VENUS METALS
CORPORATION LIMITED

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YALGOO IRON ORE PROJECT

UPDATED MAGNETITE MINERAL RESOURCE JORC 2012 COMPLIANT

The Directors of Venus Metals Corporation Limited ("Venus") are pleased to report that the Yalgoo Magnetite Mineral Resource has been updated to JORC 2012 compliance. Widenbar and Associates ("WAA") was commissioned to produce an updated resource estimate for the Yalgoo Iron Ore Project. The Resource Estimate has been classified in the Indicated and Inferred categories as defined by the 2012 edition of the JORC code. WAA has reviewed Venus's historical drilling, sampling and assaying data used in the estimate and considers it to be of sufficient quality to support the resource classification applied. The Indicated and Inferred Magnetite Mineral Resources are summarised below in Table 1. JORC 2012 Code table is presented in Appendix-1.

Table 1. JORC 2012 Yalgoo Magnetite Mineral Resource Summary

Yalgoo Resource - Total							
Material	Cut-off	Tonnes	Fe	Al2O3	SiO2	P	LOI
Oxide	20	106,700,000	29.1	2.4	49.0	0.04	1.8
Fresh	20	591,500,000	29.3	2.1	48.5	0.05	1.6
Total	20	698,200,000	29.3	2.2	48.6	0.04	1.6
Yalgoo Resource - Indicated							
Material	Cut-off	Tonnes	Fe	Al2O3	SiO2	P	LOI
Oxide	20	-	-	-	-	-	-
Fresh	20	311,200,000	30.7	1.6	47.6	0.05	1.1
Total	20	311,200,000	30.7	1.6	47.6	0.05	1.1
Yalgoo Resource - Inferred							
Material	Cut-off	Tonnes	Fe	Al2O3	SiO2	P	LOI
Oxide	20	106,700,000	29.1	2.4	49.0	0.04	1.8
Fresh	20	280,200,000	27.8	2.7	49.4	0.04	2.1
Total	20	387,000,000	28.2	2.6	49.3	0.04	2.0

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References:

L. Widenbar, 2015, "Yalgoo Project Resource Estimate Summary Report Updated to 2012 JORC CODE"- Internal Communications

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 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.

JORC Code, 2012 Edition – Table 1

Yalgoo Iron Ore Project

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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 deteaild information.*	• Venus Metals Corporation (VMC) had conducted exploration drilling of 169 RC holes (29,973m) and 11 Diamond holes (3,088m) within Yalgoo Iron Ore Project tenement (currently M59/742, previously E59/1508) during 2010-2011. There are a total of 162 RC drill holes in the database of which 34 are in the area of interest for the main Bilberatha zone and 51 are in the updated resource estimate area. In addition there are nine diamond drill holes which have a limited number of assays available, but which are used to confirm the location of the BIF boundaries. • The sampling for RC drill hole was carried out using cyclone and riffle splitter and every 1m samples were collected. Compositing of selected samples were undertaken using a PVC spear, for 2-4 meter intervals. All the individual and composite samples were consigned to Spectrolab Laboratory at Geraldton for assaying using XRF analysis for iron suite of elements. Detailed geological logging of all the RC drillhole samples and magsus reading for selected samples were carried out. • The orientations of HQ core samples were marked and detailed geological logging, dip, hand held-XRF and magsus data were collected. Based on the geology and mineralisation, selected drill hole core samples were sent for assaying at Spectrolab Laboratory in Geraldton and followed by metallurgical lab testing at Ammtec Laboratory, Perth.
Drilling techniques	• *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*	• Reverse Circulation (RC) and Diamond drilling (HQ core). Holes were in general oriented with dip -60 and azimuth varying between 191 TN and 240 TN. Total 11 diamond holes (mostly

Criteria	JORC Code explanation	Commentary
	type, whether core is oriented and if so, by what method, etc).	diamond tails) were drilled to a total depth of 3,088m.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Visual assessment and geological logging of RC samples were carried out. No recovery issues identified. • 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.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• RC and Diamond drill samples were geologically logged. The drilling took place mainly on the north-south striking sequence of Archaean Supracrustal units, which lie on the limbs of a shallowly southward-plunging regional syncline. • Most of the drill holes were directionally drilled at dip -60 and azimuth varying 191 TN to 240 TN. The down hole survey were also carried out for the selected holes. Most of the drill holes intersected BIF hosted magnetite mineralisation and ultramafic units. Magsus data were collected for selected drill hole samples. • The HQ core samples orientations were marked and detailed geological logging, dip data were collected. Magsus data of samples from selected holes were collected on site. Onsite XRF readings of core samples were collected. Selected samples from few diamond holes were assayed. • Core samples from five diamond holes (YGDD03, YGDD04, YGDD06, YGDD08 and YGDD10) were selected for metallurgical testing.
Sub-sampling techniques and sample	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and*	• Non-core RC samples were collected for every 1m through a cyclone and riffle splitter. Wet sample were collected in large

Criteria	JORC Code explanation	Commentary
preparation	*whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	calico bags, completely dried on site and riffle split at a later date. A one-eighth fraction (2-3 kg) was placed in calico bags for assay and the remainder retained on site in large plastic bags. Compositing of selected samples were undertaken using a PVC spear, sample from each large bag within a 2-4 meter interval were composited. All samples were consigned to Spectrolab Laboratory at Geraldton for assaying. • Based on lithology, structure and mineralisation, the selected HQ core samples from 7 diamond holes were sent for assaying at Spectrolab Laboratory, Geraldton. A head assay and Davis Tube Recovery (DTR) test work on core samples (tray wise, approx. each sample 3-4m) were carried out at Spectrolab. The composited diamond core samples from 5 diamond holes were then separated into drums and shipped to Ammtec Laboratory for detailed metallurgical test works and ore body analysis. • To ensure QA/QC for samples, duplicate samples and standards were collected in separate bags and recorded for each RC hole.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• All RC samples and composites were assayed at Spectrolab Laboratory, Geraldton for iron ore suite of elements using XRF analysis (X-Ray Fluorescence Spectrometry). • For XRF analysis, the samples were crushed to -3mm and then split using a riffle splitter to obtain a representative fraction of greater than 500g. This fraction was then dried to constant mass at 105 degrees C. The representative fraction was then ground to 90% passing 100 micron using a laboratory mill. The samples have been weighed and mixed with a 12:22 Lithium Metaborate/Lithium Tetraborate Flux containing 4% Lithium Nitrate as an oxidizing agent. The flux/sample mixture was then fused at 1050 degrees C and all elements had been determined by X-ray Fluorescence Spectrometry (XRF)

Criteria	JORC Code explanation	Commentary
		• LOI has been determined gravimetrically in a muffle furnace at 1000 degrees C. • To ensure QA/QC the duplicate samples and standards were also assayed. • For selected HQ core samples from 7 diamond holes, tray wise (each sample is approx. 3-4m) head assay using XRF analysis and Davis Tube Recovery (DTR) test and assaying were completed, at Spectrolab Laboratory, Geraldton. Later selected core samples from 5 drill holes were composited and shipped to Ammtec Laboratory for testwork and ore body analysis. Later further testworks were carried out at Ammtec Limited which includes Crushing Work Index (CWI); Unconfined Compressive Strength (UCS); Bond Work Index (BWI); Optimum Grind testwork; Tailings Rejection testwork; Heavy Liquid Separation (HLS) and HPGR (KOEPPERN) testwork.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• No independent verification of sampling and assaying had been done.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The RC/Diamond drill hole locations (collar) were located using Garmin GPS/Getac PS 336. • Grid systems used were Geodetic datum: GDA94 and Projection: MGA zone: 50.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral*	• 34 RC holes in the area of interest for the main Bilberatha zone and 51 RC holes located in the updated resource estimate area

Criteria	JORC Code explanation	Commentary
	Resource and Ore Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	were used for resource estimation. There are a total of 22,400 assay intervals, of which 6,642 are used in the Bilberatha resource estimate and 2,128 in the updated resource estimate area. In addition there are nine diamond drill holes which have a limited number of assays available, but which are used to confirm the location of the BIF boundaries. • Drill hole spacing at resource areas: ➢ Bilberatha – 120m-160m X 15m-80m grid spacing and each section are spaced approximately 120-160m apart. ➢ Additional zone1 (AZ1) – 160m-334m X 35-68 m grid spacing and each sections are spaced approximately 160-334m apart. ➢ Additional zone 2 (AZ2) - 166m-670m X 40m-100m grid spacing and each section are spaced approximately 166-670m apart. ➢ Additional zone 3 (AZ3) – 240m-330m X85m grid spacing and each section are spaced approximately 220-330m apart. • For assaying, selected samples were composited for 2-4m, but the mineralized BIF hosted magnetite samples were assayed individually for every 1m.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• Most of the Reverse circulation and Diamond holes were directionally drilled at dip -60 and azimuth varying 191 TN to 240 TN. The down hole survey were also carried out for the selected holes. The drilling intersected BIF hosted magnetite units and ultramafics sequences which lies as north-south striking Archaean Supracrustal units on the limbs of a shallowly southward-plunging regional syncline.
Sample security	• *The measures taken to ensure sample security.*	• Samples were collected in separate calico bags with sample ID by VMC project staff. Whilst in storage, they are kept in a locked yard. These samples were then packed and sealed in big bulka bags and transported via road through courier service to Spectrolab Laboratory at Geraldton.

Criteria	JORC Code explanation	Commentary
		• Sample ID list were sent electronically to the laboratory. Any discrepancy between listed and received samples was communicated back to site to ensure the sample security.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No separate audits or review of sampling techniques and data have been done.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• The Yalgoo Iron Ore Project tenement is currently a Mining Lease tenement M59/742 and is being jointly owned by Venus Metals Corporation Ltd (VMC) (50%) and HD Mining & Investments Pty Ltd (50%).
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The tenement area was historically explored by many explorers like Newmont Pty Ltd, Samin Ltd, Esso Exploration Aust Inc, Newmont Holdings, Minefield Exploration Pty. Ltd, Aztech exploration, North Flinters Mines, Menaki Pty. Ltd, Mt Kersey Mining NL, Dalrymple Resources NL, Exminco N.L, National Resources, Merrit Mining, Gullewa Gold, Gindalbie Metals Ltd, Monarch Gold Mining Company Limited mainly to evaluate gold, copper, nickel, zinc and uranium mineralisation potential during 1970 to 2008.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Yalgoo Iron Ore Project tenement is situated in Yalgoo - Singleton greenstone belt of the Western Australia Yilgarn Craton. This regional greenstone belt consists of supracrustal sediments, felsic volcanoclastics, mafic/ultramafics and basal granitoids, bounded by granitic batholiths. The fold belt is characterized by heterogeneous deformation, with narrow zones of high strain separating more weakly deformed zones. The western half of Yalgoo covers mainly greenstones, whereas the eastern half is dominated by granitic rocks. The Yalgoo greenstone belt contains numerous gold, BIF-hosted iron, and base metal deposits. • The area is dominated by a north-south striking sequence of Archaean supracrustal units, which lie on the limbs of a shallowly southward-plunging regional syncline. The Mougooderra and Windaning formations (supracrustal sequences of the Murchison Super group) are identified in this tenement. The conglomerates,

Criteria	JORC Code explanation	Commentary
		lithic arenites and shales of the Mougooderra Formation unconformably overlie the BIF, chert and felsic volcanic, volcanoclastic and volcanogenic units of the Windaning Formation. The unconformable contacts of the Mougooderra Formation are interpreted to be shear and thrust zones (Watkins and Hickman, 1990). • The supracrustal sequence has been intruded by thick sequences of mafic/ultramafic sills at two stratigraphic levels: at the unconformable contact of the Mougooderra and Windaning Formations and along the basal contact of the Windaning Formation. Outcrop within Yalgoo is relatively poor, being mostly limited to BIF units forming northwest trending, narrow low ridges. Individual BIF units are typically in the order of 30-50 metres in thickness and dip to the northeast at shallow, moderate and steep angles. Aeromagnetic data suggests that the BIF units are structurally repeated by folding, and shows that the units are in places cut by north and northwest trending minor faults that may host gold mineralisation e.g. Blue Marten gold workings. The BIF units are interpreted by Venus to be hosted by poorly-outcropping deeply weathered mafic volcanics.
Drill hole Information	• *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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *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.*	• Exploration results are reported in Mineral Resource Estimation Report. Database information is summarised in Sections 1 and 3.
Data aggregation methods	• *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.* • *Where aggregate intercepts incorporate short lengths of high grade*	• Exploration results are reported in Mineral Resource Estimation Report. For methods of data aggregations used in the estimation

Criteria	JORC Code explanation	Commentary
	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. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	refer to Section 3 Estimation and Reporting of Mineral Resources.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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 width not known').*	• Exploration results are reported in Mineral Resource Estimation Report. Sections 1 and 3 describe details of drill holes and geometry.
Diagrams	• *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.*	• Exploration results are reported in Mineral Resource Estimation Report. Plans and sections are located in the Mineral Resource Estimation Report.
Balanced reporting	• *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.*	• Exploration results are reported for the Mineral Resource area in Mineral Resource Estimation Report.
Other substantive exploration data	• *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.*	• The RC and Diamond drilling and geological logging data, geochemical drill hole assay data, geological mapping and aeromagnetic survey data for lithological units were primarily used for generation of mineral resource model. The topography terrain files were obtained from terrain models DTM. The aeromagnetic surveys conducted by Venus were used in identifying BIF horizons and correlating.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Updates are planned for modelling and resource estimation from JORC 2004 edition to JORC 2012 edition and in future to define further infill and extension drilling.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary

Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*
	• *Data validation procedures used.*
		• Review of drill hole lithology, assay, collar and survey data while preparing drill hole database has been carried out; no issues have been reported.
		• Data from Excel spreadsheets were subsequently imported into Micromine software for further validation, including:
		  o Checks for duplicate collars.
		  o Checks for missing samples.
		  o Checks for down hole from-to interval consistency.
		  o Checks for overlapping samples.
		  o Checks for samples beyond hole depth.
		  o Checks for missing assays.
		  o Checks for down-hole information beyond hole depth.
		  o Checks for missing down-hole information.
		  o Checks for missing or erroneous collar survey.

Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The Competent Person carried out a site visit on 17th December 2014 and reviewed drill hole locations, section lines and outcrop geology. The review conformed drilling and geological aspects of the resource estimation.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• During initial resource estimation at Bilberatha (main zone), comprehensive set of logging and assay data for both RC and diamond holes were used to generate domains which could be used to control the resource estimation. Essentially a main BIF domain was interpreted on sections and wire framed to produce a solid model. In addition, logging of the weathering was used to generate a Digital Terrain Model (DTM) surface to represent the Oxide/Fresh interface. Because of the arcuate nature of the BIF, a series of transform sections were defined. • An updated resource area with additional domains had been interpreted in a similar way to the main zone, using a combination of downhole logging, chemistry and surface

Criteria	JORC Code explanation	Commentary
		mapping. A series of sections were used to digitize strings and a series of six separate mineralised wireframes were generated.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Bilberatha area (main zone) which is covered by the BIF hosting Magnetite Mineral Resource extends approximately 1.68 km along strike by 724m laterally. • The areas of BIF hosting Magnetite Mineral Resource extends in Additional zones (AZ) are: AZ1- 812m strike by 274 m laterally AZ2- 3.98km strike by 360m laterally AZ3- 689 m strike by 357m laterally • Mineralized zones were interpreted to 0m RL, but the resource will only be reported to 100m RL due to limited drilling data at depth.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if*	• All the mineralised drill hole samples were assayed for 1m and selected non-mineralised samples from each drill holes where composited for every 2-4m for assaying. For resource estimation all the mineralised samples assays were composited for 2m. • A preliminary statistical analysis of assays were carried out to confirm the validity of mineralisation domains and to review data ranges etc. • Oxidised and fresh zone interface were delineated using weathering logging data and a Parent DTM surface was generated. • Variography was carried out as a guide to define parameters for an Inverse Distance Squared interpolation procedure. • A full statistical and geostatistical analysis is presented in the detailed resource report, 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. • Grades for the main fields were interpolated using Inverse Distance Squared weighting. Search ellipses were 600m along strike and down dip, and 30m across the dip. A minimum of 20 samples were used to estimate each block, and a minimum of 4

Criteria	JORC Code explanation	Commentary

	available.	samples was required to allocate a grade. Composite data was flagged using the BIF wireframe, and only data falling within the BIF was used to estimate the BIF.
		• A range of variables has been estimated, including Fe, Al2O3, SiO2, LOI and P etc.
		• Only data in each mineralized unit was used to estimate that unit, with cutoff of 20% Fe.
		• Parent cell size was 25m x 25m x 10m vertically; with subcells 2.5m x 2.5m x 1m (vertically) to honour geological boundaries. The oxide/fresh interface was flagged into the BIF and waste models.
		• Validation of the final resource has been carried out in a number of ways, including:
		  o Drill Hole Section Comparison
		  o Comparison by Mineralisation Zone
		  o Swathe Plot Validation
		  o 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.

Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The resource has been reported at 20 % Fe cutoffs. This range has been determined from previous economic studies and is also typically used in similar BIF hosted magnetite resource in Western Australian deposits.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• 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.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Detailed metallurgical test work has been carried out by Venus Metals to confirm that the mineral resource can be successfully and economically processed to produce a marketable product. • Davis Tube Recovery (DTR) test work was carried out on core samples of five drill holes, before compositing the samples at Spectro Lab, Geraldton. • After compositing core samples, they were tested using different metallurgical lab tests like Crushing Work Index (CWI), Unconfined Compressive Strength (UCS), Bond Work Index (BWI), Optimum Grind test work, Tailings Rejection test work, Heavy Liquid Separation (HLS) and HPGR (KOEPPERN) test work. • Ore body analysis of composite samples by DTR involved a controlled pulverizing followed by screening of the sample and washing in the Davis Tube. • The metallurgical test final grade gave a good result of 3.0% SiO2 and 70% Fe. The Fe yield to concentrate at 88% is very high indicating a reasonably pure magnetite. • Hence the magnetite mineral resource estimation using Fe cutoff 20% and more is valid with the metallurgical test grades results.
Environmen-tal factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Preliminary Environment flora (Level 1) and fauna Pilot study had been completed. • Preliminary Sub- terranean Stygofauna and Triglofauna study were completed through environmental monitoring of selected drill holes. • No major environmental impacts were identified by the flora and fauna studies, at this early stage. • Hence the magnetite mineral resource estimation has not considered any environmental factors.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by*	• Based on metallurgical testwork and comparison with similar deposits in the region, densities of 2.75 t/m^3 and 3.0 t/m^3 have been used for oxide and fresh material respectively.

Criteria	JORC Code explanation	Commentary
	methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Mineral Resource has been classified in to indicated and inferred categories 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.
	• *The results of any audits or reviews of Mineral Resource estimates.*	• There have been no external reviews of the Mineral Resource Estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• 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 Indicated and Inferred categories and is considered to reflect local estimation of grade. • No production data is yet available for comparison.