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PILGANGOORA REGION

VENUS EXTENDS PROJECT AREA IN 'LITHIUM HOT SPOT'¹

EXTENSIVE PEGMATITE SWARMS

The Directors of Venus Metals Corporation Limited ("Venus Metals") are pleased to announce that the Company has extended its tenement holdings in the Pilgangoora region, a recognised 'lithium hot spot'¹, having made an additional exploration licence application (ELA 45/4684). The Pilgangoora Northeast Lithium-Tantalum project is located in the Pilbara region of Western Australia, along strike from and northeast of Pilbara Minerals Ltd's developing Pilgangoora Lithium-Tantalum project (Figures 1 and 2).

1. Introduction

Venus Metals Corporation Limited ('Venus Metals') has made an additional application for an exploration licence in the Pilgangoora region of Western Australia (Figure 2). **The new exploration licence application covers an area of substantial pegmatite swarms²** (Figure 3), the host rock for lithium-tantalum mineralisation in the region, and expands Venus Metals holding in the region to over 350 km². The region hosts the Pilbara Minerals (ASX: PLS) developing Pilgangoora Lithium-Tantalum project and was recently described as a 'lithium hotspot'¹. Pilgangoora region has attracted a number of other ASX listed lithium explorers including Lithium Australia NL (LIT), Altura Mining Limited (AJM), Metalicity Limited (MCT) and Dakota Minerals Limited (DKO).

2. Pilgangoora Northeast Lithium-Tantalum Project, Pilbara Region, WA.

The Pilgangoora Northeast Project (ELA 45/4630 & 4684) now covers over 350 km² and is located 72 km to the southeast of Port Headland in the Pilbara region of Western Australia. The project is accessible via the Great Northern Highway then east along local formed roads and station tracks. The Pilgangoora Northeast Project lies to the northeast of Pilbara Minerals Pilgangoora project area which hosts a substantial lithium-tantalum resource.

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Figure 1 – Location of Venus Metals Pilgangoora NE, Stannum, Nardoo & Poona Lithium-Tantalum Projects

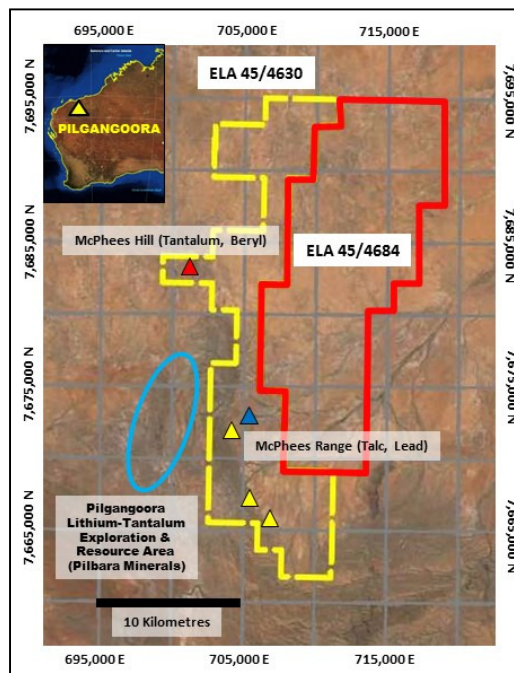


Figure 2 – Pilgangoora tenement application areas ELA 4630 (yellow) & ELA 4684 (red) with prospect locations over Google Earth Image



Venus Metals applied for the initial exploration license ELA 45/4630 in late 2015. The Company recently recognised that an area further to the east had **substantial pegmatitic* outcrop² in the form of northeast striking swarms and dykes and lies adjacent to the initial ELA (Figure 3).**

*Pegmatites are the host rock for lithium-tantalum mineralisation in the region.

The Company has now applied for a second application in the area (ELA 45/4684) covering a further 195 km² (61 blocks) to capture this highly **prospective terrane**. Venus continues its review of historical data for the Pilgangoora region and plans field reconnaissance work as soon as practical.

3. The Lithium Market³

The global lithium market is growing at a rapidly due to developments in the technology and energy sectors, especially in the use of lithium based batteries for automotive and domestic applications.

Presently the global lithium market consumes around 200,000 tonnes of lithium carbonate (or lithium carbonate equivalent, 'VCE') per annum. Two thirds of global consumption is utilised in ceramics, glass, polymers and alloys, however growth in the technology (smart phones and computers) and energy sectors (lithium batteries for automotive and home usage) may see consumption double to over 400,000 tonnes of LCE by 2025.

The short to medium term growth in the lithium market will be limited by supply constraints, with few new operations being commissioned and four producers controlling much of the market. In the last year alone the price of LCE has risen more than 20%, from less than US\$4,900/tonne in September 2014, to over US\$6,100/tonne today. Current price predictions indicate that LCE may rise to over US\$7,000 in 2016.

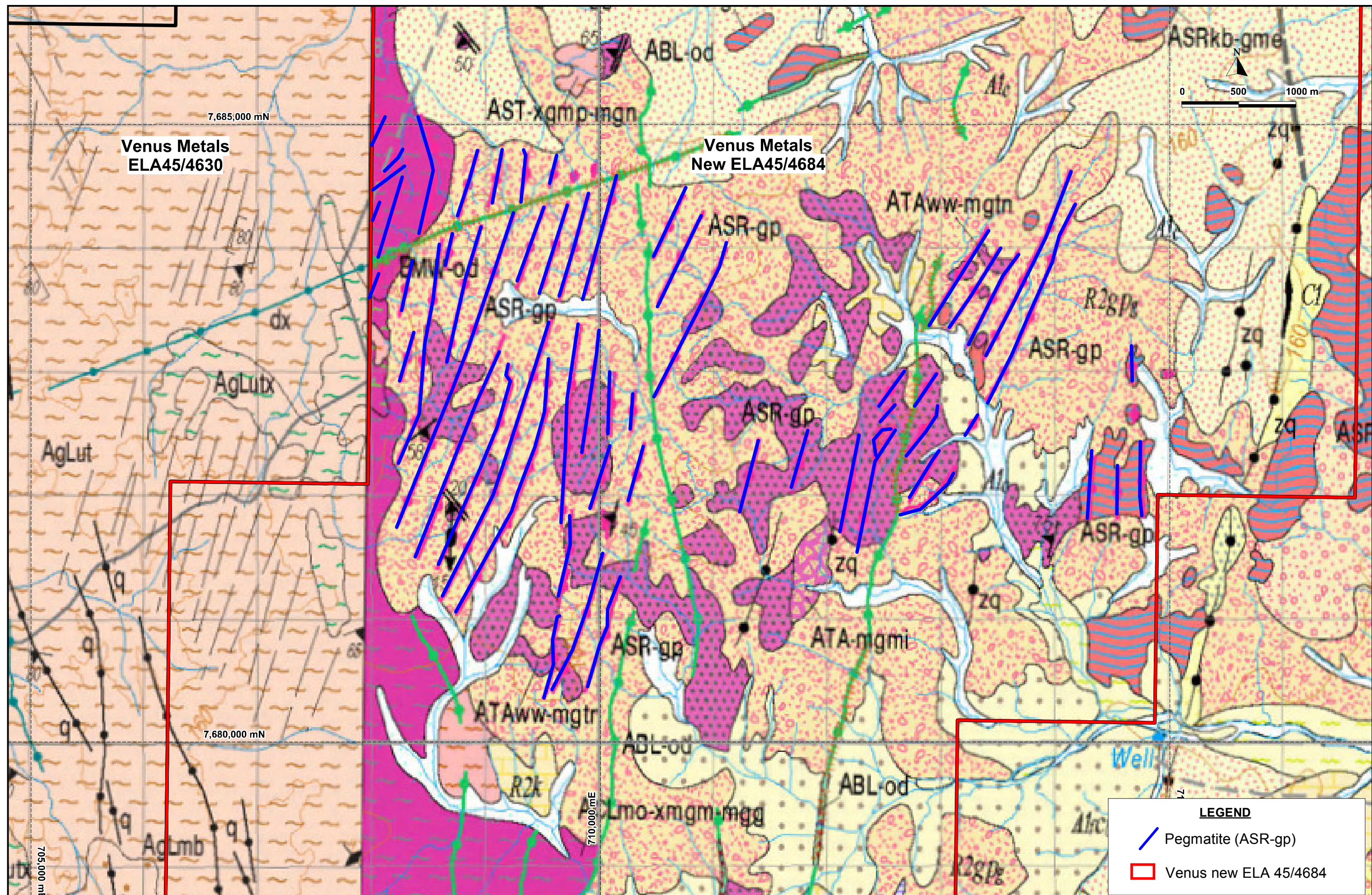


Figure 3. Pegmatite swarms located within Venus new ELA 45/4684 shown on 100k Geological Map

(Reference: VAN KRANENDONK, M. J., 2004, Carlindie, W.A. Sheet 2756: Western Australia Geological Survey, 1:100,000 Geological Series and 1:100k Geology Mosaic of HamersleyRange_SF50 Western Australia, 2015)



References

1. Lithium Australia NL (ASX: LIT), ASX Announcement, 14 January 2016.
2. VAN KRANENDONK, M. J., 2004, Carlindie, W.A. Sheet 2756: Western Australia Geological Survey, 1:100,000 Geological Series.
3. Lithium – The Future is Electric, Citi Research, 16 October 2015.

Competent Person's Statement

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.

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.