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**EXECUTION OF FORMAL AGREEMENTS WITH  
HD MINING & INVESTMENT PTY LTD  
A SUBSIDIARY OF SHANDONG PROVINCIAL BUREAU OF GEOLOGY &  
MINERAL RESOURCES (SDGM)**

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The Directors of Venus Resources Limited recently announced that the Company had entered into two binding terms sheets with HD Mining & Investment Pty Ltd (**HD Mining**), a subsidiary of Shandong Provincial Bureau of Geology & Mineral Resources (SDGM), in respect of an iron ore farmin and joint venture agreement and a share subscription agreement.

The Directors are now pleased to announce that the Company and HD Mining have executed the formal agreements contemplated by the Terms Sheets. These formal agreements are on the same terms as outlined in the Terms Sheets with the additional provision in the farmin agreement that, once the earning period has been completed and the unincorporated joint venture is formed between Venus and HD Mining, Venus may withdraw from the unincorporated joint venture and convert its joint venture interest into a royalty equal to 4.5% of the gross FOB price or 4.5% of the gross spot price at which the iron ore is sold, whichever is the higher amount. For the purposes of the royalty calculation "FOB" means the Japanese Tex Report Publication benchmark price for lump and fines for the particular fiscal year or, if the Japanese Tex Report Publication benchmark price ceases to exist, the price as set by the China Iron and Steel Association which sets the benchmark offtake price for BHP Billiton Limited and Rio Tinto Limited.

FIRB approval and the necessary Chinese regulatory approvals, to which the formal agreements are subject, are now being sought.

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