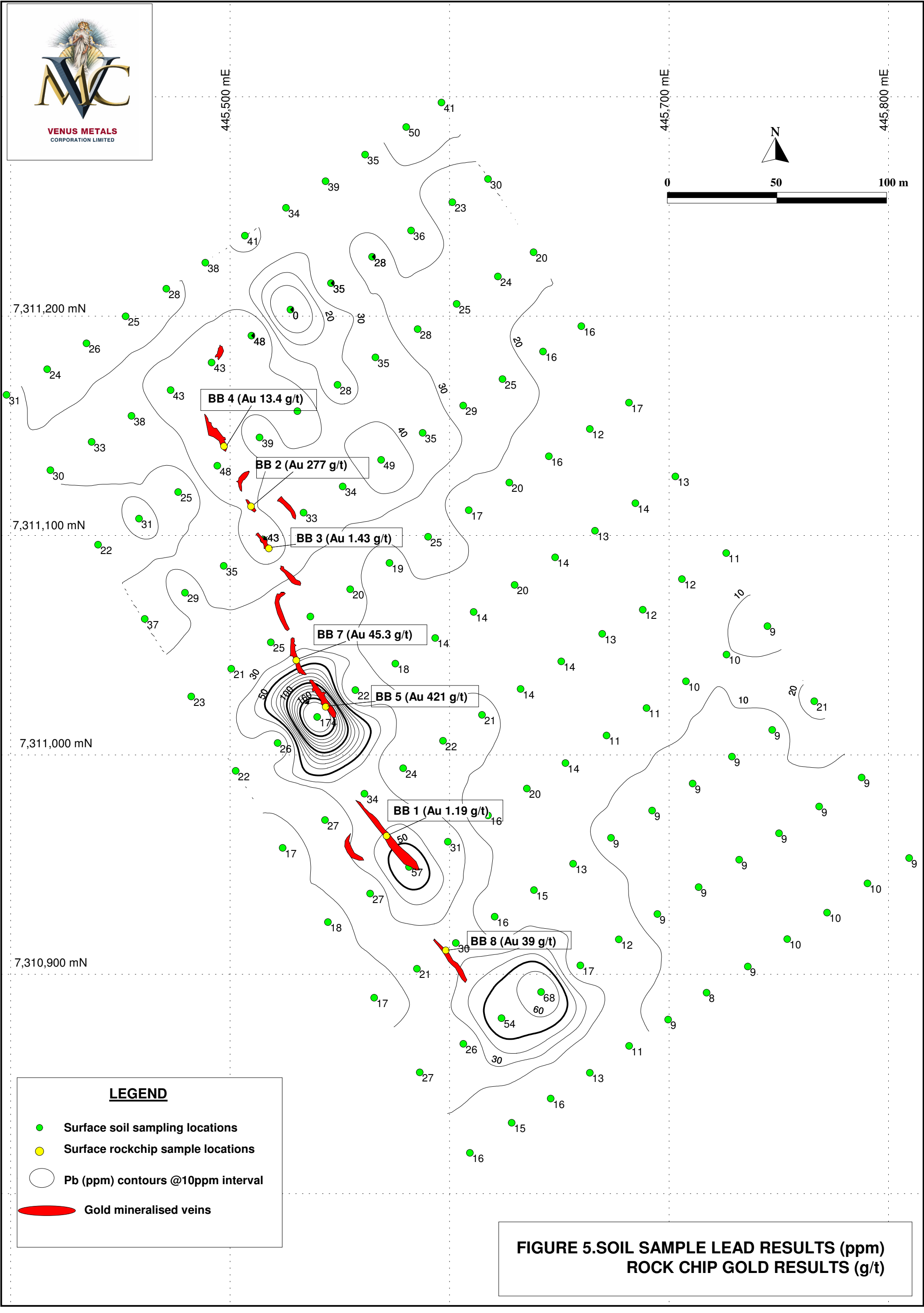
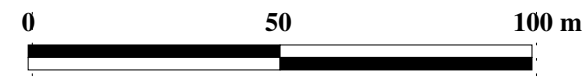
445,800 mE

7,311,200 mN

7,311,100 mN

7,311,000 mN

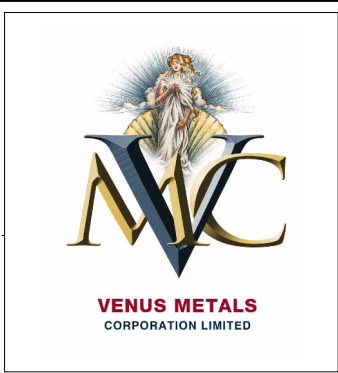
7,310,900 mN



LEGEND

- Surface soil sampling locations
- Surface rockchip sample locations
- Pb (ppm) contours @10ppm interval
- Gold mineralised veins

**FIGURE 5.SOIL SAMPLE LEAD RESULTS (ppm)
ROCK CHIP GOLD RESULTS (g/t)**



445,500 mE

445,700 mE

445,800 mE



7,311,200 mN

7,311,100 mN

7,311,000 mN

7,310,900 mN

BB 4 (Au 13.4 g/t)

BB 3 (Au 277 g/t)

BB 7 (Au 45.3 g/t)

BB 5 (Au 421 g/t)

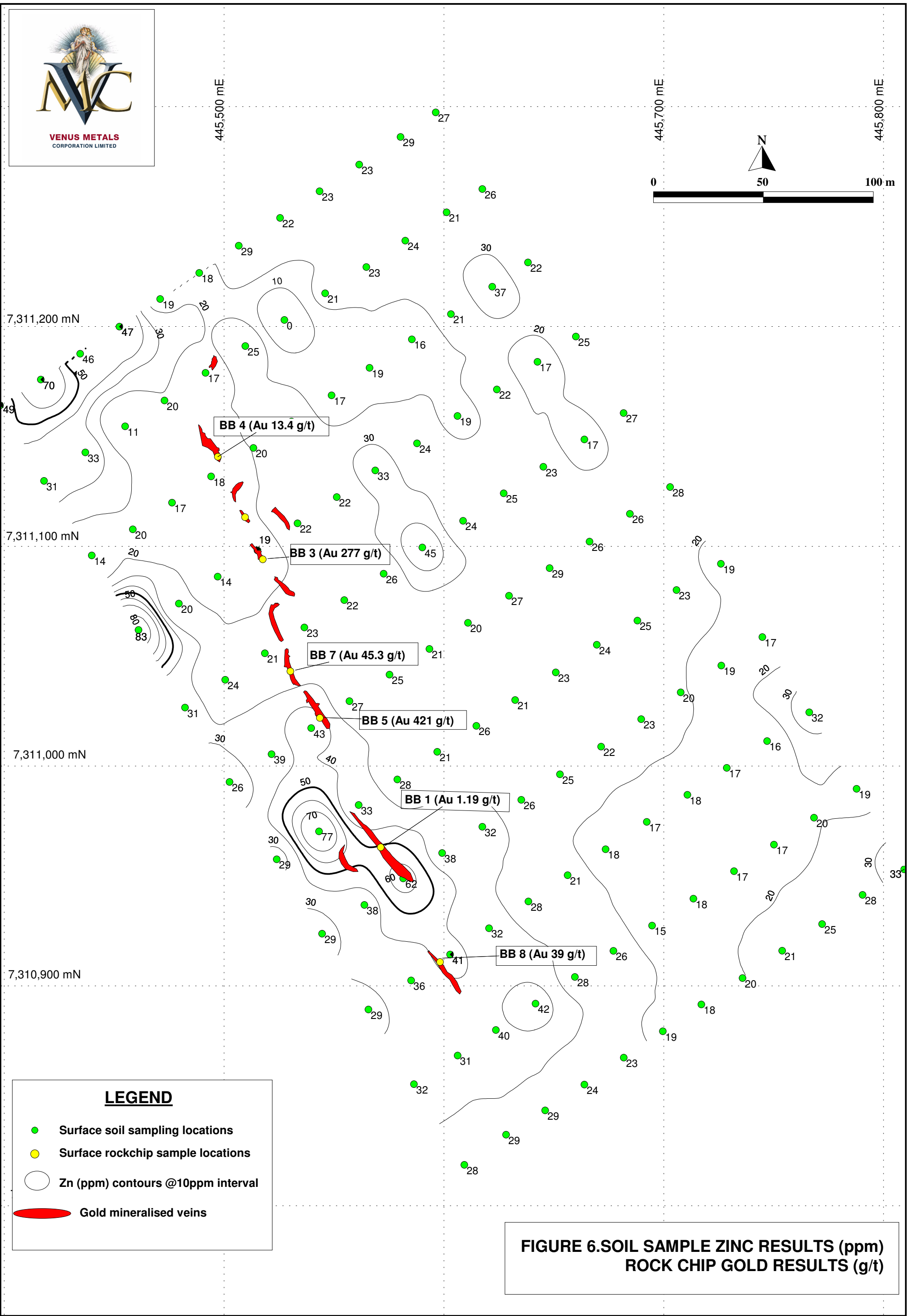
BB 1 (Au 1.19 g/t)

BB 8 (Au 39 g/t)

LEGEND

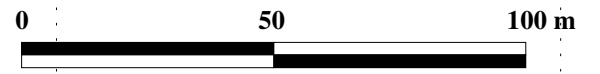
- Surface soil sampling locations
- Surface rockchip sample locations
- Zn (ppm) contours @10ppm interval
- ▬ Gold mineralised veins

**FIGURE 6.SOIL SAMPLE ZINC RESULTS (ppm)
ROCK CHIP GOLD RESULTS (g/t)**





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445,500 mE

445,700 mE

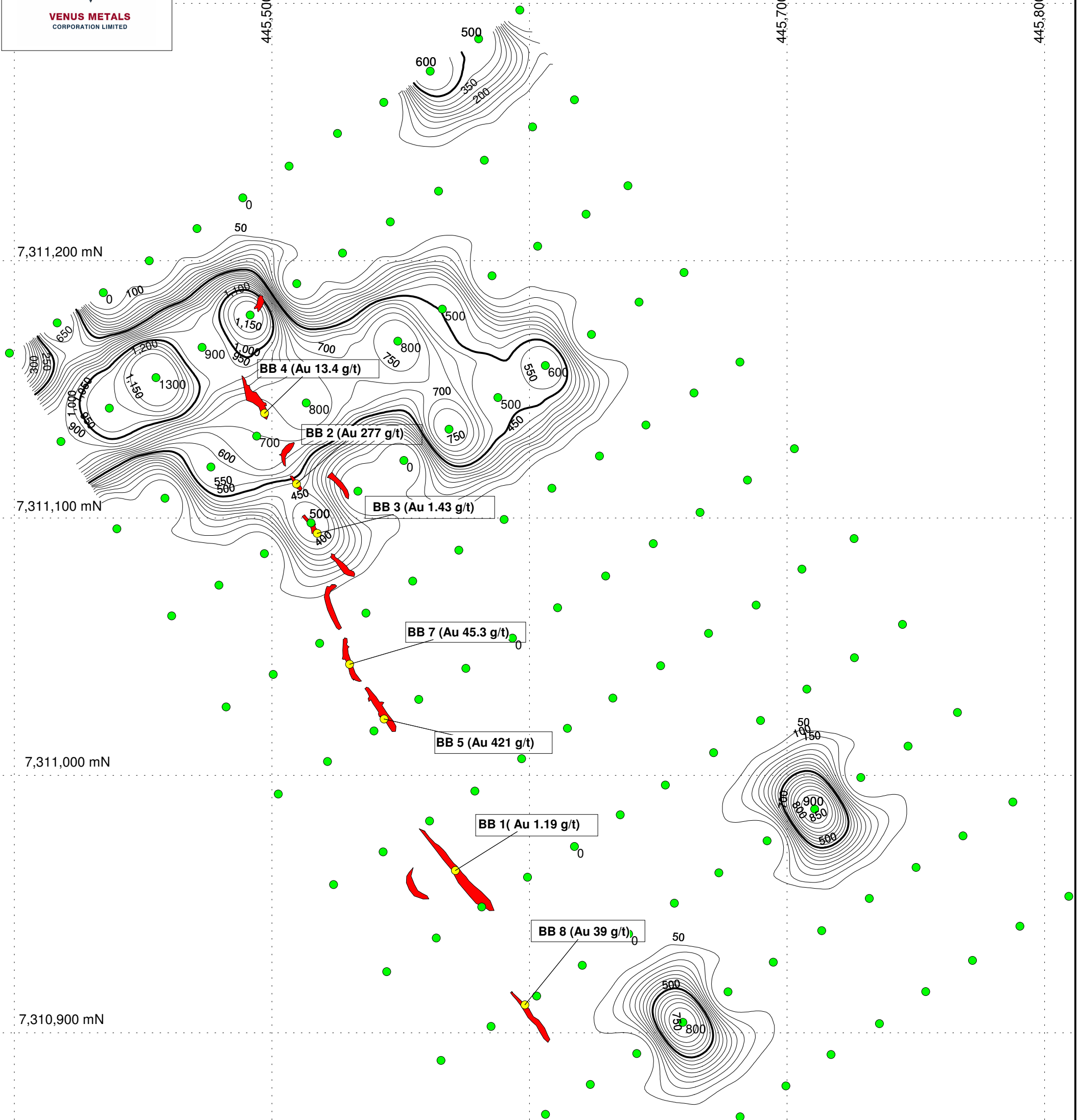
445,800 mE

7,311,200 mN

7,311,100 mN

7,311,000 mN

7,310,900 mN



LEGEND

- Surface soil sampling locations
- Surface rockchip sample locations
- Ag (ppb) contours @50 ppb interval
- Gold mineralised veins

**FIGURE 7.SOIL SAMPLE SILVER RESULTS (ppb)
ROCK CHIP GOLD RESULTS (g/t)**