ASX Release: 23 November 2016 **ASX Code: VMC**

Venus Metals Corporation Limited
ACN 123 250 582

CORPORATE DIRECTORY

Mr Terence Hogan
Non-Executive Chairman

Mr Matthew Hogan
Managing Director & Company Secretary

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Executive Director

CAPITAL STRUCTURE

Issued Shares (ASX: VMC):
69,636,623

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

Market Cap: $10.45 million

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POONA LITHIUM PROJECT:

RECONNAISSANCE DRILLING INTERSECTS LITHIUM MINERALISATION FROM SURFACE

Figure 1 – Reverse Circulation drill rig operating at Poona

HIGHLIGHTS

POONA DRILLING

- Reconnaissance drilling at Poona has intersected lithium mineralisation from surface,
- Target areas on the Poona Trend and at Poona East (Figure 3), have returned **a significant number of anomalous lithium assays**,
- Poona East drilling has returned significant lithium mineralisation from surface, including:

  PORC002 9 metres @ 0.77% Li_2O & 0.28% Rb from Surface

  Including 3 metres @ 0.96% Li_2O & 0.35% Rb from 3 metres

- Wide spaced drilling confirms that the Poona East Trend extends over more than **1,000 metres of strike and can extend to over 250 metres width**, and analysis of the exploration indicates that the subsurface orientation of the pegmatite mineralisation is such that **it has not be properly tested by this initial phase of drilling,**
- Venus has a program of mapping and surface sampling planned to further delineate the Poona East mineralisation prior to a second phase of drill testing being undertaken.

1.0 Introduction

The Directors of Venus Metals Corporation Limited (ASX: VMC) are pleased to announce that scout drilling of targets within the Poona lithium-tantalum project area in Western Australia has intersected anomalous lithium mineralisation in a number of drill holes.

Venus Metals Corporation Limited ('Venus Metals') holds two tenements (E 20/885 & ELA 20/896) in the Poona region. This project lies within the Murchison Mineral Province in Western Australia (Figure 2).

Figure 2 – Venus Metals lithium-tantalum project locations in Western Australia.

2.0 Poona Lithium-Tantalum Project

The Poona project is located in the Murchison Mineral Field, approximately 560 km to the north-northeast of Perth. The project area is composed of two exploration licenses (E 20/885 & ELA 20/896) covering more than 249 km^2. These tenements overlie a number of recognised lithium and tantalum occurrences including Patons Lode, Poona Reward and Coodardy North (Figure 3).

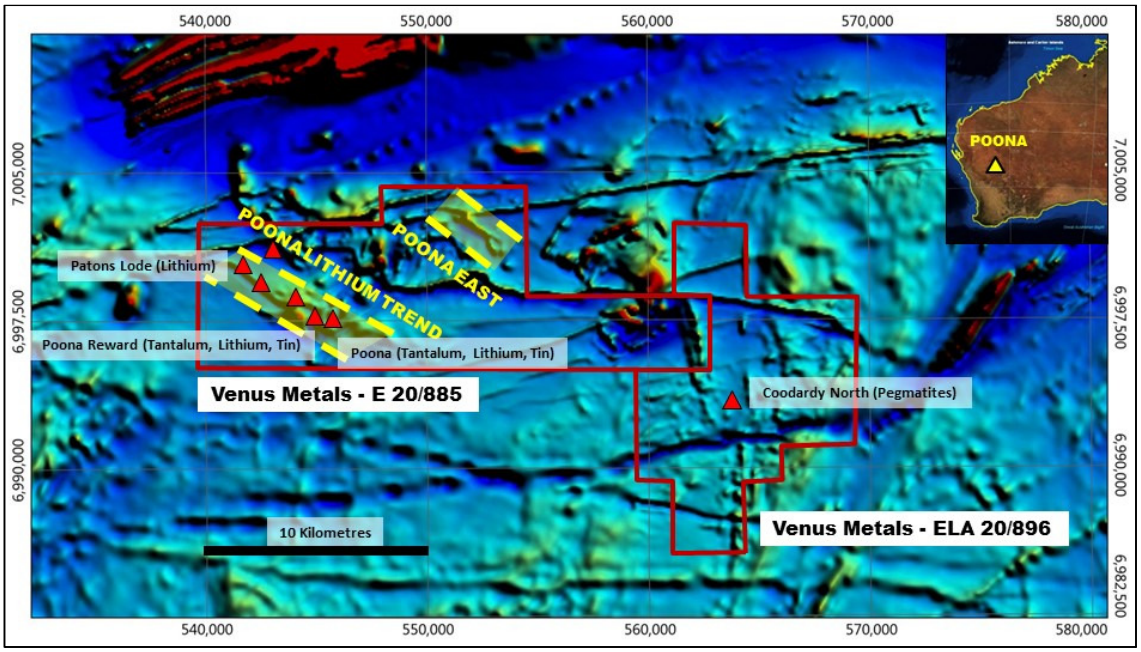


Figure 3 - Poona tenement areas (red) & prospect locations and mineralised trend (yellow) over regional geophysics – Poona East prospect northeast of main Poona Lithium Trend.

Venus Metal's has recently completed a program of reconnaissance drilling on two key target areas within the Poona lithium project, namely the Poona East and Poona Lithium Trends (Figure 3), which has intersected anomalous lithium mineralisation. The lithium-rubidium mineralisation is hosted by pegmatites and associated intrusive stratigraphy.

3.0 Reconnaissance Drilling

Reconnaissance drilling has been completed on two key targets at Poona (Figure 4):

3.1 Poona East

Three holes (PORC 001-003) were drilled (Figure 4 & 5) along the northwest-southeast structural trend, with mineralisation associated with intrusive pegmatites. Previous surface sampling had returned high grade lithium assays of up to **2.58% Li_2O**[1].

Drilling consistently intersected anomalous lithium mineralisation (>0.1% Li2O) in the near surface environment, including:

PORC002 9 metres @ 0.77% Li_2O & 0.28% Rb from Surface

Including 3 metres @ 0.96% Li_2O & 0.35% Rb from 3 metres

*Drillhole collar locations and assay results are included in Appendix 2.

This drilling confirms that the Poona East Trend extends for more than 1,000 metres, can extend to over 250 metres in width, and remains untested along strike. Analysis of the drilling data indicates that **the subsurface orientation of the pegmatite mineralisation is such that it has not been properly tested by this initial phase of drilling**.

Venus is presently planning a program of detailed mapping and sampling to follow up this drilling to further delineate the Poona East Trend. This program may also include auger and RAB drilling to better understand the orientation and distribution of the pegmatite units, and their associated lithium mineralisation, prior to further RC drilling being undertaken to test the depth extents to the pegmatite related mineralisation.

3.2 Poona Trend

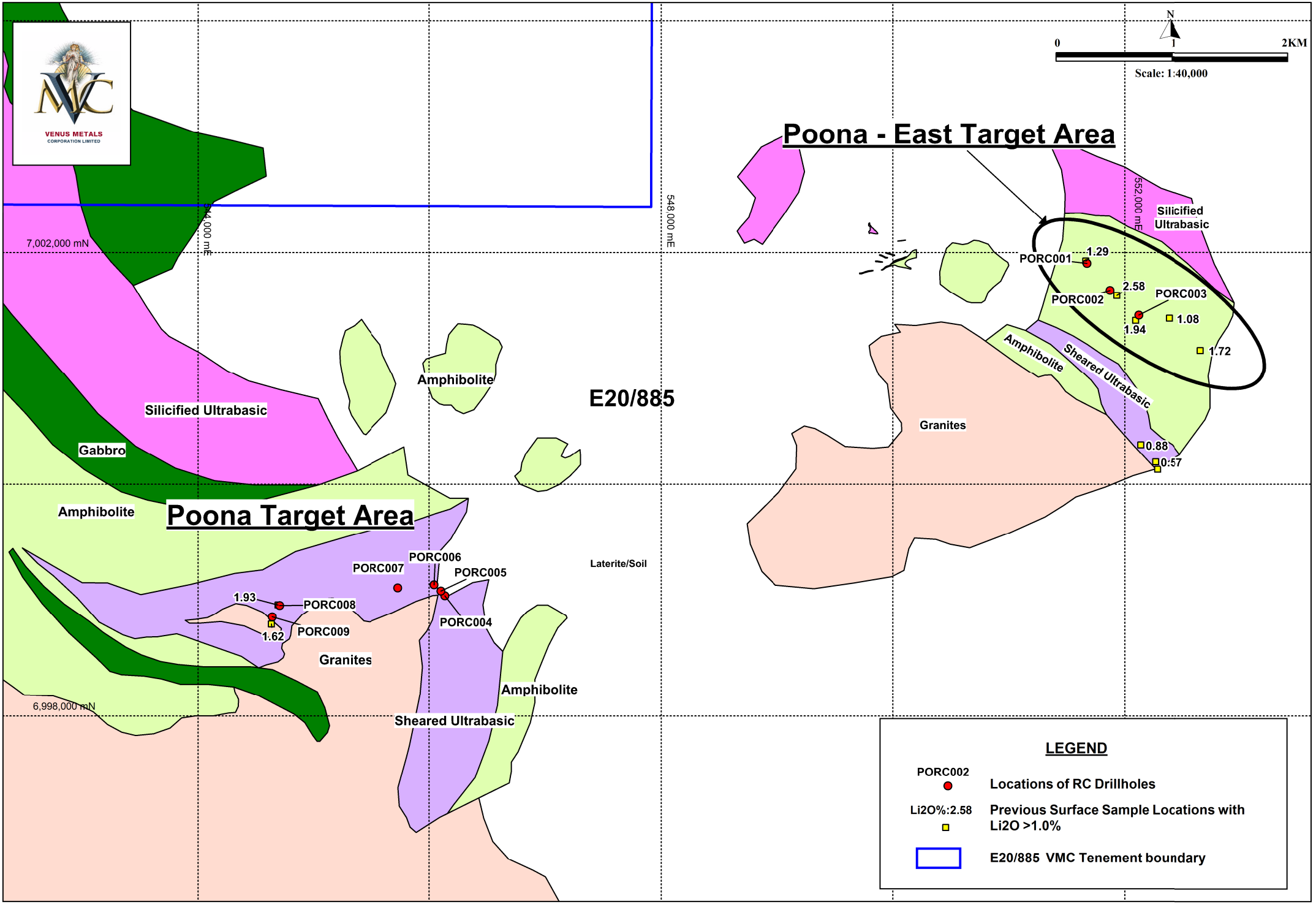
Six holes (PORC 004-009) were drilled on the southern extents of the Poona Lithium Trend, in areas that had previously returned high-grade lithium assays at surface. These drill holes returned anomalous lithium mineralisation (>0.1% Li_2O) in both the near surface environment and at depth.

Further analysis of the exploration data, generated to date, is required prior to further drilling being undertaken along the Poona Trend.

4.0 Conclusion

Drilling on the two targets at Poona has intersected encouraging lithium-rubidium mineralisation in the near surface environment, especially at Poona East. A program of mapping, sampling and analysis will be undertaken to further delineate the Poona East target prior to a second phase of drill testing being undertaken.

Venus Metals looks forward to further updating shareholders as the exploration at Poona continues.



Historical exposed geology mapping using airphoto interpretations taken from DMP Open file report a64956

Figure 4. Location of RC Drillholes and Previous Surface Samples with >1% Li2O on Geology map

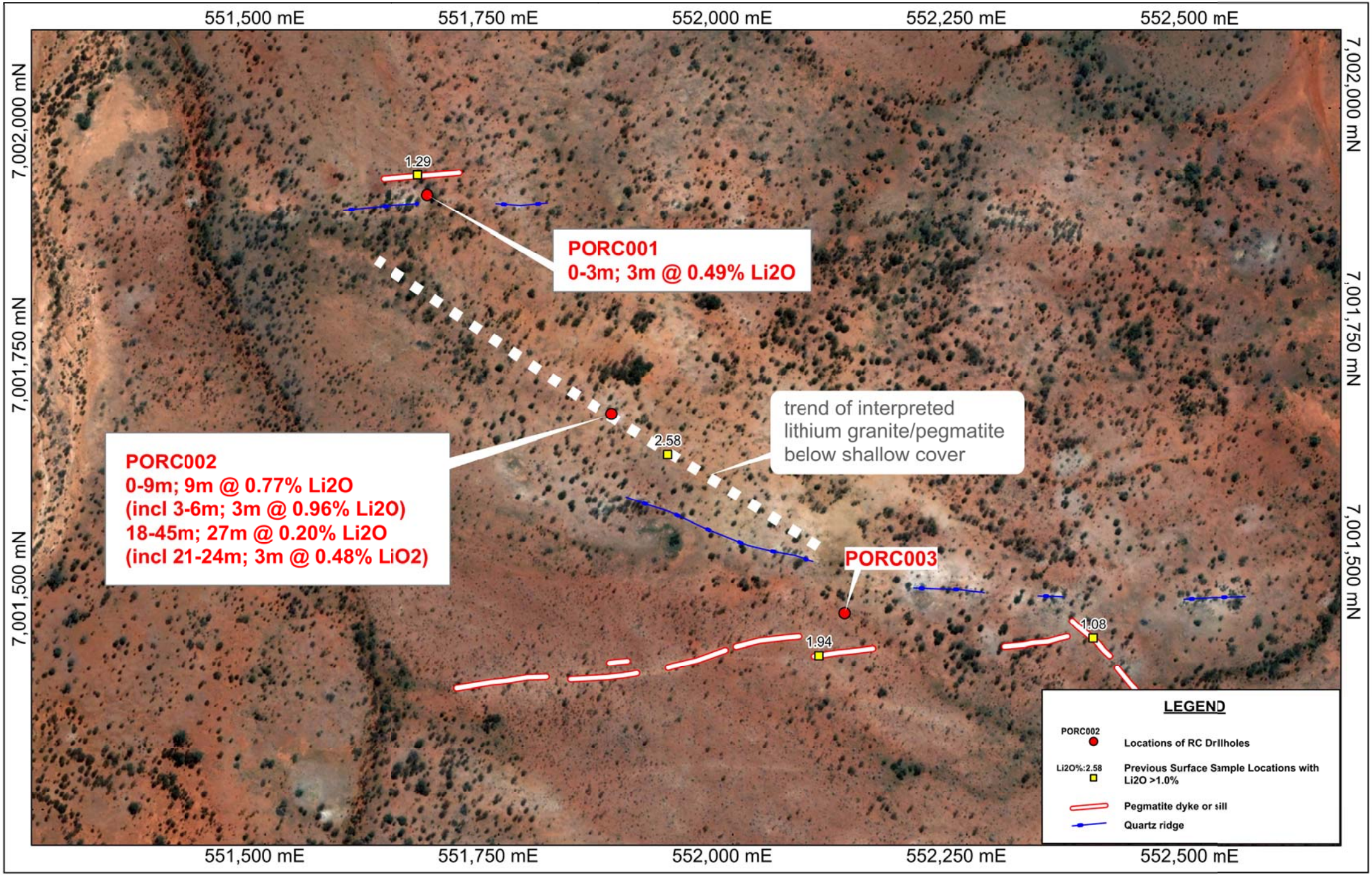


Figure 5. Poona East - Location of RC Drillholes and Previous Surface Samples with >1% Li2O over a Google Earth Image with Interpreted Geology.

Bibliography

1. Venus Metals Corporation Limited, ASX Release, 6 October 2016; "Poona Lithium Project – New High-Grade Lithium Prospect".

Competent Person's Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr T. Putt of Exploration & Mining Information Systems, who is a member of The Australian Institute of Geoscientists. Mr Putt has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Putt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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'. Mr Vanderhor 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.

APPENDIX 1 – JORC TABLE 1.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• VMC had carried out a reconnaissance Reverse Circulation drilling programme at selected locations within tenement E20/885. • The RC Drill chip samples for every 1m were collected using on-rig rotary splitter. 3 m composite samples were prepared from 1 m split samples using the Spear method. These 3 m composites were sent for assaying at SGS, Lab Perth. • Magnetic susceptibility reading for composite samples was also recorded in the field.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Reverse Circulation drilling of total 9 holes for 780 m depth were drilled. The orientation of the holes varies between 135°N and 360°N Azi and dip varies between -55° and -60°.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Visual inspection of samples from the current shallow depth drilling identified a good recovery of samples. As this was an initial reconnaissance drilling we cannot identify any relationship between sample recovery and grade.

Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All RC drill chip samples were geologically logged on site. The current exploration was an initial reconnaissance/scout drilling hence is not applicable for Mineral resource estimation/mining studies at this stage.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Drill samples were collected for each meter using a rig-mounted rotary splitter. The RC drill chip samples were sub sampled for 3m composites using the Spear method (approximately 2-3 kg/ sample) in Calico bags labelled with representative Sample ID's. 1m samples were also collected in calico bags using same method and labelled with Sample Ids. These composite and 1m samples were secured and packed in carton boxes and sent to SGS, Lab Perth.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The laboratory assaying techniques are suitable for the samples submitted. • All Composite Samples were sent for assaying at SGS Lab in Perth for multi-element Analysis using - Sodium Peroxide fusion method (DIG90Q) followed by ICPMS (IMS90Q) for analysing Ag, Be, Cs, Nb, Rb, Sc, Sn, Ta & W - Sodium Peroxide fusion method (DIG90Q) followed by ICPOES (ICP90Q) for analysing Al, As, Ca, Co, Cr, Cu, K, Li, Mg, Mo, Mn, Ni, Pb, S, Si, Sr & Zn - Fire assay method (FAM303) for analysing Au, Pd and Pt
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• All composite and 1m split samples were verified by independent Geological Consultant and company representative in the field before submitting to the Laboratory for

	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	assaying. No adjustments to assays were done.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The drill hole collars were located using a handheld GPS (accurate to <5 metres) in MGA 94, Zone 50.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drill holes were drilled only at selected locations with maximum spacing up to 320m.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Reverse Circulation drilling of total 9 holes for 780 m depth were drilled during the current reconnaissance /scout drilling programme. The orientation of the holes varies between 135°N and 360°N azimuth and dip varies between -55 and -60. • The drill holes were oriented in-order to understand the trend & dip direction of the pegmatite and schistose lithological units under cover.
Sample security	• *The measures taken to ensure sample security.*	• Samples were bagged with appropriate sample numbers and secured by field staff prior to transporting to the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• At this preliminary stage no audits of sampling technique were done.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration Licence E20/885 is 90% owned by VMC and10% by Independent Prospector. VMC had completed Heritage Clearance Survey along the proposed drill lines before the commencement of drilling.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Compilation and review of historical data have been carried out.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Pegmatite and Schist, hydrothermally altered intrusive and basement rock hosting Lithium and Rubidium mineralisation.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The drill hole collar data is summarised in Appendix-2a.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of*	• Weighted average grade was used with cut-off for Li2O @ 0.1%

	high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. ● *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	● *These relationships are particularly important in the reporting of Exploration Results.* ● *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* ● *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	● At this stage we had only carried out reconnaissance exploration scout drilling, any mineralisation intercepted would be down hole length, true width unknown.
Diagrams	● *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	● Maps are presented in ASX announcement.
Balanced reporting	● *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	● Drill hole assay results including high and low grades of Li2O% is reported in Appendix-2b.
Other substantive exploration data	● *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	● The current exploration drilling was shallow reconnaissance drilling at few selected locations to understand the dip /trend of mineralisation, hence at this stage no other exploration work is reported or available.
Further work	● *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* ● *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	● We are planning for detailed geological mapping followed by close spaced Auger soil sampling and RAB drilling, to understand the trend and extension of Li mineralised Pegmatites.

APPENDIX 2 – DRILL HOLE COLLARS & ASSAYS

Appendix 2a. Details of Reconnaissance RC drillhole Collars							
Hole ID	GDA94_E	GDA94_N	RL	Azimuth	Inclination	Depth	Type
PORC001	551674	7001907	487	360	-60	72	RC
PORC002	551871	7001673	492	180	-60	84	RC
PORC003	552120	7001460	494	180	-60	108	RC
PORC004	546134	6999037	504	135	-60	108	RC
PORC005	546100	6999077	504	135	-60	96	RC
PORC006	546041	6999132	504	135	-55	72	RC
PORC007	545728	6999105	500	135	-60	96	RC
PORC008	544702	6998952	492	225	-60	96	RC
PORC009	544637	6998854	493	225	-60	48	RC

Appendix 2b. Assay Results

SampleID	HoleID	From	To	Li_ppm	Li2O_ppm	Li2O_pct	Rb_ppm	Ta_ppm	Nb_ppm	Cs_ppm	Sn_ppm
90001	PORC001	0	3	**2260**	**4866**	**0.49**	2,490	70	35	67	
90025	PORC002	0	3	**3870**	**8332**	**0.83**	2,370	65	30	68	
90026	PORC002	3	6	**4470**	**9624**	**0.96**	3,520	90	35	118	
90027	PORC002	6	9	**2360**	**5081**	**0.51**	2,010	70	35	65	
90031	PORC002	18	21	730	1572	0.16	1,250	25	15	252	
90032	PORC002	21	24	2210	**4758**	**0.48**	2,270	100	40	136	
90033	PORC002	24	27	1070	2304	0.23	1,000	45	15	105	
90035	PORC002	30	33	780	1679	0.17	1,520		10	160	
90036	PORC002	33	36	660	1421	0.14	1,640	85	30	260	
90037	PORC002	36	39	920	1981	0.20	1,900	65	25	222	
90039	PORC002	42	45	1600	3445	0.34	2,140	40	20	105	
90057	PORC003	12	15	610	1313	0.13	1,530	75	30	790	
90090	PORC004	3	6	950	2045	0.20	1,440		20	93	
90091	PORC004	6	9	715	1539	0.15	1,520		20	82	
90109	PORC004	60	63	630	1356	0.14	818		20	104	
90115	PORC004	78	81	480	1033	0.10	811		15	70	160
90128	PORC005	9	12	595	1281	0.13	1,590	15	25	73	
90147	PORC005	66	69	935	2013	0.20	1,500		25	117	
90148	PORC005	69	72	1080	2325	0.23	1,630	15	35	138	
90158	PORC006	3	6	520	1120	0.11	670	20	25	37	
90159	PORC006	6	9	1740	3746	0.37	1,900	10	30	98	
90167	PORC006	30	33	495	1066	0.11	691		20	75	
90169	PORC006	36	39	520	1120	0.11	1,120		20	78	
90173	PORC006	48	51	490	1055	0.11	937		20	82	
90174	PORC006	51	54	560	1206	0.12	950		20	99	
90175	PORC006	54	57	575	1238	0.12	1,010		15	112	
90176	PORC006	57	60	470	1012	0.10	834		20	73	
90214	PORC008	3	6	565	1216	0.12	2,100	160	180	50	130
90215	PORC008	6	9	855	1841	0.18	2,960	55	75	114	190
90216	PORC008	9	12	490	1055	0.11	1,310	45	95	22	
90217	PORC008	12	15	1160	2497	0.25	2,650	40	65	107	110
90218	PORC008	15	18	1350	2907	0.29	3,150	50	80	107	200
90238	PORC008	75	77	470	1012	0.10	1,860	105	140	24	
90255	PORC009	30	33	740	1593	0.16	1,510	25	50	43	630
90256	PORC009	33	36	520	1120	0.11	648		25	25	
90257	PORC009	36	39	475	1023	0.10	1,210	15	40	31	