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ASX Code: VMC

**Venus Metals
Corporation Limited**

ACN 123 250 582

CORPORATE DIRECTORY

Mr Terence Hogan
Non-Executive Chairman

Mr Matthew Hogan
Managing Director & Company Secretary

Mr Kumar Arunachalam
Executive Director

CAPITAL STRUCTURE

Issued Shares (ASX: VMC):
69,636,623

Issued Options (ASX: VMCO):
31,521,561

Market Cap: \$12 million

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**YOUANMI PROJECT – PINCHER WELL ZINC-COPPER:
UNRECOGNISED GOSSAN & EXHALITE OVERLIES
NORTH DOME IP TARGET**



Figure 1 – Exhalite/chert lithologies with associated with gossanous units.

HIGHLIGHTS

NORTH DOME ZINC-COPPER PROSPECT:

- Field checking at North Dome zinc prospect shows **gossanous and exhalite outcrop overlying the recently generated IP anomaly**,
- Historical mapping **did not identify these important areas of outcrop**,
- Previous explorers, including WMC and BHP, have noted a strong association between these exhalite units and the Volcanogenic Massive Sulphide ('VMS') style base metal mineralisation across the Pincher Well Trend¹,
- The presence of these **gossanous and exhalite lithologies further validates the IP anomaly as a target for drill testing**,
- RC drilling and extensional IP geophysical surveying is now planned to test the recently identified 'Southern Extensions' to North Dome,
- The North Dome prospect is an increasingly high priority target for Venus, with a Program of Works now planned, with drilling to test the prospect and scheduled to commence in November 2016.

1.0 Introduction

The Directors of Venus Metals Corporation Limited (ASX: VMC) are pleased to announce recent field work shows previously unrecognised gossanous outcrop overlying the substantial Induced Polarisation ('IP') anomaly generated during the recent geophysical survey conducted at North Dome.

The Induced Polarisation ('IP') survey has defined a significant chargeable zone over a previously unrecognised/untested zone of potential mineralisation to the south, and 'up-dip', from the outlined North Dome zinc-copper prospect. These 'Southern Extensions' are now further validated as a drill target due to the presence of these gossans and associated exhalites.

2.0 North Dome – Southern Extensions

The Pincher Well VMS Trend ('VMS Trend') is located 600km north-northeast of Perth and forms part of Venus Metals Corporation Ltd.'s ('Venus') Youanmi gold & base metal project (Figure 1). **The identified VMS Trend covers more than 5 kilometres of strike** and hosts a number of known zinc and copper prospects including the Linda & Franca Gossans, PW17 zinc discovery and a substantial body of zinc mineralisation at **North Dome** (Figure 2).

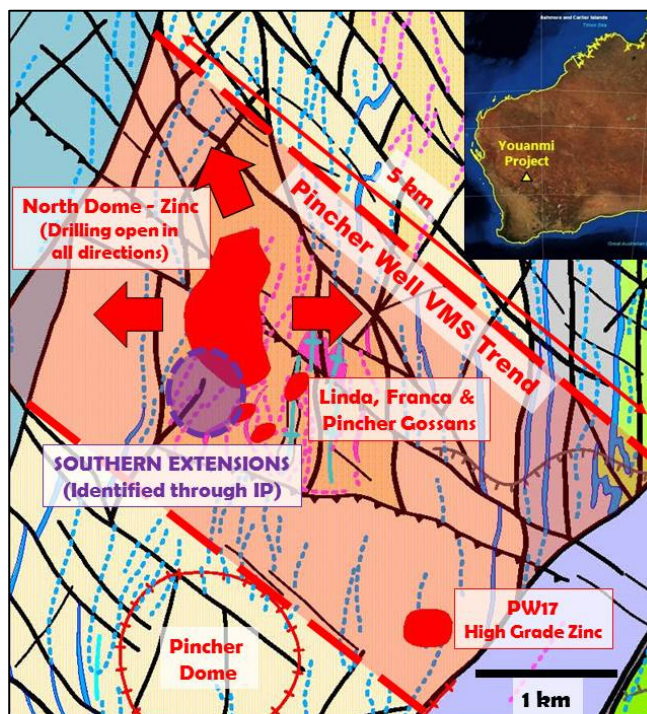


Figure 2 – Interpreted Pincher Well geology with prospects, mineralisation defined by drilling (red) and untested IP target (purple).

A recent IP geophysical survey² at North Dome, validated the known envelope of zinc sulphide mineralisation (previously outlined by wide spaced drilling) as well as highlighting a strong IP anomaly on the potential southern extensions to the North Dome system.

Field checking by Venus shows the presence of previously unrecognised exhalite and gossanous lithologies overlying the newly identified IP anomaly (Figure 1).

3.0 Gossanous Outcrop & VMS Style Mineralisation

Exploration through the North Dome area shows a proximal association between the outcropping exhalite horizons, including Banded Iron Formation ('BIF') which may represent the replacement of sulphidic mineralogies, chert and sulphidic cherts (Figures 1 & 3). Goldcrest Mines Pty Ltd, and previous workers, have made comment about these units including:

*"The felsic volcano-sedimentary sequence, including prominent sulphidic exhalative chert and BIF horizons..... are typical of the VMS class, occurring in clusters along strike and down dip within a geological setting similar to that at the Golden Grove (VMS) mining camp, situated some 170km due west of Youanmi"*².



Figure 3 – Outcropping exhalite BIF & Chert units overlying the 'Southern Extension' IP anomaly at North Dome(right), with a close up of a 'BIF' unit (left), potentially after sulphide.

The presence of sulphidic exhalite horizons, as well as associated gossans, in conjunction with IP, magnetic, gravity and electromagnetic ('EM') anomalies and historical drilling, demonstrate the North Dome prospect to be a highly compelling VMS drill target with the potential to develop into a significant mineral deposit.



4.0 Conclusion

Exploration at North Dome continues to validate and highlight the known mineralisation and interpreted 'southern extensions' as a high priority target for drill testing in November 2016. Venus Metals has estimated a substantial **'Exploration Target' for the North Dome** of:

15-25 Million Tonnes @ 2-8% Zinc and 3-4 gpt Silver*

Including high-grade lodes grading >10% Zinc with associated Copper & Silver

Venus Metals looks forward to updating shareholders as drilling commences at North Dome in the coming weeks, and moving towards the delineation of a 'Mineral Resource'.

The potential quantity and grade of the 'Exploration Target' at North Dome is conceptual in nature, as Venus has determined that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource. The current drilling density is insufficient to classify the mineralisation as a 'Mineral Resource' under the 2012 JORC guide lines.

The 'Exploration Target' has been estimated utilising the information:

- Multiple programs of both reverse circulation and diamond drilling have tested the North Dome prospect, with 12 drill holes outlining the mineralised envelope,
- Limited drilling has outlined an extensive envelope of zinc sulphide mineralisation, hosted by a number of exhalite horizons that dip shallowly to the north,
- These mineralised horizons can, cumulatively, be up to 20 metres thick, but are estimated to average ~11 metres thick, covers over 1,000 metres of strike and is up to 550 metres wide³,
- Eastmet conducted a detailed review of the project in 1988^{1 & 3} and estimated a 'resource' at the North Dome, that falls within parameters of the 'Exploration Target' estimated by Venus Metals,
- A review of the drilling data by Venus Metals shows the North Dome prospect remains open in all directions and is NOT constrained by drilling,
- Recent IP survey indicates that the mineralisation at North Dome continues to the south and the strongest sections of the geophysical anomaly remain untested by drilling, potentially hosting sulphide lodes.



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 Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources 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.

Bibliography

1. Higgins, M., Exploration Review Report, Youanmi Project, Goldcrest Resources Limited, August, 2004 (Unpublished).
2. Venus Metals Corporation, ASX Announcement, 14th and 28th of October, 2016.
3. WAMEX Report A73049, Pincher Hill Project, Youanmi, Annual Report for 2005-2006, Goldcrest Mines Pty Ltd, August, 2006.