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VENUS AWARDED TWO GRANTS TOTALLING \$350,000 FOR DRILLING AT RADI HILLS AND CITADEL PROJECTS UNDER WA GOVERNMENT CO-FUNDED DRILLING PROGRAMME

The Directors of Venus Metals Corporation Limited ("Venus") are pleased to announce that it has been awarded **two grants totalling \$350,000 for drilling at Radi Hills (\$200,000) and Citadel (\$150,000) projects ("Projects") under WA Government Exploration Incentive Scheme Co-funded Exploration Drilling Programme**. Venus will be required to match the \$350,000 funding grant on a dollar-for-dollar basis on direct drilling costs.

The Department of Mines and Petroleum considered applications from various exploration companies in WA and awarded funding for 56 high quality and technically sound proposals to promote new exploration concepts and new exploration technologies. The grants were awarded after evaluating the Projects under strict point criteria system including innovative drilling and passing through tight competition. Both the Radi Hills and Citadel projects (Figure 1) are 100% owned and operated by Venus.

The Projects are located 150 to 200 km north-northwest of world class Telfer, O'Callaghans and Nifty deposits on the structurally controlled Anketell gravity ridge areas of Canning basin (Figure 2). The exploration targets¹ are for Iron Oxide-Copper Gold (IOCG) mineralisation in Proterozoic basement rocks concealed beneath sand and sediment cover of the Canning Basin.

Projects Background:

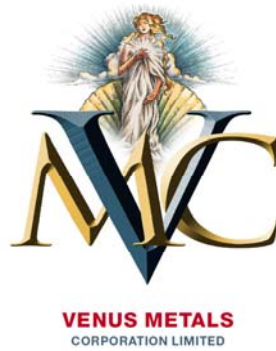
Radi Hills

- The proposed Govt co-funded drilling programme will test the **geophysical model of coincident high magnetic (1500nT), high "Bulls Eye" gravity (5mGal) and Electromagnetic discrete late time responses² with source modelled at a depth of approximately 500 m** at Radi Hills. The locations of planned drill holes are shown in Figure 3.

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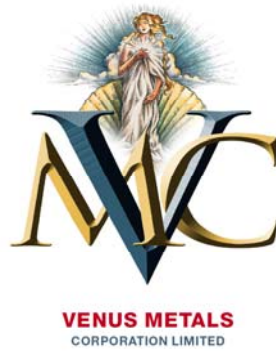


- The RC/diamond drilling at Radi Hills in 2011 was terminated at 357.3 m depth due to drilling difficulties. Now Venus has proposed an innovative method of drilling to overcome the previous drilling difficulties using a combination of water bore type of drilling up to 500 m followed by diamond tailing up to 800-900 m depth (Figure 4).
- The previous composite assays of overlying sediments has shown anomalous values of Tungsten (up to 470 ppm), Copper (up to 655 ppm), Gold (up to 160 ppb) and Silver (up to 5.6 g/t). Some pyritic iron oxide layers have also been encountered in the metasediments. It was interpreted as a possible "leakage halo effect" from an underlying basement source/mineralisation yet to be drilled (please refer ASX release 6th Sept 2011).

Citadel:

- The RC/diamond drilling programme will test **geophysical targets¹ with coincident high magnetic and high gravity and doubly plunging anticline structure (a Telfer dome “look alike”)**. The depth to mineralised Proterozoic basement is expected to be within 250 m. The proposed drill hole locations at Citadel are shown in Figure 5.

The drilling is expected to be commenced as soon as possible.



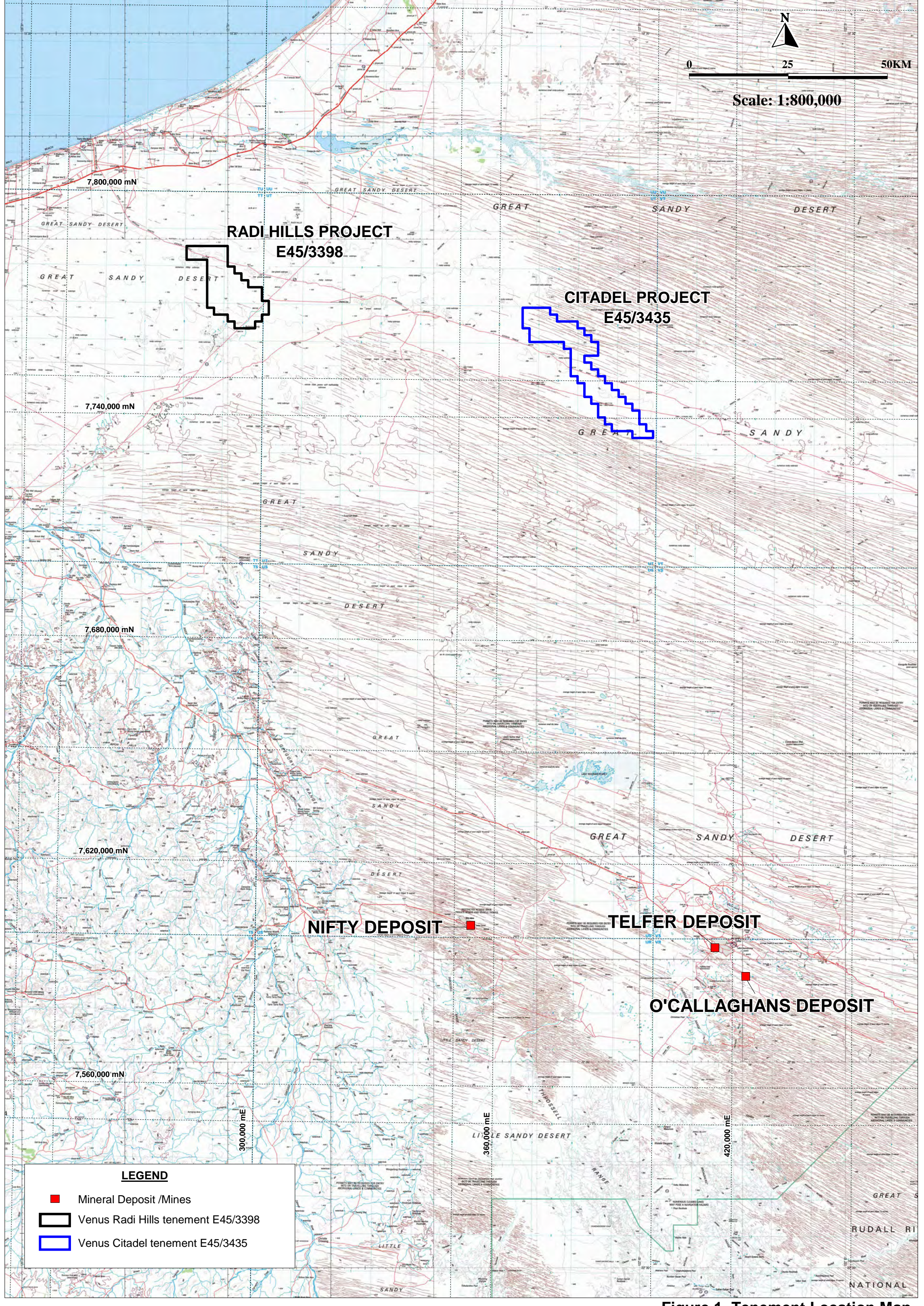
¹The term “Targets” should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2004), and therefore the terms have not been used in this context. It is uncertain if further exploration or feasibility study will result in the determination of a Mineral Resource or Mining Reserve.

²Late Time Responses is due to strong conductors (bed rock conducting bodies) possibly massive sulphides and base metals (source: Geotech Ltd and Core Geophysics, 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 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.



Scale: 1:800,000

**RADI HILLS PROJECT
E45/3398**

**CITADEL PROJECT
E45/3435**

NIFTY DEPOSIT

TELFER DEPOSIT

O'CALLAGHANS DEPOSIT

LEGEND

- Mineral Deposit /Mines
- Venus Radi Hills tenement E45/3398
- Venus Citadel tenement E45/3435

Figure 1. Tenement Location Map

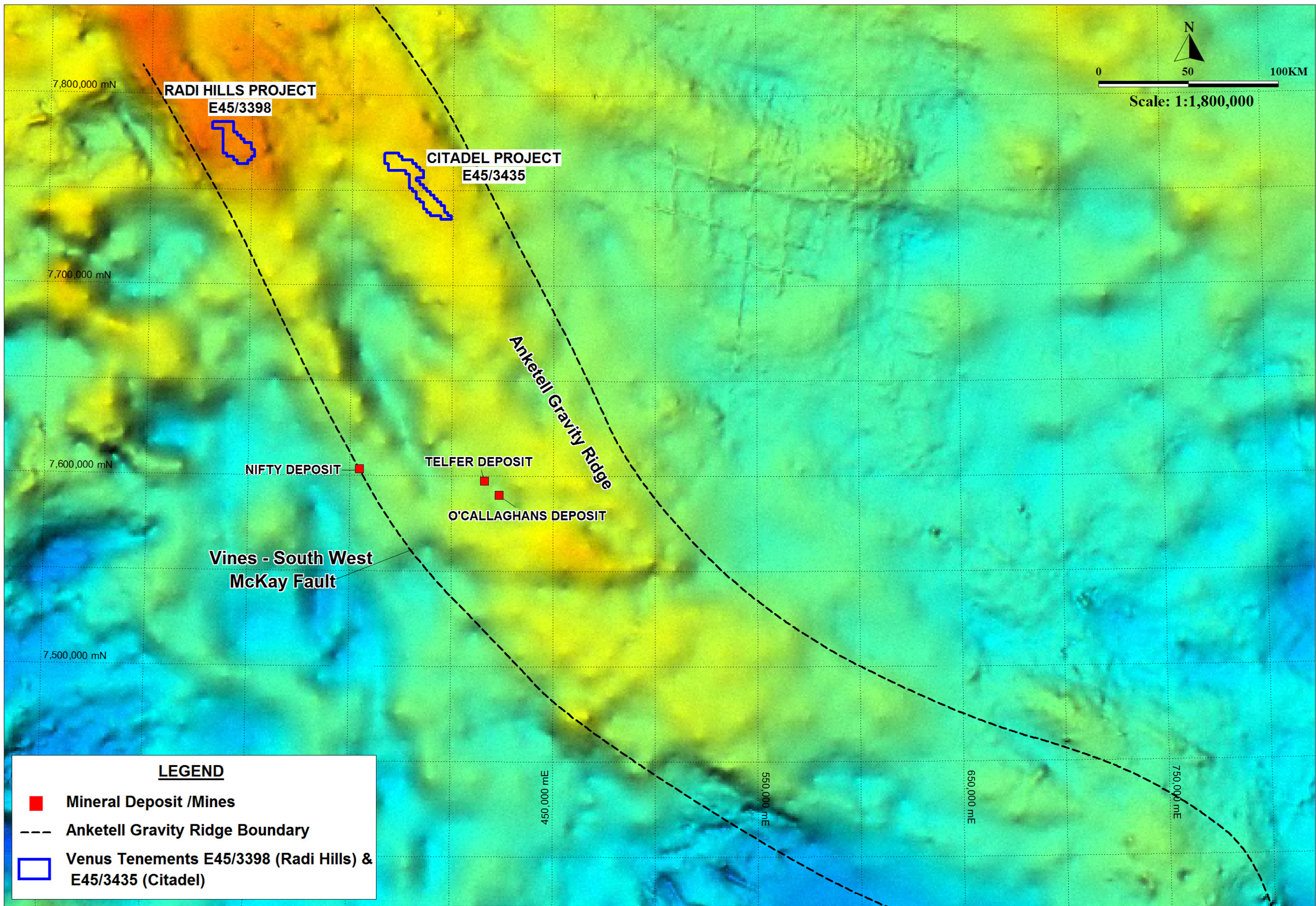


Figure 2. Tenement locations on Regional Gravity Map

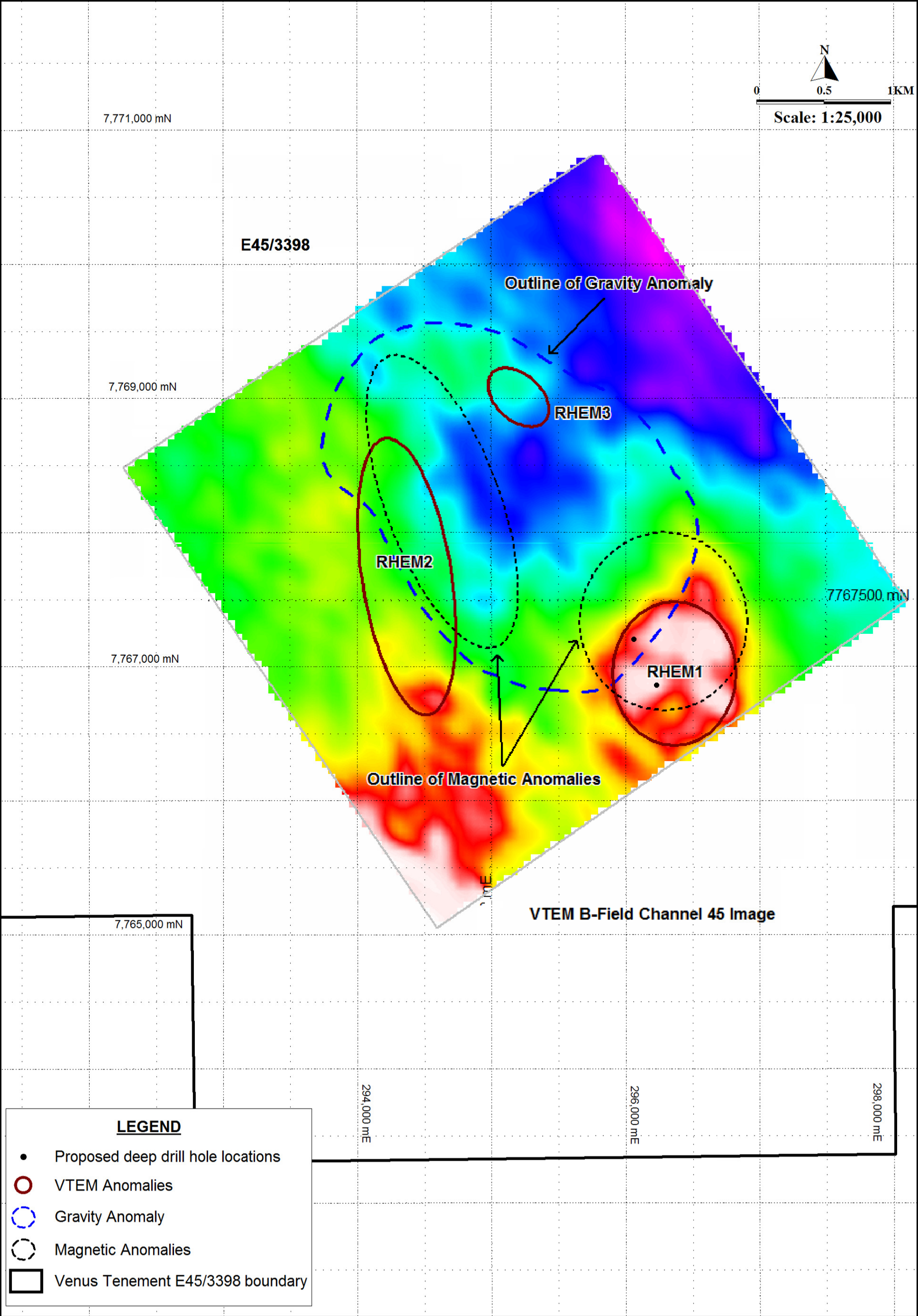


Figure 3. Proposed deep drill hole locations and geophysical anomalous areas at Radi Hills Project on VTEM B-Field Channel 45 Image

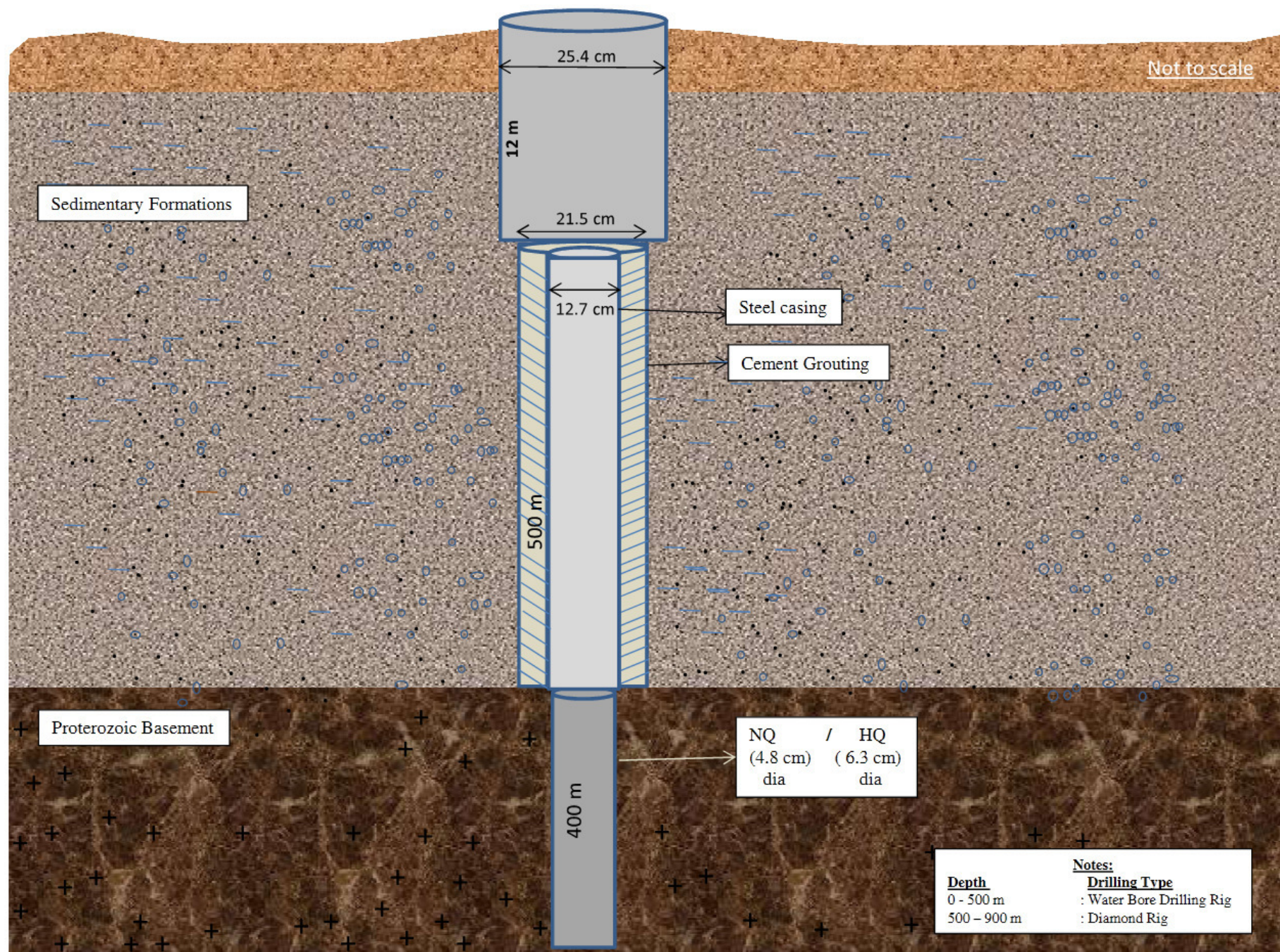


Figure4 . Proposed drilling method and construction of bore

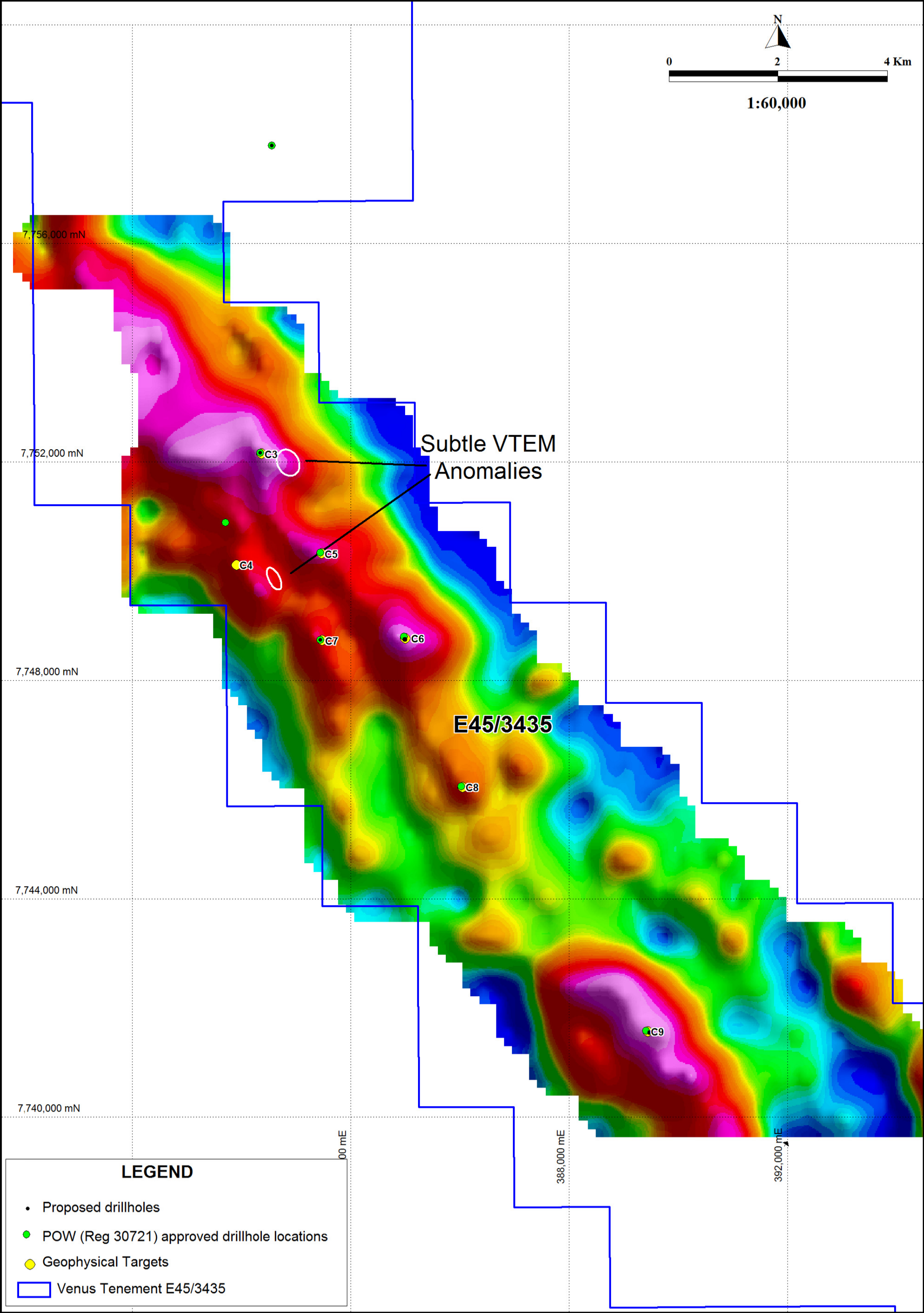


Figure 5 . Proposed drillhole locations at Citadel on Gravity image