



ASX Release: 10 February 2020

ASX Code: VMC

**YOUANMI GOLD PROJECT**  
**PENNY WEST DEEP SOUTH PROSPECT- NEW GOLD TARGETS IDENTIFIED**  
**AIRCORE DRILLING TO COMMENCE SHORTLY**

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Venus Metals Corporation Limited (“Venus” or the “Company”) in conjunction with its Joint Venture partner Rox Resources Limited (ASX: RXL) is pleased to announce that

- **A multi-element geochemical anomaly measuring c. 400m x 600m at the Penny West Deep South Gold Prospect on E57/1078 (Figure 1) c. 4km south of the historical Penny West Gold mine has been delineated from a recently completed geochemical survey.**
- **The TerraLeach element signature at the Penny West Deep South Gold Prospect resembles that found in soil over the recent Sovereign gold discovery (refer ASX release 4 November 2019), north of the Penny West gold mine, where further drilling is also planned.**
- **A 4,000m aircore drilling program will commence shortly to test this promising new gold target area (Figure 2).**

A soil survey using the TerraLeach partial digest was completed over an area of c. 3.1km by 0.45km to explore the strike extension of a mafic-intermediate-ultramafic rock sequence that hosts the historical Penny West gold mine and other historical gold prospects as well as the recent Sovereign gold discovery by the VMC Joint Venture (VMC 50% and RXL 50% Earn-in, gold rights only).

Approximately 1km north of the soil survey, historical high-grade gold drill intercepts of up to 2m @ 33.98 g/t have been reported by Aldoro Resources Ltd (ASX: ARN). ARN is currently exploring a magnetic low corridor (Figure 2) which is interpreted as the strike extension of the Penny West Shear (refer ASX releases ARN 21 Oct 2019 and 27 Nov 2019). Aldoro recently completed a drilling program along the Penny West Shear and noted that the southern portion of their target trend was emerging as an area of interest with a noticeable increase in the depth of weathering (refer ASX releases ARN 3 Feb 2020).



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Historical exploration on E57/1078 mainly targeted the eastern greenstone units and only a few wide-spaced drill traverses also tested the interpreted prospective western sequence that hosts significant gold mineralization further north. Some of these historical holes show minor gold anomalies that in conjunction with the results of the recent soil geochemical survey were used to delineate a target area (Figure 2) for high-grade Penny West-style gold mineralization in this deeply weathered and largely depositional terrain.

Necessary approvals are in place for a 4,000m aircore program that will test the gold target area; drilling will commence shortly.

For further information please contact:

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**References**

Radford, N. and Boddington, T., 2005. Penny West Gold Deposit, Youanmi, WA. In: C.R.M. Butt, I.D.M. Robertson, K.M. Scott and M. Cornelius (Editors), Regolith Expression of Australian Ore Systems. CRC LEME, Perth. pp 312- 313.

**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 Resources is based on information compiled by Dr M. Cornelius, Geological Consultant of Venus Metals Corporation Ltd, who is a member of The Australian Institute of Geoscientists (AIG). Dr Cornelius 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. Dr Cornelius 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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## YOUANMI GOLD PROJECT OWNERSHIP STRUCTURE

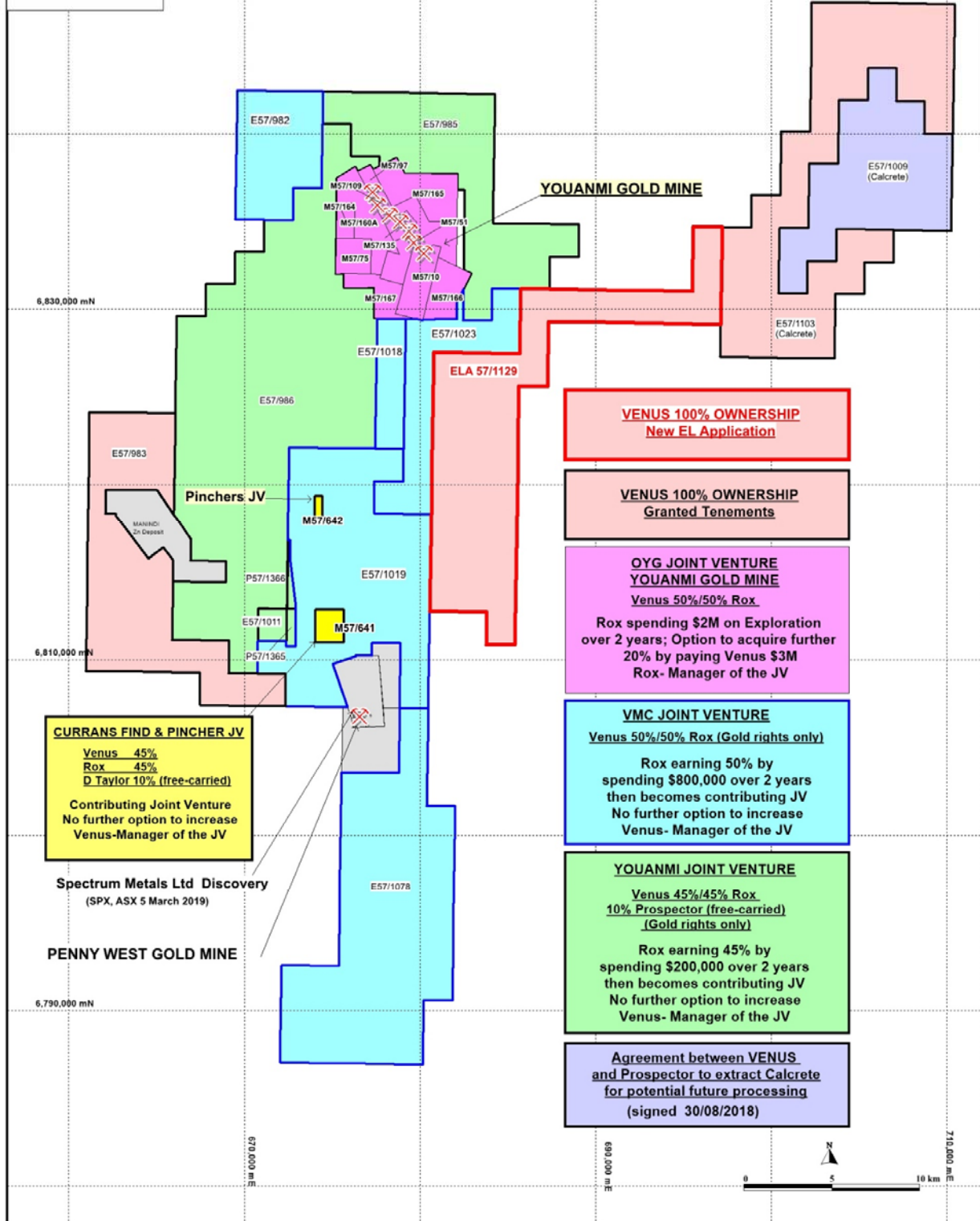


Figure 1

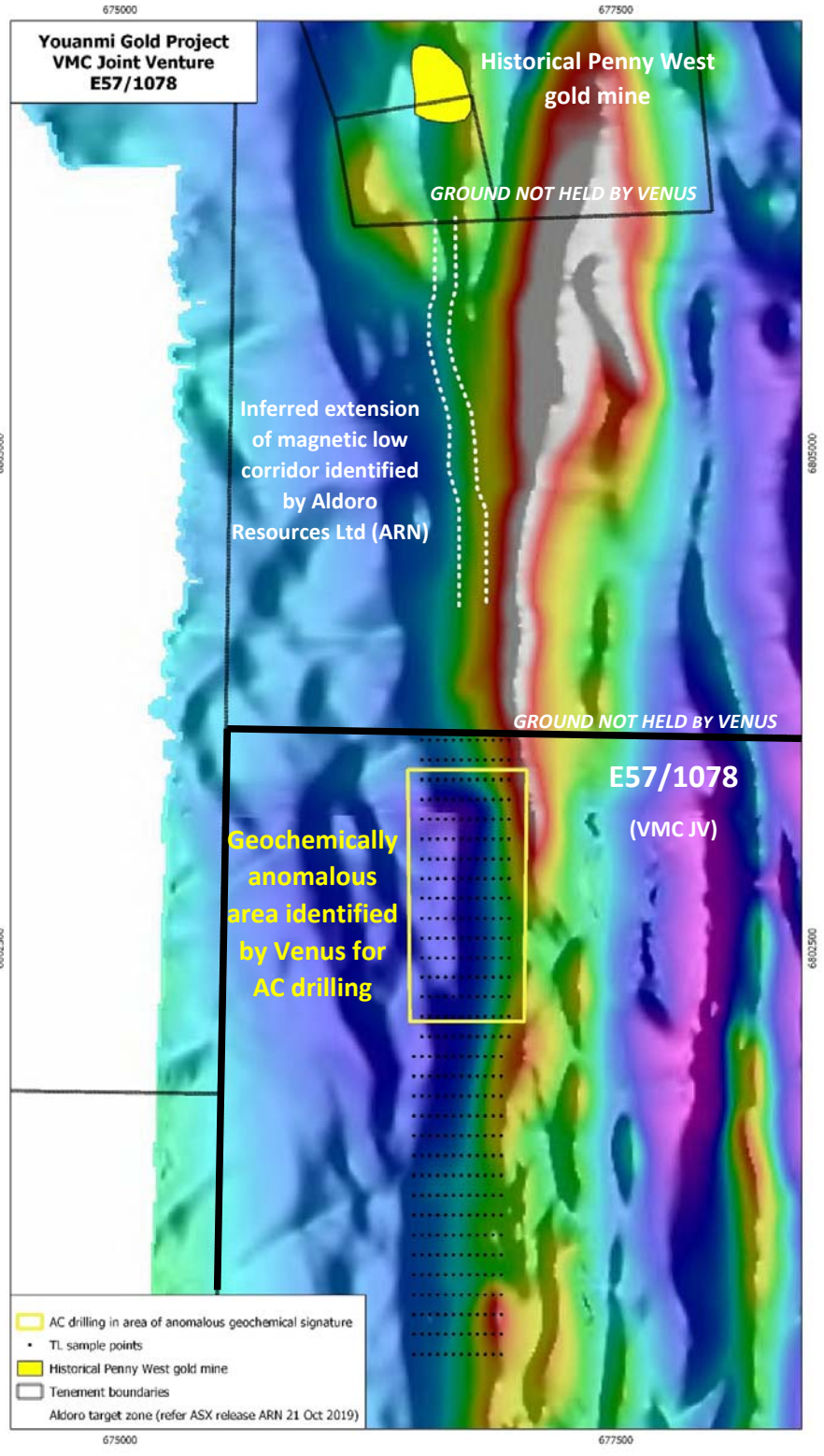


Figure 2. Location of Geochemically Anomalous Area for AC Drilling\_E57/1078

# JORC Code, 2012 Edition – Table 1 report template

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	Soil samples (150-200g) were taken from 1-10cm depth at 40m spacing on lines 100m apart, sieved in the field to minus 1mm and placed in a sealed plastic bag.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li><i>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).</i></li> </ul>	<ul style="list-style-type: none"> <li>No drilling reported</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>No drilling reported</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate</i></li> </ul>	<ul style="list-style-type: none"> <li>Sample type and landform/regolith settings were qualitatively recorded.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All soil samples were dry at the time of sampling and were sieved using a hand-held sieve with a 1mm aperture.</li> <li>• No specific quality control was adopted as part of this reconnaissance program.</li> <li>• The sample size is considered appropriate and recommended by the laboratory for this type of partial digest.</li> <li>• The digest was done on the sample with no further preparation required.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All samples were analyzed by Intertek Genalysis, WA, using their propriety TerraLeach1 partial digest, an alkaline cyanide digest for gold and associated pathfinder elements.</li> <li>• The laboratory quality control included duplicates and repeats. The results of the QA are considered acceptable.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Soil sampling was done by a highly experienced VMC contractor; laterite samples were collected by senior VMC staff.</li> <li>• All field data were collected manually and transferred to spreadsheets. Sample location coordinates were determined and recorded using a handheld GPS and by geotagged photographs (laterite only).</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All locations determined by handheld GPS using GDA94 datum in UTM Zone 50.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>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.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Soil samples were taken at 40m spacing on lines 100m apart. This spacing is considered adequate for a prospect-scale reconnaissance survey.</li> <li>• Sample compositing was not applied.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples were taken at close spacing across strike of the main lithologies as shown on the 100k GSWA geological map.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All samples were placed in zip-lock plastic bags, taken to Perth and delivered to the laboratory by Venus contractors.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No audits or reviews completed to date.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 57/1078 is held by Venus Metals Corporation Ltd. It comprises 41 blocks and is part of the VMC joint venture with Rox Resources Ltd (VMC 50% and RXL 50% Earn-in, gold rights only).</li> <li>• The tenure is secure, in good standing and there are no known impediments to operate in the area of interest shown on the attached figure.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Gold Mines of Australia (GMA) 1989 – 1996 carried out significant soil geochemistry and RAB drilling</li> <li>• Aquila Resources 2000 – 2001</li> <li>• Beacon Minerals Ltd 2013 - 2015</li> </ul>

Criteria	JORC Code explanation	Commentary
Geology	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralization.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Penny West Deep South Project is located along the southern extension of the Youanmi greenstone belt, a sequence of mafic and ultramafic rocks, minor BIF, chert and other sediments, felsic and intermediate rocks. The Youanmi shear zone is a major structural feature trending north across the tenement.</li> <li>• Exploration by the VMC JV targets Penny West-style high-grade gold mineralization associated with quartz veining and sulphide that exhibits a characteristic signature anomalous in base metals and other pathfinder elements.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>• <i>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:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No drilling reported</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>• <i>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.</i></li> <li>• <i>Where aggregate intercepts incorporate short lengths of 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.</i></li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No data aggregation methods used.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>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</i></li> </ul>	<ul style="list-style-type: none"> <li>• No drilling reported</li> </ul>



Criteria	JORC Code explanation	Commentary
	<i>width not known').</i>	
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• See figure in the body of the announcement showing sample locations on E57/1078.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• No assay results reported.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No other exploration data to report.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Aircore drilling is planned to investigate the nature of a multi-element geochemical signature with potential follow-up RC drilling as required.</li> </ul>