ASX Release: 30 January 2017 **ASX Code: VMC**

Venus Metals Corporation Limited
ACN 123 250 582

CORPORATE DIRECTORY

Mr Terence Hogan
Non-Executive Chairman

Mr Matthew Hogan
Managing Director & Company Secretary

Mr Kumar Arunachalam
Executive Director

CAPITAL STRUCTURE

Issued Shares (ASX: VMC): 61,636,623

Market Cap: $8.32 million

CONTACT DETAILS

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QUARTERLY REPORT

FOR PERIOD ENDING 31 DECEMBER 2016

Venus Metals Corporation Limited's activities conducted during the quarter ending 31st December 2016 include:

Poona Lithium-Tantalum Project:

- Reconnaissance RC drilling at Poona has intersected lithium mineralisation, from surface. 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 may 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 been properly tested by this initial phase of drilling.**

- Venus has a program of detailed geological mapping and surface sampling planned to further delineate the Poona East mineralisation prior to a second phase of drill testing being undertaken.

Curara Well Gold-Base Metals Project- Doolgunna Region

- Preliminary RC drilling completed at the Curara Well Project (E52/3069), 10km northeast of Sandfire Resources DeGrussa Copper Mine and 10km southwest of Plutonic Gold Mine.

- Wide intercepts of ultramafic stratigraphy (serpentinised Peridotites), carrying disseminated nickel sulphides **(including 84 metres @ 0.16% Nickel from 78 to 162m in CWRC005)** were recorded in three drill holes in two different targets (S1 and S2).

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

- Dr Townend has commented that ***"the mineralisation has some resemblance to the Mt Keith nickel deposit from the north-east goldfields of WA. The mineralised Mt Keith rocks are completely serpentinised ultramafic cumulates. They are a high tonnage low grade (0.6% Ni) deposit in which millerite can form up to 20% of the orebody, with pentlandite the main nickel mineral".***

- VMC is planning to conduct a 'MagLag' sampling programme followed by diamond drilling utilising a previously won DMP drilling grant.

The exploration activities conducted by Venus Metals Corporation Limited (VMC) during the quarter ending 31st December 2016 are as detailed below:

1.0 POONA LITHIUM-TANTALUM PROJECT (MURCHISON, WA)

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 1).

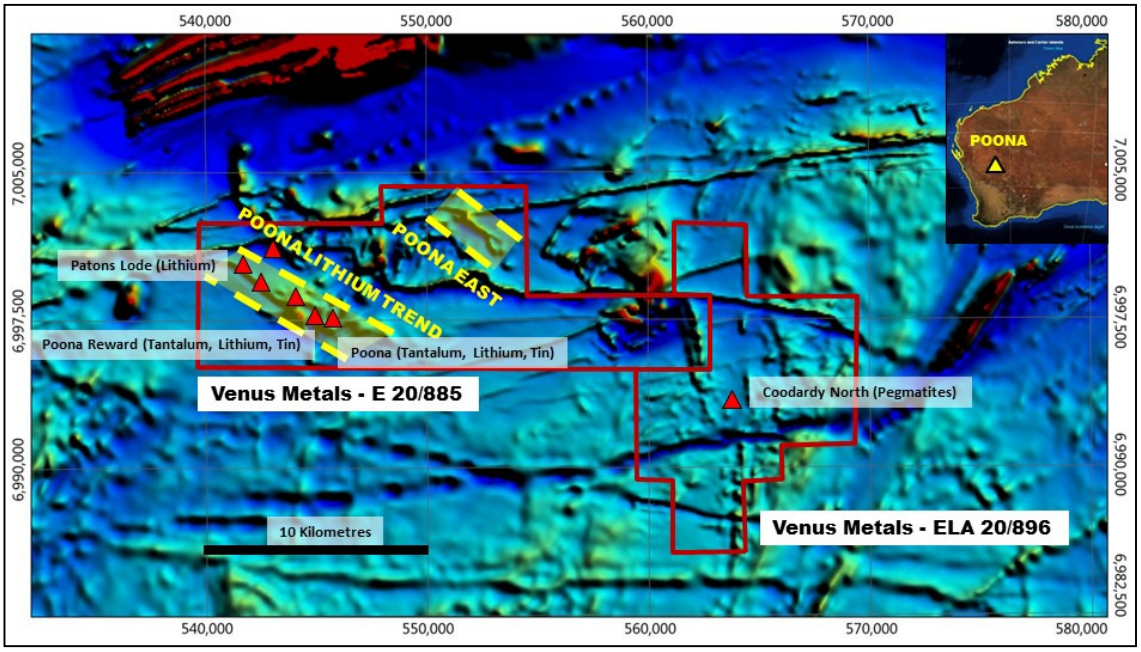

Figure 1 - Poona tenement areas (red) & prospect locations and mineralised trend (yellow) over regional geophysics – Poona East prospect northeast of main Poona Lithium Trend.

Venus Metal's has recently completed a program of reconnaissance RC drilling on two key target areas within the Poona lithium project, namely the Poona East and Poona Lithium Trends (Figure 1), which has intersected anomalous lithium mineralisation. The lithium-rubidium mineralisation is hosted by pegmatites and associated intrusive stratigraphy.

1.1 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** (refer ASX Release, 6 October 2016). Drilling consistently intersected anomalous lithium mineralisation (>0.1% Li_2O) 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

(refer ASX Release, 23 November 2016).

This drilling confirms that the Poona East Trend extends over more than 1,000 metres, may 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**.

1.2 Poona Trend : Six holes (PORC 004-009) were drilled on the southern extents of the Poona Lithium Trend (Figure 2), in areas that had previously returned high-grade lithium assays at surface. These drill holes returned anomalous lithium mineralisation (>0.1% Li_2O) (refer ASX Release, 23 November 2016) in both the near surface environment and at depth. Further analysis of the exploration data generated to date, is required prior to infill and extensional drilling being undertaken along the Poona Trend.

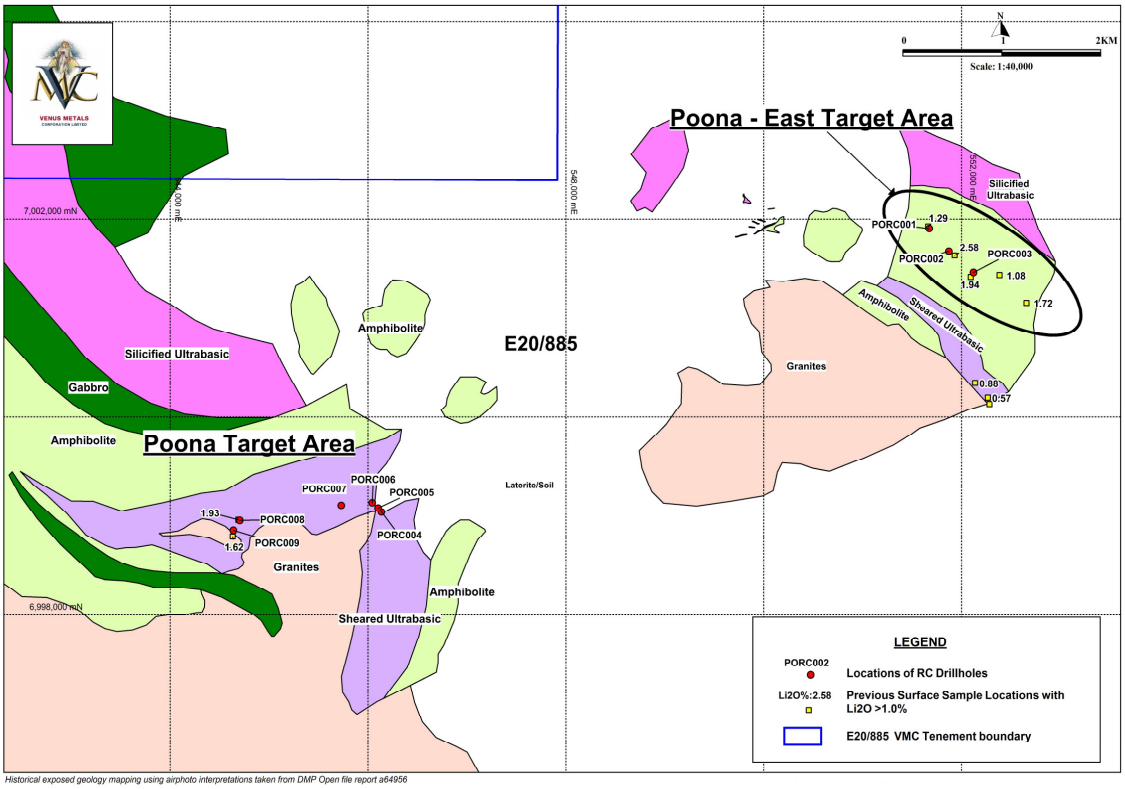

Figure 2. Location of Reconnaissance RC Drillholes and previous surface samples with >1% Li2O shown on Geology Map

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

2. CURARA WELL GOLD-BASE METALS PROJECT (DOOLGUNNA, WA)

An reconnaissance RC drilling has been completed at Curara Well Gold-Base Metals Project (E52/3069), located 10km northeast of Sandfire Resources DeGrussa Copper Mine and 10km Southwest of Plutonic Gold Mine.

Five RC drillholes were drilled on selected three prospective geophysical (pipe-like) targets delineated through 3D modelling of the magnetic data and electromagnetic ('VTEM') surveying (refer ASX release 14 October 2015). Drilling was completed in the last quarter of 2016 and the details of drill holes are shown in Figure 3 and Table 1.

Table 1. - Details of RC Drillholes at Curara Well

Hole ID	MGA50_E	MGA50_N	Depth(m)	Azimuth	Dip	mRL	Target Anomaly
CWRC001	741544	7183331	201	120	-60	567	Magnetic
CWRC002	742929	7181887	127	60	-60	575	Mag+EM
CWRC003	743200	7181648	253	225	-65	576	Mag+EM
CWRC004	741799	7182952	211	315	-65	571	Magnetic
CWRC005	742869	7184774	169	45	-60	570	Mag+EM

The main lithological units intersected in drillholes include several metres of thick mafic/serpentinised ultramafic formations below over thrust granites, numerous 1-6m wide interlayered magnetite-rich units and undifferentiated granitoids. Fine disseminated sulphides were visible within a number of intercepts, associated with thick ultramafic zones in three drillholes (CWRC002, CWRC003 and CWRC005) in two different targets (S1 and S2 in Figure 3).

The assay results include:

CWRC002 **39 metres @ 0.16% Nickel from 54 to 93 metres,**

CWRC003 **54 metres @ 0.15% Nickel from 165 to 219 metres &**

9 metres @ 0.14% Nickel from 225 to 234 metres,

CWRC005 **84 metres @ 0.16% Nickel from 78 to 162 metres.**

(Please refer JORC Table and Assays in ASX release 23 January 2017)

The petrographic study undertaken by Dr Roger Townend* (Townend Mineralogical Laboratory) has identified these ultramafic rocks as **altered peridotites** (with pleochroic Phlogopite, prismatic tremolite and chlorite - olivine is mainly replaced by talc serpentine). Other rock types include Magnetite Carbonate Quartzite (with ankerite/dolomite with a trace of calcite), altered Tonalite with Quartz Chlorite veins, Trachydolerites, Meta Gabbro (with partial alteration to sericite, and aggregates of saussurite/clinozoisite and epidote).

Significantly, the ore petrography study has identified Millerite (Nickel Sulphide), with accessory Pentlandite, Pyrrhotite and traces of Chalcopyrite in RC chip samples from two drillholes (CWRC003 and CWRC005) located 3 km apart (Figure 4). The millerite commonly occurs as composite grains with pyrrhotite; exceptionally examples reach 250 µ with included fine chalcopyrite.

Dr Townend has commented that ***"the mineralisation has some resemblance to the Mt Keith nickel deposit from the north-east goldfields of WA. The mineralised Mt Keith rocks are completely serpentinised ultramafic cumulates. They are a high tonnage low grade (0.6% Ni) deposit in which millerite can form up to 20% of the orebody, with pentlandite the main nickel mineral".***

The nickel assays appear to reflect the widespread presence of Millerite (Pentlandite) throughout the serpentinised Peridotites.

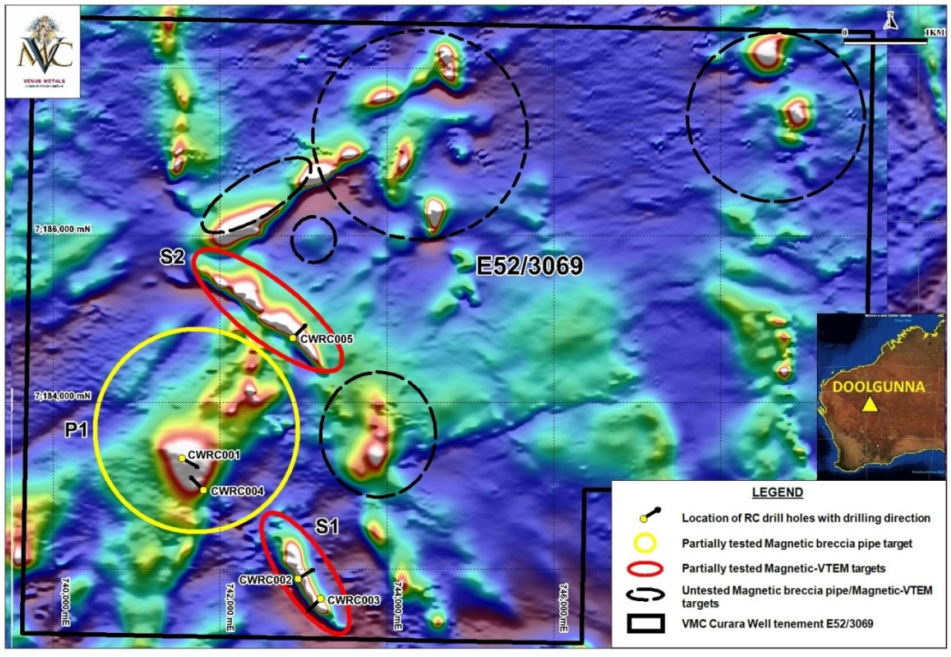

Figure 3. Location of 5 RC drillholes and target areas shown on detailed aeromagnetic image

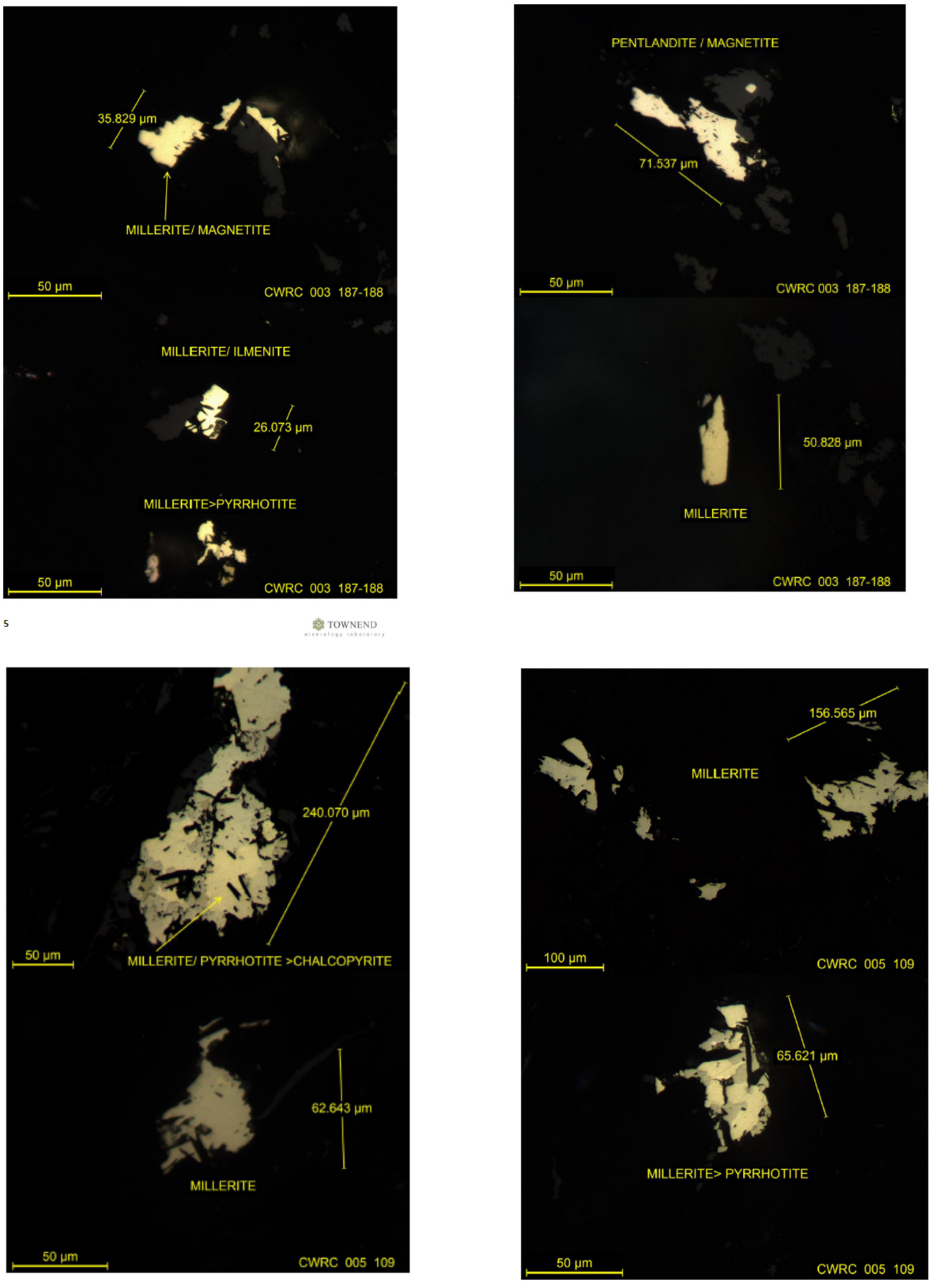

Figure 4. Polished thin section shows the Millerite mineralisation in two RC drillholes (CWRC003 and CWRC 005)

The area may be prospective for large nickel sulphide accumulations based on these initial encouraging results. VMC is currently planning to conduct a MagLag sampling programme, followed by diamond drilling utilising a previously won DMP drilling grant, to better delineate the target.

3. YOUANMI BASE METALS PROJECT (MURCHISON, WA)

3.1 Inky South Prospect – Manindi VMS Trend

Venus Metals Corporation Ltd ('Venus') tenements (E 57/983 & 986) are located 600km NNE of Perth and form part of the company's Youanmi base & precious metals project, in Youanmi greenstone belt in Western Australia. The Inky South EM target was identified from historical Downhole EM ('DHEM') surveys, which have shown a strong off-hole conductor below historical diamond drillhole SYMD007.

Two reconnaissance RC drillholes were drilled at Inky South target area. The details of drillholes are shown in Table-2.

Table-2. Details of RC Drillholes at Inky South

Hole ID	MGA50_E	MGA50_N	Depth(m)	Azimuth	Dip
VMC007	667950	6812910	222	60	-60
VMC008	667990	6812848	96	60	-60

Several layers of undifferentiated mafic rocks were intersected below 68m depth, with schists and pegmatite veins in drillhole VMC007. No anomalous assays were reported.

VMC is planning a high-powered, ground EM survey to further delineate the location and direction of the previously reported strong off-hole conductor.

3.2 Pincher Well Zinc-Copper Prospect

The Pincher Well VMS Trend is located 600km north-northeast of Perth and forms part of Venus Metals Corporation Ltd.'s ('Venus') Youanmi gold & base metal project**.** The tenements (E 57/986 & 1019) hosting the Trend are situated 15 km southwest of the Youanmi Gold Mine and processing plant. **The Pincher Dome VMS Trend covers more than 5 kilometres of strike** and hosts a number of known zinc and copper prospects including the Linda & Franca Gossans, PW17 zinc discovery and a substantial body of zinc mineralisation at **North Dome** (Figure 6).

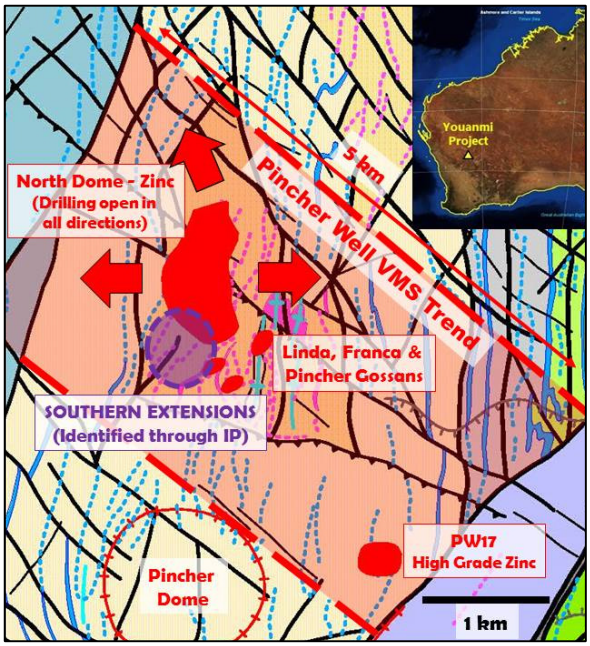

Figure 6. Interpreted Pincher Well geology with prospects, mineralisation defined by drilling (red) and untested IP target (purple).

An Induced Polarisation (IP) survey has identified significant shallow 'up-dip' extensions, to the south (Figure 7), of the known North Dome mineralisation. These near-surface 'southern extensions' are **UNTESTED by drilling** and have the potential to significantly expand the known envelope in terms of both tonnage and grade (refer ASX release 28 October 2016) .

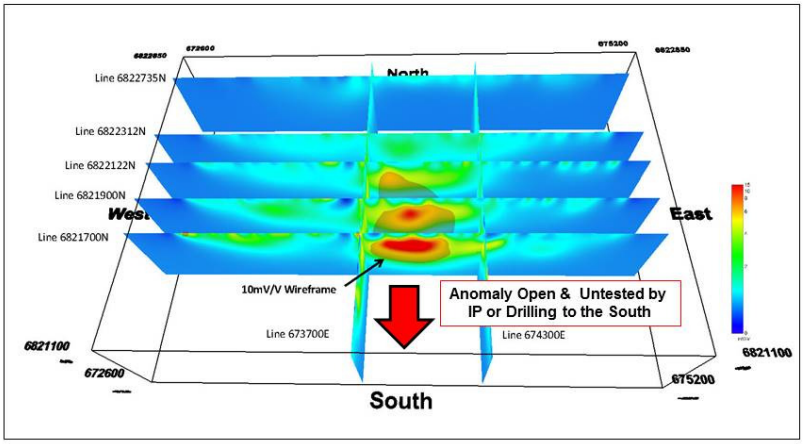

Figure 7. 3D Model of IP survey lines, with highest response (sulphide?) on the of the southern survey line.

DMP has approved Programme of Work at Pincher Well North Dome and VMC is planned to conduct a reconnaissance RC drilling programme during February-March 2017.

4. Sandstone Gold Project

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

Following the delineation of a JORC 2012 resource at Bell Chambers (219,000 tonnes @ 2.0 gpt Gold) (ASX Release: 20 March 2015), Venus conducted a regional airborne VTEM survey, that generated SEVEN targets through the southern tenement area, surrounding the Bell Chambers resource (refer ASX Announcement, 18 June 2015) (Figure 5).

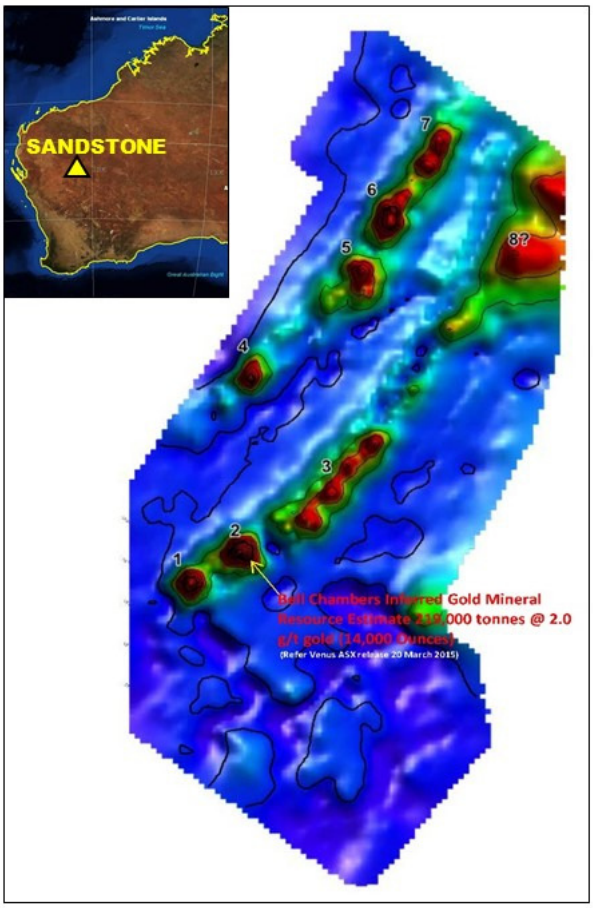

Figure 5 – Sandstone VTEM Anomalies and the Bell Chambers gold resource.

During the quarter, heritage clearance survey was conducted with Wutha claimant group and all proposed drillhole locations and access tracks were cleared - DMP has approved the Programme of Work ('PoW'). VMC is planning to conduct a RAB/Aircore drilling programme targeting VTEM anomalies in coming weeks.

Bibliography

1. Venus Metals Corporation, ASX Releases dated 20 March 2015, 18 June 2015, 14 October 2015, 26 October 2016, 28 October 2016,23 November 2016 and 23 January 2017.
2. Townend Mineralogy Laboratory Reports (ref 24081 dt 1 December 2016, 24081B dt 3 January 2017 and 24088 dt 18 January 2017).
3. Butt C.R.M and Brand N.W, 2003, "Mt. Keith Nickel Sulphide Deposit, Western Australia", CRC LEME publication.

*Dr Roger Townend have attained >50 years' experience in consultation for the exploration and mining industry. In 1995 he established Roger Townend & Associates, a consultancy providing specialist mineralogy, petrology, and petrography services. Roger's experience has covered geological environments on a global scale from Greenland to the heart of the Amazon. His experience has included the examination of ores and their metallurgical products of gold, base metals, iron ores, uranium, rare earths mineral sands, graphite et cetera. In particular the examination of gold ores and their various products has been a major activity since 1980. Roger Townend may claim to be one of the world's most experienced SEM operators owing to his early access to the system at CSIRO in May 1980.

Competent Person's Statement

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

The information in this report has also been prepared by Mr Kumar Arunachalam, who is a Member of The Australasian Institute of Mining and Metallurgy and is a General Manager (Operations) of the Company. Mr Arunachalam 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, Minerals Resources and Ore Reserves. Mr Arunachalam consents to the inclusion in this report of the matters based on his information in the form and context that the information 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.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

VENUS METALS CORPORATION LIMITED

ABN	**Quarter ended ("current quarter")**
99 123 250 582	31 December 2016

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(467)	(544)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(145)	(297)
	(e) administration and corporate costs	(178)	(217)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(788)**	**(1,054)**

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

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**(50)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	8	10
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (proceeds for 8,000,000 shares to be issued on 4 October 2016 net of share issue cost)	-	1,128
3.10	**Net cash from / (used in) financing activities**	**8**	**1138**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,768	954
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(788)	(1,054)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(50)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8	1,138

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**988**	**988**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	9	66
5.2	Call deposits	979	1,701
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**988**	**1,768**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	95
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

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

Directors' salaries, fees and superannuation

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

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

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

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

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	175
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	120
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**295**

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

Compliance statement

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

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

Sign here: ..... Date: 30/01/2017
(Company secretary)

Print name: Matthew Hogan

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Details of Mining tenements at Quarter ended 31 December 2016			
(ASX Listing Rule 5.3.3)			
Tenement ID	**Project Location in WA**	**% of Interest at the beginning of quarter**	**% of Interest at the end of quarter**
R59/1	Yalgoo	50%	50% interest in Iron and 100% interest in other minerals
E59/1508-I	Yalgoo	50% interest in Iron and 100% interest in other minerals	50% interest in Iron and 100% interest in other minerals
E57/983	Youanmi	100%	100%
E57/986	Youanmi	90%	90%
E57/984	Bellchambers/Sandstone	90%	90%
E57/965	Sandstone	100%	100%
E57/1011-I	Currans Well	90%	90%
P57/1365	Youanmi	90%	90%
P57/1366	Youanmi	90%	90%
E57/1019-I	Pincher Well	100%	100%
E52/3068	Rathbone Well	100%	100%
E52/3069	Curara Well	100%	100%
E57/985	Youanmi	90%	90%
E20/885	Poona	90%	90%
E57/981	Bellchambers/Sandstone	100%	100%
E57/982	Youanmi	100%	100%
E57/1023-I	Youanmi	100%	100%
E57/1018	Pincher Well	100%	100%
E 45/4627	Wodgina South	0%	100%
P 45/3004	Wodgina South	0%	100%
E 52/3320-I	Orient Well (Curara East)	0%	100%
E 70/4810	Greenbushes East	0%	100%
E 70/4814	Greenbushes East	0%	100%