

QUARTERLY REPORT

for the period ending 31 December 2012

Highlights

- **Granted Mining Lease received for the Riley Direct Shipping Ore (“DSO”) Project.**
- **Bankable Feasibility Study (“BFS”) at the Mt Lindsay Tin/Tungsten Deposit delivers \$550 million in net revenue.**
- **Drilling at Big Wilson extends mineralisation along strike with intersections up to 10m @ 1% tin equiv.**
- **Venture advances DSO off-take, standby debt facility, ore transport, and mining contracts.**

Introduction

The December Quarter saw developments on several fronts, particularly at the Riley DSO Project where the Company received a granted mining lease and progressed a number of key agreements in preparation for production. Additionally, Venture completed the Mt Lindsay BFS and extended mineralisation at the Big Wilson discovery.

The last quarter of 2012 saw the Company further position itself for the transition to production. With the receipt of the mining lease at Riley, Venture now has granted mining leases over both its DSO projects (Riley and Livingstone). In addition to the mining lease Venture has also significantly advanced its environmental approvals, for the commencement of production at Riley.

The December Quarter also marked the completion of the Mt Lindsay BFS, which delivered a number of highlights including a 14mt maiden reserve, a nine year mine life, and a pre-tax net revenue figure in excess of \$550 million. The robust results from the BFS confirmed the long term, high value potential of the Mt Lindsay Tin/Tungsten Project. Since completing the study Venture has focused on the environmental approval process as well as off-take and financing strategies.

The discovery of the Big Wilson Prospect last quarter, located only 6km from Mt Lindsay, was an exciting development for the Company, particularly the high grade nature of the tin mineralisation. Since the discovery hole (17m @ 2% tin) Venture has extended mineralisation along strike, intersecting additional broad zones of tin, tungsten, magnetite and copper mineralisation, which contains high grade cassiterite (tin oxide) veining similar in style to that found at the Mt Lindsay Deposit. Latest results include:

42m @ 0.5% tin equiv
incl. 10m @ 1% tin equiv
21m @ 0.5% tin equiv

Venture Fast Facts

ASX Code: VMS
Shares on Issue: 287 million
Market Cap: \$61 million
Current Cash: \$17.5 million
(31 December 2012)

Recent Announcements

Mining Lease Granted at
Riley DSO Project
(21/12/2013)

Mt Lindsay BFS Delivers
\$550 million Net Revenue
(07/11/2012)

Venture Minerals Share
Purchase Plan Oversubscribed
(12/09/2012)

Pilot Scale Metallurgy
Confirms Excellent Recoveries
at Mt Lindsay
(31/08/2012)

Venture Announces
\$17M Equity Raising
(15/08/2012)

Major New High Grade
Tin Discovery
(02/08/2012)

Located in North-West
Tasmania
140 years of mining precedent



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Venture's maiden drilling campaign at Big Wilson has now successfully identified high grade tin mineralisation in a north striking skarn and greisen located on the margin of the Meredith Granite, with mineralisation now extended over a strike of over 400m (see Figure 2). Holes BW001 and BW003A have confirmed the presence of high grade northwest striking cassiterite vein zones within the greisen and high grade disseminated cassiterite mineralisation where the veins intersect the skarn.

Having now confirmed broad and high grade mineralisation over 400m of strike the Company believes there is a significant tin system at Big Wilson. The mineralisation remains open along strike with the majority of the 1.1km soil anomaly yet to be drill tested.

Mt Lindsay Project, North West Tasmania

Introduction

The Mt Lindsay Project (~300km²) is located in western Tasmania (Refer to Fig 1) within the contact metamorphic aureole of the highly perspective Meredith Granite. The project sits between the world class Renison Bell Tin Mine (Metals X Ltd/Yunnan Tin Group > 200,000t of tin metal produced since 1960) and the Savage River Magnetite Mine (operating for > 44 years, currently producing 2.3 Mtpa of iron pellets). Mt Lindsay has excellent access to existing infrastructure including hydro-power, water, sealed roads, rail and port facilities.

Venture owns 100% of the tenure that host Mt Lindsay Tin-Tungsten Deposit and the Riley and Livingstone DSO Deposits. In addition to its 100% owned tenure, Venture has earned 76% interest from Bass Metals Ltd on the iron, tin and tungsten rights on EL31/2003 & EL36/2003.

Since commencing exploration on the project in mid-2007, Venture has completed approximately 82,000m of diamond core drilling at Mt Lindsay and defined a JORC compliant Measured, Indicated and Inferred Resources of:

Tin-Tungsten Resources

Table 1: Tin-Tungsten Resources October 2012

Lower Cut (Tin equiv)	Category	Tonnes	Tin Equiv. Grade	Tin Grade	Tungsten Grade (WO ₃)	Mass Recovery of Magnetic Iron (Fe) Grade	Copper Grade	Contained Tin Metal (tonnes)	Contained Tin/Tungsten Metal (tonnes)
0.20%	Measured	8.1Mt	0.6%	0.2%	0.1%	17%	0.1%	18,000	29,000
	Indicated	17Mt	0.4%	0.2%	0.1%	15%	0.1%	32,000	43,000
	Inferred	20Mt	0.4%	0.2%	0.1%	17%	0.1%	32,000	41,000
	TOTAL	45Mt	0.4%	0.2%	0.1%	17%	0.1%	81,000	113,000
0.45%	Measured	4.3Mt	0.8%	0.3%	0.2%	18%	0.1%	12,000	22,000
	Indicated	5.2Mt	0.7%	0.3%	0.2%	15%	0.1%	14,000	22,000
	Inferred	3.9Mt	0.6%	0.3%	0.1%	9%	0.1%	12,000	17,000
	TOTAL	13Mt	0.7%	0.3%	0.2%	14%	0.1%	38,000	61,000

Note: Reporting to two significant figures as per the JORC code. Figures have been rounded and hence may not add up exactly to the given totals. Full details of estimate are in Appendix One.

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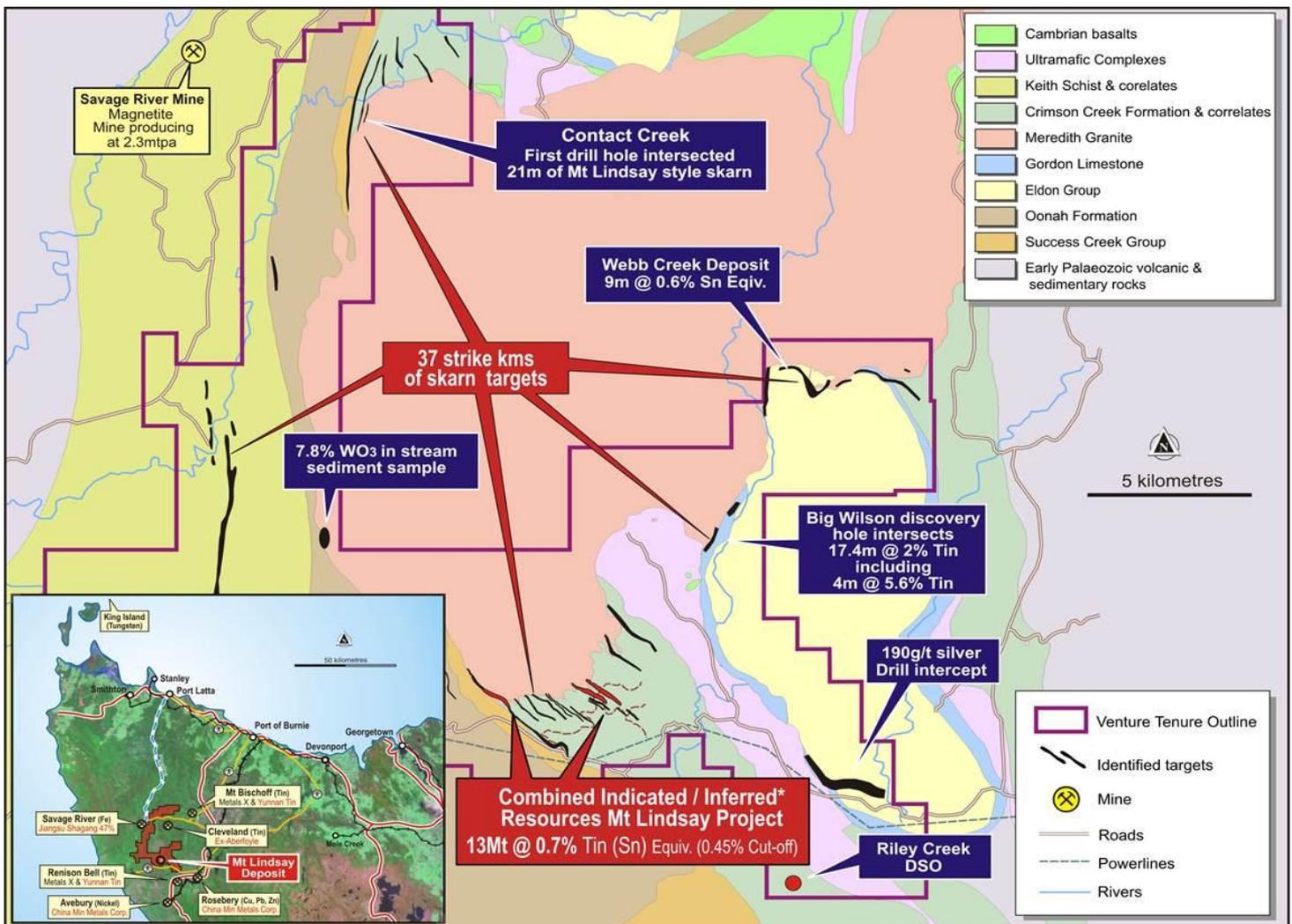
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Notes:

- The Sn equivalent formula used to calculate the Sn equivalent values for the Main and No.2 Skarns is as follows: $\text{Sn Equivalent (\%)} = \text{Sn\%} + (\text{WO}_3\% \times 1.90459) + (\text{mass recovery \% of magnetic Fe} \times 0.006510) + (\text{Cu\%} \times 0.28019)$. Whereas for the Sn equivalent formula used to calculate the Sn equivalent values for the Stanley River South and Reward Skarns is as follows: $\text{Sn Equivalent (\%)} = \text{Sn\%} + (\text{WO}_3\% \times 1.65217) + (\text{Cu\%} \times 0.34783)$.
- The mass recovery of the magnetic iron is determined mostly by Davis Tube Results (“DTR”).
- The Sn equivalent formulae uses a tin metal price of US\$23,000/t, an APT (Ammonium Para Tungstate) price of US\$380/mtu (1mtu =10kgs of WO_3), a magnetite concentrate price of US\$110/t and a copper metal price of US\$8,000/t.
- Pilot scale metallurgical testwork has been completed on the Main and No.2 Skarns with results indicating the metallurgical recovery for tin is 72%, for WO_3 is 83%, for iron in the form of magnetite is 98% and for copper is 58%. The results of this testwork are stated in the ASX announcement of August 31 2012.
- It is the Company’s opinion that the tin, WO_3 and copper as included in the metal equivalent calculations for the Stanley River South and Reward Skarns have a reasonable potential to be recovered for when the Mt Lindsay Project goes into production.

The resource base at Mt Lindsay is hosted within two magnetite rich skarns (Main Skarn and the No.2 Skarn) which extend over a total strike of 2.8kms and remain open at depth. Additional indicated and inferred resources have been defined at the Reward and Stanley River South Prospects, which extend over an additional 1.1km of strike. The skarns drill tested to date represent approximately 10% of the total skarns identified by the Company, with an additional 37 strike kilometres of interpreted magnetite skarns still to be tested within the project area (Ref fig 1).

Figure 1: Regional Exploration Targets



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In 2012 the resource base at Mt Lindsay was the subject of a Bankable Feasibility Study (“BFS”) which concluded that the project was robust in terms of margin per tonne and internal rate of return. The study entertained a 1.75million tonne per annum operation, producing concentrates of tin, tungsten, copper and magnetite.

Activities during the December Quarter

During the December Quarter the Company completed the Mt Lindsay BFS delivering a set of robust results which confirmed the long term, high value potential of the Mt Lindsay Tin/Tungsten Project.

Highlights of the study included:

- 14mt Maiden Reserve including proved reserves of 6.4mt @ 0.7% tin equivalent
- Project generates in excess of \$550 million in net revenue (pre tax)
- Net annual revenue peaks at over \$110 million (pre tax)
- Long mine life of 9 years
- Return on Equity: 33%
(60%debt/40%equity)
- Payback period of 4 years
- Capital Cost of \$198 million including a 35% plant capacity upgrade to 1.75mtpa.
- Project NPV:

NPV discount rate	A\$M
8.0%	\$143
9.0%	\$128
10.0%	\$113

Details of the BFS and a list of assumptions are as follows:

Reserve Statement – November 2012

Table 2: Reserve Statement November 2012

Category	Tonnes	Tin Equiv. Grade	Tin Grade	Tungsten Grade (WO ₃)	Mass Recovery of Magnetic Iron (Fe) Grade	Copper Grade	Contained Tin Metal (tonnes)	Contained Tin/Tungsten Metal (tonnes)
Proved	6.4Mt	0.7%	0.2%	0.2%	18%	0.1%	14,000	23,000
Probable	7.3Mt	0.5%	0.2%	0.1%	13%	0.1%	16,000	23,000
TOTAL	14Mt	0.6%	0.2%	0.1%	15%	0.1%	30,000	46,000

Note:

- Rounding conforming to JORC to appropriate levels of precision may cause minor computational errors.
- See Appendix Two for full details.

Processing Plant

A 1.75Mtpa processing plant was designed by GR Engineering Services in-conjunction with the recently completed pilot scale metallurgical program (ASX announcement of 31 August 2012) coordinated by Venture's General Manager of Metallurgy, Mr Geoff Beros, through three major laboratories in Perth with specialist testing also conducted in laboratories based in Adelaide, Burnie, the Gold Coast and Guangzhou, China.

Metallurgical Recoveries

Metallurgical recoveries are based on the recently completed pilot scale metallurgical program (ASX announcement of 31 August 2012).

Mine Design

Rock Team undertook the open pit and underground mine design work. GHD and Rock Team co-designed the Waste Dump.

The pit design has an overall slope angle of approximately 50° and consequently has a waste to ore strip ratio of 8 to 1.

The underground mine design was based on the top down longhole open stoping method.

Environmental & Permitting

The Company has conducted a diligent approach to the approval process, striving to exceed its environmental obligations for the development of the Mt Lindsay Project. Venture is progressing well through the approval process working closely with both the State and Federal Governments.

Independent environmental consultants, Pitt & Sherry, have assisted Venture with all environmental and permitting aspects of the Mt Lindsay Project development. The Company has received the guidelines from the EPA for preparing a Development Proposal and Environmental Management Plan (DPEMP) for the development of the Mt Lindsay Project. The DPEMP is near completion with the final document to be submitted as soon as possible.

As previously noted to Shareholders on a number of occasions, campaigns run by various NGO's including GetUp! and the Tarkine National Coalition (TNC), continue to seek additional environmental protection for the Tarkine/northwest region of Tasmania. On numerous occasions we have been approached by the media and other interest groups to comment on these campaigns. Given that we are currently going through an exhaustive approval process, which the Company fully supports, we believe it is not appropriate for Venture to comment on these campaigns.

It is noted that Mt Lindsay is located in the heart of the northwest mining district, in an area which formally recognises the value of mineral exploration and mining and has historically been active since the late 1800's. This area is Crown Land with no restrictions on mining activity, other than standard environmental and planning approval processes required for any development in Tasmania. The Company is not aware of any decision by the government to grant any additional environmental protection for the Tarkine/northwest region of Tasmania. The Company will however continue to monitor any developments within the broader region and will inform shareholders if any such developments become material to Ventures operations.

Hydrogeological Modelling

William C. Cromer Pty Ltd developed a Hydrogeological Model for the Mt Lindsay Project which was utilised for mine design, process design and tailings dam design for the study.

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Infrastructure & Logistics

GHD designed the Tailings Dam for the BFS. Venture has worked with various consultants and government bodies to determine the Accommodation, power supply and ore transport costs.

Sales & Marketing

Penfold has advised Venture on all sales and marketing aspects of the study.

Financials

Northwind Resources built the Financial Model used in the study.

Commodity Prices

The commodity prices used (see table below) are in line with forecasts over the life of the project.

The tin price represents a 15% discount to the average ITRI tin price forecast which is less than the LME quoted tin price has been over the last two years. The tungsten price is based on the average Roskill APT (Ammonium paratungstate) price forecast which is 5% less than the European Free Market APT price (as quoted in the Metal Bulletin Weekly Report on a per mtu basis which is equivalent to 10kg of contained WO₃) has been over the last two years.

Metal prices adopted	
Tin	US\$23,800/t
Tungsten	US\$392/mtu
Magnetite (reference price Fe 62%)	US\$125/t
Copper	US\$8,000/t

Exchange Rate

A constant exchange rate of USD/AUD = \$0.90 has been used and this is in line with forecasts over the life of the project.

Smelter Discount

A discount of 6% was used for the tin concentrate and a discount of 7% was used for copper concentrate.

Since completing the BFS the Company is now focussed on completing the environmental approvals as well as advancing off-take and financing strategies.

Exploration

The Big Wilson Prospect was only discovered in the second half of 2012, but fast became the focus for exploration during the December Quarter. The prospect is situated approximately 6 kilometres from both the Pieman Road and the Mt Lindsay Deposit. The prospect is located where the Devonian Meredith Granite, a highly fractionated tin granite, has intruded early Palaeozoic limestone and pre-Cambrian ultramafic rocks (Fig 1). The alluvial gravels at Big Wilson were mined for tin in the late 1800s to early 1900s, as evidenced by extensive alluvial tailings.

Venture's first drilling campaign at Big Wilson has now successfully identified high grade tin mineralisation in north striking skarn and greisen on the margin of the Meredith Granite, extending over 400m of strike. Holes

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BW001 and BW003A have confirmed the presence of high grade northwest striking cassiterite vein zones within the greisen, and associated high grade disseminated cassiterite mineralisation where the veins intersect the skarn. In addition, the latest drilling has also intersected Mt Lindsay style mineralisation with tin zones often associated magnetite, tungsten and copper.

Table 3: Big Wilson Prospect High Grade Intersections

Hole ID	Interval (metres)	Tin (Sn) Equivalent Grade
BW001	35.4	1.1%
includes	17.4	2.1%
includes	4	5.8%
BW002	8	0.5%
BW003A	42	0.5%
includes	10	1.0%
and	4	0.9%
BW008	21	0.5%

Note:

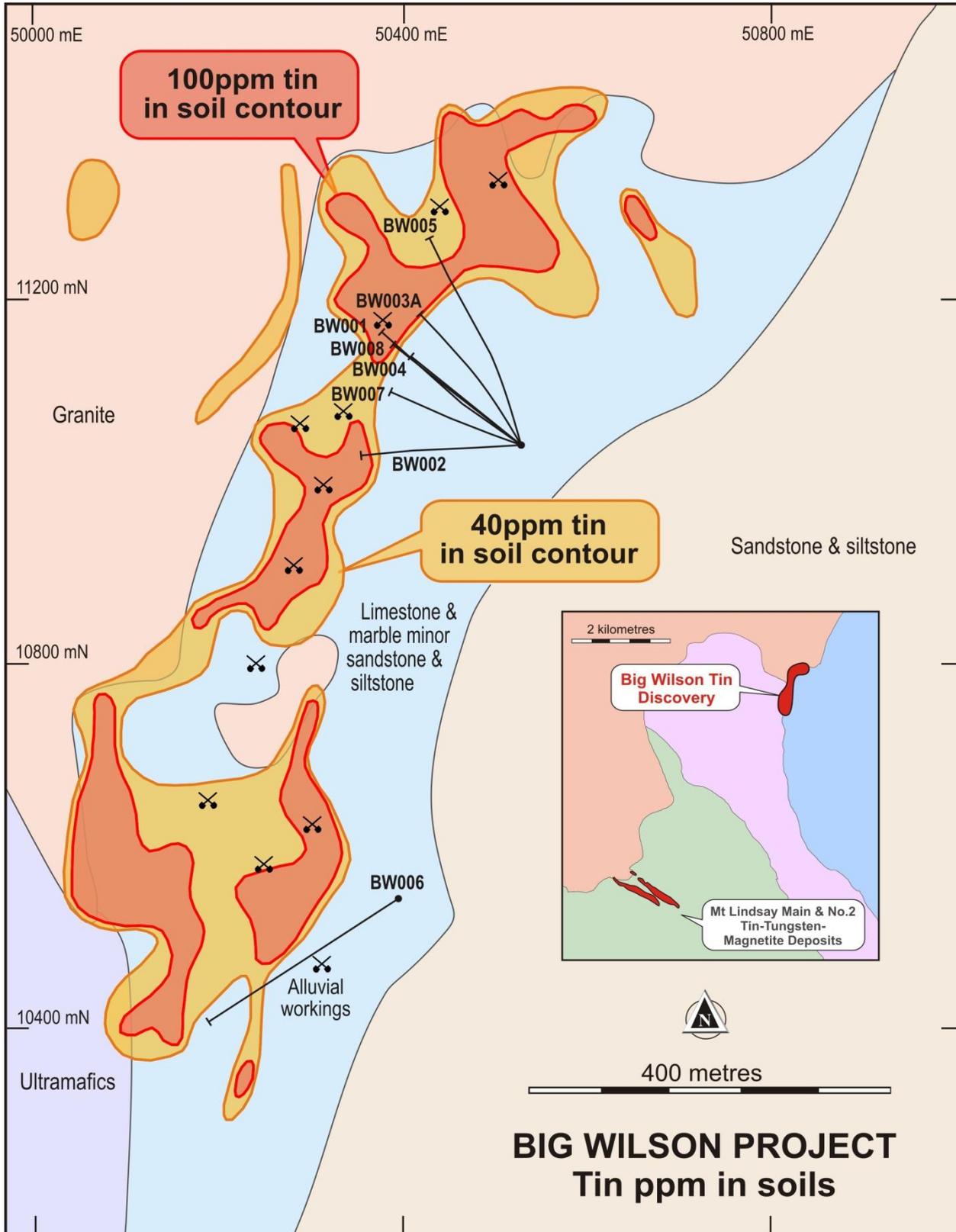
For full details of drill intersections and a list of assumptions for tin equivalents please see Appendix Three.

The mineralisation remains open along strike and down plunge within both the north striking skarn and northwest striking vein zones. Surface geochemistry suggests the presence of multiple zones of cassiterite veining; future exploration will target the cassiterite veins as they intersect the Big Wilson skarn.

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Figure 2: Big Wilson Location Map



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Riley DSO Hematite Project

The Riley DSO Project is located 10km from the Mt Lindsay Project (refer to Figure 3) and occurs as a hematite rich pisolitic and cemented laterite. The deposit is all at surface, located less than two kilometres from a sealed road that accesses existing rail and port facilities.

A maiden resource of statement of 2mt @ 57% Fe was defined earlier this year which resulted in the Company doubling its overall DSO resource base to 4.4mt @ 57% Fe.

The previous quarter saw Venture complete a new resource estimate which resulted in 100% upgrade from the inferred to indicated category.

Table 4 – Resource Statement – Riley DSO Project

Resource	Tonnes	Fe (%)	Fe (%) Calcined	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	Cr (%)	LOI (%)
Indicated	2.0mt	57	61	3.7	2.6	0.03	0.08	2.8	7.7

*Refer to Appendix Four for parameters

Having completed the new resource Venture engaged independent mining engineers, Rock Team to complete mining studies on the deposit and produce a reserve statement. With all the hematite resources at Riley located at or near surface, the study delivered a 90% conversion rate of resource to reserve.

Table 5 – Reserve Statement – Riley DSO Project

Reserve	Tonnes	Fe (%)	Fe (%) Calcined	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	Cr (%)	LOI (%)
Probable	1.8mt	57	61	3.7	2.6	0.03	0.07	2.8	7.8

Notes:

- An Ore Reserve estimate for the Riley DSO deposit has been determined using accepted industry practices.
- The deposit will be mined using conventional excavator and truck mining methods. Due to the nature of the deposit no drilling and blasting is expected to be required.
- The same cost and revenue assumptions were used as in the Scoping Study (refer to ASX announcement on April 19 2012).

Activities during the December Quarter

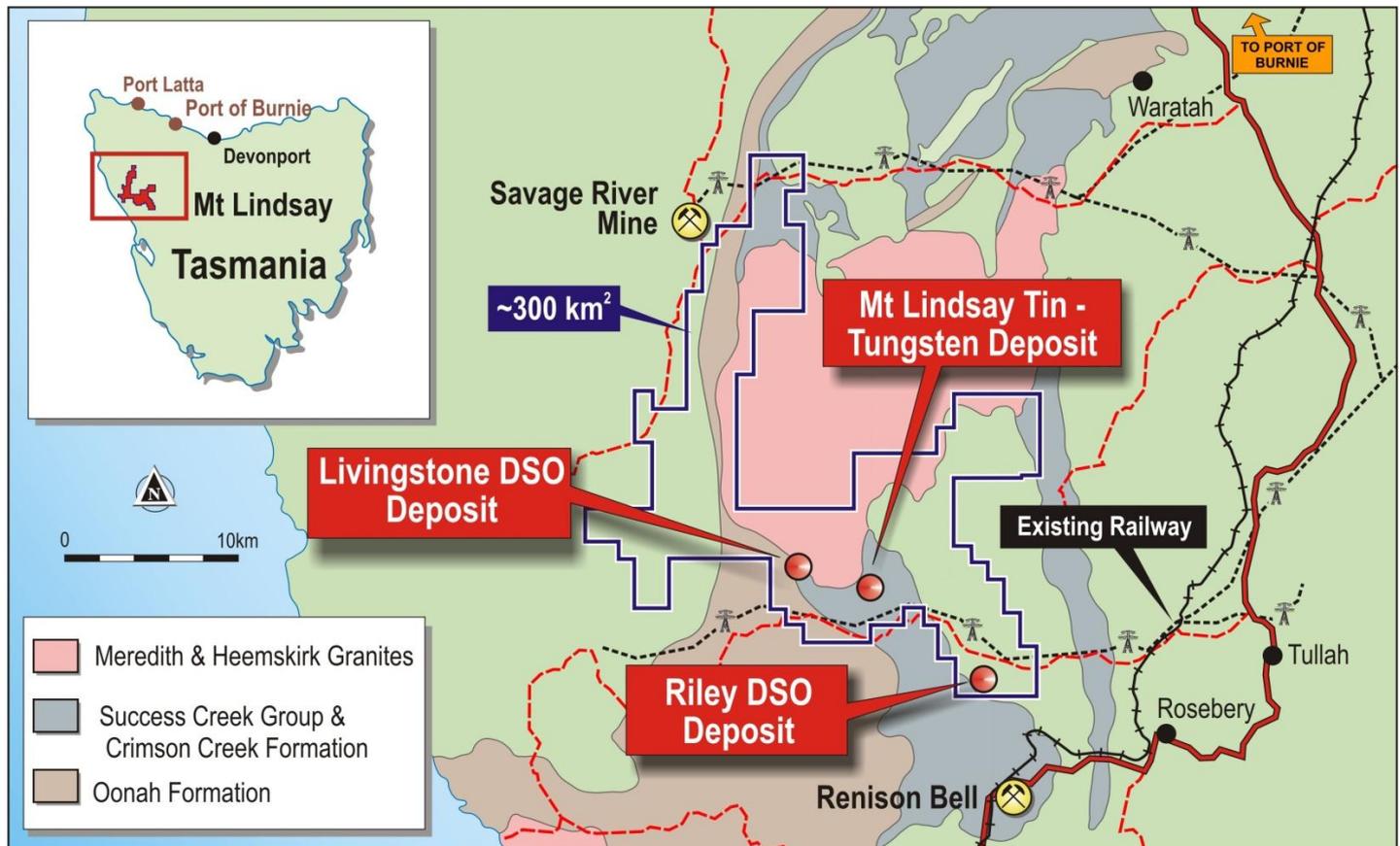
The focus for activity at Riley during the December Quarter centred around the permitting and approval process. This work culminated in the receipt of a granted mining lease over the Riley DSO Deposit in late December. With the lease now granted the Company is focussing its efforts on finalising the environmental approvals. Over the past three months Venture completed the Development Proposal and Environmental Management Plan (DPEMP) and submitted it to the EPA. The DPEMP will be assessed by the Tasmanian Government under the bi-lateral agreement with the Commonwealth.

In addition to the environmental approval process, Venture continues to advance negotiations on all other key contracts and agreements. Following the signing of multiple MOU's for product off-take the Company has now finalised a short list and anticipates concluding negotiations by the end of the current quarter. Negotiations for transport and mining contracts have also been advanced during the December Quarter with a number of tenders already received. Venture also continues to negotiate with leading resource banks to secure a standby debt facility for the Riley development.

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Figure 3: Location Map for Mt Lindsay Tin-Tungsten Deposit/ Riley DSO Deposit/Livingstone DSO Deposit



Livingstone DSO Hematite Project

Located only 3.5km from the Company's flagship Mt Lindsay Tin-Tungsten Deposit is the Livingstone DSO Hematite Deposit. Livingstone consists of an outcropping hematite cap overlaying a magnetite rich skarn. The hematite occurs from surface, is consistent in grade and located only 2km from a sealed road which accesses existing rail and port facilities.

A maiden resource of statement of 2.2mt @ 58% Fe was defined at Livingstone in August 2011, which was followed by a positive and robust scoping study. Additional work later in the year included blending and sizing testwork and preliminary mining studies all of which delivered positive results.

During the second half of 2012 the Company completed a resource upgrade, which resulted in 100% of the inferred resources being converted to the indicated category.

Table 6 - Resource Statement Livingstone DSO Project

Resource	Tonnes	Fe (%)	Fe (%) Calcined	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)
Indicated	2.4mt	57	61	5.4	1.9	0.07	0.05	7.0

*Refer to Appendix Four for parameters

Immediately following the resource upgrade Venture engaged independent mining engineers, Rock Team to complete mining studies on the deposit and produce a reserve statement. With the hematite resources at Livingstone consistent in nature and outcropping at surface the study delivered a 90% conversion rate of resource to reserve.

Table 7 – Reserve Statement – Livingstone DSO Project

Reserve	Tonnes	Fe (%)	Fe (%) Calcined	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	S (%)	LOI (%)
Probable	2.2mt	57	62	5.3	1.9	0.08	0.03	7.1

NOTES:

- The open pit for the Livingstone deposit was optimised using the Whittle Four-X implementation of the Lerchs–Grossman algorithm. Ore selection within Whittle has been based on cashflow. Ore is selected by comparing the cash flow which would be produced by processing versus the cashflow produced by mining it as waste. If the cashflow from processing is higher, the material is treated as ore. If not, it is treated as waste. Material is defined as ore when revenue less fixed, mining, processing and realisation costs is greater than zero.
- The 100% revenue factor shell has the highest undiscounted cash flow and is generated at the base DSO selling price. This shell has been used as the basis of detailed open pit designs.
- The same cost and revenue assumptions were used as in the Scoping Study (refer to ASX announcement on April 19 2012).

Activities during the December Quarter

With the completion all the technical work at Livingstone, the Company’s focus during the December Quarter continued to be on the approval process. The Company continues to work with the EPA to finalise the DPEMP. In addition to the approvals process Venture also continued to advance mining contracts, ore transport contracts and off-take agreements.

South East Asia Initiative

Venture continues to progress its strategy of targeting South East Asia for exploration opportunities. Venture has identified an extensive belt of “skarn style” mineralisation throughout the region specifically targeting strategic metals such as tin and tungsten as well as other base and precious metals.

The Company has established a low cost regional office in the region and will look to continue to build a cost effective portfolio of exploration projects over the medium term.

During the December Quarter the Company completed a number of desktop studies and reconnaissance field trips which identified several target areas. Venture is now in the process of securing tenure over high priority areas.

Maitland Channel Uranium Project, Western Australia (Venture Minerals has 100%)

Venture’s Maitland Channel Project (137km²) covers over 28kms of the Tertiary channel system along strike from the Lake Maitland (Mega Uranium Limited) and Centipede & Lake Way (Toro Energy Limited) calcrete-hosted uranium deposits, in the North Eastern Goldfields of Western Australia. The Project includes radiometric anomalies analogous to the Lake Maitland deposit.

There was no field activity during the quarter.

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Paulsens South Project, Western Australia

(Venture Minerals has 100%, reducing to 30%)

The Paulsens South Project (covering 68km²) flanks and covers a similar stratigraphic and structural setting to Northern Star Resources Limited's high grade Paulsens Gold Mine, (current Measured, Indicated and Inferred Resources of 2.418Mt at 5.0g/t for 403k oz Au, has produced over 450,000 ozs in 6 years and is currently producing ~80,000 oz gold per annum) in the Ashburton Mineral Field of Western Australia.

In the December Quarter Rumble Resources Limited ("Rumble") drilled 17 Reverse Circulation ("RC") drill holes for 1,688m as part of the first pass drill program testing targets on both the Melrose and Highway Fault Zones. The program tested a combination of geophysical, structural and geochemical targets that are considered prospective for Paulsens-style quartz-sulphide vein hosted gold mineralisation. Drilling at the Highway Fault Zone intersected numerous quartz veins ranging in width from a few centimetres up to five metres. The western most drill traverse in the Melrose Fault Zone area intersected some quartz veins hosted within massive to strongly sheared basalt. Whereas the eastern most drill traverse intersected a twelve metre wide fault zone containing pyrrhotite, a magnetic iron sulphide mineral within gabbro and dolerite. This explained the magnetic and chargeability anomaly that was being targeted.

Though intersecting significant widths of quartz veining at the Highway Fault Zone and sulphide mineralisation along the Melrose Fault Zone no significant gold mineralisation was intersected. Two holes returned base metal mineralisation with hole PSRC004 intersecting 4m @ 1470 ppm Zn & 500 ppm Pb from 84m and hole PSRC006 intersecting 4m @ 1260 ppm Cu from 20m.

Rumble's first pass drill program indicates that ground geophysics can identify zones of sulphide mineralisation in which gold mineralisation is hosted in this region. The program only tested a small area of these major structural features with only 400m of the 8km Highway Fault Zone tested and only two traverses completed across the Melrose Fault Zone. These two target areas are in excess of 15km in length and Rumble intends to undertake further geophysical targeting in 2013 to identify high priority zones.

This drill program satisfies Rumble's initial joint venture commitment as part of the requirements to earn at least 70% of the project.

Harris Bluff Project, South Australia

(Venture Minerals has 51% whilst earning up to 90%, except for the uranium rights)

The Harris Bluff Project (167km²) is situated within the south-eastern part of the Gawler Craton, an area considered prospective for Pb-Zn and epithermal Au-Ag mineralisation. Very sparse historic drilling in the immediate vicinity of the Project returned up to 180 ppb Au and 6 g/t Ag.

Mega Hindmarsh Pty Ltd ("Mega") a subsidiary of Toronto listed Mega Uranium Limited is in a joint venture with the Company on the project (EL4788) and has been targeting unconformity-associated uranium mineralisation at the base of the Mesoproterozoic Corunna Conglomerate. Since the beginning of the joint venture in 2008 Mega has applied several exploration techniques including detailed spectral analysis of historic drill core to determine alteration signatures, airborne hyperspectral survey using the HyVista system, again looking for alteration patterns, and an airborne electromagnetic survey to map faults, alteration and potentially reducing units such as graphite. In addition Mega compiled results from historical studies, reports and surveys to predict possible uranium mineralisation sites using a uranium mineral systems model. An interpretation was offered of the sources of uranium fluids, available pathways of transportation, geodynamic influences on fluid-flow directions to arrive at the location of favourable depositional environments and likely sites for economic mineralisation.

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To assist the targeting process Mega recently completed a partial leach soil sampling program on 400m and 200m centres for identifying uranium and precious metals. Analyses of the soil sampling results provided encouraging zones of multi-element anomalies of economic interest including uranium, silver, gold and REE. The results were significant enough to justify further infill sampling to pin point drill site locations. Each of the anomalous zones identified represent a new opportunity for the discovery of uranium or silver mineralisation.

Mega has now earned 51% interest in the uranium rights of the project.

Detailed information on all aspects of Venture Minerals' projects can be found on the Company's website www.ventureminerals.com.au.

Yours faithfully



Hamish Halliday
Managing Director

The information in this report that relates to Exploration Results, Exploration Targets or Mineral Resources is based on information compiled by Mr Andrew Radonjic, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Radonjic is a full-time employee of the company. Mr Andrew Radonjic has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew Radonjic consents to the inclusion in the report of the matters based on his information in the form and context in which it appears

The information in this letter that relates to Ore Reserves is based on information compiled by Mr Denis Grubic, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Grubic is an independent consultant employed by Rock Team Pty Ltd. Mr Grubic qualifies as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grubic consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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APPENDIX ONE

Mt Lindsay Resource Estimation Parameters

- For the Main and No.2 Skarns, the classification of the Resources has been based on the variography run during the Ordinary Kriging estimation process for tungsten. Measured Resources are for continuous areas where the majority of blocks are estimated within the range of the variograms, and which coincide with high levels of data quality, quantity and confidence in the geological interpretation. Indicated Resources are for continuous areas where the majority of blocks are estimated within twice the range of the variograms, and which coincide with an appropriate level of data quality, quantity and confidence in the geological interpretation. All areas outside of the Measured and Indicated Resources have been classified as Inferred.
For Reward, the classification of the Resources has been based on the estimation run during the Inverse Distance Weighed estimation process. Indicated Resources are for continuous areas where the majority of blocks are estimated within the range of the minimum drill hole spacing and which coincide with higher levels of data quality, quantity and confidence in the geological interpretation. All areas outside of the Indicated Resources have been classified as Inferred.
All resources for Stanley River South have been classified as Inferred.
- The Resources are reported above the 0.20% and 0.45%Sn equivalent grade cut-off with no top cut applied for the Stanley River South and Reward Skarns, whereas for Main and No.2 Skarns a top cut of 10% was applied to the tin grades and a top cut of 4% was applied to the tungsten grades.
- The reported grades and tonnages are rounded to two significant figures in accordance with recommendations of the JORC code.
- This Resource estimation covers approximately 1,300 m strike extent of the Main Skarn, 1,600 m strike extent of the No. 2 Skarn and 1,700 m strike extent of the Stanley River South-Reward Skarn. The Main and No.2 Skarns are near vertical tabular bodies with local off-sets by late-stage faulting, whereas the Stanley River South and Reward Skarns vary from being near vertical tabular bodies to shallow dipping and curved lenses.
- Some 428 diamond core drill holes for a total of 78,556 m were used to define the mineralised zones for this resource estimate, including 49 holes for 11,787m drilled by previous explorers. Of this drilling some 122 holes for 25,582 m pierced the Main Skarn, 134 holes for 27,650 m pierced the No.2 Skarn (note that six holes pierced both skarns), 52 holes for 7,198m pierced the Stanley River South Skarn and 20 holes for 2,953 m pierced the Reward Skarn. Of the total 323 drill holes used for the current Resource estimation some 21 holes for 4,761 m core of mainly BQ size (36.5mm diameter) were drilled by the previous owners Aberfoyle Tin Development Partnership and Renison Limited; the other 302 drill holes for 56,965 m were drilled by Venture Minerals Limited with most of the core used in the resource estimate being HQ size (63.5mm diameter, 51% of samples) and NQ size (47.6mm diameter, 40% of samples). The rest of samples were taken from BQ size core (36.5mm diameter, 7% of samples), PQ size core (85mm diameter, 1% of samples) and less than 1% combined of samples taken from other drill methods (AX size core, percussion drilling and adit channel sampling).
- Petrography indicates the widespread occurrence of cassiterite (the saleable oxide of tin) in the three skarns. Logging with an ultraviolet lamp and petrography indicates the main tungsten mineral is scheelite.
- Pilot scale metallurgical testwork has been completed for tin, tungsten and magnetite on the Main and No.2 Skarns with results indicating that economic extraction is highly likely. The results of this testwork are stated in the ASX announcement of August 31 2012. Similarly pilot scale metallurgical testwork was completed for copper on the Main and No.2 Skarns resulting in an average recovery of 58%. Initial metallurgical testwork has been completed for tin only on the Reward Skarn with similar results to that achieved for the Main and No.2 Skarns.
- Drill hole density in the Main Skarn ranges from approximately 25m by 10m to a maximum of c. 120m, and the No.2 Skarn from approximately 20m by 10m to a maximum of c. 120m. Overall drill hole spacing for both skarns is very approximately 40m by 25m. The drill hole density in the Stanley River South and Reward Skarn ranges from approximately 25m by 10m to a maximum of c. 100m.
- Some of the previous owners' drill core from both the Main Skarn and No.2 Skarn is still available and where possible re-sampled in 6 feet or 2m intervals as appropriate by Venture Minerals Limited and assayed for a broader suite of elements including tin, tungsten and iron. The remaining core was ¼ core sampled with core saw, or in cases where only quarter core was available the entire remaining core was sampled.
- The Venture Minerals Limited drill core (NQ and HQ) was sampled by core saw in a continuous and volumetrically consistent basis in 2m intervals across the mineralised skarns.
- Documentation on the analytical techniques used by the previous owners was unavailable. Original assays from 18 of the previous owners' holes were used in the resource estimate (c.4% of total assays). The Venture Minerals Limited drill core samples were submitted to ALS Chemex (quality system complies with international standards ISO 9001:2000 and ISO 17025:2005) and SGS Renison for crushing, pulverising and assaying. All of Venture Minerals Limited's assays used for the resource estimation were done by XRF.
- There was no QC information available on the assays from the previous owners' drilling. Venture Minerals Limited's QAQC samples included standards and field duplicates which were submitted with each drill hole. The QC data is considered adequate for the current resource estimate.
- All diamond drill core was geologically logged. When the drill core was orientated then it was also structurally logged.
- The densities used in the resource estimation were based on 7,319 specific gravity measurements made on the diamond core at one metre intervals within the mineralised zones. Weathered materials which account for only c. 2% of the Sn equivalent resource estimate were assigned to a separate domain with an average density 1.7 in the Main and No.2 Skarns. Fresh rock density for the Main and No.2 Skarns was interpolated to the block model using the same technique as for grade estimation. The mean density for the Main Skarn was 3.39 t/m³, whilst for the No. 2 Skarn it was 3.58 t/m³. Densities for the Stanley River South and Reward Skarns were interpolated to the block model using the same technique as the grade estimation. Average densities were 2.58 t/m³ for the Stanley River South Skarn and 2.21 t/m³ for the Reward Skarn.

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- Drill hole collar positions for the previous owners' drilling were transformed to the MGA grid after several of the holes were relocated and surveyed. Of Venture Minerals Limited's 393 drill hole collars some 367 (93%) were surveyed in the MGA Zone 55 GDA94 grid and datum by licensed surveyors using a combination of differential GPS and total station survey systems and the remaining 26 collars (7%) were surveyed using handheld GPS.
- Some 57% of the previous owners drill holes were surveyed with a down hole camera, for which all plunge measurements and some azimuth measurements were accepted. All of Venture Minerals Limited's drill holes were surveyed with conventional magnetic instruments and, as for previous explorer data, all plunge and only consistent azimuth data were accepted. Some 2% of Venture Minerals Limited's drill holes were also surveyed by north-seeking gyroinclinometer tool by independent contractor Northern Exploration Pty Ltd, and some 63% of Venture's drill holes were surveyed with a deviflex tool by Venture personnel using tools hired from DH Surveys Pty Ltd with another 3% receiving collar orientations only.
- The tin, tungsten and magnetite mineralisation in the Main and No.2 Skarns is not completely coincident, consequently a different set of wireframes was created for each commodity from geological cross section interpretation for this resource estimate. Four discrete wireframes were created for the magnetite and tin resources in the Main and No. 2 Skarns, three for the tungsten resource. The wireframes were then divided into geometrical subdomains, resulting in a total of 16 domains (6 for tin, 5 each for tungsten and magnetite). The wireframes were filled with blocks of 10m x 5m x 2.5m xyz dimension with 2.5x2.5x1.25m sub-blocking. The tin, tungsten trioxide, and iron grades were then interpolated to the blocks using Ordinary Kriging for each commodity separately, with an initial search ellipse of 69x53x6m for magnetite, 68x70x8m for tin and 73x40x8m for tungsten, oriented parallel to the strike and dip of the mineralised skarn and as indicated by the variography, followed by progressively more relaxed searches until all blocks were assigned a tin, tungsten trioxide, and iron grade. Four sectors were used for each search ellipse with a maximum of 10 points per sector, and a minimum of 4 points for the first search followed by more relaxed search criteria down to a minimum of 2 points for subsequent searches. The three separate block models were then combined into one model and the copper grades estimated into the new model with the Inverse Distance Squared method with an initial search ellipse of 50x25x8m oriented parallel to the strike and dip of the mineralised skarn.
- For the Stanley River South Skarn two separate wireframes were created from geological cross section interpretation. The wireframes were filled with blocks of 10m x 5m x 2.5m xyz dimensions with 2.5x2.5x1.25m sub-blocking. The tin and tungsten grades were estimated to the blocks by Ordinary Kriging, with an initial search ellipse of 30x10x7m for tin and 25x15x9m for tungsten oriented parallel to the strike and dip of the mineralised skarn and as indicated by the variography. Copper was estimated to the blocks using the Inverse Distance Squared method with an initial search ellipse of 25x25x9m oriented parallel to the strike and dip of the mineralised skarn. Four sectors were used for each search ellipse with a maximum of 6 points per sector, and a minimum of 3 points for the first search followed by more relaxed search criteria down to a minimum of one point for subsequent searches.
- For the Reward Skarn four separate wireframes were created from geological cross section interpretation. The wireframes were filled with blocks of 10m x 5m x 2.5m xyz dimensions with 2.5x2.5x1.25m sub-blocking. The tin, tungsten and copper grades were estimated to the blocks using the Inverse Distance Squared method with an initial search ellipse of 25x25x5m oriented parallel to the strike and dip of the mineralised skarn. Four sectors were used for each search ellipse with a maximum of 6 points per sector, and a minimum of 3 points for the first search followed by 2 points for subsequent searches.
- The weight (or mass) recovery ("MR") of the iron in the Main and No.2 Skarns was determined by Davis Tube Recovery tests ("DTR") for 90% of the composited assay intervals used for the estimation. MR for the remaining assay intervals was calculated by regression of the magnetic susceptibility (7% of assay composites). It was not possible to regress MR data for approx. 3% of the assay composite intervals (historic drill holes without Fe grade or magnetic susceptibility data). MR was interpolated to the block model using the same technique as for grade estimation.

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APPENDIX TWO

Mt Lindsay Reserve Notes

- The reserves are based on the resources announced in the Quarterly Report for the period ending 30 September 2012 on 17 October 2012.
- The open pits for each deposit were optimised using the Whittle Four-X implementation of the Lerchs–Grossman algorithm. Ore selection within Whittle has been based on cashflow. Ore is selected by comparing the cashflow which would be produced by processing versus the cashflow produced by mining it as waste. If the cashflow from processing is higher, the material is treated as ore. If not, it is treated as waste. Material is defined as ore when revenue less fixed, mining, processing and realisation costs is greater than zero.
- The open pit deposits will be mined using conventional drill and blast and excavator and truck mining methods.
- The underground deposit (represents 13% of total reserves) is proposed to be mine using Long Hole Open Stopping (“LHOS”) methods. Mining progresses down-dip/plunge with rib pillars employed, to maintain regional stability. Development drives are established along the strike of the ore body. Once the extremities of the ore body are reached, stopping progresses in a retreat manner back along strike. The LHOS method is successfully used in mines throughout Australia and overseas with a high safety record.
- The Sn equivalent formula used to calculate the Sn equivalent values for the Main Skarn is: $\text{Sn Equivalent (\%)} = \text{Sn\%} + (\text{WO}_3\% \times 1.9181) + (\text{mass recovery \% of magnetic Fe} \times 0.0064) + (\text{Cu\%} \times 0.232791)$. The Sn equivalent formula used to calculate the Sn equivalent values for the western extension to the Main Skarn is: $\text{Sn Equivalent (\%)} = \text{Sn\%} + (\text{WO}_3\% \times 2.3174) + (\text{mass recovery \% of magnetic Fe} \times 0.0078) + (\text{Cu\%} \times 0.3111)$. The Sn equivalent formula used to calculate the Sn equivalent values for the No.2 Skarn is: $\text{Sn Equivalent (\%)} = \text{Sn\%} + (\text{WO}_3\% \times 2.17993) + (\text{mass recovery \% of magnetic Fe} \times 0.00709) + (\text{Cu\%} \times 0.31006)$. The Sn equivalent formula used to calculate the Sn equivalent values for the Reward Skarn is: $\text{Sn Equivalent (\%)} = \text{Sn\%}$.
- The mass recovery of the magnetic iron is determined mostly by Davis Tube Results.
- The Sn equivalent formulae use the Commodity Price Assumptions as listed in this ASX announcement.
- Pilot scale metallurgical testwork has been completed on the Main and No.2 Skarns with results indicating the metallurgical recovery for tin is 72%, for WO_3 is 83%, for iron in the form of magnetite is 98% and for copper is 58%. The results of this testwork are stated in the ASX announcement of 31 August 2012. Whereas for the western extension to the Main Skarn a metallurgical recovery for tin of 62% and for WO_3 of 82% were used with the same magnetite and copper recoveries. A metallurgical recovery for tin of 73% was used for the Reward Skarn.
- In addition 1.7Mt of low grade material will be used to supplement mill feed during the later stages of the mine operations.

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APPENDIX THREE
Diamond Core Drill Results from Big Wilson

Hole	East Local Grid (m)	North Local Grid (m)	Azi (°)	Dip (°)	From (m)	To (m)	Interval (m)	Sn %	WO ₃ %	MR %	Cu %	SnEq* %	Approx. centre of intercept depth (metres beneath surface)
BW001	50523	11041	301	-50	209.6	245	35.4	1.00	0.02	3	0.07	1.07	130
includes					209.6	227	17.4	1.95	0.04	5	0.13	2.08	
includes					212.2	216.2	4.0	5.76	0.08	8	0.18	5.79	
BW002	50523	11041	270	-45	209.5	217.2	7.7	0.41	0.01	12	0.01	0.49	110
includes					209.5	214.2	4.7	0.53	0.01	16	0.01	0.62	
BW003	50523	11041	320	-40									Hole Abandoned
BW003A	50523	11041	320	-42	211	253	42	0.35	0.06	6	0.02	0.49	130
includes					211	231	20	0.50	0.10	10	0.03	0.72	
includes					211	221	10	0.74	0.09	9	0.06	0.95	
and					245	253	8	0.50	0.01	0	0.01	0.52	
includes					245	249	4	0.86	0.01	0	0.01	0.88	
includes					247	249	2	1.37	0.01	0	0.01	1.38	
BW004	50523	11041	305	-60	204	204.7	0.7	0.30	0.01	1	0.03	0.31	155
BW005	50523	11041	340	-40	237	243	6	0.22	0.03	13	0.03	0.34	120
					239	241	2	0.40	0.02	7	0.03	0.48	
BW006	50380	10545	240	-40			NSI						
BW007	50523	11041	285	-50	200	210	10	0.28	0.08	12	0.08	0.49	130
includes					202	206	4	0.36	0.09	9	0.07	0.57	
BW008	50389	11040	305	-80	58	79	21**	0.28	0.09	1	0.08	0.46	65
includes					58	71	13**	0.34	0.09	0	0.14	0.52	

Notes:

- The tin equivalent formula used to calculate the tin equivalent values is as follows: Tin Equivalent (%) = Sn% + (WO₃ % x 1.64706) + ((MR(mass recovery)% of magnetic Fe x 0.004622) + (Cu% x 0.336)). The mass recovery of the magnetic iron is estimated from drill core magnetic susceptibility via a regression of magnetic susceptibility versus Davis Tube Recovery results.
- This formula uses the same commodity price assumptions used in the Mt Lindsay BFS as stated in the ASX announcement on 7 November 2012.
- It is the Company's opinion that the tin, WO₃ and iron in the form of magnetite as included in the metal equivalent calculations have a reasonable potential to be recovered for when the Mt Lindsay Project goes into production.

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APPENDIX FOUR

Riley & Livingstone Resource Estimation Parameters

- The Resources have been allocated entirely into the Indicated category with the Livingstone resource reported above a 46% Fe cut-off with no top cut applied, whilst the Riley resource is reported for +1mm screened product above a 53% Fe cut-off with no top cut applied.
- The reported grades and tonnages are rounded to two significant figures in accordance with recommendations of the JORC code.
- This Resource estimation covers approximately 750 m strike extent of the Livingstone iron deposit and an area approximately 1100 m by 1200 m (c. 130 ha) of the Riley iron laterite deposit. The Livingstone deposit includes a range of shallow dipping to vertical bodies. The Riley laterite deposit is a gently sloping surficial veneer.
- A total of 59 diamond core drill holes for a total of 8,247 m and one 20 m adit channel sample were used to define the geological model and hematite mineralized zones for the Livingstone resource estimate. Of this drilling some 35 holes for 5,048 m pierced the mineralised zone, including 34 holes for 4,914 m of NQ and HQ size (47.6 mm and 63.5 mm diameter respectively) and 134 m of BQ size (36.5mm diameter). Drill hole intercept density in the Livingstone deposit ranges from approximately 5 m by 50 m to c. 50 m by 75 m.
- Some 312 test pits were excavated by a 20 t excavator on c. 50 m spacings along lines 50 m apart to an average depth of 2.5m to define the Riley resource.
- The entire Livingstone resource is within 200 m of surface, and all of the Riley resource is within 4 m of surface.
- The Livingstone drill core was sampled by core saw in a continuous and volumetrically consistent basis generally in 1.5 m to 2 m intervals (average 1.8 m) across the mineralised zones.
- The Livingstone samples were submitted to ALS Global, Perth for assay by XRF on fused glass beads made with a lithium metaborate flux for Fe, Si, Al, K, Na, Mg, Ca, Ti, P, S, LOI and an extensive suite of minor and trace elements.
- The Riley test pits were sampled in lithological intervals between 0.1 and 5.4 m (average 0.9 m) thickness and submitted to Bureau Veritas, Perth where all samples were dried, crushed to -10 mm then screened at 1 mm to produce +1mm and -1mm fractions. Weight proportions of the two fractions were determined, and both +1 mm and -1mm fractions were assayed by XRF on fused glass beads using a lithium metaborate flux for Fe, Si, Al, K, Na, Mg, Ca, Ti, P, S, Ni, Cr, LOI and a board suite of trace elements.
- Venture Minerals Limited's QAQC samples included standards and field duplicates which were submitted with each drill hole and at a rate of 1 per 10 samples with the pitting samples. The QC data is considered to be very acceptable for the current resource estimate.
- All diamond drill core and all test pits were geologically logged.
- Density for the Livingstone resource was based on 1,270 dry specific gravity measurements made on the diamond drill core and estimated to the block model using Inverse Distance Weighting to the power of two. Average density for the Livingstone iron resource at a 46% Fe lower cut off is 2.79 t/m³.
- Seven test pits were excavated within the Riley resource area to determine dry density (by volume and weight) of the lateritic materials and an average density has been assigned to the resource block model according to the modelled lithology. 2.48 t/m³ was assigned to gravelly material, 2.56 t/m³ for cemented laterite.
- All drill hole collars and test pits used in the resource estimate were surveyed in MGA Zone 55 GDA94 by licensed surveyors using a combination of differential GPS and total station survey systems. Some 63% of drill holes were down hole surveyed with non-magnetic instruments (Gyroinclinometer and Deviflex) and 19% with conventional magnetic instruments (all plunge but only selected azimuth data were accepted).
- Terrain models for both the Livingstone and Riley deposits were triangulated from data collected by a high quality airborne laser scanning LiDAR survey conducted in 2011. Project specifications and technical processes were designed to achieve vertical data accuracy of 0.30 m and horizontal data accuracy of <0.30 m.
- Two mineralisation wireframes representing the hematite zone >50% Fe within the Livingstone Skarn were constructed from geological cross section interpretation for this Resource estimate. The wireframes were filled with blocks of 10x5x2.5 m xyz dimensions with 4x2x2 m sub-blocking. The iron grades were then interpolated to the blocks by Inverse distance Weighting to the power of two with an initial 25x26x19 m search ellipse oriented parallel to the strike and dip of the mineralised skarn followed by progressively more relaxed searches until all blocks were assigned an iron grade. Four sectors were used for each search ellipse with a maximum of 6 points per sector, and a minimum of 3 points per sector for the first, third, fifth, sixth and seventh search, two points for second, fourth and eighth search, and one point for the ninth and last search.
- Two mineralisation wireframes representing the hematite zone >50% Fe were constructed for the Riley deposit from geological cross section interpretation. The wireframes were filled with blocks of 25x25x1 m xyz dimensions with 5x5x4 m sub-blocking. The iron grades were then interpolated to the blocks by Inverse Distance weighing with an initial 50x50x1 m search ellipse oriented parallel to the strike of the mineralised material. Progressively more relaxed searches followed until all blocks were assigned an iron grade. A flattening function was used in the interpolation to account for the strong influence of the topography on the deposit. Four sectors were used for each search ellipse, with a maximum of 10 points per sector and a minimum of 4 points for the first two searches, 3 points for third and fourth search, two points for fifth and sixth search and one point of the seventh and last search.

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

VENTURE MINERALS LIMITED

ABN

51 119 678 385

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A '000	Year to date (6 Months) \$A '000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(2,977)	(6,304)
(b) development	-	-
(c) production	-	-
(d) administration	(1,272)	(2,130)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	196	311
1.5 Interest and other costs of finance paid	(2)	(8)
1.6 Income taxes	-	-
1.7 Other	-	-
Net Operating Cash Flows	(4,055)	(8,131)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(2)	(4)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Security Deposits	(615)	(615)
Net investing cash flows	(617)	(619)
1.13 Total operating and investing cash flows (carried forward)	(4,672)	(8,750)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,672)	(8,750)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,575	17,004
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Costs of issuing shares	(91)	(900)
	Net financing cash flows	3,484	16,104
	Net increase (decrease) in cash held	(1,188)	7,354
1.20	Cash at beginning of quarter/year to date	18,638	10,096
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	17,450	17,450

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	813
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payments to Directors	
	Salaries, Bonuses, Fees and Superannuation	730
	Payments to Director related entities	
	Allos Property Group Pty Ltd (Rent & outgoings for Premises)	57
	Gryphon Minerals Limited (Recharge of shared resources)	26

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,250
4.2 Development	-
4.3 Production	-
4.4 Administration	900
Total	2,150

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,450	5,638
5.2 Deposits at call	16,000	13,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: Available cash at end of quarter (item 1.22)	17,450	18,638
Restricted cash deposits**	988	374
Total	18,438	19,012

** restricted cash deposits are held to secure bank guarantees for granted exploration and mining leases and other finance facilities.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	ML5M/2012	Granting of Mining Lease	0%	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	287,320,170	287,320,170	-	-
7.4 Changes during quarter				
(a) Increases through issues	11,532,300	11,532,300	\$0.31	\$0.31
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	11,375,000 500,000 10,550,000 1,000,000 2,000,000 2,000,000 2,500,000 <u>29,925,000</u>	- - - - - - -	<i>Exercise price</i> 45.0 cents 55.0 cents 70.0 cents 45.0 cents 45.0 cents 50.0 cents 55.0 cents	<i>Expiry date</i> 15 August 2014 20 March 2013 20 March 2013 See note "A" 14 August 2014 See note "B" See note "C"
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Note A: Options vest upon successfully obtaining project finance for the Mt Lindsay Tin/Tungsten project and expire 18 months after vesting date.

Note B: Options vest upon first shipment of DSO ore and expire 18 months after vesting date.

Note C: Options vest upon company announcement that it has made a decision to proceed with mining tin in Tasmania and expire 18 months after vesting date.

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 January 2013
(Chief Financial Officer & Joint Company Secretary)

Print name: Jon Grygorcewicz

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.