ASX Release: 14 October 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):
69,636,623

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

Market Cap: $12 million

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YOUANMI PROJECT – PINCHER WELL ZINC-COPPER:

STRONG IP ANOMALY HIGHLIGHTS SIGNIFICANT UNTESTED SOUTHERN EXTENSIONS TO MINERALISATION

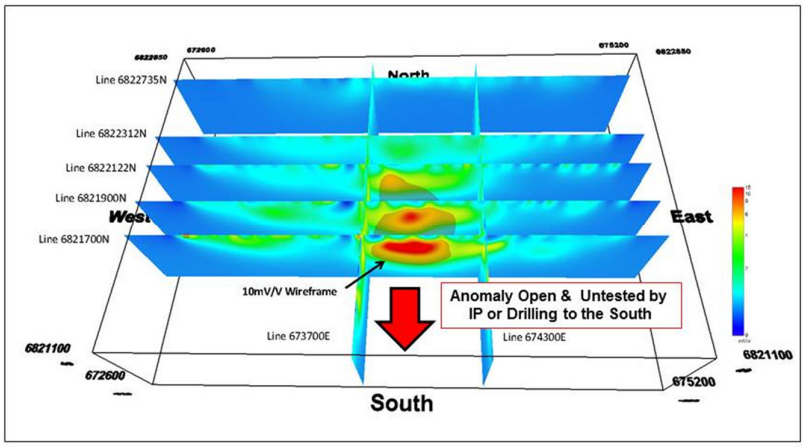


Figure 1 – 3D Model of IP survey lines, with highest response (sulphide?) on the of the southern survey line.

HIGHLIGHTS

PINCHER WELL ZINC-COPPER PROSPECT:

- **Preliminary geophysical surveying of the Pincher Well Volcanogenic Massive Sulphide Trend ('VMS') has been completed,**
- **An Induced Polarisation (IP) survey has identified significant shallow 'up-dip' extensions, to the south, of the known North Dome mineralisation (Figure 1 & 2),**
- **These near-surface 'southern extensions' are UNTESTED by drilling and have the potential to significantly expand the known envelope in terms of both tonnage and grade (Figure 3),**
- **Drill results along strike include:**

  PW009 4.02 m @ 3.83% Zinc from 58.46 metres[1]

  PW011 1.52 m @ 13.84% Zinc from 93.57 metres[1]

- **Drill testing of these 'southern extensions' and additional IP survey to the south are planned,**
- **The North Dome prospect is developing into a significant 'Exploration Target' for future resource drilling, and has been upgraded to:**

15-25 Million Tonnes @ 3-8% Zinc & Copper*

*Definition of 'Exploration Target' on Page 6.

1.0 Introduction

The Directors of Venus Metals Corporation Limited (ASX: VMC) are pleased to announce that the Induced Polarisation ('IP') survey was completed by Vortex Geophysics at Pincher Well Volcanogenic Massive Sulphide Trend ('VMS') –with outstanding survey results as interpreted by Core Geophysics.

The Induced Polarisation ('IP') survey has defined a chargeable zone that correlates well to the known mineralised envelope and substantial zone of previously unrecognised/untested mineralisation to the south, and 'up-dip', from the known North Dome zinc-copper prospect.

2.0 Pincher Well Zinc-Copper VMS Trend

The Pincher Well VMS Trend is located 600km north-northeast of Perth and forms part of Venus Metals Corporation Ltd.'s ('Venus') Youanmi gold & base metal project (Figure 1). The tenements (E 57/986 & 1019) hosting the Trend are situated 15 km southwest of the Youanmi Gold Mine and processing plant. The Youanmi region is well serviced by significant infrastructure associated with historical and ongoing mining operations in the region including those at Windimurra & Sandstone.

The Pincher Dome VMS Trend covers more than 5 kilometres of strike and hosts a number of known zinc and copper prospects including the Linda & Franca Gossans, PW17 zinc discovery and a substantial body of zinc mineralisation at **North Dome** (Figure 2).

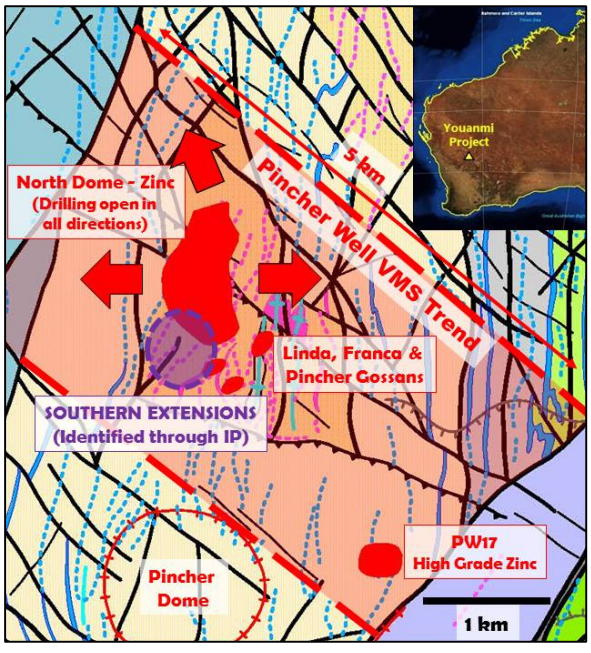


Figure 2 – Interpreted Pincher Well geology with prospects, mineralisation defined by drilling (red) and untested IP target (purple).

Drilling at North Dome, during the 1970s, outlined a shallowly dipping body of mineralisation up to 20 metres thick at more than 2% contained zinc. This body covers more than 1,000 metres of strike and is over 500 metres wide. Little exploration has been completed since that time, however a recent reinterpretation of the mineralised system by Venus Metals indicates that the mineralised envelope remains open in all directions and requires further exploration - the recently completed IP survey confirms this analysis (Figure 2).

3.0 North Dome IP Survey

Induced polarisation ('IP') is a geophysical surveying technique utilising electricity to identify conductive, or non-conductive, units within the subsurface rock strata. The method uses a number of electrodes to both transmit and receive electrical currents, measuring the time taken and the signal response to identify geological units enriched in metallic sulphides

An initial IP surveying at Pincher Well on the north-south lines proved challenging due to thick vegetation, however a number of strong anomalies were detected adjacent to these survey lines. In order to better define these anomalies, a number of east-west survey lines were completed along established grid lines and have outlined an extensive IP anomaly lying to the west and overprinting the known North Dome mineralisation (Figure 3).

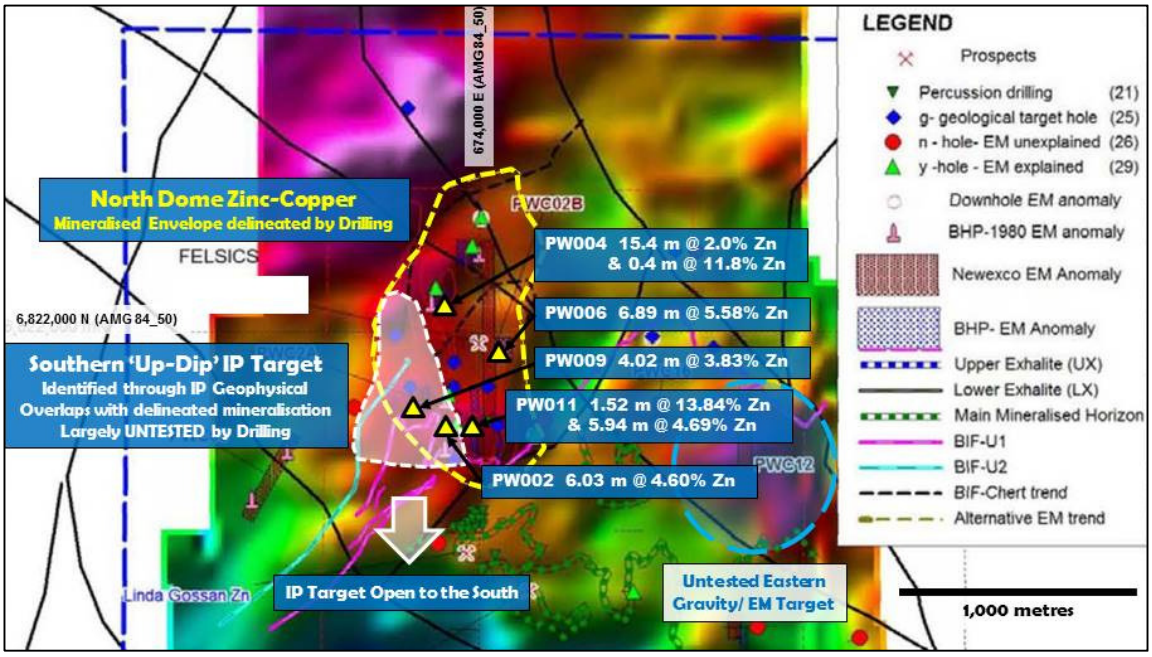


Figure 3 – Geophysical anomalies over gravity survey (showing increases in stratigraphic density, as would be expected with base metal deposits) and significant drill results[1].

The IP survey results where outstanding and demonstrated the following features:

- The IP was shown to be a **highly effective method of targeting disseminated zinc-copper sulphide** mineralisation at North Dome,
- A chargeable zone with an 8mV/V wireframe has a strike and width of **approximately 600m**, highlighting the known mineralisation on the north, as well as identifying **potential unrecognised extensions to the mineralisation to the south** (Figures 1-3),
- The survey indicates that the chargeable zone may extend further to the south bounded between the two north south lines which are 600m apart,
- **Higher chargeability zones up to 15mV/V are evident on the two southernmost east west lines and remain open to the south and largely untested by drilling**, with the potential to **significantly expand the current 'Exploration Target' in terms of both tonnage and grade due to the size and tenor of the anomaly,**
- The IP shows significant untested anomalies adjacent to established mineralisation, such as:
  PW009 4.02 m @ 3.83% Zinc from 58.46 metres[1] &
  PW011 1.52 m @ 13.84 % Zinc from 93.57 metres[1] (Figure 3),
- Additional IP survey lines are required to better define the target area.

The success of the IP at North Dome now provides a cost effective and reliable targeting tool for the exploration of Pincher Well VMS Trend, with additional target areas now prioritised for testing including:

- **PW17** – An EM anomaly to the southeast of the North Dome (Figure 2), tested by a single drill hole that returned an intersection of:
  PW017 2.5 m @ 24.30% Zinc & 0.08% Copper from 87.5 metres[1]

- **Eastern Gravity/EM Target** – located approximately 1,000 metres to the east of North Dome and untested by drilling.

**The specifications and IP surveying locations can be found in Appendices 1 (JORC Table) & 2 of this document.*

4.0 Planned Exploration & Targets

IP survey results, analysed by Venus Metals, in conjunction with magnetics, gravity and electromagnetic ('EM') data and historical drilling, demonstrate the North Dome prospect to be a highly compelling drill target (Figure 3).

Drilling and exploration by previous workers outlined an extensive 'Exploration Target'*, whose prospectivity is only enhanced by the identification of the shallow 'up-dip' extensions by the IP survey.

Venus Metals has now revised its **'Exploration Target' for the North Dome** to:

15-25 Million Tonnes @ 3-8% Zinc & Copper

Including high-grade lodes grading >10% Zinc & Copper

A Program of Works ('POW') is presently being prepared for submission to the Department of Mines and Petroleum ('WA DMP') to allow the refurbishment of a number of east-west survey lines so that Venus can:

- **Extend the IP survey to the south, further testing the anomaly discovered by the recent geophysical surveying,**
- **Undertake preliminary drill testing of the newly recognised southern extensions to the North Dome deposit,**
- **Commence systematic resource drilling at North Dome.**

4.0 Conclusion

The IP survey at North Dome has proven highly successful. A POW is to be lodged with the WA DMP to expedite and advance the work program at North Dome, including further IP surveying and systematic drill testing.

Venus Metals looks forward to updating shareholders exploration continues at North Dome and advances towards the definition of a significant resource.

Bibliography

1. WAMEX Report A4395, Pincher Well – Youanmi Project, Non Statutory Report: Diamond Drilling Logs & Assays Sheets, Western Mining Corporation, November, 1973.

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 Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources 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.

The information in this report that relates to Geophysical Exploration Results is based on information compiled by Mr Mathew Cooper, who is employed as a Consultant to the Company through geophysical consultancy Core Geophysics Pty Ltd. Mr Cooper is a member of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and has sufficient experience of relevance to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cooper consents to the inclusion in the report of matters based on information in the form and context in which it appears.

Exploration Targets

The term 'Exploration Target' should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2012), and therefore the terms have not been used in this context.

The potential quantity and grade of the 'Exploration Target' is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource. The current drilling density is insufficient to classify the mineralisation as a 'Mineral Resource' under the 2012 JORC guidelines.

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 1 – JORC TABLE 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• In September 2016, Venus Metals Ltd commissioned Vortex Geophysics Pty Ltd to complete a ground based Induced Polarisation (IP) survey over 7 lines covering the North Dome prospect within the Pincher Well Project area. A Dipole-Dipole configuration was used employing : GDD 16 channel receiver Vortex VIP-30 Transmitter 15KVA generator Two north south and five east west lines were collected using 100m dipoles recording to at least N=8 At least three readings were acquired at each station in order to ensure data repeatability. Quality assurance and quality control (QA/QC) of the IP data was independently verified by Core Geophysics • Other details of sampling techniques is not applicable
Drilling techniques	• Only IP survey had been carried out. No drilling occurred.
Drill sample recovery	• No sampling/drilling occurred
Logging	• No Logging since no drilling occurred
Sub-sampling techniques and sample preparation	• No sampling/drilling occurred
Quality of assay data and laboratory tests	• The survey parameters and geophysical equipment used by Vortex for the IP survey includes: GDD 16 channel receiver Vortex VIP-30 transmitter 15KVA generator Base Freqency 0.125Hz Porous pot electrodes At least three readings were acquired at each station in order to ensure data repeatability. The IP system is fully calibrated and daily tests were carried out to ensure data quality.
Verification of sampling and	• All primary analytical data acquired by Vortex during the IP survey were recorded digitally and sent in electronic format to Core Geophysics in Perth for independent quality control and evaluation.

Criteria	Commentary
assaying	
Location of data points	• The data points were located using standard GPS positioning. • The expected accuracy is +/- 5 metres for eastings and northing and 10 metres for elevation.
Data spacing and distribution	• The spacing for the north south lines was 600m. The line spacing for the East west lines varied from 200m to 400m. 100m dipoles were used for all lines.
Orientation of data in relation to geological structure	• The orientation of the IP survey lines was designed to cross the targeted geology and mineralised structures in an attempt to minimise the risk of biased or inaccurate sampling.
Sample security	• The chain of custody is managed by Venus Metals Ltd.
Audits or reviews	• The data were independently verified by Mathew Cooper of Core Geophysics.

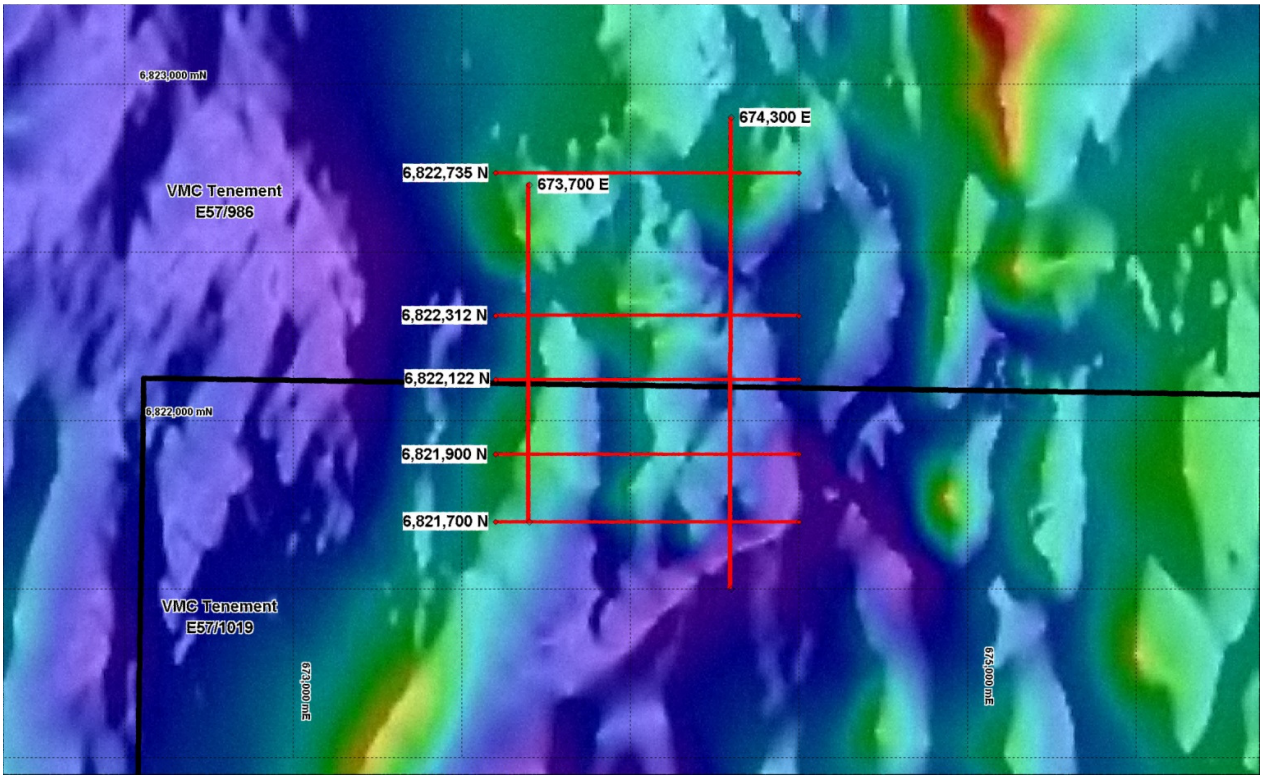
Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	• The survey area falls within Youanmi Tenement E57/986 (90% owned by Venus Metals Corporation Limited and 10% by Bruce Legendre within Wutha claim area) and E57/1019 (100% owned by Venus Metals Corporation Limited in no native title claim area).
Exploration done by other parties	• The tenement area was historically explored by many explorers since 1973. Gold Mine Australia, WMC explored extensively for gold and Base Metals respectively
Geology	• The Pincher Dome tenements form part of Youanmi Project area. The tenements are situated 15 km southwest of the Youanmi Gold Mine and processing plant and are accessed via the Youanmi-Menzies Road and station-mining access tracks. Volcanogenic Massive Sulphide (VMS) mineralisation on the Pincher Dome VMS trend has been identified over an area of more 5 km of strike, associated with volcanoclastic stratigraphy.
Drill hole Information	• No exploration drillholes were drilled by Venus Metals.
Data aggregation methods	• No data aggregation for geophysical survey.
Relationship between mineralisation widths and intercept lengths	• No mineralisation widths and intercept reported for this geophysical survey.
Diagrams	• Please refer ASX release

Criteria	Commentary
Balanced reporting	• No balanced reporting in relation to grades are not applicable
Other substantive exploration data	• No other substantial exploration data at this stage.
Further work	• Venus plans to follow up with targeted drilling of IP anomalies at Pincher North Dome.

APPENDIX 2 – IP SURVEY LOCATION PLAN

Appendix-2 Location of IP survey lines shown on Regional aeromagnetic anomaly map



Line	Orientation	Start	End	Length (m)
673700E	North-South	6820900	6823200	2300
674300E	North-South	6820800	6823400	2600
6821700N	East-West	672800	675000	2200
6821900N	East-West	672800	675000	2200
6822122N	East-West	672800	675000	2200
6822312N	East-West	672800	675000	2200
6822735N	East-West	672800	675000	2200

Coordinates GDA94 M50