



20 March 2019

Daniel Nicholson
Adviser, Listings Compliance (Perth)
ASX Compliance Pty Limited
Level 40, Central Park,
152–158 St Georges Terrace
PERTH WA 6000

Dear Daniel,

Please kindly see our response to “Venus Metals Corporation Limited (“VMC”): Aware Query” from ASX dated 20th March 2019

Request for Information

Having regard to the above, ASX asks VMC to respond separately to each of the following questions and requests for information:

1. Does VMC consider the Exploration Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

2. If the answer to question 1 is “no”, please advise the basis for that view.

The exploration information related to infill drilling on the Youanmi Vanadium Project (“Project”) which supplemented previously announced inferred mineral resource estimate (see ASX release 6th February 2015) (“Inaugural Resource Release”) and which was undertaken in connection with the preparation of an updated mineral resource estimate allowing for a higher degree of confidence.

As the Project entails the extraction and processing of what is essentially a bulk commodity, the geological characteristics of which have been fully outlined and explained in the ASX release of the 5th September 2018, the ASX release of the 16th October 2018, the ASX release of 13th December 2018 and the ASX release of the 29th January 2019, the Exploration Information, while enabling the preparation of a mineral resource estimate including indicated and inferred resources, does not materially affect the economics of the Project or the price or value of VMC securities. The key economic drivers of the Project relate to validation of a commercial process for extraction from a large resource base, the



existence of which (albeit to a lower level of confidence) has been identified since as early as 2015 (See Inaugural Resource Release).

3. When did VMC first become aware of the Exploration Information? In answering this question, please address the date of completion of the drilling program, the date when the results of the drilling program were sent to the lab for analysis and the date when the results were subsequently received by VMC.

The Exploration Information was received by the company on Friday 15th March after the close of market trading. This is the report from the independent expert Lynn Widenbar of Widenbar and Associates which is entitled "Youanmi Vanadium Project Oxide Resource Estimate Summary Report March 2019" ("Resource Report").

The drilling program was completed on the 7th December 2018, and this was announced to the ASX on 13th December 2018 (not 13 March 2019 as referred to in the ASX Aware Letter).

The samples from the drilling program were sent to the laboratory SGS in batches between November and December 2018 progressively as they were received and dispatched from on site.

Assays were received in batches corresponding with the laboratory completion of each batch. The last batch of the assays were received on the 6th March 2019.

4. If the answer to question 1 is "yes" and VMC first became aware of the Exploration Information before 18 March 2019 (being the date VMC first announced the MRE Information), did VMC make any announcement prior to the relevant date which disclosed the Exploration Information? If so, please provide details. If not, please explain why the Exploration Information was not released to the market at an earlier time, commenting specifically on when you believe VMC was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps VMC took to ensure that the information was released promptly and without delay.

As explained above, the Exploration Information is not considered materially price sensitive.

However, for completeness, we note that the Exploration Information was not available until after the close of trading on 15th March. The information was assembled by the company during the period 16th and 17th March to make a prompt release on JORC 2012 mineral resource estimate prior to the commencement of trading on the 18th March.

5. Does VMC consider the MRE Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.



VENUS METALS
CORPORATION LIMITED

6. If the answer to question 5 is “no”, please advise the basis for that view.

The MRE Information updated the previously reported inferred mineral resource estimate set out in the Inaugural Resource Release, however the MRE Information is not considered material to the overall economics of the Project (and hence the price or value of the company’s shares) for the reasons set out in the answer to Question 2.

7. When did VMC first become aware of the MRE Information?

The MRE Information was received by the company on Friday 15th March after close of market trading in the form of the Resource Report. Given that the Resource Report is a lengthy and complex document, the release on Monday 18th was the earliest release possible and is considered prompt and without delay.

8. If the answer to question 5 is “yes” and VMC first became aware of the MRE Information before 18 March 2019 (being the date VMC first announced the MRE Information), did VMC make any announcement prior to the relevant date which disclosed the MRE Information? If so, please provide details. If not, please explain why the MRE Information was not released to the market at an earlier time, commenting specifically on when you believe VMC was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps VMC took to ensure that the information was released promptly and without delay.

Not applicable

9. Please confirm that VMC is complying with the Listing Rules and, in particular, Listing Rule 3.1.

Yes

10. Please confirm that VMC’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of VMC with delegated authority from the board to respond to ASX on disclosure matters.

Yes

Yours faithfully,

Patrick Tan
Company Secretary

20 March 2019

Mr Patrick Tan
Company Secretary
Venus Metals Corporation Limited

By email

Dear Mr Tan

Venus Metals Corporation Limited ("VMC"): Aware Query

ASX refers to the following:

- A. VMC's announcement entitled *"Youanmi Vanadium Oxide Project RC Drilling Programme Successfully Completed"* lodged on the ASX Market Announcements Platform ("MAP") and released at 9:29 AM AEDT on 13 March 2019, disclosing, among other things, the completion of a reverse circulation (RC) drilling program at the Youanmi Vanadium Oxide Project ("Project") and that assay results were in progress.
- B. VMC's announcement entitled *"Youanmi Vanadium Project World-Scale JORC 2012 Vanadium Oxide Resource Confirmed"* lodged on MAP and released at 9:47 AM AEDT on 18 March 2019 and which was subsequently replaced by the announcement lodged on MAP and released at 01:06 PM AEDT on 20 March 2019, disclosing, among other things:
- exploration results for the Project ("Exploration Information"); and
 - a mineral resource estimate for the Project ("MRE Information").
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied:
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following applies:*
- *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*

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- *The information is a trade secret; and*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 *A reasonable person would not expect the information to be disclosed.”*
- F. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:
- “Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

Request for Information

Having regard to the above, ASX asks VMC to respond separately to each of the following questions and requests for information:

1. Does VMC consider the Exploration Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did VMC first become aware of the Exploration Information? In answering this question, please address the date of completion of the drilling program, the date when the results of the drilling program were sent to the lab for analysis and the date when the results were subsequently received by VMC.
4. If the answer to question 1 is “yes” and VMC first became aware of the Exploration Information before 18 March 2019 (being the date VMC first announced the MRE Information), did VMC make any announcement prior to the relevant date which disclosed the Exploration Information? If so, please provide details. If not, please explain why the Exploration Information was not released to the market at an earlier time, commenting specifically on when you believe VMC was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps VMC took to ensure that the information was released promptly and without delay.
5. Does VMC consider the MRE Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
6. If the answer to question 5 is “no”, please advise the basis for that view.
7. When did VMC first become aware of the MRE Information?
8. If the answer to question 5 is “yes” and VMC first became aware of the MRE Information before 18 March 2019 (being the date VMC first announced the MRE Information), did VMC make any announcement prior to the relevant date which disclosed the MRE Information? If so, please provide details. If not, please explain why the MRE Information was not released to the market at an earlier time, commenting specifically on when you believe VMC was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps VMC took to ensure that the information was released promptly and without delay.
9. Please confirm that VMC is complying with the Listing Rules and, in particular, Listing Rule 3.1.
10. Please confirm that VMC’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of VMC with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **05:00 PM AWST Friday, 22 March 2019**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, VMC's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph and may require VMC to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to VMC's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that VMC's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in VMC's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours faithfully

Daniel Nicholson
Adviser, Listings Compliance (Perth)