



ASX Release: 6 February 2015

ASX Code: VMC

YOUANMI PROJECT EXPLORATION LICENCE GRANTED
JORC 2012 INFERRED MINERAL RESOURCE ESTIMATE OF
330.6 Mt @ 0.29% V₂O₅, 5.95% TiO₂
951,000 TONNES OF VANADIUM PENTOXIDE

The Directors of Venus Metals Corporation Limited ("Venus") are pleased to announce the recent grant of exploration licence E57/986 Youanmi Project, Western Australia (Figure 1). This tenement contains a large Vanadium-Titanium-Iron resource that has been historically drill tested along 3.5 km strike length. Venus has recently completed a **JORC 2012 compliant Inferred Resource estimate of 330.6 Million Tonnes @ 0.29% V₂O₅, 5.95% Titanium (TiO₂) and 19.41% Fe** (Table-1) which includes **167.7 Million tonnes @0.41% V₂O₅, 7.52% TiO₂ and 24.6% Fe**.

Table 1. JORC 2012 Inferred Vanadium Mineral Resources Summary

MATERIAL	Cut-Off % V ₂ O ₅	Million Tonnes	V ₂ O ₅ %	V ₂ O ₅ Tonnes	TiO ₂ %	Fe%
OXIDE	0.10	110.6	0.30	333,000	6.15	20.18
FRESH	0.10	220.0	0.28	618,000	5.85	19.03
TOTAL	0.10	330.6	0.29	951,000	5.95	19.41

This resource estimate was carried out by Widenbar and Associates based on the historical RC drillholes (Australian Gold Resources Limited (AGR), 1998-1999) and diamond holes (Youanmi Metals Pty Ltd, 2010) data. There is strong geological evidence that the resource continues for many kilometres along strike within the Venus tenements which has potential for a major increase on the Vanadium-Titanium-Iron mineral resource (refer Target Potential page 4).

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Project Background:

The Youanmi Vanadium Project tenement E57/986 (210.9 km²) is located about 42km southeast of Windimurra and 4km west of Youanmi Mining Centre (Figure 1). Venus holds a 90% interest and the prospector holds a 10% interest in this tenement (refer ASX Release 1 August 2014).

The tenement area falls within Youanmi Intrusive Complex in Southern Cross province of Archean Yilgarn Craton of WA. The tenement covers substantial strike length of Youanmi intrusive gabbroic complex that has intruded the poorly exposed Youanmi greenstone sequences. The Youanmi Intrusion occupies an oval shaped area about 20 kilometres north-south by 10 kilometres east-west bounded by marginal greenstone lithologies and granitic rocks (Figure 2). The Youanmi Intrusion contains several prominent vanadiferous titanomagnetite units forming two strong magnetic horizons near the base of the intrusive stratigraphy. The units comprise many individual titanomagnetite bands up to 1m thick separated by magnetite gabbro. This stratigraphy is well exposed in the northern and western part of the tenement forming prominent resistive strike ridges (Figure 3).

The surrounding areas of this tenement contain numerous gold, zinc (+copper) occurrences or deposits.

During late 1990's Australian Gold Resources Pty Ltd (AGR) carried out reconnaissance surface sampling, aeromagnetic data acquisition and interpretation, geological mapping, RC drilling, metallurgical test work and resource estimation. After the identification of vanadiferous horizons from surface sampling and aeromagnetic interpretation, 101 vertical RC holes were drilled at 80m spacing on 4 lines approximately 640m apart. Out of which 74 RC holes falls within Venus E57/986. **AGR in 1999, had calculated the Pre JORC Inferred Resource of 136 Million Tonnes grading 0.42% V₂O₅ (cut-off 0.27% V₂O₅).**



Subsequently a diamond drilling program was carried out during 2010 by Youanmi Metals Pty Ltd comprising 11 holes for 637.5m targeting Fe-V-Ti mineralisation which confirmed the presence of thick layers Vanadiferous Magnetite in this tenement.

JORC 2012 Resource Model:

Widenbar and Associates (“WAA”) was commissioned by Venus Metals Corporation Limited (“Venus”) to produce a Mineral Resource Estimate for the Youanmi Vanadium Deposit.

Two high grade mineralised domains have been interpreted, with low grade domains lying between and above them. The Resource Estimate has been classified in the Inferred category as defined by the 2012 edition of the JORC code. WAA has reviewed the drilling, sampling and assaying data used in the estimate and considers it to be of sufficient quality to support the resource classification applied (refer Appendix 1- JORC 2012 Table). Historical drillhole data of 49 RC holes and 11 diamond holes were used for resource modelling¹ (Figure 4).

Previous estimates of the Youanmi Vanadium Deposit (and other similar deposits in the region) have typically used 0.25 or 0.27% V₂O₅ economic cut-offs to report resources. Review of modern metallurgical process technology in similar deposits in Northern Territory has results in the economic cut-off being reduced to 0.1% V₂O₅.

WAA has reported a **JORC 2012 compliant Inferred Mineral Resource estimate of 330.6 Million Tonnes @ 0.29% V₂O₅, 5.95% Titanium (TiO₂) and 19.41% Fe** (0.10% V₂O₅ cut-off, 350m RL base) for **951,000 tonnes of Vanadium Pentoxide resource**.

This mineral resource includes high grade **167.7 Million tonnes @ 0.41% V₂O₅, 7.52% TiO₂ and 24.6% Fe** (0.25% V₂O₅ cut-off) for **Vanadium Pentoxide resource of 683,000 tonnes**.

The resource model wireframe cross section and block model section are presented in Figures 5a and 5b respectively.



Vanadium Exploration Target Potential at E57/986:

WAA has estimated Vanadium exploration target potential for E57/986 based on existing drillhole data and aeromagnetic signatures. The drilled and modelled area of the Youanmi Vanadium deposit has a strike length of approximately 3.5 km, and it has been compared to the aero-mag data. Areas to the south of the current model with similar aero-mag signatures have been delineated and have a strike length of 14 to 15 km (Figure 6). Taking the current modelled resource to a depth of 125 to 130m (350m RL), it contains approximately the following tonnes per km of strike length.

Within high grade mineralised zones : 42 Mt/km (0.25% V₂O₅ Cut-off) and 48 Mt/km (0.10% V₂O₅ Cut-off).

Within broad envelope (including high grade material): 48 Mt/km (0.25% V₂O₅ Cut-off) and 95 Mt/km (0.10% V₂O₅ Cut-off).

Exploration Target extents are

- High grade: two zones each 50-60m thick, extending approximately 14 km along strike and 300m down dip
- Low grade envelope: up to 150m thick, extending 14 km along strike and 300m down dip

Assuming the untested 14-15km of strike length indicated aero-mag hosts similar mineralisation to the Inferred Resource in the drilled area, the target potential with upper and lower limits has been postulated (Table-2).

Table-2. Youanmi Vanadium Exploration Target Potential*

Cut-Off V₂O₅ %	Exploration Target Potential	Grade Range V₂O₅%
0.25	550 to 650 Million tonnes	0.38% to 0.42%
0.10	1.0 to 1.30 Billion tonnes	0.25% to 0.30%

* An estimate of the exploration target potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.



Vanadium Market

The current Vanadium Pentoxide (V_2O_5) market price is approximately US\$11,000/tonne. Vanadium prices are expected to increase over the next 5-10 years due to heightened international competition and supply deficits.

Until recently the vast majority (92%) of Vanadium is used in Steel industry to produce tool, high speed and high alloy steels containing 20% Vanadium (V). Vanadium was also used in production of titanium alloys for aerospace (4% V) and industrial purposes, Titanium alloys account for about 4% of consumption. About 3% of global vanadium consumption was in petrochemical catalyst, pollution control applications, ceramic pigments, special glasses and other chemical industry applications.

With the recent emergence of Vanadium redox flow batteries (VRB) system for high efficiency grid energy storage applications and incorporating vanadium in lithium battery for mobility/transport will strongly increase the usage of Vanadium as the future energy storage device. Hence the demand is expected to grow high in coming years. India and China have emerged as heavy consumers of the commodity in recent years. Booming construction industry will help drive prices upwards, and is estimated that 2013-2020 the vanadium market will show a 5.2% compound annual growth². Many countries making the development of renewable energy resources mandatory (for example California requires one third of its power to be generated by renewable energy by 2020, Germany 80% by 2050)³.

According to Marc Davis, www.BNWnews.ca⁴: "Governments the world over are directing billions of dollars of grants into vanadium's fast-emerging role in the electrification of society's energy supplies. And major corporations are likewise investing in this 'next big thing' in the hopes of addressing global warming and society's dependence on dwindling fossil fuel reserves. The world's few primary vanadium producers will be pressed to their very limits in trying to satisfy a looming year-on-year exponential surge in demand for this increasingly invaluable 21st century metal".



References:

1. L. Widenbar, 2015, "Youanmi Vanadium Project Resource Estimate Summary Report January 2015"- Internal Communications
2. N. Wells, 2014 "Vanadium Prices Forecasted to Rise with Chinese Construction", Vanadium Investing News, (<http://vanadiuminvestingnews.com/6426-vanadium-price-china-russia-india-construction.html>)
3. <http://www.largoresources.com>
4. M. Davis, "Vanadium to Revolutionize Green Energy", (<http://www.bnwnews.ca/editorial-Vanadium-to-Revolutionize-Green-Energy.html>)

Competent Persons Declaration:

The information in this report that relates to Mineral Resources has been compiled by Mr Lynn Widenbar. Mr Widenbar, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Widenbar and Associates and produced the Mineral Resource Estimate and exploration target potential based on data and geological information supplied by Venus. Mr Widenbar 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 Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Widenbar consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

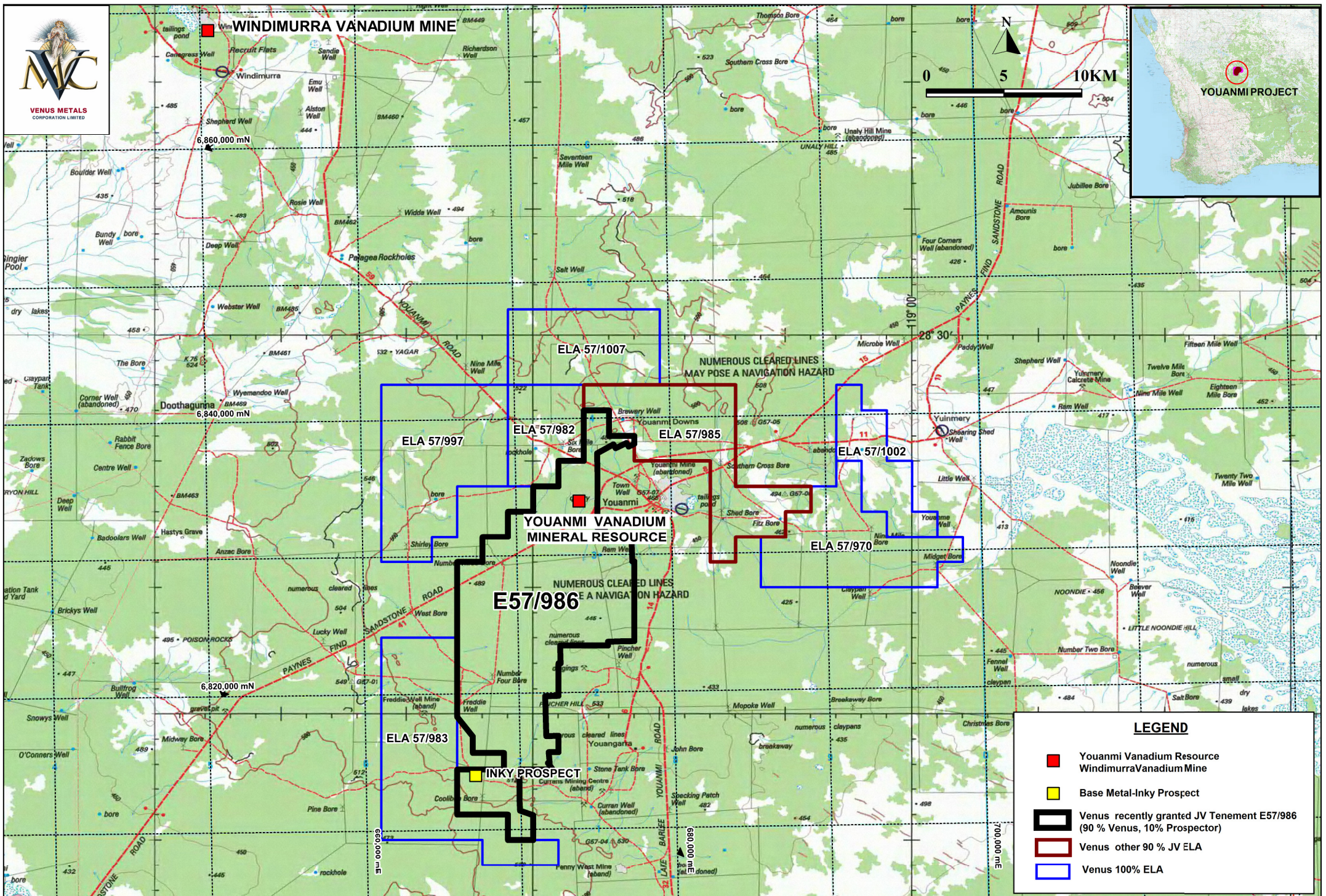


Figure 1. Youanmi Project Location Map

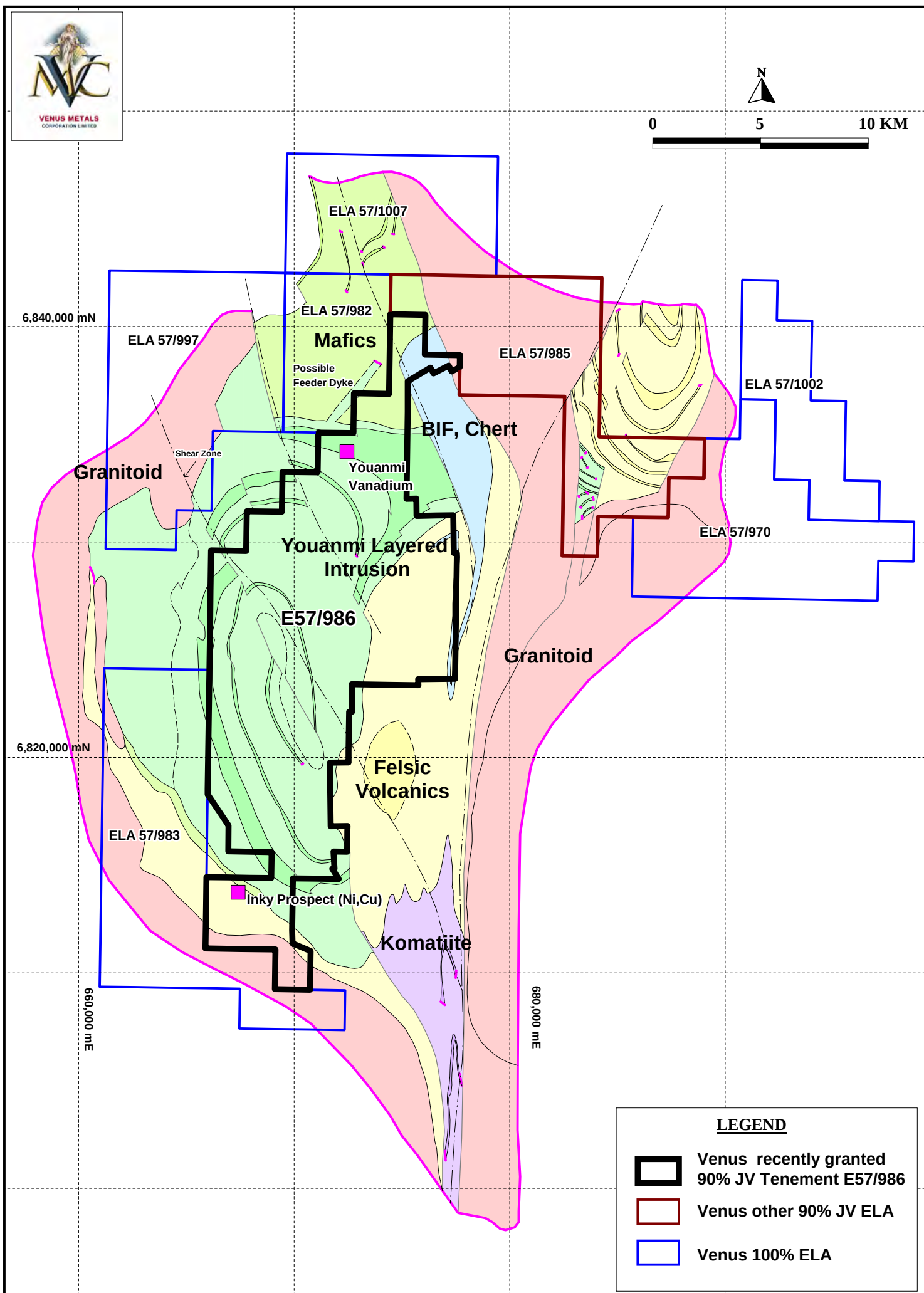


Figure 2 .Geology Map of Youanmi Project Area



Figure 3. Vanadiferous Titano-Magnetite Outcrop at Youanmi Project Area

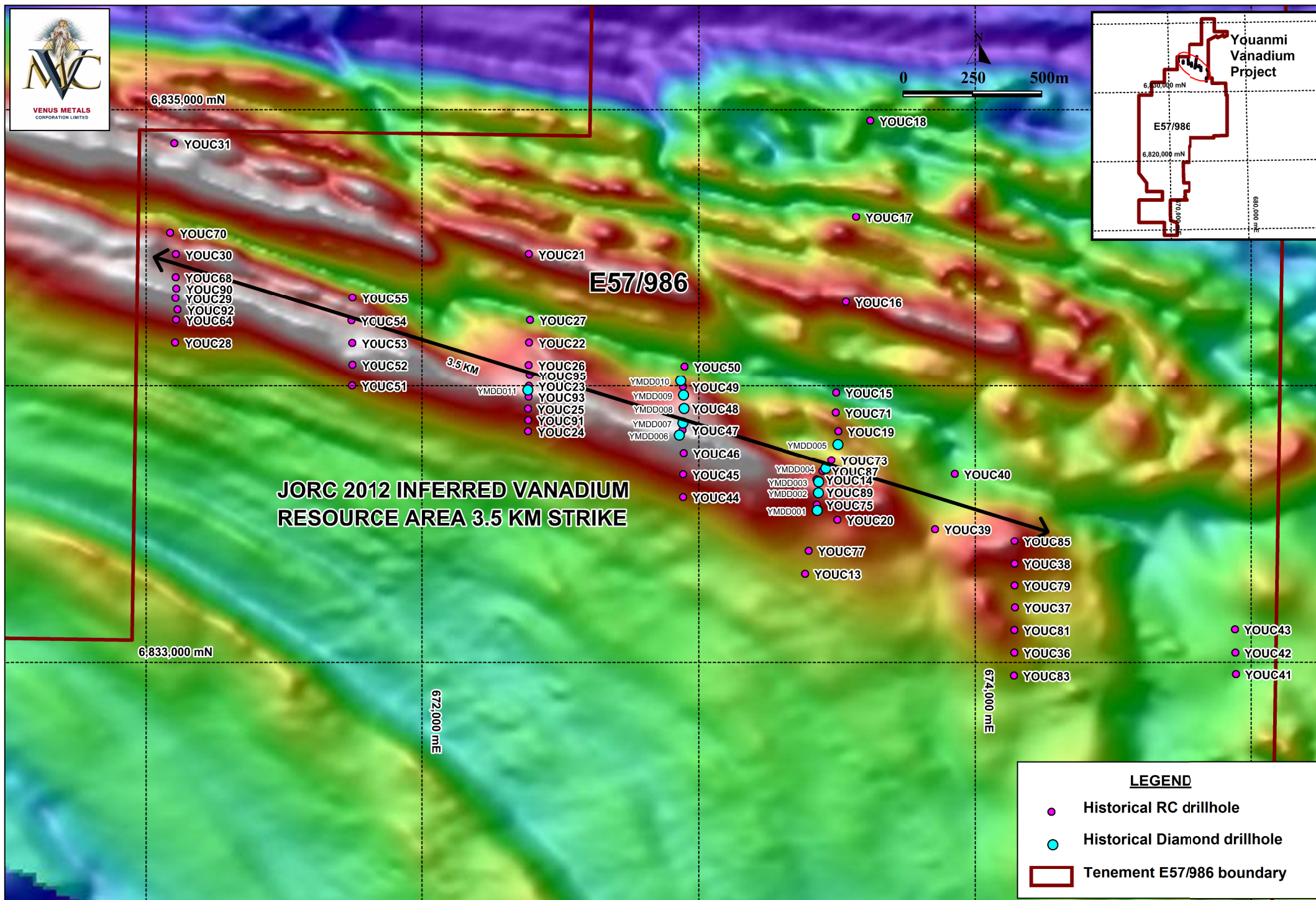


Figure 4. Location of historical RC, Diamond Drillholes in Youanmi Vanadium Resource Area shown on Aeromagnetic TMI Image

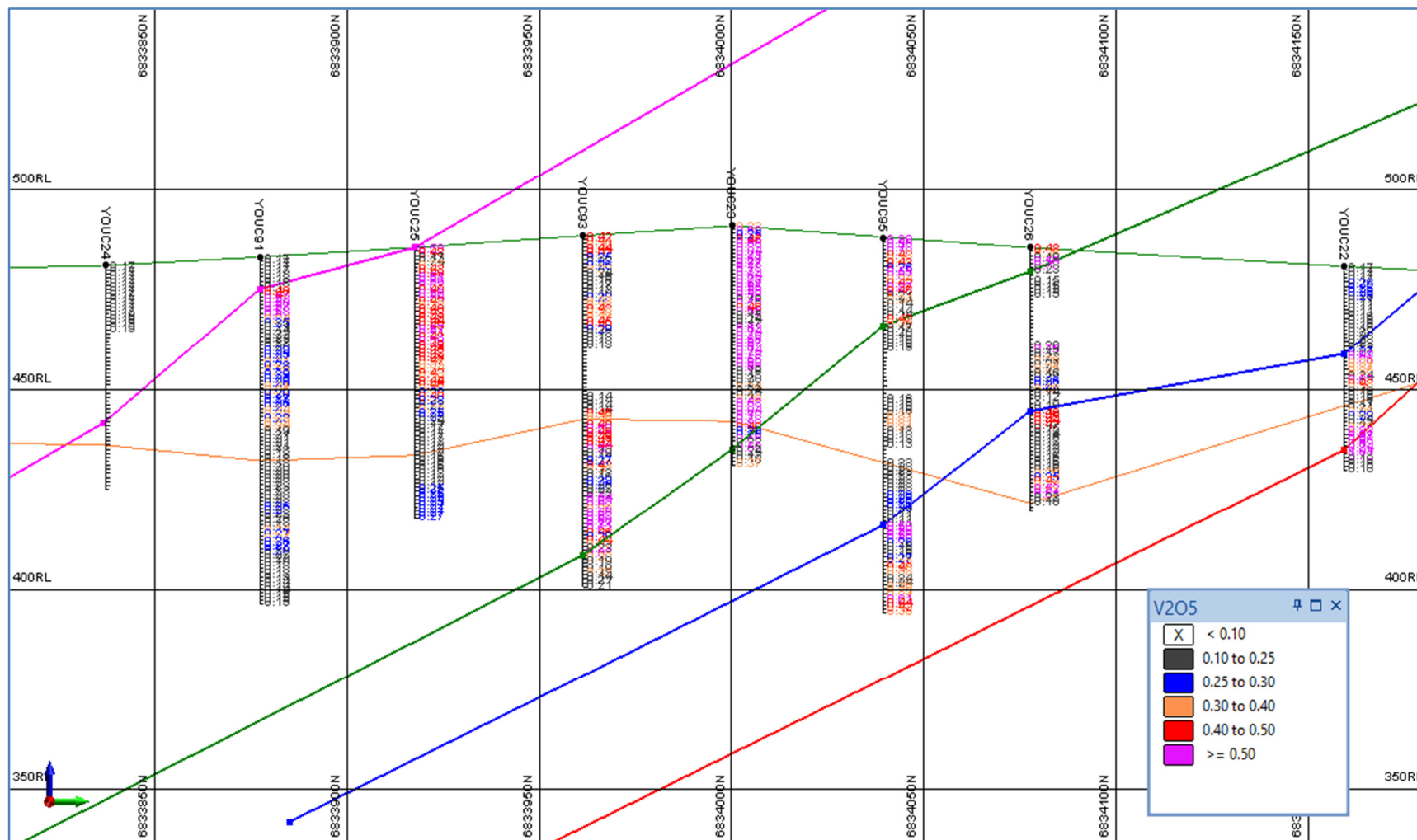


Figure 5a. Cross Section Interpretation for Resource Model (Widenbar, 2015)

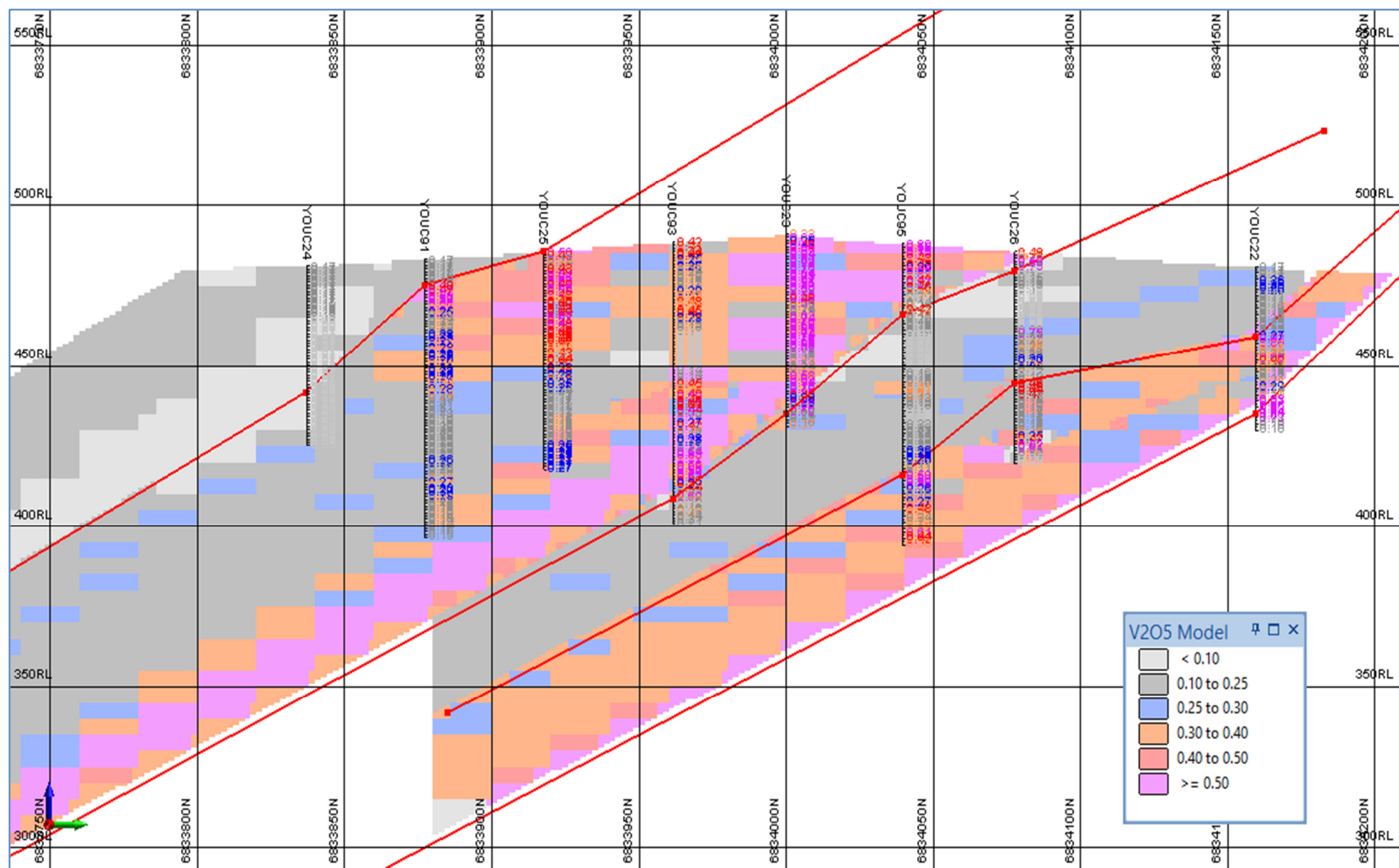


Figure 5b. Drill Data and Block Model Section Comparison (Widenbar, 2015)

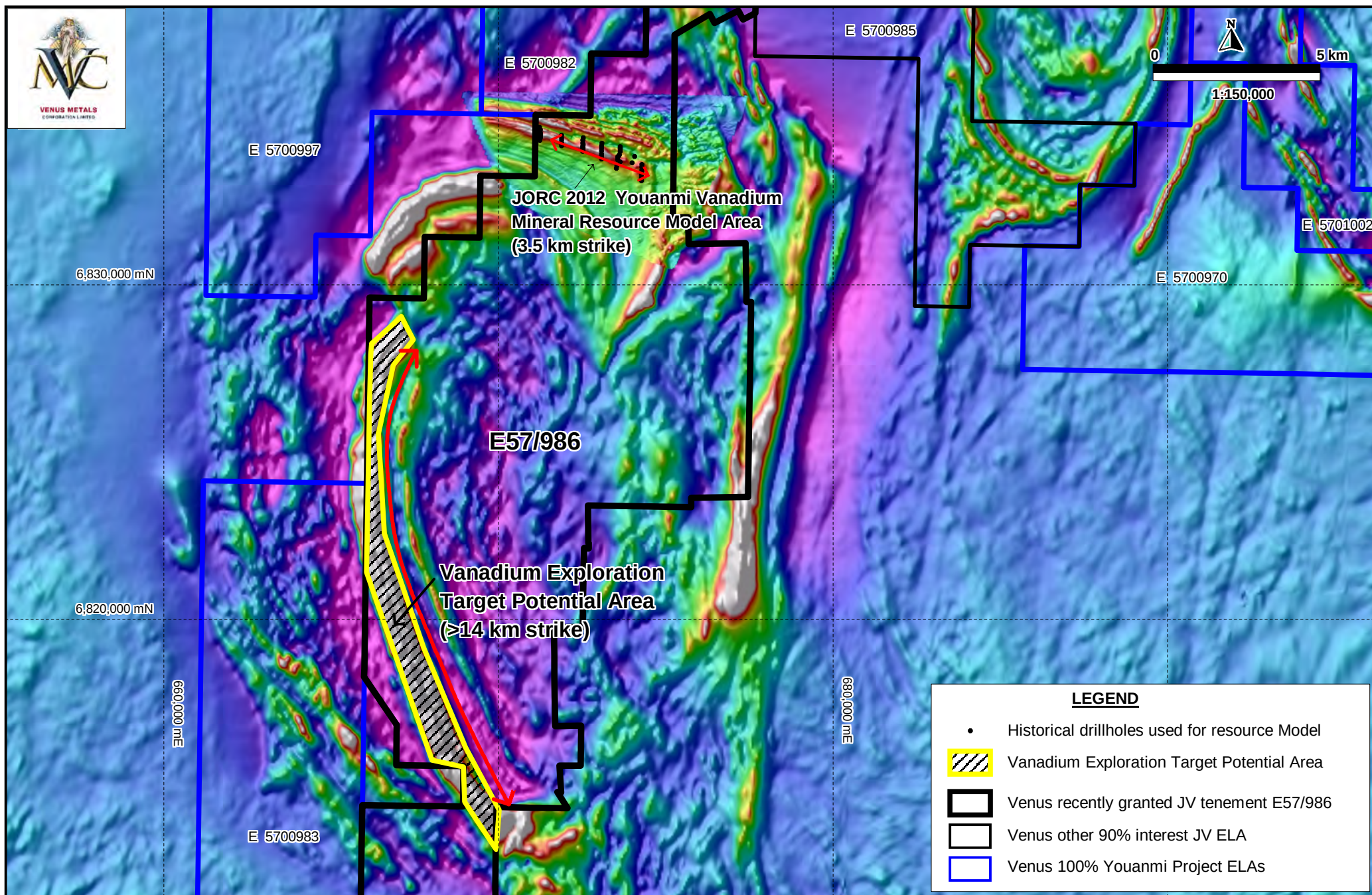


Figure 6. Location of Youanmi Vanadium Exploration Target Potential Area shown on Aermagnetic Anomaly Map

JORC Code, 2012 Edition – Table 1

Youanmi Vanadium Project

Section 1 Sampling Techniques and Data

Criteria	• Commentary
<i>Sampling techniques</i>	- Venus Metals Corporation (VMC) has not conducted any exploration drilling or sampling on the tenement. - The exploration data were obtained from Open File WAMEX Reports on historical exploration Reverse Circulation (RC) drilling conducted by Australian Gold Resources (AGR) during 1998-1999. - Sampling has been by Reverse Circulation drilling, collected every 1m through a cyclone and riffle splitter. 4m composite samples were also collected via scoop and spear sampling from the residue bags. - In 2010, Youanmi Metals Pty Ltd carried out a drill program of 11 diamond drill holes, aimed primarily at assessing the iron ore potential of the Vanadium and Titanium bearing magnetite horizons. - To ensure accuracy in diamond drilling and sampling, downhole surveys were carried at the bottom of each hole, using a 'Camtech' digital camera. Electronic core orientation surveys were carried out after each 3m run in fresh/ competent rock, using a 'Reflex ACT' device to enable accurate orientation of the drill core. Magnetic susceptibility measurements and 'Niton' XRF readings for Fe, Ti and V were also carried out. - Diamond Core samples correspond to selected geological contacts (especially magnetite layers, ranging from 0.3 to around 1.1m) were marked out during the logging process and were cut to half on site using an Almonte core saw and these half cores were sent for assaying.
<i>Drilling techniques</i>	- Reverse Circulation drilling by Australian Gold Resources (AGR) during 1998-1999 - Most RC holes in the program were drilled vertically with a few at -60° dip. - In 2010, 11 diamond holes were drilled using triple tube PQ3 and were drilled at dip varying -58 to -61 and azimuth varying between 0 and 5°N.
<i>Drill sample recovery</i>	- No recovery issues were reported in the historical reports. - There is no apparent relationship between sample recovery and grade. - Core recovery in diamond holes was generally good, with excellent recoveries in fresh rock and reasonable recoveries in weathered material.
<i>Logging</i>	- RC drill samples were geologically logged and the downhole magnetic susceptibility was also conducted as per the historical report. Drillhole geological logging, assay data and metallurgical testing were used to support resource estimation of V2O5. - Diamond drill (DD) core was comprehensively geologically and geotechnically logged. The geotechnical logging includes core recovery, RQD, rock strength, weathering and fracture counts, magnetic susceptibility measurements and 'Niton' XRF readings for Fe, Ti and V.
<i>Sub-sampling techniques and sample preparation</i>	- Sampling has been by Reverse Circulation drilling, collected every 1m through a cyclone and riffle splitter. 4m composite samples were also collected via scoop and spear sampling from the residue bags. - Sampling of diamond holes was at irregular intervals determined by geological logging. In addition to the geological logging geotechnical logging like magnetic susceptibility measurements and 'Niton' XRF readings for Fe, Ti and V were also carried out, to ensure the accuracy of selected core samples. These selected cores were cut to half on site using an Almonte core saw and these half cores were sent for assaying.

Criteria	Commentary
<i>Quality of assay data and laboratory tests</i>	- The methods used for assay analysis of RC drill samples are lithium meta-borate fusion XRF at AMDEL (XRF4) and fusion XRF at Analabs (X408). - Blanks were inserted every 30th sample. - A vanadium standard was inserted in each sample batch for holes YOUC19 to 40. - Down hole geophysical logging was carried out in eleven holes. - The half cut core samples were pulverized and analyzed for elements using acid test method (AT) followed by ICPMS/ICPOES. Also fusion XRF (11) method were also used for identifying the mineral composition.
<i>Verification of sampling and assaying</i>	No independent verification of sampling and assaying has been reported.
<i>Location of data points</i>	- The RC drill hole locations (collar) were located using GPS. - Grid systems used were Geodetic datum: AGD 84, Vertical datum: AHD and Projection: AMG, zone: 50. - The Diamond drillhole locations were located using a Garmin GPS 72. Geodetic datum: GDA 94, Projection zone: 50
<i>Data spacing and distribution</i>	- Within the resource area, RC drilling was completed on 640m spaced sections with drill hole spacing of 80m. Additional 40m spaced drill holes were aimed at defining the tenor of mineralisation in fresh rock and the dip of the stratigraphy. - The DD holes were drilled at selected locations along historical RC drill hole lines within the Youanmi layered intrusive complex, where magnetite (Fe-Ti-V) bearing gabbroic rocks can be mapped at surface.
<i>Orientation of data in relation to geological structure</i>	- RC drilling is vertical; with the average dip of the magnetite rich units being approximately 30° to 50° the hole orientation with respect to the mineralisation dip is appropriate. - DD drilling is approximately at right angle to dip and 90° to strike.
<i>Sample security</i>	Details of sample security not given in historical reports.
<i>Audits or reviews</i>	No audits or review have been located.

Section 2 Reporting of Exploration Results

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	The Youanmi Project tenement E57/986 is currently an Exploration License Application (ELA) and is being jointly applied for by Venus Metals Corporation Limited (90%) and Legendre, Bruce Robert (10%).
<i>Exploration done by other parties</i>	The tenement area was historically explored by many explorers since 1967. Australian Gold Resources Limited (AGR) explored extensively for vanadium resources within historical tenement E59/419.
<i>Geology</i>	The project area lies on the northern part of the Youanmi layered intrusion. Most of the area of interest is east-west striking with layering dipping to the south. At the eastern edge of intrusion area the layering swings round to a north-south strike and a westerly dip. The dip appears to become gradually shallower towards the bend: from approximately 50° at a distance of 5km west of the bend to 30° adjacent to the bend. A dip of only 10° was recorded in outcrop within the bend itself. A number of northwest faults offset the strata with an apparent sinistral displacement (displacement is only apparent because the same effect would be achieved by down throw of the eastern block). Chloritisation and the development of a weak

Criteria	Commentary
	foliation has been recognised in RC drilling near one of the northwest faults with an apparent displacement of 1½km. Faulting is more complicated in the area of the bend where a number of broadly northeast striking faults and narrow shears are also recognised. - Gabbro (ranging from leucocratic to melanocratic), anorthosite, fine-grained gabbro, magnetite-gabbro and magnetite have been recognised in drilling and outcrop. The target zone is characterised by meter-scale layering of magnetite, magnetite-gabbro, anorthosite and leucogabbro. Leuco to melano gabbro is more common away from the target zone. - The magnetite bearing horizons appear to be more resistant to weathering and therefore the top of fresh rock is generally at a higher relative level than in adjacent weathered gabbro. However in the areas where the regolith has been stripped the saprolite derived from magnetite-in horizons has proved more resistant to erosion and often form the tops of the breakaways. Depth to fresh rock (Top of Fresh Rock-TOFR) in the higher ground is usually about 35m, but can be up to 55m.
<i>Drill hole Information</i>	The Exploration Target is based aerial magnetics data which has been compared with the geophysics in the drilled area of the Inferred resource. No drilling is available for the exploration target area.
<i>Data aggregation methods</i>	Not applicable
<i>Relationship between mineralisation widths and intercept lengths</i>	Mineralisation width assumptions for the exploration target area are based on drill intercepts in the resource model area..
<i>Diagrams</i>	Plans are provided in the accompanying report.
<i>Balanced reporting</i>	Not applicable
<i>Other substantive exploration data</i>	To assess the stratigraphy, structure and correlation between magnetic units and zones of high vanadium grade, AGR carried out low-level high resolution aeromagnetic survey by Universal Tracking Systems (UTS) during September 1999. The aeromag survey covered an area of 30 square kilometers, for 650 lines totaling 3km was flown in the northern area. Radiometrics and digital elevation data were also collected. The magnetic contrast between magnetite units and surrounding rock is so high (>5,000 nT) that the low relative signal to noise ratio allows data to be filtered to the 4th vertical derivative.
<i>Further work</i>	Recent modelling and resource estimation will define further infill and extension drilling.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Commentary
<i>Database integrity</i>	- Review of printed logs versus the current database has been carried out; no issues have been reported. - Data has been entered into Excel spreadsheets and subsequently imported into Micromine software for further validation, including: - Checks for duplicate collars. - Checks for missing samples. - Checks for down hole from-to interval consistency. - Checks for overlapping samples. - Checks for samples beyond hole depth.

Criteria	Commentary
	○ Checks for missing assays. ○ Checks for down-hole information beyond hole depth. ○ Checks for missing down-hole information. ○ Checks for missing or erroneous collar survey.
<i>Site visits</i>	• The Competent Person carried out a site visit on 30th July, 2014. • Numerous RC and DD hole sites were found, with RC sample cutting piles still in place. Samples were taken from one drill hole. • Outcrop and float were reviewed and the extent of the mineralised zone was clear at surface in parts of the deposit. • Review of the site confirmed for the CP that a mineral resource is likely present.
<i>Geological interpretation</i>	• The geological interpretation used to control estimation has used a combination of surface mapping, downhole logging, geophysics and chemistry to define mineralisation zones and oxide/fresh interfaces. • The two major magnetite units are fairly well defined and continuous geologically, though there is internal grade variation. • Two low grade domains have been identified, one between the two magnetite domains, the other above the upper magnetite. • Grades tend to be higher at the footwall and hanging wall, and lower in the center of the domains.
<i>Dimensions</i>	• The area covered by the Mineral Resource extends approximately 5 km along strike by 500m laterally. • There are two mineralised zones, varying between 30m and 50m in true thickness and dipping between 30° and 60° to the south. • The mineralisation domains in the resource area have been interpreted to a depth of 180m below surface.
<i>Estimation and modelling techniques</i>	• Samples were composited to 1m to allow for a few parts of some holes where only 4m composite data was available. • Statistical analysis was carried out to confirm the validity of mineralisation domains. • Geostatistical analysis failed to produce robust variograms due to lack of data, though down hole variography illustrated a low nugget effect and limited range across the mineralised structures. • Statistical and geostatistical analysis was carried out in GeoAccess Professional (V2.12) software. • Resource estimation was carried out in Micromine 2014 (V15) software. • Inverse distance weighted (IDW) modelling was used with parameters based on drill hole spacing. • A power of 3 was used in the IDW interpolation due to the low nugget effect. • Search ellipse orientations for the estimation based on geological orientations and an unfolding methodology was used to account for variations in dip and strike. • The first pass search was 800m x 100m x 10m (along strike 015°, down dip, across dip) with a minimum of 8 and a maximum of 16 composites and a maximum of 5 per hole. • The second pass search was 1000m x 150m x 15m (along strike 015°, down dip, across dip) with a minimum of 4 and a maximum of 16 composites and a maximum of 5 per hole. • No top cuts were applied. • A range of variables has been estimated, including V2O5 (%), Al2O3, CaO, Fe2O3, MgO, MnO, SiO2 (%), SO3, and TiO2. • No assumptions were made about correlation between variables. • No selective mining unit assumptions were made. • Only data in each mineralised and low grade unit was used to estimate that unit.

Criteria	Commentary
	- Block sizes were 50m (E-W) by 20m (N-S) by 5m (Elevation). - Modelling results have been compared to the previously published resource estimate and have produced similar results. - Validation of the final resource has been carried out in a number of ways, including: - Drill Hole Section Comparison - Comparison by Mineralisation Zone - Swathe Plot Validation - Model versus Declustered Composites by Domain - All modes of validation have produced acceptable results. - As there has been no mining to date, no reconciliation data is available.
<i>Moisture</i>	Tonnages are estimated a dry basis.
<i>Cut-off parameters</i>	The resource has been reported at 0.25, 0.27 and 0.30 % V2O5 cutoffs. This range has been determined from previous economic studies and is also typically used in similar Western Australian vanadium deposits.
<i>Mining factors or assumptions</i>	- Mining is assumed to be by conventional open-pit mining methods. - There is no allowance in the Mineral Resource Estimate for dilution or mining losses.
<i>Metallurgical factors or assumptions</i>	- Metallurgical test work has been carried out by AGR to confirm that the mineral resource can be successfully and economically processed to produce a marketable product. - Composite samples from two drill holes were processed by magnetic separation and roast/leach methods with recoveries of 61% in oxide and 83% in fresh material.
<i>Environmental factors or assumptions</i>	At this stage, environmental factors have not been considered.
<i>Bulk density</i>	- Bulk density is based on over 6,800 downhole density log measurements. - Base of oxidation logging has been used to define two density domains, with the following bulk densities applied: - Oxide 2.63 t/m³ - Fresh 2.76 t/m³
<i>Classification</i>	- The Mineral Resource has been classified in the Inferred category, in accordance with the 2012 Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code). A range of criteria has been considered in determining this classification including: - Geological continuity. - Data quality. - Drill hole spacing. - Modelling technique. - Estimation properties including search strategy, number of informing data and average distance of data from blocks. - The Competent Person endorses the final results and classification.
<i>Audits or reviews</i>	There have been no external reviews of the Mineral Resource Estimate.
<i>Discussion of relative accuracy/ confidence</i>	- Relative accuracy and confidence has been assessed during the validation process by review of model versus data and variability statistics of individual block estimates. - A subjective relative risk analysis assessment has been carried out, with the overall risk level generally being considered Moderate. - The resource estimate includes material in the Inferred categories and is considered to reflect local estimation of grade.

Criteria	Commentary
	No production data is yet available for comparison.