ANNUAL REPORT 2011

VENUS METALS
CORPORATION LIMITED

ABN 99 123 250 582

VENUS METALS CORPORATION LIMITED ANNUAL REPORT 2011

CORPORATE DIRECTORY

DIRECTORS

Terence (Terry) William Hogan, OAM
Non-Executive Chairman

Matthew Vernon Hogan
Managing Director

Selvakumar Arunachalam
Executive Director

Alan Gordon Birchmore
Non-Executive Director

COMPANY SECRETARY

Patrick Tan

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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West Perth WA 6005

AUDITORS

Stantons International
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West Perth WA 6005

SHARE REGISTRY

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AUSTRALIAN SECURITIES EXCHANGE

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ASX CODE: VMC

WEBSITE

www.venusmetals.com.au

Front Cover: Original oil painting by Douglas Kirshop of Smoke Creek in the Kimberley, Western Australia

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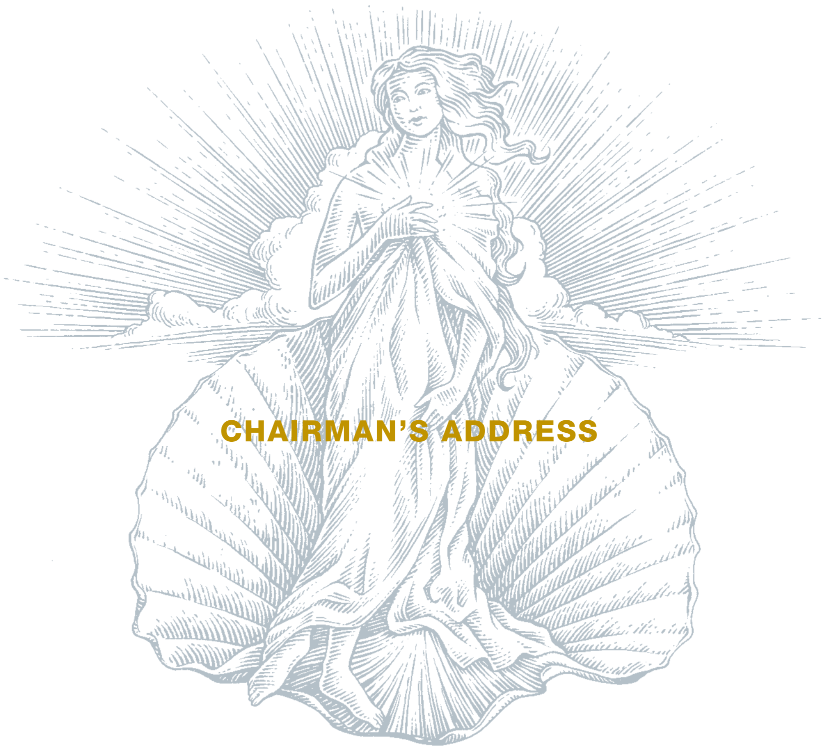


CHAIRMAN'S ADDRESS

Dear Shareholder,

On behalf of my fellow Directors, I am pleased to present the Venus Metals Corporation Limited's ('Company') Annual Report for the financial year ended 30 June 2011.

There have been changes to the Board since the last Annual Report with the resignation of the Executive Director, Exploration Mr Kerry Taylor in September 2010, and subsequent to the close of the financial year, the resignation of the Non-Executive Director Mr Craig Rosendorff in July 2011. Both Directors resigned for their personal reasons. I would like to take this opportunity to thank them for their contributions to the development of the Company. In July 2011, Mr Selvakumar Arunachalam, ('Kumar') General Manager Operations was appointed as an Executive Director and Mr Alan Birchmore was appointed as a Non-Executive Director. Alan was previously the Chairman of United Minerals Corporation NL ("UMC") at the time of the company's successful takeover by BHP Billiton Ltd, whilst Kumar was a Manager of the company's environmental /heritage obligations. This means the Company has the core talent of the successful UMC structure now working for us. Particulars of these two gentlemen's experiences are set out in the Directors' Report. My fellow Directors and I welcome them both to the Board.

Over the past twelve months the Company has continued along its growth path, both in its exploration activities (with two JORC resources in two commodities) and in its market capitalisation. In June 2010 the market capitalisation of the Company was $20.5 million and this had grown to $59.9 million by June 2011. Since the close of the financial year the market capitalisation of the Company has eased to $35.8 million as at today, in an atmosphere of a general stock market worldwide malaise.

Firstly, in relation to exploration, the Yalgoo Iron Ore Project now has a total JORC indicated and inferred Resources Magnetite Mineral Resource estimate of 698.1 million tonnes and the recently released Pre-Feasibility Study demonstrates that the project is technically viable and financially robust. The Company, in conjunction with its 50% farm-in/JV partner HD Mining & Investment Pty Ltd, a subsidiary of Shandong Provincial Bureau of Geology and Minerals Resources plans to advance the development of the project along with an action- planned programme.

Secondly, the Company has now a JORC inferred diamond resource of 6 million carats at its 100% owned Smoke Creek alluvial diamond project at Argyle in the Kimberley region of Western Australia. At the time of writing, a Dense Media Separator (DMS) and Dual X-Ray Flow sort units are being installed onsite to commence diamond bulk sampling .

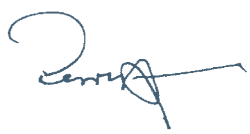
These are exciting projects and there is a high sense of enthusiasm within the Company's team. This activity has recently necessitated the appointment of a full time Chief Financial Officer / Company Secretary, Mr Patrick Tan, formerly the Company Secretary of UMC. I welcome Patrick and take this opportunity to thank Mr Sergio Noto, our former part time Company Secretary for his worthy contributions to the Company.

Currently other drilling exploration activity is being undertaken at Radi Hills (Telfer North Super Project). Whilst the initial two holes experienced drilling difficulties, the assay results of the precious and base metals from the recovered material is encouraging and warrants further drilling.

The Company continues with an active tenement management programme for future exploration.

Our shareholders recently exercised their share options which were due for conversion on 31 July 2011 and I thank them for their support and confidence in the Company. The year has in my mind been a step up in the Company's prospectivity and the Board continues to be focused on enhancing our shareholders' wealth.

Yours sincerely,



Terry Hogan OAM

Chairman

Dated this 26 September 2011

REVIEW OF OPERATIONS

SUMMARY

During 2011, the Company carried out exploration work on the following projects:

- Yalgoo (iron ore, gold)
- Argyle Smoke Creek Alluvial Diamond
- Moodini (iron oxide-copper-gold)
- Argyle North (diamonds/base metals)
- Telfer North (gold, iron oxide-copper-gold)
- Murchison Base Metals

Exploration work during 2011 was primarily focused on iron ore exploration drilling at Yalgoo Iron Ore Project ("YIOP"), initial exploration activities (permit approvals, heritage clearances, purchase of machineries and excavation of diamondiferous gravels) at Argyle Smoke Creek Alluvial Diamond Project and detailed geophysical surveys to delineate the potential target areas at Telfer North and Yarloo Well Projects. In addition, a reconnaissance drilling programme was conducted at Moodini South.

Based on the drilling of 169 RC holes (29,977m) and 11 Diamond holes (3,088m), a JORC compliant total Magnetite Mineral Resource of 698.1 Mt (an Indicated Resource of 311.2 Mt and Inferred Resource of 386.9 Mt) was estimated for YIOP. A Pre–Feasibility Study was successfully completed by ProMet Engineers and their financial model for YIOP indicates positive results.

The JORC compliant Inferred resource has been increased from 5 million carats for 9 Prospecting Licences (ASX Release on 11 November 2010) to 6 million carats for 12 Prospecting Licences (ASX release on 7 September 2011) at Argyle Smoke Creek Alluvial Diamond Project. The required equipment and machineries (Dense Media Separator (DMS) plant and Dual X-Ray Flow sort units) for the processing of diamond bearing gravels have been procured and plant is expected to be ready for operation by September 2011. Excavations of Diamondiferous gravels are in progress.

The reconnaissance drilling of two vertical holes MORCD001 and MORCD002 have been completed up to the depths of 609.65m and 690.00m respectively at Moodini South iron oxide-copper-gold ("IOCG") target (coincident magnetic and gravity highs). The drillhole MORCD002 intersected an altered and fractured granitic basement from 356m down to 690.35m (EOH). This includes a pyrite-pyrrhotite sulphide rich alteration zone from 356 to 476m carrying precious metal values in silver: 373 -374m 1m @ 8.4g/t Ag and 376-377m 1m @ 31.9g/t Ag.

Ground gravity and airborne magnetics/radiometric surveys were completed within the Argyle North project area E80/3253 targeting potential diamond pipes along the largely-concealed Glenhill Fault which hosts the giant Argyle diamond pipe approximately 20km to the south of the project area. Eight exploration RC holes were drilled at high priority targets (coincident gravity –magnetic anomalies) and assays are in progress.

Principal exploration targets identified from geophysical surveys (aeromagnetic, gravity and airborne- electromagnetic) within the Telfer North Super Project includes:

- The Radi Hills gold/IOCG structural target (5 mGal gravity anomaly and discrete late time response from VTEM survey);
- The Mt Morris IOCG target, a large coincident magnetic and gravity high;
- The Citadel doubly-plunging anticline gold target (a "Telfer Dome" look-alike); and
- The Yarrie East Cu/Ni/PGE massive sulphides target.

Two initial drill holes TNRC001 and TNDD001 at Radi Hills have reached 100m and 357.3m respectively before drilling difficulties caused the holes to be abandoned / terminated. Anomalous values in gold, (up to 160 ppb), silver (up to 5.6 g/t), tungsten (up to 470 ppm) and copper (up to 655 ppm) have been received in composite assays of the overlying sediments from the two holes. Some pyritic iron oxide layers have also been encountered in the metasediments. The Company interprets this to be a possible "leakage halo effect" from an underlying basement source/ mineralisation yet to be drilled.

The Commonwealth Scientific and Industrial Research Organisation ("CSIRO") researchers in collaboration with the Company collected 86 shallow groundwater samples (from established wells and water bores) within the Murchison Base Metals Project area for hydrogeochemical analysis. The CSIRO researchers reported that "The groundwater is more saturated with respect to these secondary copper minerals than any other sample previously collected in the northeast Yilgarn regional groundwater. The Yarloo Well groundwater chemistry is similar to that found in groundwaters near the Jaguar VMS deposit". A Versatile Time Domain Electromagnetic (VTEM) survey was completed in and around Yarloo Well at E59/1593. Four conductive anomalies were identified. Necessary approvals from the traditional owners and the Department of Mines and Petroleum have been obtained for exploration drilling in September-October 2011.

REVIEW OF OPERATIONS

The Bassit Bore prospect at Mt Phillips is a new gold discovery that has not seen any exploration testing and high grade gold does occur over an encouraging strike length. The Company recently entered an agreement with a prospector for an option to purchase the tenement (E09/1676) and collected surface grab samples from four of the more gossanous boudins to determine the levels of gold that might exist in the better locations. 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 and 277g/t Au. The samples also are high in sliver, and strongly anomalous in copper and lead values. The Company plans to commence a drilling program as soon as possible.

1.0 INTRODUCTION

The location of the Company's exploration projects is shown in Figure 1.

A longer term exploration strategy of the Company is on the discovery of world-class/giant ore deposits within 100% owned tenements targeting concealed regions of selected Western Australian Proterozoic Orogens. The Company currently has twenty five granted Exploration Licences and thirty seven Prospecting Licences. It has twenty five pending Exploration Licence applications and twenty two Prospecting Licence applications in Western Australia.

2.0 YALGOO PROJECT

2.1 Yalgoo Iron Ore Project ("YIOP")

The Company's Yalgoo Iron Ore Project is centrally placed within Western Australia's emerging Mid-West Iron Ore Province approximately 80km north of the world-class Gindalbie Metals Ltd's Karara Iron Ore Project. The YIOP's area of 208 km^2 covers Yilgarn Craton Archaean Banded Iron Formation units are comparable to those hosting the Gindalbie Metals Limited/Ansteel Karara's Iron Ore Project Magnetite and DSO resources to the south of the project area.

During March 2010, the Company signed the Yalgoo Farm In and Joint Venture agreement with HD Mining & Investment Pty Ltd ("HD Mining"), a subsidiary of Shandong Provincial Bureau of Geology & Mineral Resources. HD Mining can earn up to 50% in the iron ore rights at YIOP by sole funding up to AUD$8 million worth of iron ore exploration over a maximum of two years.

During 2011, the Company completed the following iron ore exploration work at YIOP:

- Drilling of one hundred and twelve RC percussion drillholes (YGRC0057-YGRC0169) for a total of 22,298m.
- Drilling of eight diamond drillholes into the Bilberatha magnetite target (YGDD003-011), totaling 2,268 m.

The location of drilled holes is shown in Figure 2.

The Company commissioned geological consultants Widenbar and Associates ("WAA") in 2010 after the completion of Phase 1 drilling to produce a preliminary JORC compliant resource estimate for Bilberatha Hill. WAA estimated JORC compliant Inferred Magnetite Mineral Resource of 443.9 Mt (ASX Release on 16 December 2010).

The resource model has been updated (ASX Release on 26 August 2011) with newly interpreted mineralised zones (known as Additional Zones) to the North-East, North-West and South of the main Bilberatha zone. In addition, part of the main Bilberatha mineralised zone has been upgraded to Indicated status. A JORC compliant total Magnetite Mineral Resource of 698.1 Mt (an Indicated Resource of 311.2 Mt and Inferred Resource of 386.9 Mt) was estimated for the Yalgoo Iron Ore Project (ASX Release on 26 August 2011). The resource estimate has been classified in the Indicated and Inferred categories as defined by the 2004 edition of the JORC code. WAA has reviewed the drilling, sampling and assaying data used in the estimate and considers it to be of sufficient quality to support the resource classification applied. The Indicated and Inferred Resources are summarised in Table1 below:

Table 1 Yalgoo Iron Ore Project - Resource Summary

Yalgoo Resource - Total							
Material	Fe Cut-off	Tonnes	Fe%	Al2O3%	SiO2%	P%	LOI%
Oxide	20% Fe	106,700,000	29.1	2.4	49.0	0.04	1.8
Fresh	20% Fe	591,400,000	29.3	2.1	48.5	0.05	1.6
Total	20% Fe	698,100,000	29.3	2.2	48.6	0.04	1.6
Yalgoo Resource - Indicated							
Material	Fe Cut-off	Tonnes	Fe%	Al2O3%	SiO2%	P%	LOI%
Oxide	20% Fe						
Fresh	20% Fe	311,200,000	30.7	1.6	47.6	0.05	1.1
Total	20% Fe	311,200,000	30.7	1.6	47.6	0.05	1.1
Yalgoo Resource - Inferred							
Material	Fe Cut-off	Tonnes	Fe%	Al2O3%	SiO2%	P%	LOI%
Oxide	20% Fe	106,700,000	29.1	2.4	49.0	0.04	1.8
Fresh	20% Fe	280,200,000	27.8	2.7	49.4	0.04	2.1
Total	20% Fe	386,900,000	28.2	2.6	49.3	0.04	2.0

A long section through Banded Iron Formations (BIF) at Bilberatha Hill and an updated BIF Resource Limits are shown in Figure 3 and Figure 4 respectively.

In March 2011, ProMet Engineers Pty Ltd ("ProMet") was commissioned by the Company to conduct a Pre-Feasibility Study ("PFS") for the YIOP. This follows on from a Scoping Study undertaken by Mineral Engineering Technical Services completed in February 2011 that gave very encouraging results. ProMet's PFS financial model indicates positive results (ASX Release on 29 August 2011).

REVIEW OF OPERATIONS

A Mining Lease Application (MLA 59/742) has been submitted to the Department of Mines and Petroleum covering Bilberatha Hill and additional magnetite mineral resource areas within the tenement E59/1508-I.

Preliminary environmental impact assessment surveys (Flora, Fauna and Hydrogeology) were also completed as part of PFS. There were no matters listed under the provisions of the Environment Protection and Biodiversity Conservation Act 1999 (the "EPBC Act") that were considered to be relevant to the project area. Based on this, there are not considered to be any flora and vegetation issues that would require referral for assessment under the provisions of the EPBC Act. There are no Threatened (Declared Rare) Flora listed in the Department of Environment and Conservation ("DEC") database search results for the survey area and surrounds. No conservation significant vertebrate fauna were assessed as being significantly impacted by the proposed development and operation of a mine in the project area.

2.2 Yalgoo gold/base metal project

Gold/Base metal exploration targets were identified from the results of the soil sampling programme, geological mapping and historical exploration data at Mougooderra and Blue Marten areas within E59/1508-I. A reconnaissance aircore drilling programme was conducted to test the potential gold/base metals targets. 88 aircore holes have been drilled to a total depth of 2,375m. A couple of potential target areas have been delineated for further RC drilling in September-October 2011. A detailed geological mapping of the gold and base metal targets has also been completed.

3.0 ARGYLE SMOKE CREEK ALLUVIAL DIAMOND PROJECT

The 1979 discovery of alluvial diamonds in Smoke Creek led to the discovery of the world-class Argyle diamond deposit (East Kimberley). Prior to mining operations commencing at Argyle in 1985, Argyle Diamond Mines ("ADM") mined parts of Smoke Creek. The alluvial diamonds in the Argyle area appear to have all been derived from the erosion of the Argyle pipe, as no other significant source of diamonds has been found to date. Diamonds have been deposited in alluvial deposits during a number of episodes from the Miocene (25 Ma) to present, with the younger deposits representing deposition from the eroding Argyle pipe and reworking of areas of pre-existing alluvial gravels.

The Smoke Creek Alluvial Diamond Project area comprises 22 granted Prospecting Licences ('PLs"), which lies adjacent to the primary deposit which hosts the ADM's current mine. These PL areas cover previous ADM's Mining Leases. ADM carried out reconnaissance bulk sampling programmes for diamonds in the 1980s and 1990s.

The Company commissioned geological consultants Widenbar and Associates to produce a preliminary resource estimate for the Smoke Creek Alluvial Diamond Project. The JORC compliant Inferred Resource has been increased from 5 million carats for 9 Prospecting Licences (ASX Release on 11 November 2010) to 6 million carats for 12 Prospecting Licences (ASX Release on 7 September 2011). No data is available for the other 10 granted prospecting licences.

The project area subject to resource modelling (12 granted Prospecting Licences) which cover previous ADM's Mining Leases held in Smoke Creek.

The Resource Estimate is based on the ADM-mapped extent of "C Terrace Gravels", and the published results of ADM's reconnaissance bulk sampling. The Resource Estimate has been classified in the Inferred category as defined by the 2004 edition of the JORC code. Widenbar Associates has reviewed the drilling, sampling and assaying data used in the estimate and considers it to be of sufficient quality to support the resource classification applied. After economic and resource confidence consideration, with a cut-off of 10 CPHT applied the Inferred Resource has been estimated at 21.5 Mt at an average grade of 28 CPHT for a total of 6 million carats.

During March quarter 2011, the approximate limits of the alluvial gravel terraces have been delineated from aerial photographs. The potential sites for bulk sampling within 9 Prospecting Licences (PL) have been demarcated. An Aboriginal heritage clearance survey was completed and the proposed bulk sampling programme was approved by the traditional owners.

The following works have been completed during June quarter 2011:

- Programme of Works (PoW) have been approved by the Department of Mines and Petroleum and the Department of Environment and Conservation and Department of Water;
- The required equipment and machineries (Dense Media Separator (DMS) plant and Dual X-Ray Flow sort units) for the processing of diamond bearing gravels at the Argyle Smoke Creek Alluvial Diamond Project area have been procured and the plants are expected to be operational in Mid-September 2011;
- A camp has been set up; and
- Excavation of Diamondiferous gravels, construction of tailing dams and access tracks are in progress.

REVIEW OF OPERATIONS

Dense Media Separator (DMS) plant

Dual X-Ray Flow Sort Plant

Argyle Smoke Creek Alluvial Diamond Camp

Recently excavated gravel pit at Argyle Smoke Creek Alluvial Diamond Project

Closer view of gravel pit at Argyle Smoke Creek Alluvial Diamond Project

REVIEW OF OPERATIONS

4.0 GAWLER CRATON WEST SUPER PROJECT (MOODINI)

The Moodini tenement (E69/2628) was taken out to cover a section of a Company-interpreted continental-scale north trending Proterozoic basement fault evident on state-wide and Australia-wide aeromagnetic imagery. The fault, known as the Mundrabilla Fault is concealed beneath younger sediments of the Eucla Basin, and is interpreted by the Company to be the western boundary of the South Australian Craton. Australian Proterozoic orogenic belts (orogens) host a variety of world-class and giant ore deposits including Mt Isa (base metals), Olympic Dam (Iron Oxide-Copper-Gold-Uranium), Telfer (Gold) and Argyle (diamonds). The Company is selectively targeting concealed parts of Proterozoic orogens where cover is interpreted from geophysics to be relatively thin (<500m).

The following exploration work has been carried during the year 2011:

- Programme of Work approvals for 13 exploration holes covering both Moodini North and Moodini South targets.
- The reconnaissance drilling of two vertical holes MORCD 001 and MORCD 002 have been completed up to the depths of 609.65m and 690.3m respectively at Moodini project (E69/2628). The holes were successfully drilled using a combination of RC and diamond drilling.

Hole MORCD001 intersected altered granitic basement with weakly disseminated sulphide alteration from 375.5m down to 609.65m (EOH). Hole MORCD002 intersected altered and fractured granitic basement from 356m down to 690.35m (EOH). This includes a pyrite-pyrrhotite sulphide rich alteration zone from 356 to 476m (120m) carrying precious metal values in silver: 373 -374m 1m @ 8.4g/t Ag and 376-377m 1m @ 31.9g/t Ag (ASX Release on 18 April 2011).

5.0 TELFER NORTH SUPER PROJECT ("TNSP")

The Telfer North Super Project (TNSP) situated north of the giant 27 Moz Telfer gold mine comprises 6 granted Exploration Licences E45/3435 (Citadel), E45/3398 (Radi Hills), E45/3396 (Mt Morris), E45/3397 (Yarrie East) E45/3436 (Wallal) and E45/3523 (Bulgamulgardy) and 12 Exploration Licence applications. The tenements cover a variety of exploration target types considered to have potential to host concealed Proterozoic world-class/giant ore deposits within Paterson Orogen Proterozoic basement. The targets lie within the Canning Basin Anketell Shelf and Wallal Platform regions where cover is interpreted to be relatively thin (<400-500m).

During 2011, the exploration work within the TNSP comprises geophysical surveys (Aeromagnetic, gravity and Versatile Time Domain Electro-Magnetic (VTEM) Airborne survey), Aboriginal Heritage clearance survey and preparation of drill sites.

Based on the geophysical survey results, the following principal exploration targets were identified within the TNSP:

- The Radi Hills gold/IOCG structural target ("Bullseye" 5 mGal gravity anomaly- ASX Release on 19 August 2010) (High Conductive anomaly- ASX Release on 23 May 2011);
- The Mt Morris IOCG target, a large coincident magnetic and gravity high (ASX Release on 18 October 2010);
- The Citadel doubly-plunging anticline gold target (a "Telfer Dome" look-alike) (ASX Release on 10 August 2010); and
- The Yarrie East Cu/Ni/PGE massive sulphides target (ASX Release on 2 February 2011).

Two initial drill holes TNRC001 and TNDD001 at Radi Hills have reached 100m and 357.3m respectively before drilling difficulties caused the holes to be abandoned/ terminated. Anomalous values in gold, (up to 160 ppb), silver (up to 5.6 g/t), tungsten (up to 470 ppm) and copper (up to 655 ppm) have been received in composite assays of the overlying sediments from the two holes. Some pyritic iron oxide layers have also been encountered in the metasediments. The Company interprets this to be a possible "leakage halo effect" from an underlying basement source/ mineralisation yet to be drilled.

The Company has organised an alternative and more appropriate drilling procedure (10 inch mud rotary hole to be cased with 6 inch steel casing) to get through the overlying sediments, so that diamond drilling of the basement rocks can commence. This work is designed to start in six weeks' time. The Company remains very enthused by the initial results and the quality of the Radi Hills project and is working diligently to drill the basement rocks and test this large IOCG target.

6.0 ARGYLE NORTH SUPER PROJECT

The Argyle North Super Project ("ANSP") currently comprises granted Exploration Licence E80/3253 (Argyle North project), and Exploration Licence applications E80/4371 (Deception Range), E80/4226 and E80/4376 (King River project).

Ground gravity and airborne magnetics/radiometric surveys were completed within E80/3253 targeting new diamond pipes along the largely-concealed Glenhill Fault which hosts the giant Argyle diamond pipe approximately 20km to the south of the project area.

REVIEW OF OPERATIONS

During the September 2010 quarter, inversion modeling of recent geophysical (gravity and airborne magnetic) survey data were conducted by Hawke Geophysical Consultants. The model results identified seven exploration drilling targets, with a high priority coincident gravity –magnetic drilling target being outlined at Pomona. An Aboriginal heritage clearance was obtained from the traditional owners. Eight RC holes have recently been drilled at selected target locations within E80/3253 and assays are in progress.

7.0 MURCHISION BASE METALS PROJECT

The Company has 4 granted tenements (E59/1593, E59/1727, E59/1592 and E20/754) and one pending (ELA 20/760) in the northwest Yilgarn Craton covering exploration targets for base metals.

In July 2010, CSIRO researchers in collaboration with the Company collected 86 shallow groundwater samples (from established wells and water bores) for hydrogeochemical analysis. The CSIRO researchers believe that "Ground water interacts with mineralised rocks and creates a geochemical signature that may be much greater in size than the mineral deposit as the ground water is more mobile than the surrounding minerals". Samples were collected and analysed according to the methods in Noble and Gray (2010). QA/QC was ensured using duplicates (inserted 1 in 15) and a contamination parameter determined from previous work on groundwater of the northern Yilgarn (Gray et al., 2009). Mineral saturation indices were created using PHREEQE and Geochemists Workbench.

Elemental and mineral saturation data were mapped and compared to the regional groundwater of the adjacent northeast Yilgarn Craton (Gray et al., 2009). Elevated groundwater uranium was found in the Yarloo Well and Meka project areas with this signature being similar to groundwater signatures observed around calcrete hosted U prospects in the northeast Yilgarn Craton. Significantly, the sample collected at Yarloo Well has strongly elevated Cu and Zn values. CSIRO researchers reported that "The groundwater is more saturated with respect to these secondary copper minerals than any other sample previously collected in the northeast Yilgarn regional groundwater. The Yarloo Well groundwater chemistry is similar to that found in groundwaters near the Jaguar VMS deposit". The CSIRO sample results warrant thorough follow up exploration work, with the potential prize being a significant blind VMS copper zinc discovery in the Yarloo Well area (ASX Release on 14 October 2010).

During March 2011 quarter, A Versatile Time Domain Electromagnetic (VTEM) survey was completed in and around Yarloo Well at E59/1593. The survey was flown on east west oriented lines at 150m line spacing for a total of 202 line km. Geophysical consultants, Resource Potentials have conducted an initial review of the preliminary data delivered from the field and they identified four conductive anomalies. Anomaly 1 represents a subtle late time double peaked response evident over 300m, located approximately 1km to the SSE of Yarloo Well. Anomaly 2 is a strong NE trending conductor approximately 1.5km in length located in the centre of the survey. Anomalies 3 and 4 are small and located at the south end of the survey area (refer ASX Release on 10 March 2011).

An Aboriginal Heritage survey was conducted in May 2011 and necessary clearances were obtained for drilling at selected target areas. Programme of Works (PoW) was approved by Department of Mines and Petroleum and drilling is planned in September-October 2011.

REVIEW OF OPERATIONS

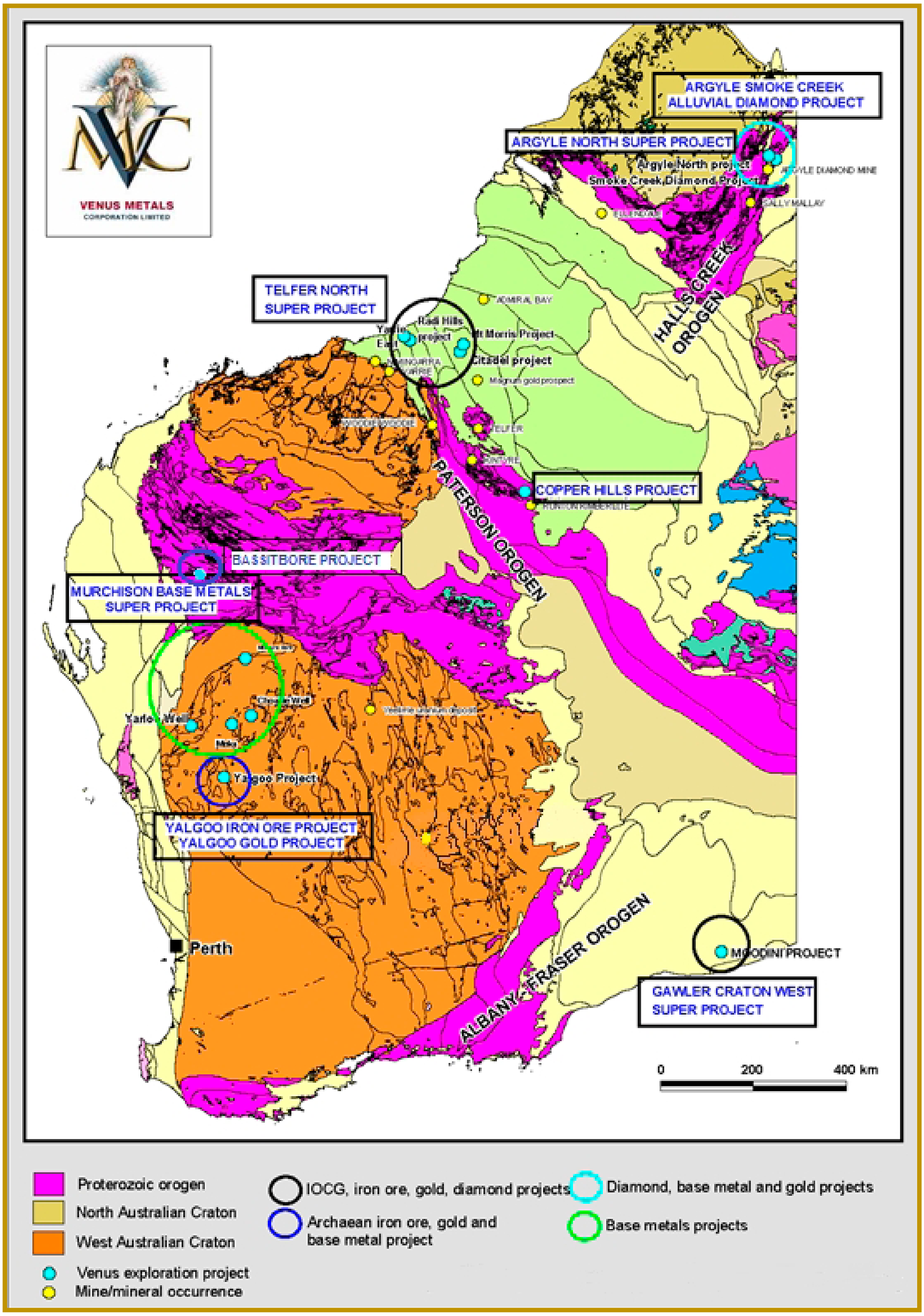


Figure 1: Location of exploration projects

REVIEW OF OPERATIONS

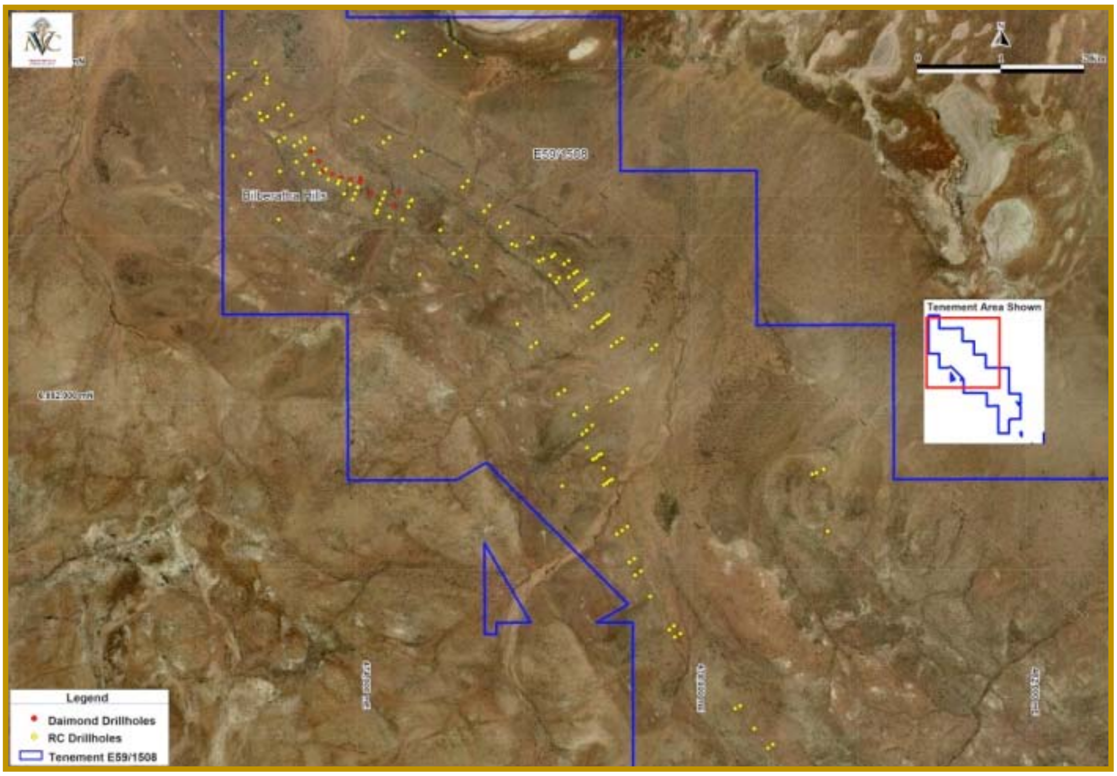


Figure 2. YIOP Drillhole Location Plan

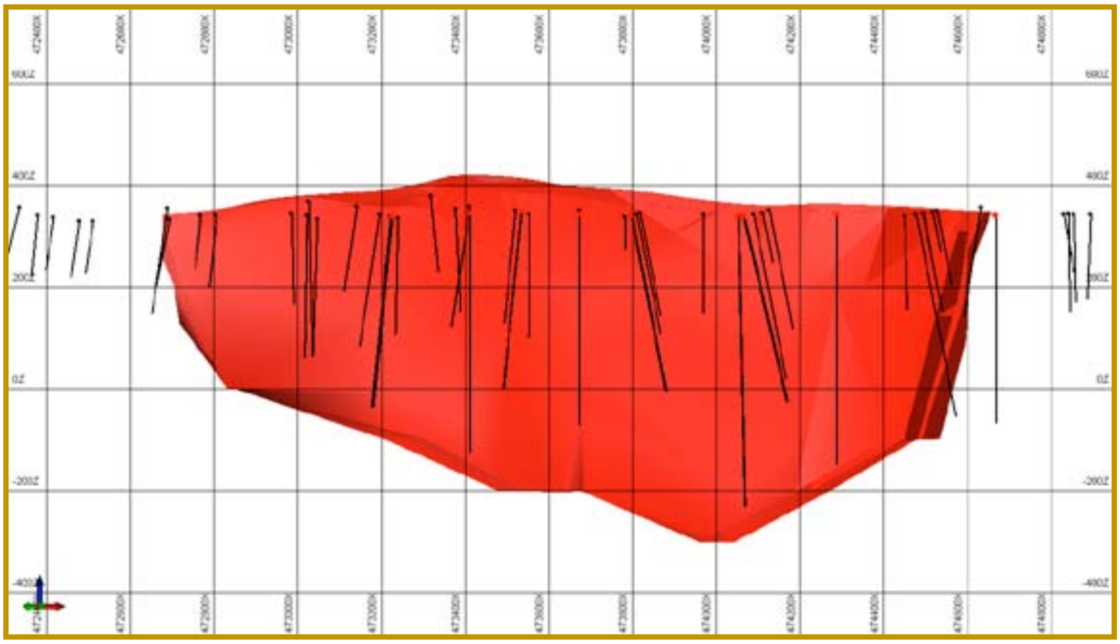


Figure 3. Long Section through BIF (Bilberatha) wireframe

REVIEW OF OPERATIONS

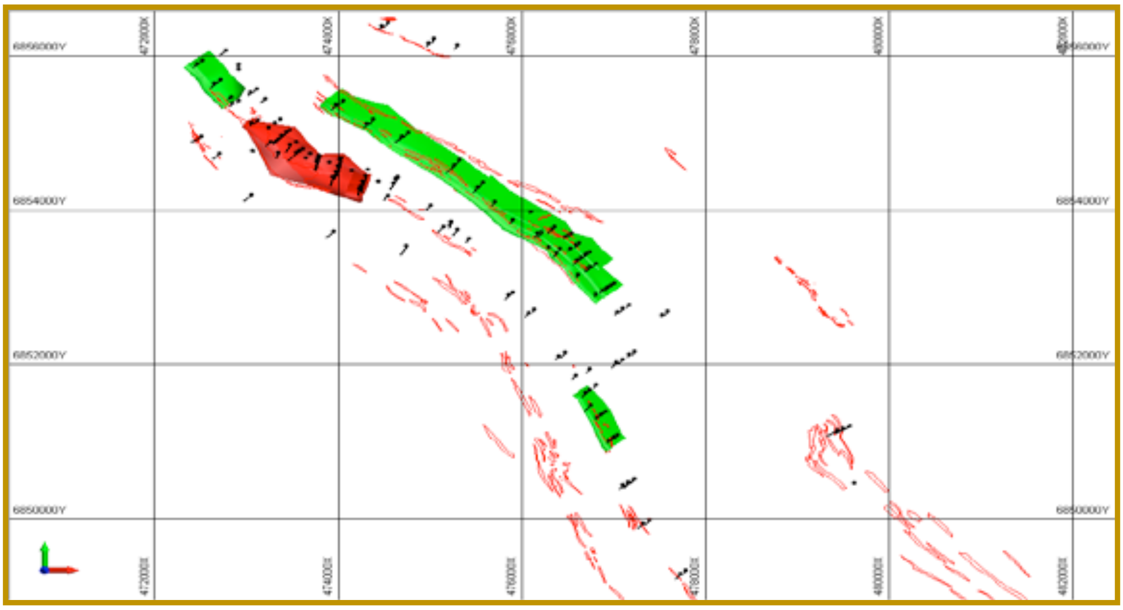


Figure 4. Updated BIF Resource Limits (in green)

DIRECTORS' REPORT

Your Directors present their report on Venus Metals Corporation ("the Company") for the financial year ended 30 June 2011.

The names of Directors in office at any time during or since the end of the financial year are:

Terence William Hogan

Matthew Vernon Hogan

Selvakumar Arunachalam (appointed 15 July 2011)

Craig Richard Rosendorff (resigned 15 July 2011)

Alan Gordon Birchmore (appointed 8 August 2011)

Kerry Taylor (resigned 21 September 2010)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

Patrick Tan (appointed 1 September 2011)

Sergio Noto (resigned 1 September 2011)

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were the exploration of mineral tenements in Western Australia.

There were no other significant changes in the nature of the Company's principal activities during the financial year.

OPERATING RESULTS

The loss of the Company amounted to $4,521,841 (2010: loss of $1,269,884).

DIVIDENDS PAID OR RECOMMENDED

No dividend has been declared or paid by the Company and the Directors do not, at present, recommend a dividend.

REVIEW OF OPERATIONS

For details on a Review of Operations refer to pages 4 to 12.

FINANCIAL POSITION AND SIGNIFICANT CHANGES IN STATE OF AFFAIRS

From the 30 June 2010, the net assets of the Company have increased from $5,405,040 to $8,623,894 on the 30 June 2011. This increase has largely resulted from the following factors:

- Exercise of 5,055,989 listed options exercised at $0.40 cents per option
- Exercise of 700,000 unlisted options exercised at $0.25 cents per option
- Exercise of 1,000,000 unlisted options exercised at $0.40 cents per option
- Issue of 2,000,000 fully paid shares to UK and European Institutional Investors raising $4,000,000

On 17 January 2011, the Company issued 2,000,000 fully paid shares to UK and European Institutional Investors at an issue price of $2.00 each, together with 1,000,000 free attaching quoted options with an exercise price of $3.00 and an expiry date of 30 June 2013 raising $4,000,000.

Other than the above there were no other significant changes in the state of affairs of the Company that occurred during the financial year.

AFTER BALANCE DATE EVENTS

The material events that have occurred since 30 June 2011 are as follows:

- Exercise of 5,322,985 listed options exercised at $0.40 cents per option raising $2,129,194 (30,632 listed options lapsed without exercise).
- Signed an agreement with a prospector for an option to purchase a tenement (E09-1676 Mt Phillips) 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 10 February 2012.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Details of any important developments in this current financial year have been covered in the Review of Operations. The Company will continue to actively explore for iron ore, diamonds and other minerals.

ENVIRONMENTAL ISSUES

The Company has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risks of non-compliance is low, and has not identified any compliance breaches during the year.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

TERENCE WILLIAM HOGAN OAM

Non-Executive Chairman

Qualifications

B.Ec. (UWA), FCPA, FCIS, ASIA

Experience

Mr. Terence Hogan was engaged in the stockbroking industry for more than 47 years. He is the past Chairman of the former Stock Exchange of Perth Limited.

Mr. Hogan is a past Chairman and Director of various public companies and past Chairman of various Anglican agencies.

Directorships Held in Other Listed Entities

In the past three years Mr. Hogan has not been a director of any ASX listed companies.

Interest in Shares and Options

3,742,500 ordinary shares and options to acquire a further 5,250,000 shares as at the date of this report.

MATTHEW VERNON HOGAN

Managing Director

Qualifications

MAICD

Experience

Mr. Matthew Hogan until February 2010 was the Chief Executive Officer of United Minerals Corporation NL (UMC), which successfully discovered the Railway Iron Ore DSO deposit in the Central Pilbara. In February 2010 UMC was acquired by BHP Billiton Minerals Pty Ltd for $204 Million.

Mr. Hogan has had over 29 years' experience in the stockbroking industry and was closely involved in bringing a number of company listings to the ASX, the underwriting of shareholder entitlement issues and corporate placements.

Mr. Hogan has previously worked in the business services division of international accounting firm Ernst & Young.

Interest in Shares and Options

270,002 ordinary shares and options to acquire a further 2,000,000 shares as at the date of this report.

Directorships Held in Other Listed Entities

In the past three years Mr. Hogan has not held directorships in any ASX listed companies other than United Minerals Corporation NL (resigned on February 2010).

SELVAKUMAR ARUNACHALAM

Executive Director and General Manager - Operations

Appointed 15th July 2011

Qualifications

MAusIMM M.Sc (Geology), M.Tech (Hydrogeology), PG Dip in Geothermal Tech (NZ), Dip in Science (GIS) (NZ)

Experience

Mr. Selvakumar Arunachalam has over 30 years' experience in geology in India, New Zealand and Australia.

Mr. Arunachalam is also General Manager – Operations of the Company.

Mr. Arunachalam until February 2010 was also an employee of United Minerals Corporation NL.

Directorships Held in Other Listed Entities

In the past three years Mr. Arunachalam has not held directorships in any ASX listed companies.

Interest in Shares and Options

Options to acquire 400,000 shares as at the date of this report.

ALAN GORDON BIRCHMORE

Non - Executive Director

Appointed 8 August 2011

Qualifications

AAII, FAICD

Experience

Mr. Birchmore has had extensive international business experience in Australia, Europe and the United States and much of that has been in Gold, Iron, Diamonds and marine services. As Chief Executive of New York listed Bond International Gold, the World's 10th largest gold miner at the time, he had executive responsibility for its worldwide operations, including construction, operations and then joint venturing the Superpit at Kalgoorlie with Homestake Mining. Later Mr Birchmore joined with a partner to list St Barbara Mines, which became a successful WA gold producer.

Mr. Birchmore was a founding member of the Argyle joint venture, which became the World's largest diamond mine and established the first independent marketing arrangements through Antwerp and recently chaired United Minerals Corporation NL through a scheme of arrangement with BHP Billiton in which UMC's interests were acquired to merge their iron ore tonnage with BHPB's Area C. Listing Mermaid Marine with a partner, the company built supply bases and a vessel fleet, which now operates at the forefront of WA's booming oil and gas services industry.

In recent times Mr Birchmore has put efforts into public service, including serving as Chairman of Albany and Fremantle Ports, and has for many years, been a Fellow of the Institute of Company Directors.

Directorships Held in Other Listed Entities

In the past three years Mr. Birchmore has not held directorships in any ASX listed companies other than United Minerals Corporation NL (resigned on February 2010).

Interest in Shares and Options

150,000 ordinary shares.

DIRECTORS' REPORT

CRAIG RICHARD ROSENDORFF

Non-Executive Director

Resigned 15th July 2011

Experience
Mr. Rosendorff is a successful businessman based in Perth, Western Australia.

He established his business, ROSENDORFF, in 1973 and it has developed into one of the leading jewellers in Australia.

Mr. Rosendorff is recognised for his ability to source quality diamonds and during the past 30 years has developed a significant international network of major participants in the world diamond industry throughout New York, Antwerp, Moscow and London.

Interest in Shares and Options
2,218,301 ordinary shares and options to acquire a further 1,000,000 shares as at the date of this report.

Directorships Held in Other Listed Entities
In the past three years Mr Rosendorff has not been a director of any ASX listed companies.

REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration for each Director of the Company and for the Executives receiving the highest remuneration.

Remuneration Policy

The Company's policy for determining the nature and amount of remuneration and amount of emoluments for Board members of the Company is as follows:

The Company's remuneration policy for Executive Directors is designed to promote superior performance and long term commitment to the Company. Executives received a base remuneration which is market related.

The remuneration policy, setting the terms and conditions for the Executive Directors and other Senior Executives,

was developed by the Board after seeking professional advice from independent external consultants.

The Board's policy reflects its obligation to align Executives' remuneration with Shareholders' interests and to retain appropriately qualified Executive talent for the benefit of the Company. The main principles of the policy are:

- reward reflects the competitive market in which the Company operates;
- individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Executives are also entitled to participate in the employee share and option arrangements.

The Executive Director and Executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

Company Performance, Shareholder Wealth and Director and Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. There have been two methods applied in achieving this aim, the first being a performance based bonus based on key performance indicators, and the second being the issue of options to the majority of Directors and Executives to encourage the alignment of personal and Shareholders' interests.

Details of contracts for the year

No additional contract between the Company and Directors and Executives were entered into during the year.

The terms of the contract of employment with Mr Matthew Hogan as Managing Director remain as per below for no fixed term. The contract of employment is for no fixed term and may be terminated by the Executive giving to the Company one month's notice in writing or by the Company giving to the Executive twelve months' notice in writing. There are no redundancy terms in the contract of employment. The annual remuneration payable was increased from $250,000 (plus statutory superannuation) to $350,000 (plus statutory superannuation) as per a resolution of directors.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (Continued)

Details of Remuneration for the year ended 30 June 2011

	PRIMARY	POST EMPLOYMENT	OTHER	EQUITY			
	Salary, Fees & Commissions	Superannuation Contribution	Non-monetary benefits	Options	Total	**Proportion of remuneration performance related**	**Value of options as proportion of remuneration**
2011	$	$	$	$	$	$	%
Key Management Person (Directors)							
Terence William Hogan	38,723	3,485	2,260	164,014	208,482	-	78.67%
Matthew Vernon Hogan	320,421	14,461	2,260	218,685	555,827	-	39.34%
Selvakumar Arunachalam***	167,463	13,970	-	74,786	256,219	-	29.19%
Craig Richard Rosendorff **	27,920	2,348	2,260	109,342	141,870	-	77.07%
Kerry Taylor*	147,235	3,460	2,260	486,575	639,530	-	76.08%
	701,762	37,724	9,040	1,053,402	1,801,928	-	

Details of Remuneration For the year ended 30 June 2010

	PRIMARY	POST EMPLOYMENT	OTHER	EQUITY			
	Salary, Fees & Commissions	Superannuation Contribution	Non-monetary benefits	Options	Total	**Proportion of remuneration performance related**	**Value of options as proportion of remuneration**
2010	$	$	$	$	$	$	%
Key Management Person (Directors)							
Terence William Hogan	22,936	2,064	2,897	30,986	58,883	-	52.62
Matthew Vernon Hogan	104,689	6,824	2,897	41,315	155,725	-	26.53
Craig Richard Rosendorff **	11,009	991	2,897	20,658	35,555	-	58.10
Kerry Taylor*	145,960	11,276	2,897	401,424	561,557	-	71.48
	284,594	21,155	11,588	494,383	811,720	-	

Equity Instruments

Options awarded and vested during the year

			Terms and Conditions for each Grant					Vested	
	Awarded		**Fair value per option at award date**	**Exercise price**	**Expiry date**	**First exercise date**	**Last exercise date**		
2011	**No.**	**Award date**	**($)**	**($)**				**No.**	**%**
Key Management Person (Directors)									
Terence William Hogan	-	-	-	-	-	-	-	750,000	100
Matthew Vernon Hogan	-	-	-	-	-	-	-	1,000,000	100
Selvakumar Arunachalam ***	400,000	28-Jul-2010	0.27	1.00	31-Jul-2013	28-07-2011	31-Jul-2013	-	-
Craig Richard Rosendorff **	-	-	-	-	-	-	-	500,000	100
Kerry Taylor *	-	-	-	-	-	-	-	2,000,000	100
Total	400,000							4,250,000	

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (Continued)

2010	Awarded No.	Award date	Terms and Conditions for each Grant: Fair value per option at award date ($)	Exercise price ($)	Expiry date	First exercise date	Last exercise date	Vested No.	Vested %
Key Management Person (Directors)									
Terence William Hogan	750,000	04-May-2010	0.26	1.00	31-Jul-2013	04-May-2011	31-Jul-2013	-	-
Matthew Vernon Hogan	1,000,000	04-May-2010	0.26	1.00	31-Jul-2013	04-May-2011	13-Jul-2013	-	-
Craig Richard Rosendorff **	500,000	04-May-2010	0.26	1.00	31-Jul-2013	04-May-2011	31-Jul-2013	-	-
Kerry Taylor *	2,000,000	19-Nov-2009	0.44	0.40	31-Jul-2012	19-Nov-2011	31-Jul-2012	-	-
Total	4,250,000							-	

* Resigned 21st September 2010, ** Resigned 15th July 2011, *** Appointed 15th July 2011

There are no other key management personnel.

Value of options awarded, exercised and lapsed during the year

	Value of options* granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of options during the year
	$	$	$	%
Terence William Hogan	-	-	-	-
Matthew Vernon Hogan	-	-	-	-
Selvakumar Arunachalam	108,000	-	-	29
Craig Richard Rosendorff	-	-	-	-
Kerry Taylor	-	-	-	-

For details on the valuation of the options, including models and assumptions used, please refer to note 15.

There were no alterations to the terms and conditions of options awarded as remuneration since their award date.

*$33,214 will be taken up in the year ended 30 June 2012.

Value of options awarded, exercised and lapsed during the year

	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of options during the year
	$	$	$	%
Terence William Hogan	195,000	-	-	53
Matthew Vernon Hogan	260,000	-	-	27
Craig Richard Rosendorff	130,000	-	-	58
Kerry Taylor	888,000	-	-	71

For details on the valuation of the options, including models and assumptions used, please refer to note 15.

There were no alterations to the terms and conditions of options awarded as remuneration since their award date.

DIRECTORS' REPORT

Options Issued as Part of Remuneration for the year ended 30 June 2011

The following options were issued to Directors and Executives as part of their remuneration:

Mr. S Arunachalam was issued 400,000 unlisted options on 28/07/2010, exercisable at $1.00 on or before 31 July 2013.

Indemnifying Officers or Auditor

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the following Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a willful breach of duty in relation to the Company. The amount of the premium was $9,040 (excluding GST).

- Terence William Hogan
- Matthew Vernon Hogan
- Craig Richard Rosendorff
- Kerry Taylor

Options

At the date of this report, the unissued ordinary shares of Venus Metals Corporation Limited under option are as follows:

Grant Date	Date of expiry	Exercise price	Number under option
22/12/2006	30/06/2012	$0.20	3,500,000
25/01/2007	30/06/2012	$0.25	2,400,000
28/03/2007	30/06/2012	$0.25	500,000
23/11/2009	31/07/2012	$0.40	1,000,000
01/06/2010	31/07/2013	$1.00	2,250,000
02/07/2010	31/07/2012	$1.00	250,000
28/07/2010	31/07/2013	$1.00	600,000
25/10/2010	31/07/2013	$1.50	50,000
08/11/2010	31/07/2013	$2.00	200,000
17/01/2011	30/06/2012	$3.00	1,000,000
			11,750,000

At the date of this report unissued ordinary shares of the Company under option to Directors and Executives of the Company are:

Grant Date	Date of expiry	Exercise price	Number under option
22/12/2006	30/06/2012	$0.20	3,500,000
25/01/2007	30/06/2012	$0.25	2,500,000
23/11/2009	31/07/2012	$0.40	1,000,000
01/06/2010	31/07/2013	$1.00	2,250,000
28/07/2010	31/07/2013	$1.00	400,000
			9,650,000

At the date of this report unissued ordinary shares of the Company under option to those other than Directors and Executives of the Company are:

Grant Date	Date of expiry	Exercise price	Number under option
25/01/2007	30/06/2012	$0.25	400,000
02/07/2010	31/07/2012	$1.00	250,000
28/07/2010	31/07/2013	$1.00	200,000
25/10/2010	31/07/2013	$1.50	50,000
08/11/2010	31/07/2013	$2.00	200,000
17/01/2011	30/06/2012	$3.00	1,000,000
			2,100,000

No person entitled to exercise any options, referred to above, had or has any right by virtue of any option to participate in any share issue of any other body corporate.

Contracts with Directors

There are no new contracts with Directors.

Refer to the prior year Annual Report for details of contracts entered into with Directors in the prior year.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf on the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 49 of the Annual Report.

Meetings of Directors

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Terence William Hogan	8	8
Matthew Hogan	8	8
Craig Rosendorff	8	6
Kerry Taylor	3	3
Selvakumar Arunachalam	-	-
Alan Birchmore	-	-

This report is signed in accordance with a resolution of the Board of Directors.

Matthew Hogan
Managing Director
Perth, 26 September 2011

CORPORATE GOVERNANCE STATEMENT

APPROACH TO CORPORATE GOVERNANCE

Venus Metals Corporation Limited (**Company**) has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd edition (**Principles & Recommendations**), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and an explanation for the adoption of its own practice.

Further information about the Company's corporate governance practices may be found on the Company's website at www.venusmetals.com.au, under the section marked "Company Profile - Corporate Governance".

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2010/2011 financial year (**Reporting Period**). The Principles & Recommendations were amended in 2010, and these amendments apply to the Company's first financial year commencing on or after 1 January 2011. Accordingly, disclosure against the Principles & Recommendations as amended in 2010 will be made in relation to the Company's financial year ending 30 June 2012. The report below is made against the Principles & Recommendations prior to their amendment in 2010.

BOARD

Roles and responsibilities of the Board and Senior Executives (Recommendations: 1.1, 1.3)

The Company has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter.

The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

Senior executives are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, directly to the Chair or the lead independent director, as appropriate.

The Company's Board Charter is available on the Company's website.

Skills, experience, expertise and period of office of each Director (Recommendation: 2.6)

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report.

Director independence (Recommendations: 2.1, 2.2, 2.3, 2.6)

The Board does not have a majority of directors who are independent. During the Reporting Period, the Board had only one independent director. On 8 August 2011, Alan Birchmore was appointed to the Board and it now comprises of an equal number of independent and non-independent directors. The Board considers that the composition of the Board during the Reporting Period and its current composition is adequate for the Company's current size and operations, and includes an appropriate mix of skills and expertise, relevant to the Company's business. The Board will consider the appointment of further independent directors as the Company increases in its size and complexity.

The independent directors of the Company are Terence Hogan and Alan Birchmore (appointed 8 August 2011). These directors are independent as they are non-executive directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

CORPORATE GOVERNANCE STATEMENT

The Board considers the independence of directors having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The Board has agreed on, and set out in the Company's Board Charter, the following guidelines for assessing the materiality of matters:

- Balance sheet items are material if they have a value of more than 5% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 5% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 5% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 5%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced or cannot be replaced without an increase in cost which triggers any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

The non-independent directors of the Company are Matthew Hogan and Selvakumar (Kumar) Arunachalam, Kerry Taylor (retired 21 September 2010) and Craig Rosendorff (retired 15 July 2011).

The independent Chair of the Board is Terence Hogan. The Managing Director & Chief Executive Officer is Matthew Hogan.

Independent professional advice
(Recommendation: 2.6)

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

Selection and (Re)Appointment of Directors
(Recommendation: 2.6)

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

The Board recognises that Board renewal is critical to performance, and the impact of Board tenure on succession planning. Each director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one director or one third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting. The re-appointment of directors is not automatic.

The Company's Policy and Procedure for the Selection and (Re) Appointment of Directors is available on the Company's website.

BOARD COMMITTEES

Nomination Committee
(Recommendations: 2.4, 2.6)

The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a nomination committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

CORPORATE GOVERNANCE STATEMENT

The full Board, in its capacity as the Nomination Committee, has not held any meetings during the Reporting Period.

The Board has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Nomination Committee. A copy of the Nomination Committee Charter is available on the Company's website.

Audit Committee
(Recommendations: 4.1, 4.2, 4.3, 4.4)

The Board has not established a separate Audit Committee, and therefore it is not structured in accordance with Recommendation 4.2. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit Committee. Accordingly, the Board performs the role of Audit Committee. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Audit Committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

The full Board, in its capacity as the Audit Committee, held two meetings during the Reporting Period. The directors present at the two meetings are as follows:

Director	Meetings attended
Terence William Hogan	2
Matthew Vernon Hogan	2
Craig Rosendorff	2
Kerry Taylor	1

When the Board meets as the Audit Committee, Terence Hogan chairs the meeting. To assist the Board to fulfill its function as the Audit Committee, the Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee.

Details of each of the director's qualifications are set out in the Directors' Report.

All members of the Board consider themselves to be financially literate and have an understanding of the industry in which the Company operates.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

The Company's Audit Committee Charter and the Company's Procedure for Selection, Appointment and Rotation of External Auditor are available on the Company's website.

Remuneration Committee
(Recommendations: 8.1, 8.2, 8.3)

The Board has not established a separate Remuneration Committee. Given the current size and composition of the Company, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated to it in the Company's Remuneration Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Remuneration Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

The full Board, in its capacity as the Remuneration Committee, held one meeting during the Reporting Period. The directors present at the meeting are as follows:

Director	Meetings attended
Terence William Hogan	1
Matthew Vernon Hogan	1
Craig Rosendorff	1

To assist the Board to fulfill its function as the Remuneration Committee, the Board has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee.

CORPORATE GOVERNANCE STATEMENT

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report. The Company's policy is to remunerate non-executive directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance. Given the Company is at an early stage of development and the financial restrictions placed on it, the Company may consider it appropriate to issue unlisted options to non-executive directors, subject to obtaining the relevant approvals. This policy is subject to annual review. All of the directors' option holdings are fully disclosed. The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive directors is subject to approval by shareholders at general meeting.

Executive pay and rewards consists of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

The Company's Remuneration Committee Charter includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

The Company's Remuneration Committee Charter is available on the Company's website.

PERFORMANCE EVALUATION

Senior executives
(Recommendations: 1.2, 1.3)

The Managing Director & Chief Executive Officer is responsible for evaluating the performance of senior executives. In evaluating the performance of senior executives the following are considered:

- the Company's financial performance;
- the extent to which operational goals and strategic objectives are achieved;
- development of management and staff; and
- compliance with legal and company policy requirements.

The process involves at least one formal meeting with each senior executive per year.

During the Reporting Period an evaluation of senior executives took place in accordance with the process disclosed.

Board, its committees and individual directors
(Recommendations: 2.5, 2.6)

The Chair is responsible for the performance evaluation of the Board and, when deemed appropriate, the Board committees and individual directors. The Board is responsible for evaluating the Managing Director & Chief Executive Officer.

In evaluating the performance of the Board, its committees and individual directors the following are considered:

- comparison of the performance of the Board against the requirements of the Board charter;
- assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- review the Board's interaction with management;
- identification of any particular goals and objectives of the Board for the next year;
- review the type and timing of information provided to the directors; and
- identification of any necessary or desirable improvements to Board or committee charters.

The Board may also use an independent adviser to assist in the review.

During the Reporting Period no evaluation of the Board, its committees, and individual directors took place.

ETHICAL AND RESPONSIBLE DECISION MAKING

Code of Conduct
(Recommendations: 3.1, 3.3)

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

A summary of the Company's Code of Conduct is available on the Company website.

Policy for Trading in Company Securities
(Recommendations: 3.2, 3.3)

The Company has established a Policy for Trading in Company Securities by directors, officers, employees and their associates.

A summary of the Company's Policy for Trading in Company Securities is available on the Company's website.

CORPORATE GOVERNANCE STATEMENT

CONTINUOUS DISCLOSURE

(Recommendations: 5.1, 5.2)

The Company has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance.

Summaries of the Company's Policy on Continuous Disclosure and its Compliance Procedures are available on the Company's website.

SHAREHOLDER COMMUNICATION

(Recommendations: 6.1, 6.2)

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

A copy of the Company's Shareholder Communication Policy is available on the Company's website.

RISK MANAGEMENT

Recommendations: 7.1, 7.2, 7.3, 7.4)

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director & Chief Executive Officer, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director & Chief Executive Officer is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director & Chief Executive Officer may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

The Company is currently formalising and documenting its risk management system. However, material business risks are identified, monitored and reported on to the Board by the Managing Director & Chief Executive Officer with the support of other senior management.

The Board had expected to review, formalise and document its risk management system by 30 June 2012 The system will include the preparation of a risk register by management to identify the Company's material business risks and risk management strategies for those risks. In addition, the process of risk management of material business risks will be allocated to members of senior management. The risk register will be reviewed quarterly and updated as required.

The Company considers the following categories of risk to have a material effect impact its business and hence are included in the Company's risk profile.

- Market-related;
- Financial reporting;
- Operational;
- Environmental;
- Sustainability;
- Occupational Health & Safety;
- Ethical conduct;
- Reputation; and
- Legal and Compliance.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Company's management of its material business risks for the Reporting Period.

The Managing Director & Chief Executive Officer and the Chief Financial Officer have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

A summary of the Company's Risk Management Policy is available on the Company's website.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011	2010
		$	$
Revenue	2	330,370	93,706
Administration expense		(2,597,766)	(1,064,668)
Exploration expense		(2,200,871)	(265,746)
Depreciation and amortisation expense		(53,574)	(33,176)
Loss before income tax	3	(4,521,841)	(1,269,884)
Income tax expense	4	-	-
Loss for the period		(4,521,841)	(1,269,884)
Other comprehensive income		-	-
Income tax on other comprehensive income		-	-
Total other comprehensive income		-	-
Total Comprehensive loss for the period		(4,521,841)	(1,269,884)
Net loss for the period:			
Attributable to Members of Venus Metals Corporation Ltd		(4,521,841)	(1,269,884)
Attributable to non-controlling interest		-	-
Total comprehensive loss for the period:			
Attributable to Members of Venus Metals Corporation Ltd		(4,521,841)	(1,269,884)
Attributable to non-controlling interest		-	-
Basic loss per share (cents per share)	7	(0.134)	(0.044)
Diluted loss per share (cents per share)	7	(0.134)	(0.044)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011	2010
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	7,378,281	4,969,544
Trade and other receivables	9	366,944	157,416
Other current assets	10	747,273	305,755
TOTAL CURRENT ASSETS		8,492,498	5,432,715
NON-CURRENT ASSETS			
Other non-current assets	10	175,214	81,000
Property, plant and equipment	11	1,057,212	171,325
Acquisition costs capitalised	24	1,316,770	1,106,770
TOTAL NON-CURRENT ASSETS		2,549,196	1,359,095
TOTAL ASSETS		11,041,694	6,791,810
CURRENT LIABILITIES			
Trade and other payables	12	1,319,563	609,383
Provision for employee entitlements	12	71,407	27,777
Other current liabilities	13	1,026,830	749,610
TOTAL CURRENT LIABILITIES		2,417,800	1,386,770
TOTAL LIABILITIES		2,417,800	1,386,770
NET ASSETS		8,623,894	5,405,040
EQUITY			
Issued Capital	14 (a)	14,278,363	7,681,117
Shares to be issued	14 (b)	2,000	-
Reserves	15	2,059,055	917,606
Accumulated losses		(7,715,524)	(3,193,683)
TOTAL EQUITY		8,623,894	5,405,040

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Share Capital	Share Options Reserve	Accumulated Losses	Total	Total Equity
	$	$	$		$
As at 1 July 2010	7,681,117	917,606	(3,193,683)	5,405,040	5,405,040
Total comprehensive income for the period					
Loss	-	-	(4,521,841)	(4,521,841)	(4,521,841)
Other comprehensive income					
Total Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the period	-	-	(4,521,841)	(4,521,841)	(4,521,841)
Transactions with owners recorded directly into equity					
Contributions by and distributions to owners					
Shares issued during the year	4,210,000	-	-	4,210,000	4,210,000
Shares to be issued	2,000	-	-	2,000	2,000
Options issued during the period	-	-	-	-	-
Transaction costs	(210,150)	-	-	(210,150)	(210,150)
Share-based payment transactions	-	1,141,449	-	1,141,449	1,141,449
Share options exercised	2,597,396	-	-	2,597,396	2,597,396
Balance at 30 June 2011	**14,280,363**	**2,059,055**	**(7,715,524)**	**8,623,894**	**8,623,894**

	Share Capital	Share Options Reserve	Accumulated Losses	Total	Total Equity
	$	$	$		$
As at 1 July 2009	3,343,458	358,605	(1,923,799)	1,778,264	1,778,264
Total comprehensive income for the period					
Loss	-	-	(1,269,884)	(1,269,884)	(1,269,884)
Other comprehensive income					
Total Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the period	-	-	(1,269,884)	(1,269,884)	(1,269,884)
Transactions with owners recorded directly into equity					
Contributions by and distributions to owners					
Shares issued during the year	4,600,000	-	-	4,600,000	4,600,000
Options issued during the period	-	-	-	-	-
Transaction costs	(279,266)	(384)	-	(279,650)	(279,650)
Share-based payment transactions	-	559,385	-	559,385	559,385
Share options exercised	16,925	-	-	16,925	16,925
Balance at 30 June 2010	**7,681,117**	**917,606**	**(3,193,683)**	**5,405,040**	**5,405,040**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		250,329	83,678
Payments to suppliers and employees		(1,352,994)	(565,873)
Exploration expenditure		(2,537,821)	(280,355)
Cash calls from Farm-in		6,000,000	2,000,000
Payments to suppliers and employees of Farm-in		(5,410,472)	(897,561)
Net cash flows (used in) operating activities	17	(3,050,958)	339,889
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(835,337)	(183,123)
Security bond paid		(94,214)	(81,000)
Net cash flows (used in) investing activities		(929,551)	(264,123)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares and exercise of options		6,599,396	4,616,925
Costs associated with the offer		(210,150)	(214,266)
Costs associated with the issue of options		-	(384)
Net cash flows from financing activities		6,389,246	4,402,275
Net decrease in cash and cash equivalents		2,408,737	4,478,041
Cash and equivalents at beginning of financial year		4,969,544	491,503
Cash and equivalents at end of financial year	8	7,378,281	4,969,544

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 1 Significant Accounting Policies

Reporting entity

The financial report of Venus Metals Corporation Limited (the Company) for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Board of Directors on 19 September 2011.

Venus Metals Corporation Limited is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are the exploration of mineral tenements in Western Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, (including Australian Interpretations), adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Company is dependent upon it maintaining sufficient funds for its operations and commitments. The directors continue to monitor the ongoing funding requirements of the Company. The directors are confident that sufficient funding can be secured if required to enable the Company to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

New Accounting Standards and Interpretations

The following new standards and amendments to standards are mandatory for the financial year beginning 1 July 2010:

- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 5, 8, 101, 107, 117, 118, 136, and 139).*
- AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 3, 7, 121, 128, 131, 132 and 139).*
- AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments and AASB 2009-13 *Amendments to Australian Accounting Standards arising from Interpretation 19.*

The adoption of these standards did not have any impact in the current period or any prior period and is unlikely to affect future periods.

New Accounting Standards and Interpretations that are not yet mandatory

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013).

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard is not expected to impact on the Company's accounting for financial assets as it does not have any available for sale assets other than equity investments. There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the company does not have any such liabilities. The Company has decided not to early adopt AASB 9.

(ii) Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011).

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party. The Company will apply the amended standard from 1 July 2011. When the amendments are applied, the Company will need to disclose any transactions between its subsidiaries and its associates. However, there will be no impact on any of the amounts recognised in the financial statements.

(iii) AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Venus Metals Corporation Limited is listed on the ASX and is not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the Company.

Accounting Policies

(a) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising between the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(b) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the assets original cost is transferred from the revaluation reserve to accumulated losses.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a reducing balance basis over their useful lives to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	40%
Computer equipment	40%
Motor Vehicles	40%
Building Improvements	2.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

(c) Exploration and Development Expenditure

Exploration and evaluation costs are expensed as incurred. Acquisition expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis in determining the costs of site restoration, there is uncertainty

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities are recognised and amortised at cost, comprising original debt less principal payments and amortisation.

Impairment of Assets

At each reporting date, the Company assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

(e) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(f) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand, short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(g) Revenue Recognition

Interest Income

Interest income is recognised on a proportional basis taking into account the interest rate applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Ordinary Share Capital

Ordinary issued share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in share proceeds received.

(j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are generally paid within 30 days of recognition.

(k) Earnings per Share

Basic Earnings per Share

Basic earnings per share is determined by dividing net profits after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

to have been issued for no consideration in relation to dilutive potential ordinary shares.

(l) Critical Accounting Estimates and Judgements

The Directors evaluated estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained externally.

Key Estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Acquisition Costs

The Company is required to estimate whether there has been an impairment of mineral acquisition costs capitalised.

Option Valuations

The Company, in arriving at the fair value of options granted under the share based payment standard needs to estimate the volatility factor.

(m) Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise cash, short term deposits and commercial bills.

The main risks arise from the Company's financial instruments are fair value interest rate risks. The Board reviews and agrees policies for managing this risk are summarised below.

Details of the significant accounting policies and methods adopted, including the criterion for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed elsewhere in Note 1 to the financial statements.

Fair Value Interest Risk

The Company's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market rates.

Credit Risk

The Company does not have any material credit risk exposure to any single debtor under financial instruments.

Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows.

(n) Interest in Joint Ventures

Reimbursement of the joint venture operator's costs

When the Company, acting as an operator, receives reimbursement of direct costs recharges to the joint venture such recharges represent reimbursements of cost that the operator incurred as an agent for the joint venture and therefore have no effect on the statement of comprehensive income.

In many cases, the Company also incurs certain general overhead expenses in carrying out activities on behalf of the joint venture. As these costs can often not be specifically identified, joint venture agreements allow the operator to recover the general overhead expenses incurred by charging an overhead fee that is based on a fixed percentage of the total costs incurred for the year, often in the form of a management fee. Although the purpose of this recharge is very similar to the reimbursement of direct costs, the Company is not acting as an agent in this case. Therefore, the general overhead expenses and the overhead fee are recognised in the statement of comprehensive income as an expense and income respectively.

Jointly controlled assets

A jointly controlled asset involves joint control and offers joint ownership by the Company and other ventures of assets contributed to or acquired for the purpose of the joint venture, without the formation of a corporation partnership or other entity.

Where the Company's activities are conducted through jointly controlled assets, the Company recognises its share of jointly controlled assets, and liabilities it has incurred, its share of liabilities incurred jointly with other venturers, related revenue and operating costs in the financial statements and share of their production.

Jointly controlled entities

A jointly controlled entity is a corporation, partnership or other entity in which each venturer holds an interest. A jointly controlled entity operates in the same way as other entities, except that a contractual arrangement established joint control. A jointly controlled entity controls the assets of the joint venture earns its own income and incurs its own liabilities and expenses. Interests in jointly controlled entities are accounted for using the equity method.

Under the equity method, the investment in the joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Company's share of net assets of the joint venture. Goodwill relating to the joint venture in included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

The statement of comprehensive income reflects the Company's share of the result of operations of the joint venture. Where there has been a change recognised directly in the equity of the joint venture, the Company recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture.

The share of the joint venture net profit is shown on the face of the statement of comprehensive income. This is the profit attributable to venturers in the joint venture.

The financial statements of the joint controlled entities are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the account policies in line with those of the Company.

Note 2 Revenue	**2011**	**2010**
	$	**$**
Operating activities		
(a) Interest revenue from:		
- other persons	330,370	93,706
Total interest revenue	330,370	93,706

Note 3 Loss for the Year	**2011**	**2010**
	$	**$**
(a) Expenses		
Depreciation		
- plant & equipment	53,574	33,176
Total depreciation	53,574	33,176
Exploration expenditure	2,200,871	265,746

Note 4 Income Tax Expense	**2011**	**2010**
	$	**$**
(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss from operations	(4,521,841)	(1,269,884)
Income tax benefit calculated at 30%	(1,356,552)	(380,965)
Add:		
Tax effect of:		
- Other non-deductible items	346,735	19,868
Less:		
- Other deductible items	-	(46,587)
Income tax benefit not brought to account as realisation of the benefit is not virtually certain	1,054,125	407,684
Deductible equity raising costs	(44,308)	-
	-	-

(b) Deferred tax balance not brought to account and carried forward in relation to:	**2011**	**2010**
	$	**$**
Tax losses	2,242,457	1,347,604
Excess accounting over tax depreciation	-	4,687
Section 40-880 deduction	159,981	94,734
Exploration acquisition costs	(395,031)	(332,031)
Depreciable assets used in exploration	-	(10,138)
Provisions	34,031	10,149
Plant & Equipment	16,472	-
Unearned Income	(27,020)	-
	2,030,890	1,115,005

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 4 Income Tax Expense (Cont'd)

(c) Deferred tax assets of tax losses not brought to account will only be obtained if:

(i) the Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the tax losses to be realised;

(ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and

(iii) no changes in tax legislation adversely affect the Company realising the benefit from the deductions for the losses.

Note 5 Key Management Personnel Compensation

(a) Names and positions held of Company key management personnel in office at any time during the financial year are:

Key Management Person	Position
Terence William Hogan	Non-Executive Chairman
Matthew Vernon Hogan	Managing Director
Craig Richard Rosendorff (resigned 15 July 2011)	Non-Executive Director
Kerry Taylor (resigned 21 September 2010)	Executive Director
Selvakumar Arunachalam (appointed 15 July 2011)	Executive Director
Alan Birchmore (appointed 8 August 2011)	Non-Executive Director

The Company's policy for determining the nature and amount of remuneration and amount of emoluments for Board members of the Company is as follows:

The Company's remuneration policy for Executive Directors is designed to promote superior performance and long term commitment to the Company. Executives receive a base remuneration which is market related.

The remuneration policy, setting the terms and conditions for the Executive Directors and other Senior Executives, was developed by the Board after seeking professional advice from independent external consultants.

The Board's policy reflects its obligations to align Executives' remuneration with Shareholders' interests and to retain appropriately qualified Executive talent for the benefit of the Company.

The main principles of the policy are:

- Reward reflects the competitive market in which the Company operates
- Individual reward should be linked to performance criteria
- Executives should be rewarded for both financial and non-financial performance

Executives are also entitled to participate in the employee share and option arrangements.

The Executive Directors and Executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits at this stage.

(b) Details of Remuneration for the year ended 30 June 2011

(For detailed information refer to the Remuneration Report in the Directors' Report)

	PRIMARY	POST EMPLOYMENT	OTHER	EQUITY	
	Salary, Fees & Commissions	Superannuation Contribution	Insurance Cost	Options	Total
	$	$	$	$	$
Key Management Persons					
Terence William Hogan	38,723	3,485	2,260	164,014	208,482
Matthew Vernon Hogan****	320,421	14,461	2,260	218,685	555,827
Selvakumar Arunachalam ***	167,463	13,970	-	74,786	256,219
Craig Richard Rosendorff **	27,920	2,348	2,260	109,342	141,870
Kerry Taylor*	147,235	3,460	2,260	486,575	639,530
	701,762	37,724	9,040	1,053,402	1,801,928

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 5 Key Management Personnel Compensation (Cont'd)

(c) Details of Remuneration for the year ended 30 June 2010

	PRIMARY	POST EMPLOYMENT	OTHER	EQUITY	
	Salary, Fees & Commissions	Superannuation Contribution	Insurance Cost	Options	Total
	$	$	$	$	$
Key Management Persons					
Terence William Hogan	22,936	2,064	2,897	30,986	58,883
Matthew Vernon Hogan	104,689	6,824	2,897	41,315	155,725
Craig Richard Rosendorff **	11,009	991	2,897	20,658	35,555
Kerry Taylor*	145,960	11,276	2,897	401,424	561,557
	284,594	21,155	11,588	494,383	811,720

* Resigned 21st September 2010

** Resigned 15th July 2011

*** Appointed 15th July 2011

**** During the period ended 30 June 2011 the Company increased the annual remuneration payable from $250,000 (plus statutory superannuation) to $350,000 (plus statutory superannuation).

(d) Options and Rights Holdings

Number of Options held by Key Management Personnel

	Balance 30/6/10	Granted as Compensation	Net Change Other*	Balance 30/6/11	Total Vested 30/6/11	Total Exercisable 30/6/11	Total Unexercisable 30/6/11
2011							
Terence William Hogan	9,380,000	-	(4,005,000)	5,375,000	5,375,000	5,375,000	-
Matthew Vernon Hogan	2,020,001	-	(20,001)	2,000,000	2,000,000	2,000,000	-
Selvakumar Arunachalam****	-	400,000	-	400,000	-	-	400,000
Craig Richard Rosendorff***	2,590,834	-	-	2,590,834	2,590,834	2,590,834	-
Kerry Taylor**	2,000,000	-	(2,000,000)	-	-	-	-
	15,990,835	400,000	(6,025,001)	10,365,834	9,965,834	9,965,834	400,000

	Balance 30/6/09	Granted as Compensation	Net Change Other*	Balance 30/6/10	Total Vested 30/6/10	Total Exercisable 30/6/10	Total Unexercisable 30/6/10
2010							
Terence William Hogan	1,630,000	750,000	7,000,000	9,380,000	8,630,000	8,630,000	750,000
Matthew Vernon Hogan	8,020,001	1,000,000	(7,000,000)	2,020,001	1,020,001	1,020,001	1,000,000
Craig Richard Rosendorff	2,090,834	500,000	-	2,590,834	2,090,834	2,090,834	500,000
Kerry Taylor**	-	2,000,000	-	2,000,000	-	-	2,000,000
	11,740,835	4,250,000	-	15,990,835	11,740,835	11,740,835	4,250,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 5 Key Management Personnel Compensation (Cont'd)

(d) Shareholdings

Number of Shares held by Key Management Personnel

	Balance 30/6/10	Granted as Compensation	Options Exercised	Net Change Other*	Balance 30/6/11
2011					
Terence William Hogan	1,310,000	-	2,000,000	95,000	3,405,000
Matthew Vernon Hogan	90,001	-	20,001	100,000	210,002
Selvakumar Arunachalam***	-	-	-	-	-
Craig Richard Rosendorff****	3,285,667	-	-	-	3,285,667
Kerry Taylor**	150,000	-	-	(150,000)	-
	4,835,668	-	2,020,001	45,000	6,900,669

	Balance 30/6/09	Granted as Compensation	Options Exercised	Net Change Other*	Balance 30/6/10
2010					
Terence William Hogan	1,260,000	-	-	50,000	1,310,000
Matthew Vernon Hogan	7,090,001	-	-	(7,000,000)	90,001
Craig Richard Rosendorff	3,285,667	-	-	-	3,285,667
Kerry Taylor**	150,000	-	-	-	150,000
	11,785,668	-	-	(6,950,000)	4,835,668

* Net Change Other refers to shares purchased or sold during the financial year or where a person ceased to be a director.

** Resigned 21st September 2010

*** Resigned 15th July 2011

**** Appointed 15th July 2011

Note 6 Auditors' Remuneration

	2011	2010
	$	$
Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial report	29,570	23,561

Note 7 Earnings per Share

	2011	2010
	$	$
(a) Basic earnings per share (cents per share)	(0.134)	(0.044)
(b) Reconciliation of earnings used in calculating earnings per share		
Loss attributable to ordinary equity	(4,521,841)	(1,269,884)
Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	33,852,947	28,632,121

(c) As the options outstanding during the year would reduce the loss per share from continuing ordinary operations on conversion, the potential ordinary shares are not dilutive

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 8 Cash and Cash Equivalents

	2011	2010
	$	$
Cash at bank	134,153	500,649
Cash in hand	3,218	1,885
Short-term bank deposits	7,240,910	4,467,010
	7,378,281	4,969,544

The effective interest rate on short-term bank deposits was 5.46%

These deposits are at call

Reconciliation to Statement of cash flows

Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to items in the Statement of financial position as follows:	7,378,281	4,969,544
Cash and cash equivalents	7,378,281	4,969,544

Note 9 Trade and Other Receivables

	2011	2010
	$	$
CURRENT		
Interest accrued receivable	90,068	10,028
Other receivables	276,876	147,388
	366,944	157,416

As at 30 June 2011 trade and other receivables do not contain impaired assets and are not past due.

Note 10 Other Assets

	2011	2010
	$	$
CURRENT		
Prepayments	747,273	305,755
	747,273	305,755
NON-CURRENT		
Security bond	175,214	81,000
	175,214	81,000

Prepaid rent on mining tenement applications paid to the Department of Mines and Petroleum amounts to $701,687.

Note 11 Property, plant and equipment

	2011	2010
	$	$
Property, plant and equipment		
At cost	1,247,125	236,791
Accumulated depreciation	(189,913)	(65,466)
Total plant and equipment	1,057,212	171,325

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Motor Vehicles	Plant and Equipment	Total
	$	$	$
Balance at beginning of financial period	83,723	87,602	171,325
Additions	227,271	783,063	1,010,334
Depreciation expense	(71,826)	(52,621)	(124,447)
Carrying amount at the end of financial year	239,168	818,044	1,057,212

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 12 Trade and Other Payables

	2011	2010
	$	$
CURRENT		
Trade payables	1,192,411	575,044
Accrued expenses	127,152	34,339
Employee entitlements	71,407	27,777
	1,390,970	637,160

Note 13 Other current liabilities

	2011	2010
	$	$
CURRENT		
Cash Call from farm-in	8,000,000	2,000,000
Expenses incurred	(6,973,170)	(1,250,390)
	1,026,830	749,610

On the 8 February 2010 the Company executed two formal agreements with HD Mining & Investment Pty Ltd (HD Mining) a subsidiary of Shandong Provincial Bureau of Geology & Mineral Resources (SDGM), in respect of an iron ore farm-in and joint venture agreement and a share subscription agreement, conditional on Chinese regulatory and FIRB approval. The two agreements become unconditional on 9 March 2010.

The key terms of the farm-in agreement are:

- HD Mining to sole spend $8 million over two years to earn 50% interest.
- The Company to manage all exploration during the sole funding period and upon HD Mining earning either a 25% interest or a 50% interest a joint venture will be formed.
- Under the joint venture parties must contribute in accordance in accordance with their joint venture interest or dilute in accordance with a standard dilution formula.

Note 14(a) Issued Capital	2011	2010
	$	$
39,519,138 (2009: 30,613,149) fully paid ordinary shares	15,016,822	8,209,426
Transaction costs relating to share issues	(738,459)	(528,309)
	14,278,363	7,681,117

(a) Ordinary Shares	2011	2010
	$	$
At the beginning of reporting period	7,681,117	3,343,458
Options converted during the year	2,597,396	16,925
Shares issued during the year – 03/12/2009	-	600,000
Shares issued during the year – 09/03/2010	-	4,000,000
Shares issued during the year – 09/11/2010	210,000	-
Shares issued during the year – 17/01/2011	4,000,000	-
Transaction costs during the year	(210,150)	(279,266)
At reporting date	14,278,363	7,681,117

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 14(a) Issued Capital (Cont'd)

	2011	2010
	No.	No.
At the beginning of reporting period	30,613,149	27,237,501
Options converted	6,755,989	42,313
Shares issued during the year – 03/12/2009	-	1,333,335
Shares issued during the year – 09/03/2010	-	2,000,000
Shares issued during the year – 09/11/2010	150.000	-
Shares issued during the year – 17/01/2011	2,000,000	-
At reporting date	39,519,138	30,613,149

Note 14(b)

On 30 June 2011 the Company received $2,000 for shares that were issued on 11 July 2011 from the exercise of options.

Ordinary shares entitle the holder to participate in dividends and the process on winding up of the entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Note 15 Reserves

Options	2011	2010
	$	$
At the beginning of reporting period	917,606	358,605
Options expensed during the period	1,141,449	559,385
Costs of options issued during the year	-	(384)
At reporting date	2,059,055	917,606

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 15 Reserves (Cont'd)

Options	**2011**	**2010**
	No.	**No.**
At the beginning of reporting period	21,759,606	16,885,252
Options issued during the year – 23/11/2009	-	2,000,000
Options issued during the year – 03/12/2009	-	666,667
Options exercised during the year – 09/12/2009	-	(2,500)
Options exercised during the year – 25/03/2010	-	(39,813)
Options issued during the year – 01/06/2010	-	2,250,000
Options issued during the year – 01/07/2010	250,000	-
Options issued during the year – 28/07/2010	900,000	-
Options issued during the year – 25/10/2010	50,000	-
Options issued during the year – 08/11/2010	200,000	-
Options issued during the year – 17/01/2011	1,000,000	-
Options exercised during the year – Listed	(5,055,989)	-
Options exercised during the year – 28/10/2010	(200,000)	-
Options exercised during the year – 09/11/2010	(100,000)	-
Options exercised during the year – 21/01/2011	(1,000,000)	-
Options exercised during the year – 25/01/2011	(400,000)	-
Options lapsed during the year	(300,000)	-
At reporting date	17,103,617	21,759,606

The option reserve records items recognised as expenses on valuation of employee share options and payment received for the issue of options, net of any costs associated with the issue. During the year 2,400,000 share options (unlisted) were issued at nil consideration per option. No costs were incurred relevant to the issue of these options.

As at 30 June 2011 the Company had the following options on issue:

- (a) 5,353,617 listed options exercisable 40 cents each on and up to 31 July 2011.
- (b) 3,500,000 exercisable at 20 cents each on and up to 30 June 2012.
- (c) 2,900,000 exercisable at 25 cents each on and up to 30 June 2012.
- (d) 1,000,000 exercisable at 40 cents each on and up to 31 July 2012.
- (e) 2,250,000 exercisable at $1.00 each on and up to 31 July 2013.
- (f) 250,000 exercisable at $1.00 each on and up to 31 July 2012.
- (g) 600,000 exercisable at $1.00 each on and up to 31 July 2013.
- (h) 50,000 exercisable at $1.50 each on and up to 31 July 2013.
- (i) 200,000 exercisable at $2.00 each on and up to 31 July 2013.
- (j) 1,000,000 exercisable at $3.00 each on and up to 30 June 2013.

(i) For information relating to the Venus Metals Corporation Limited Employee Share Option Plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year end refer to Note 23.

(ii) For information relating to share options issued to Directors during the financial period, refer to Note 5.

Valuation of options

A valuation of options issued on 28 July 2010, 25 October 2010 and 8 November 2010 was undertaken. The valuation process indicated a range in value of 27 cents to 40 cents per option. The valuations have been performed using the inputs and assumptions detailed in this report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 15 Reserves (Cont'd)

Inputs to valuation model

Grant Date	28 July 2010	25 October 2010	8 November 2010
Expiry Date	31 July 2013	31 July 2013	31 July 2013
Spot Price	$0.79	$1.37	$1.38
Exercise Price	$1.00	$1.50	$2.00
Volatility	81%	78%	76%
Risk Free Rate	4.65%	5.02%	5.12%
Marketability Discount	30%	30%	30%
Fair value of option	$0.27	$0.47	$0.40

Assumptions

Options granted 28 July 2010

- We have used the Black-Scholes method for calculating the value of the options;
- The expiry date is 31 July 2013;
- The spot price is the most recent sale price for a Company's share on the date of grant;
- The exercise price is $1.00;
- Each option will convert into one fully paid ordinary share in the Company;
- There is a vesting period of 12 months from grant date for 300,000 options and a vesting period of 24 months from grant date for 3,000,000 options; and
- The risk free rate is estimated based on the Australian Treasury 3 year bond rate.

Options granted 25 October 2010

- We have used the Black-Scholes method for calculating the value of the options;
- The expiry date is 31 July 2013;
- The spot price is the most recent sale price for a Company's share on the date of grant;
- The exercise price is $1.50;
- Each option will convert into one fully paid ordinary share in the Company;
- There is a vesting period of 12 months from grant date for 25,000 options and a vesting period of 24 months from grant date for 25,000 options; and
- The risk free rate is estimated based on the Australian Treasury 3 year bond rate.

Options granted 8 November 2010

- We have used the Black-Scholes method for calculating the value of the options;
- The expiry date is 31 July 2013;
- The spot price is the most recent sale price for a Company's share on the date of grant;
- The exercise price is $2.00;
- Each option will convert into one fully paid ordinary share in the Company;
- There is a vesting period of 12 months from grant date for 100,000 options and a vesting period of 24 months from grant date for 100,000 options; and
- The risk free rate is estimated based on the Australian Treasury 3 year bond rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 16 Segment Reporting

The Company operates predominantly in the mineral exploration industry in Australia. For management purposes, the Company is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Company's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Company's as one segment. The financial results from this segment are equivalent to the financial statements of the Company's as a whole.

Note 17 Cash Flow Information

	2011	2010
	$	$
(a) Reconciliation of Cash Flow from Operations with Loss from Ordinary Activities After Income Tax		
Loss after income tax	(4,521,841)	(1,269,884)
Cash flows excluded from loss attributed to operating activities		
Non-cash flows in loss from ordinary activities		
Depreciation	53,574	33,176
Share based expenses	1,141,449	494,385
Changes in assets and liabilities		
Decrease/(Increase) in trade and other receivables / other assets	(651,045)	(267,616)
Increase/(Decrease) in trade payables and accruals	649,685	600,218
Increase/(decrease) in other liabilities	277,220	749,610
Cash flow from operations	(3,050,958)	339,889

Note 18 Events After the Balance Sheet Date

The material events that have occurred since 30 June 2011 are as follows:

- Exercise of 5,322,985 listed options exercised at $0.40 cents per option raising $2,129,194 (30,632 listed options lapsed without exercise);
- Signed an agreement with a prospector for an option to purchase a tenement (E09-1676 Mt Phillips) 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 10 February 2012.

Besides the events above there have been no other matters or circumstances that have arisen since 30 June 2011 that have significantly affected or may significantly affect:

- the Company's operations in future years; or
- the results of those operations in future years; or
- the Company's state of affairs in future years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 19 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

(a) Director Related Entities

		2011	2010
		$	$
(i)	Rent paid at commercial rates to United Minerals Corporation NL (an entity in which Mr Matthew Hogan was a Director).	-	19,525
(ii)	Assets purchased from United Minerals Corporation NL (an entity in which Mr Matthew Hogan was a Director)	-	69,727

(iii) On 18 January 2007 the Company entered into an agreement with Seaward Holdings Pty Ltd ("Seaward") (an entity controlled by Mr Matthew Hogan, a Director of the Company) to purchase a 95% interest in exploration license 80/3253 ("Tenement") ("Agreement"). In consideration, the Company agreed to pay Seaward the sum of $10,464 being reimbursement of past expenditure incurred by Seaward in connection with the Tenement. Settlement of the purchase under the Agreement took place on 23 January 2007. This exploration expenditure was written off in the year ended 30 June 2007. The carrying value of the tenement at 30 June 2011 is $210,000 (2010: nil).

The Agreement also provides that from settlement, the parties shall associate in an unincorporated joint venture for the purposes of exploring and, if warranted, developing and mining the Tenement. The Company holds a 95% interest and Seaward a 5% interest in this joint venture. The Agreement specifically provides that all diamonds recovered from the area of the joint venture until the date on which a decision to mine is made shall be taken by the participants in the following proportions:

The Company 95%

Seaward 5%

The Company is entitled to be the manager of the joint venture whilst it holds a joint venture interest equal to or greater than any other participant. The manager is responsible for preparing programs and budgets for consideration of the operating committee and carrying out approved programs and budgets. The manager must pay all outgoings and maintain the Tenement in good standing.

As soon as practical after settlement the participants are to form and maintain an operating committee and each participant is entitled to appoint a representative to the operating committee.

Seaward's joint venture interest is carried during the life of the joint venture with the intention that Seaward will not be required to provide funding, guarantees or security (other than security limited to recourse over its joint venture interest) to contribute to, to support or facilitate mine development, commencement of mining operations or the continuation of such operations. Upon or after a decision to mine being made, the Company must, at Seaward's request, use its reasonable endeavours to arrange 100% project finance and either:

(i) arrange finance for Seaward's contributions over and above the project finance required for the mine development and ongoing mining operations through a bank or financial institution approved by Seaward;

Or

(ii) advance monies to Seaward for Seaward's contributions over and above the project finance as required for mine development and ongoing mining operations on terms no less advantageous to Seaward than if the Company had arranged finance under (i) and at an interest rate equal to or lower than the present project finance rate or, in the absence of project finance, at a rate not greater than 2% above LIBOR.

Subject to the terms of the project finance, monies advanced to Seaward under (i) or (ii) above shall be repaid out of the 80% of the cash flow available to Seaward out of Seaward's interest in the joint venture.

Either participant may assign its interest to a related body corporate on the condition it is assigned back if the assignee ceases to be a related body within three years. Either participant may assign all or part of its joint venture interest to a third party provided it first complies with the pre-emptive right procedure specified in the Agreement. In either case, the assignee must enter into a covenant agreeing to be bound by the Agreement. A party may encumber its interest in specified circumstances.

A participant may withdraw at any time by giving 30 days notice in which case it will forfeit its interest in favour of the other participant. The withdrawing participant shall be released from all future obligations relating to the joint venture.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 20 Capital and Leasing Commitments

(a) Operating Leases Commitments	**2011**	**2010**
Non-cancellable operating leases contracted for but not capitalised in the financial statements	**$**	**$**
Payable – minimum lease payments		
- not later than 1 year	220,650	164,366
- later than 1 year but not later than 5 years	231,683	170,941
	452,333	335,307

The Company entered into a rental lease arrangement with Glentham Pty Ltd for the additional rental of office space located on the Mezzanine Level, BGC Centre, 28 The Esplanade, Perth for a period of 2 years to 30 June 2013.

(b) Capital Exploration Expenditure Commitments	**2011**	**2010**
Expenditure on exploration tenements	**$**	**$**
Payable		
- not later than 1 year	1,020,560	954,480
- later than 1 year but not later than 5 years	2,537,540	3,567,440
	3,558,100	4,521,920
(c) Capital Plant Expenditure Commitments		
Capital plant expenditure due within 12 months	314,092	23,750

Note 21 Contingent Liabilities

The Company's activities in Australia are subject to the Native Title Act of the Commonwealth or State. The Company is not aware of any other matters that cannot be resolved through the normal legal process, should they arise.

The Company is not aware of any other matters that may impact upon its timely access to the land that comprises its project area.

On 15 August 2008 the Company entered into a contract with Messrs Parry, Hilll and Asphar to acquire Tenements and a term of the contract to pay Royalties as follows:

(i) a royalty of 1.25% of the FOB price of all iron ore mined, processed and sold from the Tenements; and

(ii) a royalty of 1.25% of the Net Smelter Return (defined below) from all other base and precious metals mined, processed and sold from the Tenements.

"Net Smelter Return" means the gross sales revenue received by the Company from the sale of base and precious metals produced from the Tenements, subject to all usual discounts and less the costs, expenses and liabilities incurred in connection with the smelting, refining, transporting, handling and storing the base and precious metals.

On 17 October 2008 and on 15 December 2009 the Company entered into an agreement with Mr Hawks to acquire tenements. Terms of the agreement include the issue of shares and payment of Royalties as follows:

(i) issue to the vendors an additional 100,000 fully paid ordinary shares in the purchaser in the event that a diamond mine is established and once commercial production of diamonds commences; and

(ii) payment to Hawks a 1.50% gross royalty in respect of all diamonds an any other minerals produced from the Mining Leases in the event of any diamonds or other minerals being produced from the Mining Tenements in commercial quantities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 22 Financial Instruments Disclosure

(a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Fixed Interest Rate Maturing Weighted Average Effective Interest Rate	Floating Interest Rate	Non-interest Bearing	Total
2011	**2011**	**2011**	**2011**	**2011**
Financial Assets:		**$**	**$**	**$**
Cash and cash equivalents	0.0%	134,153	3,218	137,371
Short-term bank deposits	5.5%	7,240,910	-	7,240,910
Trade & other receivables		-	276,876	276,876
Security Bond		158,214	17,000	175,214
Total Financial Assets		7,533,277	297,094	7,830,371
Financial Liabilities				
Payables and other liabilities		-	1,319,563	1,319,563
Total Financial Liabilities		-	1,319,563	1,319,563
Net Financial Assets/(Liabilities)		7,533,277	(1,022,469)	6,510,808

	Fixed Interest Rate Maturing Weighted Average Effective Interest Rate	Floating Interest Rate	Non-interest Bearing	Total
2010	**2010**	**2010**	**2010**	**2010**
Financial Assets:		**$**	**$**	**$**
Cash and cash equivalents	0.0%	500,649	1,885	502,534
Short-term bank deposits	4.4%	4,467,010	-	4,467,010
Trade & other receivables		-	147,388	147,388
Security Bond		64,000	17,000	81,000
Total Financial Assets		5,031,659	166,273	5,197,932
Financial Liabilities				
Payables and other liabilities		-	1,358,993	1,358,993
Total Financial Liabilities		-	1,358,993	1,358,993
Net Financial Assets/(Liabilities)		5,031,659	(1,192,720)	3,838,939

(b) Credit Risk

The Company does not have any material credit risk exposure to any single debtor under financial instruments.

(c) Liquidity Risk

The net fair value of cash and non-interest bearing monetary assets and financial liabilities of the Company approximate their carrying value.

No sensitivity risk analysis is done as the Directors are of the opinion there is no material impact on the financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Note 23 Employee Benefits

Employee Share Option Plan

On 15 March 2007 the Company established the Venus Metals Corporation Limited Employee Share Option Plan (formerly "Venus Resources Limited Employee Share Option Plan")

The purpose of the Plan is to:

(a) recognise the ongoing ability of employees of the Company and their expected efforts and contribution in the long-term to the performance and success of the Company;

(b) provide an incentive to the employees of the Company to remain in their employment in the long-term;

(c) attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its employees; and

(d) provide employees of the Company with the opportunity to acquire Options and ultimately Shares in the Company, in accordance with these rules.

On 4 May 2010, members of the Company passed a resolution to approve the Venus Metals Corporation Limited Share Option Plan (formerly "Venus Resources Limited Employee Share Option Plan").

On 28 July 2010, 900,000 options have been granted to employees.

On 25 October 2010, 50,000 options have been granted to employees.

On 8 November 2010, 200,000 options have been granted to employees.

Note 24 Capitalised Acquisition Costs

	2011	2010
	$	$
Balance 1 July 2010	1,106,770	1,106,770
Acquisitions during the year*	210,000	-
Balance at end of the year	1,316,770	1,106,770

*On 9 November 2010, the Company issued 150,000 shares pursuant to a tenement purchase agreement dated 17 October 2008.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1: the financial statements and notes, as set out on pages 24 to 45, are in accordance with the Corporations Act 2001 and:

- (a) comply with Accounting Standards and the Corporations Regulations 2001; and
- (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the Company;

2: the Chief Executive Officer and Chief Financial Officer have each declared that:

- (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
- (b) the financial statements and notes for the financial year comply with the Accounting Standards: and
- (c) the financial statements and notes for the financial year give a true and fair view.
- (d) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

3: in the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Matthew Hogan

Perth, 26 day of September 2011

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LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VENUS METALS CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Venus Metals Corporation Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report of the company, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Venus Metals Corporation Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report of the Company also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 15 to 19 of the directors' report for the year ended 30 June 2011. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's opinion
In our opinion the remuneration report of Venus Metals Corporation Limited for the year ended 30 June 2011 complies with section 300 A of the *Corporations Act 2001.*

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

J P Van Dieren
Director

West Perth, Western Australia
26 September 2011

AUDITOR'S INDEPENDENCE DECLARATION

Stantons International
ABN 41 103 088 697
LEVEL 1, 1 HAVELOCK STREET
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PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
www.stantons.com.au

26 September 2011

Board of Directors
Venus Metals Corporation Limited
Level M,BCG Centre,
28 The Explande.
PERTH WA 6000

Dear Directors

RE: VENUS METALS CORPORATOIN LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Venus Metals Corporation Limited.

As Audit Director for the audit of the financial statements of Venus Metals Corporation Limited for the year ended 30 June 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

John Van Dieren
Director

Russell Bedford Chartered Accountants
Russell Bedford

ASX ADDITIONAL INFORMATION

1. Capital Structure as at 26 September 2011

Ordinary Share Capital:

(a) 44,842,123 ordinary fully paid shares held by 724 Shareholders.

All issued ordinary shares carry one vote per share and carry the right to receive dividends when declared.

Options:

11,750,000 unlisted options held by 27 holders.

(a) 3,500,000 unlisted options held by 1 holder.

Options to subscribe for one ordinary share exercisable at $0.20 each on and up to 30 June 2012.

(b) 2,900,000 unlisted options held by 4 holders.

Options to subscribe for one ordinary share exercisable at $0.25 each on and up to 30 June 2012.

(c) 1,000,000 unlisted options held by 1 holder.

Options to subscribe for one ordinary share exercisable at $0.40 each on and up to 31 July 2012.

(d) 2,250,000 unlisted options held by 3 holders.

Options to subscribe for one ordinary share exercisable at $1.00 each on and up to 31 July 2013.

(e) 250,000 unlisted options held by 1 holder.

Options to subscribe for one ordinary share exercisable at $1.00 each on and up to 31 July 2012.

(f) 600,000 unlisted options held by 2 holders.

Options to subscribe for one ordinary share exercisable at $1.00 each on and up to 31 July 2013.

(g) 50,000 unlisted options held by 1 holder.

Options to subscribe for one ordinary share exercisable at $1.50 each on and up to 31 July 2013.

(h) 200,000 unlisted options held by 1 holder.

Options to subscribe for one ordinary share exercisable at $2.00 each on and up to 31 July 2013.

(i) 1,000,000 unlisted options held by 13 holders.

Options to subscribe for one ordinary share exercisable at $3.00 each on and up to 30 June 2012.

Listed and unlisted options do not entitle the holders to a vote in respect of that option nor participate in dividends until such a time as the options are exercised and subsequently registered as an ordinary share.

2. Substantial Shareholders as at 26 September 2011

Shareholder Name	Number of Securities	Percentage
Traolach Investments PL	3,705,000	8.26%
Wendy Carolyn Coombe Hogan	3,550,000	7.92%
PJ Enterprises Pty Ltd	3,500,000	7.81%
ABN Amro Clearing	2,295,162	5.12%

3. Distribution of Shareholders as at 26 September 2011

Distribution Analysis	Number
1 – 1,000	123
1,001 – 5,000	172
5,001 – 10,000	140
10,001 – 100,000	242
100,000+	47
Total Holders	**724**

The number of shareholders holding less than a marketable parcel of ordinary shares is 96.

4. Twenty Largest Shareholders as at 26 September 2011

Fully Paid Ordinary Share	Number	Percentage
Traolach Investments	3,705,000	8.26%
Wendy Carolyn Coombe Hogan	3,550,000	7.92%
PJ Enterprises Pty Ltd	3,500,000	7.81%
ABN Amro Clearing	2,295,162	5.12%
Rosendorff, Craig	2,218,301	4.95%
HD Mining & Investment PL	2,000,000	4.46%
Mowbray, Christopher A	1,680,173	3.75%
Citicorp Nominees PL	1,628,951	3.63%
National Nominees Limited	1,308,974	2.92%
Fehlberg B & S	1,193,858	2.66%
Coxhell, Simon	1,025,607	2.29%
P J Enterprises Pty Limited	1,000,000	2.23%
HSBC Custody Nominees Aust	935,814	2.09%
Taylor Kerry & Brenda E	841,000	1.88%
Australian Heritage Group PL	750,000	1.67%
Ekco Investments Pty Ltd	666,667	1.49%
Aredebeco Pty Ltd	525,000	1.17%
Australian Global Capital PL	400,000	0.89%
Bandila Limited	397,000	0.89%
Baltazar PL	375,000	0.84%
Top 20 Total	**30,996,507**	**66.92%**

5. On-Market Buy-Back

There is currently no on-market-buy back.

ASX ADDITIONAL INFORMATION

6. Schedule of Tenements

Location	Tenement	Date of Grant	Venus Interest
19 Mile Well	E 20/754	1/07/2011	100%
Argyle North	E 80/3253	4/08/2006	95%
King River	E 80/4226	16/06/2010	100%
Lower Smoke Creek	P 80/1712	9/11/2010	100%
Lower Smoke Creek	P 80/1734	9/11/2010	100%
Lower Smoke Creek	P 80/1735	9/11/2010	100%
Lower Smoke Creek	P 80/1736	9/11/2010	100%
Lower Smoke Creek	P 80/1737	9/11/2010	100%
Lower Smoke Creek	P 80/1738	9/11/2010	100%
Lower Smoke Creek	P 80/1739	9/11/2010	100%
Lower Smoke Creek	P 80/1740	9/11/2010	100%
Lower Smoke Creek	P 80/1741	9/11/2010	100%
Lower Smoke Creek	P 80/1713	1/09/2011	100%
Lower Smoke Creek	P 80/1714	1/09/2011	100%
Lower Smoke Creek	P 80/1715	1/09/2011	100%
Lower Smoke Creek	P 80/1716	1/09/2011	100%
Lower Smoke Creek	P 80/1717	1/09/2011	100%
Lower Smoke Creek	P 80/1718	1/09/2011	100%
Lower Smoke Creek	P 80/1719	1/09/2011	100%
Lower Smoke Creek	P 80/1720	1/09/2011	100%
Lower Smoke Creek	P 80/1721	1/09/2011	100%
Lower Smoke Creek	P 80/1722	1/09/2011	100%
Lower Smoke Creek	P 80/1723	1/09/2011	100%
Lower Smoke Creek	P 80/1724	1/09/2011	100%
Lower Smoke Creek	P 80/1725	1/09/2011	100%
Menzies	E 29/795-I	26/05/2011	100%
Menzies	E 29/796-I	26/05/2011	100%
Menzies	E 29/797-I	26/05/2011	100%
Menzies	E 29/798-I	26/05/2011	100%
Menzies	E 29/799-I	26/05/2011	100%
Menzies	P 29/2183	6/07/2011	100%
Menzies	P 29/2178	22/07/2011	100%
Menzies	P 29/2179	22/07/2011	100%
Menzies	P 29/2180	22/07/2011	100%
Menzies	P 29/2181	22/07/2011	100%
Menzies	P 29/2182	22/07/2011	100%
Menzies	P 29/2184	22/07/2011	100%
Menzies	P 29/2185	22/07/2011	100%
Menzies	P 29/2186	22/07/2011	100%
Menzies	P 29/2187	22/07/2011	100%
Menzies	P 29/2189	22/07/2011	100%
Menzies	P 29/2190	22/07/2011	100%
Moodini	E 69/2628	12/03/2010	100%
Citadel	E 45/3435	4/02/2010	100%
Mount Morris	E 45/3396	5/05/2010	100%
Radi Hills	E 45/3523	11/07/2011	100%
Radi Hills	E 45/3398	14/04/2010	100%
Wallal	E 45/3436	5/05/2010	100%
Yarrie East	E 45/3397	5/05/2010	100%
Yalgoo	P 59/1887	20/11/2008	100%
Yalgoo	E 59/1508-I	16/06/2009	100%
Yalgoo	E 59/1504-I	8/09/2009	100%
Yalgoo	P 59/1904	22/12/2009	100%

ASX ADDITIONAL INFORMATION

6. Schedule of Tenements (Cont'd)

Location	Tenement	Date of Grant	Venus Interest
Yalgoo	E 59/1552-I	16/06/2010	100%
Yalgoo	E 59/1664-I	17/11/2010	100%
Yalgoo	E 59/1665-I	17/11/2010	100%
Yalgoo	E 59/1666-I	17/11/2010	100%
Yalgoo	E 59/1611-I	17/02/2011	100%
Burriganna Well	E 59/1727	28/06/2011	100%
Yarloo Well	E 59/1593	17/02/2011	100%
Meka	E 59/1592	17/02/2011	100%
Gascoyne / Mount Phillips	E 09/1922	-	100%
Gascoyne / Mount Phillips	E 09/1936	-	100%
Mileura Bore	E 20/760	-	100%
Menzies	E 31/986	-	100%
Menzies	E 40/309	-	100%
Copper Hills	E 45/3541	-	100%
Mt Morris Sth	E 45/3630	-	100%
Ted Bore	E 45/3631	-	100%
Mount Cecelia	E 45/3754	-	100%
Cardoma	E 45/3755	-	100%
Telfer North	E 45/3914	-	100%
Telfer North	E 45/3915	-	100%
Telfer North	E 45/3916	-	100%
Telfer North	E 45/3920	-	100%
Telfer North	E 45/3922	-	100%
Telfer North	E 45/3923	-	100%
Telfer North	E 45/3924	-	100%
Moodini South	E 69/2920	-	100%
Mundrabilla	E 69/2924	-	100%
Menzies	E 29/838-I	-	100%
Menzies	E 29/839	-	100%
Menzies	E 29/840	-	100%
Menzies	E 29/842	-	100%
Menzies	E 29/844	-	100%
Menzies	P 29/2194	-	100%
Menzies	P 29/2195	-	100%
Menzies	P 29/2196	-	100%
Menzies	P 29/2197	-	100%
Menzies	P 29/2198	-	100%
Menzies	P 29/2199	-	100%
Menzies	P 29/2200	-	100%
Menzies	P 29/2201	-	100%
Menzies	P 29/2202	-	100%
Menzies	P 29/2203	-	100%
Menzies	P 29/2204	-	100%
Menzies	P 29/2205	-	100%
Menzies	P 29/2206	-	100%
Menzies	P 29/2207	-	100%
Menzies	P 29/2208	-	100%
Menzies	P 29/2209	-	100%
Menzies	P 29/2210	-	100%
Menzies	P 29/2211	-	100%
Menzies	P 29/2212	-	100%
Menzies	P 29/2213	-	100%
Menzies	P 29/2214	-	100%
Menzies	P 29/2215	-	100%

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