

The Melman Report

Analyzing World Economic Forces and How they Affect Metal Exploration, Investment and Mining Shares

Special Report on VMS Ventures Inc.

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Volcanogenic Massive Sulphide mineral deposits have long been recognized as potential “elephant” country in the mining world. One junior mining company involved in the search for and development of this type of project is Vancouver-based “VMS Ventures Inc.”

The company’s focus is the acquisition, exploration, and development of copper, nickel and zinc properties in the Flin Flon - Snow Lake VMS Belt and they also hold the largest land package considered prospective for nickel-copper mineralization at Lynn Lake, which to date has been Canada’s third largest nickel producing camp.

Copper, Nickel and zinc have enjoyed substantial price rises in recent years with copper soaring from about US\$.60 to near US\$3.75 in early autumn 2007 while nickel has increased from under US\$3.00 to over US\$13.00 per pound in the same time frame and zinc has enjoyed a six-fold increase from near US\$.25 to over US\$1.50. Mining analysts note that tremendous economic growth in China and India with their massive population has resulted in a steady increase in the demand for base metals, which has been reflected in those prices.

The company’s focus of late has been the Snow Lake area where three separate projects, Reed Lake, Sails Lake and the Cover Project are being explored. Results from recent drilling at Reed Lake have been encouraging and the company was able to issue a news release in mid-September 2007 informing the mining community that they had encountered, “...what appears to be a significant discovery of volcanogenic massive sulphide (VMS) mineralization approximately 15 km west of the former Spruce Point Mine...”

The present drill program, combined with soil geochemical sampling over areas which had been identified by prior VTEM airborne surveying, will be used to identify target areas for the fall and winter 2007/2008 drill programs. Drill programs are either underway or planned for Lynn Lake and Sail Lake as well. The company was also able to announce that they had entered into an option agreement with Hudson Bay Minerals, Inc. whereby it can earn a 100% interest in two additional claim blocks near Snow Lake, contiguous to the Reed Lake project.

In addition to the copper-nickel-zinc projects, the company has also optioned the Eden Lake Uranium-Rare Earth Elements (REE) Property which is presently undergoing evaluation for future exploration programs.

REE offer a particular opportunity because, at present, fully 90% of production of these elements comes from Communist China and the economic and political advantages which would accrue to a North American REE mine could be particularly significant. Rare Earth Elements are used in a number of hi-tech applications involving batteries, specialty alloys and advanced military weaponry.

VMS Ventures is led by an experienced and knowledgeable management team which includes Rick Mark, CEO and Chairman; John A. Roozendaal, President; Dr. George H. Gale, VP Exploration and Keith Patey, Director of Communications.

VMS Company Website : www.vmsventures.com

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