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PILGANGOORA LITHIUM PROJECT:
LITHIUM MINERALISATION AT WODGINA SOUTH

The Directors of Venus Metals Corporation Limited (ASX: VMC) are pleased to announce that the reconnaissance sampling on its Pilgangoora lithium-tantalum project area in Western Australia (Figure 1) demonstrates the presence of significant lithium mineralisation associated with previously unrecognised pegmatitic stratigraphy.

Recent reconnaissance surface sampling at Wodgina South has returned assays that are highly anomalous in lithium oxide (Li_2O).

Figure 1 – Sampling and mapping being undertaken on outcropping pegmatites at Wodgina South.

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1.0 Introduction

Venus Metals Corporation Limited ('Venus Metals') has made applications for four tenements (ELA 45/4627. 4630, 4684 & P 45/3004) in the Pilgangoora region, within the Pilbara Craton of Western Australia.

These applications cover over 450 km^2 and are located along strike from, or adjacent to, the mining operations at Wodgina (ASX: AGO) in the south and the Pilbara Mineral's (ASX: PLS) developing operations at Pilgangoora, in the north. The tenement areas contain outcropping pegmatitic stratigraphy, the host rock for lithium-tantalum mineralisation in the region.

The Pilgangoora tenement areas will be explored as part of a memorandum of understanding ('MOU') between Venus Metals (ASX: VMC) and Lithium Australia (ASX: LIT) [1,2] over the region. Recent reconnaissance exploration by Venus Metals is designed to identify targets to expedite exploration in the coming months and to evaluate the overall prospectivity to the project areas.

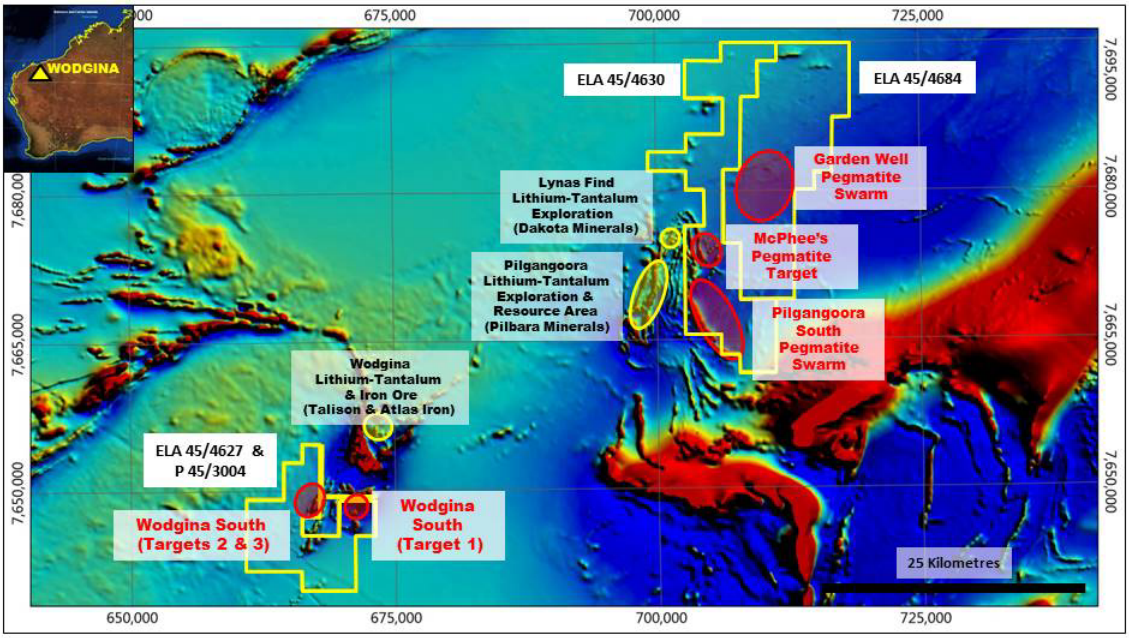

Figure 2 – Venus Metals's Pilgangoora project tenement applications ELA 45/4627 & 4630 at Pilgangoora in the north and ELA 45/4684 & P 45/3004 (yellow) at Wodgina in the south, with key prospects, mines and target locations over the regional magnetic image.

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2.0 Pilgangoora Lithium-Tantalum Project – Update

In recent weeks a program of reconnaissance sampling and mapping has been undertaken through the Pilgangoora application areas in order to:

- **Identify prospective pegmatitic stratigraphy and lithium mineralisation,**
- **Generate targets to expedite exploration following the grant of the tenement areas.**

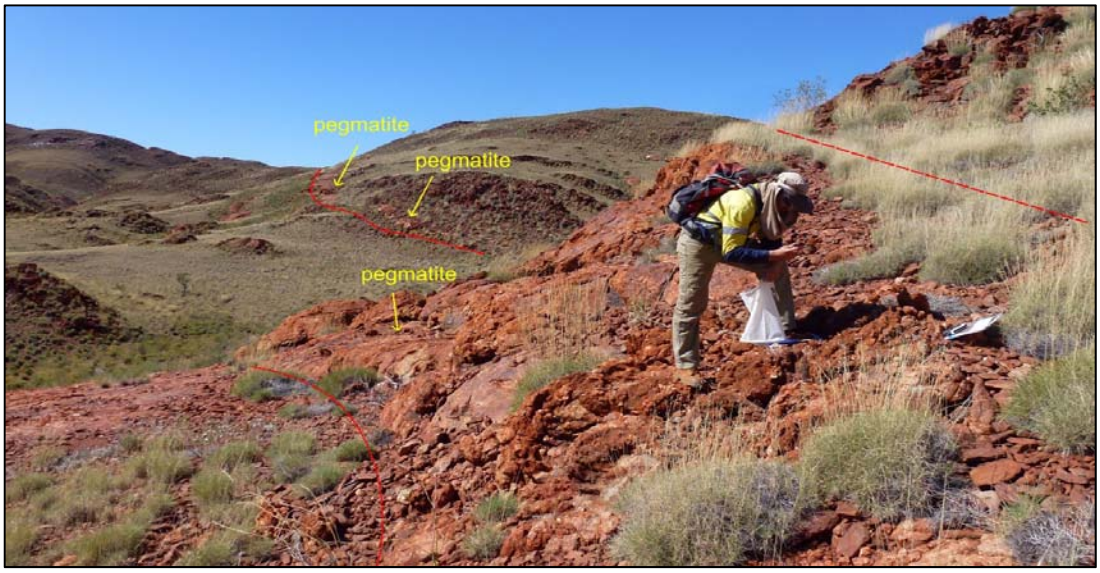

Figure 3 – Mapping & sampling at Wodgina South, with pegmatitic stratigraphy outlined in both the background & foreground.

2.1 Wodgina South (ELA 45/4627 & P 45/3004)

Recent reconnaissance sampling across three identified target areas (Figure 4 - T 1, 2 & 3) has returned a significant number of surface samples hosting anomalous lithium oxide (Li_2O) associated with pegmatites and their host stratigraphy.

Results include (Figure 4 & Appendix 1):

- W114 (T1) - 5296 ppm (0.53%) Li_2O & 2997 ppm Rb
- W116 (T1) - 6179 ppm (0.62%) Li_2O & 4564 ppm Rb
- W147 (T2) - 6567 ppm (0.66%) Li_2O & 3134 ppm Rb

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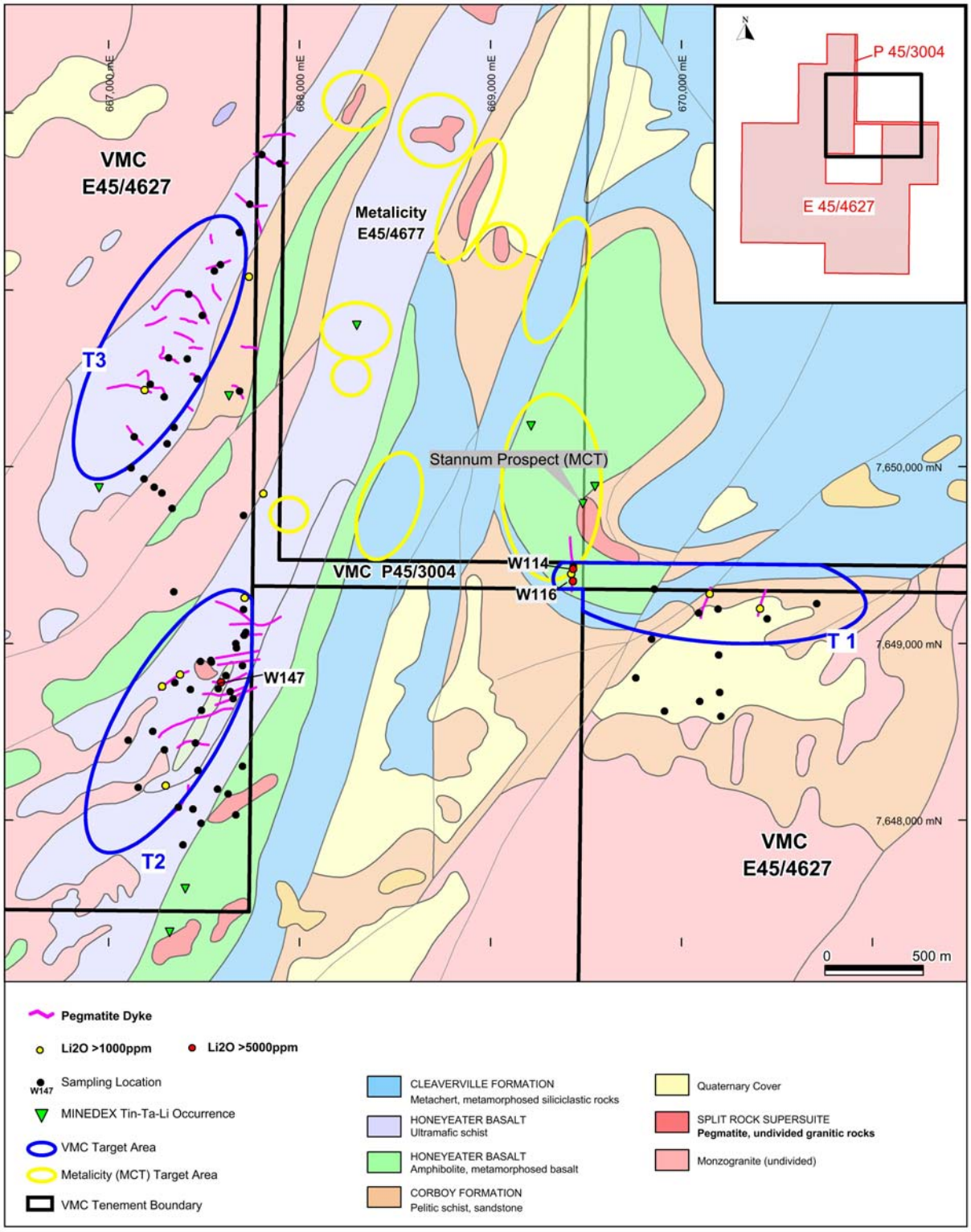

Figure 4 – Wodgina South sample locations, target areas and Venus tenement areas over regional geology (adapted from Hickman, 2012).

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The T1, 2 & 3 targets at Wodgina South occur adjacent to and along strike from Metalicity's target areas within their Stannum project (ELA 45/4677)[3,4], which abuts Venus Metals northern tenement boundary. Metalicity's target stratigraphy extends into Venus Metals tenement area, with mineralisation associated with spodumene in pegmatites (Figure 4).

The purpose of the current sampling program at Wodgina South is to highlight target areas for follow up surface and soil sampling in order to delineate areas for future drill testing. It is proposed that these areas of identified pegmatite-hosted lithium mineralisation, both in the Wodgina South and Pilgangoora tenements (Figures 1 & 4), be systematically tested with soil sampling by the Venus Metals/ Lithium Australia 'alliance' once the tenement areas are granted in the coming months.

A full schedule of results from the recently completed surface sampling is available in Appendix 1 of this report.

3.0 Conclusion

The ongoing 'on ground' evaluation of the Wodgina lithium project areas continues to define targets for future exploration in this developing lithium province.

Venus Metals looks forward to further updating shareholders as detailed exploration commences at Wodgina following the grant of the tenement areas in the coming months.

References

1. *Lithium Australia (ASX: LIT), ASX Announcement, LIT and VMC join forces in Pilgangoora area, 18 February 2016*
2. *Lithium Australia (ASX: LIT), ASX Announcement, Lithium Australia Advances processing hub, 26 April 2016.*
3. *Metalicity Limited (ASX: MCT), ASX Announcement, High Lithium Assays and Spodumene at Pilgangoora South, 30 March 2016.*
4. *Metalicity Limited (ASX: MCT), ASX Announcement, AMEC Conference Presentation (Perth), 9 June 2016.*

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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.

Dr Fop Vanderhor, Specialist Consulting Geologist, who is a Member of the Australian Institute of Geoscientists has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Vanderhor 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.

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APPENDIX 1 – SURFACE SAMPLING RESULTS, WODGINA SOUTH

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Sample	MGA50_E	MGA50_N	Li2O_ppm	Ta_ppm	Nb_ppm	Cs_ppm	Be_ppm	Sn_ppm	Rb_ppm	Sr_ppm
W101	667740	7651484	151	6	75	13	5	48	562	7
W102	667491	7650856	43	6	30	7	12	3	196	41
W103	667491	7650856	366	2	15	4	7	6	7	4
W104	667420	7650976	43	3	25	14	3	11	308	21
W105	667554	7651108	43	28	55	5	21	3	171	**359**
W106	667586	7651143	129	6	30	14	6	19	297	20
W107	667735	7651075	**2476**	9	70	24	5	41	846	5
W108	667332	7649763	151	24	60	53	11	36	765	5
W109	667279	7649850	22	13	20	27	5	6	464	9
W110	667239	7649884	108	2	10	5	3	5	52	19
W111	667185	7649930	237	10	120	13	4	91	486	4
W112	667118	7649993	86	16	35	9	9	12	296	23
W113	669433	7649435	840	25	20	31	47	38	1111	-1
W114	669432	7649421	**5296**	83	45	85	38	108	**2997**	11
W115	669422	7649392	**2411**	36	35	85	13	102	**2962**	-1
W116	669431	7649353	**6179**	32	45	**167**	**919**	213	**4564**	-1
W120	669857	7649308	22	-1	-5	-1	-1	1	11	4
W121	667686	7650427	129	12	75	13	6	9	694	3
W122	667341	7649293	237	11	60	16	7	19	423	9
W123	667707	7649193	43	42	65	7	23	15	453	7
W124	667712	7649259	1012	20	140	47	9	121	1347	-1
W125	667719	7649063	474	20	65	40	23	165	1281	25
W126	667710	7649047	280	35	**205**	20	41	**3478**	530	46
W127	667666	7649000	474	38	**225**	16	6	60	622	14
W128	667670	7648974	797	16	115	26	7	99	1035	15
W129	667701	7648875	710	17	115	19	7	66	929	11
W130	667614	7648818	301	21	90	71	5	57	1404	19
W131	667539	7648895	280	11	60	25	7	16	283	18
W132	667535	7648904	323	10	50	35	9	27	1185	14
W133	667480	7648898	65	9	40	18	3	14	928	25
W134	667374	7648824	474	13	100	16	5	**3825**	546	14
W135	667374	7648824	**2433**	11	10	**337**	17	**1500**	**2354**	29
W136	667347	7648778	215	5	30	13	5	27	299	21
W137	667155	7648185	280	9	65	19	4	81	991	17
W138	667299	7648195	**3143**	59	90	**443**	18	36	**2290**	26
W139	667468	7648282	65	17	55	14	6	**3214**	471	45
W140	667455	7648437	388	23	110	17	6	115	1322	13
W141	667293	7648398	301	28	90	16	5	116	1200	15
W142	667231	7648503	388	24	105	21	6	182	1285	17
W143	667487	7648621	560	21	80	19	6	**2302**	1138	11
W144	667652	7648688	560	15	80	31	6	108	1249	14
W145	667637	7648728	710	**110**	**225**	45	9	172	1642	17
W146	667575	7648744	754	27	85	33	30	171	1360	44
W147	667589	7648780	**6567**	50	145	**660**	6	113	**3134**	32
W148	667429	7648739	538	60	115	37	**153**	182	1738	29
W149	667280	7648757	**2454**	32	110	26	6	128	863	5
W150	667103	7648452	344	10	85	12	4	74	359	4
W151	669910	7648617	323	9	60	12	4	31	1305	2
W152	670095	7648673	581	9	95	10	4	30	920	-1
W153	670206	7648587	258	14	85	15	4	19	995	8
W154	670200	7648723	495	9	70	25	5	28	1271	5
W155	670194	7648935	926	12	100	10	5	419	1274	-1
W156	670708	7649225	172	25	65	14	70	**3129**	1182	7
W157	670449	7649140	947	20	90	53	11	**5364**	1924	12
W158	670411	7649197	1077	44	105	23	13	91	**2685**	8

Sample	MGA50_E	MGA50_N	Li2O_ppm	Ta_ppm	Nb_ppm	Cs_ppm	Be_ppm	Sn_ppm	Rb_ppm	Sr_ppm
W159	670191	7649195	538	39	35	17	13	63	934	22
W160	670147	7649281	**1938**	56	65	76	**222**	123	**3081**	20
W161	670090	7649172	172	31	35	4	11	**1517**	120	86
W162	669843	7649024	108	8	45	11	6	58	1748	2
W163	669760	7648805	280	29	30	18	34	248	954	7
W164	667390	7647860	86	16	40	8	4	15	543	19
W165	667484	7647983	86	6	45	7	13	10	492	**192**
W166	667667	7648029	258	20	20	37	2	**2074**	850	-1
W167	667626	7648149	151	12	55	8	5	42	327	-1
W168	667570	7648176	43	10	50	7	4	11	227	12
W169	667701	7648304	344	13	80	19	6	73	694	-1
W170	667442	7648063	43	12	45	4	5	**1350**	163	13
W171	667365	7648073	22	19	50	2	4	3	30	39
W172	667707	7649723	366	8	75	19	4	56	737	2
W173	667810	7649847	388	13	85	27	5	66	892	5
W174	667810	7649847	**3531**	7	15	**610**	14	32	**3493**	2
W175	667342	7650223	86	3	25	17	4	**3908**	325	27
W176	667134	7650169	129	9	90	10	5	126	396	9
W177	667306	7650129	43	6	20	10	4	4	285	23
W178	667292	7650394	22	8	25	3	4	**2232**	93	19
W179	667189	7650433	**2497**	-1	-5	7	1	10	814	57
W180	667218	7650467	86	3	15	4	7	11	133	**105**
W181	667314	7650616	43	1	10	12	-1	**2221**	695	38
W182	667412	7650609	129	14	75	11	30	29	388	5
W183	667412	7650609	151	31	**230**	3	3	20	16	4
W184	667465	7650497	65	6	25	11	2	14	523	8
W185	667685	7651325	237	1	10	6	3	4	272	**108**
W186	667897	7651714	86	7	10	11	4	19	207	75
W187	667803	7651765	86	-1	-5	5	-1	4	480	53

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APPENDIX 2 – JORC TABLE 1.

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Appendix-2 JORC Code, 2012 Edition – Table 1

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 detailed information.*	• A selection of rock chips were collected for assay within the Wodgina South lithium-tantalum trend. Samples consisted of hand-sized specimens of potentially mineralised pegmatites taken from outcrop and were typically 1-2 kilograms in weight. • These samples show the potential mineralisation in the region but work is at too early a stage to determine whether they are representative of a larger mineralised system.
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 type, whether core is oriented and if so, by what method, etc).*	• Only surface rock chips sampling was carried out in the current programme and no drilling occurred. Hence drilling technique is not applicable.
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.*	• Only surface rock chip sampling was carried out in the current programme and no drilling was done. Hence drill sample recovery is not applicable.

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.*	● Rock chips taken of potentially mineralised pegmatites, as well as hydrothermally altered intrusives and basement rock.
Sub-sampling techniques and sample preparation	● *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 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.*	● Only surface rock chip sampling was carried out in the current programme and no drilling was done. Hence sub-sampling techniques and sample preparation cannot be applied.
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.*	● The laboratory assaying techniques are suitable for the samples submitted. Samples were submitted to NAGROM Lab in Perth for analysis of Li, Be, Cs, Nb, Rb, Sn, Sr and Ta using Peroxide Fusion Digest with ICP finish method.
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.*	● Surface rock chip samples were collected, sampled and verified by independent Geological Consultant in the field. This was further confirmed through photos and physically checked by Company personnel in Perth office before submitting to the Laboratory for assaying. No adjustments to assay were 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.*	● Samples were located using a hand held GPS (accurate to <10 metres) in MGA 94, 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 Resource and Ore Reserve estimation procedure(s) and classifications applied.* ● *Whether sample compositing has been applied.*	● Samples were taken at surface 'spot' locations and are unsuitable for resource calculations.
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.*	● Geological strike and continuity is yet to be fully established.
Sample security	● *The measures taken to ensure sample security.*	● Samples were bagged and secured by field staff prior to submission to the laboratory.
Audits or reviews	● *The results of any audits or reviews of sampling techniques and data.*	● At this preliminary stage no audits of sampling technique were 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.*	● ELA E45/4637 and P45/3004 tenement applications overlie crown land and are presently moving through the grant process, this will include negotiations in regard to native title.
Exploration done by other parties	● *Acknowledgment and appraisal of exploration by other parties.*	● Compilation of historical data is in progress.
Geology	● *Deposit type, geological setting and style of mineralisation.*	● Pegmatite/ intrusive hosted lithium, tantalum and tin mineralisation.
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.*	● Only surface rock chip sampling was carried out in the current programme and no drilling was done.
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 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.*	● At this stage we had only carried out surface rock chip sampling. No drilling was carried out; hence data aggregation method cannot be applied.

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').*	● At this stage we had only carried out surface rock chip sampling. No drilling was carried out; hence cannot apply relationship between mineralisation widths and intercept lengths.
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.*	● Maps are presented in ASX announcement.
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.*	● Sampling was conducted to check the presence of Lithium bearing Pegmatites within the target areas.
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.*	● At this stage we had only carried out surface rock chip sampling, no other exploration was done.
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.*	● Compilation of historical data is in progress, further exploration will be planned once the results of this work have been evaluated.