

# Quarterly Report for the period ending 31 December 2014

## Highlights

- **On-going exploration at Mt Lindsay continues to define additional tin targets.**
- **Riley DSO Project on hold but remains ready and well positioned should future iron ore prices support a production decision.**
- **Ventures experienced exploration team continues to broaden the Company's portfolio by advancing tenement applications in South East Asia.**
- **Venture maintains a strong cash position of \$4.3m, following recent receipt of Research and Development Incentive Scheme Refund.**

## Introduction

During the December Quarter Venture's exploration team successfully identified additional tin targets in close proximity to the Mt Lindsay Deposit. The latest prospect, located only 2km from Mt Lindsay, is favourably hosted within a fold in the northern extension of the Renison Mine Sequence, host to the world class Renison Tin Mine situated only 15km to the south of Mt Lindsay.

During the quarter the Riley DSO Project remained on hold due to the sharp fall in iron ore prices during the second half of 2014. However, the Company has completed extensive pre-production work at the Riley Project affording Venture the opportunity to commence production, on relatively short notice, should future iron ore prices support a production decision

The December Quarter also saw Venture continue to look for new opportunities to add value to the Company's broader exploration portfolio. The Company is awaiting granting of several tenement applications in Southeast Asia covering "skarn style" targets prospective for both base and precious metals. Following granting Venture will commence exploration over the new priority targets.

The December Quarter saw the Company successfully apply for a Research and Development Refund relating to mostly pre-production work at the Riley DSO Project. During January Venture received a refund of approximately \$720,000 further strengthening the Company's cash position.

### Venture Fast Facts

ASX Code: VMS  
Shares on Issue: 287 million  
Market Cap: \$10.3 million  
Current Cash: \$3.8 million  
(31 Dec 2014)

### Recent Announcements

Exploration success defines additional target | Mt Lindsay  
(19/11/2014)

EM defines New Targets  
(23/10/2014)

Riley DSO Project Update  
(19/08/2014)

Mining Lease Granted - Mt Lindsay Tin/Tungsten Project  
(03/07/2014)

Riley DSO Project Update  
(11/06/2014)

Riley DSO Project Appeal Lodged to Federal Court Judgement  
(06/06/2014)

Riley DSO Project Federal Court Challenge Dismissed  
(16/05/2014)

Federal Environment Minister Approves Riley DSO Project  
(5/8/13)

Capital Items Secured and Mining Contract Signed  
(2/7/13)

Riley DSO Project Receives EPA Approval and Conditions  
(16/5/13)

Located in North-West Tasmania  
140 years of mining precedent



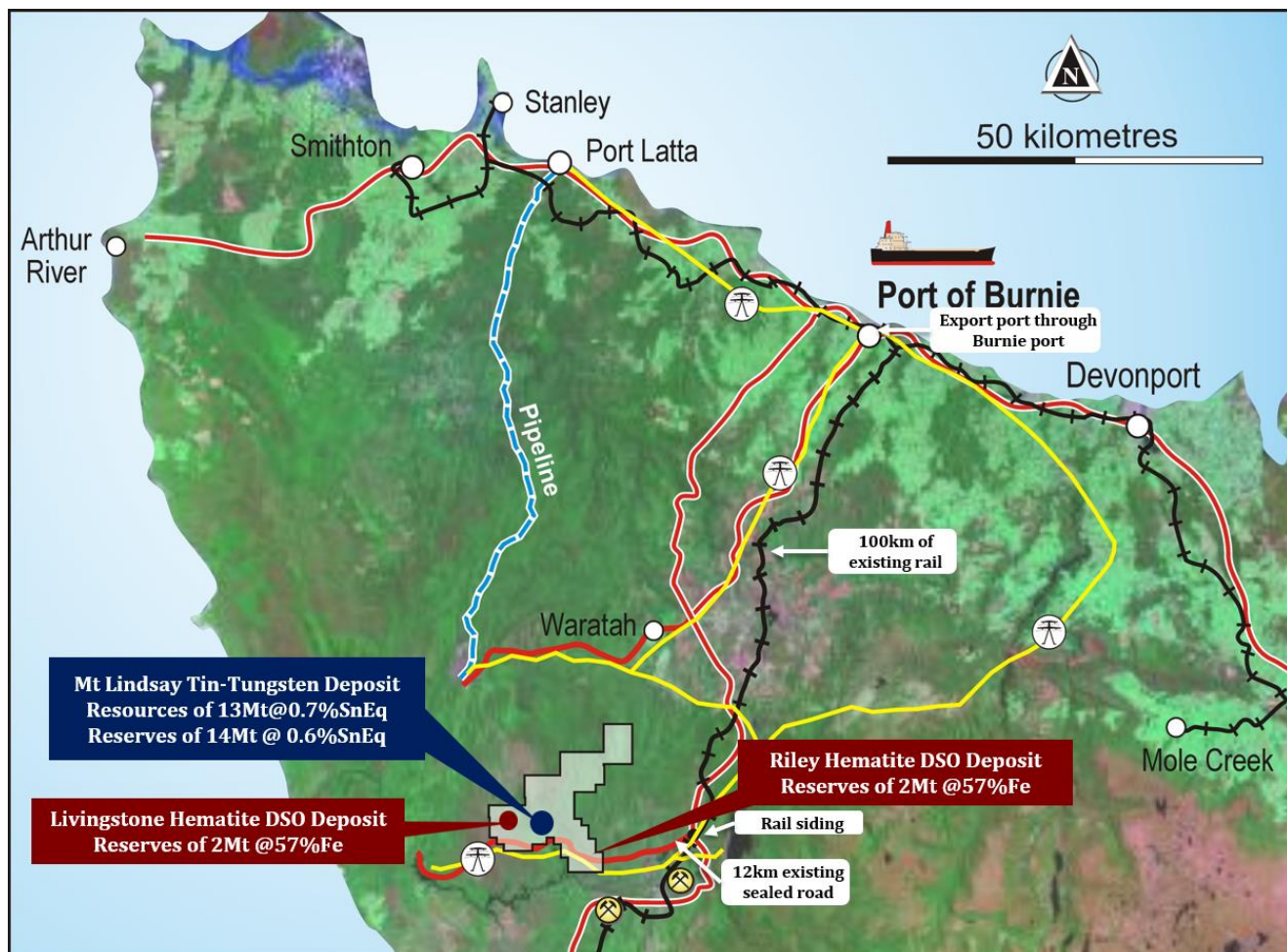
## Mt Lindsay Project, North West Tasmania

### Introduction

The Mt Lindsay Project (186km<sup>2</sup>) is located in north-western Tasmania (refer to Figure 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-231kt of tin metal produced since 1968) and the Savage River Magnetite Mine (operating for > 45 years, currently producing approximately 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 hosts both the Mt Lindsay Tin-Tungsten Deposit and all of the surrounding prospects.

**Figure 1| Location Map for Mt Lindsay Tin-Tungsten Deposit/Riley DSO Deposit/Livingstone DSO Deposit**



Since commencing exploration on the project in 2007, Venture has completed approximately 83,000m of diamond core drilling at Mt Lindsay and defined a JORC compliant Measured, Indicated and Inferred Resources.



## Tin-Tungsten Resources

**Table 1 | Tin-Tungsten Resources October 2012**

Lower Cut (Tin equiv)	Category	Tonnes	Tin Equiv. Grade	Tin Grade	Tungsten Grade (WO <sub>3</sub> )	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
	<b>TOTAL</b>	<b>45Mt</b>	<b>0.4%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>17%</b>	<b>0.1%</b>	<b>81,000</b>	<b>113,000</b>
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
	<b>TOTAL</b>	<b>13Mt</b>	<b>0.7%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>14%</b>	<b>0.1%</b>	<b>38,000</b>	<b>61,000</b>

Note: Reporting to two significant figures. Figures have been rounded and hence may not add up exactly to the given totals. Full details of the estimate are in the ASX announcement for the Quarterly Report on 17 October 2012.

### Notes:

- The Sn equivalent formula used to calculate the Sn equivalent values for the Main and No.2 Skarns is as follows: Sn Equivalent (%) = Sn% + (WO<sub>3</sub>% x 1.90459) + (mass recovery % of magnetic Fe x 0.006510) + (Cu% x 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: Sn Equivalent (%) = Sn% + (WO<sub>3</sub>% x 1.65217) + (Cu% x 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<sub>3</sub>), 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<sub>3</sub> 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<sub>3</sub> 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.

In 2012 the resource base at Mt Lindsay was the subject of a Bankable Feasibility Study (“BFS”) which entertained a 1.75 million tonne per annum operation, producing concentrates of tin, tungsten, copper and magnetite. The reserve statement included in the BFS is as follows.

**Table 2 | Reserve Statement November 2012**

Category	Tonnes	Tin Equiv. Grade	Tin Grade	Tungsten Grade (WO <sub>3</sub> )	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
<b>TOTAL</b>	<b>14Mt</b>	<b>0.6%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>15%</b>	<b>0.1%</b>	<b>30,000</b>	<b>46,000</b>

Notes:

- Rounding conforming to JORC 2004 to appropriate levels of precision may cause minor computational errors.
- 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<sub>3</sub> 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<sub>3</sub> 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.

### Additional highlights of the 2012 Bankable Feasibility 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\$
8.0%	\$143m
9.0%	\$128m
10.0%	\$113m

Commodity Prices & Exchange Rate used for BFS	
Tin	US\$23,800/t
Tungsten	US\$392/mtu
Magnetite (reference price Fe 62%)	US\$125/t
Copper	US\$8,000/t
Exchange Rate	USD/AUD = \$0.90

Full details of the Mt Lindsay BFS and a list of assumptions please refer to ASX announcement of 7 November 2012.

### Activities during the December Quarter

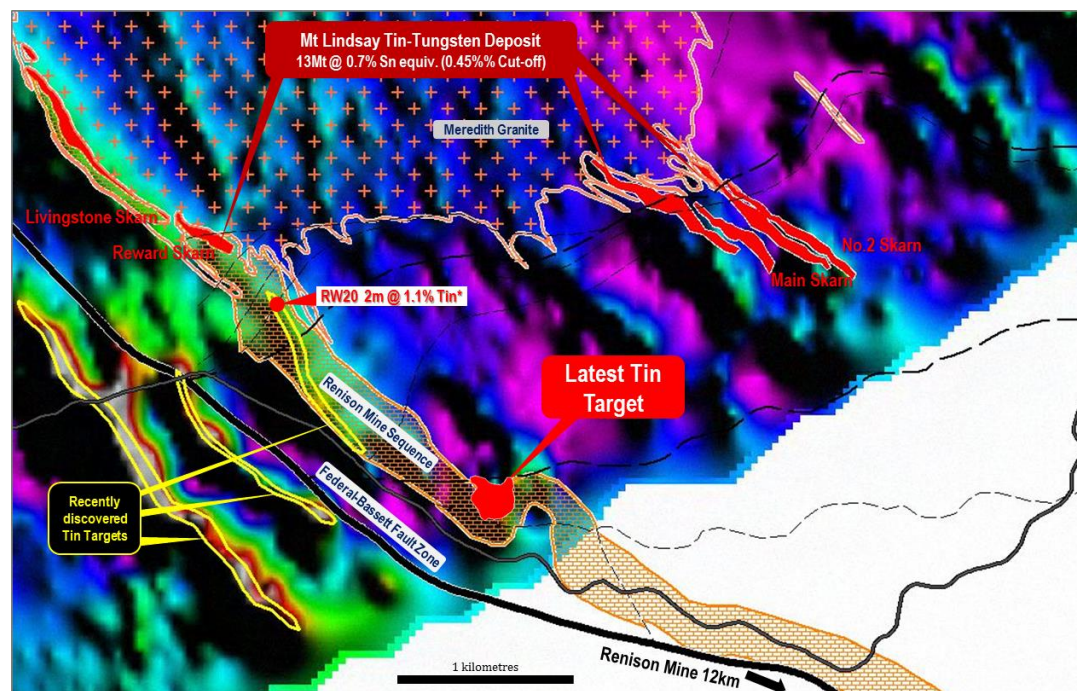
The Company continued to progress the approval process, following the recent receipt of a Mining License, as well as evaluating a number of future financing options for Mt Lindsay. Exploration activity during the quarter focussed on identifying new tin/tungsten targets in close proximity to the existing resources at Mt Lindsay. The targeting process is part of a broader strategy to identify additional high grade tin/tungsten mineralization to further strengthen the economics of the Mt Lindsay Project.

Mt Lindsay has extensive exploration potential both through the extension of existing mineralized systems as well as the numerous targets surrounding the current resources. Skarn targets drill tested to date represent approximately 10% of the total skarns identified by the Company.

During the December Quarter the Company defined an additional target within the Mt Lindsay area. The latest discovery follows the identification of a series of new electromagnetic ("EM") targets announced the previous quarter. The most recently defined target is 2km from the Mt Lindsay Deposit (Figure 2), defined by a coincident EM and geochemical anomaly (Figure 3) and is situated within a granted mining lease. The new prospect is also favourably located within a fold in the northern extension of the Renison Mine Sequence, host to the world class Renison Tin Mine located only 15km to the south of Mt Lindsay.

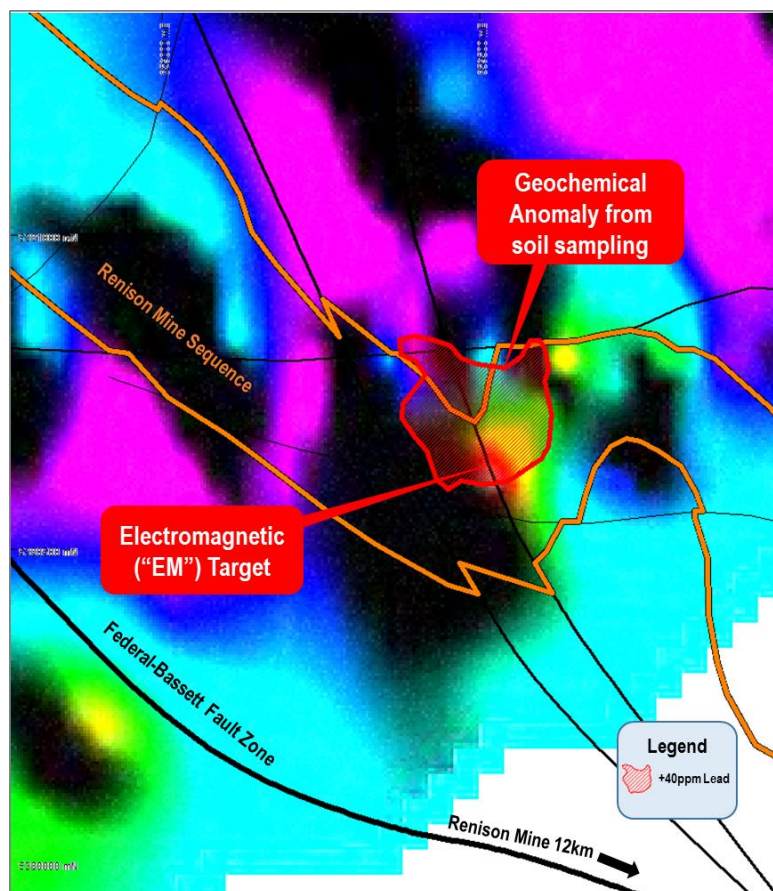


**Figure 2 | Mt Lindsay Project - Recently Discovered Tin Targets**



\* Refer to ASX Announcement dated 23 October 2014

**Figure 3 | Latest Tin Target at Mt Lindsay**



\* Refer to ASX Announcement dated 19 November 2014

Recent work over the area included a reinterpretation of electromagnetic data, field mapping and a first pass soil sampling program. Results from the soil sampling identified a coherent geochemical anomaly containing elevated values in several elements including lead and boron, which within the Mt Lindsay area, is often coincident with tin mineralization. Additionally the geochemical anomaly coincides with an EM high and is situated in a structurally favourable location within the highly prospective Renison Mine Sequence.

The latest discovery is part of exploration program designed to define additional tin and tungsten targets that have the potential to deliver high grade mineralization into the Venture's already substantial tin/tungsten resource base at Mt Lindsay (13mt @ 0.7% tin equiv.) (refer to Table 1). The exploration program has specifically targeted prospective areas within easy trucking distance to the Mt Lindsay Deposit.

Additional work programs are planned for the coming months with a number of new areas being targeted for further exploration.

### Riley DSO Hematite Project, North West Tasmania

The 100% owned Riley DSO Project is located 10km from the Mt Lindsay Project (refer to Figure 1) 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 statement of 2mt @ 57% Fe was defined in 2012 which resulted in the Company doubling its overall DSO resource base, including the Livingstone Deposit, to 4.4mt @ 57% Fe.

**Table 3 | Resource Statement – Riley DSO Project**

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

\*Refer to ASX announcement on 26 July 2012.

Following completion of the 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 4 | Reserve Statement – Riley DSO Project**

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

\*Refer to ASX announcement on 26 July 2012.



## Activities during the December Quarter

During the quarter the Riley DSO Project remained on hold due to the sharp fall in iron ore prices during the second half of 2014. Although the Company made the decision to suspend operations in August last year, Venture had already completed extensive pre-production work at the Riley Project putting in place all the necessary requirements to commence mining. This work has placed Venture in a strong position should the iron ore price improve and afford the Company the opportunity to commence production with relatively short notice.

Venture continues to be a party to the latest appeal against the Federal Court's recent decision to uphold the environmental approvals for the Riley DSO Project. During the quarter the appeals hearing was completed in the Federal Court with a decision expected in the coming weeks. In addition the Company continues to actively seek to recover all legal costs associated with past and present legal challenges.

## Livingstone DSO Hematite Project, North West Tasmania

Located only 3.5km from the Company's flagship Mt Lindsay Tin-Tungsten Deposit is the 100% owned 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 statement of 2.2mt @ 58% Fe was defined at Livingstone in 2011, which was followed by a positive and robust scoping study. Additional work later in 2011 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 5 | Resource Statement Livingstone DSO Project**

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

\*Refer to ASX announcement on 26 July 2012.

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 6 | Reserve Statement – Livingstone DSO Project**

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

\*Refer to ASX announcement on 26 July 2012.

## Activities during the December Quarter

There was no field activity during the quarter.



## 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 advanced several of its tenement applications over a number of base and precious metal targets. Following security of tenure the Company will look to immediately commence work on already identified high priority targets.

## Paulsens South Project, Western Australia

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

The Paulsens South Project (covering 59km<sup>2</sup>) flanks and covers a similar stratigraphic and structural setting to Northern Star Resources Limited’s +1Moz high grade Paulsens Gold Mine, (Measured, Indicated and Inferred Resources as of 30 June 2014 of 2.842Mt at 4.5g/t for 414koz Au, plus production of over 860,000ozs and is currently producing ~80,000ozs gold per annum) in the Ashburton Mineral Field of Western Australia.

Joint venture partner Rumble Resources Limited (“Rumble”) has satisfied the initial joint venture commitment as part of the requirements to earn at least 70% of the project.

There was no field activity during the quarter.

Subsequent to the end of this quarter, Rumble have withdrawn from the joint venture.

## Harris Bluff Project, South Australia

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

The Harris Bluff Project (167km<sup>2</sup>) 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 has earned 51% interest in the uranium rights of the project (EL4788), but is now a non-contributing party to the uranium joint venture.

There was no field activity during the quarter.

Detailed information on all aspects of Venture Minerals’ projects can be found on the Company’s website [www.ventureminerals.com.au](http://www.ventureminerals.com.au).

Yours faithfully



**Hamish Halliday**  
Managing Director

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Andrew Radonjic, a full time employee of the company and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Radonjic has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 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 report that relates to Mineral Resources is based on information compiled by Mr Andrew Radonjic, a full time employee of the company and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Radonjic has sufficient experience which is relevant to the style of mineralisation and type of deposits 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. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report 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. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

## Appendix One| Tenements

### Mining tenements held at the end of December 2014 quarter

Project	Location	Tenement	Interest at December 2014
Paulsens South	Western Australia	E08/1457	100%
	Western Australia	E47/1765	100%
Harris Bluff	South Australia	EL4788	51%
Mount Lindsay	Tasmania	3M/2012	100%
	Tasmania	5M/2012	100%
	Tasmania	7M/2012	100%
	Tasmania	EL21/2005	100%
	Tasmania	EL45/2010	100%
	Tasmania	EL72/2007	100%

### Mining tenements acquired and disposed during the December 2014 quarter

Project	Location	Tenement	Interest at beginning of quarter	Interest at end of quarter
<b>Mining tenements relinquished</b>				
Nil				
<b>Mining tenements acquired</b>				
Nil				

### Beneficial percentage interests in joint venture agreements at the end of the quarter

Project	Location	Tenement	Interest at December 2014
Harris Bluff	South Australia	EL4788	51%

### Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Project	Location	Tenement	Interest at beginning of quarter	Interest at end of quarter
<b>Mining tenements relinquished</b>				
Nil				