



VENUS METALS
CORPORATION LIMITED

ASX Release: 28 April 2016

ASX Code: VMC

QUARTERLY REPORT FOR PERIOD ENDING 31 MARCH 2016

Venus Metals Corporation Limited's (Venus) activities conducted during the quarter ending 31 March 2016 include:

- **MoU with Lithium Australia NL:** The Company has executed a Memorandum of Understanding (MoU) with Lithium Australia NL (ASX: LIT) to initially test the commercial lithium potential of Venus' holdings in the Pilgangoora area – an emerging “lithium hot spot” in Western Australia.
- **Greenbushes East Lithium-Tantalum Project in WA:** The Company has applied for two strategic tenements in the world-class Greenbushes lithium province. The Greenbushes mine in the Southwest Mineral Province of Western Australia is one of the world's largest producers of ‘hard-rock’ lithium and tantalum. Venus Metals tenements lie to the east of the mine and abut Talison Lithium Australia's mining leases.
- **Review of historical geological/geophysical data** of Venus Lithium projects (Pilgangoora Northeast and Stannum projects in the Pilbara, the Nardoo project in the Capricorn and the Poona Project and the Greenbushes East Project) and delineation of potential target areas. A reconnaissance field trip to Pilgangoora, for rock chip/soil sampling, is planned for the coming field season.

Please Direct Enquiries to:

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STRATEGIC LITHIUM-TANTALUM PROJECTS IN WA:

1.0 Project Background:

Venus Metals Corporation Limited ('Venus Metals') had previously made applications over four strategic lithium-tantalum project areas in Western Australia, namely the Pilgangoora Northeast and Stannum projects in the Pilbara, the Nardoo project in the Capricorn and the Poona Project in the Murchison region (Figure 1). The Company has subsequently extended its tenement holdings (E45/4684) in the Pilgangoora region, a recognised 'lithium hot spot' covering an area of substantial **pegmatite swarms** (refer ASX release 21 January 2016).

In addition, the Company made applications for two tenements in the 'world-class' Greenbushes lithium-tantalum terrane in the Southwest of Western Australia.

2.0 Greenbushes East Lithium-Tantalum Project, Southwest Mineral Field, WA.

Venus Metals made applications for two strategic exploration licences in the Greenbushes region of Western Australia during the quarter. These new applications (ELA 70/4810 & 4814) (550 km²) is located 220 km to the south-southeast of Perth in the Southwest Mineral Field of Western Australia and covers an area adjacent to, and east of, Talison Lithium Australia's world-class Greenbushes lithium-tantalum mine. The tenement areas contain outcropping pegmatitic stratigraphy, the host rock for lithium-tantalum mineralisation in the region and show similarities of structure and geology setting to those of the mine area. Other tenement holders in region including Lithium Australia NL (ASX: LIT) and Metalicity (ASX: MCT) (Figure 2).

The recent applications at Greenbushes continue to build the Company's portfolio of lithium projects and further complement other lithium-tantalum project areas applied for by Venus Metals in 2015. ***These project areas all cover, or are adjacent to, recognised lithium-tantalum mineralisation.***



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3.0 MoU with Lithium Australia NL:

The Company has executed a Memorandum of Understanding (MoU) with Lithium Australia NL (ASX: LIT) to initially test the commercial lithium potential of Venus' holdings in the Pilgangoora area – an emerging “lithium hot spot” in Western Australia with a view to exploiting mineralisation dominated by the lithium micas (lepidolite and zinnwaldite), spodumene and clay minerals. The broader objective of the partnership will be to determine if the potential exists for sufficient feedstock to feed a Pilbara lithium processing facility to produce high grade lithium carbonate and/or hydroxide for use in advanced hi-tech applications including lithium ion batteries.

The terms of the MOU require that Lithium Australia produce a report outlining the ways in which the combined expertise of Venus and Lithium Australia can be optimised. Lithium Australia will pay a fee for exclusive access to the Venus ground and will sole fund exploration over the project tenements in the first year following tenement grant. Venus will retain 100% ownership of its Pilgangoora tenements. The test work program by Lithium Australia will include field inspections, data and observations across the project area and in the laboratory to confirm the suitability of the lithium mica, spodumene and clay materials within the MOU area as a source for battery grade lithium carbonate and lithium hydroxide (refer LIT ASX release 18 February 2016).

4.0 Review of Historical Geological/Geophysical Data

The Company has continued reviewing the historical geological/geophysical data of Venus Lithium projects and delineation of potential target areas. Venus is planning a reconnaissance field trip to Pilgangoora with LIT for rockchip/soil sampling.



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The Lithium Market¹

The global lithium market is growing at a rapidly due to developments in the technology and energy sectors, especially in the use of lithium based batteries for automotive and domestic applications.

Presently the global lithium market consumes around 200,000 tonnes of lithium carbonate (or lithium carbonate equivalent, 'VCE') per annum. Two thirds of global consumption is utilised in ceramics, glass, polymers and alloys, however growth in the technology (smart phones and computers) and energy sectors (lithium batteries for automotive and home usage) may see consumption double to over 400,000 tonnes of LCE by 2025.

The short to medium term growth in the lithium market will be limited by supply constraints, with few new operations being commissioned and four producers controlling much of the market. Current price predictions indicate that LCE may rise to over US\$7,000 in 2016. Hence new sources of lithium carbonate are required to meet growing demand.

References

1. Lithium – The Future is Electric, Citi Research, 16 October 2015.

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.

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.



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Figure 1 – Location of Venus Metals lithium projects in Western Australia, including the Greenbushes East project in the southwest.

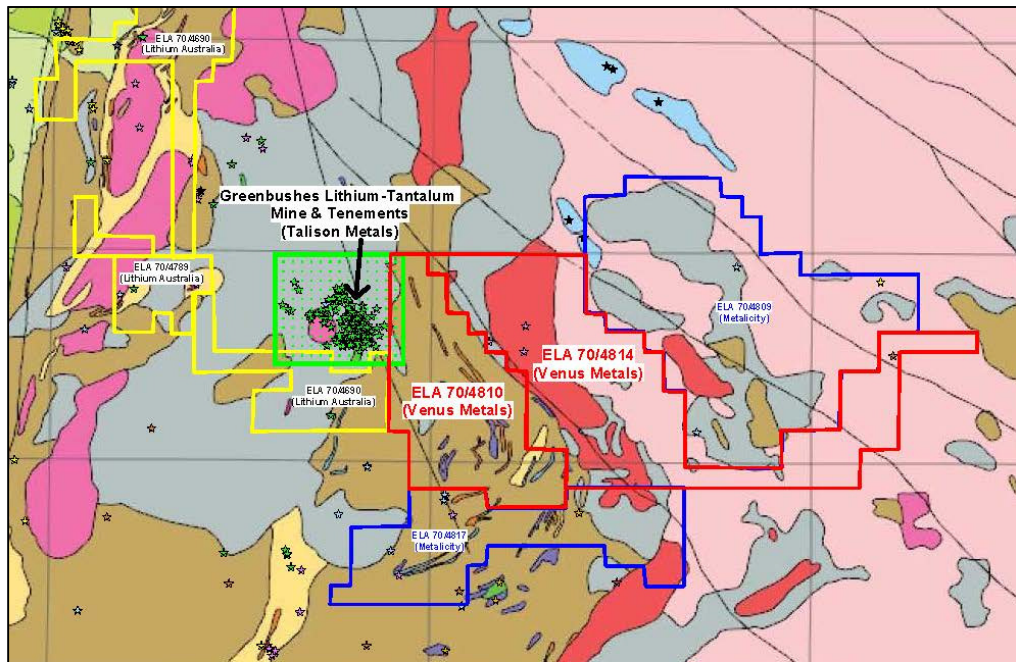


Figure 2 – Greenbushes East tenement applications areas ELA 70/4810 & 4814 (red) with prospect locations over regional geology. The Greenbushes mine area is shown in green, Metalicity applications area in blue whilst Lithium Australia's applications are in yellow.

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")

31 March 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(61)	(369)
(b) development	-	-
(c) production	-	-
(d) administration	(98)	(549)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	39
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	20	238
Net Operating Cash Flows	(138)	(641)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	19	19
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	19	19
1.13 Total operating and investing cash flows (carried forward)	(119)	(622)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(119)	(622)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	92	92
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	92	92
	Net increase (decrease) in cash held	(27)	(530)
1.20	Cash at beginning of quarter/year to date	231	734
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	204	204

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	73
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 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.

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	100
Exercise listed 20 cents options	(40)
Share placement 25 cents	(1,000)
Fixed asset sales	(30)
4.2 Development	-
4.3 Production	-
4.4 Administration	120
Total inflows	(850)

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	12	9
5.2 Deposits at call	192	222
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	204	231

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	459,500	459,500	0.20	0.20
7.3 +Ordinary securities	57,326,623	57,326,623	Fully Paid	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	31,831,561	31,831,561	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	459,500	459,500	0.20	
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)				
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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: _____
(Company secretary)

Date: 28/04/2016

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 31 March 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	50% interest in Iron and 100% interest in other minerals
E59/1508-I	Yalgoo		
E45/3541	Copper Hills (Telfer)	100%	100%
E57/983	Youanmi	100%	100%
E57/986	Youanmi	90%	90%
P57/1260	Youanmi	90%	90%
E57/984	Bellchambers/Sandstone	90%	90%
E57/965	Sandstone	100%	100%
E57/1011-I	Currans Well	90%	90%
P57/1365	Youanmi	90%	90%
P57/1366	Youanmi	90%	90%
E57/1019-I	Pincher Well	100%	100%
E52/3068	Rathbone Well	0%	100%
E52/3069	Curara Well	0%	100%
E57/985	Youanmi	0%	90%