ANNUAL REPORT 2016

VENUS METALS
CORPORATION LIMITED

ABN 99 123 250 582

CORPORATE DIRECTORY

DIRECTORS

Terence William Hogan, OAM
Non-Executive Chairman

Matthew Vernon Hogan
Managing Director
Company Secretary

Selvakumar Arunachalam
Executive Director

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Level M, BGC Centre
28 The Esplanade
Perth WA 6000
Tel: +61 8 9321 7541
Fax: +61 8 9486 9587
Email: info@venusmetals.com.au
Internet: www.venusmetals.com.au

SOLICITORS

Gilbert + Tobin
1202 Hay Street
West Perth WA 6005

AUDITORS

Stantons International
Level 2, 1 Walker Avenue
West Perth WA 6005

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
Suite 1, 770 Canning Highway
Applecross WA 6153
Tel: +61 8 9315 2333
Fax: +61 8 9315 2233

AUSTRALIAN SECURITIES EXCHANGE

ASX Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX CODE: **VMC**

WEBSITE

www.venusmetals.com.au

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REVIEW OF OPERATIONS

SUMMARY

During 2015-16, Venus Metals Corporation Ltd (VMC) carried out exploration works on its diverse portfolio of projects focusing mainly on Lithium, Gold and Base Metals.

- Lithium-Tantalum Projects (Poona, Pilgangoora, Wodgina South, Nardoo Hill and Greenbushes)
- Curara Well Gold-Base Metal-Diamond project
- Youanmi Gold-Base Metal Project (Inky South, Currans Well (Vidure) and Pincher Well)

The exploration activities include:

- Geological mapping and surface rock chip sampling at Poona Lithium Project
- Geological mapping and reconnaissance surface sampling across three identified target areas at Wodgina South of Pilgangoora region.
- Reconnaissance sampling at Nardoo Hill Lithium-Tantalum Project.
- A desktop evaluation of Greenbushes Lithium project and delineation of number of priority targets.
- Memorandum of Understanding (MoU) with Lithium Australia (ASX: LIT) to test Lithium carbonate and Lithium hydroxide potential/commercial lithium potential of Venus' Pilgangoora tenements in the Pilbara region of Western Australia.
- Initial reconnaissance survey (including helicopter aerial survey) of Pilgangoora Northeast tenements and delineation of potential target areas for soil sampling.
- Modelling of recently conducted Versatile Time-Domain Electromagnetic (VTEM) geophysical survey and 3D inversion modelling of historical regional detailed Magnetics of Curara Well Gold-Base Metals-Diamond Project at Doolgunna Region. WA Government co-funded Exploration Drilling Programme grant of $150,000 under Exploration Incentive Scheme (EIS) was awarded by Department of Mines and Petroleum (DMP).
- DMP has awarded $150,000 drilling grant under EIS Programme for Inky South Base Metals Project at Youanmi.
- A desktop historical geological data review and modelling of historic EM data (Moving Loop EM, Fixed Loop EM and Down Hole EM) of Vidure Nickel-Copper Prospect at Youanmi Currans Well Project.
- DMP has approved the conversion of Yalgoo Iron Ore Project Mining Lease (M59/742) to a Retention Licence (R59/0001).

Venus currently has 14 granted Exploration Licences, 2 Prospecting Licences and 1 Retention Licence and Pending 14 Exploration Licence Applications (ELA) and 1 Prospecting Licence (PLA) in Western Australia.

1. LITHIUM –TANTALUM PROJECTS

Venus Metals Corporation Limited (Venus) has made exploration licence applications over five strategic lithium-tantalum project areas in Western Australia - the Pilgangoora Northeast, Wodgina South projects in the Pilbara, the Nardoo Well project in the Capricorn, the Poona Project in the Murchison and the Greenbushes project in the Southwest of Western Australia (Figure 1).

Figure 1 – Venus Metals Lithium-Tantalum project locations in Western Australia.

1.1 Poona Lithium Project

The Poona is located in the Murchison Mineral Field, approximately 560 km to the north-northeast of Perth. The two exploration licences (E 20/885 & ELA 20/896) cover more than 249 km^2 and the tenement area overlies a number of known lithium and tantalum occurrences including Patons Lode and Poona Reward (Figure 2).

- A program of geological mapping and surface grab sampling has been completed over the project area and identified the extensive mineralised structural and stratigraphic Poona Lithium Trend, which covers approximately 10 km of strike (Figure 2).
- Sampling has returned a high-grade lithium results with significant number of samples in excess of 1% Li_2O, and several high-grade assays including:

Sample P347B	**2.01% Li_2O & 1.54% Rubidium** (refer ASX release 3 June 2016)
Sample P230	**1.93% Li_2O & >0.50% Rubidium** (refer ASX release 17 August 2016)
Sample P231	**1.62% Li_2O & >0.50% Rubidium** (refer ASX release 17 August 2016)

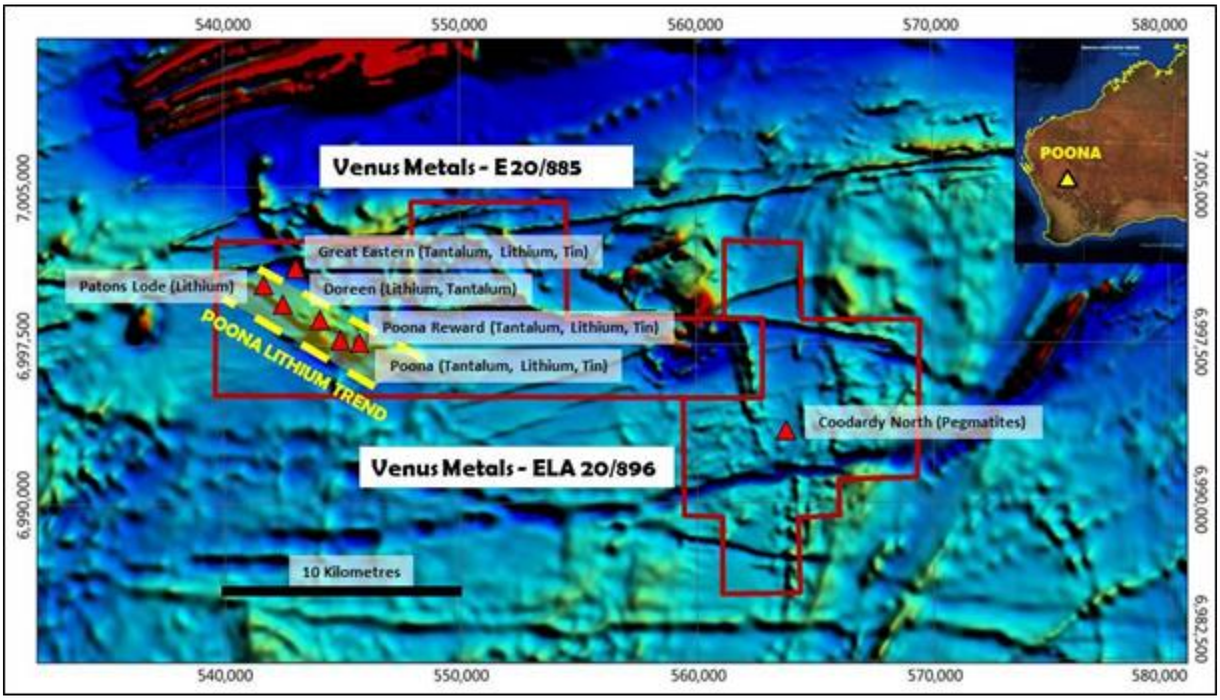

Figure 2 - Poona tenements (red) & prospect locations and mineralised trend (yellow) over regional geophysics.

- The sampling program has also focused on the north eastern end of the Poona Trend within E 20/885. Historical exploration in the region shows the stratigraphy to consist of sheared gabbroic and ultrabasic units with several pegmatitic and quartz vein intrusions. Sampling indicates that the mineralisation is not limited to the pegmatitic units but is also hosted within the wider schistose and amphibolite units.
- Heritage Clearance survey and drilling is now being planned to test these units with the potential to outline a significant body of mineralisation.

1.2 Pilgangoora Northeast Lithium-Tantalum Project, Pilbara Region

The Pilgangoora Northeast Project (ELA 45/4630 & 4684) now covers over 350 km^2 and is located 72 km to the southeast of Port Headland in the Pilbara region of Western Australia and lies to the northeast of Pilbara Minerals Pilgangoora project area which hosts a substantial lithium-tantalum resource.

- Recent targeting and initial reconnaissance survey (including helicopter aerial survey) by Venus, through the Pilgangoora project area, shows the presence of extensive granitic and pegmatitic stratigraphy and in particular two large target areas were identified in the vicinity of McPhees Range (Figure 3). These target areas show strong spatial similarities to the lithium-tantalum mineralisation reported by Dakota Minerals Ltd at Lynas Find, to the northwest of the target area.

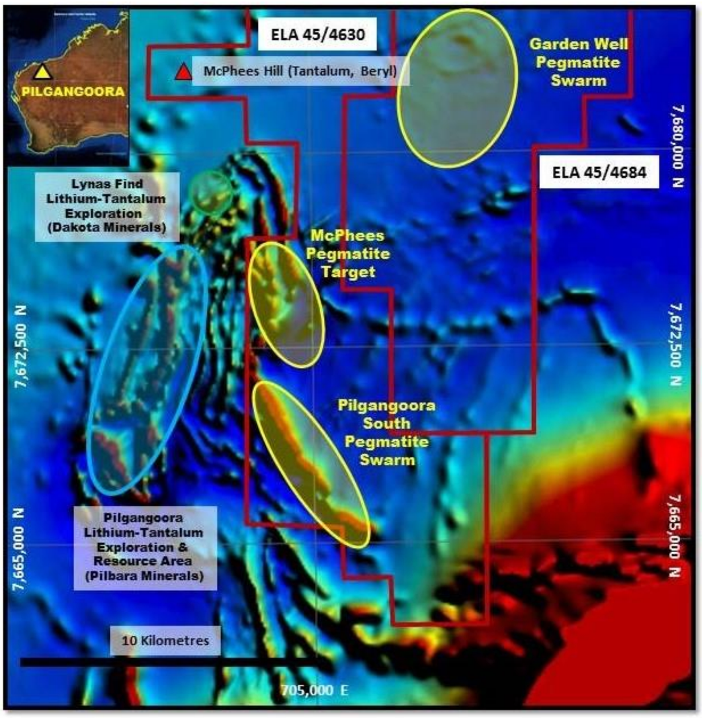

Figure 3.Pilgangoora NE tenements and prospect areas, with identified target zones (yellow).

- The Pilgangoora tenement areas will be explored as part of a memorandum of understanding ('MOU') between Venus Metals (ASX: VMC) and Lithium Australia (ASX: LIT) over the region. The centrepiece to the MoU will be a test program to review the commercial lithium potential of ground with a view to exploiting mineralisation hosted by lithium micas (lepidolite and zinnwaldite), spodumene and clay minerals.
- A systematic soil/rockchip sampling programme is planned in association with LIT following the grant of tenements and with heritage approvals.

1.3 Wodgina South (Stannum) Lithium Project

The Wodgina South (Stannum) Project is composed of two tenements (ELA 45/4627 and PLA 45/3004) covering more than 100 km^2. The project is located 98 km to the south of Port Headland. The tenement areas contain outcropping pegmatitic stratigraphy, the host rock for lithium-tantalum mineralisation in the region.

- Recent geological mapping and reconnaissance sampling across three identified target areas (Figure 4 - T1, 2 & 3) has returned a significant number of surface samples hosting anomalous lithium oxide (Li_2O) associated with pegmatites and their host stratigraphy. Results include

  W114 (T1) - 5296 ppm (0.53%) Li_2O & 2997 ppm Rb
  W116 (T1) - 6179 ppm (0.62%) Li_2O & 4564 ppm Rb
  W147 (T2) - 6567 ppm (0.66%) Li_2O & 3134 ppm Rb (refer ASX release 11 July 2016)

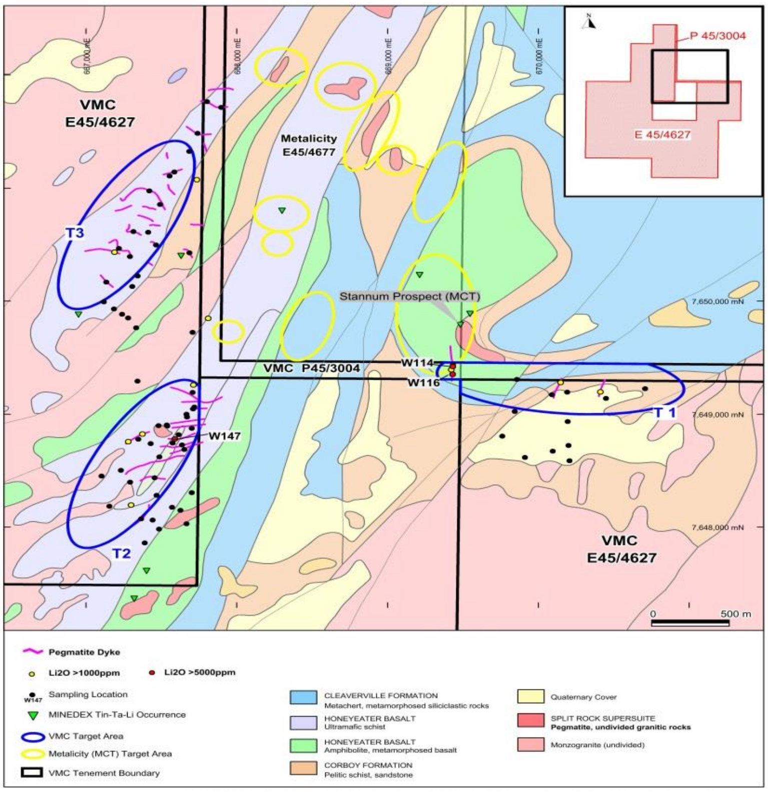

Figure 4. Wodgina South sample locations, target areas and Venus tenement areas over regional geology

1.4 Nardoo Hill Lithium-Tantalum Project

The Nardoo Hill project is located in the Gascoyne Province of Western Australia, approximately 840 km to the north of Perth. The project area is now composed of two exploration licence applications (ELA 09/2156 & 2182) covering more than 190 km^2. 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 the tantalum-lithium mineralisation (Figure 5).

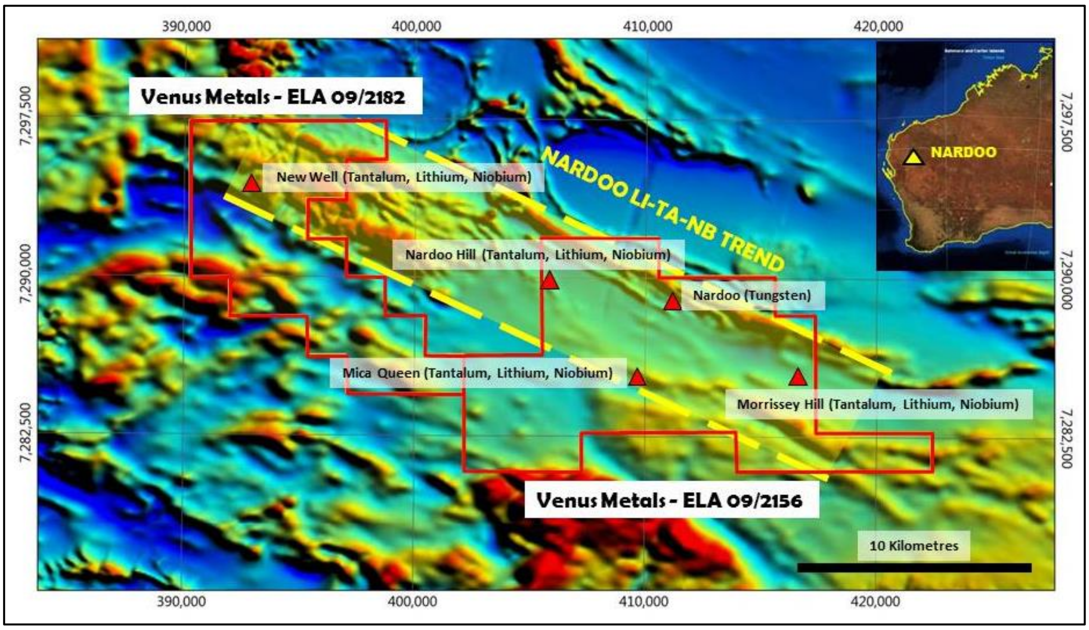

Figure 5. Nardoo tenement application areas (red) & prospect locations over regional geophysics

- An initial program of reconnaissance 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. The main pegmatite at Nardoo Hill is 200m wide and extends to several hundreds of metres and is one of the largest outcropping pegmatites in a suite of pegmatite bodies mapped at Nardoo Hill (Figure 6).Mapping and sampling at Nardoo Hill confirmed the presence of tantalum and niobium mineralisation associated with pegmatite stratigraphy, with a number of assays returning high-grade assays, including:

  Sample N109 42.8% Niobium & 13.1% Tantalum

  Sample N112 1.82% Niobium & 0.53% Tantalum

  The sampling results also show the common presence of anomalous concentrations of Lithium up to 0.27% Li_2O (refer ASX release 15 July 2016).

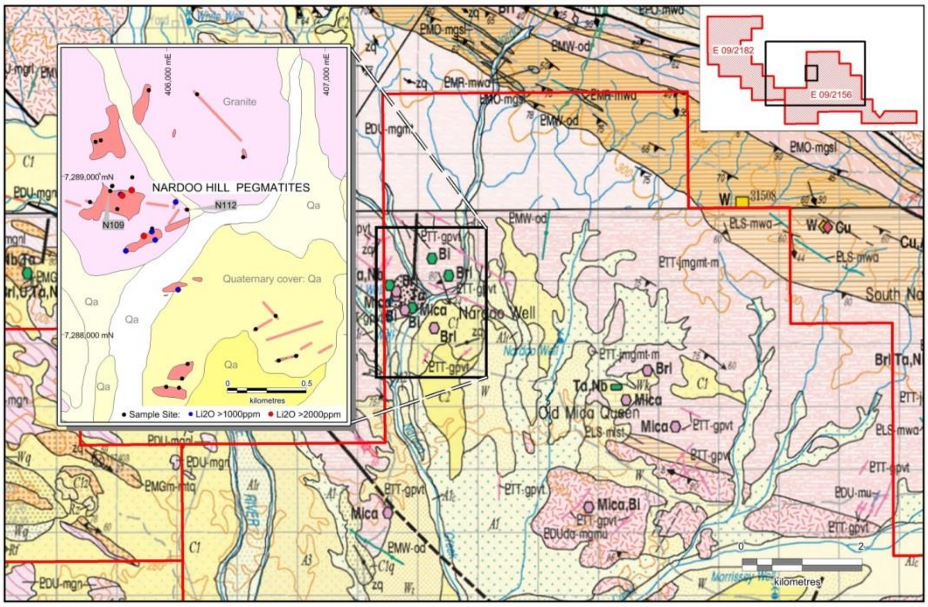

Figure 6. Nardoo Hill location, geology & sampling.

- 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) part of the mineralised system is generally located above or adjacent to this component of mineralisation. Utilising this model, 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 potentially due to preferential weathering of the mineralised stratigraphy.

- Exploration at Nardoo will continue to evaluate the outcropping areas of mineralisation along the Nardoo Trend, with a view to auger and drill testing both outcropping and covered targets once the tenements are granted.

1.5 Greenbushes Lithium Project

Venus ELAs cover an area of adjacent to, and east of, the world-class Greenbushes Lithium-Tantalum mine. The tenement areas contain outcropping pegmatitic stratigraphy, the host rock for lithium-tantalum mineralisation in the region. 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) (Figure 7) and is indicative of underlying intrusive stratigraphy, with mapped pegmatites in the area (refer ASX release 7 July 2016). 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 7). 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. Globally, placer deposits are of significant economic importance due to their near surface nature.

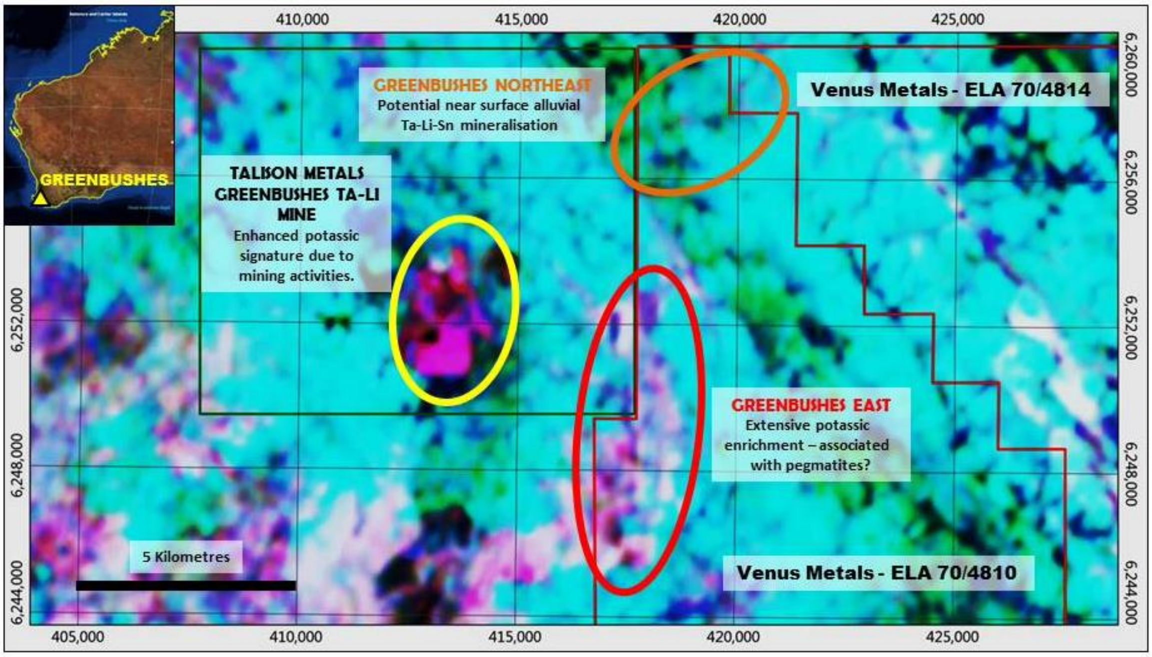

Figure 7. Greenbushes mine site (yellow), with the Greenbushes East (red) and Northeast (orange) targets over airborne radiometrics. The potassic signature of the Greenbushes mine is enhanced by mining and exposure of the underlying mineralisation on the site.

- 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.

2. Curara Well Base Metals-Gold-Diamond Project

Venus holds two granted tenements (E52/3068 & 3069) and one application (ELA 52/ 3320) covering its Doolgunna project in Western Australia. These tenements cover over 120 km^2 of the Marymia Inlier and are located approximately 10 km NE of Sandfire Resources high-grade DeGrussa Copper Mine (Figure 8).

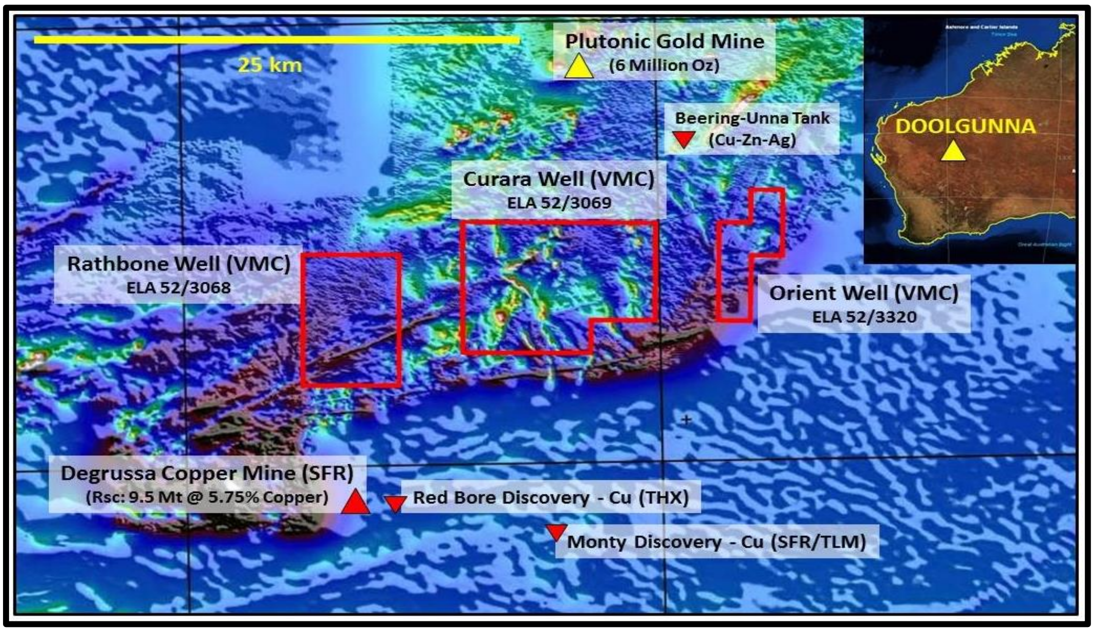

Figure 8. Venus Metals Doolgunna tenements over the regional aeromagnetic image with nearby mines and

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

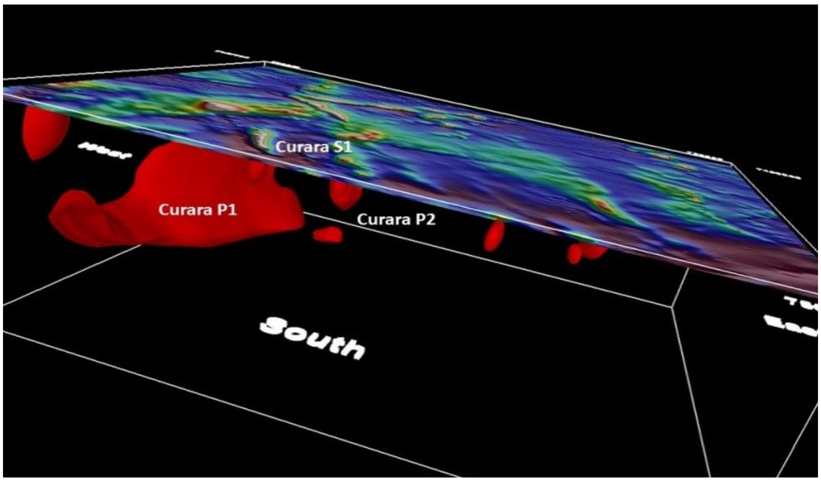

Figure 9. 3D inversion modelling of the detailed magnetics, showing the high-strength Magnetic targets in red.

- WA Government co-funded Exploration Drilling Programme grant of $150,000 under Exploration Incentive Scheme (EIS) was awarded by Department of Mines and Petroleum (DMP) for Curara Well Project (refer ASX release 15 June 2016).
- RC/Diamond drilling is planned at E52/3069 targets after heritage clearance survey.

3. YOUANMI BASE METALS

3.1 INKY SOUTH PROSPECT

Venus tenements covering the southern Manindi Trend (E 57/983 & 986) are located 600km NNE of Perth and form part of the company's Youanmi base & precious metals project covering over 524 km^2 of the Youanmi greenstone belt in Western Australia.

The Inky South Strong DHEM Off-hole Conductors - Manindi VMS Trend:

The Manindi Volcanogenic Massive Sulphide ('VMS') Trend is a 13 km long, northwest-southeast striking, package of mineralised volcanogenic stratigraphy. The Strong EM target at Inky South (Figure 10) is located in the southern end of this trend.

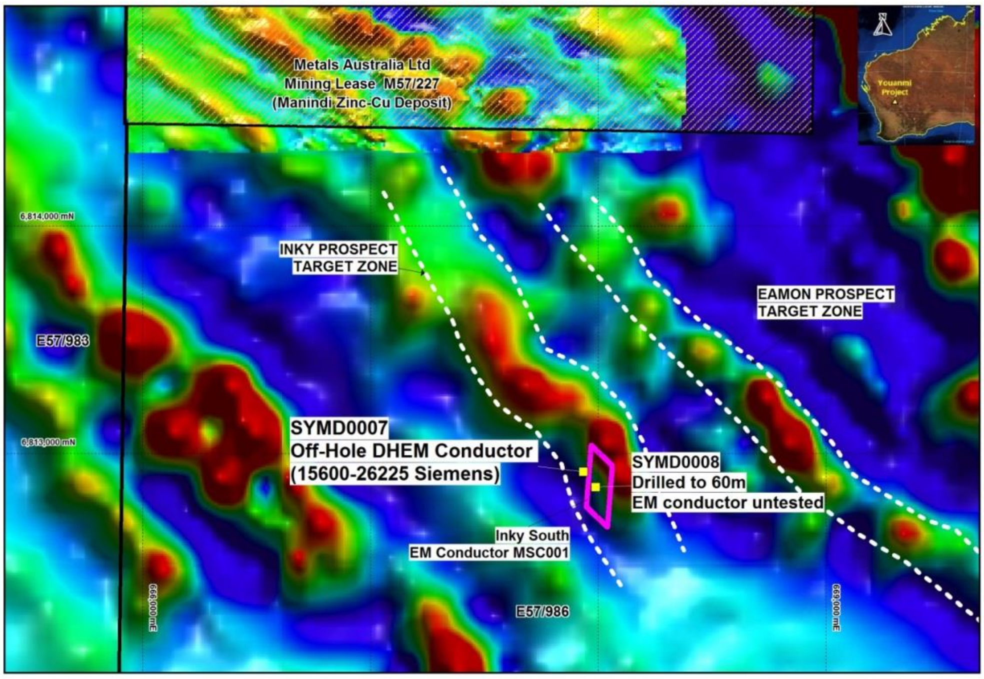

Figure 10. Location of Historical Drillholes SYMD007 (Off-hole Strong DHEM Conductors) and SYMD008 (drilled to 60m and EM Conductor untested) shown on Regional Aeromagnetic Image

The Inky South EM target was identified from historical Downhole EM ('DHEM') survey which has shown a strong off-hole conductor (15,660-26,225 Siemens) below diamond drillhole SYMD007 remains untested. A conductor of this strength is consistent with the expected response from massive sulphide mineralisation and strongly resembles the exhalative sequence observed at the Manindi VMS deposit to the north (ASX release 15 July 2015).

- DMP has awarded $150,000 drilling grant under EIS Programme (refer ASX release 4 Dec 2015)
- A program of RC/diamond drilling is being designed to test this strong off-hole conductor. No native title claim for the proposed drill

3.2. Currans Well (Vidure) Base Metals Project

The Vidure prospect is located within granted Venus Currans Well Project (E57/1011) as part of wider Youanmi Region tenement holdings (Figure 11). The Vidure prospect was identified as a Ni-Cu-PGE geochemical anomaly located on the southern margin of the Youanmi layered mafic intrusive.

Mineralisation was first detected in drill-hole **MYDD004** (WMC 1973) with a 1.22m intersection of massive sulphides **(2.2% Ni and 0.14% Cu from 136.64m).** BHP followed-up in 1985 with another hole collared at a nearby location **(PW0076 - 7.06 metres @ 1.46% Copper, 0.36% Nickel & 5 gpt Silver from 120.5 metres including 0.71 metres @ 7.01% Copper. 0.80% Nickel & 21 gpt Silver from 122.35 metres)** (refer ASX release 2 November 2015).

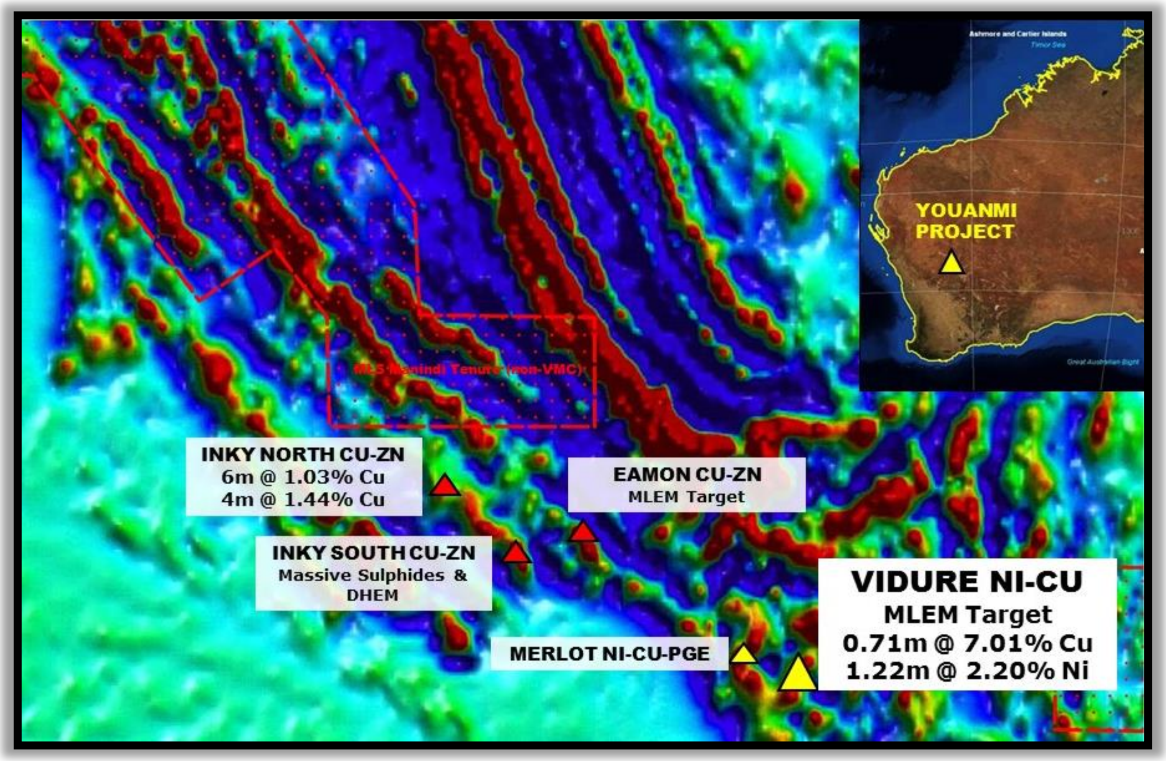

Figure 11. Location of the Vidure Ni-Cu Prospect, Currans Well Project

- Venus has commissioned Southern Geoscience Consultants Pty Ltd (SGC) to review and conduct plate modelling of both historical Surface EM (Fixed Loop) and Downhole EM survey data of Vidure Ni-Cu-PGE prospect.
- MLEM surveys identify shallow and strongly conductive target at Vidure. Follow-up historical FLEM surveys confirm shallow conductor and identify deeper conductors (1000 – 6000 Siemens) to the north and east as possible extensions to Vidure Mineralisation.
- Modelling of DHEM data for CNRC003 confirms the intersection of the northern margin of the Vidure target (12m @ 0.38% Cu and 0.14% Ni from 88m DH). A strong off-hole anomaly is identified in CNRC004 that is yet to be tested. A compilation of the historic drilling over and around Vidure is shown below in Figure 12 in relation to the FLTEM data for TX Loop 3 (refer ASX release 11 December 2015).
- Vidure presents a compelling target in a geological setting with strong potential to host conductive nickel-copper sulphides. High-resolution, high-power surface EM surveying is planned

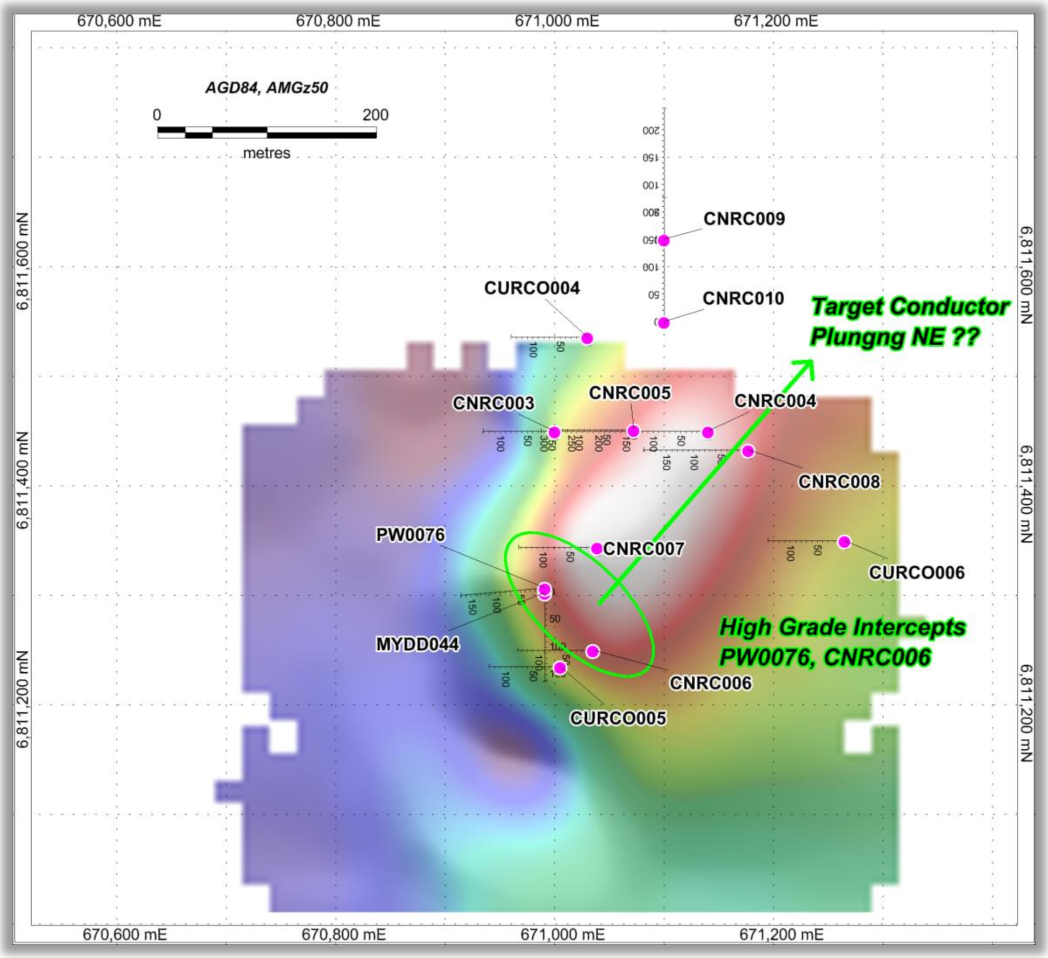

Figure 12. Location of historical drillholes at Vidure Prospect shown on Z component EM channel 25 amplitude from FLEM TX loop 3.

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 Tim 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'. Dr 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 announcement that relates to VTEM Survey Results is based on information compiled by Mr Cooper who is a member of The Australian Institute of Geoscientists. Mr Cooper is the Principal Geophysicist of Core Geophysics Pty Ltd who are consultants to Venus Metals Corporation Limited. Mr Cooper has sufficient experience which is relevant to the activity which he is undertaking 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 Cooper 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 Results and Interpretation of Currans Well (Vidure Prospect) is based on information compiled and/or interpreted by Southern Geoscience Consultants Pty Ltd and reviewed by Ms Karen Gilgallon, a Principal Geophysicist and employee of Southern Geoscience Consultants. Ms Karen Gilgallon is a Member of the Australian Institute of Geoscientists and has sufficient experience to the relevant type of 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 and consents to the inclusion in this report of the matters reviewed by her in the form and context in which they appear.

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 a full-time employee of the Company. Mr Arunachalam has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Arunachalam 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.

DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2016.

DIRECTOR

The names of Directors in office during the financial year and until the date of this report are as follows. Directors were in the office for this entire period unless otherwise stated.

Terence William Hogan
Matthew Vernon Hogan
Selvakumar Arunachalam

COMPANY SECRETARY

Matthew Hogan

PRINCIPAL ACTIVITIES

The principal activities of the Group during course of the financial year were the exploration of mineral tenements in Western Australia.

There were no other significant changes in the nature of the activities of the Group during the year.

OPERATING RESULTS

The loss of the Group amounted to $916,769 (2015: loss of $1,568,291).

DIVIDENDS PAID OR RECOMMENDED

No dividend has been declared or paid by the Group and the Directors do not, at present, recommend a dividend.

REVIEW OF OPERATIONS

For details on the Review of Operations refer to pages 2 to 13.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Group that occurred during the financial year.

EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affair of the Group, in the future financial years.

LIKELY DEVELOPMENTS

Other than likely developments contained in the "Review of Operations", further information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION

There were no known significant breaches of the Group's licence conditions or any environmental regulations to which it is subject.

DIRECTORS' MEETINGS

Director	Number eligible to attend	Number attended
Terence Hogan	8	8
Matthew Hogan	8	8
Selvakumar Arunachalam	8	8

INFORMATION ON DIRECTORS

Terence William Hogan OAM
Non-Executive Chairman

Qualifications
B.Ec. (UWA), FCPA

Experience
Mr Terence Hogan was engaged in the stockbroking industry for more than 47 years. He is the past Chairman of the former Perth Stock Exchange.

Mr Hogan is a past Chairman and Director of various public companies and past Chairman of various Anglican agencies.

Directorships Held in Other Listed Entities

During the past three years Mr T Hogan has not been a director of any ASX listed companies.

Relevant Interest in Shares and Options as at the date of the report

5,742,500 ordinary shares.
3,171,250 Options ex-price 20 cents, expiry 30/11/2016.

Matthew Vernon Hogan
Managing Director

Qualifications
MAICD

Experience
Mr Matthew Hogan until February 2010 was the Chief Executive Officer of United Minerals Corporation NL (UMC), which successfully discovered the Railway direct shipping iron ore deposit in the Central Pilbara. In February 2010 UMC was acquired by BHP Billiton for $204m through a scheme of arrangement.

DIRECTORS' REPORT

Mr Hogan has over 25 years' experience in the stockbroking industry and was closely involved in bringing a number of company listings to the ASX, the underwriting of shareholder entitlement issues and corporate placements.
Mr Hogan has previously worked in the business services division of international accounting firm Ernst & Young.

Relevant Interest in Shares and Options as at the date of this report
4,506,545 ordinary shares.
500,000 options ex-price 20c expiring 30/11/2016.

Directorships Held in Other Listed Entities
In the past three years Mr M Hogan has not held directorships in any ASX listed companies.

Selvakumar Arunachalam
Executive Director

Qualifications
MAusIMM M.Sc (Geology), M.Tech (Hydrogeology), PG Dip in Geothermal Tech (NZ), Dip in Science (GIS) (NZ)

Experience
Mr Selvakumar Arunachalam has over 30 years' experience in geology in India, New Zealand and Australia.

Mr Arunachalam is also General Manager – Operations.

Mr Arunachalam until February 2010 was also an employee of United Minerals Corporation NL.

Directorships Held in Other Listed Entities
In the past three years Mr Arunachalam has not held directorships in any ASX listed companies.

Relevant Interest in Shares and Options as at the date of this report
175,000 ordinary shares and options ex-price 20c expiring 30/11/2016 to acquire 587,500 shares.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration for each Director of the Group and for the Executives receiving the highest remuneration.

Remuneration Policy

The Group's policy for determining the nature and amount of remuneration and amount of emoluments for Board members of the Group is as follows:

The Group's remuneration policy for Executive Directors is designed to promote superior performance and long term commitment to the Group. Executives received a base remuneration which is market related.

The remuneration policy, setting the terms and conditions for the Executive Directors and other Senior Executives, was developed by the Board after seeking professional advice from independent external consultants.

The Board's policy reflects its obligation to align Executives' remuneration with Shareholders' interests and to retain appropriately qualified Executive talent for the benefit of the Group. The main principles of the policy are:

- reward reflects the competitive market in which the Group operates;
- individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Executives are also entitled to participate in the employee share and option arrangements.

The Executive Director and Executives receive a superannuation guarantee contribution required by the government, which is currently 9.50%, and do not receive any other retirement benefits.

Group Performance, Shareholder Wealth and Director and Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. There have been two methods applied in achieving this aim, the first being a performance based bonus based on key performance indicators, and the second being the issue of options to the majority of Directors and Executives to encourage the alignment of personal and Shareholders' interests.

Employment Agreements

Remuneration and other terms of employment are formalised in employment agreements.

M V Hogan – Managing Director

- Term of agreement – commenced 15 March 2010
- Base salary of $350,000 per annum plus superannuation
- Provision of four weeks annual leave
- May be terminated by Mr Hogan by giving to the Company one months' notice in writing
- May be terminated by the Company by giving 12 months' notice in writing to Mr Hogan
- Effective 1 July 2013 Mr Hogan agreed to reduce his annual salary to $280,000 plus superannuation.
- In January 2016 Mr Hogan agreed to reduce his salary to $200,000 per annum plus superannuation for 6 months starting from 1 January 2016 to 30 June 2016.
- Effective 1 July 2016 the base salary was $250,000 per annum plus superannuation until further review after three months.

S Arunachalam – Executive Director/General Manager

- Term of agreement – commenced 1 March 2010
- Base salary of $175,000 per annum plus superannuation
- Provision of four weeks annual leave
- May be terminated by Mr Arunachalam or by the Company by giving one months' notice in writing
- Effective 1 July 2013 Mr Arunachalam agreed to reduce his annual salary to $140,000 plus superannuation.
- In January 2016, Mr Arunachalam agreed to reduce his salary to $100,000 per annum plus superannuation for 6 months starting from 1 January 2016 to 30 June 2016.
- Effective 1 July 2016, the base salary was $150,000 per annum plus superannuation until further review after three months.

Non-Executive Directors

Fees to Non-Executives Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' remuneration consists of set fee amounts and statutory superannuation. Directors' base fees are presently up to $30,000 per annum.

Non-Executives Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The total compensation for all Non-Executive Directors, last voted upon by shareholders at the 2010 AGM, is not to exceed $250,000 per annum. There is no provision for retirement allowances for Non-Executive Directors apart from statutory superannuation. Non-Executive Directors are eligible to be granted with options to provide a material additional incentive for their ongoing commitment and dedication to the continued growth of the Group.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

Details of Remuneration for the year ended 30 June 2016 and 30 June 2015

		Short Term		Post-employment	Share-based payments		S300A(1)(e)(i) Proportion of remuneration performance related
	Year	**Salary & Fees**	**Non-monetary benefits**	**Superannuation Contribution**	**Options**	**Total**	
		$	$	$	$	$	%
Key Management Person (Directors)							
Terence William Hogan	2016	35,000	3,443	3,275	6,997	48,715	-
	2015	40,000	2,768	3,700	27,457	73,925	-
Matthew Vernon Hogan	2016	240,000	21,563	18,387	11,660	291,610	-
	2015	282,450	2,768	17,775	45,762	348,755	-
Selvakumar Arunachalam	2016	120,000	3,443	11,225	11,660	146,328	-
	2015	140,000	2,768	12,950	45,762	201,480	-
Total	**2016**	**395,000**	**28,449**	**32,887**	**30,317**	**486,653**	
Total	**2015**	**462,450**	**8,304**	**34,425**	**118,981**	**624,160**	

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

Options awarded and vested during the year

Terms and Conditions for each Grant during the year

	Year	Awarded No.	Award date	Fair value per option at award date ($)	Exercise price ($)	Expiry date	No. vested during year	No. lapsed during year
Key Management Person (Directors)								
Terence William Hogan	2016	-	-	-	-	-	150,000	-
	2015	300,000	1 Oct 2014	0.12	0.20	30 Nov 2016	150,000	-
Matthew Vernon Hogan	2016	-	-	-	-	-	250,000	-
	2015	500,000	1 Oct 2014	0.12	0.20	30 Nov 2016	250,000	-
Selvakumar Arunachalam	2016	-	-	-	-	-	250,000	-
	2015	500,000	1 Oct 2014	0.12	0.20	30 Nov 2016	250,000	-
Total	**2016**	**-**	**-**	**-**	**-**	**-**	**650,000**	**-**
	2015	**1,300,000**	**-**	**-**	**-**	**-**	**650,000**	**-**

Value of options held by key management personnel, exercised and lapsed during the year

For details on the valuation of the options, including models and assumptions used, please refer to note 17.

There were no alterations to the terms and conditions of options awarded as remuneration since their award date.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

Options and rights over equity instruments

The movement during the reporting period in the number of options over ordinary shares in Venus Metals Corporation Limited held, directly, indirectly or beneficially, by key management persons, including their related parties, is as follows:

	Balance 1 July 2015	Granted as compen-sation	Exercised	Net change Others[1]	Held at 30 June 2016	Vested during the year	Vested and exercisable at 30 June 2016
Directors							
T W Hogan	3,171,250	-	-	-	3,171,250	150,000	3,171,250
M V Hogan	2,499,501	-	(184,500)	(455,001)	1,860,000	250,000	1,860,000
S Arunachalam	587,500	-	-	-	587,500	250,000	587,500
	6,258,251	**-**	**(184,500)**	**(455,001)**	**5,618,750**	**650,000**	**5,618,750**

	Balance 1 July 2014	Granted as compen-sation	Exercised	Net change Others[1]	Held at 30 June 2015	Vested during the year	Vested and exercisable at 30 June 2015
Directors							
T W Hogan	2,871,250	300,000	-	-	3,171,250	150,000	3,021,250
M V Hogan	1,999,501	500,000	-	-	2,499,501	250,000	2,249,501
S Arunachalam	487,500	500,000	-	(400,000)	587,500	250,000	337,500
	5,358,251	**1,300,000**	**-**	**(400,000)**	**6,258,251**	**650,000**	**5,608,251**

[1] Other changes represent options that were acquired, expired, transferred or were forfeited during the year.

Shareholdings of key management personnel

The movement during the reporting period in the number of shares in Venus Metals Corporation Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2015	Acquired	On exercise of options	Other change[1]	Held at 30 June 2016
Directors					
T W Hogan	5,742,500	-	-	-	5,742,500
M W Hogan	4,027,045	285,000	184,500	(100,000)	4,396,545
S Arunachalam	175,000	-	-	-	175,000
	9,944,545	**285,000**	**184,500**	**(100,000)**	**10,314,045**

	Held at 1 July 2014	Acquired	On exercise of options	Other change[1]	Held at 30 June 2015
Directors					
T W Hogan	5,742,500	-	-	-	5,742,500
M W Hogan	4,027,045	-	-	-	4,027,045
S Arunachalam	175,000	-	-	-	175,000
	9,944,545	**-**	**-**	**-**	**9,944,545**

[1] Other change represents on and off-market trade

End Remuneration Report

DIRECTORS' REPORT

Shares issued on exercise of Options

During the year 184,500 shares were issued on exercise of options. There were no shares or options issued during the year. 400,000 options expired during the year.

OPTIONS

At the date of this report unissued shares of the Group under option are:

Expiry date	Exercise price	Number of shares
Director and Employee Options		
30-Nov-2016	$0.20	125,000
30-Nov-2016	$0.20	1,300,000
		1,425,000
Non-Employee Options		
30-Nov-2016	$0.30	300,000
30-Nov-2016	$0.60	600,000
30-Nov-2016	$0.20	200,000
30-Nov-2016	$0.20	31,521,561
		32,621,561
Total		**34,046,561**

These Options do not entitle the holder to participate in any share issue of the Company.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

The Group has agreed to indemnify the following current directors of the Group, Mr T W Hogan, Mr M V Hogan and Mr S Arunachalam against all liabilities to another person (other than the Group or a related body corporate) that may arise from their position as directors of the Group and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Group will meet the full amount of any such liabilities, including costs and expenses.

Insurance premium

Since the end of the previous financial year the Group has paid insurance premiums of $10,329 in respect of directors' and officers' liability insurance for current directors, including senior executives of the Group. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

PROCEEDINGS ON BEHALF OF GROUP

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

ENVIRONMENTAL LIABILITIES

There were no environmental liabilities at the date of this report.

NON-AUDIT SERVICES

During the year there were no non-audit services provided by the Group's auditor, Stantons International.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 21 and forms part of the Director's Report for the financial year ended 30 June 2016.

This report is made with a resolution of the Directors.

Matthew Hogan
Managing Director
Perth, Western Australia

9 September 2016

AUDITOR'S INDEPENDENT DECLARATION

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

9 September 2016

Board of Directors
Venus Metals Corporation Limited
Level M, BGC Centre,
28 The Esplande.
PERTH WA 6000

Dear Directors

RE: VENUS METALS CORPORATION LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Venus Metals Corporation Limited.

As Audit Director for the audit of the financial statements of Venus Metals Corporation Limited for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Samir R Tirodkar
Director

CORPORATE GOVERNANCE STATEMENT

Approach to Corporate Governance

The Group has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd edition (**Principles & Recommendations**), the Group has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Group's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Group's corporate governance practices depart from a recommendation, the Board has offered full disclosure and an explanation for the adoption of its own practice.

Further information about the Group's corporate governance practices may be found on the Group's website at www.venusmetals.com.au, under the section marked "Group Profile - Corporate Governance".

The Group reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2015/2016 financial year (**Reporting Period**).

Board

Roles and responsibilities of the Board and Senior Executives
(Recommendations: 1.1, 1.3)

The Group has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter.

The Board is collectively responsible for promoting the success of the Group through its key functions of overseeing the management of the Group, providing overall corporate governance of the Group, monitoring the financial performance of the Group, engaging appropriate management commensurate with the Group's structure and objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

Senior executives are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Group, in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Group's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, directly to the Chair or the lead independent director, as appropriate.

The Group's Board Charter is available on the Group's website.

Skills, experience, expertise and period of office of each Director
(Recommendation: 2.6)

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report.

Director Independence
(Recommendations: 2.1, 2.2, 2.3, 2.6)

The Board has a majority of directors who are independent. The Chairperson is a non-executive independent director. These directors are independent as they are non-executive directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

The Board considers the independence of directors having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Group's materiality thresholds. The Board has agreed on, and set out in the Group's Board Charter, the following guidelines for assessing the materiality of matters:

- Balance sheet items are material if they have a value of more than 5% of pro-forma net asset.
- Profit and loss items are material if they will have an impact on the current year operating result of 5% or more.
- Items are also material if they impact on the reputation of the Group, involve a breach of legislation, are outside the ordinary course of business, could affect the Group's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 5% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 5%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Group and cannot be replaced or cannot be replaced without an increase in cost which triggers any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

CORPORATE GOVERNANCE STATEMENT

Independent Professional Advice
(Recommendation: 2.6)

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice from a suitably qualified adviser to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Group will pay the reasonable expenses associated with obtaining such advice. A copy of the advice received by the director is made available to all other member of the Board.

Selection and (Re)Appointment of Directors
(Recommendation: 2.6)

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

The Board recognises that Board renewal is critical to performance, and the impact of Board tenure on succession planning. Each director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Group following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Group. At each annual general meeting a minimum of one director or one third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting. The re-appointment of directors is not automatic.

The Group's Policy and Procedure for the Selection and (Re)Appointment of Directors is available on the Group's website.

Diversity
(Recommendations: 3.2, 3.5)

The Board values diversity in all aspects of its business and is committed to creating a working environment that recognises and utilizes the contribution of its employees. The purpose of this policy is to provide diversity and equality relating to all employment matters. The Group’s policy is to recruit and manage on the basis of ability and qualification for the position and performance, irrespective of gender, age, marital status, sexuality, nationality, race/cultural background, religious or political opinions, family responsibilities or disability. The Group opposes all forms of unlawful and unfair discrimination.

Gender Diversity

The Board is responsible for establishing and monitoring on an annual basis the achievement against gender diversity objectives and strategies, including the representation of women at all levels of the organisation.

The proportion of women within the whole organisation as at 30 June 2016 was as follows:

Women employees in the whole organisation	22%
Women in Senior Executive positions	0%
Women in the Board of Directors	0%

The Board acknowledges the absence of female participation on the Board of Directors. However, the Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.

The Group has not set or disclosed measurable objectives for achieving gender diversity. Due to the size of the Group, the Board does not deem it practical to limit the Group to specific targets for gender diversity as it operates in a very competitive labour market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.

Board Committees

Nomination Committee
(Recommendations: 2.4, 2.6)

The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a nomination committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Group’s Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

The full Board, in its capacity as the Nomination Committee, has not held any meetings during the Reporting Period.

The Board has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Nomination Committee. A copy of the Nomination Committee Charter is available on the Group's website.

CORPORATE GOVERNANCE STATEMENT

Audit Committee
(Recommendations: 4.1, 4.2, 4.3, 4.4)

The Board has not established a separate Audit Committee, and therefore it is not structured in accordance with Recommendation 4.2

Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit Committee. Accordingly, the Board performs the role of Audit Committee. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Audit Committee it carries out those functions which are delegated to it in the Group's Audit Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Audit Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

The full Board, in its capacity as the Audit Committee, held two meetings during the Reporting Period. The directors present at the two meetings are as follows:

Director	Meetings attended
Terence Hogan	8
Matthew Hogan	8
Selvakumar Arunachalam	8

When the Board meets as the Audit Committee, Terence Hogan chairs the meeting. To assist the Board to fulfill its function as the Audit Committee, the Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee.

Details of each of the director's qualifications are set out in the Directors' Report.

All members of the Board consider themselves to be financially literate and have an understanding of the industry in which the Group operates.

The Group has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Group through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Group's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

The Managing Director declared in writing to the Board that the financial records of the Group for the financial year have been properly maintained, the Group's financial reports for the financial year ended 30 June 2016 comply with accounting standards and present a true and fair view of the Group's financial condition and operation results. The statement is required annually.

The external auditor met the Board of Directors twice during the year.

The Group's Audit Committee Charter and the Group's Procedure for Selection, Appointment and Rotation of External Auditor are available on the Group's website.

Remuneration Committee
(Recommendations: 8.1, 8.2, 8.3)

The Board has not established a separate Remuneration Committee. Given the current size and composition of the Group, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated to it in the Group's Remuneration Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Remuneration Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

To assist the Board to fulfill its function as the Remuneration Committee, the Board has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee.

Details of remuneration, including the Group's policy on remuneration, are contained in the "Remuneration Report" which forms part of the Directors' Report. The Group's policy is to remunerate non-executive directors at a fixed fee for time, commitment and responsibilities. Remuneration for non-executive directors is not linked to individual performance. The non-executive directors are eligible to participate in the Employee Share Option Plan to provide a material additional incentive for their ongoing commitment and dedication to the continued growth of the Group. The Board considers the issue of options to be reasonable in the circumstances, to assist the Group in attracting and retaining the highest caliber of non-executive directors to the Group, whilst maintaining the Group's cash reserves. All of the directors' option holdings are fully disclosed. The maximum aggregate amount of fees (including superannuation payments) that can be paid to non-executive directors is subject to approval by shareholders at general meeting.

Executive pay and rewards consist of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.

CORPORATE GOVERNANCE STATEMENT

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

The Group's Remuneration Committee Charter includes a statement of the Group's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

The Group's Remuneration Committee Charter is available on the Group's website.

Performance Evaluation

Senior executives
(Recommendations: 1.2, 1.3)

The Managing Director is responsible for evaluating the performance of senior executives. In evaluating the performance of senior executives the following are considered:

- the Group's financial performance;
- the extent to which operational goals and strategic objectives are achieved;
- development of management and staff; and
- compliance with legal and Group policy requirements.

The process involves at least one formal meeting with each senior executive per year.

During the Reporting Period an evaluation of senior executives took place in accordance with the process disclosed.

Board, its committees and individual directors
(Recommendations: 2.5, 2.6)

The Chair is responsible for the performance evaluation of the Board and, when deemed appropriate, the Board committees and individual directors. The Board is responsible for evaluating the Managing Director.

In evaluating the performance of the Board, its committees and individual directors the following are considered:

- comparison of the performance of the Board against the requirements of the Board charter;
- assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- review the Board's interaction with management;
- identification of any particular goals and objectives of the Board for the next year;
- review the type and timing of information provided to the directors; and
- identification of any necessary or desirable improvements to Board or committee charters.

The Board may also use an independent adviser to assist in the review.

During the Reporting Period no evaluation of the Board, its committees, and individual directors took place.

Ethical and Responsible Decision Making

Code of Conduct
(Recommendations: 3.1, 3.3)

The Group has established a Code of Conduct as to the practices necessary to maintain confidence in the Group's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

A summary of the Group's Code of Conduct is available on the Group website.

Policy for Trading in Company's Securities
(Recommendations: 3.2, 3.3)

The Group has established a Policy for Trading in Company's Securities by directors, officers, employees and their associates.

The key elements of the Trading in Group's Securities by Directors and Employees Policy are:

- Identification of those restricted from trading – directors and senior executives may acquire shares in the Company, but are prohibited from dealing in Company shares or exercising options:
  - Except between three and 30 days after the release of the Group's half-year and annual results to the ASX, the annual general meeting or any major announcement
  - Whilst in possession of price sensitive information not yet released to the market
- To raise the awareness of legal prohibitions, including transactions with colleagues and external advisers; and transactions that limit economic risks related to unvested share-based payments
- To require details to be provided of intended trading in the Company's shares
- To require details to be provided of the subsequent confirmation of the trade
- The identification of processes for unusual circumstances where discretions may be exercised in cases such as financial hardship.

The policy also details the insider trading provisions of the Corporations Act 2001 and is reproduced in full on the Group's website and in the Group's announcements provided to the ASX.

CORPORATE GOVERNANCE STATEMENT

Continuous Disclosure

(Recommendations: 5.1, 5.2, 6.1, 6.2)

The Board provides shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting them on the Company's website, and issuing media releases.

In summary, the Continuous Disclosure Policy operates as follows:

- The Managing Director and the Company Secretary are responsible for interpreting the Group policy and where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX. Such matters are advised to the ASX on the day they are discovered
- The full annual report is provided via the Company's website to all shareholders (unless a shareholder has specifically requested to receive a physical copy or not to receive the document), including relevant information about the operations of the Group during the year, changes in the state of affairs and details of future developments
- The half-yearly report contains summarized financial information and a review of the operations of the Group during the period. The half-year reviewed financial report is lodged with ASIC and the ASX, and sent to any shareholder who requests it
- Proposed major changes in the Group which may impact on share ownership rights are submitted to a vote of shareholders
- All announcements made to the market, and related information (including information provided to analysts or the media during briefings), are placed on the Company's website after they are released to the ASX
- The full texts of notices of meetings and associated explanatory material are placed on the Company's website after they are released to the ASX
- The external auditor attends the annual general meetings to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

The shareholders are requested to vote on the appointment and aggregate remuneration of Directors, the grant of options and shares to Directors, the Remuneration report and changes to the Constitution.

Summaries of the Group's Policy on Continuous Disclosure and its Compliance Procedures are available on the Group's website.

Risk Management

Recommendations: 7.1, 7.2, 7.3, 7.4)

The Board has adopted a Risk Management Policy, which sets out the Group's risk profile. Under the policy, the Board is responsible for approving the Group's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director and Chief Financial Officer, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director and Chief Financial Officer are also responsible for updating the Group's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director and Chief Financial Officer may have unrestricted access to Group employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

In addition, the following risk management measures have been adopted by the Board to manage the Group's material business risks:

- the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Group's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Group to establish and maintain its governance practices.

The Group considers the following categories of risk to have a material effect impact its business and hence are included in the Group's risk profile.

- Market-related;
- Financial reporting;
- Operational;
- Environmental;
- Sustainability;
- Occupational Health & Safety;
- Ethical conduct;
- Reputation; and
- Legal and Compliance.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Group's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Group's management of its material business risks for the Reporting Period.

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CORPORATE GOVERNANCE STATEMENT

The Managing Director and the Chief Financial Officer have provided assurance in writing to the Board that the Company's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

Monthly actual results are reported against budgets approved by the Directors and revised forecasts for the year are prepared regularly.

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. The Board has developed procedures to assist Directors to disclosed potential conflict of interest.

Where the Board believes that a significant conflict exists for a Director on a board matter, the Director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered. Details of Director related entity transactions with the Group are set out in Note 7 to the consolidated financial statements.

A summary of the Group's Risk Management Policy is available on the Group's website.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Note	2016 $	2015 $
Revenue	4	122,224	23,275
Administration expense		(863,481)	(949,947)
Exploration expense		(377,473)	(651,915)
Depreciation and amortisation expense		(15,896)	(27,464)
Loss on sale of investments		-	(106,924)
Other income (R&D rebate)		217,857	144,684
Loss before income tax		**(916,769)**	**(1,568,291)**
Income tax	6	-	-
Loss for the year		**(916,769)**	**(1,568,291)**
Other comprehensive income		-	-
Income tax on other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		**(916,769)**	**(1,568,291)**
Net loss attributable to:			
Owners of the Company		(916,769)	(1,568,291)
Non-controlling interests		-	-
Net loss for the year		**(916,769)**	**(1,568,291)**
Total comprehensive loss attributable to:			
Owners of the Company		(916,769)	(1,568,291)
Non-controlling interests		-	-
Total comprehensive loss for the year		**(916,769)**	**(1,568,291)**
Earnings per share			
Basic loss per share	8	(0.016)	(0.028)
Diluted loss per share	8	(0.016)	(0.028)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	Note	2016 $	2015 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	954,187	700,705
Trade and other receivables	10	32,890	50,874
Prepayments		11,912	10,686
TOTAL CURRENT ASSETS		**998,989**	**762,265**
NON-CURRENT ASSETS			
Property, plant and equipment	12	56,292	85,581
Acquisition costs capitalized	23	1,361,770	1,361,770
Other non-current financial assets	11	-	33,000
TOTAL NON-CURRENT ASSETS		**1,418,062**	**1,480,351**
TOTAL ASSETS		**2,417,051**	**2,242,616**
CURRENT LIABILITIES			
Trade and other payables	13	112,009	130,777
Employee benefits	14	22,948	39,701
Other current liabilities	15	32,555	42,808
TOTAL CURRENT LIABILITIES		**167,512**	**213,286**
TOTAL LIABILITIES		**167,512**	**213,286**
NET ASSETS		**2,249,539**	**2,029,330**
EQUITY			
Share capital	16	20,056,778	18,954,788
Reserves	16	2,807,982	2,772,994
Accumulated losses		(20,615,221)	(19,698,452)
TOTAL EQUITY		**2,249,539**	**2,029,330**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2016

	Attributable to owners of the Company			
	Share Capital	**Share Options Reserve**	**Accumulated Losses**	**Total Equity**
	$	$	$	$
As at 1 July 2015	**18,954,788**	**2,772,994**	**(19,698,452)**	**2,029,330**
Total comprehensive income for the year				
Loss for the year	-	-	(916,769)	(916,769)
Total comprehensive (loss) for the year	**-**	**-**	**(916,769)**	**(916,769)**
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Listed options issued during the year (net of issue costs)	-	-	-	-
Issue of ordinary shares (net of issue costs)	1,101,990	-	-	1,101,990
Capital raising cost	-	4,671	-	4,671
Share-based payment transactions	-	30,317	-	30,317
Total transactions with owners	**1,101,990**	**34,988**	**-**	**1,136,978**
Balance at 30 June 2016	**20,056,778**	**2,807,982**	**(20,615,221)**	**2,249,539**

	Attributable to owners of the Company			
	Share Capital	**Share Options Reserve**	**Accumulated Losses**	**Total Equity**
	$	$	$	$
As at 1 July 2014	**17,667,556**	**2,468,033**	**(18,130,161)**	**2,005,428**
Total comprehensive income for the year				
Loss for the year	-	-	(1,568,291)	(1,568,291)
Total comprehensive (loss) for the year	**-**	**-**	**(1,568,291)**	**(1,568,291)**
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Listed options issued during the year (net of issue costs)	-	122,018	-	122,018
Issue of ordinary shares (net of issue costs)	1,287,232	-	-	1,287,232
Share-based payment transactions	-	182,943	-	182,943
Total transactions with owners	**1,287,232**	**304,961**	**-**	**1,592,193**
Balance at 30 June 2015	**18,954,788**	**2,772,994**	**(19,698,452)**	**2,029,330**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2016

	Note	2016 $	2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		5,947	21,974
Cash paid to suppliers and employees		(816,306)	(679,959)
Exploration expenditure (net of JV cash calls)		(418,597)	(623,754)
Refund of rates		82,805	-
R&D and fuel tax credit		217,857	145,481
Net cash flows used in operating activities	9(b)	**(928,294)**	**(1,136,258)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Refund of security deposits		33,000	68,750
Acquisition of plant and equipment		(6,885)	-
Acquisition of listed investment		-	(98,528)
Proceeds from sale of listed investment		-	79,015
Acquisition of mining assets		-	(50,000)
Proceeds from sale of mining assets		49,000	-
Net cash flows from/(used) in investing activities		**75,115**	**(763)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares (net of costs)		1,106,661	1,107,232
Proceeds from issues of listed options (net of costs)		-	140,220
Net cash flows from financing activities		**1,106,661**	**1,247,452**
Net increase in cash and cash equivalents		253,482	110,431
Cash and cash equivalents at 1 July		700,705	590,274
Cash and cash equivalents at 30 June	9(a)	**954,187**	**700,705**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 1 Reporting entity

Venus Metals Corporation Limited (the "Company") is a company domiciled in Australia. The Company's registered address is Level M, 28 The Esplanade, Perth, WA 6000. The consolidated financial statements of the Group as at and for the year ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group Entities") and the Group's interest in associates and jointly controlled entities. The Group is a for-profit entity and primarily is involved in exploration for iron ore, base metals, diamonds, gold and other minerals.

Note 2 Summaries of significant accounting policies

(a) Basis of Preparation

The consolidated financial statements are a general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001.* The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 9 September 2016.

(b) Going concern

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation and extinguishment of liabilities in the ordinary courses of business.

For the year ended 30 June 2016 the Group incurred a loss of $916,769 (2015: loss $1,568,291) and had working capital of $831,477 (2015:$548,979). Based upon the Group's existing cash resources of $954,187 (2015: $700,705), the ability to modify expenditure outlays if required, and to source additional funds, the Directors consider there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered to be appropriate for the Group's 2016 financial report.

The Board of Directors is aware, having prepared a cashflow forecast, of the Group's working capital requirements and the need to access additional equity funding or asset divestment if required within the next 12 months.

In the event that the Group is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial report.

(c) New Accounting Standards and Interpretations

Accounting Policy on New and amended standards adopted by the group for Companies with 30 June 2016

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2015 affected any of the amounts recognised in the current period or any prior period, although it caused minor changes to the Group's disclosures.

New Accounting Standards for Application in Future Periods

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- *AASB 9 Financial Instruments* and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

  The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 2 Summaries of significant accounting policies (continued)

(c) New Accounting Standards and Interpretations (continued)

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments it is impractical at this stage to provide a reasonable estimate of such impact.

- *AASB 15: Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2017).

  When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in

  AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

  The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

  - identify the contract(s) with a customer;
  - identify the performance obligations in the contract(s);
  - determine the transaction price;
  - allocate the transaction price to the performance obligations in the contract(s); and
  - recognise revenue when (or as) the performance obligations are satisfied.

  This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue. The directors anticipate that the adoption of AASB 15 will have no impact on the Group's financial statements.

- *AASB 16: Leases (applicable to annual reporting periods beginning on or after 1st January 2019).*

  When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

  The main changes introduced by the new Standard include:

  - recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
  - depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
  - variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
  - by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
  - additional disclosure requirement.

  The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognize the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

  Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- *Other standards not yet applicable*

  There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 2 Summaries of significant accounting policies (continued)

(c) New Accounting Standards and Interpretations (continued)

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Venus Metals Corporation Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 18.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a "joint venture" and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Details of the Group's interests in joint arrangements are provided in Note 24.

Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 2 Summaries of significant accounting policies (continued)

(c) New Accounting Standards and Interpretations (continued)

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or

(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 2 Summaries of significant accounting policies (continued)

(d) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Jointly controlled operations

A jointly controlled operation is a joint venture by each venture using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operations, and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

(e) Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(f) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labour,
- Any other costs directly attributable to bringing the assets to a working condition for their intended use,
- When the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, and
- Capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as difference between the net proceeds from the disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 2 Summaries of significant accounting policies (continued)

(f) Property, plant and equipment (continued)

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date the asset is completed and ready for use.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a reducing balance basis over their useful lives to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	40%
Computer equipment	40%
Motor vehicles	40%
Building improvements	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

(g) Exploration and development expenditure

Exploration and evaluation costs are expensed as incurred. Acquisition expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis in determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 2 Summaries of significant accounting policies (continued)

(h) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets ate recognised initially at fair values plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise cash and cash equivalents and, trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(i) Revenue recognition

(i) Interest Income

Interest income is recognised on a proportional basis taking into account the interest rate applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 2 Summaries of significant accounting policies (continued)

(j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are generally paid within 30 days of recognition.

(l) Earnings per share

(i) Basic Earnings per Share

Basic earnings per share is determined by dividing net profits after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(m) Critical accounting estimates and judgments

The Directors evaluated estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained externally.

(i) Key Estimates – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(ii) Acquisition Costs

The Group is required to estimate whether there has been an impairment of mineral acquisition costs capitalised.

(iii) Option Valuations

The Group, in arriving at the fair value of options granted under the share based payment standard needs to estimate the volatility factor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 2 Summaries of significant accounting policies (continued)

(n) Financial risk management objectives and policies

The Group's principal financial instruments comprise cash, short term deposits and commercial bills.

The main risks arise from the Group's financial instruments are fair value interest rate risks. The Board reviews and agrees policies for managing this risk are summarised below.

Details of the significant accounting policies and methods adopted, including the criterion for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed elsewhere in Note 2 to the financial statements.

(i) Fair Value Interest Risk

The Group's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market rates.

(ii) Credit Risk

The Group does not have any material credit risk exposure to any single debtor under financial instruments.

(iii) Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows.

(o) Interest in joint ventures

(i) Reimbursement of the joint venture operator's costs

When the Group, acting as an operator, receives reimbursement of direct costs recharges to the joint venture such recharges represent reimbursements of cost that the operator incurred as an agent for the joint venture and therefore have no effect on the statement of comprehensive income.

In many cases, the Group also incurs certain general overhead expenses in carrying out activities on behalf of the joint venture. As these costs can often not be specifically identified, joint venture agreements allow the operator to recover the general overhead expenses incurred by charging an overhead fee that is based on a fixed percentage of the total costs incurred for the year, often in the form of a management fee. Although the purpose of this recharge is very similar to the reimbursement of direct costs, the Group is not acting as an agent in this case. Therefore, the general overhead expenses and the overhead fee are recognised in the statement of comprehensive income as an expense and income respectively.

(ii) Jointly controlled assets

A jointly controlled asset involves joint control and offers joint ownership by the Group and other ventures of assets contributed to or acquired for the purpose of the joint venture, without the formation of a corporation partnership or other entity.

Where the Group's activities are conducted through jointly controlled assets, the Group recognises its share of jointly controlled assets, and liabilities it has incurred, its share of liabilities incurred jointly with other venturers, related revenue and operating costs in the financial statements and share of their production.

(iii) Jointly controlled entities

A jointly controlled entity is a corporation, partnership or other entity in which each venturer holds an interest. A jointly controlled entity operates in the same way as other entities, except that a contractual arrangement established joint control. A jointly controlled entity controls the assets of the joint venture earns its own income and incurs its own liabilities and expenses. Interests in jointly controlled entities are accounted for using the equity method.

Under the equity method, the investment in the joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture in included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of comprehensive income reflects the Group's share of the result of operations of the joint venture. Where there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The share of the joint venture net profit is shown on the face of the statement of comprehensive income. This is the profit attributable to venturers in the joint venture.

The financial statements of the joint controlled entities are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the account policies in line with those of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 2 Summaries of significant accounting policies (continued)

(p) Provisions

A provision is recognised if, as a result of a past even, the Group has a present legal or constructive obligation that can be estimate reliability, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized a finance cost.

(q) Employees benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit and loss in the periods during which services are rendered by employees.

(ii) Share-based payment transactions

The grant-date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Note 3 Operating segments

The Group operates predominantly in the mineral exploration industry in Australia. For management purposes, the Group is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.
The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Geographical information

The Group operates solely in one country, Australia.

Note 4 Revenue

	2016	2015
	$	$
Interest income	5,443	22,478
Memorandum of understanding agreement	20,000	-
Completion of tenement deed and refund of rates paid	62,805	-
Sale of fixed assets	33,976	-
Fuel tax credit	-	797
	122,224	**23,275**

Note 5 Employee benefits expenses

	2016	2015
	$	$
Wages and salaries	392,341	506,896
Compulsory social security contributions	37,723	41,888
Share-based payment transaction expense	30,317	180,742
	460,381	**729,526**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 6 Income tax

	2016 $	2015 $
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Accounting loss as per accounts	(916,769)	(1,568,291)
Less: R&D refund	(217,857)	(144,684)
Loss from continuing operations before income tax expense	(1,134,626)	(1,712,975)
Prima facie tax benefit from ordinary activities at 30% (2015: 30%)	(340,388)	(513,893)
Tax effect of amounts which are not deductible in calculating taxable income (including R&D rebate)	158,341	155,139
Movement in unrecognised temporary differences	165,555	(235,559)
Tax effect of current year losses for which no deferred tax assets have been recognised	16,492	594,313
Income tax expense	-	-

(b) Tax losses

Revenue losses	16,701,844	16,646,871
Capital losses	769,424	769,424
Total	17,471,268	17,416,295
Potential tax benefit at 30%	5,241,380	5,224,889

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future profit will be available against which the Group can utilise the benefit.

(c) Deferred tax balance/(liability) not brought to account and carried forward in relation to:

	2016 $	2015 $
Tax losses	5,241,380	5,224,889
Section 40-880 deduction	32,754	30,312
Exploration acquisition costs	(322,735)	(318,135)
Provisions	15,422	20,549
Plant & Equipment	11,131	20,437
	4,977,952	**4,978,052**

Note 7 Related party disclosures

Key management personnel compensation

	2016 $	2015 $
Short-term employee benefits	395,000	462,450
Post-employment benefits	32,887	34,425
Other costs	28,449	8,304
Share-based payments	30,317	120,281
	486,653	**625,460**

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as required by Corporate Regulation 2M.3.03 is provided in the remuneration report section of the Directors' Report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Director's interests existing at year-end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 7 Related party disclosures (continued)

Transactions with related parties

Transaction between each parent company and its subsidiary which are related parties of that Company are eliminated on consolidation and are not disclosed in this note.

Loan to key management personnel and their related parties

There are no loans made to directors or other key management personnel of the Company or the Group.

Key management personnel and director transaction

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

There were no transactions with related parties during the year apart from those discussed elsewhere in note 7.

Note 8 Earnings (Loss) per share

The calculation of basic and diluted earnings per share for the year ended 30 June 2016 was based on the loss attributable to ordinary shareholders of $916,769 (2015: $1,568,291) and the weighted average number of ordinary shares outstanding of 57,907,689 (2015: 55,384,794), calculated as follows:

	2016 $	2015 $
Net loss attributable to ordinary equity holders of the Group	(916,769)	(1,568,291)
Net loss attributable to ordinary shareholders for basic earnings	**(916,769)**	**(1,568,291)**
Net loss attributable to ordinary shareholders (diluted)	**(916,769)**	**(1,568,291)**

	2016 No.	2015 No.
Weighted average number of ordinary shares at 30 June	**57,907,681**	**55,384,794**
Effect of dilution:		
Share options	-	-
Weighted average number of ordinary shares (diluted) at 30 June	**57,907,681**	**55,384,794**

Potential ordinary shares were not considered to be dilutive as the consolidated entity made a loss for the year ended 30 June 2016 and the exercise of potential ordinary shares would not increase that loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 9 Cash and cash equivalents

(a) Cash and cash equivalents

	2016	2015
	$	$
Cash at bank and on hand	44,894	2,212
Short-term deposits	909,293	698,493
	954,187	**700,705**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

(b) Reconciliation of cash flows from operating activities

	2016	2015
	$	$
Loss for the year	(916,769)	(1,568,291)
Non-cash adjustments to reconcile loss before tax to net cash flow:		
(Profit)/Loss on sale of assets	(33,976)	106,924
Depreciation and amortization	15,896	27,464
Share-based payment transaction expenses	30,317	180,742
Working capital adjustments:		
(Increase)/Decrease in prepayments	(1,226)	88,715
Decrease in trade, other receivables and other assets	23,188	29,250
Increase in trade payables, accruals and provisions	(45,724)	(1,062)
Net cash used in operating activities	**(928,294)**	**(1,136,258)**

(c) Non-cash financing and investing activities

	2016	2015
	$	$
Acquisition cost capitalized	-	180,000
Outstanding fees related to option	-	16,001

Note 10 Trade and other receivables

	2016	2015
	$	$
Receivables from joint venture partner	10,358	24,041
Interest accrued receivable	-	504
Other receivables	22,532	26,329
	32,890	**50,874**

Receivables from joint venture partner are non-interest bearing and are on 14 day term. They are neither past due nor impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 11 Other financial assets

	2016 $	2015 $
Non-current		
Security bonds	-	33,000
	-	33,000

Security bonds are term deposits placed with bank as performance bond for the office rental lease and Department of Mines and Petroleum in respect to the grant of exploration and prospecting licences for the tenements granted.

Note 12 Property, plant and equipment

	Motor vehicles $	Plant and equipment $	Total $
Cost			
Balance 1 July 2015	378,187	293,688	671,875
Additions	-	6,884	6,884
Disposals	(158,171)	-	(158,171)
Balance at 30 June 2016	**220,016**	**300,572**	**520,588**
Balance 1 July 2014	378,187	293,688	671,875
Additions	-	-	-
Disposals	-	-	-
Balance at 30 June 2015	**378,187**	**293,688**	**671,875**
Accumulated depreciation			
Balance 1 July 2015	340,619	245,675	586,294
Depreciation charge for the year(1)	13,281	10,787	24,068
Disposals	(146,066)	-	(146,066)
Balance at 30 June 2016	**207,834**	**256,462**	**464,296**
Balance 1 July 2014	315,576	229,204	544,780
Depreciation charge for the year(1)	25,043	16,471	41,514
Disposals	-	-	-
Balance at 30 June 2015	**340,619**	**245,675**	**586,294**
Carrying amounts			
At 1 July 2014	62,611	64,484	127,095
At 30 June 2015	37,568	48,013	85,581
At 1 July 2015	37,568	48,013	85,581
At 30 June 2016	12,182	44,110	56,292

(1) Includes depreciation for farm in assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 13 Trade and other payables

	2016	2015
	$	$
Trade payables	58,569	62,059
Accrued expenses	20,000	28,794
Other payables	33,440	39,924
	112,009	**130,777**

The Group's exposure to liquidity risk related to trade and other payables is disclosed in Note 20.

Note 14 Employee benefits

	2016	2015
	$	$
Liability for annual leave	22,948	39,701

Note 15 Other current liabilities

	2016	2015
	$	$
Farmin agreements	32,555	42,808
	32,555	**42,808**

On 4 February 2010, the Company entered into Yalgoo Iron Ore Farmin and Joint Venture Heads of Agreement (Farmin Agreement) with HD Mining & Investment Pty Ltd (HD Mining), a subsidiary of Shandong Provincial Bureau of Geology & Mineral Resources based in Jinan, P.R. of China. HD Mining has earned a 50% interest in the Yalgoo Iron Ore Project (YIOP).

Accordingly both the Company and HD Mining have formed an unincorporated joint venture in accordance of the Farmin Agreement.

The amount $32,555 (2015: $42,808) represents the net book value of fixed assets purchased in relation to the YIOP. This amount has been included in the Note 12 Property, plant and equipment.

Note 16 Capital and reserves

Share capital

	2016	2015
	No.	No.
In issue at 1 July	56,867,123	50,582,123
Issued during the year	4,759,500	6,285,000
In issue at 30 June	**61,626,623**	**56,867,123**

	$	$
In issue at 1 July	18,954,788	17,667,556
Issued during the year	1,151,900	1,364,700
Capital raising cost	(49,910)	(77,468)
In issue at 30 June	**20,056,778**	**18,954,788**

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residue assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 16 Capital and reserves (continued)

Reserves – Share Option Reserve

	2016	2015
	$	$
As at 1 July	2,772,994	2,468,033
Share-based payment transactions	30,317	182,943
Capital raising costs	4,671	-
Issue of listed options, net off issue cost	-	122,018
As at 30 June	**2,807,982**	**2,772,994**

Options

	No.	No.
As at 1 July	35,216,061	27,216,061
Issued on 6 October 2014	-	2,200,000
Issued on 29 June 2015	-	7,000,000
Exercised during the year	(759,500)	-
Lapsed during the year	(400,000)	(1,200,000)
As at 30 June	**34,056,561**	**35,216,061**

Nature and purpose of the share option reserve

Share-based payment transactions

The share option reserve is used to recognise the value of equity-settled share-based payment transaction provided to employees, including key management personnel, as part of their remuneration and the value of issued options issued during the year net of listing costs. Refer to Note 17 for further details of these plans.

Note 17 Share-based payment arrangements

Description of the share-based payment arrangements

Employee Share Option Plan (ESOP)

On 15 March 2007 the Company established a share option program that entitled key management personnel to purchase shares in the Company. In accordance with this program, holders of vested options are entitled to purchase shares at a pre-determined price. Options granted carry no dividend or voting rights. When exercisable, each option is converted into one ordinary share of the Company with full dividend and voting rights.

Options were issued to Directors and Consultants outside of the ESOP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 17 Share-based payment arrangements (continued)

The terms and conditions relating to the grant of options are as follows:

Grant date	Number of Options	Exercise Price	Vesting conditions	Expiry date
Employee Options				
20/02/2014	62,500	$0.20	Vesting 31-Dec-2014	30/11/2016
20/02/2014	62,500	$0.20	Vesting 31-Dec-2015	30/11/2016
Sub total	**125,000**			
Director Options				
01/10/2014	650,000	$0.20	Vesting 31-Dec-2015	30/11/2016
01/10/2014	650,000	$0.20	Vesting 31-Dec-2014	30/11/2016
Sub total	**1,300,000**			
Consultant Options				
1/10/2014	300,000	$0.30	Vested immediately	30/11/2016
1/10/2014	600,000	$0.60	Vested immediately	30/11/2016
02/04/2014	200,000	$0.20	Vested immediately	30/11/2016
Sub total	**1,100,000**			

Reconciliation of outstanding share options

The number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

	Number of options 2016	WAEP 2016	Number of options 2015	WAEP 2015
Outstanding at 1 July	2,925,000	$0.54	1,925,000	$0.27
Granted during the year	-	-	2,200,000	$0.32
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	(400,000)	$2.00	(1,200,000)	$1.25
Outstanding at 30 June	**2,525,000**	**$0.31**	**2,925,000**	**$0.54**
Exercisable at 30 June	2,525,000	$0.31	2,212,500	$0.29

The options outstanding at 30 June 2016 have an exercise price in the range of $0.20 to $0.60 (2015: $0.20 to $2.00) and weighted average remaining contractual life of years 0.50 (2015: 0.50 years).

The weighted average share price at the date of exercise for share options exercised in 2016 was nil as no unlisted options were exercised (2015: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 17 Share-based payment arrangements (continued)

Inputs for measurement of grant date fair values

There were no share based payments made during the year ended 30 June 2016 (The weighted average fair value at grant date of options granted during the year ended 30 June 2015 was $0.10). The fair value at grant date is measured using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Expected volatility is estimated by considering historic average share price volatility.

The model inputs for 2016 include:

Grant Date	Expiry Date	Exercise Price	Life of option	Share price at grant date	Expected share price volatility	Dividend yield	Risk-free Interest rate	Fair value at grant date
-	-	-	-	-	-	-	-	-

The model inputs for 2015 include:

Grant Date	Expiry Date	Exercise Price	Life of option	Share price at grant date	Expected share price volatility	Dividend yield	Risk-free Interest rate	Fair value at grant date
01/10/2014	30/11/2016	$0.20	2.6 years	$0.26	86%	Nil	2.72%	$0.12
01/10/2014	30/11/2016	$0.30	2.6 years	$0.26	86%	Nil	2.72%	$0.19
01/10/2014	30/11/2016	$0.60	2.6 years	$0.26	86%	Nil	2.72%	$0.06

**After marketability discount at 0% (2015:20%)*

Employee expenses

The expenses recognised for employee services received during the year is shown in the following tables

	2016 $	2015 $
Expenses arising from equity-settled share based transaction	30,317	180,742
Total expenses arising from share-based payment transactions	**30,317**	**180,742**

Note 18 Group entities

	Country of incorporation	Ownership interest 2016	Ownership interest 2015
Parent entity			
Venus Metals Corporation Limited			
Subsidiary			
Yalgoo Iron Ore Pty Ltd	Australia	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 19 Capital commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure specified by Department of Mines and Petroleum.

	2016 $	2015 $
Contracted for but not provided and payable		
Less than one year	386,960	272,340
Between one and five years	1,547,840	879,360
More than five years	386,960	1,151,700
	2,321,760	**2,303,400**

Note 20 Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instrument:

- credit risk
- liquidity risk
- interest rate risk

The note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishing and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies. The policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at end of the reporting period was as follows:

	Carrying amount	
	2016 $	2015 $
Cash and cash equivalents	954,187	700,705
Other receivables	32,890	50,874
Security bond	-	33,000
	987,077	**784,579**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 20 Financial instruments (continued)

Trade and other receivables

The maximum exposure to credit risk for other receivables at the end of the reporting period by geographic region was as follows:

	Carrying amount	
	2016	**2015**
	$	**$**
Australia	32,890	50,874

Impairment losses

None of the Group's other receivables are past due (2015: nil).

Cash and cash equivalents

The Group held cash and cash equivalents of $954,187 at 30 June 2016 (2015: $700,705), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with a bank which is rated AA-, based on Standard and Poor's rating agency.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	2 mths or less	2-12 mths	1-2 years	2-5 years	More than 5 years
30 June 2016							
Trade and other payables	112,009	(112,009)	(96,588)	(15,421)	-	-	-
	112,009	**(112,009)**	**(96,588)**	**(15,421)**	**-**	**-**	**-**
30 June 2015							
Trade and other payables	130,777	(130,777)	(127,408)	(3,369)	-	-	-
	130,777	**(130,777)**	**(127,408)**	**(3,369)**	**-**	**-**	**-**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 20 Financial instruments (continued)

Interest rate risk

Profile

At the end of the reporting period the interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group was as follows:

	2016 $	2015 $
Variable rate instruments		
Financial assets	954,187	700,705
Financial liabilities	-	-
	954,187	**700,705**

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the end of reporting period would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	100bp Increase $	100bp decrease $	100bp increase $	100bp decrease $
30 June 2016				
Variable rate instruments	3,236	(3,236)	3,236	(3,236)
Cash flow sensitivity (net)	3,236	(3,236)	3,236	(3,236)
30 June 2015				
Variable rate instruments	9,970	(9,970)	9,970	(9,970)
Cash flow sensitivity (net)	9,970	(9,970)	9,970	(9,970)

Fair values

Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	30 June 2016		30 June 2015	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Assets				
Cash and cash equivalents	954,187	954,187	700,705	700,705
Other receivables	32,890	32,890	50,874	50,874
Other financial assets	-	-	33,000	33,000
	987,077	987,077	784,579	784,579
Liabilities				
Trade and other payables	112,009	112,009	130,777	130,777
	112,009	112,009	130,777	130,777

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 20 Financial instruments (continued)

Financial risk management objectives

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Note 21 Operating leases

Leases as lessee

At the end of the reporting period, the future minimum lease payments under non-cancellable operating leases are payable as follows:

	2016 $	2015 $
Less than one year	51,512	79,560
Between one and five years	-	-
More than five years	-	-
	51,512	**79,560**

The office lease at 28 The Esplanade, Perth expires on 30 June 2017, with option to renew for another one year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 22 Contingent liabilities

Royalties payable under the Yalgoo tenements:

On 15 August 2008 the Company entered into a contract with Messrs Parry, Hill and Asphar to acquire the Yalgoo tenements and a term of the contract is to pay Royalties as follows:

(i) a royalty of 1.25% of the FOB price of all iron ore mined, processed and sold from the Tenements; and
(ii) a royalty of 1.25% of the Net Smelter Return* from all other base and precious metals mined, processed and sold from the Tenements.

"Net Smelter Return" means the gross sales revenue received by the Company from the sale of base and precious metals produced from the Tenements, subject to all usual discounts and less the costs, expenses and liabilities incurred in connection with the smelting, refining, transporting, handling and storing the base and precious metals.

Guarantees

Guarantees given in respect of bank security bonds is nil (2015: $33,000), secured by cash deposits lodged as security with the bank.

No material losses are anticipated in respect of any of the above contingent liabilities.

Note 23 Capitalised acquisition costs

	2016 $	2015 $
Cost		
Balance at 1 July	1,361,770	1,131,770
Additions	-	230,000
Sold during the year	-	-
Balance at 30 June	1,361,770	1,361,770
Impairment losses		
Balance at 1 July	-	-
Impairment losses	-	-
Balance at 30 June	-	-
Carrying amounts	**1,361,770**	**1,361,770**

The ultimate recoupment of capitalised acquisition costs carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective project areas.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 24 Joint venture

The Company has a 50% interest in the Yalgoo Iron Ore Joint Venture, an unincorporated joint venture whose principal activity is to jointly explore the tenements in Yalgoo, Western Australia with the other 50% joint venture holder, HD Mining & Investments Pty Ltd (HD Mining), for iron ore and if warranted, to develop an iron ore mining operations. The Company and HD Mining agree to fund the joint venture expenditure base on a jointly approved six monthly programmes and budgets.

The following amounts are included in the Group's consolidated financial statements.

	2016	**2015**
	$	**$**
Current assets	10,358	24,041
Current liabilities	10,358	24,041
Expenses for the year	112,116	293,480

Note 25 Subsequent events

Since the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affair of the Group, in the future financial years.

Note 26 Auditor's remuneration

	2016	**2015**
	$	**$**
Audit services		
Auditors of the Group		
Stantons International		
Audit and review of financial statements	25,096	23,526

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 27 Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2016 the parent entity of the Group was Venus Metals Corporation Limited.

	2016 $	2015 $
Result of parent entity		
Loss for the year	(916,769)	(1,568,291)
Other comprehensive income	-	-
Total comprehensive loss for the year	(916,769)	(1,568,291)

	2016 $	2015 $
Financial position of parent entity at year end		
Current assets	998,989	762,265
Non-current assets	1,418,062	1,480,351
Total assets	**2,417,051**	**2,242,616**
Current liabilities	167,512	213,286
Non-current liabilities	-	-
Total liabilities	**167,512**	**213,286**
Net assets	**2,249,539**	**2,029,330**
Total equity of the parent entity comprising of:		
Share capital	20,056,778	18,954,788
Reserves	2,807,982	2,772,994
Accumulated losses	(20,615,221)	(19,698,452)
Total equity	**2,249,539**	**2,029,330**

Parent entity contingencies

Other than those disclosed in Note 22, the parent entity has no other contingent liabilities as at 30 June 2016 (2015: nil).

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Venus Metals Corporation Limited (the "Company"):

(a) The consolidated financial statements and notes, and the Remuneration Report in the Directors' Report are in accordance with the *Corporations Act 2001*, including:

   (i) Giving a true and fair view of the Group's financial position as at 30 June 2016 and its performance, for the financial year ended on that date, and

   (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

2. The directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Managing Director for the financial year ended 30 June 2016.

3. The financial report also complies with International Financial Reporting Standards as disclosed in note 2(a) to the consolidated financial statements.

Signed in accordance with a resolution of the Directors.

Matthew Hogan
Managing Director

Perth, Western Australia
9 September 2016

INDEPENDENT AUDITOR'S REPORT

Stantons International Audit and Consulting Pty Ltd
trading as

Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VENUS METALS CORPORATION LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Venus Metals Corporation Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Stantons International

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

In our opinion:

(a) the financial report of Venus Metals Corporation Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Emphasis of Matter Regarding Going Concern and Carrying Values of Non-current Assets

Without qualification to the opinion expressed above, attention is drawn to the following matters:

As referred to in Note 2 (b) to the financial statements, the financial statements have been prepared on the going concern basis. At 30 June 2016, the entity had working capital of $831,477 cash and cash equivalents of $954,187 and had incurred a loss for the year amounting to $916,769. The ability of the entity to continue as a going concern is subject to successful recapitalisation of the entity. In the event that the Board is not successful in recapitalising the entity and in raising further funds, the Company may not be able to meet its liabilities as they fall due and the realisable value of the Company's non–current assets may be significantly less than book values.

Report on the Remuneration Report

We have audited the remuneration report included in pages 16 to 19 of the directors' report for the year ended 30 June 2016. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion

In our opinion the remuneration report of Venus Metals Corporation Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001.*

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)

Stantons International Audit and Consulting Pty Ltd

Samir R Tirodkar
Director

West Perth, Western Australia
9 September 2016

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 28 August 2016.

1. Distribution of Equity Securities

Ordinary Share Capital:

61,636,623 fully paid ordinary shares are held by 936 individual shareholders.

All issued ordinary shares carry one vote per share and carry the right to dividends.

Options:

31,521,561 listed options are held by 174 individual holders.
2,525,000 unlisted options are held by 8 individual holders.

Options do not carry right to vote.

2. Substantial Shareholders

Ordinary Shareholder	Fully paid Number	Percentage
Traolach Investments PL	5,705,000	9.26%
Matthew Vernon Hogan	3,570,002	5.79%
Wendy Carolyn Hogan	3,550,000	5.76%
PJ Enterprise PL	3,500,000	5.68%
Total	**16,175,00**	**28.43%**

3. Distribution of Equity Security Holders

Category	Fully paid ordinary shares	Options
1 – 1,000	180	10
1,001 – 5,000	156	34
5,001 – 10,000	153	27
10,001 – 100,000	350	64
100,001 and over	97	39
Total Holders	**936**	**174**

The number of shareholders holding less than a marketable parcel of ordinary shares is 180.

ASX ADDITIONAL INFORMATION

4. Twenty Largest Holders of Quoted Equity Securities

Ordinary Shareholders	**Number**	**Percentage**
Traolach Investments Pty Ltd	5,705,000	9.26%
Matthew Hogan Vernon	3,570,002	5.79%
Wendy Carolyn Coombe Hogan	3,550,000	5.76%
PJ Enterprises Pty Ltd	3,500,000	5.68%
HD Mining & Investment Pty Ltd	2,000,000	3.24%
Christopher Mowbray	1,300,000	2.11%
Oceanic Cap PL	1,240,000	2.01%
AWD Cons PL	1,150,000	1.87%
William Thomas John	1,000,000	1.62%
Lafras Luitingh	1,000,000	1.62%
Yafco PL	1,000,000	1.62%
Simon Coxhell	790,607	1.28%
Marshall B Nathanson	739,425	1.30%
Brian Marshall Nathanson	789,425	1.28%
M & K Korkidas PL	776,460	1.26%
ABN AMRO Clrg Syd Nom PL	754,202	1.22%
J P Morgan Nom Aust Ltd	739,710	1.20%
Seaward Hldgs PL	659,043	1.07%
Vbass PL	650,000	1.05%
Aredebeco PL	575,000	0.93%
A G BIrchmore + J L	500,000	0.81%
Top 20 Total	**31,988,874**	**52%**

5. On-Market Buy-Back

There is currently no on-market-buy back.

ASX ADDITIONAL INFORMATION

6. Twenty Largest Holders of Quoted Options

Optionholders	**Number**	**Percentage**
Kingtide Super Pty Ltd	3,121,064	9.90%
Traolach Investments Pty Ltd	2,852,500	9.05%
Redcode Pty Ltd	2,000,000	6.34%
Christopher Mowbray	1,800.000	5.71%
Wendy Carolyn Coombe Hogan	1,775,000	5.63%
PJ Enterprises Pty Ltd	1,750,000	5.55%
Andrew John Kingham	1,152,582	3.66%
Marshall B Nathanson	1,125,000	3.57%
Hard Rock Mining Pty Ltd	1,000,000	3.17%
Timothy Mark Hogan	1,000,000	3.17%
Anthony John & J Vetter	891,033	2.83%
M&K Korkidas PL	816,000	2.59%
Oceanic Cap PL	801,170	2.54%
St Barnabas Inv PL	535,000	1.70%
Toowong Pastures PL	500,000	1.59%
IBT Hldgs PL	500,000	1.59%
Anna Whitehead	500,000	1.59%
William Thomas John	500,000	1.59%
Walker G + T J	500,000	1.59%
Dave Graham Mcintyre	458,897	1.46%
Top 20 Total	**21,780,046**	**75%**

ASX ADDITIONAL INFORMATION

7. Schedule of Tenements

Location	Tenement	Date of Grant	Venus Interest
Yalgoo	R59/1 (previous M59/742)	25/07/2013	50% interest in iron
			100% other minerals
Yalgoo	E59/1508-I	16/06/2009	50% interest in iron
			100% other minerals
Youanmi	E57/986	28/01/2015	90%
Youanmi	E57/983	4/02/2015	100%
Youanmi	E57/1019	20/10/2016	100%
Youanmi	E57/985	31/03/2016	90%
Youanmi	E57/1011	18/11/2015	90%
Youanmi	P57/1365	5/11/2015	90%
Youanmi	P57/1366	5/11/2015	90%
Bellchambers/Sandstone	E57/984	17/03/2015	90%
Sandstone	E57/965	8/06/2015	100%
Poona	E20/885	26/07/2016	90%
Peak Hill (Curara Well)	E52/3069	10/02/2016	100%
Peak Hill (Rathbone Well)	E52/3068	5/01/2016	100%
Youanmi	E57/982	5/09/2016	100%
Youanmi	E57/1018	5/09/2016	100%
Youanmi	E57/1023	5/09/2016	100%
Sandstone	ELA57/981		100%
Peak Hill (Orient Well)	ELA52/3320		100%
Poona East	ELA20/896		100%
Pilgangoora NorthEast	ELA45/4630		100%
Pilgangoora NorthEast	ELA45/4684		100%
Wodgina South	ELA45/4627		100%
Wodgina South	PLA45/3004		100%
Nardoo Hill	ELA09/2156		100%
Nardoo Hill West	ELA09/2182		100%
Greenbushes East	ELA70/4810		100%
Greenbushes Northeast	ELA70/4814		100%
North Shaw	ELA45/4798		100%
Surprise Gold	ELA45/4804		100%
Yalgoo	ELA59/2187		50% interest in iron
			100% other minerals
Tambourah	ELA45/4753		100%

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