ASX Release: 28 April 2017 **ASX Code: VMC**

Venus Metals Corporation Limited
ACN 123 250 582

CORPORATE DIRECTORY

Mr Matthew Hogan
Non-Executive Chairman

Mr Kumar Arunachalam
Chief Executive Officer

Mr Terence Hogan
Non-Executive Director

CAPITAL STRUCTURE

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

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

Market Cap: $9.5 million

CONTACT DETAILS

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QUARTERLY REPORT

FOR PERIOD ENDING 31 MARCH 2017

Venus Metals Corporation Limited's activities conducted during the quarter ending 31st March 2017 include

Pincher Well (Youanmi) Zinc-Copper Project:

- Thick high-grade Zinc mineralisation has been intersected, at shallow depth, in recent RC drilling at the Pincher Well Zinc-Copper Prospect (E57/1019). The drill results include

  VPW40 10m @ 7.31% Zinc from 52 m
  including **6m @ 9.5% Zn from 55m**
  VPW60 7m @ 4.2% Zinc from 87 m
  VPW62 10m @ 5.1% Zinc from 68 m *(refer ASX release 27 April 2017)*

- This reconnaissance drilling, over an established IP anomaly, confirms the presence of significant thick, shallow, 'up-dip/plunge' extensions to the south of the known North Dome zinc-copper mineralisation. Mineralisation remains open along strike, and at depth, and appears to projecting to surface to the south, towards the 'Linda Gossan'.

Currans Well Cobalt-Nickel-Copper-PGE Project:

- Analysis of drilling data at Currans Well has revealed thick intersections of cobalt mineralisation in drill holes.
- Numerous historical drillhole samples have not been assayed for Cobalt. VMC planned to conduct a systematic RAB drilling programme to test an extensive, untested, Ferruginous Laterites/Duricrust at VMC Currans Well and Manindi East *(refer ASX release 3 April 2017)*.

Sandstone Gold Project:

- Reconnaissance RAB drilling of 79 drillholes to a total depth of 1671 has been completed. Interpretation of assay results is in progress.

The exploration activities conducted by Venus Metals Corporation Limited (VMC) during the quarter ending 31st March 2017 are as detailed below:

1.0 Pincher Well (Youanmi) Zinc-Copper Project:

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 Youanmi region is well serviced by significant infrastructure associated with historical and ongoing mining operations in the region including those at Windimurra & Sandstone.

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 1).

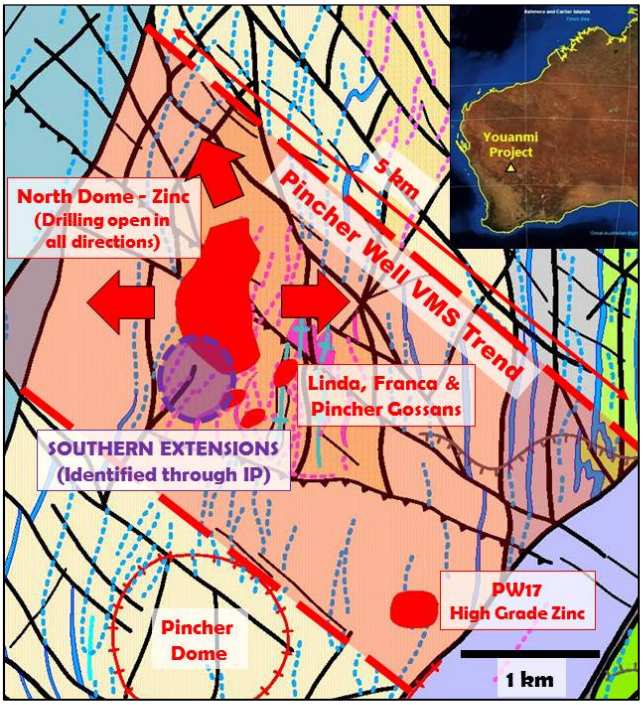

Figure 1– Interpreted Pincher Well geology with prospects, mineralisation defined by drilling (red) and Partially tested IP target (purple).

An Induced Polarisation (IP) survey has identified significant shallow 'up-dip' extensions, to the south, of the known North Dome mineralisation (ASX release 28 October 2016). A higher chargeability zone up to 15mV/V was reported in two southernmost east-west lines which remain open to the south. Eight RC drillholes (Table 1) were drilled for a total of 980 metres, along these two east-west oriented lines spaced 200m apart (6821700N and 6821900N) with 100m spacing

between the drill holes. Seven drillholes has intercepted a **high-grade Zinc mineralisation at shallow depth.** Better intercepts include:

VPW40 10m @ 7.31% Zinc from 52 m

including 6m @ 9.5% Zinc from 55 m

1m@ 15% Zinc from 56m

VPW60 7m @ 4.2% Zinc from 87 m

VPW62 10m @ 5.1% Zinc from 68 m (refer ASX release 27 April 2017)

The locations of drillholes are shown in Figure 2. The lack of mineralisation at VPW44 is interpreted as being due to the hole possibly being drilled parallel to dipping direction of the folded mineralised formations. A historical vertical drillhole, located just north, reportedly intersected Zinc mineralisation.

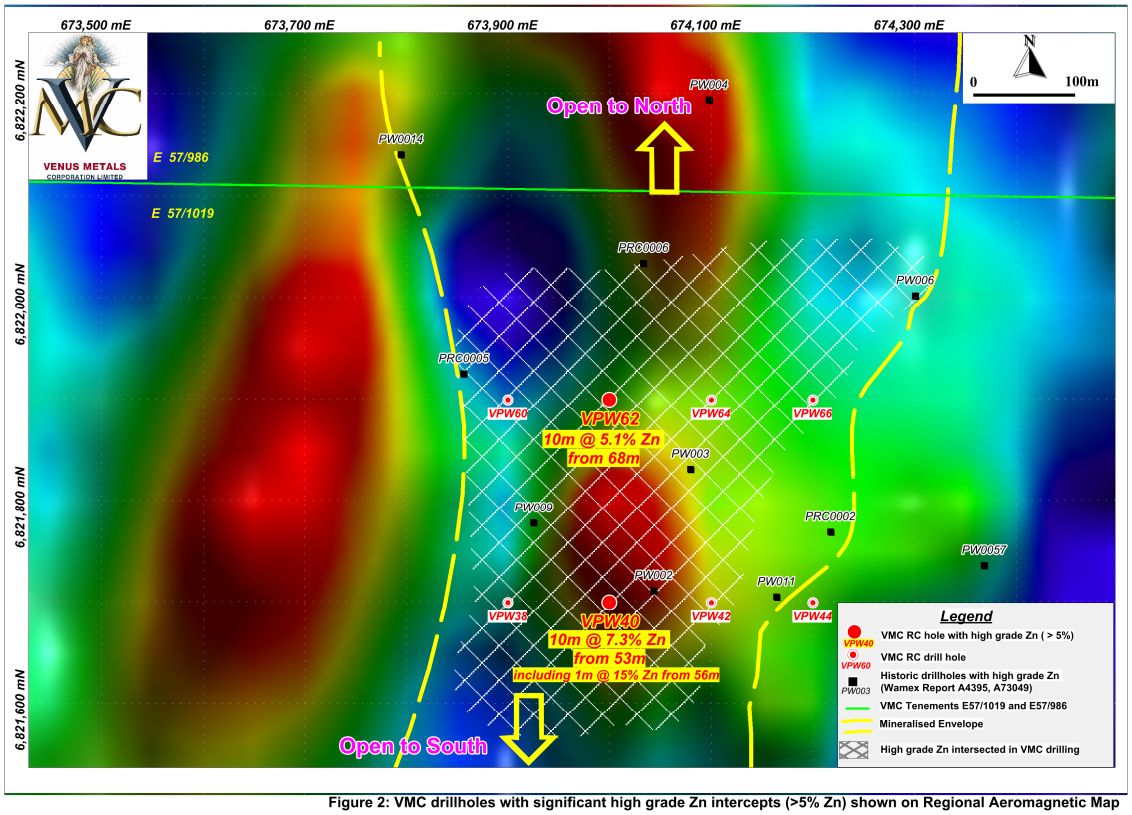

Figure 2: VMC drillholes with significant high grade Zn intercepts (>5% Zn) shown on Regional Aeromagnetic Map

An accelerated exploration program is now being planned by Venus Metals. This program will include additional geophysical surveys (ground magnetic and IP surveys) and drilling in order to continue to delineate the high-grade zones of Zinc mineralisation along the highly prospective southern extensions of the Pincher Well prospect.

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

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

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

The geological setting (Cobalt mineralisation in weathered lateritic layer overlying metal rich ultramafic rocks) can be correlated across the Currans Well area. The best intersections in historical drill holes include:

CWRC025[1] **16m @ 869 ppm (0.09%) Cobalt from 16 metres**
Including 4m @ 1483 ppm (0.15%) Cobalt
**Assays of Cu 0.25% & Ni 0.28% downhole.*

MYOV151[2] **2.13 m@ 980 ppm (0.10%) Cobalt from 0.3 metres**
**Assays of Cu up to 0.77% & Ni 1.12% downhole.*

94CUR0041[3] **5m @ 586 ppm (0.06%) Cobalt from 17metres**
and 6m @ 552 ppm (0.06%) Cobalt from 26 metres
**Assays of Cu up to 0.23% & Ni 0.22% downhole.*

Several historical surface grab samples have recorded more than200 ppm cobalt, with a peak Cobalt value of **1490 ppm** reported for a grab sample **CW01**[4] collected from Malbec prospect (Figure 3). The extensive outcrop of these untested Ferruginous Laterites and Duricrusts, which overlie mineralised ultramafic rocks are presented in Figure 4. These units have been identified over an area covering more than 150 km^2 and include the outcrop at Currans Well, Manindi East and Pincher Well. **These potentially Cobalt enriched lateritic duricrusts represent a compelling target** and an exploration program is presently being developed by Venus Metals to systematically test the lateritic duricrust by utilising shallow RAB drilling.

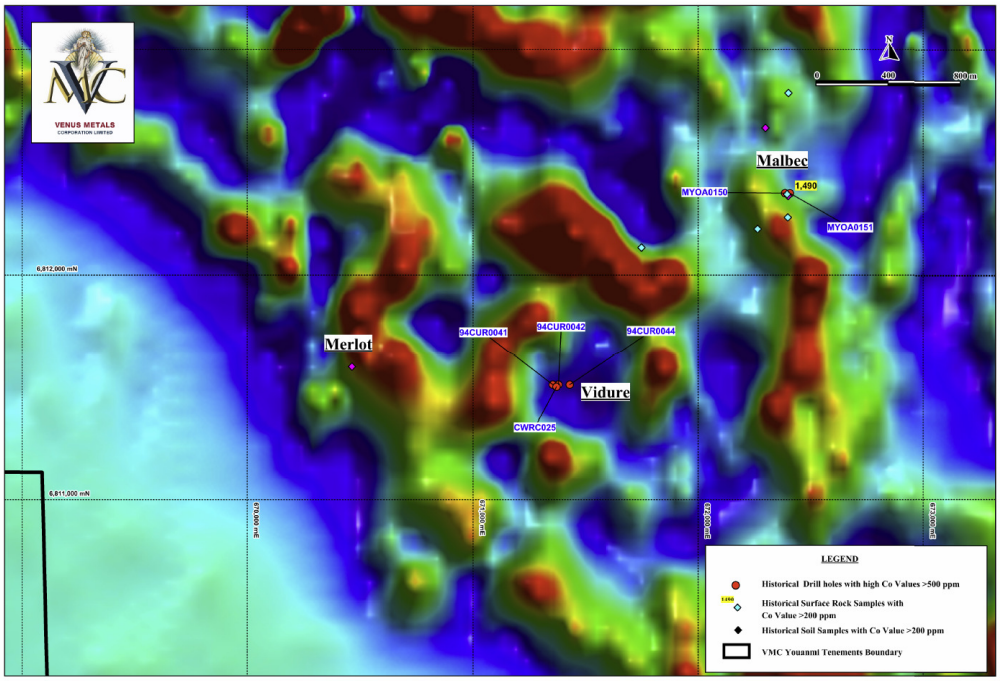

Figure 3. Historical Drill holes and surface samples with high Co are shown on regional aeromagnetic anomaly image

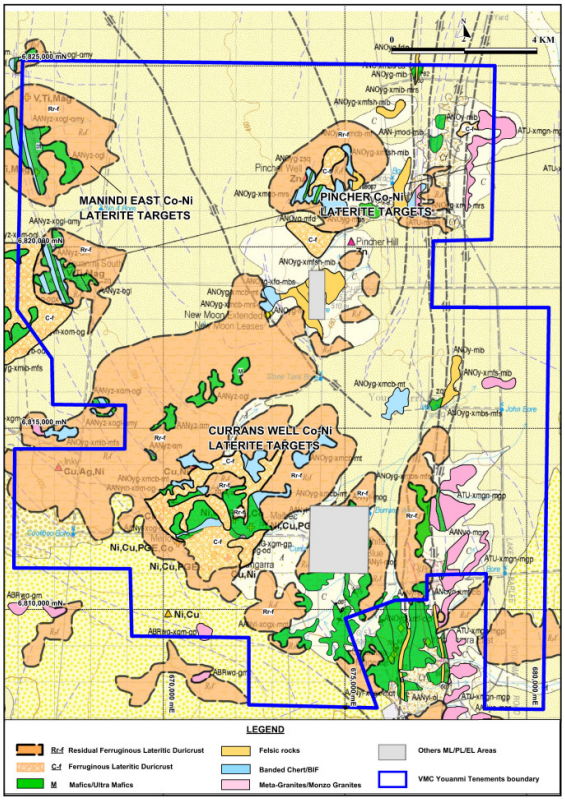

Figure 4. Extensive Lateritic Duricrust Co-Cu-Ni Target Areas shown on GSWA 100k Geology Map

3.0 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.

Recently 79 shallow RAB holes were drilled to a total depth of 1671m (figure 5) to delineate the potential targets for deeper drilling in previously modelled VTEM anomalies *(ASX releases 18 June and 25 September 2015)*. The interpretation of assays is in progress.

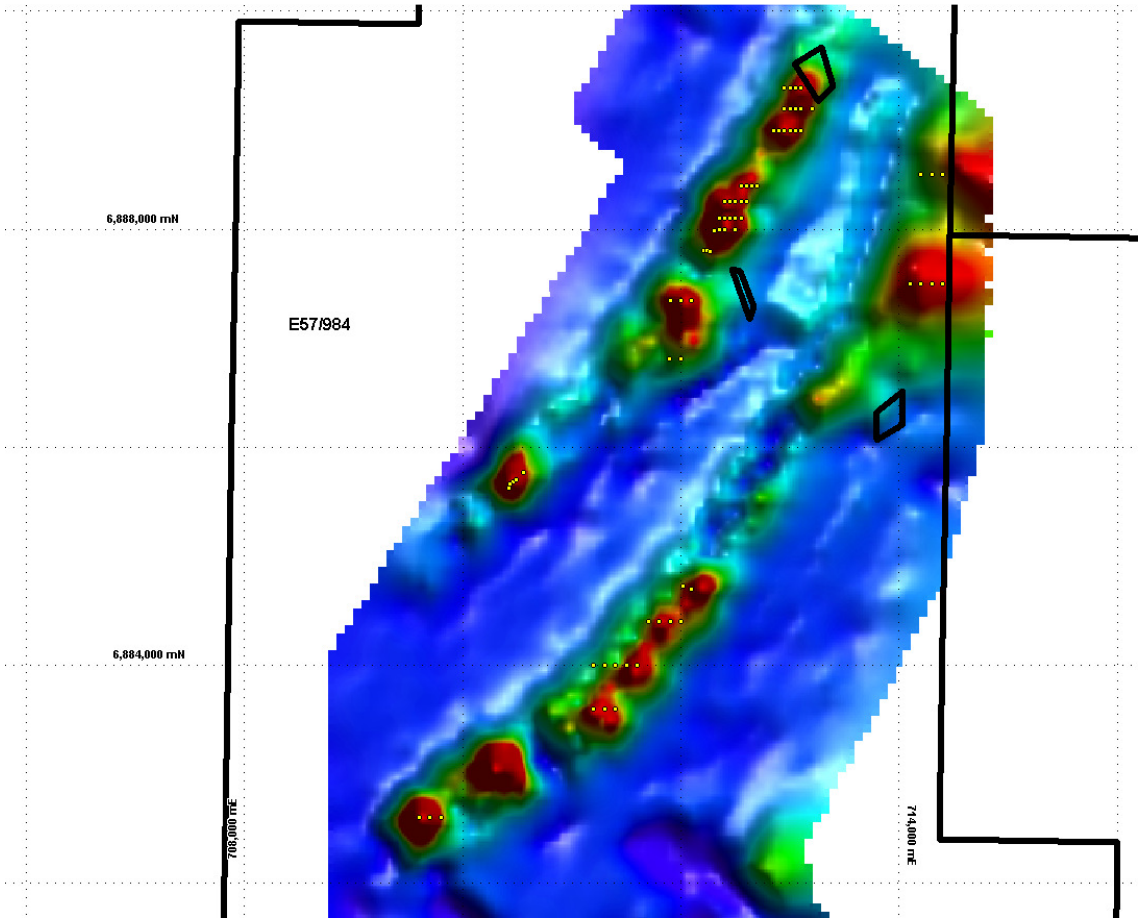

Figure 5. Location of shallow RAB drillholes shown on VTEM conductivity Map

Bibliography

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

Exploration Targets

The term 'Exploration Target' should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2012), and therefore the terms have not been used in this context.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Venus Metals Corporation Limited planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Venus Metals Corporation Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Competent Person's Statement

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

+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 March 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(145)	(689)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(167)	(464)
	(e) administration and corporate costs	(53)	(271)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	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**	**(364)**	**(1,420)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1)	(1)
	(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 (9 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	22	22
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**21**	**(29)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	1,128
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	10
3.4	Transaction costs related to issues of shares, convertible notes or options	(27)	(27)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (proceeds for issue of options)	157	157
3.10	**Net cash from / (used in) financing activities**	**130**	**1,268**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	988	954
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(364)	(1,420)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	21	(29)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	130	1,268
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**773**	**773**

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	21	9
5.2	Call deposits	752	979
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)**	**773**	**988**

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	148
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

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

Directors' salaries, fees and superannuation

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

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

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

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

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

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

Compliance statement

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

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

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

Print name: Dean Calder

Notes

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

Details of Mining tenements at Quarter ended 31 March 2017			
(ASX Listing Rule 5.3.3)			
Tenement ID	**Project Location in WA**	**% of Interest at the beginning of quarter**	**% of Interest at the end of quarter**
R59/1	Yalgoo	50%	50% interest in Iron and 100% interest in other minerals
E59/1508-I	Yalgoo	50% interest in Iron and 100% interest in other minerals	50% interest in Iron and 100% interest in other minerals
E57/983	Youanmi	100%	100%
E57/986	Youanmi	90%	90%
E57/984	Bellchambers/Sandstone	90%	90%
E57/965	Sandstone	100%	100%
E57/1011-I	Currans Well	90%	90%
P57/1365	Youanmi	90%	90%
P57/1366	Youanmi	90%	90%
E57/1019-I	Pincher Well	100%	100%
E52/3068	Rathbone Well	100%	100%
E52/3069	Curara Well	100%	100%
E57/985	Youanmi	90%	90%
E20/885	Poona	90%	90%
E57/981	Bellchambers/Sandstone	100%	100%
E57/982	Youanmi	100%	100%
E57/1023-I	Youanmi	100%	100%
E57/1018	Pincher Well	100%	100%
E 45/4627	Wodgina South	100%	100%
P 45/3004	Wodgina South	100%	100%
E 52/3320-I	Orient Well (Curara East)	100%	100%
E 70/4810	Greenbushes East	100%	100%
E 70/4814	Greenbushes East	100%	100%
E59/2187	Yalgoo	0%	100%
E09/2156	Nardoo Hill	0%	100%
E45/4630	Pilgangoora East	0%	100%
E45/4684	Pilgangoora East	0%	100%