

Shareholder Newsletter – May 2012

Dear Shareholder,

Over the past 12 months, I am pleased to report that Venture Minerals Limited (“Venture” or “the company”) has continued to make excellent progress and to achieve a number of important milestones as we advance the company from an explorer to mine developer and ultimately a producer, at our projects in North-West Tasmania.

In light of the progress on a number of fronts, the Venture management thought it was timely to develop a newsletter as a platform for keeping our shareholders informed about our exciting developments and provide an update on the approvals process and other steps we are taking to move towards production.

BFS for Mt Lindsay Tin/Tungsten Project

Venture’s recent successes are the culmination of many years of focussed exploration which has resulted in the company defining one of the world’s largest undeveloped tin projects, at a time of tightening global tin supply. With the company now on the cusp of completing a Bankable Feasibility Study (BFS) on the Mt Lindsay Tin/Tungsten Project, Venture will be at the forefront of new tin projects around the world. You can read more about this on page 4 of this newsletter.

DSO discoveries poised to deliver near-term cash flow

In addition to achieving important milestones at the Mt Lindsay Project, Venture has also delivered two new discoveries over the past year. These discoveries, the Livingstone and Riley Hematite Direct Shipping Ore (DSO) Projects, are company-changing for Venture and have the potential to provide important near-term cash flow.

What typically sets a DSO project apart from other mine developments is the speed, simplicity and minimal impact with which they can be brought into production. What sets Venture’s DSO projects even further apart is that all the necessary infrastructure required to achieve production is largely in place and operational, further accelerating our timeline to production and minimising any impact on the region.

Meeting our Environmental responsibilities

A typical element of building a mine anywhere in the world is the necessary compliance and approval procedures to ensure all the appropriate environmental responsibilities are met by the project developer. The development of Venture’s DSO and, in time, tin/tungsten projects are no different and we have been working extremely hard with government departments at a State and Commonwealth level to meet and in some cases exceed the approval requirements.

In recent weeks there have been specific campaigns – orchestrated by GetUp! and the Tarkine National Coalition (TNC) – targeting the preservation of the Tarkine rainforest. 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 we fully support, it is not appropriate for Venture to comment publicly on the status of that process.



On that basis and in line with our conservative approach, we have adopted a company position not to participate in media interviews except, wherever possible, to correct direct inaccuracies or misinformation in relation to Venture and/or its projects.

Venture takes its environmental responsibilities extremely seriously and fully respects the processes and procedures followed by government at all levels to grant the necessary approvals for mine development in Tasmania.

Increased corporate profile for Venture

The past year has seen the company significantly elevate its corporate profile bringing new international investors onto the register and successfully gaining research coverage from several leading broking firms, including J.P. Morgan and Euroz Securities. Venture's share price has benefitted from the company's elevated profile with the share price up more than 40% year to date.



Thanks for your ongoing support

Your company is on the cusp of an exciting new phase as we move towards development and first production from our proposed DSO projects. The management team at Venture is striving to achieve long-term success and returns for its shareholders. On behalf of the team I would like to take this opportunity to thank you for your ongoing support and to wish you all the best for a bright future.

Regards

Hamish Halliday
Managing Director
Venture Minerals Pty Ltd

Fast Facts

Venture Minerals' Mt Lindsay Project

Mt Lindsay is located in an established mining district with more than 120 years of mining history; adjacent to or nearby long-life operations include Renison, Rosebery and Savage River.

The Project has an expected mine life of +10 years

The Project's development is surrounded by and will utilise existing major infrastructure, including sealed roads, rail, port facilities and high-tensile power lines.

Venture Minerals is a significant employer and contributor to the North-West Tasmania region through:

- The provision of up to 60 jobs over the past five years
- Monthly expenditure of approx. \$1 million
- Directly or indirectly supporting 90+ local businesses

At full production, Mt Lindsay has the potential to deliver:

- A boost to Tasmania's total exports by more than 5%
- Direct employment of 500-1000 people during mine development phase and 200+ long-term jobs
- Major economic stimulus to the NW Tasmania community

Highlights over the past 12 months.....

- **Venture executes multiple MOU's for DSO off-take**
- **DSO Scoping Study Update delivers overwhelmingly positive results including:**
 - Net revenue life of mine A\$170m
 - NPV₁₀ A\$123m
 - Capital cost estimate less than A\$7m
- **Key management appointed for the development of the Mt Lindsay Tin/Tungsten Deposit.**
- **Mt Lindsay Bankable Feasibility Study ("BFS") nears completion**
- **MOU signed with TasRail for total DSO transport solution**
- **Venture discovers second DSO hematite prospect at Riley**
- **US Fund invests in Venture at a premium**
- **Maiden Resource at Riley sees Venture double ("DSO") resource base to 4.4mt @ 57% Fe**

Mt Lindsay Tin/Tungsten Project

Bankable Feasibility Study

A major focus for the company over the past year has been the detailed work relating to the Bankable Feasibility Study (BFS) for the Mt Lindsay Tin/Tungsten Project. As of early May 2012, Venture is very close to completing the BFS with many of the technical aspects now finalised. As part of the study, Venture has completed more than 74,000 metres of diamond-core drilling which has defined our tin/tungsten/magnetite resource to a high level of certainty.

The company has also completed extensive studies in resource estimation, geotechnical, hydrological and mine design. In addition to this work Venture is nearing completion of its extensive pilot scale metallurgical test work. The metallurgical program has been designed to simulate a full-scale plant which has been designed to recover tin, tungsten and magnetite concentrates as efficiently and effectively as possible. With this work due for completion over the next few weeks, the company will have completed another major milestone for the Mt Lindsay Project.

Environmental and Permitting Process

As the company finalises the BFS and moves towards development, the permitting and approval process becomes a critical focus. Over the past five years the company has gathered extensive information on all aspects of flora and fauna within the Mt Lindsay area. Venture has conducted more than 30 surveys during this time, affording us an excellent database which will greatly assist the company as we move towards development approval.



Importantly, Mt Lindsay is located in the Meredith Range Reserve, in the heart of the mining district in North-West Tasmania. 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. To date, the company has made considerable progress on the approval process, with the Mining Lease application over Mt Lindsay already submitted to Mineral Resources Tasmania.

In addition, the company has completed its Environmental Protection and Biodiversity Conservation (EPBC) referral and has received confirmation from the Commonwealth that they will utilise the bi-lateral agreement with Tasmania. Recently, Venture also submitted its final Notice of Intent and is currently finalising its Development Proposal and Environmental Management Plan with the Tasmanian State Government.

The company will continue to progress the approval process over the coming months as we move closer to development.

Livingstone DSO Project

With our first resource and scoping study only completed at Livingstone Hematite DSO Deposit in July 2011, the company has made great progress in a short period of time. Having completed a significant infill drill program, Venture recently updated the Livingstone resource and scoping study, which delivered an overwhelmingly positive result and has the Project well positioned to move towards production.

Over the coming months a key focus for the company will be the execution of a formal off-take agreement for the DSO hematite from Livingstone. To this point, Venture is pleased to report that it has received many expressions of interest and has signed up multiple parties under non-binding memorandums of understanding (MOU's) with respect to these agreements.

In relation to ore transport, the company has signed a non-binding MOU with TasRail (owned by the State Government) for a total transport solution from mine gate to ship, utilising existing infrastructure. The terms of the MOU will be used to draft a formal agreement with TasRail over the coming months.

Further aspects of the approval process at Livingstone include the submission of the EPBC referral to the Commonwealth and the submission of a Notice of Intent to mine to the State Government.

Riley DSO Project

The Riley DSO Project is our latest discovery, first identified in November 2011. Located 12 kilometres from Mt Lindsay, the deposit occurs as a hematite rich laterite, which has an average resource grade of 57% Fe (iron). Further to this, the recently announced resource at Riley is all "at surface", making any mining operation extremely cost effective. In addition, there will not be significant on-site processing required, and no waste rock and the entire area can be fully rehabilitated as it is mined.

The Riley discovery is very important for Venture given that any future operation will be very cost effective, there will be very minimal capital requirement to commence production and the project should quickly become cash flow positive.



Riley DSO project surface deposits

Social and Environmental Responsibilities

Venture has been committed to North-West Tasmania for the past five years, investing more than \$30 million on exploration in the region. The company maintains a policy of utilising local labour wherever possible and regularly employs up to 60 people at site. As the company moves closer to development, expenditure has increased to a point where it now supports up to 90 local businesses.

In addition to providing stimulus to the local economy, Venture has built strong relationships with, and has the support of, local authorities including councils, dignitaries and politicians. Engaging with the community has always been an important focus for the company, particularly at a local level. Venture is an active member of the regional town community of Tullah. The company is a member of the Tullah Progress Association, has contributed to local community programs and is committed to housing both its current and future workforce within the local town.

Environmental considerations are also a critical aspect of exploration and development. The company has maintained a policy of completing flora and fauna surveys prior to any new exploration activity. This policy has resulted in the collection of an extensive database of local species which is an extremely important part of the development process and the company's approach to exploration has been commended by the governing authority – Mineral Resources Tasmania – as an example of best practice exploration in the State.

Venture has also taken an active role in supporting the “Save the Tasmanian Devil” campaign by becoming one of the largest private sponsors of devil sanctuaries as well as offering post graduate scholarship support through the University of Tasmania.

Venture is proud of its social and environmental initiatives and will continue to provide support to the local community as the Company moves closer to development.



The Future

For the past five years, the Venture team has been committed to building a world-class asset at Mt Lindsay for the benefit of all stakeholders, including the communities of North-West Tasmania. More recently, the company has successfully identified two DSO projects that have the potential to generate near-term revenue and to transform Venture into a producer and a key employer in the region.

Venture Minerals is proud of its achievements and looks forward to generating long-term prosperity for all stakeholders.

