Venus Metals Corporation bags $1M in cash and shares for diamond deposit sale

Venus Metals Corporation (ASX: VMC) has completed the sale of its Argyle Smoke Creek Alluvial Diamond Project in the East Kimberley Region of Western Australia.

The project, comprising 22 prospecting licences and one mining lease application, was sold to Kimberley Diamond Company, a subsidiary of Kimberley Diamonds (ASX: KDL).

KDL owns and operates the Ellendale Diamond Project in the West Kimberley region, which is the world's leading source of rare yellow diamonds.

Consideration for the sale was $1 million, consisting of $250,000 in cash and 625,000 KDL shares at a deemed issue price of $1.20.

Sweetening the deal for Venus, the shares will be entitled to KDL's interim dividend of $0.02 per share to be paid on 3rd March 2014.

The sale proceeds will add to the working capital of Venus.

Separately, at one of Venus' other Western Australian projects, recent geological mapping at Yalgoo discovered the presence of direct shipping iron ore mineralisation.

The total exploration target potential is estimated at 10 to 15 million tonnes at 50% to 63% iron.

Venus also has interests in silver, copper, nickel, tungsten, platinum, palladium, and gold, all in Western Australia.

The company is currently capitalised at around $4 million.

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