

ASX Release: 19 June 2020

ASX Code: VMC

## Youanmi Regional Gold JV Projects Exploration Update and Future Work Program

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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 an exploration update for the Youanmi regional gold exploration project (Figure 1).

- **VMC JV (VMC 50% - RXL 50%)**

**Penny West Deep South Prospect** - A recently completed ground magnetic survey (GMAG) totalling 232 line kilometres (Figure 2), generated six new targets for Penny West-style gold mineralization. An additional 14 targets have been prioritized for RC drilling based on the previously completed HEM survey and recent AC drilling results. Preparations are underway for RC and AC drilling programs to comprehensively test this highly prospective structural zone c. 6km south of the Penny West gold mine.

**Youanmi Shear Zone** - Ground magnetic surveys will commence to cover the Youanmi shear zone north and south of the Youanmi mine area for target prioritization.

**Sovereign Gold Prospect** - RC drilling will recommence shortly to test the down-plunge and along strike extension of the recently discovered gold mineralization.

- **Currans Find and Pincher JV (VMC 45% - RXL 45% - Prospector 10%)**

**Currans Find and Pincher Hill** - Ground magnetic surveys completed totalling 62.7 and 12.6 line kilometres respectively. At Currans Find (ML57/641), the survey generated a new target that has been prioritized for drill-testing (Figure 3).

Recent RC drilling (7 holes for 1,030m) extended the strike extent of the Red White and Blue Prospect lodes (Figure 4).

A Heli-borne Xcite EM survey covered Currans Find (M57/641) and parts of E57/1019 to the north and west of Currans Find; data interpretation is in progress.



### **PENNY WEST DEEP SOUTH GOLD PROSPECT (VMC JV)**

A ground magnetic survey totalling 232 line kilometres (with 50m line spacing) was completed at the Penny West Deep South Prospect (E57/1078) covering 8.3km strike of the Youanmi Shear Zone south of the historical Penny West Gold Mine. The survey highlights six prospective stratigraphic and structural target positions for Penny West-style gold mineralization (Figure 2).

An Xcite electromagnetic survey (HEM) carried out at the Penny West Deep South Project (E57/1078) in early 2020 highlighted 9 priority anomalies (ASX release 12 March 2020). Five high priority anomalies (PWDS1 to PWDS3, PWDS5 and PWDS13) were considered most significant as they lie south and along strike from the Penny West gold deposit and are adjacent to the interpreted Youanmi Shear Zone (ASX release 7 April 2020).

#### **Planned work**

RC drilling (approx. 2,000m) is planned to test high-priority EM and GMAG gold targets, and drilling will also target potential bedrock-hosted gold mineralization beneath historical and recent gold anomalies in AC drilling.

In addition, an AC drilling program (approx. 3,700m) is planned to test six priority targets identified by the recent ground magnetic survey and located along a lithological trend that extends south from the Penny West Gold mine and comprises mafic and intermediate rocks.

### **PINCHER NORTH GOLD PROSPECT (VMC JV)**

Resampling of drill spoil from a historical RAB drill hole in the northwest of E57/1019 (Figure 5) confirmed a historical high-grade gold intercept that has not been followed up. A sample of remnant drill spoil (not representative) assayed 26.4 g/t Au in vein quartz and saprolite chips, confirming the historical results and making this a prospective target for further investigation and drilling.



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### **YOUANMI SHEAR ZONE (VMC JV/YOUANMI JV (VMC 45% - RXL 45% )**

Ground magnetic surveying will be carried out along the length of the Youanmi shear zone (E57/1019, E57/1018 and E57/1023) between the Youanmi mine and north of Penny West. In combination with the Heli-EM data collected in 2018 (refer release 23 March 2018), this data will substantially focus the targeting for gold mineralization along the main Youanmi shear zone in preparation for RC drilling programs.

### **GRANITE – GREENSTONE CONTACT AND CONTINUATION OF THE YOUANMI SHEAR ZONE NORTHEAST OF THE YOUANMI MINE (E57/985) (YOUANMI JV)**

A ground magnetic survey will be completed along a granite – greenstone contact 5km northeast of the Youanmi mine. Historical gold intersections in drilling and widespread gold anomalism in historical soil and auger surveys along the contact enhance the prospectivity of this area

### **SOVEREIGN GOLD PROSPECT (VMC JV)**

RC drilling (approx. 1,000m) is planned to test the strike and down-plunge extensions of recently discovered gold mineralization. Significant results in aircore (refer ASX release 4 November 2019) and RC drilling (refer ASX release 28 November 2019) included:

<b>VRAC151</b>	<b>4m @ 7.02 g/t Au</b> from 24m, and <b>5m @ 2.41 g/t Au</b> from 60m to EOH
<b>VRAC161</b>	<b>4m @ 0.94 g/t Au</b> from 32m
<b>VRAC173</b>	<b>8m @ 1.92 g/t Au</b> from 28m
<b>YSRC05</b>	<b>3m @ 6.61 g/t Au</b> from 78m incl. <b>1m @ 11.61 g/t Au</b> from 79m



## **RED WHITE AND BLUE GOLD PROSPECT (CURRANS FIND AND PINCHER JV)**

VMC and RXL jointly acquired a combined 90% interest in ML 57/641 “Currans Find” of 300ha and a combined 90% interest in ML 57/642 of 59ha “Pinchers” (Figure 1). The 90% interest is shared equally between VMC and RXL, with the remaining 10% held by Mr Taylor. VMC is the manager of the joint venture (ASX release 15 April 2019).

A ground magnetic survey was recently completed across ML57/641 and ML57/642 to assist with targeting. A preliminary interpretation of the data has defined new targets on M57/641 and of significance is an interpreted intrusion in the southwest of the mining lease (Figure 3). Transported soil covers this target and has rendered historical exploration less effective. The intrusion may be related to diorite / granodiorite that hosts gold mineralization at the Red White and Blue Prospect.

Previous RC drilling (ASX release 21 November 2019) at the Red White and Blue Prospect intersected multiple quartz lodes hosted in dominantly intermediate and mafic rocks. Significantly, the best intersection of **9m @ 3.27 g/t** from 35m included **2m @ 8.35 g/t Au** in hole CFRC051.

A recent RC drilling program totalling 7 holes for 1,030m (Figure 4) targeted the southwest plunging Red White and Blue high-grade gold lodes. Drilling also targeted the northern part of the Red White and Blue Prospect for potential down-plunge extensions of near-surface high-grade gold mineralization. Best 4-m composite results are:

<b>CFRC81</b>	<b>4m @ 4.07 g/t Au</b> from 124m
<b>CFRC78</b>	<b>4m @ 3.04 g/t Au</b> from 84m
<b>CFRC77</b>	<b>4m @ 2.01 g/t Au</b> from 48m

One-metre assays are pending.

This announcement is authorised by the Board of Venus Metals Corporation Limited.

For further information please contact:

### **Venus Metals Corporation Limited**

Matthew Hogan  
Managing Director  
Ph +61 8 9321 7541

### **Rox Resources Limited**

Alex Passmore  
Managing Director  
Ph +61 8 9226 0044

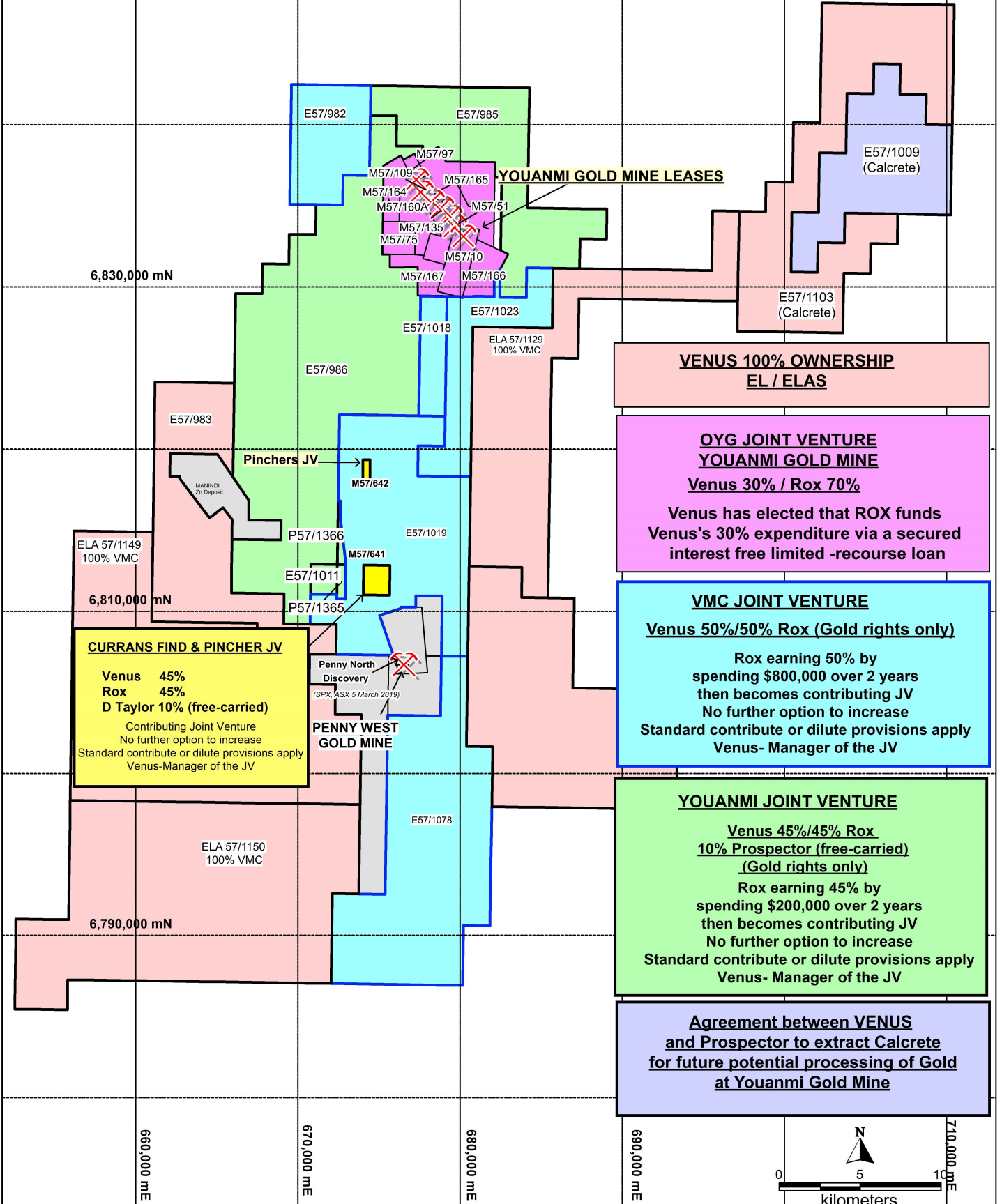


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# YOUANMI GOLD PROJECT



## OWNERSHIP /FUNDING STRUCTURE



6,830,000 mN

6,810,000 mN

6,790,000 mN

660,000 mE

670,000 mE

680,000 mE

690,000 mE

710,000 mE

**CURRANS FIND & PINCHER JV**  
 Venus 45%  
 Rox 45%  
 D Taylor 10% (free-carried)  
 Contributing Joint Venture  
 No further option to increase  
 Standard contribute or dilute provisions apply  
 Venus-Manager of the JV

**PENNY WEST GOLD MINE**  
 Penny North Discovery  
 (SPX, ASX 5 March 2019)

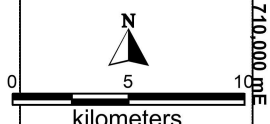
**VENUS 100% OWNERSHIP EL / ELAS**

**OYG JOINT VENTURE YOUANMI GOLD MINE**  
 Venus 30% / Rox 70%  
 Venus has elected that ROX funds Venus's 30% expenditure via a secured interest free limited -recourse loan

**VMC JOINT VENTURE Venus 50%/50% Rox (Gold rights only)**  
 Rox earning 50% by spending \$800,000 over 2 years then becomes contributing JV  
 No further option to increase  
 Standard contribute or dilute provisions apply  
 Venus- Manager of the JV

**YOUANMI JOINT VENTURE**  
 Venus 45%/45% Rox  
 10% Prospector (free-carried) (Gold rights only)  
 Rox earning 45% by spending \$200,000 over 2 years then becomes contributing JV  
 No further option to increase  
 Standard contribute or dilute provisions apply  
 Venus- Manager of the JV

**Agreement between VENUS and Prospector to extract Calcrete for future potential processing of Gold at Youanmi Gold Mine**



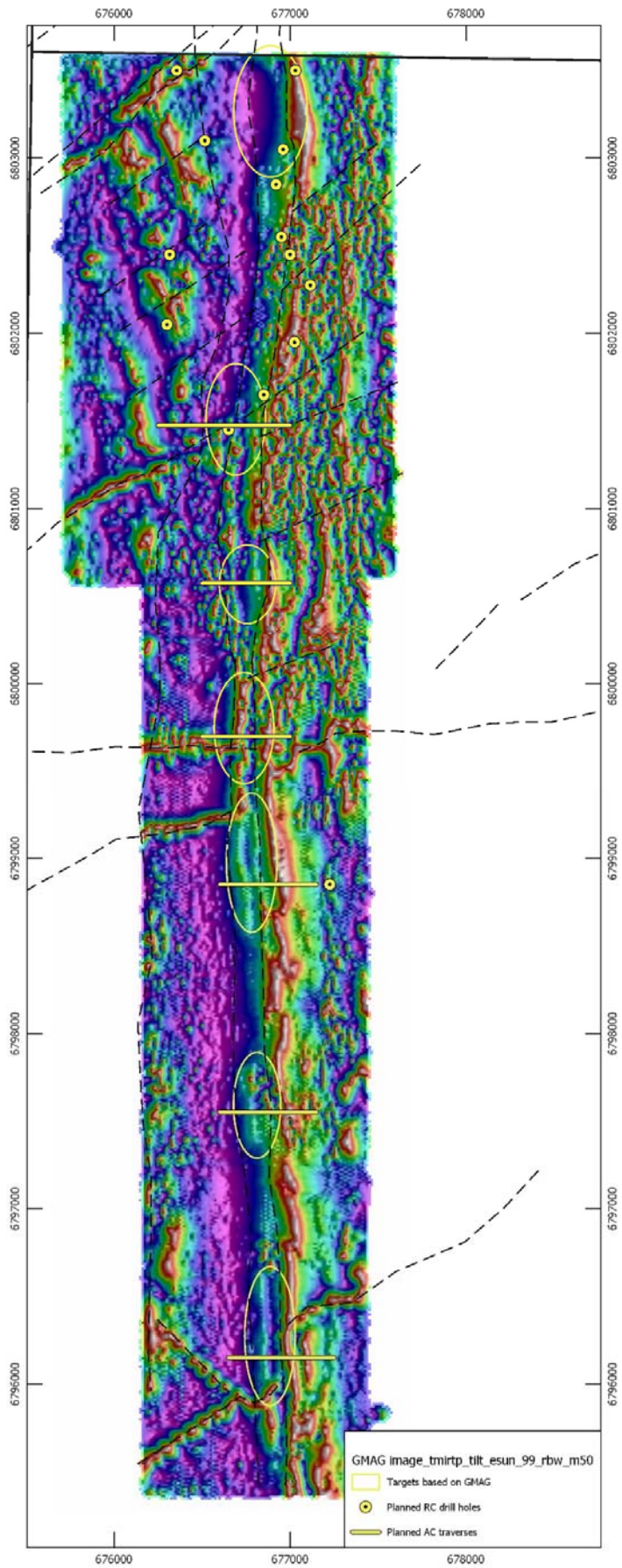


Figure 2. Location of Ground-Magnetic Survey with proposed RC drillholes and Aircore traverses

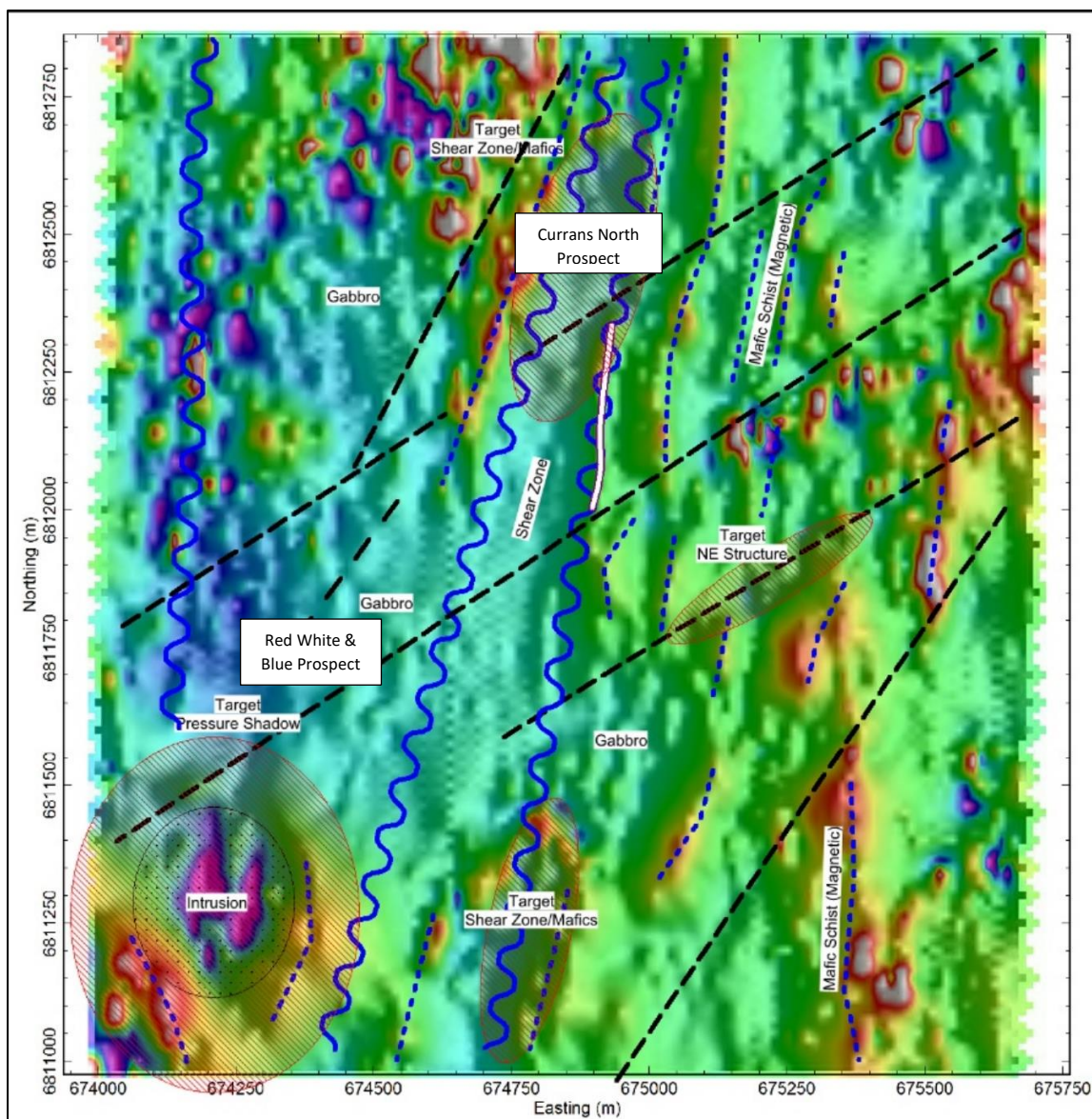


Figure 3. Currans Find M57/641 – structural interpretation of GMAG data and targets outlined.

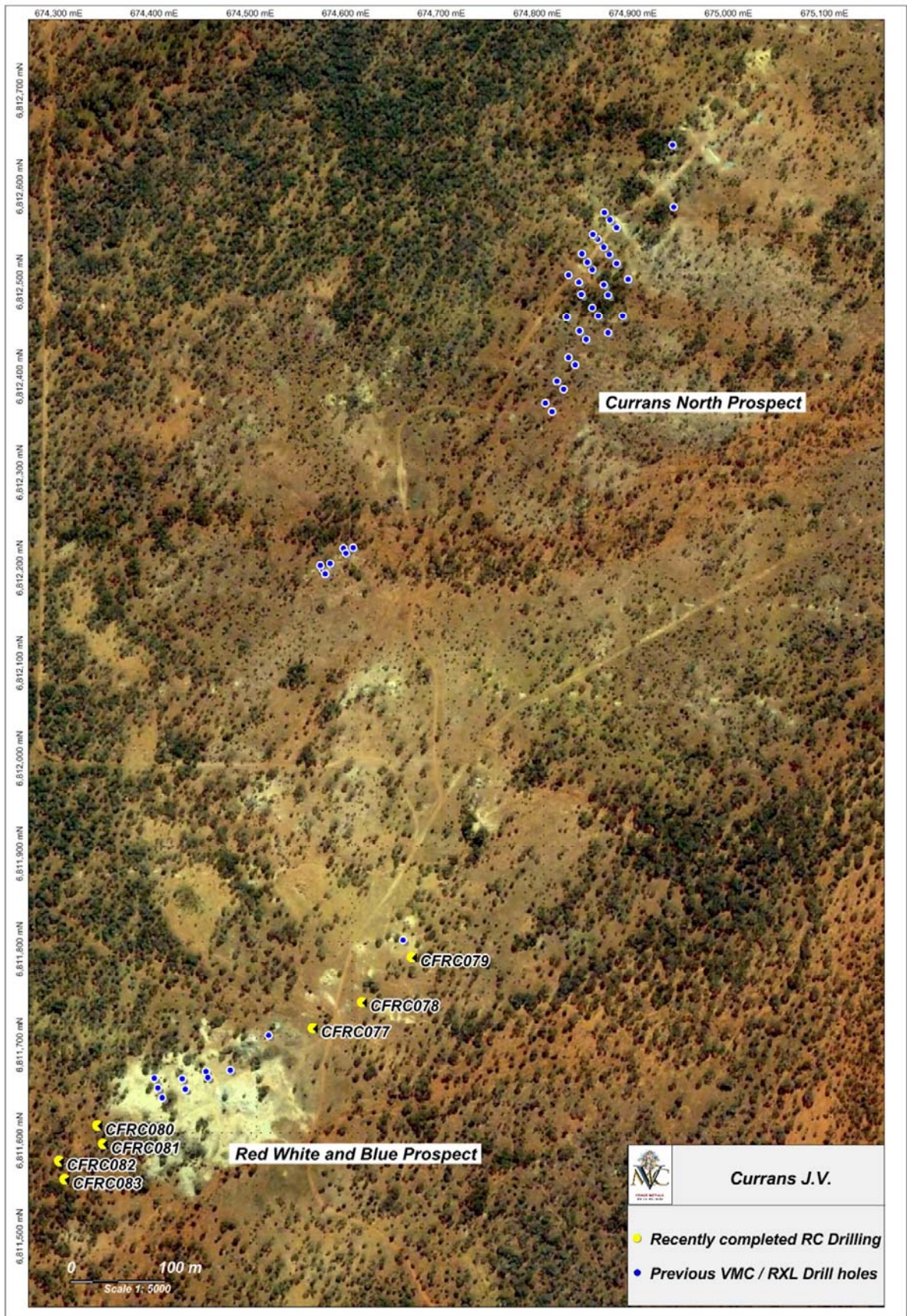


Figure 4. Location of RC Drillholes Red White and Blue Prospect



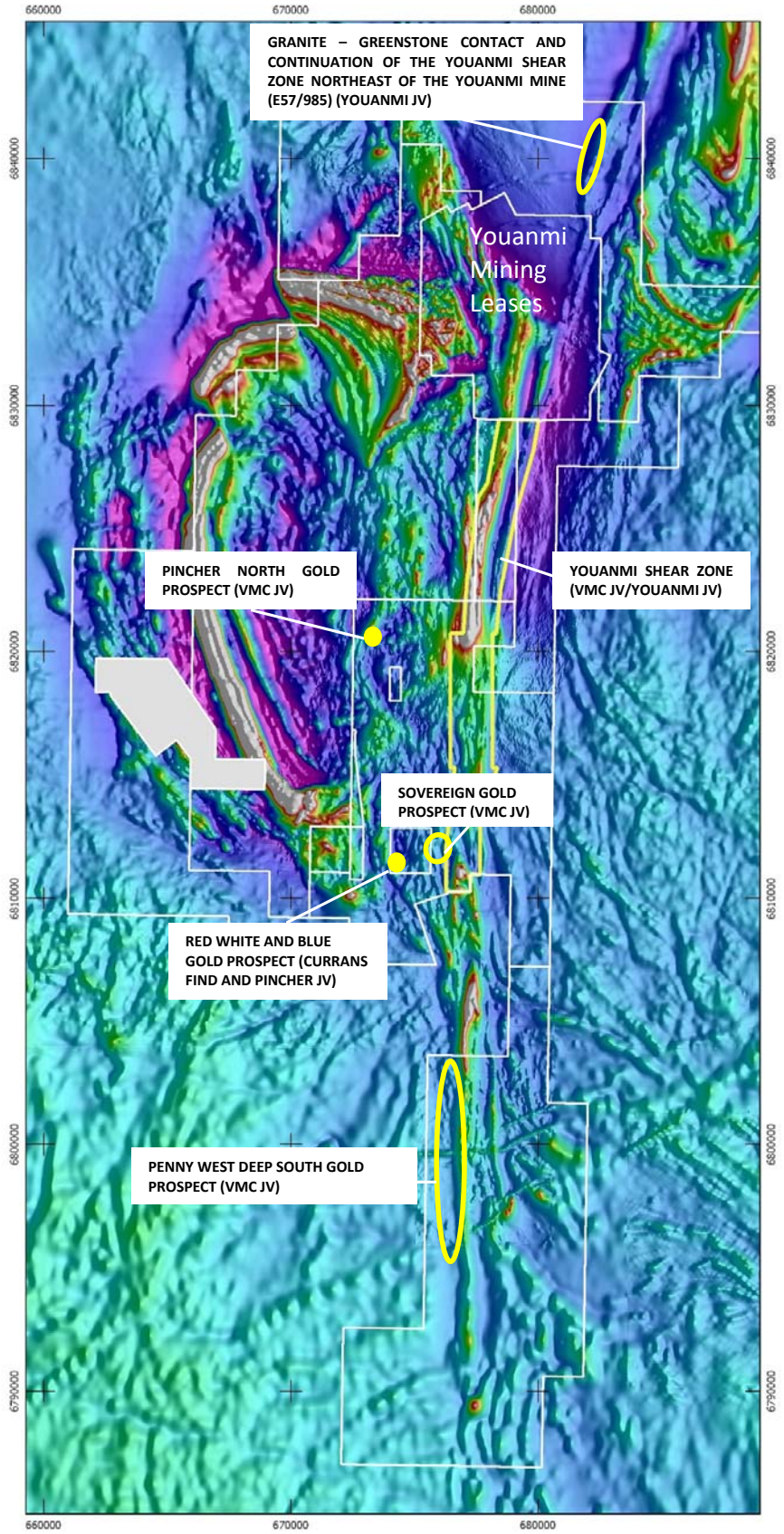


Figure 5. Prospects, target areas and planned work shown on aeromagnetic image



### **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 announcement that relates to GMAG Survey Results is based on information compiled by Mr Mathew Cooper who is a member of The Australian Institute of Geoscientists. Mr Cooper is Principal Geophysicist of Core Geophysics Pty Ltd who are consultants to Venus Metals Corporation Limited. Mr Cooper has sufficient experience which is relevant to the activity which he is undertaking 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 Cooper 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 that relates to Exploration Results is based on information compiled by Dr M. Cornelius, geological consultant and part-time employee 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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**Table 1. Collar details of RC holes**

Hole	Easting (MGA Z50)	Northing (MGA Z50)	Depth (m)	Azimuth (deg)	Dip (deg)
CFRC077	674559	6811708	120	320	-60
CFRC078	674611	6811736	100	320	-60
CFRC079	674663	6811783	100	320	-60
CFRC080	674334	6811607	165	340	-60
CFRC081	674340	6811588	180	340	-60
CFRC082	674294	6811570	180	340	-60
CFRC083	674300	6811551	185	340	-60

**Table 2. Gold Assays (all 4m intervals with >0.25g/t)**

Prospect	Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)
Red White & Blue	CFRC077	48	52	4	<b>2.01</b>
	CFRC078	64	68	4	0.53
		68	72	4	0.50
		84	88	4	<b>3.04</b>
		88	92	4	0.54
	CFRC079	80	84	4	0.39
	CFRC081	124	128	4	<b>4.07</b>

## Appendix-1

# JORC Code, 2012 Edition – Table 1

## Youanmi Gold Project -

### Section 1 Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"><li>• 7 RC holes for a total of 1030m were drilled at the Red White and Blue prospect; see Figure 4 in the announcement. Composite samples were collected for 4-meter intervals by combining sub-samples (300-400g) taken from a representative split (c. 3kg) that was taken for every meter drilled using a cone splitter. The individual one-meter samples were bagged and temporarily stored on site</li><li>• One grab sample, approx. 200g, was taken from remnant RAB spoil at 673574E 6821122N WGS84 Z50. The sample is indicative of the material drilled and its gold content but not representative. <u>GMAG Survey</u></li><li>• The ground magnetic surveys were conducted over the areas shown in Figure 2 and Figure 3 in the announcement.</li><li>• The survey was commissioned by Venus Metals Corporation and completed by Core Geophysics Pty Ltd.</li><li>• A total of 307 line km were collected with the following specifications: Line Spacing: 50m Line Orientation: 090-270° Station Spacing: 1m or better Sensor: GEM GSM19 Overhauser</li></ul>
<i>Drilling techniques</i>	<ul style="list-style-type: none"><li>• RC holes were first drilled down to 6m depth with a 5.5-inch hammer to fit a PVC collar, and the remainder was drilled with a 5-inch hammer.</li><li>• Holes were drilled at an angle of -60° to between west and north-northwest, and set up using a Suunto compass. Downhole surveys were done for all holes using a Gyro instrument.</li></ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"><li>• No recovery issues were reported in the drilling reports.</li><li>• The recovery was good and samples were generally kept dry. Strong groundwater flow was, however, encountered in hole CFRC83 and this hole had to be terminated before reaching the target depth.</li></ul>
<i>Logging</i>	<ul style="list-style-type: none"><li>• A qualified VMC geologist logged all holes in full and supervised the sampling.</li><li>• Small sub-samples were washed and stored in chip trays for reference.</li></ul>

Criteria	Commentary
	<ul style="list-style-type: none"> <li>Photographs were taken of all chip trays.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>Sampling was by reverse circulation (RC) drilling, collected every meter through a cyclone and cone splitter.</li> <li>All RC samples were analysed for gold at MinAnalytical Laboratory Services Pty Ltd using their Photon Gold assay method on a c. 500g sub-sample (PAAU2).</li> <li>Samples were dried, crushed to nominal minus 3mm, and c. 500g linear split into photon assay jars for analysis.</li> <li>Grab sample was crushed and milled to -75 micron.</li> </ul> <p><u>GMAG Survey</u></p> <ul style="list-style-type: none"> <li>The survey was achieved using a two person crew. Field measurements were taken with a GEM GSM-19 Overhauser magnetometer with in-built GPS. A GEM GSM-19 proton magnetometer was used for the base.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>MinAnalytical is NATA ISO17025 accredited for sample preparation and photon analysis.</li> <li>The Photon Gold assay method is a fully automated technique designed for the analysis of ores. It uses high energy x-rays to excite the atoms and is non-destructive. The c. 500g single-use jars allow for bulk analysis with no chance of cross contamination between samples.</li> <li>Quality control procedures include certified reference materials and/or in-house controls, blanks, splits and replicates.</li> <li>All QC results are satisfactory.</li> <li>Grab sample was analyzed for gold using 25g Lead collection fire assay in new pots by Inductively Coupled Plasma Mass Spectrometry.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>No independent verification of sampling and assaying has been carried out.</li> </ul> <p><u>GMAG Survey</u></p> <ul style="list-style-type: none"> <li>All raw data was transferred to the Perth office on a daily basis for verification.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>RC drill hole locations (collar) were located using a DGPS with an accuracy of +/-10cm. Grid systems used were geodetic datum: GDA94, Projection: MGA, Zone 50.</li> </ul> <p><u>GMAG Survey</u></p> <ul style="list-style-type: none"> <li>All data has been collected in GDA94 MGA Zone 50 grid system, automatically by the on-board GPS of the magnetometer. The GPS uses enhanced SBAS and GLONASS constellations to achieve accuracy of the positioning around 1m.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>RC drilling was on lines approximately 50m apart, with holes approximately 20m spaced along lines.</li> <li>The RC drilling at the Red White and Blue Prospect was designed to test down-plunge extensions of the high-grade gold mineralization. The drilling was not designed for mineral resource calculation at this stage.</li> <li>All RC samples were composited to 2 to 4m intervals, depending on the interval length.</li> </ul> <p><u>GMAG Survey</u></p> <ul style="list-style-type: none"> <li>The line spacing was between 50m with data recorded every 1second to provide stations every 1m. The data density is considered appropriate to the purpose of the survey. The base station recorded every 15 seconds.</li> </ul>

Criteria	Commentary
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>RC drilling was inclined at <math>-60^{\circ}</math>; for azimuth and collar details see Table 1.</li> </ul> <p>The drilling was approximately perpendicular to the strike of the targeted reefs and mineralized zones but due to variable dips and strikes, reported intervals are not necessarily representative of true widths.</p> <p><u>GMAG Survey</u></p> <p>The line path is approximately perpendicular to the regional strike direction of geological formations and is sufficient to locate discrete anomalies.</p>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>All drill samples were transported directly to the Perth laboratory by VMC staff.</li> </ul> <p><u>GMAG Survey</u></p> <ul style="list-style-type: none"> <li>Not applicable for geophysical survey</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>No audits or reviews have been carried out to date.</li> </ul> <p><u>GMAG Survey</u></p> <ul style="list-style-type: none"> <li>The data were verified by Core Geophysics.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>ML 57/641 is held by Murchison Earthmoving &amp; Rehabilitation Pty Ltd (MER), a wholly-owned company of Mr Doug Taylor. VMC has acquired jointly with Rox Resources Limited a combined 90% interest in ML 57/641 "Currans Find" of 300ha and a combined 90% interest in ML 57/642 of 59ha "Pinchers". The 90% interest is shared equally between Venus and Rox, with the remaining 10% held by Mr Taylor.</li> <li>E57/1078 is held by Venus Metals Ltd and is part of the VMC Joint Venture (VMC 50% and RXL earning 50% (gold rights only).</li> <li>To the best of Venus' knowledge, there are no known impediments to operate on M57/641 or E57/1078 as Manager of the JV.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>Historical exploration in the Currans Find area was extensive and dates to the early 1970s. In the early 1980s, several companies including Inca Gold which conducted extensive underground mapping and sampling, Gold Mines of Australia and Black Hill Minerals NL, conducted percussion drilling and soil sampling. Later, CRA, Eastmet (later Gold Mines of Australia) and Goldcrest explored the Currans Find area. Several stages of soil geochemistry, RAB drilling and one program of RC drilling were completed; relevant WAMEX reports are listed in the VMC release dated 23 April 2019.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>At Currans Find, Archean lode gold associated with quartz reefs in brittle ductile shear zones. The dominant rocks are mafic and ultramafic in composition, comprising meta-gabbro, meta- quartz gabbro, diorite, pyroxenite and talc-tremolite schists. Minor felsic porphyry intrusions and dykes occur within and about the main workings. The distribution of gold appears to be irregular. The association of high-grade gold mineralization with intermediate and mafic-ultramafic rocks, and structurally</li> </ul>

Criteria	Commentary
	<p>controlled emplacement appears to be similar to the setting at the historical Penny West Gold mine, c. 5km south southeast of Currans.</p> <ul style="list-style-type: none"> <li>• At Penny West Deep South, exploration also targets Archean lode gold associated with quartz veining and sulphides, hosted in shear zones within a structurally controlled setting and dominated by mafic and intermediate rocks.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li>• For drill hole collar information refer to Table 1.</li> <li>• Drill hole locations are shown on Figure 4.</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>• All Au results (<math>\geq 0.25</math> g/t) for four-meter composite results are reported in Table 2.</li> <li>• No upper cut-off has been applied.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>• The gold mineralization dips steeply to the southeast. Drilling was at an angle of <math>-60^{\circ}</math> to the northwest, approximately perpendicular to the strike of the mineralization.</li> <li>• Downhole lengths and intervals may not represent true widths due to variable strike direction and dip of the mineralization.</li> <li>• Based on the limited RC drilling to date, the geometry, extent and tenor of the mineralization is not fully determined yet.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>• Plans are attached to the report (Figures 1 to 5)</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>• All Au results (<math>\geq 0.25</math> g/t) for four-meter composite results are presented in Table 2.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>• Historical mining at the 'Currans North' and 'Red White and Blue Workings': Cancelled GML records show that 6,874 tons were treated at the Red White and Blue battery on site for a recovered average of 13 g/t gold.</li> <li>• A recent ground magnetic survey has identified several priority targets (see body of this release).</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>• AC and/or RC drilling programs are planned at Currans Find, Sovereign Prospect, Penny West Deep South and in the northwest of E57/1019.</li> <li>• Ground magnetic surveys are planned along the Youanmi shear zone north and south of the Youanmi mining leases.</li> </ul>