



ASX Release: 30 July 2015

ASX Code: VMC

QUARTERLY REPORT FOR PERIOD ENDING 30 JUNE 2015

Venus Metals Corporation Limited's (Venus) activities conducted during the quarter ending 30 June 2015 include:

- **YOUANMI BASE METALS PROJECT-** Analysis of historical downhole EM ('DHEM') from SYMD007 at Youanmi Inky South prospect shows **deeper, high- strength 'off-hole conductors' (15,600-26,225 Siemens) below the existing hole**, interpreted to be consistent with massive sulphide mineralisation. This zone resembles the exhalative sequence adjacent to the sulphide mineralisation observed at the Manindi VMS deposit, to the north, and correlates to the location of a deeper off-hole conductors. RC/Diamond Drilling is currently being planned to test these strong DHEM targets.
- **BELLCHAMBERS GOLD PROJECT-** Recent VTEM (Versatile Time-Domain Electromagnetic) survey has successfully delineated **eight conductive anomalies along two major trends** which are appear to be associated with potential gold mineralisation at Sandstone – Bell Chambers Gold Project, Western Australia. EM plate models indicate **bedrock sources for seven EM anomalies** (ASX release 18 June 2015).
- **YOUANMI PINCHER WELL Zn-Cu PROJECT** -New tenement applications (ELA 57/1018, ELA 57/1019) ("Pincher Well" and "Penny West North") located in the Youanmi greenstone belt, a strongly mineralised area known for substantial past gold production and significant zinc mineralisation. They also cover the Pincher Well Zn–Cu massive sulphide prospect (ASX release 28 April 2015).

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1. YOUANMI BASE METALS PROJECT

INKY SOUTH PROSPECT

1.1 Project background

Venus Metals Corporation Ltd ('Venus') tenements covering the southern Manindi Trend (E 57/983 & 986) are located 600km NNE of Perth and form part of the company's Youanmi base & precious metals project covering over 730 km² of the Youanmi greenstone belt in Western Australia (refer ASX releases 15 April 2015 and 28 April 2015).

The Inky South Strong DHEM Off-hole Conductors - Manindi VMS Trend:

The Manindi Volcanogenic Massive Sulphide ('VMS') Trend is a 13 km long, northwest-southeast striking, package of mineralised volcanogenic stratigraphy. The Strong EM target at Inky South (Figure 1) is located in the southern end of this trend.

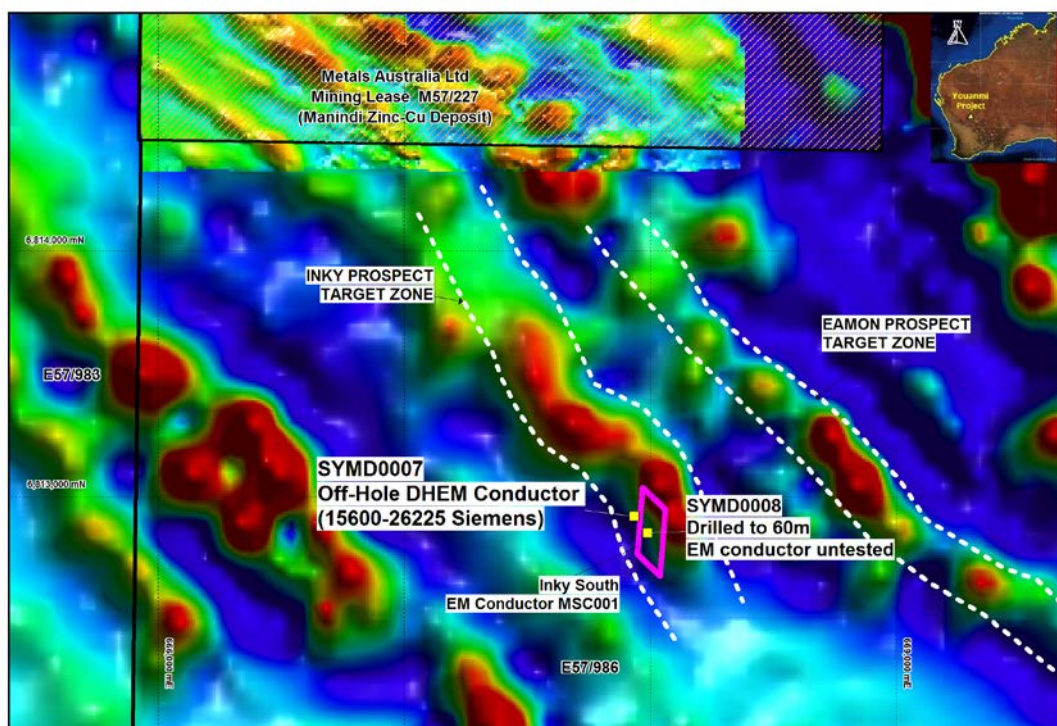


Figure 1. Location of Historical Drillholes SYMD007 (Off-hole Strong DHEM Conductors) and SYMD008 (drilled to 60m and EM Conductor untested) shown on Regional Aeromagnetic Image



The Inky South EM target was identified from historical Downhole EM ('DHEM') survey which has shown a **strong off-hole conductor (15,660-26,225 Siemens) below diamond drillhole SYMD007** remains untested. A conductor of this strength is consistent with the expected response from massive sulphide mineralisation and strongly resembles the exhalative sequence observed at the Manindi VMS deposit to the north. DHEM shows the target to potentially extend over several hundred metres of strike (Figure 2) (ASX release 15 July 2015).

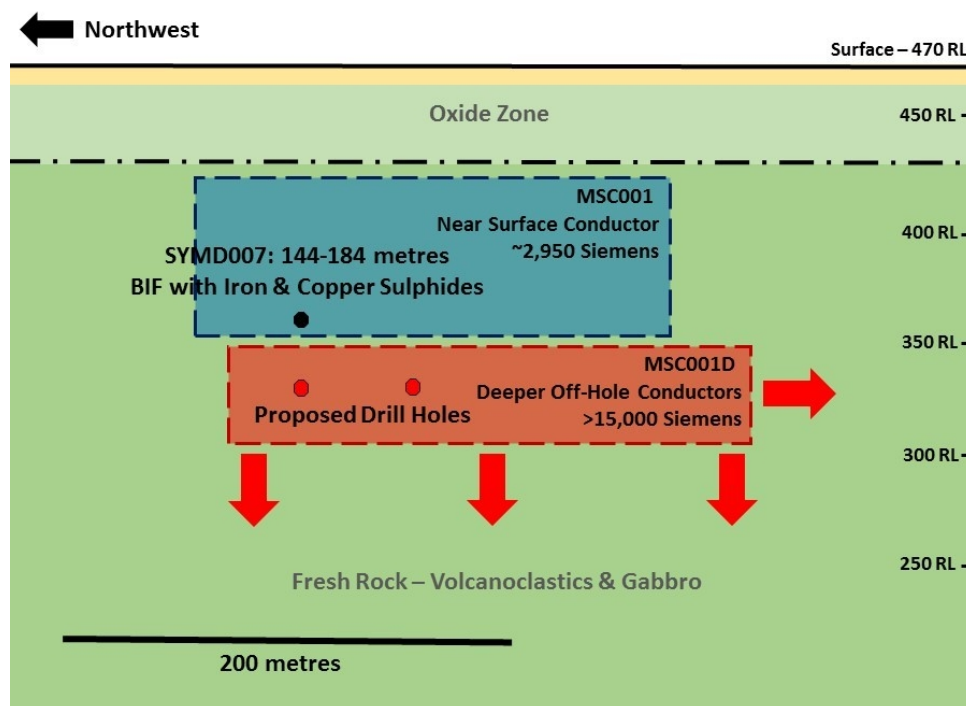


Figure 2. Diagrammatic Long Section of the Inky South EM Conductors (looking northeast) with proposed drill holes (Red)

1.2 Planned September 2015 Quarter Exploration Work:

- A program of RC/diamond drilling is being designed to test this strong off-hole conductor.
- Another historical drillhole SYMD008 was drilled 80m to the southeast, but stopped at 60m depth which did not test the original ground EM anomaly.



The hole was also not surveyed with DHEM. Venus is also planning to drill this part of the untested EM anomaly.

- The Company is also designing a structured program of shallow Rotary Air Blast ('RAB') drilling over the Inky and Eamon prospect areas for systematic geochemical testing to delineate additional potential drill targets and in relation to geophysical signatures.

2. BELLCHAMBERS GOLD PROJECT:

2.1 Project background

The Bellchambers Gold Project E57/984 (208km²) is located approximately 23km southwest of Sandstone (Figure 3). Both Paynes Find-Sandstone and Mt Magnet-Sandstone roads pass through the tenement. Venus holds a 90% interest and the prospector holds a 10% interest in the tenement.

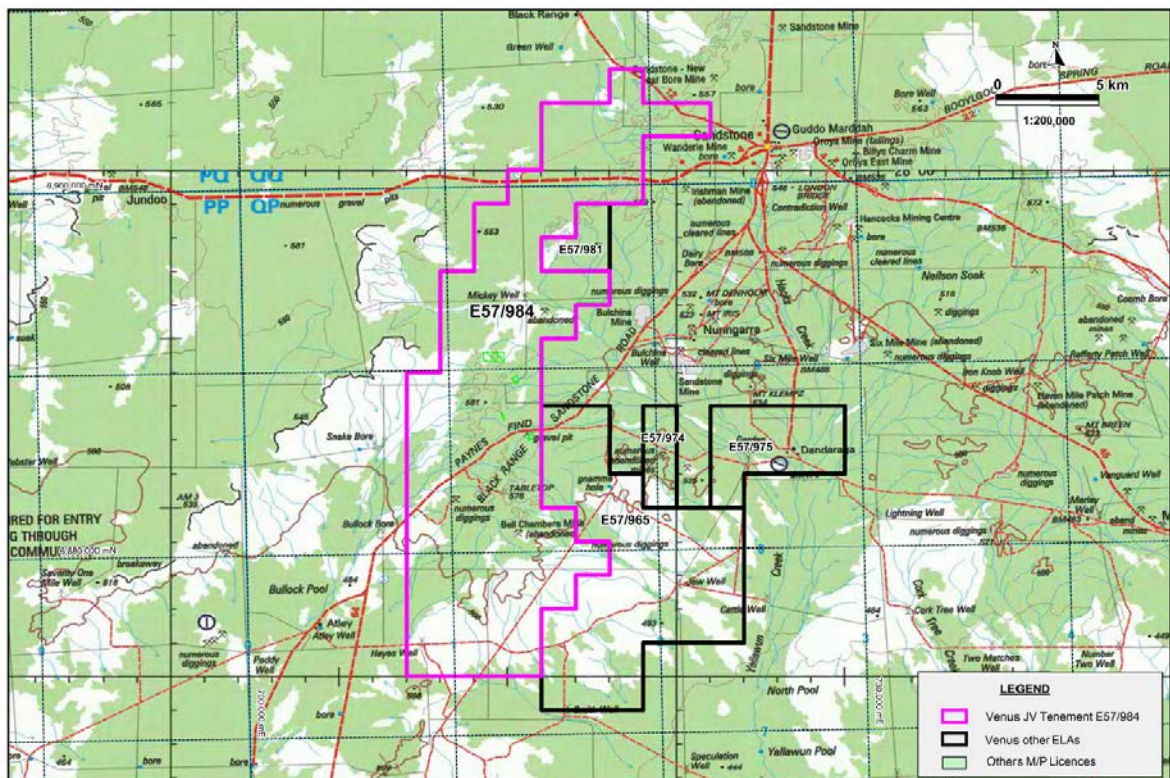


Figure 3. Bellchambers Project Location



The Bellchambers tenement is situated in the Sandstone Archaean greenstone belt on the west limb of a northerly plunging antiform. The Bellchambers area incorporates the western limb and southern portion of a syncline comprised of an isoclinal folded greenstone sequence. The stratigraphy strikes north northeast to northeast and consists of tholeiitic meta-basalt, meta-dolerite, meta-gabbro, shales, banded-iron-formations, pelites, psammitics and banded cherts.

The inferred Gold Mineral Resource Estimate was carried out by Widenbar and Associates (“WAA”) based on the historical RC and diamond drillhole data which are identified and fully reported in the Widenbar Resource Estimate report and JORC 2012 Table (refer ASX release 20th March 2015).

JORC 2012 compliant Inferred Resource Estimate of 219,000 tonnes @ 2.0 g/t Au for 14,000 Ounces (Table-1)

Table 1. Bellchambers JORC 2012 Inferred Gold Mineral Resource Summary @1.0 g/t cut-off

Cut-off	Volume	Tonnes	Density	Au	Ounces
1.0	91,000	219,000	2.4	2.0	14,000

The Bellchambers deposit lies at the south end of a 9 km exploration target shear zone. The association of gold with massive sulphides at Bellchambers means that running ground/airborne EM surveys along the target shear zone has the potential to provide Venus with new exploration targets to seek to expand the gold resource.



2.2 June 2015 Quarter Exploration Work:

- The VTEM survey was flown by UTS Geophysics with the VTEM max system on flight lines oriented 120-300° on 250m spacing.
- Core Geophysics (Core) was commissioned by Venus to model initial targets determined from analysis of preliminary VTEM data flown over the Bell Chambers Gold Project. First pass analysis of the EM data indicated several significant conductive trends and anomalies (Figure 4). Eight anomalies were prioritised for modelling to determine geometry, depth and conductivity. A full anomaly interpretation plan of the preliminary data is provided as Figure 5.
- **All plate models indicate that the causative sources extend over several hundreds of metres and are located close to the surface. Models indicate bedrock sources for seven EM anomalies along two major conductive trends (ASX release 18 June 2015).**
- The conductivities of the model bodies vary over the survey and it is possible that source of the anomalies could be sulphides which are associated with gold mineralisation.

2.3 Planned September 2015 Quarter Exploration work:

- Venus plans to determine the relationship between the absolute conductivity to gold mineralisation using recently received VTEM final data.
- In addition, the Company is reviewing all historical soil sampling and drilling data from previous explorers to further refine the drilling target locations for Venus's future work programme.



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VTEM B-Field Z Channel 40
Linear Histogram with 95% cut off applied

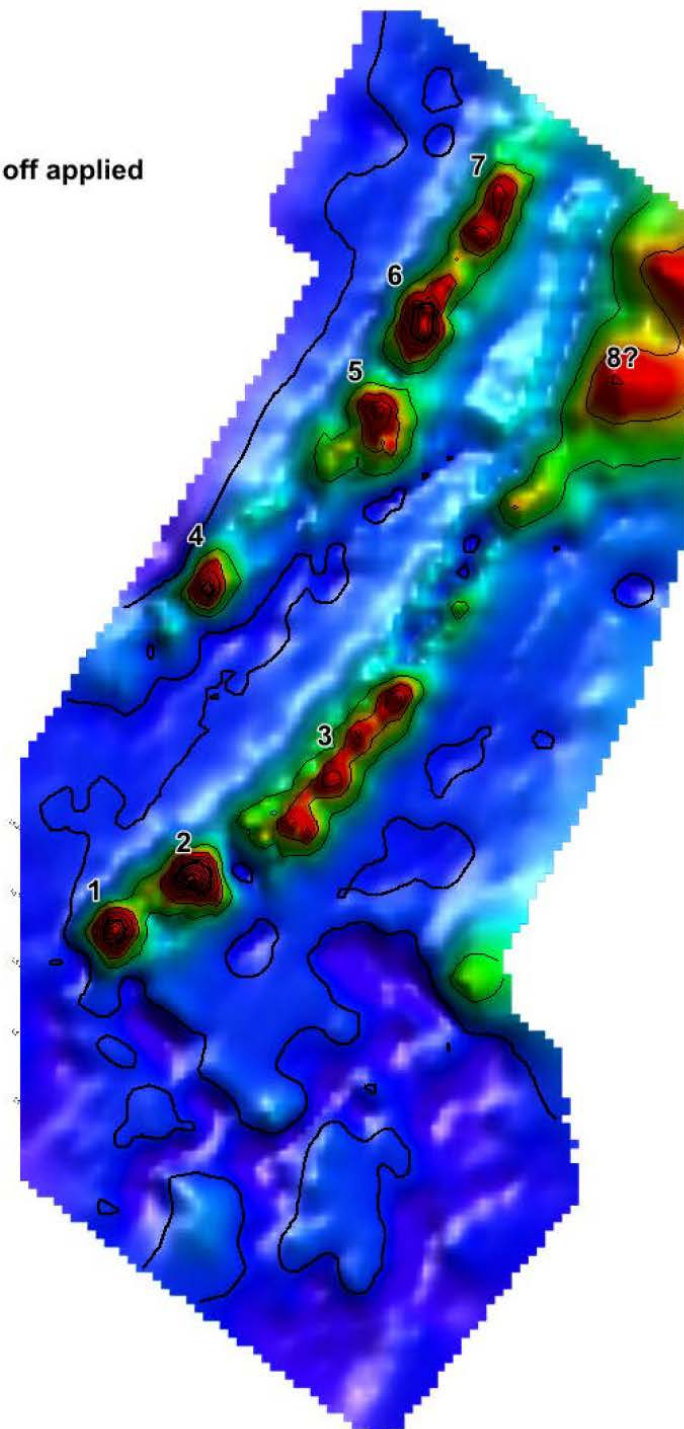


Figure 4. VTEM Anomalies selected for Plate Modelling



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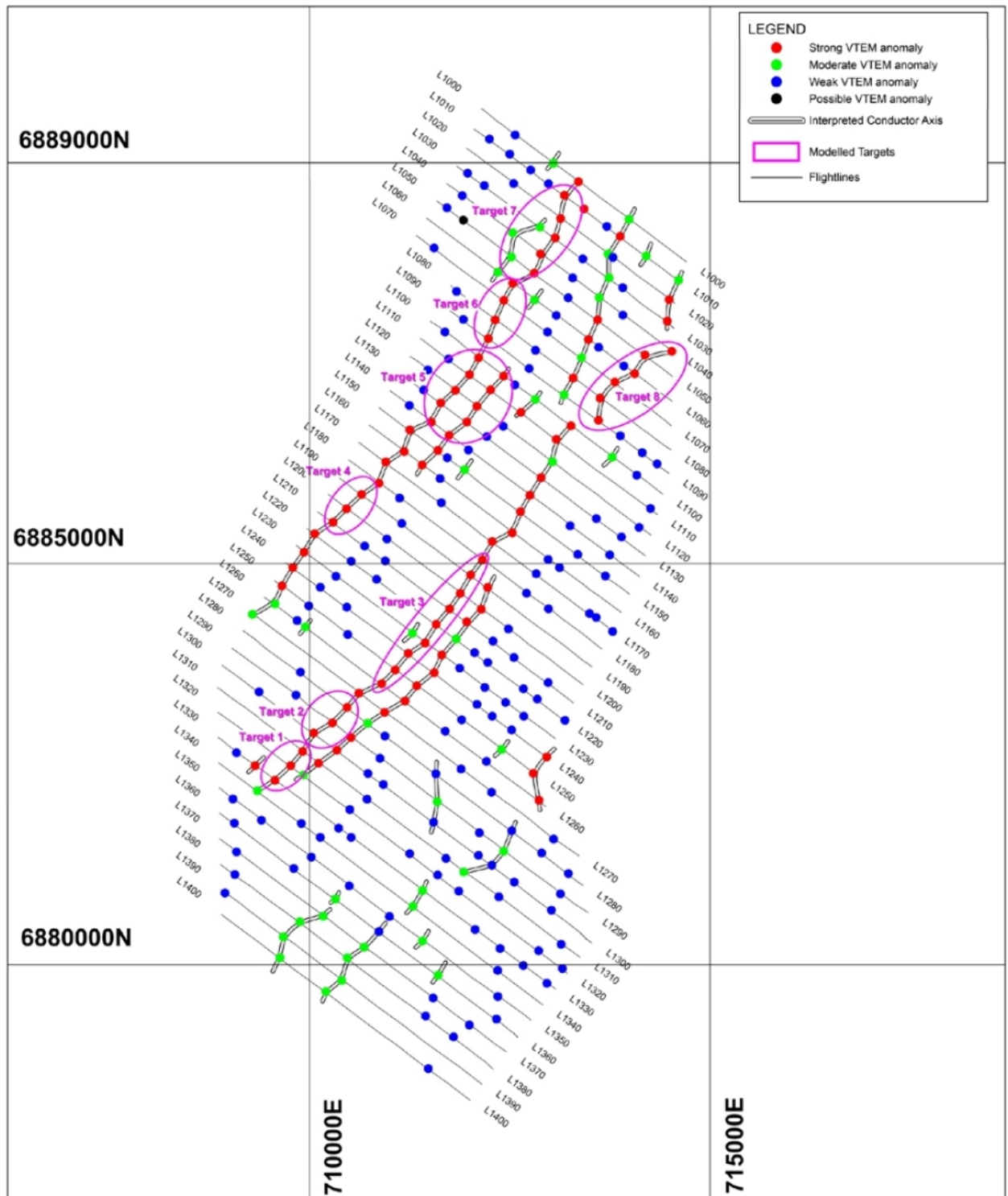


Figure 5. VTEM Anomalies Interpretation Plan



3. YOUANMI PINCHER WELL Zn-Cu PROJECT

3.1 New Tenement Applications

The Company has settled an agreement with certain prospectors which facilitated Venus securing two Exploration Licence Applications (ELA 57/1018, ELA 57/1019) (“Pincher Well” and “Penny West North”) located in the Youanmi greenstone belt (ASX release 28 April 2015). The tenements cover a substantial strike length of the 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.

The new tenement applications abut Venus’s granted exploration licence E57/986 and other VMC recent ELA’s and PLA’s in the Youanmi greenstone belt . The two applications cover approximately 12.5 km of prospective strike of the Youanmi Shear Zone –the controlling structure to the 650,000 Oz Youanmi Deeps Mine and the historic 150,000 Oz Penny West Gold Mine (Figure 6). They also cover the Pincher Well Zn – Cu massive sulphide prospect.

Within the new tenement applications, the principal target areas include:

- Potential for new gold discoveries along strike to the north from Penny West where the prominent Youanmi shear zone is located beneath surficial cover.
- Potential for new gold discoveries in the Pincher Well area where past exploration has outlined encouraging gold values which include 6m@ 11.1g/t Au from 36m depth in drillhole PWP 577 (Milne et al,1985, WAMEX A16704).
- Potential for massive sulphide zinc mineralisation as an extension to the north of the known Pincher Well massive zinc sulphides as recorded by



past exploration (2.5m @ 24.3% Zn from 87.5m in drillhole PW0017)
(Boddington et al,1994, WAMEX A42431).

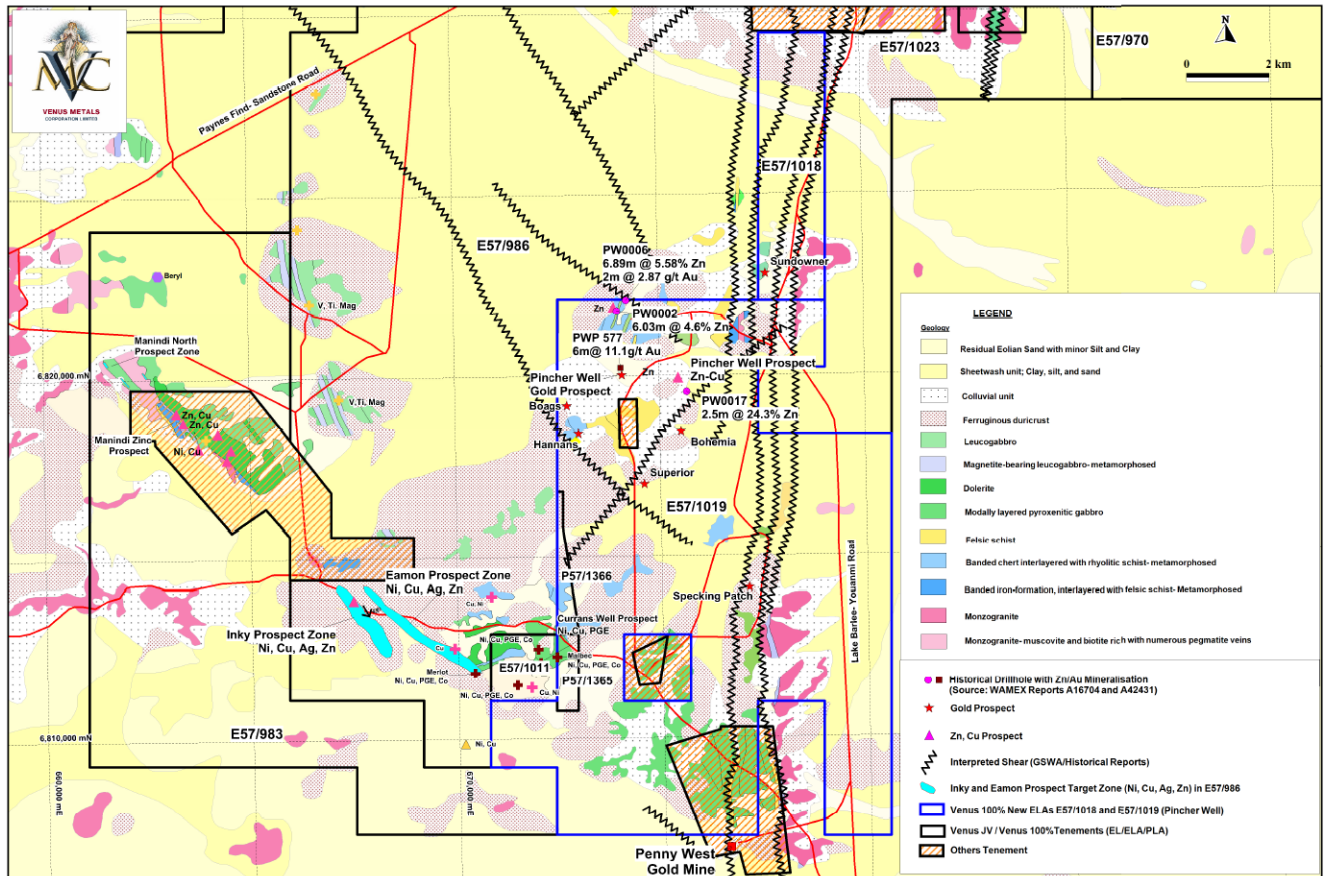


Figure 6. Location of Zn-Cu and Gold Prospects in Venus new ELAs E57/1018 and E57/1019

Venus now holds/controls the majority of the highly prospective Youanmi greenstone belt with significant upside for new discoveries of gold, copper, nickel, zinc and silver beneath the surface cover that masks most of the greenstone belt.

3.2 Planned September 2015 Quarter Exploration work:

- Review of historical geological/drillhole data related to Youanmi Base Metals Project by recently appointed geological consultant Tim Putt (Mr Putt has worked extensively on Volcanogenic Massive Sulphides ('VMS') and led the team that identified and acquired Metals Australia Ltd's Manindi Zinc-Copper



deposit in the Youanmi intrusive complex which abuts Venus' granted tenements at Youanmi).

4. YOUANMI VANADIUM PROJECT

The recent reconnaissance work south of the Companies Inky Prospect at the Youanmi project (EL57/986) has located prominent black ironstone float in the vicinity of Cooliboo Bore.

Cooliboo 1 Sample (667350m E, 6812050m N) returned high grade assay of 0.96% V₂O₅, 10.4% Ti with 53.2% Fe (refer ASX Release: 16 June 2015).

	V ₂ O ₅ %	Ti %	Fe %	Ni_ppm	Cr_ppm
METHOD	XRF78S	XRF78S	XRF78S	ICP40Q	ICP40Q
COOLIB00 1	0.96	10.4	53.2	459	8490

Significantly, the sample location is coincident with a prominent aeromagnetic bullseye anomaly. This anomaly lies under cover at the south end of a 5 km long NW trending aeromagnetic anomaly within Venus tenements E57/986 and E57/983. This assay result is significantly higher than grades from the Companies **JORC 2012 compliant Vanadium-Titanium Inferred Mineral Resource estimate of 330.6 Million Tonnes @ 0.29% V₂O₅, 5.95% Titanium (TiO₂)** (refer ASX release 6 February 2015).

4.1 Planned September 2015 Quarter Exploration work:

- Further sampling of the aeromagnetic anomaly area in Cooliboo bore is planned to follow up on the excellent assay result.



5. CURARA WELL BASE METALS/GOLD PROJECT:

5.1 Project background

The Company has four ELAs (ELA 52/3068, ELA52/3069, ELA52/3095 and ELA52/3320) in Peak Hill Mineral Field totalling 254 km². The tenements are located 10 km north-northeast of the large high grade DeGrussa massive sulphide deposit of Sandfire Resources NL (SFR) and newly discovered massive sulphides at the Monty Prospect (SFR and Talisman JV) (Figure 7) .

Previous historical exploration has highlighted the potential for the occurrence of magmatic pipe like structures within the Venus ELAs. A preliminary field geological investigation has identified that the western portion of the area to be covered by extensive hardpan and laterite, with rubbly sub crop float appearing in the east. A prominent breccia outcrop with iron rich veining was located near the centre of ELA 52/3069 (refer ASX Release 15 July 2014). The outcrop breccias and the presence of covered magnetic pipe like targets provide a focus for exploration.

The visual interpretation of historical aeromagnetic anomaly map identified a major NE trending structure parallel to Jenkin Fault and a NW trending fault within Venus ELA52/3069. Historical surface geochemical anomalous target areas also coincide with this NW fault line. Thundelarra Limited (THX) has recently identified several new targets in their tenement E52/2402 (southern boundary of Venus ELA 52/3069) based on low level aeromagnetic and radiometric survey followed by ground truthing and Audio- Magneto telluric survey. A cluster of THX targets falls on the interpreted NW trending fault line. THX has conceptualised that “the granite exposures mapped at surface at Curara Well may in fact be over thrust sheets of granite.....the packages of rocks that host the DeGrussa and Red Bore mineralisation may exist beneath this surface veneer of granite” (THX ASX releases 9 April and 16 April 2015).



The Company is encouraged by recent developments in this region and exploring the prospectivity of the NW and NE trending major fault structures within Venus ELA52/3069.

5.2 June 2015 Quarter Exploration Work:

- Review of historical geological, drilling and geophysical data.
- Negotiations with the claimant group for a heritage agreement.

5.3 Planned September 2015 Quarter Exploration work:

- Further review of historical data and finalising agreement with Claimant group.
- Inversion modelling of historical aeromagnetic data.

References:

1. Widenbar, L. 2015, "Bellchambers Project Resource Estimate Summary Report, March 2015"
Internal Communications
2. Wamex Reports A 65051, A 66973, A 70666, A 78807
3. Sirius Resources NL ASX release 23May 2011
4. Sirius Resources NL ASX release 13 October 2011
5. Sirius Resources NL ASX release 2 April 2013
6. Provins, N. 2014, *Final Surrender Report C244/2008 for Tenements E57/699, E57/700, E57/701, E57/702 by Youanmi Metals Pty Ltd and VMS Metals Pty Ltd, WAMEX Open File Report A102426*
7. Sykes, M. 2011, *Youanmi DHTeM Survey, Southern Geoscience Consultants Report, Appendix-6, WAMEX A102426.*
8. *Digital (Geological and Geophysical) Data and Reports from WAMEX A102426.*
9. Cooper, M. 2015, *Manindi EM Review, Core Geophysics Internal Memorandum*
10. Cooper, M. et al, 2015, "Bell Chambers VTEM Modelling June 2015"- *Internal Memorandum*



Competent Person Declaration:

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

The information in this announcement that relates to VTEM Survey Results is based on information compiled by Mr 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 Mineral Resources has been compiled by Mr 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 Bell Chambers Inferred Gold 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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

VENUS METALS CORPORATION LIMITED

ABN

99 123 250 582

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(160)	(826)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(91)	(519)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	21
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	145
Net Operating Cash Flows		(248)	(1,179)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	(50)
	(b) equity investments	(46)	(98)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	25	77
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(21)	(71)
1.13	Total operating and investing cash flows (carried forward)	(269)	(1,250)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(269)	(1,250)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	140	1,327
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	(77)
	Net financing cash flows	140	1,250
	Net increase (decrease) in cash held	(129)	-
1.20	Cash at beginning of quarter/year to date	865	736
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	736	736

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	115
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 Directors' salaries, fees and superannuation

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	5	6
5.2 Deposits at call	731	859
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	736	865

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		Refer Attachment		
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	56,867,123	56,867,123	Fully Paid	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	900,000	900,000	Fully Paid	Fully Paid
7.5	*Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	32,291,061 400,000 62,500 62,500 200,000 650,000 650,000 300,000 600,000	32,291,061	Exercise price \$0.20 \$2.00 \$0.20 \$0.20 \$0.20 \$0.20 \$0.20 \$0.30 \$0.60	Expiry date 30 November 2016 31 July 2015 30 November 2016 30 November 2016 30 November 2016 30 November 2016 30 November 2016 30 November 2016 30 November 2016
7.8	Issued during quarter	7,000,000	7,000,000	\$0.20	30 November 2016
7.9	Exercised during quarter				
7.10	Expired during quarter				

+ See chapter 19 for defined terms.

7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

(Company secretary)

Date: 30/07/2015

Print name:

Matthew Hogan

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Details of Mining tenements at Quarter ended 30 June 2015			
(ASX Listing Rule 5.3.3)			
Tenement ID	Project Location in WA	% of Interest at the beginning of quarter	% of Interest at the end of quarter
M59/742	Yalgoo	50% interest in Iron and 100% interest in other minerals	50% interest in Iron and 100% interest in other minerals
E59/1508-I	Yalgoo		
E59/1611-I	Yalgoo		0% (tenement surrendered)
E59/1552-I	Yalgoo		0% (tenement surrendered)
E45/3541	Copper Hills (Telfer)	100%	100%
E57/986	Youanmi	90%	90%
E57/984	Bellchambers/Sandstone	90%	90%
E57/983	Youanmi	100%	100%
P57/1260	Youanmi	90%	90%
E57/965	Sandstone	0	100%