VENUS METALS
CORPORATION LIMITED

ASX Release: 17 July 2014 **ASX Code: VMC**

COPPER HILLS PROJECT
MAJOR DRILL TARGET IDENTIFIED AT PM PROSPECT

The Directors of Venus Metals are pleased to announce that a first class drilling target has been identified at PM Prospect, Copper Hills based on recent geological mapping, sampling and airborne EM data evaluation. The prospect occurs in metamorphic Proterozoic rocks of the Rudall Complex, a Proterozoic province that includes the world class Telfer, Nifty and Kintyre mineral deposits (Figure 1).

Sixteen surface samples with supergene copper mineralisation were collected by Venus in June 2014 to verify past sampling by other explorers. The samples, from old pits and trenches over a 1km strike has given (as expected) very high Copper and Silver grades. **The sample assays average 14.1% Cu and 26.6g/t Ag, with peak values of 48.9% Cu and 115g/t Ag** (Sample PM 6, Table 1, Figure 2). There are also anomalous values in gold, platinum, palladium and zinc. The samples all show silica-carbonate (+/- biotitic) alteration and are interpreted to come from within a shear zone that controls the mineralization. Records of historical drilling show that drill hole CGR56 (522,027mE 7465160mN, 117m, Azimuth 210,Dip -60 drilled by PNC Exploration (Australia) Pty Ltd in early 1990s) intersected 3m at 3.7%Cu from 91 to 94m in fresh rock below the strong surface copper showing at PM 14.

Significantly, the Government Paterson AEM survey has outlined a very strong EM conductor at depth along flight line 10820 below drill hole CGR56. This anomaly has not been tested by any past drilling. Modelling by Geophysical Consultants Core Geophysics, shows the top of the target is at 250m depth, with the conductor having a strike length of over 400m (Figure 3). Paterson Tempest CDI for line 10820 and model plate looking towards southwest with historical drillholes is shown in Figure 4.

The combination of strong surface multi element mineralization, prominent shearing and alteration, and a large EM conductor beneath promising copper grades in an historical drillhole provide a fresh new target that warrants drill testing. The surface mineralization is interpreted to be a leakage halo above a zoned hydrothermal system that has excellent potential for a major discovery at depth.

A ground FLEM survey is being commissioned for August prior to selecting final diamond drill targets planned for September.

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Competent Person's Statement

The information in the report to which this statement is attached that relates to Exploration Targets, Exploration Results, Target Potential and Mineral Resources is based on information compiled by Mr Scott Raymond Bishop, who is a Member of the Australasian Institute of Mining and Metallurgy, is a Principal Consulting Geologist at Bishop Exploration Pty Ltd. Mr Bishop 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'. Mr Bishop 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 the report to which this statement is attached that relates to Exploration Targets, Exploration Results, Target Potential and Mineral Resources is based on information compiled by Mr Barry Fehlberg, Consulting Geologist, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Fehlberg 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'. Mr Barry consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Table-1. Assays of Surface Samples at PM Prospect, Copper Hills

	Easting	Northing	**Cu**	**Ag**	**Pb**	**Zn**	**Ni**	**Co**	**Au**	**Pd**	**Pt**
METHOD			AAS43B	ICP40Q	ICP40Q	ICP40Q	ICP40Q	ICP40Q	FAM303	FAM303	FAM303
UNITS			**%**	PPM	PPM	PPM	PPM	PPM	PPB	PPB	PPB
PM1	522732	7464826	9.56	1.7	77	137	36	77	9	14.5	14.1
PM2	522732	7464826	16	3.6	118	115	24	55	12	18.2	10.3
PM3	522732	7464826	15.5	3.6	109	222	38	57	19	13.5	7.9
PM4	522635	7464887	15	9.3	90	106	61	176	17	11.1	7.7
PM5	522635	7464887	9.84	27.4	57	260	50	88	8	4.5	3
PM6	522635	7464887	48.9	115	771	458	15	27	70	32.3	17.5
PM6A	522635	7464887	6.2	13.7	67	3140	170	68	13	24.2	14.1
PM07	522635	7464887	3.54	24.9	474	1990	43	17	9	5.9	1.9
PM08	522635	7464887	4.1	13.5	92	482	658	355	8	25	11.5
PM09	522635	7464887	4.38	66.6	159	75	28	26	136	91.8	35.5
PM10	522434	7465048	29.7	24.5	237	71	64	54	14	6.4	5.2
PM10A	522434	7465048	12.8	7.4	139	46	59	78	10	6.8	5.7
PM11	522434	7465048	-	X	37	184	31	15	3	3.1	3.2
PM12	521744	7465257	10.4	29.8	143	117	626	244	25	26.5	18.7
PM13	522009	7465135	5.45	2.4	155	178	58	177	106	28.2	22.4
PM14	522009	7465135	20.3	55.6	204	65	22	93	201	144	277

Coordinates are in GDA94 Zone51

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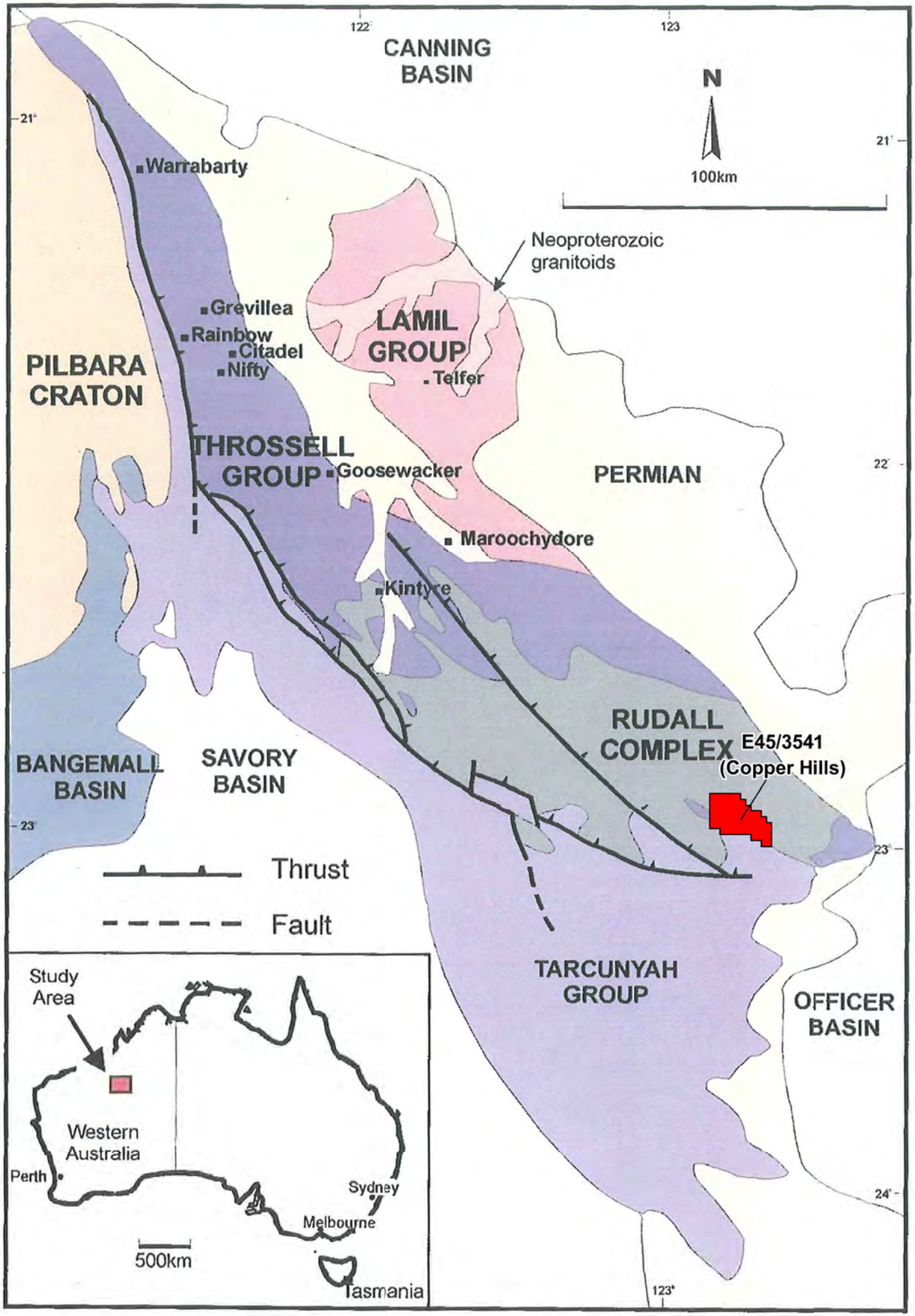


Figure 1. SIMPLIFIED PATERSON OROGEN GEOLOGICAL MAP

(Adapted from Anderson, BR (1999) Structure, alteration and mineralisation of the Nifty Copper Deposit, Western Australia: Implications for ore genesis. PhD thesis, University of Tasmania.)

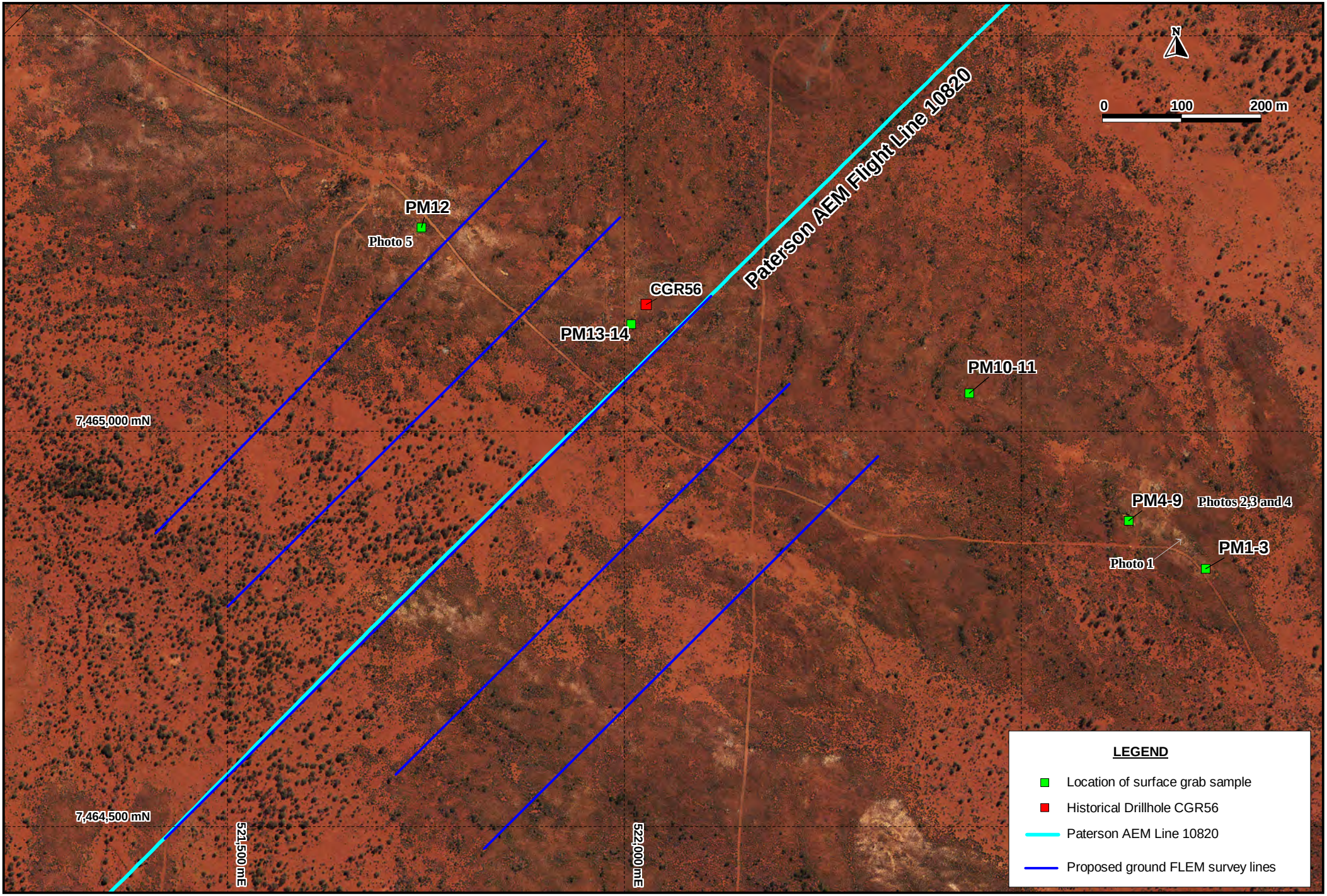


Figure 2. Location of surface grab samples and the proposed Ground EM survey lines at PM Prospect, Copper Hills

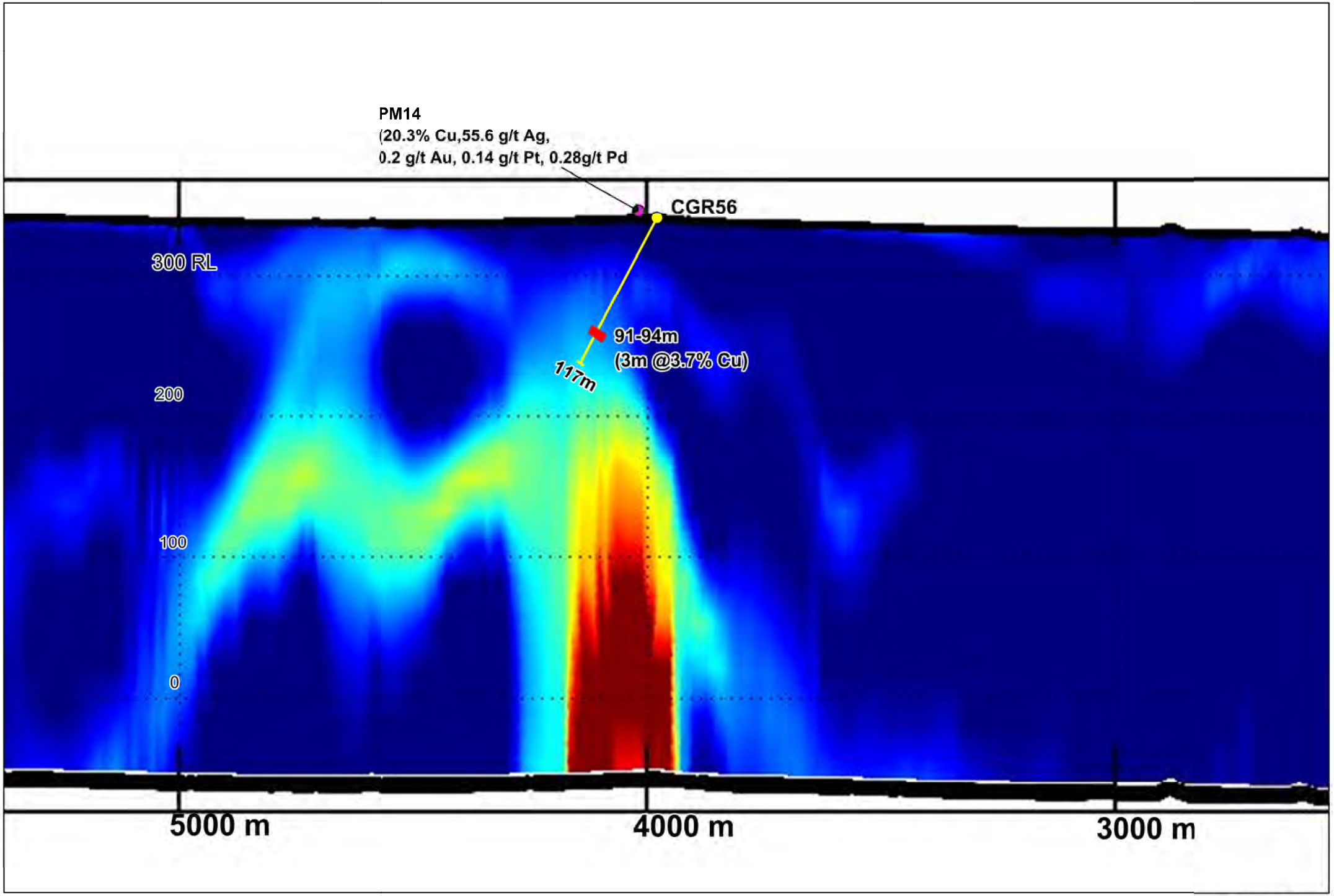


Figure 3: AEM CDI Inversion Cross Section along Flight Line 10820 showing conductive bodies beneath mineralised Drill Hole CGR56

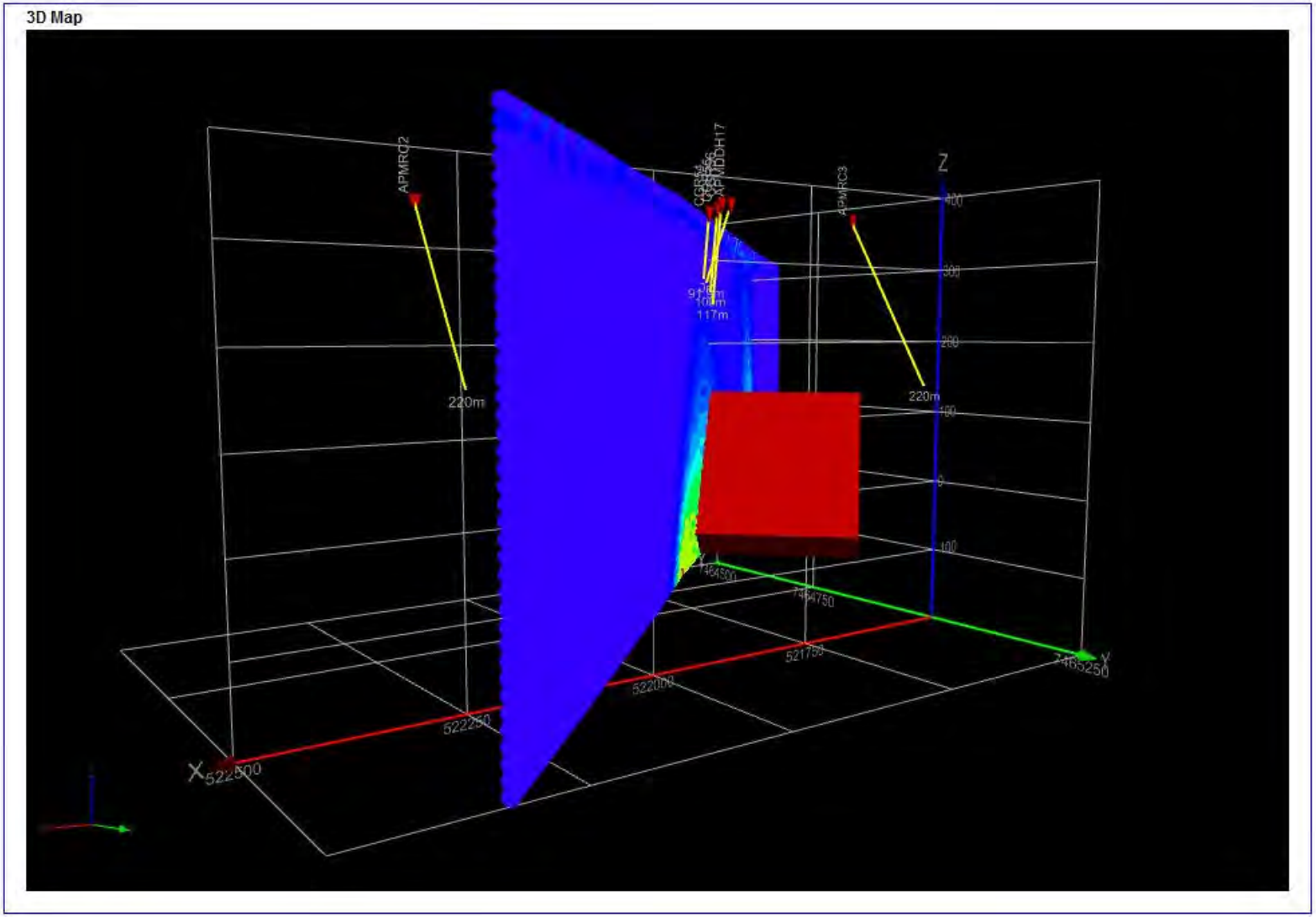


Figure 4.Paterson Tempest CDI for line 10820 and model plate looking towards southwest with historical drillholes

Appendix-1 Site Photos and Description of Rock Samples

1. Site Photos

Graphitic schist with extensive copper staining.

Trench wall with extensive secondary copper mineralization

Quartz-carbonate boulder with secondary copper mineralization

Shallow trenches with boulders of secondary copper mineralization

Trench with abundant secondary copper boulders from altered shear zone.

2. PM ROCK SPECIMEN DESCRIPTIONS AND PHOTOS

PM 1 – 9.56% Cu, 1.7g/t Ag

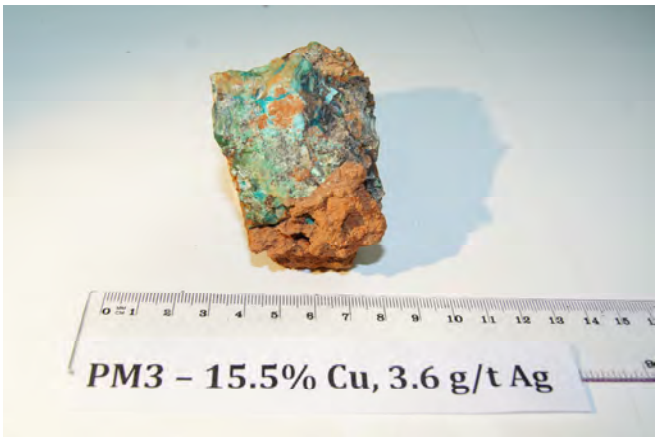
Fine grained dense carbonate-siliceous rock, white to pink carbonate crystal veins, 1mm, bulk of specimen is dark grey material. 20% of rock is veins and masses of chrysocolla with some greenish malachite tinges.

PM2 – 16% Cu, 3.6 g/t Ag

Partially weathered and oxidized fine-grained carbonate silica rock with 20% chrysocolla veinings, set in a dark metallic grey black semi crystalline matrix, very similar to PM1

PM3 – 15.5% Cu, 3.6 g/t Ag

Weathered rock dominated by chrysocolla –malachite veinings set in a dark coloured siliceous matrix, textures largely lost to weathering.



PM 4 – 15% Cu, 9.3 g/t Ag

Crystalline carbonate vein with adjacent chrysocolla vein with orange red 1mm spotting after weathered carbonate.

PM 5 – 9.84% Cu, 27.4 g/t Ag

Pink-white 1mm crystalline carbonate silica dominant rock with 5% chrysocolla veinings, breccia fragments up to 2cm of dark micaceous biotite material, dense largely un-weathered rock.

PM6 – 48.9% Cu, 115 g/t Ag

Dense fine-grained bright green siliceous chrysocolla –malachite matrix rock with 20% bright metallic chalcocite granules. The rock appears to be part of a 20cm wide vein.

PM 6A- 6.2%Cu, 13.7 g/t Ag

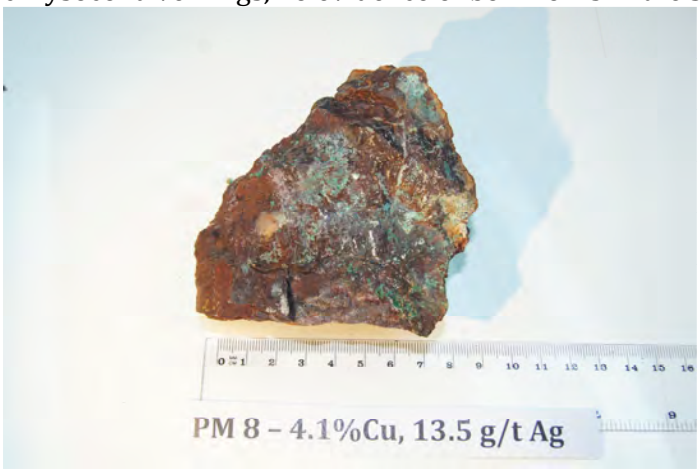
From an adjacent location in the costean wall as PM 6, but not so dense, carbonate chrysocolla-malachite matrix rock with a foliated fabric, light greenish weathered micaceous matrix?

PM 7 – 3.54% Cu, 24.9 g/t Ag

Partially weathered dense rock with green chrysocolla –malachite veinings and staining. Rock hosts dark grey to silvery black sulphide? granules in a fine siliceous matrix that may have a dark biotitic matrix.

PM 8 – 4.1%Cu, 13.5 g/t Ag

Dense fine-grained chocolate red coloured silica hematite rock with 5% chrysocolla veinings, no evidence of box works in the silica flooded areas

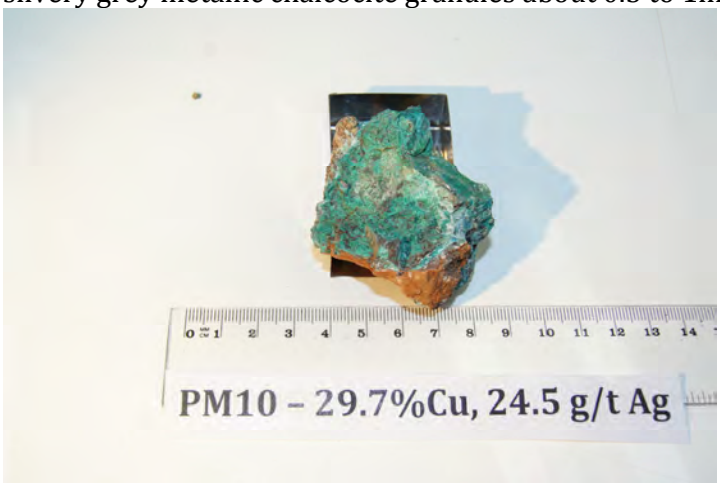


PM9- 4.38% Cu, 66.6 g/t Ag

Fine grained pink-white carbonate veined rock with adjacent strongly coloured chrysocolla-malachite veined rock with blackish biotitic spotting and possible metallic granules, oxidized and weathered rock

PM10 – 29.7%Cu, 24.5 g/t Ag

Bright green chrysocolla –malachite dense fine-grained matrix rock with 20% silvery grey metallic chalcocite granules about 0.5 to 1mm in size.



PM10A -12.8% Cu, 7.4 g/t Ag

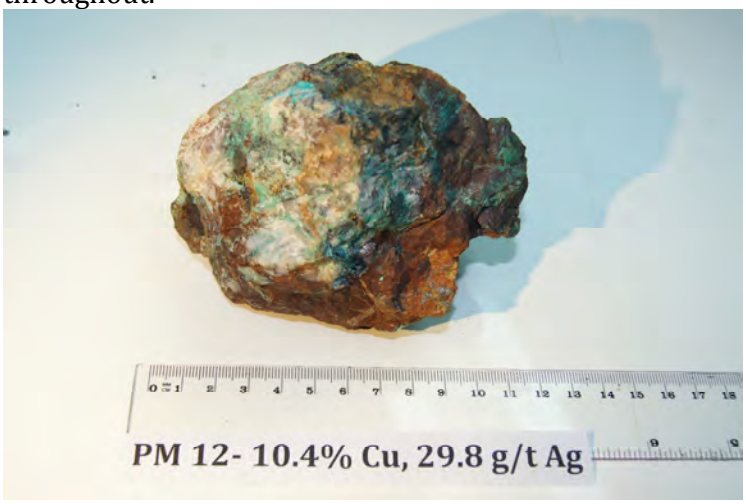
Whitish to pink carbonate dominant rock with siliceous matrix, 15% chrysocolla veining and staining, minor metallic granules. Dense, coherent rock.

PM11 – 0.048% Cu, <0.05 g/t Ag

Solid partially weathered dark grey fine-grained rock with orange carbonate spotting, soft to scratch, no copper staining.

PM 12- 10.4% Cu, 29.8 g/t Ag

Blue and green stained chrysocolla-malachite siliceous matrix red coloured rock with quartz fragments, some black silver metallic granules preserved throughout.



PM 13- 5.45% Cu, 2.4 g/t Ag

Green blue chrysocolla veining and staining in a fine grained weathered siliceous carbonate host rock, a few bronze to dark coloured metallic granules with chrysocolla rimming, possible relict sulphides (pyrite?) in the vein assemblage.

No Photo

PM 14- 20.3% Cu, 55.6 g/t Ag

Bright green-blue copper stained weathered rock with chrysocolla veinings to 1mm. Siliceous carbonate host with metallic chalcocite granules to 1mm, dark grey to charcoal in colour. Jasper coloured aborescent siliceous-goethite spotting and matrix material notable.

Appendix- 2

Section 1: Sampling Techniques and Data (JORC Code, 2012 Compliant)

Criteria	Commentary
Sampling techniques	Surface grab/rock samples were collected from historical trenches
Drilling techniques	No Drilling conducted
Drill sample recovery	No Drilling conducted
Logging	No Logging. The geological description of the surface samples and photos are given in Appendix-1
Sub-sampling techniques and sample preparation	Totally 14 Surface grab/rock samples were collected and send directly to SGS Lab, Perth for assaying.
Quality of assay data and laboratory tests	Samples were analysed at the SGS Lab, Perth for 43 elements including base metals, Pt, Pd and Au. The details of the sample preparation and laboratory tests conducted are the following: ➢ First the all samples were dried @ 105C, Crush to nominal -10mm, Pulverise to nominal 90% <75µm (Code :PRP88) ➢ For analysing for Au/Pt/Pd : 30g fire assay fusion followed by aqua regia digest of the precious metals prill and by Inductively Coupled Plasma- Mass Spectrometer (ICP-MS) (Code: FAM303) ➢ For analysing all other elements: Four acid Geochem digest (Hydrochloric, Nitric, Perchloric, Hyrdrofluoric), 0.2g sample digested with mixed acid to near dryness. The salts are then dissolved with hydrochloric acid and made to final volume of 20ml with deionised water (Code: DIG40Q). Solutions from DIG40Q digest are determined for elements of interest by Inductively Coupled Plasma-Atomic Emission Spectrometer (ICP-OES) (Code : ICP40Q) ➢ For analysing Cu values: Four acid Ore Grade digest (Hydrochloric, Nitric, Perchloric, Hyrdrofluoric) 0.25g sample dissolved with mixed acid to near dryness. The salts are then dissolved with Hydrochloric acid and made to final volume of 500ml in a volumetric flask with deionised water (Code DIG43B). The solution from digest DIG43B is read on an Atomic Absorption Spectrophotometer (AAS) against matrix matched standards for the elements of interest (Code: AAS43B). ➢ For analysing Hg values: Aqua regia (hydrochloric and Nitric) low temperature digest designed to analyse for trace geochemical anomalies in rock/soil samples. 0.4g of sample is

Criteria	Commentary
	dissolved in aqua regia and then made to a final volume of 20ml (Code: DIG12S) The solution from digest DIG12S is presented to an Inductively Coupled Plasma- Mass Spectrometer (ICP-MS) for the determination of Hg (Code: IMS12S)
Verification of sampling and assaying	The samples were collected by experienced Geologist Mr Barry Fehlberg at Copper hills Project area and the assays were verified by him.
Location of data points	The sample locations were recorded using Garmin GPS and location map is presented in Figure 2.
Data spacing and distribution	The samples were from various trenches. The spacing between the trenches ranges between 120-440 m
Orientation of data in relation to geological structure	Not Applicable for this surface sampling
Sample security	Samples were collected and send safely through courier to SGS Lab, Perth for assaying. The pulps are kept safely at Lab for future verification.
Audits or reviews	No audits and reviews done.

Section 2: Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	The Copper Hills exploration tenement E45/3541 is 100% owned by Venus Metals Corporation.
Exploration done by other parties	Historically the tenement was explored for gold/ base metals/PGE and Uranium by various explorers including PNC Exploration (Australia) Pty Ltd), Australian Platinum Mines NL and Western Areas NL.
Geology	The Copper Hills Project Area is located in the remote southern section of the Palaeo- to Neoproterozoic Paterson Orogen in Western Australia. The area predominantly covers Palaeoproterozoic metasediments of the Tabletop Terrane within the Rudall Metamorphics and is in close proximity to the Camel-Tabletop Fault Zone, a major crustal-scale structure that has been interpreted as the collisional boundary between the Tabletop Terrane and the western Talbot and Connaughton Terranes of the Rudall Complex. The Tabletop Terrane comprises a poorly exposed sequence of mafic schist, amphibolites, and meta sedimentary rocks including dolomites. The Paterson Orogen contains the Kintyre uranium deposits, the Nifty base metal mine and the Telfer gold mine. The main attraction for historical platinum exploration were the PM veins at the Copper Hills prospects which showed exotic occurrence of copper carbonate with extremely high assays of silver, PGEs, and gold. Most recently the interest in those deposits has been renewed as copper targets after regional mapping by government geologist showed fault-related copper anomalies to be relatively common in the area and spatially related to the area of the Camel-Tabletop Fault Zone. It has been suggested that the structurally controlled and unconformity associated copper mineralisation may have been at least partly contemporaneous with a reactivation of the Camel-Tabletop Fault Zone at about 800 Ma, forming a 3-10 km-wide graben structure that filled with sedimentary rocks of the Officer Basin (Bagas and Lubieniecki, 2000). Based on detailed mineralogical and chemical studies of the PM veins, Nickel (2002) invokes a low-temperature hydrothermal origin for the copper veins and notes similarities with the Coronation Hill deposit in the Northern Territory.
Drill hole Information	No Drilling. An unpublished historical RC drillhole CGR56 data (located close to AEM Flight line 10820 and drilled by PNC Exploration (Australia) Pty Ltd in early 1990s) was obtained from Western Areas NL Copper Hills Database. The drillhole collar information is furnished in this ASX release.
Data aggregation methods	Not applicable
Relationship between mineralisation widths and intercept lengths	Not applicable.
Diagrams	Location of samples are shown in Figure 2
Balanced reporting	The assays of all 14 samples are reported
Other substantive exploration data	Geophysical CDI Inversion modelling and 3D modelling of Paterson Tempest AEM data on line 10820 with the historical drill holes.
Further work	Planning for detailed ground EM survey and exploration drilling