ASX Release: 31 July 2017 **ASX Code: VMC**

Venus Metals Corporation Limited
ACN 123 250 582

CORPORATE DIRECTORY

Mr Matthew Hogan
Non-Executive Chairman

Mr Kumar Arunachalam
Chief Executive Officer

Mr Terence Hogan
Non-Executive Director

CAPITAL STRUCTURE

Issued Shares (ASX: VMC):
69,964,693

Issued Options (ASX: VMCOA):
31,449,491

Market Cap: $6.9 million

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QUARTERLY REPORT

FOR PERIOD ENDING 30 JUNE 2017

Venus Metals Corporation Limited's activities conducted during the quarter ending 30th June 2017 include

Pincher Well (Youanmi) Zinc-Copper Project:

- **The 2nd phase of IP surveying has confirmed the shallow 'up-dip' southern extensions of the North Dome high-grade zinc mineralisation. The chargeability recorded in recent IP survey along line 6821500N is stronger than the previous IP survey results and extends the anomaly an additional 400m to the south.**
- **The modelled anomaly remains OPEN and UNTESTED to the south, potentially extending the target envelope to over 1 km strike and 250m in width.**
- **The eastern part of anomaly on southern line 6821300mN is located coincident with the historical Linda and Franca Base Metal Gossans** (ASX release 29 May 2017)**.**
- **A detailed Ground Magnetic survey was undertaken by Magnetic Resources NL in the Pincher Well North Dome area along 38 E-W lines of 1.8 km length at 50m line spacing. The interpretation of this data is in progress.**
- **VMC plans to commence RC drilling in the southern target area in August to test the recently discovered high chargeability IP anomalies.**

Sandstone Gold Project:

Significant assay results from recent shallow RAB drilling include:

- **4m @ 2.21 g/t Au from 13m** including **1m @ 3.98 g/t from 13m** (**BCR 246**); **3m @ 1.03 g/t Au from 6m** (**BCR 26**); **3m @ 0.96 g/t Au from surface and 3m @ 0.81 g/t Au from 6m (BCR 7) and 2m @ 0.70 g/t Au, 7.6 g/t Ag from 8m** (**BCR 271**).
- **The assay results confirm the occurrence of gold mineralisation at shallow depth in selected VTEM anomaly areas which warrant additional RC drilling to test this mineralisation to depth.**

Curara Well Project:

- **Diamond tails were completed on 3 RC holes (CWRC001, CWRC003 and CWRC005) at Curara Well for 361.9m under Co-funded EIS Government-Industry drilling programme. The interpretation of assays and Petrography study are now underway.**

The exploration activities conducted by Venus Metals Corporation Limited (VMC) during the quarter ending 30th June 2017 are as detailed below:

1.0 Pincher Well (Youanmi) Zinc-Copper Project:

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 and a substantial body of zinc mineralisation at North Dome.

A review of the exploration data, and Phase 1 IP survey, over the North Dome area resulted in a reconnaissance drilling program over the IP anomaly which confirmed the presence of the significant wide intercepts of zinc mineralisation within the shallow 'up-dip' extensions of the North Dome zinc-copper prospect (refer ASX announcement 27th April 2017).

The successful drilling resulted in a second phase of IP, targeted south of the previous surveyed lines, with further lines on 200 m spacing (Figure 1). The survey was completed by Vortex Geophysics with outstanding results, as interpreted by Core Geophysics (Figure 2) (refer ASX announcement 29th May 2017).

Work carried out during this quarter at Pincher Well includes

- **Phase 2 IP Survey:**

The main highlights of the IP Survey results are:

- Out of 6 IP E-W survey lines completed (Phase 1 and Phase 2) (Figure 1) in the North Dome the chargeability ranging from 7mV/V (line at 6822312mN) to 19mV/V (line 6821500mN). The chargeability increases steadily to the south, revealing the shallow 'up-dip' southern extensions of the recently discovered North Dome, high-grade, Zinc mineralisation.
- The IP anomaly bifurcates in the south line (6821300m N), interpreted to be due to the presence of a NE trending fault. The eastern part of this anomaly is located coincident with the mapped Linda and Franca Gossans and most likely reflects the deeper base metal source of these gossans.

  The high chargeability targets on survey lines 6821500mN and 6821300mN (Figure 2) have yet to be drill tested.

The IP survey has extended the strike length of the previously reported chargeable zone (ASX announcement 14th October 2016) and the **target envelope now potentially covers a strike length of more than 1km with a width of over 250 m. Further, the anomaly delineated by the survey is**

open to the south and covers an area of previously unrecognised potential mineralisation that has yet to be drill tested.

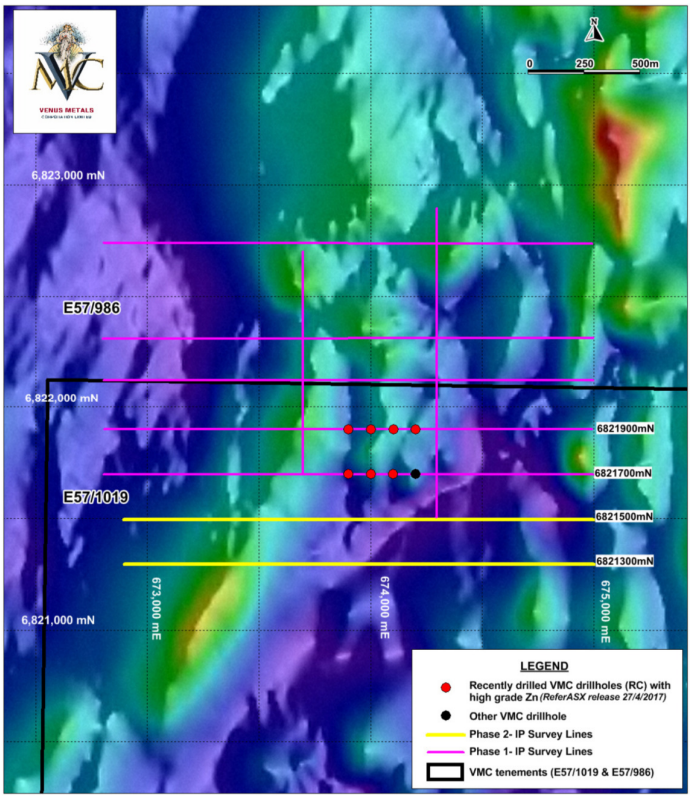

Figure 1– Location of Phase 2 IP Survey Lines (yellow) shown on Regional Aeromagnetic Anomaly Map.

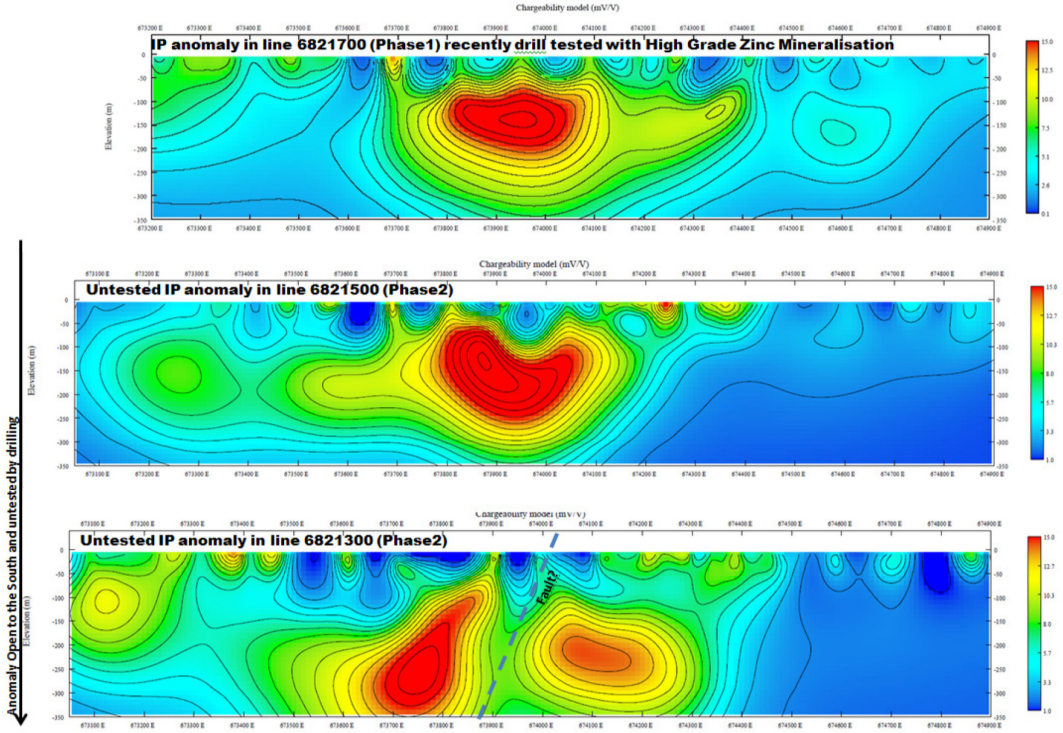

Figure 2– IP Survey Chargeability Inversion Models of Line 6821700mN (Phase 1 IP survey, drill tested), Southern Lines 6821500mN and 6821300mN, (Phase 2 IP Survey, yet to be drill tested)

VMC plans to commence drill testing the extensive southern IP anomaly lines during August and POW for this program has already been approved by the Department of Mines, Industrial Regulation and Safety (DMIRS). This accelerated program will assist in delineating the high-grade zones of zinc mineralisation along the highly prospective southern extensions of the Pincher Well prospect.

- **Ground Magnetic Survey**

In order to better define the nature and disposition of the orebody at Pincher Well's North Dome prospect, VMC commissioned Geophysical Consultants, Magnetic Resources NL, to conduct a Ground Magnetic survey through the Pincher Well North Dome prospect area. The survey was conducted along 38 E-W lines, covering 1.8 km of strike at 50m line spacing. Interpretation and modelling of the survey results is presently underway.

2.0 Currans Well (Youanmi) Cobalt-Nickel-PGE Project

The Currans Well area (E57/1011) overlies a structural wedge on the southern margin the Youanmi greenstone belt and gabbro's of the Youanmi intrusion. This area hosts a number of Nickel-Copper-PGE prospects including Vidure, Merlot and Malbec. Extensive outcrop of ferruginous lateritic duricrust, mottled zone and upper saprolite overlie, and potentially mask, the subsurface nickel-copper mineralisation at Currans Well.

A recent review of historical data at Currans Well area has revealed anomalous cobalt mineralisation in both surface sampling and drilling, including thick intersections of near surface mineralisation.. The Cobalt mineralisation is associated with anomalous Copper and Nickel in the 'near surface environment' and is interpreted to be related to secondary enrichment associated with lateritic processes and the presence of elevated base and specialty metals (such as Cobalt) in the underlying source rocks, namely the ultramafic stratigraphy (ASX release 3 April 2017).

A program is presently being developed by Venus Metals to systematically test the lateritic duricrust by utilising shallow RAB drilling.

Work carried out during the current quarter includes:

- Drill target locations were delineated and a Programme of Work application was prepared and submitted to DMIRS for approval. The RAB drilling programme at Currans Well is planned scheduled for September-October 2017.

3.0 SANDSTONE GOLD PROJECT:

VMC Sandstone Gold Project (E 57/984) covers over 200 km^2 of the western margin of the Sandstone greenstone belt, 23 km to the southwest of the town of Sandstone in Western Australia. Historically the Sandstone region has produced in excess of 1.5 million ounces of gold and is well serviced by mining and regional infrastructure.

In quarter ending March 2017, VMC had drilled 79 shallow RAB holes (Figure 3) totalling 1671m targeting the previously modelled VTEM anomalies (refer ASX releases 18th June and 25th September 2015).

Work carried out during the current quarter includes:

- The assay results obtained from the RAB drilling were analysed to delineate targets for deeper drilling. The highlights of RAB drilling, with assay results, are as below:
  - Shallow RAB drilling, with hole depths ranging between 6m and 48m, targeted 7 anomalous zones identified from VTEM.
  - Geologically, gold (Au) mineralisation appears to be associated with structurally controlled medium to coarse-grained metagabbro as well as banded, ferruginous, meta-chert units.
  - Out of the 79 holes drilled, 20 holes returned anomalous Au values - 2 RAB holes gave values greater than 1 g/t and 6 other drill holes had Au values > 0.5g/t at variable shallow depths. The details of collar and assays (>0.1g/t Au) and JORC Table-1 are presented in Appendices 1 and 2 respectively.
  - The best intercepts include:

    4m @ 2.21 g/t Au from 13m including **1m @ 3.98 g/t from 13m** (**BCR 246**);
    3m @ 1.03 g/t Au from 6m (BCR 26);
    3m @ 0.96 g/t Au from surface and 3m @ 0.81 g/t Au from 6m (BCR 7) and
    2m @ 0.70 g/t Au, 7.6 g/t Ag from 8m (**BCR 271 B**).
  - Aside from the holes listed above, 6 other holes had Au values > 0.5g/t at varying depths.
  - The best holes are located within the historical gold trends - Mickey Well Trend and the Bell Chambers-Range View Trend.
  - Preliminary analysis of the assay results shows the potential extensions of the historically known resources.

The assay results confirm the occurrence of gold mineralisation at shallow depth in selected VTEM anomaly areas which warrant additional RC drilling to test this mineralisation to depth.

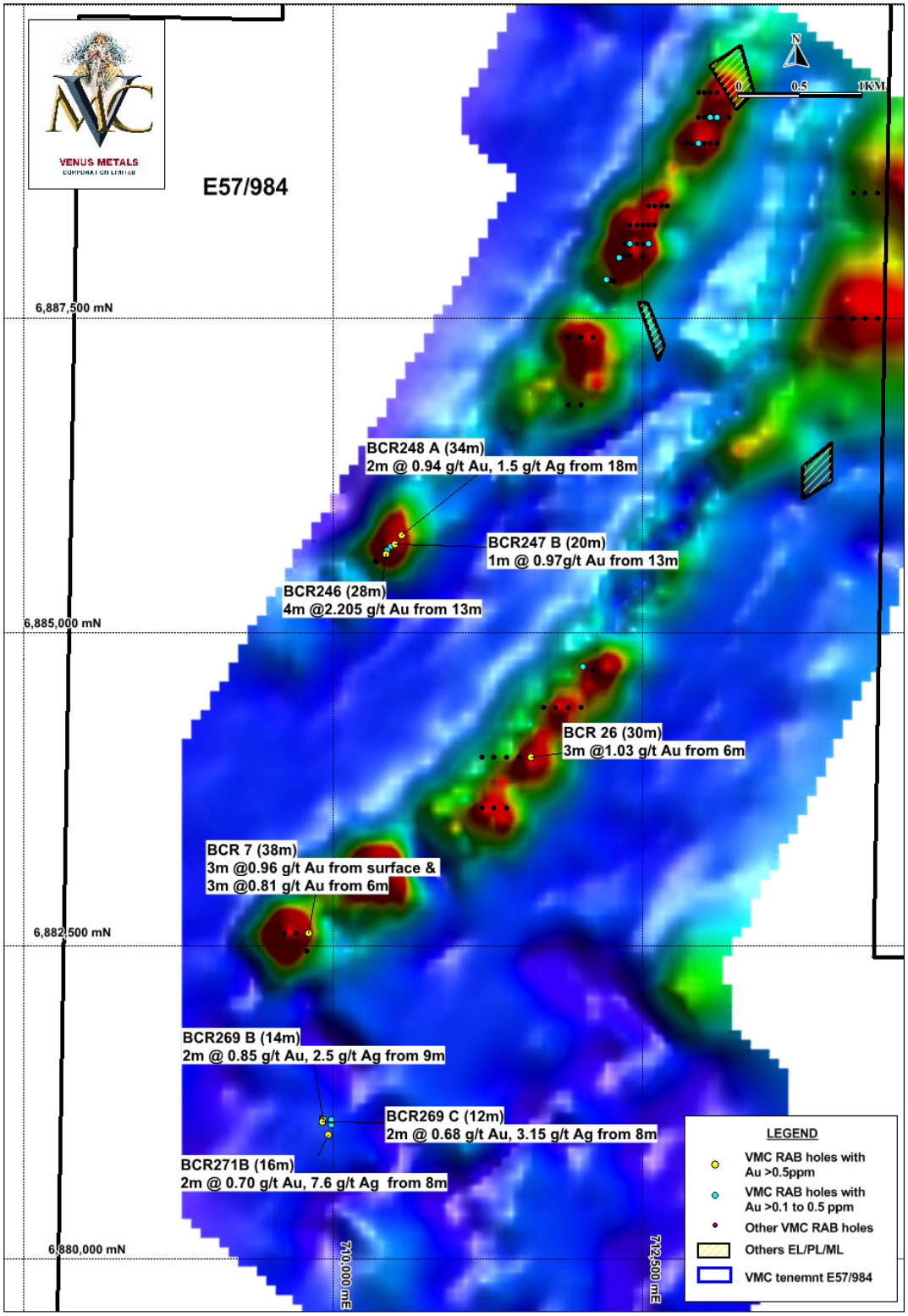

Figure 3 . Location of shallow RAB drillholes with Au mineralisation is shown on VTEM conductivity Map

4.0 Curara Well Project:

VMC's Curara Well Gold-Base Metals Project (E52/3069) is located 10km northeast of Sandfire Resources DeGrussa Copper Mine and 10km Southwest of Plutonic Gold Mine. A preliminary reconnaissance drilling program of 5 RC drill holes was completed during October-November 2016 over three prospective geophysical (pipe-like) targets. The RC drilling intersected significant widths of ultramafic stratigraphy. Three of these RC drill holes intersected disseminated Nickel Sulphides, within the S1 & S2 target area (refer ASX release 23 January 2017).

Significantly, an ore petrography study by Dr Roger Townend* (Townend Mineralogy Lab) identified Millerite (Nickel Sulphide), with accessory Pentlandite, Pyrrhotite and traces of Chalcopyrite, in the RC chip samples from two drillholes (CWRC003 and CWRC005) located 3,000 m apart.

Dr Townend has commented that "the mineralisation has "***some resemblance to the Mt Keith nickel deposit from the north-east goldfields of WA. The mineralised Mt Keith rocks are completely serpentinised ultramafic cumulates. They are a high tonnage low grade (0.6% Ni) deposit in which millerite can form up to 20% of the orebody, with pentlandite the main nickel mineral".*** These petrographic studies have also confirmed the occurrence of pervasive hydrothermal alteration in all drill holes. The area is now believed to be highly prospective for large nickel sulphide accumulations, based on these initial encouraging results.

Exploration at Curara Well during this current quarter includes:

- VMC completed 'diamond tails' on 3 RC holes (CWRC001, CWRC003 and CWRC005), which were extended to depth based upon geophysical targeting and the assay results of the RC drilling. Drilling was completed under co-funded EIS Government- Industry drilling programme.

  A total of 361.9m of diamond drilling (NQ core) was successfully completed. The drill hole collar details are listed in Table 1 and drillhole locations are shown in Figure 4.

Table 1. Diamond Drilling Collar details

HOLE ID	Easting MGA50	Northing MGA50	Pre- Collar Depth (m)	Final Depth (m)	Dip	AZI	Start Date	End Date
CWDD001	741544	7183331	201.2	355	-60	120	13/06/2017	16/06/2017
CWDD003	743200	7181648	251.2	353	-65	225	17/06/2017	19/06/2017
CWDD005	742869	7184774	169.5	275.8	-60	45	08/06/2017	13/06/2017

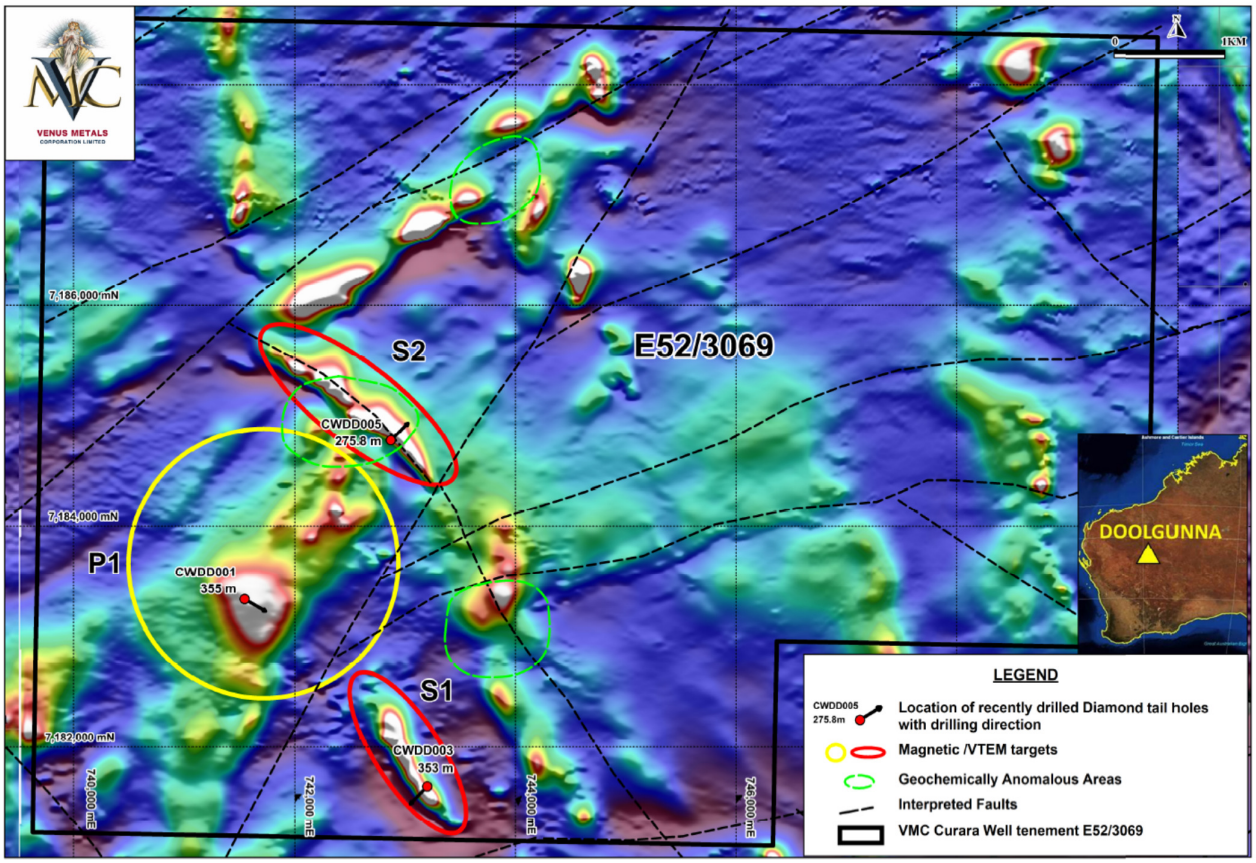

Figure 4. Location of Diamond tails at Curara Well E52/3069

Core samples were composited and selected 1m samples were sent for multi element assaying at Intertek Lab, Perth. Several selected core samples were also sent for petrological studies at Townend Mineralogy Lab, Perth. Interpretation of assay results and petrological studies is currently underway.

Bibliography

1. WAMEX Report No A78024, 2007, Currans Well Project Annual Report, Ellendale Resources NL..
2. WAMEX Report No A4021, 1973, AMAD TR 3930H, Youangarra Terminal Report, WMC Limited.
3. WAMEX Report No A45180, 1995, Pincher Project, Report on Exploration 1994-95, GMA Limited.
4. WAMEX Report No A63801, 2001, Currans Well Project Annual Report, Valdera Resources Limited.
5. WAMEX Report No A5392-93, 1973, Western Mining Corporation, Youangarra Annual Report.
6. WAMEX Report No A19317, 1985, Pincher Well Diamond drilling report, BHP Minerals Ltd.
7. WAMEX Report No A70953, 2005, Currans Well Project Annual Report, Ellendale Resources NL.

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.

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.

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.

Appendix -1 Sandstone RAB Drilling Collar and Assay

Hole ID	Easting MGA94	Northing MGA94	Depth	Azi	Dip	RL	From_m	To_m	Au_ppm	Ag_ppm	Cu_ppm	S_ppm	Zn_ppm
BCR 200	712550	6888100	34	130	-60	545.40	9	12	**0.21**		459	1110	225
BCR 200							12	15	**0.16**	**0.5**	290	1140	325
BCR 200							15	18	**0.16**		128	870	342
BCR 26	711600	6884000	34	270	-60	544.44	6	9	**1.03**	**0.5**	103	345	77
BCR 26							9	12	**0.44**	**0.6**	129	270	29
BCR 26							15	18	**0.15**		156	320	85
BCR 46A	712019	6884725	25	310	-60	543.26	9	12	**0.11**	**0.7**	82	2470	62
BCR 46A							15	18	**0.12**	**0.5**	125	1590	169
BCR 7	709800	6882600	38	130	-60	529.35	0	3	**0.96**	**0.5**	137	505	107
BCR 7							3	6	**0.48**		294	1130	56
BCR 7							6	9	**0.81**	**0.7**	315	1440	85
BCR 7							9	12	**0.22**		283	1150	150
BCR 7							15	18	**0.13**		22	245	98
BCR 7							21	24	**0.18**	**0.6**	99	25	50
BCR 7							27	30	**0.16**	**0.6**	23	90	64
BCR103	712950	6888900	23	135	-60	536.19	9	12	**0.12**		212	440	113
BCR197	712400	6888100	24	290	-60	550.02	21	24	**0.28**	**0.6**	**1070**	690	529
BCR215	712309	6887983	31	240	-60	553.37	9	12	**0.16**		397	1280	50
BCR223	712208	6887809	21	90	-60	551.58	15	18	**0.13**	**0.5**	365	380	208
BCR245 A	710465	6885686	35	130	-60	542.78	21	24	**0.18**	**1**	225	2990	375
BCR245 A							27	30	**0.3**		162	1150	252
BCR245 A							30	35	**0.17**	**0.8**	233	1140	218
BCR245 B	710465	6885686	35	130	-60	542.78	21	22	**0.2**		216	595	597
BCR245 B							22	23	**0.18**	**1.8**	245	7200	293
BCR245 B							23	24	**0.16**		216	1460	345
BCR245 B							26	27	**0.11**		197	3070	205
BCR245 B							27	28	**0.23**		199	1640	261
BCR245 B							28	29	**0.45**	**0.5**	175	795	281
BCR245 B							29	30	**0.32**		141	740	244
BCR245 B							30	31	**0.37**	**0.7**	159	1540	254
BCR245 B							31	32	**0.29**		234	1360	323
BCR245 B							32	33	**0.12**	**0.8**	268	780	223
BCR246	710427	6885628	28	130	-60	541.83	2	3	**0.13**		219	1360	932
BCR246							5	6	**0.13**		59	305	103
BCR246							7	8	**0.12**		216	485	308
BCR246							11	12	**0.14**		396	900	548
BCR246							13	14	**3.98**	**1.6**	124	49300	51
BCR246							14	15	**2.55**	**0.5**	465	17700	138
BCR246							15	16	**0.76**		389	7650	103
BCR246							16	17	**1.53**		398	4480	178
BCR246							17	18	**0.28**	**1.1**	**1060**	1370	294
BCR246							18	19	**0.55**	**0.7**	**1230**	4350	152
BCR246							19	20	**0.25**	**0.6**	645	19100	107
BCR246							20	21	**0.28**	**0.6**	691	30100	58
BCR246							21	22	**0.12**		248	18800	121
BCR246							22	23	**0.14**	**0.6**	525	42300	103
BCR246							23	24	**0.18**	**0.9**	762	39400	108
BCR246							24	25	**0.34**	**0.9**	363	9640	124
BCR246							25	26	**0.21**	**1.1**	340	2280	134
BCR246							26	27	**0.15**	**1**	153	1070	123
BCR246							27	28	**0.24**	**0.8**	67	575	105
BCR247 A	710438	6885661	19	130	-60	542.78	11	12	**0.24**	**0.6**	261	415	608
BCR247 A							12	13	**0.26**		207	270	331
BCR247 A							13	14	**0.17**		210	230	250
BCR247 A							14	15	**0.13**		190	230	185
BCR247 A							15	16	**0.12**		172	350	233
BCR247 A							16	17	**0.3**	**0.5**	167	580	153
BCR247 A							17	18	**0.23**	**0.5**	173	595	194
BCR247 A							18	19	**0.28**	**0.6**	208	2350	264
BCR247 B	710494	6885706	20	270	-60	543.65	7	8	**0.12**		196	975	347
BCR247 B							9	10	**0.16**	**0.6**	293	1570	226
BCR247 B							11	12	**0.53**	**0.7**	380	455	421
BCR247 B							12	13	**0.34**	**0.6**	312	365	440
BCR247 B							13	14	**0.97**		410	485	303
BCR247 B							14	15	**0.29**		197	525	477
BCR247 B							15	16	**0.84**		179	405	220
BCR247 B							16	17	**0.11**		89	385	294
BCR247 B							17	18	**0.14**	**0.5**	166	360	174
BCR247 B							18	19	**0.18**		57	370	217
BCR247 B							19	20	**0.2**		131	545	212
BCR248 A	710555	6885773	34	270	-60	541.77	15	16	**0.23**	**0.8**	192	825	305
BCR248 A							16	17	**0.14**	**1.1**	194	5810	219
BCR248 A							17	18	**0.24**	**1.4**	651	61300	113
BCR248 A							18	19	**0.91**	**1.9**	850	91500	73
BCR248 A							19	20	**0.96**	**1.1**	131	25100	99
BCR248 A							20	21	**0.34**	**2**	930	51500	117
BCR248 A							21	22	**0.12**	**0.9**	277	11800	185
BCR248 A							22	23	**0.49**	**1.1**	635	7810	379
BCR248 A							23	24	**0.24**	**0.8**	271	4470	356
BCR248 A							31	32	**0.16**	**0.9**	129	655	125

Hole ID	Easting MGA94	Northing MGA94	Depth	Azi	Dip	RL	From_m	To_m	Au_ppm	Ag_ppm	Cu_ppm	S_ppm	Zn_ppm
BCR269 B	709921	6881109	14	270	-60	514.35	6	7	**0.17**	**0.8**	618	180	124
BCR269 B							8	9	**0.12**	**0.8**	607	80	143
BCR269 B							9	10	**0.84**	**1.4**	549	140	65
BCR269 B							10	11	**0.85**	**3.6**	722	90	101
BCR269 C	709914	6881098	12	360	-60	514.35	7	8	**0.27**	**1.1**	661	115	216
BCR269 C							8	9	**0.74**	**2.7**	325	145	29
BCR269 C							9	10	**0.61**	**3.6**	**1330**	240	179
BCR269 C							10	11	**0.19**	**1.7**	853	130	196
BCR270 A	709984	6881069	15	270	-60	510.50	9	10	**0.14**	**1.2**	41	185	52
BCR270 A							11	12	**0.23**	**2.8**	66	445	80
BCR270 A							12	13	**0.28**	**3**	216	370	145
BCR271B	709957	6880994	16	270	-60	511.27	8	9	**0.65**	**3**	148	575	181
BCR271B							9	10	**0.75**	**12.2**	260	865	327
BCR271B							10	11	**0.4**	**4.9**	106	910	42
BCR271B							11	12	**0.53**	**2.4**	234	320	184
BCR272 A	709984	6881108	15	270	-60	512.04	11	12	**0.19**	**0.9**	126	185	123
BCR84	713050	6889100	33	100	-60	532.30	3	6	**0.32**	**0.7**	**1010**	185	394
BCR84							6	9	**0.29**		802	70	799
BCR84							9	12	**0.22**	**0.6**	482	55	1270
BCR84							18	21	**0.37**		476	90	784
BCR84							30	33	**0.24**		319	235	940
BCR85	713100	6889100	23	100	-60	532.06	15	18	**0.11**	**0.7**	166	35	118

APPENDIX-2

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• VMC had carried out a reconnaissance Rotary Air Blast (RAB) drilling programme at selected locations within tenement E 57/984. • The RAB samples for every 1m were collected. Based on lithology and visual inspection, composite samples for 3m, 2m and 4m were prepared from 1m split samples using the Spear method. These composite samples as well as selected 1m samples were sent for assaying at SGS Lab, Perth.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• RAB drilling of total 79 holes for 1671m depth were drilled. The orientation of the holes varies between 145°N and 360°N Azi and -60°dip.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	

	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Visual inspection of samples from the current shallow depth drilling identified a good recovery of samples. As this was an initial reconnaissance drilling ,we cannot identify any relationship between sample recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All RAB samples were geologically logged in detail. The current exploration was an initial reconnaissance scout drilling hence is not applicable for Mineral resource estimation / mining studies etc.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The RAB samples were collected for every 1m. Most these samples were sub sampled for 3m, 2m and 4m composites using the Spear method (approximately 2-4 kg/ sample) in Calico bags labelled with representative Sample ID's. Also few selective 1m samples were also collected in calico bags using same method and labelled with Sample Ids. These composite and 1m samples were secured and packed in carton boxes and sent for assaying at SGS, Lab Perth.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias)*	• The laboratory assaying techniques are suitable for the samples submitted. • All Samples were sent for assaying at SGS Lab in Perth for multi-element analysis. - Four Acid Digestion method- 0.2gm-20ml (DIG40Q) followed by ICPAES for analysing Ag, As, Co, Cu, Ni, Pb, S, Sc, Sn and Zn - Fire Assay (FAA303) for analysing Au

	and precision have been established.	
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All composites and 1m split samples were verified by independent Geological Consultant and company representative in the field before submitting to the Laboratory for assaying. No adjustments to assay were done.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The drill hole collars were located using a hand held GPS (accurate to <10 metres) in MGA 94, Zone 50.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drill holes were drilled only at selected locations with spacing up to 50m.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• RAB drilling of total 79 holes for 1671m depth were drilled. The orientation of the holes varies between 145°N and 360°N Azi and -60°dip. Mostly the drill holes were oriented perpendicular to the EM conductor body dip planes and geological structures.
Sample security	• *The measures taken to ensure sample security.*	• Samples were bagged with appropriate sample numbers and secured by field staff prior to submission to the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• At this preliminary stage no audits of sampling technique were done.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary

Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration Licence E57/984 is granted by DMP and is owned 90% VMC and 10% by Independent prospector. VMC had completed Aboriginal Heritage Clearance Survey on the tenement before the commencement of drilling.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Compilation and review of historical data partially completed.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The shallow depth RAB drilling identified gold mineralisation is mostly controlled by shear zones and hosted within metabasalts and banded metacherts.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The drill hole collar data is summarised in Appendix-1.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Weighted averaging method is used in reporting the intersection of high grade gold mineralisation >0.5g/t Au.

	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• At this stage we had only carried out reconnaissance exploration scout drilling, any mineralisation intercepted would be down hole length, true width unknown.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Maps are presented in ASX announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Drill hole assay results including high and low grades of Au, Ag and Cu are reported in Appendix-1.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The current shallow depth reconnaissance RAB drilling at selected locations targeted EM conductors, geological structures and mineralisation. At this stage no other exploration work is reported or available.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• In order to test the mineralisation at depth, we are planning for RC drilling at selected VTEM anomaly areas where the occurrence of gold mineralisation at shallow depth is confirmed by the current drilling.

Details of Mining tenements at Quarter ended 30 June 2017			
(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**
R59/1	Yalgoo	50%	50% interest in Iron and 100% interest in other minerals
E59/1508-I	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-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	100%	100%
E52/3069	Curara Well	100%	100%
E57/985	Youanmi	90%	90%
E20/885	Poona	90%	90%
E57/981	Bellchambers/Sandstone	100%	100%
E57/982	Youanmi	100%	100%
E57/1023-I	Youanmi	100%	100%
E57/1018	Pincher Well	100%	100%
E 45/4627	Wodgina South	100%	100%
P 45/3004	Wodgina South	100%	100%
E 52/3320-I	Orient Well (Curara East)	100%	100%
E 70/4810	Greenbushes East	100%	100%
E 70/4814	Greenbushes East	100%	100%
E59/2187	Yalgoo	100%	100%
E09/2156	Nardoo Hill	100%	100%
E45/4630	Pilgangoora East	100%	100%
E45/4684	Pilgangoora East	100%	100%

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

VENUS METALS CORPORATION LIMITED

ABN	**Quarter ended ("current quarter")**
99 123 250 582	30 June 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(165)	(854)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(124)	(588)
	(e) administration and corporate costs	(78)	(349)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	80	80
1.8	Government Grant (provide details if material)	60	60
1.9	**Net cash from / (used in) operating activities**	**(226)**	**(1,646)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(5)	(6)
	(b) tenements (see item 10)	-	-
	(c) investments	-	(50)
	(d) other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	22
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(5)**	**(34)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	1,128
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	10
3.4	Transaction costs related to issues of shares, convertible notes or options	(2)	(29)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (proceeds for issue of options)	-	157
3.10	**Net cash from / (used in) financing activities**	**(2)**	**1,266**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	773	954
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(226)	(1,646)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(34)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	1,266
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**540**	**540**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	88	21
5.2	Call deposits	452	752
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**540**	**773**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	46
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Directors' salaries, fees and superannuation

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	100
9.2	Development	-
9.3	Production	-
9.4	Staff costs	60
9.5	Administration and corporate costs	50
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**210**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer attachment		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		Refer attachment		

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: 26 July 2017
(Company secretary)

Print name: Dean Calder

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.