



ASX Release: 28 July 2016

ASX Code: VMC

Venus Metals
Corporation Limited
ACN 123 250 582

CORPORATE DIRECTORY

Mr Terence Hogan
Non-Executive Chairman

Mr Matthew Hogan
Managing Director & Company Secretary

Mr Kumar Arunachalam
Executive Director

CAPITAL STRUCTURE

Issued Shares (ASX: VMC):
61,636,623

Issued Options (ASX: VMCO):
31,521,561

Market Cap: \$10 million

CONTACT DETAILS

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QUARTERLY REPORT

FOR PERIOD ENDING 30 JUNE 2016

Venus Metals Corporation Limited's activities conducted during the quarter ending 30th June 2016 include:

- **Poona Lithium Project:** Recent sampling at Poona has confirmed the presence high-grade lithium mineralisation within the project area associated with metasomatically altered pegmatites. **Results from Poona include rock chips of 2.01% Li₂O & 1.54% Rubidium (Rb).**
- **Greenbushes East Lithium-Tantalum Project in WA:** A number of priority target areas have been identified with regional radiometrics showing a zone of potassic enrichment (not dissimilar to the Greenbushes mine itself) which is indicative of underlying intrusive stratigraphy – pegmatites have also been mapped in the area.
- **Nardoo Hill Lithium Project:** Nardoo Hill pegmatites outcrop over an extensive area and a significant number of rockchip samples returned assays highly anomalous in lithium (**up to 0.27% Li₂O**), Niobium and Tantalum including: **42.8% Niobium (Nb) & 13.1% Tantalum (Ta)** confirming the potential of the area to host high-grade lithium, Ta and Nb mineralisation.
- **Wodgina South (Pilgangoora region) Lithium-Tantalum Project:** Recent reconnaissance sampling across three identified target areas has returned a significant number of surface samples hosting anomalous lithium (**up to 6567 ppm (0.66%) Li₂O & 3134 ppm Rb**) associated with pegmatites and their host stratigraphy.
- **Curara Well Gold-Diamond-Base Metals Project- Doolgunna Region** Company has been awarded a \$150,000 grant toward drilling on the Curara Well Gold-Diamond-Base Metals Project at Doolgunna Region, under WA Government Exploration Incentive Scheme Co-funded Exploration Drilling Programme.

Venus Metals Corporation Limited ('Venus' or 'Venus Metals') has made applications over six strategic lithium-tantalum project areas in Western Australia (Figure 1) - the Pilgangoora Northeast, Wodgina South & Tambourah projects in the Pilbara, the Nardoo project in the Gascoyne, the Poona Project in the Murchison and the Greenbushes project in the Southwest of Western Australia.



Figure 1 – Venus Metals lithium-tantalum project locations in Western Australia.

1. Poona Lithium Project, Murchison Region.

The Poona project area now covers more than 249 km² following the identification of further targets to the east of the original application area (ELA 20/885) and the subsequent application for a second lease – ELA 20/896 (Figure 2). The tenement overlies a number of known lithium and tantalum occurrences including Patons Lode and Poona Reward.

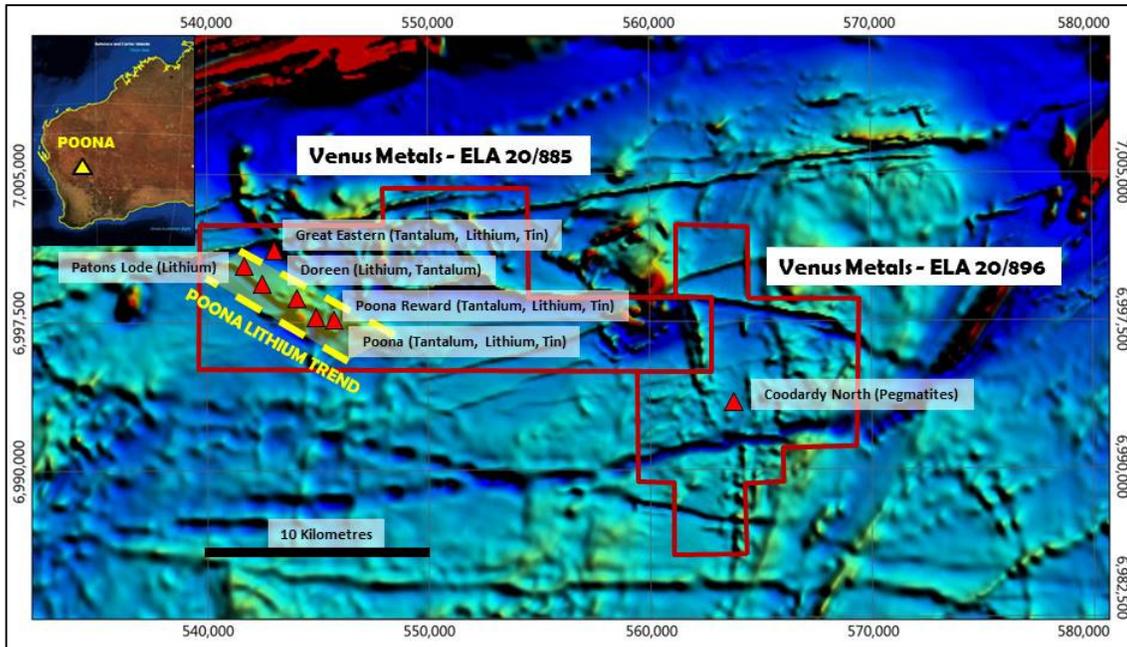


Figure 2 – Venus Poona tenements (red) & prospect locations and mineralised trend (yellow) over regional geophysics

Venus has carried out a program of preliminary reconnaissance mapping in the region of Poona Reward. This exploration has outlined a northwest trending zone of mineralisation more than 1,000 metres long, extending through a number of the prospect areas.

Sampling at Poona has confirmed the presence high-grade lithium mineralisation within the project area, associated with metasomatically altered pegmatites. Results returned from Poona (above 1% Lithium Oxide – Li₂O) include:

Sample P347B	6,999,168 N/ 542,701 E	2.01% Li₂O & 1.54% Rubidium
Sample P345B	6,999,124 N/ 542,634 E	1.21% Li₂O & 1.31% Rubidium
Sample P362A	6,998,702 N/ 543,436 E	1.08% Li₂O & 1.08% Rubidium

(refer ASX release 3 June 2016)

A detailed program of geological mapping and sampling is in progress at Poona tenement (E 20/885), following its recent approval and grant, to test the extensive Poona Lithium Trend (Figure 2) and to delineate targets for drill testing.

2. Greenbushes Lithium-Tantalum Project

Venus Metals has made applications for two strategic exploration licences (ELA 70/4810 and ELA 70/4814) in the Greenbushes region of Western Australia. These new applications cover an area adjacent to, and east of, the world-class Greenbushes Lithium-Tantalum mine. An evaluation of Venus Metals Greenbushes project has delineated a number of priority targets within the tenement area. Exploration data shows two initial targets to be followed up, specifically the Greenbushes East and Northeast targets.

The Greenbushes East target was delineated utilising the regional geophysical and geological data sets. The radiometrics show a zone of potassic enrichment (not dissimilar to the Greenbushes mine itself) and is indicative of underlying intrusive stratigraphy, with mapped pegmatites in the area (Figures 3). Mining at Greenbushes has enhanced the radiometric signature of the mine, whilst shallow alluvial and lateritic cover results in a subdued signature at Greenbushes East.

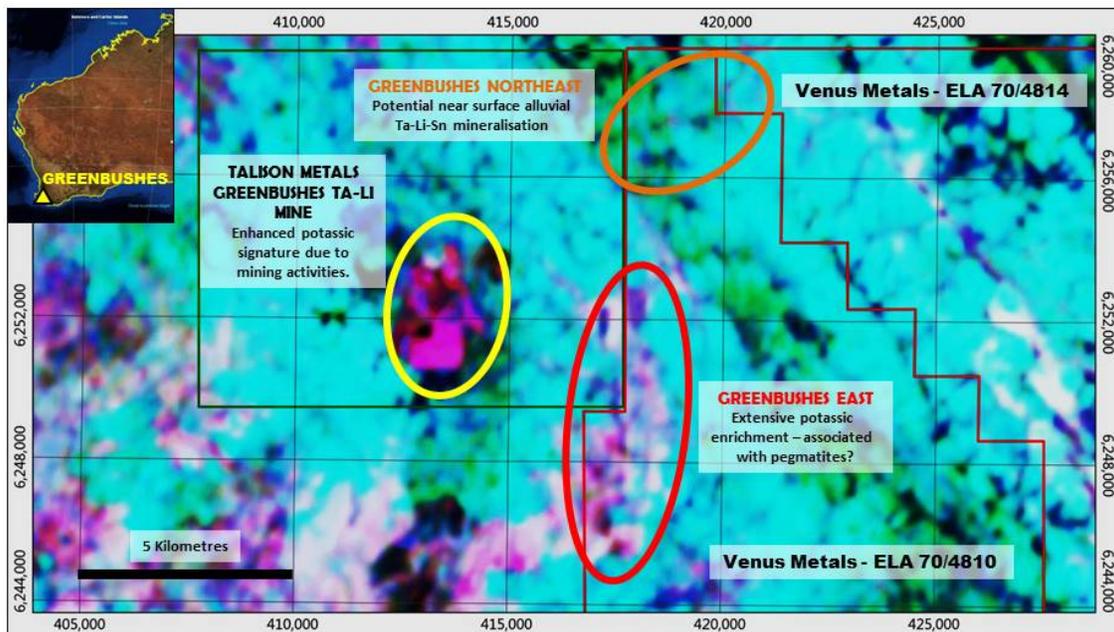


Figure 3 – Greenbushes mine site (yellow), with the Greenbushes East (red) and Northeast (orange) targets over airborne radiometrics. The potassic signature of the Greenbushes mine is enhanced by mining and exposure of the underlying mineralisation on the site.

This zone of enrichment covers over 6,000 metres of strike and represents a substantial target for ongoing exploration.

The Greenbushes Northeast target lies in the north of Venus Metal's ELA70/4810 (Figure 3). The target here are 'placer deposits' of near surface alluvial tantalum-lithium-tin mineralisation that may have been deposited in old river channels feeding off the surrounding topography, including what is now the Greenbushes mine site. The Greenbushes Northeast target covers over 3,000 metres of strike was initially identified through historical exploration data and it has yet to be properly assessed.

A detailed evaluation of the Greenbushes lithium project area continues with ongoing studies further delineating and defining targets for future exploration in this 'world-class' mineral province.

3. Nardoo Hill Lithium-Tantalum Project:

The Nardoo Hill project is located in the Gascoyne Mineral Province of Western Australia, approximately 840 km to the north of Perth. The project area is now composed of two exploration license applications (ELA 09/2156 & 2182) covering more than 190 km².

The project overlies the historical Nardoo Hill & Morrissey Hill workings, in a pelitic and gneissic terrain that has been extensively intruded by pegmatites, which host tantalum-lithium-niobium mineralisation (Figure 4).

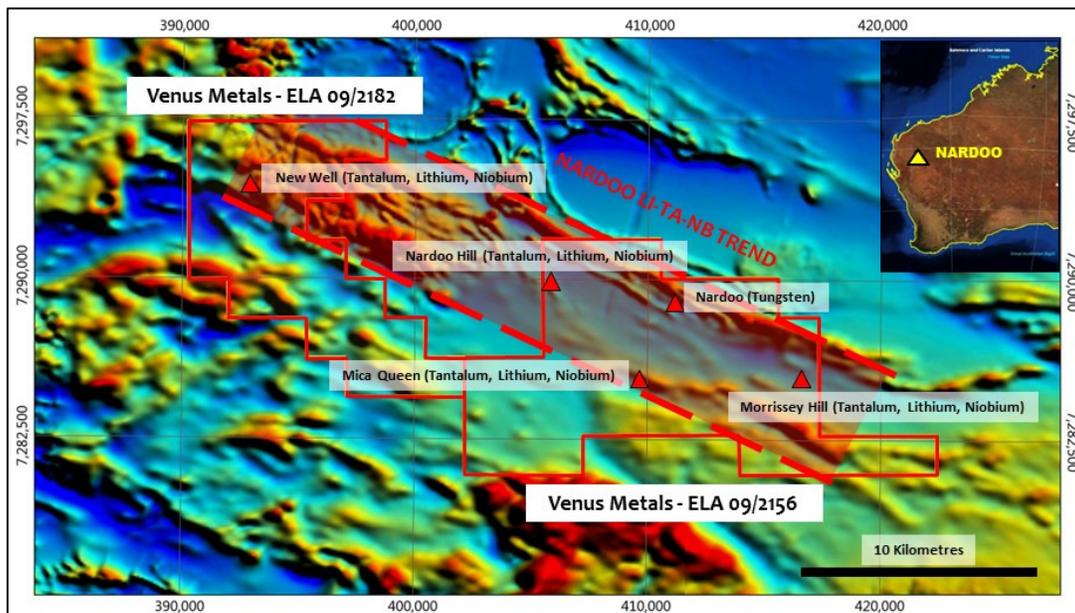


Figure 4 – Nardoo tenement application areas (red outline) with prospect locations and Nardoo mineralised Trend over regional geophysics.

An initial program of reconnaissance mapping & sampling has been completed over the project area and identified the extensive mineralised structural and stratigraphic Nardoo Lithium-Tantalum-Niobium Trend, which covers over twenty kilometres of strike. Recent exploration, comprising field mapping and rock-chip sampling, has focussed on a 4 km² area centred on the Nardoo Hill prospect in the north of ELA 09/2156 (Figure 5). The main pegmatitic unit at Nardoo Hill is up to 200 metres wide and extends over several hundred of metres of strike. It is one of the largest outcropping pegmatites in a suite of intrusive bodies mapped at Nardoo Hill.

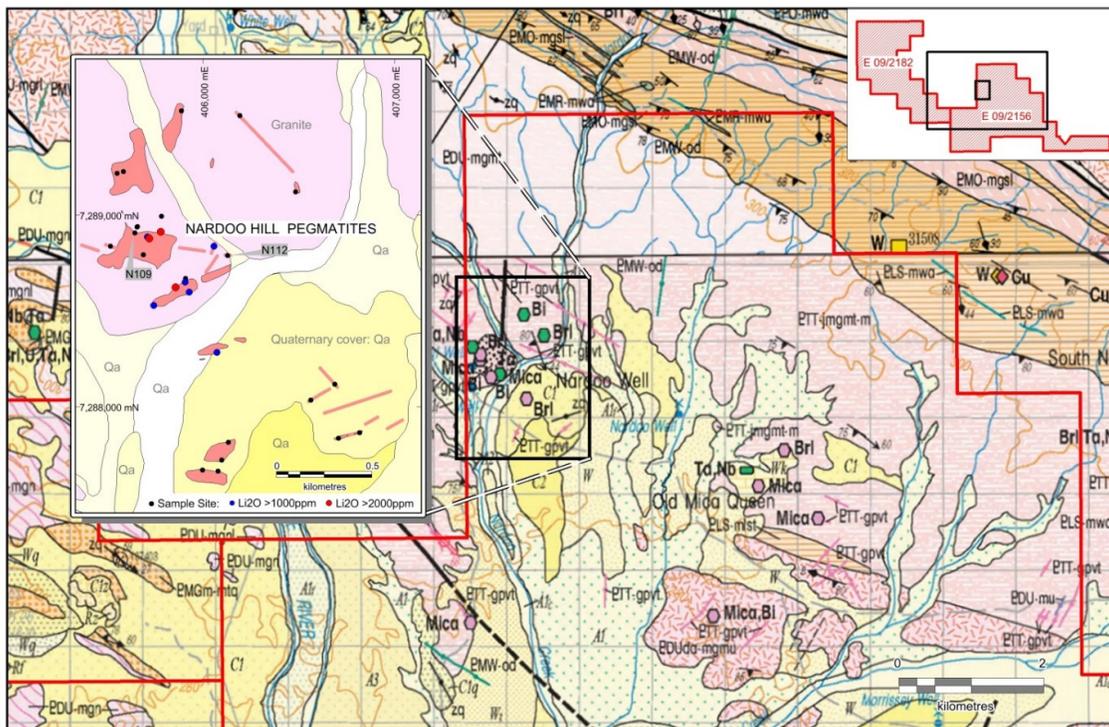


Figure 5 – Nardoo Hill location, GSWA geology & sampling

Mapping and sampling at Nardoo Hill **returned a significant number results with highly anomalous concentrations of lithium (over 1000 ppm Li₂O) with assays up to 0.27% Li₂O** (Figure 5). Sampling has also confirmed the presence of high-grade tantalum and niobium mineralisation associated with pegmatite stratigraphy, including:

Sample N109 42.8% Niobium & 13.1% Tantalum

Sample N112 1.82% Niobium & 0.53% Tantalum (refer ASX release 15 July 2016).

Analysis of the sampling and results indicates that the Nardoo Hill prospect lies within the ‘beryl-columbite’ rich zone of a mineralised pegmatitic system. The lithium-rich (spodumene) zone of the mineralised system is generally located above or adjacent to this component of mineralisation.

Utilising this model (Figure 6) exploration at Nardoo Hill will continue to test the tantalum-niobium mineralisation at Nardoo Hill but also examine the areas adjacent to the pegmatite outcrop where the stratigraphy is covered by recent soils and sand, which is potentially due to preferential weathering of the mineralised stratigraphy.

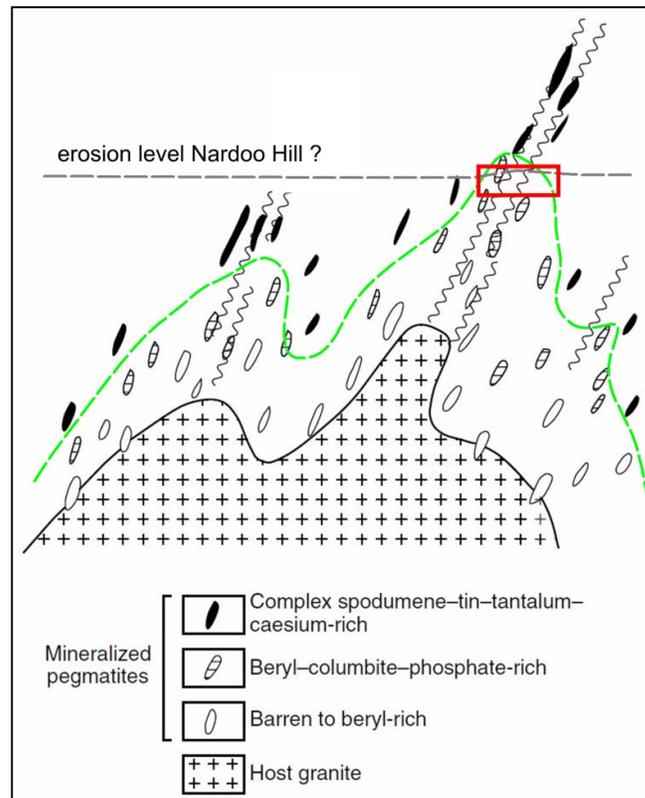


Figure 6 – Conceptual section of a granite-pegmatite system with zoned tantalum, niobium (columbite) & lithium (spodumene) mineralisation². Work at Nardoo Hill indicates that the prospect lies within the ‘Beryl-Columbite’ zone (red box) but that the ‘Lithium-Rich’ zone may be nearby, under recent cover.

4. Wodgina South (Pilgangoora region) Lithium-Tantalum Project:

Venus Metals Corporation Limited (‘Venus Metals’) has made applications for four tenements (ELA 45/4627, 4630, 4684 & P 45/3004) in the Pilgangoora region, within the Pilbara Craton of Western Australia. These applications cover over 450 km² and are located along strike from, or adjacent to, the mining operations at Wodgina (ASX: AGO) in the south and the Pilbara Mineral’s (ASX: PLS) developing operations at Pilgangoora, in the north. The tenement areas contain outcropping pegmatitic stratigraphy, the host rock for lithium-tantalum mineralisation in the region.

The Pilgangoora tenement areas (Figure 7) will be explored as part of a memorandum of understanding ('MOU') between Venus Metals (ASX: VMC) and Lithium Australia (ASX: LIT) (refer LIT ASX release 18 February 2016) over the region.

Recent reconnaissance sampling across three identified target areas has returned a significant number of surface samples hosting anomalous lithium oxide (Li₂O) associated with pegmatites and their host stratigraphy. Results include:

W114 (T1) - 5296 ppm (0.53%) Li₂O & 2997 ppm Rb

W116 (T1) - 6179 ppm (0.62%) Li₂O & 4564 ppm Rb

W147 (T2) - 6567 ppm (0.66%) Li₂O & 3134 ppm Rb (refer ASX release 11 July 2016)

The T1, 2 & 3 targets at Wodgina South occur adjacent to and along strike from Metalicity's target areas within their Stannum project (ELA 45/4677), which abuts Venus Metals northern tenement boundary. Metalicity's target stratigraphy extends into Venus Metals tenement area, with mineralisation associated with spodumene in pegmatites (Figure 8).

It is proposed that these areas of identified pegmatite-hosted lithium mineralisation, both in the Wodgina South and Pilgangoora tenements (Figure 7), be systematically tested with soil sampling by the Venus Metals/ Lithium Australia 'alliance' once the tenement areas are granted in the coming months.

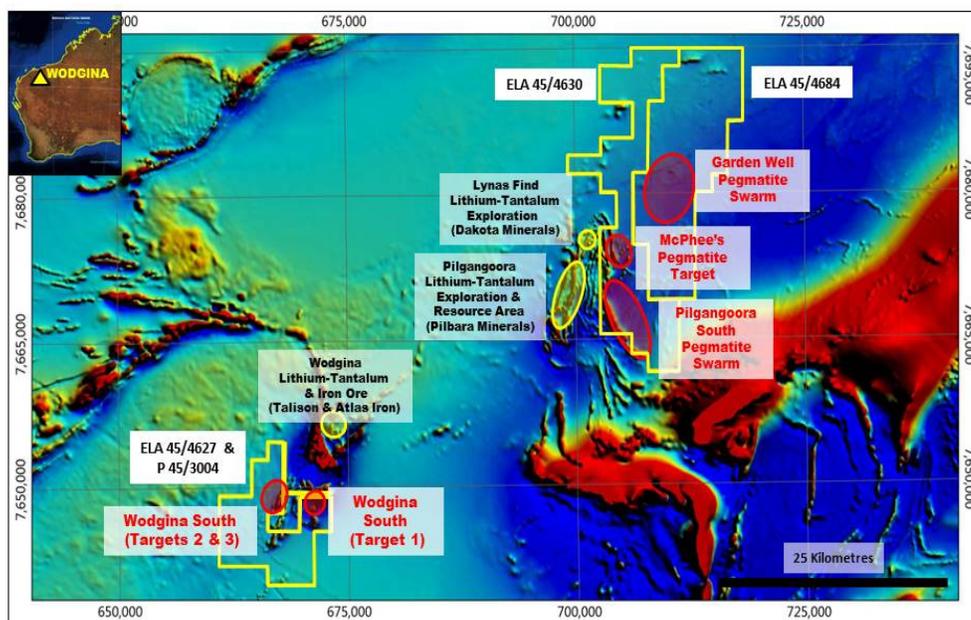


Figure 7 – Venus Metals's Pilgangoora project tenement applications ELA 45/4627 & 4630 at Pilgangoora in the north and ELA 45/4684 & P 45/3004 (yellow) at Wodgina in the south, with key prospects, mines and target locations over the regional magnetic image.

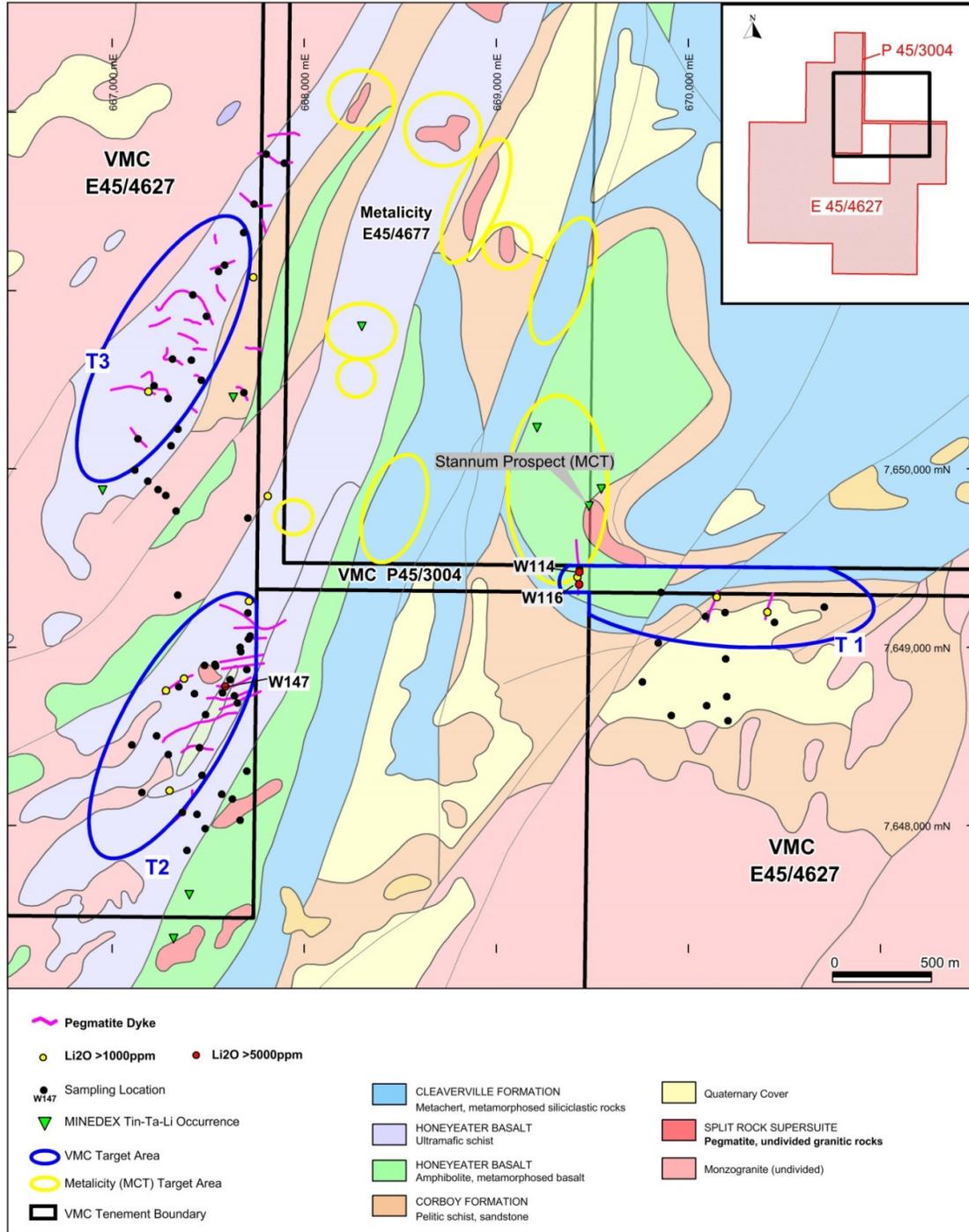


Figure 8 – Wodgina South sample locations, target areas and Venus tenement areas over regional geology (adapted from Hickman, 2012).

5. Curara Well Gold-Diamond-Base Metals Project- Doolgunna Region

Venus Metals Corporation Ltd ('Venus') holds two granted tenements (E52/3068 & E52/3069) and one tenement application (ELA 52/ 3320) covering 120 km² of the Marymia Inlier and are located approximately 10 km NE of Sandfire Resources high-grade DeGrussa Copper Mine at Doolgunna region in Western Australia.

Modelling of Versatile Time-Domain Electromagnetic (VTEM) geophysical survey, and 3D inversion modelling of the recently acquired regional detailed magnetics, has **confirmed the presence of breccia pipe targets** within the Curara Well Gold-Diamond-Base Metals tenement (ELA 52/3069). The VTEM survey has identified **34 anomalies, of which 8 are coincident with magnetic targets** (Figures 9&10) (refer ASX release 14 October 2015).

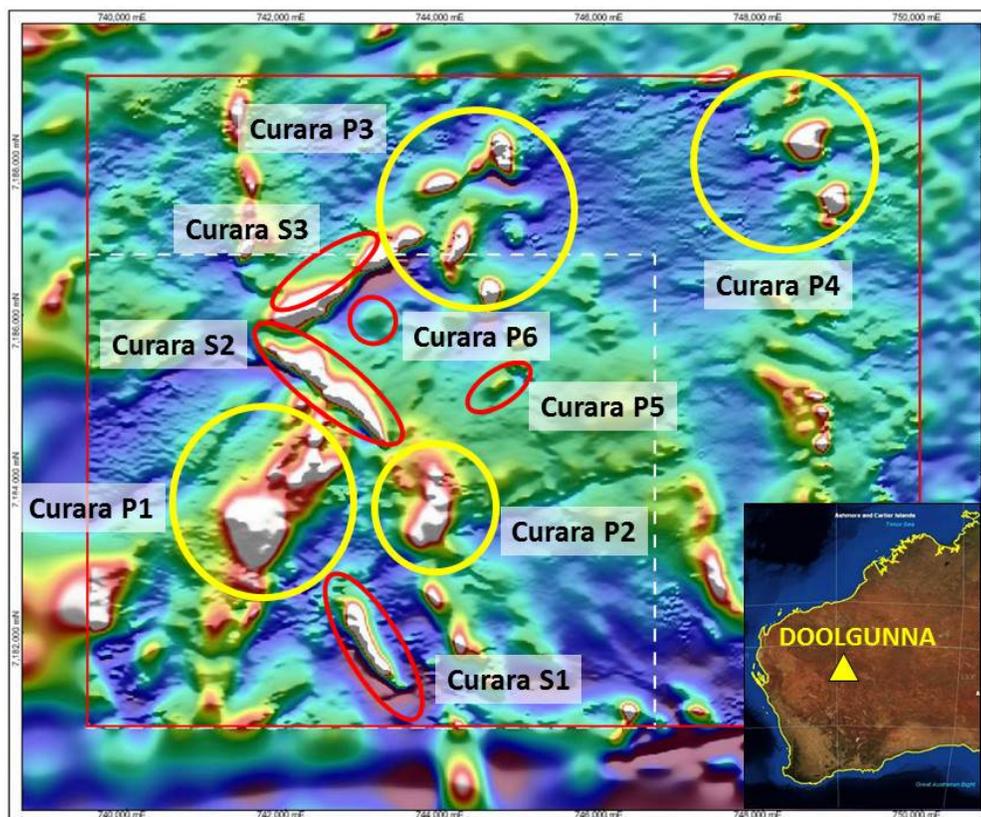
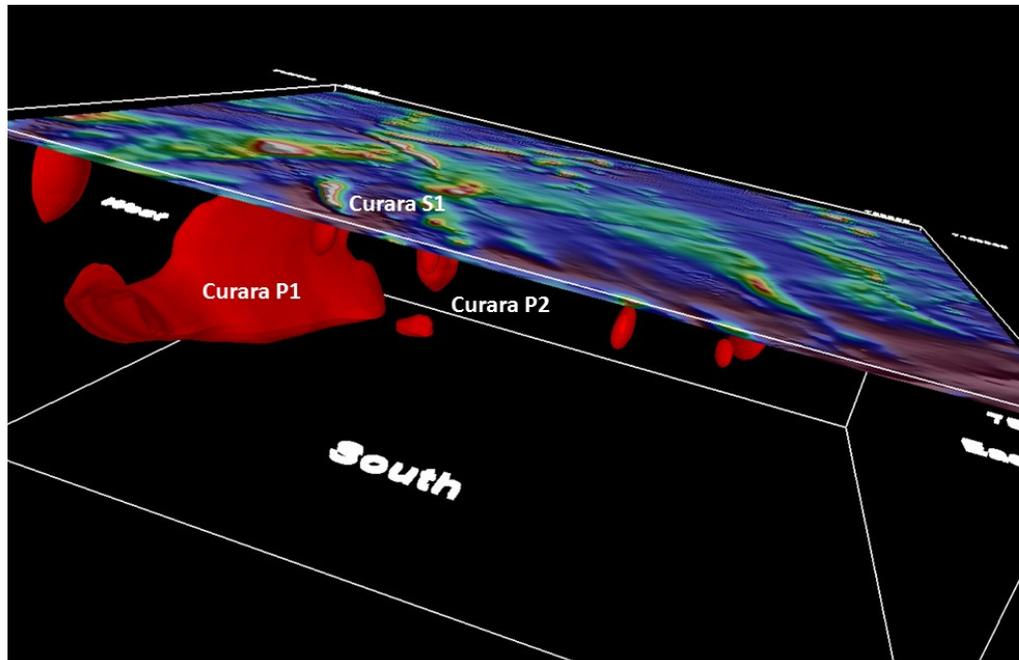


Figure 9 – Detailed magnetics image with preliminary magnetic breccia pipe targets (yellow P1-4) and additional VTEM/Magnetic targets in red



**Figure 10 – 3D inversion modelling of the detailed magnetics, showing the high-strength
Magnetic targets in red.**

The Company has been awarded a \$150,000 grant toward drilling on the Curara Well Gold-Diamond-Base Metals Project at Doolgunna Region, under WA Government Exploration Incentive Scheme Co-funded Exploration Drilling Programme (refer ASX release 15 June 2016) .

A program of diamond drilling is being designed to test the previously announced, coincident geochemical anomalies and deeper structural geophysical VTEM/aeromagnetic targets on the Curara Well Project.

Venus Metals looks forward to updating shareholders as exploration continues across our highly prospective project areas in the coming weeks.



Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr T. Putt of Exploration & Mining Information Systems, who is a member of The Australian Institute of Geoscientists. Mr Putt has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Putt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Dr Fop Vanderhor, Specialist Consulting Geologist, who is a Member of the Australian Institute of Geoscientists has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Vanderhor 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 has also been prepared by Mr Kumar Arunachalam, who is a Member of The Australasian Institute of Mining and Metallurgy and is a General Manager (Operations) of the Company. Mr Arunachalam has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australian code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Arunachalam consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Venus Metals Corporation Limited planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Venus Metals Corporation Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

VENUS METALS CORPORATION LIMITED

ABN

99 123 250 582

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(115)	(484)
(b) development	-	-
(c) production	-	-
(d) administration	(225)	(774)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	41
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	238
Net Operating Cash Flows	(338)	(979)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(7)	(7)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	22	41
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	63	63
Net investing cash flows	78	97
1.13 Total operating and investing cash flows (carried forward)	(260)	(882)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(260)	(882)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,010	1,102
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	1,010	1,102
	Net increase (decrease) in cash held	750	220
1.20	Cash at beginning of quarter/year to date	204	734
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	954	954

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	120
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.12 Completion of tenement deed and refund of rental rates paid
1.23 Directors' salaries, fees and superannuation

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
Exercise listed 20 cents options	(2)
4.2 Development	-
4.3 Production	-
4.4 Administration	120
Total outflows	268

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	45	12
5.2 Deposits at call	909	192
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	954	204

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Refer Attachment		
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	61,626,623	61,626,623	Fully Paid	Fully Paid
7.4 Changes during quarter (a) Increases through issues - Placement - Options exercised during the quarter (b) Decreases through returns of capital, buy-backs	4,000,000 300,000	4,000,000 300,000	\$0.25 \$0.20	\$0.25 \$0.20
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	31,531,561	31,531,561	Exercise price	Expiry date
	62,500		\$0.20	30 November 2016
	62,500		\$0.20	30 November 2016
	200,000		\$0.20	30 November 2016
	650,000		\$0.20	30 November 2016
	650,000		\$0.20	30 November 2016
	300,000		\$0.30	30 November 2016
	600,000		\$0.60	30 November 2016
7.8 Issued during quarter				
7.9 Exercised during quarter	300,000	300,000	\$0.20	
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: _____ Date: 28/07/2016
(Company secretary)

Print name: Matthew Hogan

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** the issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Details of Mining tenements at Quarter ended 30 June 2016

(ASX Listing Rule 5.3.3)

Tenement ID	Project Location in WA	% of Interest at the beginning of quarter	% of Interest at the end of quarter
M59/742	Yalgoo	50% interest in Iron and 100% interest in other minerals	Mining Lease converted as Retention Licence
R59/1	Yalgoo	0%	50% interest in Iron and 100% interest in other minerals
E59/1508-l	Yalgoo	50% interest in Iron and 100% interest in other minerals	50% interest in Iron and 100% interest in other minerals
E57/983	Youanmi	100%	100%
E57/986	Youanmi	90%	90%
E57/984	Bellchambers/Sandstone	90%	90%
E57/965	Sandstone	100%	100%
E57/1011-l	Currans Well	90%	90%
P57/1365	Youanmi	90%	90%
P57/1366	Youanmi	90%	90%
E57/1019-l	Pincher Well	100%	100%
E52/3068	Rathbone Well	0%	100%
E52/3069	Curara Well	0%	100%
E57/985	Youanmi	0%	90%
P57/1260	Youanmi	90%	0%
E45/3541	Copper Hills (Telfer)	100%	0%