



ASX Release: 22 October 2019

ASX Code: VMC

QUARTERLY REPORT FOR PERIOD ENDING 30 SEPTEMBER 2019

Venus Metals Corporation Limited's (VMC) activities conducted during the quarter ending 30 September 2019 include:

YOUANMI GOLD PROJECT

(Four JVs with Rox Resources Ltd- refer ASX releases 10 April 2019 and 21 June 2019) (Figure 1)

- **Currans JV:** RC drilling (Stages 2 and 3) at the Currans Find North Prospect confirmed the presence of two stacked lodes with the following bonanza-grade gold intersections: **CFRC26 3m @ 32.58 g/t Au** from 115m including **1m @ 76.03 g/t Au** from 115m; **CFRC31 3m @ 25.00 g/t Au** from 109m including **1m @ 57.15 g/t Au** from 110m; **CFRC32 1m @ 39.61 g/t Au** from 94m; **CFRC42 4m @ 9.25 g/t Au** from 46m including **2m @ 16.05 g/t Au** from 48m; **CFRC46 1m @ 13.32 g/t Au** from 110m and **2m @ 3.84 g/t Au** from 128m; **CFRC47 4m @ 5.28 g/t Au** from 90m including **1m @ 15.30 g/t Au** from 92m and **2m @ 5.05 g/t Au** from 111m (refer VMC ASX releases 27 August 2019 and 5 September 2019).

These intersections extend high-grade gold mineralization at depth and demonstrate the potential for the discovery of 'blind' high-grade gold lodes along strike and down-plunge from known surface and near-surface historical high-grade gold mineralization.

- **Youanmi Gold Mine - OYG JV:** Drilling at the Youanmi Gold Project (by Rox Resources Limited) has intersected new gold mineralisation at Youanmi South and the Commonwealth Prospect including: **RXRC050 2m @ 23.67 g/t Au** from 76m; **RXRC049 4m @ 6.57 g/t Au** from 64m and **RXRC024 4m @ 8.17 g/t Au** from 96m. Extensions to near-mine mineralisation have been delineated within dilational zones along the Youanmi Main Lode Shear Zone. Best intersections include: **RXRC013 5m @ 5.59 g/t Au** from 81m including an intersection of **1m @ 23 g/t Au** and **RXRC014 9m @ 3.77 g/t Au** from 58m (refer RXL ASX release 9 September 2019).
- **Penny West Shear Target-Venus JV:** Recently, a 5,774m air core (AC) drilling program has been completed north of the historical Penny West gold mine, targeting a prominent magnetic low within Venus' JV tenement (E57/1019), a feature that presents a highly prospective setting for high-grade gold mineralization of the Penny West and Penny North type (refer ASX release 12 August 2019). The **AC drilling discovered two gold anomalies** (max. 0.73 g/t and 0.17 g/t Au in VRAC039 and VRAC085 respectively), spatially associated with anomalous concentrations of lead (up to 0.15%) and zinc (up to 0.28%). The association of gold with anomalous lead, zinc and copper characterizes many high-grade gold intercepts at Currans North and was also observed at the historical Penny West gold mine (refer ASX release 15 October 2019).



YOUANMI GOLD PROJECT (Four JVs with Rox Resources Ltd)

CURRANS JV

Project background:

VMC and RXL jointly acquired a combined 90% interest in ML 57/641 “Currans Find” of 300ha and a combined 90% interest in ML 57/642 of 59ha “Pinchers” (Figure 1). The 90% interest is shared equally between VMC and RXL, with the remaining 10% held by Mr Taylor. VMC is the manager of the joint venture (ASX release 15 April 2019).

The Currans Find Mining Lease is a historical high-grade gold producer. Gold mineralization at Currans Find is hosted in multiple ENE-trending quartz veins within mafic, intermediate and ultramafic rocks. These rock types are also host to the Penny West and Columbia –Magenta deposits south of Currans Find. It is a feature of the deposits hosted in the ultramafic rocks that they show significant high grades.

The initial RC drilling program targeted shallow high-grade gold mineralization beneath historical workings at the two main gold prospects ‘Currans Find North’ and ‘Red White and Blue Workings’ and their interpreted down-plunge extensions.

CURRANS FIND NORTH GOLD PROSPECT

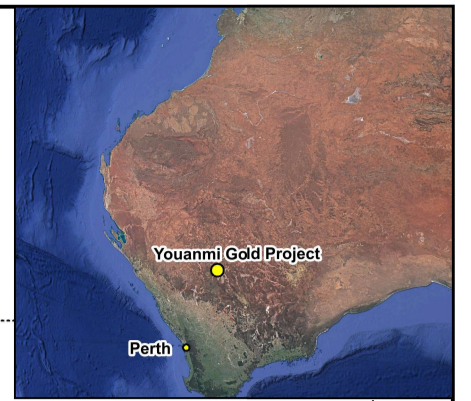
RC drilling (3 stages) confirmed the presence of two stacked lodes at Currans North and shows an increase in gold grade and width in the Upper Lode (Figure 2). The results also demonstrate that the gold mineralization remains open at depth and down-plunge.

Significant high-grade gold intersections from the Stage 1, 2 and 3 RC drilling programs (ASX releases 13 June 2019, 24 June 2019, 5 August 2019, 27 August 2019 and 5 September 2019) include:

- CFRC14 **2m @ 13.34 g/t Au** from 61m including **1m @ 25.38 g/t Au** from 61m
- CFRC16 **3m @ 27.5 g/t Au** from 39m including **1m @ 72.67 g/t Au** from 39m
- CFRC26 **3m @ 32.58 g/t Au** from 115m including **1m @ 76.03 g/t Au** from 115m
(previously reported **8m @ 7.81g/t Au** from 112m refer ASX release 5 August 2019)
- CFRC31 **3m @ 25.00 g/t Au** from 109m including **1m @ 57.15 g/t Au** from 110m
- CFRC32 **1m @ 39.61 g/t Au** from 94m
- CFRC42 **4m @ 9.25 g/t Au** from 46m including **2m @ 16.05 g/t Au** from 48m
- CFRC46 **1m @ 13.32 g/t Au** from 110m and **2m @ 3.84 g/t Au** from 128m
- CFRC47 **4m @ 5.28 g/t Au** from 90m including **1m @ 15.30 g/t Au** from 92m
and **2m @ 5.05 g/t Au** from 111m



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YOUANMI GOLD PROJECT OWNERSHIP STRUCTURE

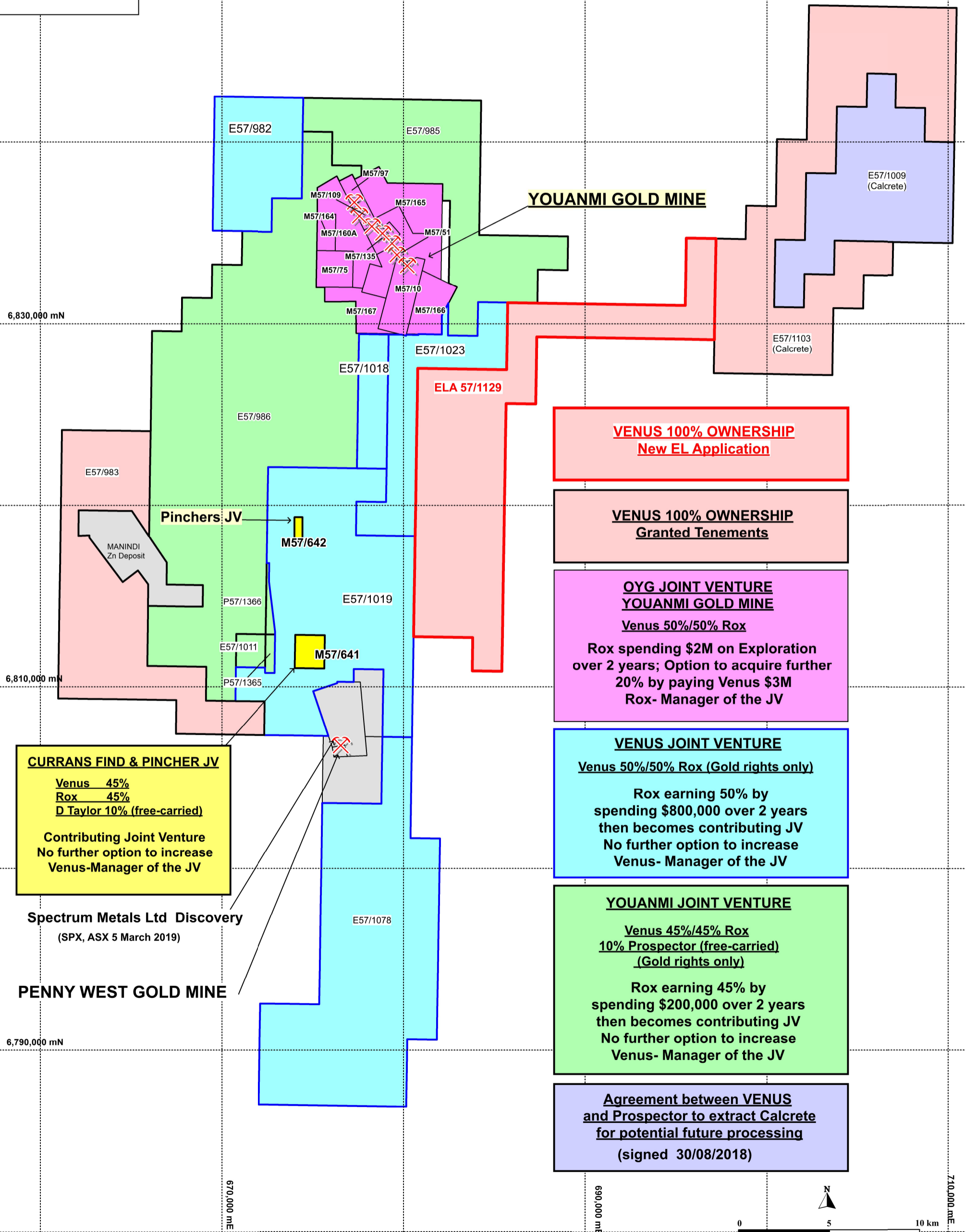


Figure 1

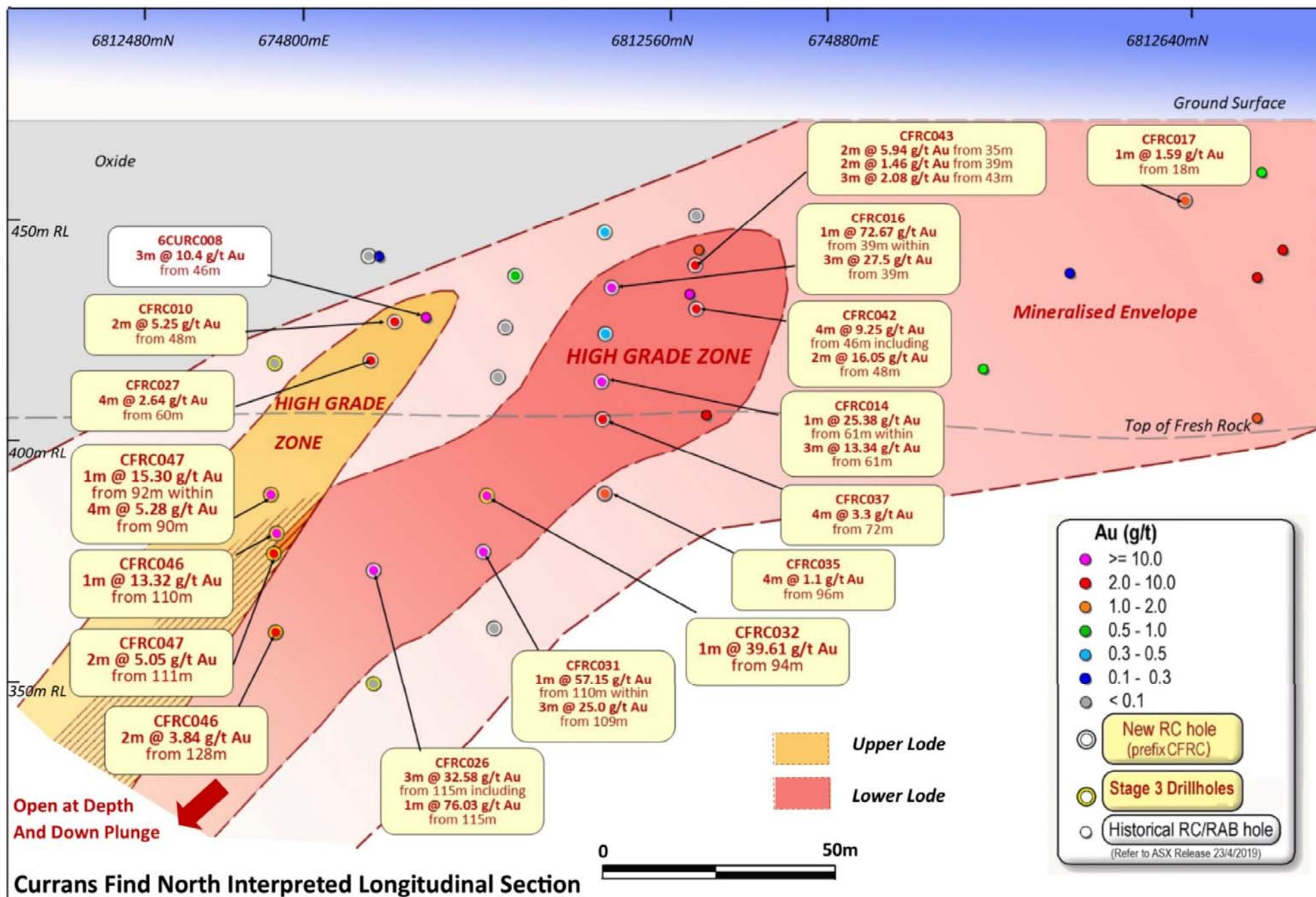


Figure 2



Further RC drilling is in progress. The current drilling program will explore the down-plunge and along-strike extensions of the high-grade gold mineralization that was intersected in previous drilling phases.

YOUANMI GOLD MINE - OYG JOINT VENTURE

Project background

The total JORC 2012 compliant resource estimate for the Youanmi Gold Mine stands at 1,190,600 ounces of gold (refer ASX release 29 June 2018). In addition to the above resources, considerable potential remains within the Youanmi Project to define additional gold resources, both near surface and underground. Five separate open pits occur over a 2km strike length. The gold mineralization is hosted in multiple shear zone lodes throughout and at the current gold price there is potential to develop a single “super pit” to connect the separate open pits into one big open cut. Significant drill intersections from some 200m below the defined underground resources indicate that the main ore shoots remain open at depth.

Widenbar and Associates estimate a near-surface exploration target* of 2.0 to 2.6 million tonnes at 1.05 to 1.30 g/t Au and a Deeps exploration target* of 135,000 to 200,000 tonnes at 10 to 15 g/t Au. Importantly, these targets are in addition to the JORC 2012 Resource Estimates already provided (ASX release 29 June 2018).

* An estimate of the exploration target potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.

Youanmi Gold Mine - OYG Joint Venture is owned 50% by Venus and 50% by Rox (manager of the JV) (refer ASX Release 10 April 2019).

The OYG Joint Venture has commenced a RC drilling program totalling approximately 14,500m (in two phases) in the Youanmi Gold Mine leases of which Rox has completed approximately 9000m to date. The program is aimed at testing new conceptual targets that have the potential to open up additional areas of mineralisation, better defining known sections of the significant Youanmi gold deposits and identifying areas where there is potential for repeats of gold mineralization in favourable structural settings.

Drilling at the Youanmi Gold Project has intersected new gold mineralisation at Youanmi South and the Commonwealth Prospect including:

RXRC050 2m @ 23.67 g/t Au from 76m (Commonwealth)
RXRC049 4m @ 6.57 g/t Au from 64m
RXRC024 4m @ 8.17 g/t Au from 96m (Youanmi South) (refer RXL ASX release 9 September 2019)
RXRC063 12m @ 12.7 g/t Au from 80m
RXRC064 12m @ 8.5 g/t Au from 44m
RXRC053 4m @ 11.2 g/t Au from 110m
RXRC066 4m @ 7.6 g/t Au from 76m (refer RXL ASX release 24 September 2019)



Extensions to near-mine mineralisation have been delineated within dilational zones along the Youanmi Main Lode Shear Zone. Best intersections at United North Prospect include:

RXRC013 5m @ 5.59 g/t Au from 81m including an intersection of 1m @ 23 g/t Au

RXRC014 9m @ 3.77 g/t Au from 58m including an intersection of 5m @ 5.93 g/t Au

(refer RXL ASX release 9 September 2019)

Drilling at Plant Zone continues to define shallow, potential 'base load mill feed' with new results showing continuations to shallow mineralisation including:

RXRC038 - 4m @ 5.6 g/t Au from 24m

RXRC047 - 30m @ 1.0 g/t Au from 96m (depth continuation)

RXRC046 - 14m @ 1.7 g/t Au from 70m (depth continuation)

(refer RXL ASX release 24 September 2019)

The RC drill program is ongoing and will continue into October, with resource estimation work to follow thereafter.

PENNY WEST SHEAR TARGET-VENUS JOINT VENTURE

Historical drilling in the Penny West Shear target area is very limited and transported soil cover has rendered historical surface exploration mostly ineffective. Hence, this area remains largely unexplored for gold. A HEM survey conducted by the Company in 2018 (see ASX release 23 March 2018) has identified several HEM anomalies along the Youanmi Shear zone. Two of these EM anomalies are located within the target area and were high-priority drill targets.

The recent AC program was designed to explore for shallow geochemical anomalies (gold, lead, zinc and copper) that may indicate the presence of Currans North and Penny West-style high-grade gold mineralization. A 5,774m aircore drilling program has been completed north of the historical Penny West gold mine, targeting a prominent magnetic low within Venus' JV tenement (E57/1019), a feature that presents a highly prospective setting for high-grade gold mineralization of the Penny West and Penny North type (refer ASX release 12 August 2019).

Air core (AC) drilling discovered **two gold anomalies (max. 0.73 g/t and 0.17 g/t Au in VRAC039 and VRAC085 respectively)**, spatially associated **with anomalous lead concentrations of up to 0.15% and zinc concentrations of up to 0.28% in VRAC055 (Figures 3 and 4)**. A **third gold anomaly (max. 0.16 g/t Au)** in hole VRAC079 is associated with anomalous copper concentrations with a **maximum of c. 0.23% copper within an interval of 24m at c. 0.1% Cu from 32m depth** (refer ASX release 15 October 2019).



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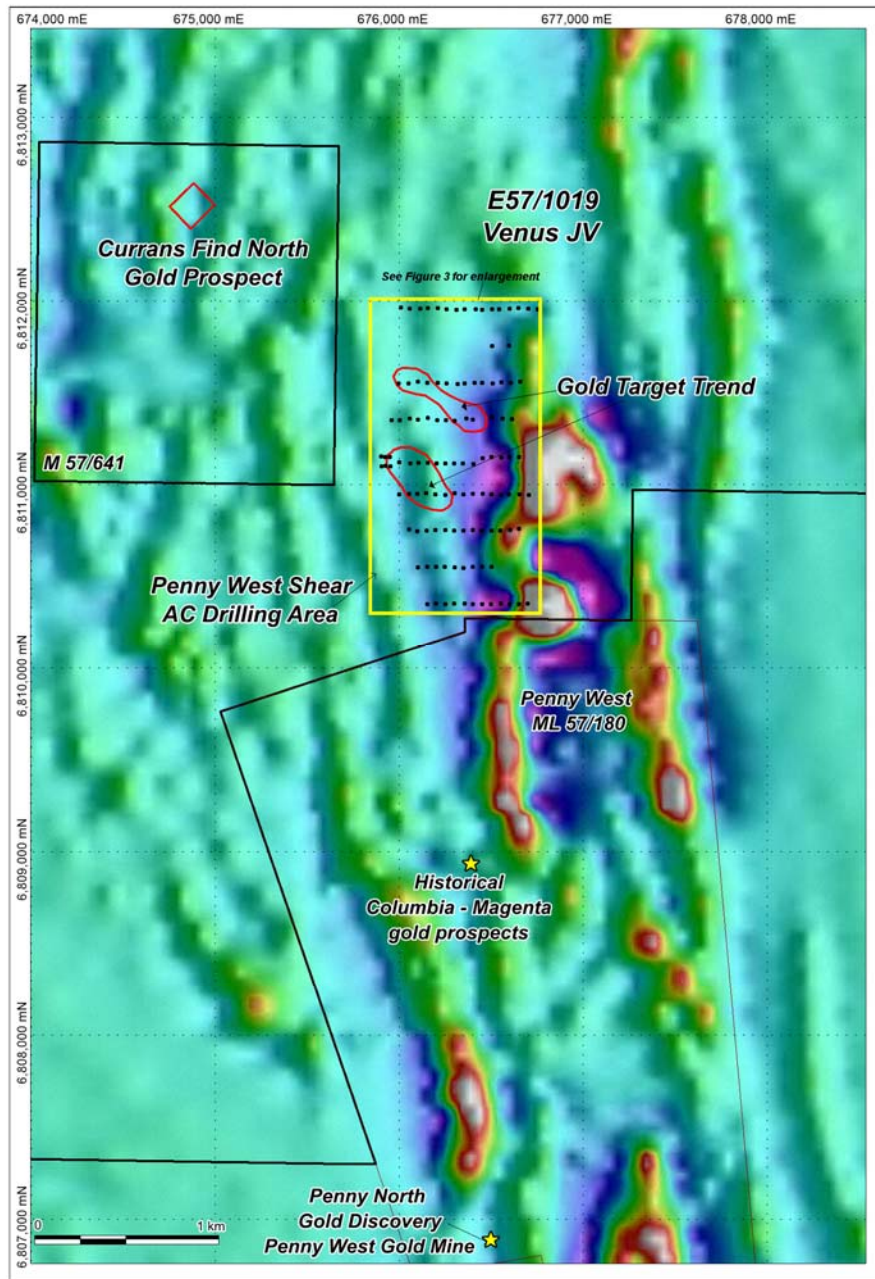


Figure 3. Area of air core drilling shown on regional aeromagnetic image with nearby historical Penny West gold mine and other gold prospects.



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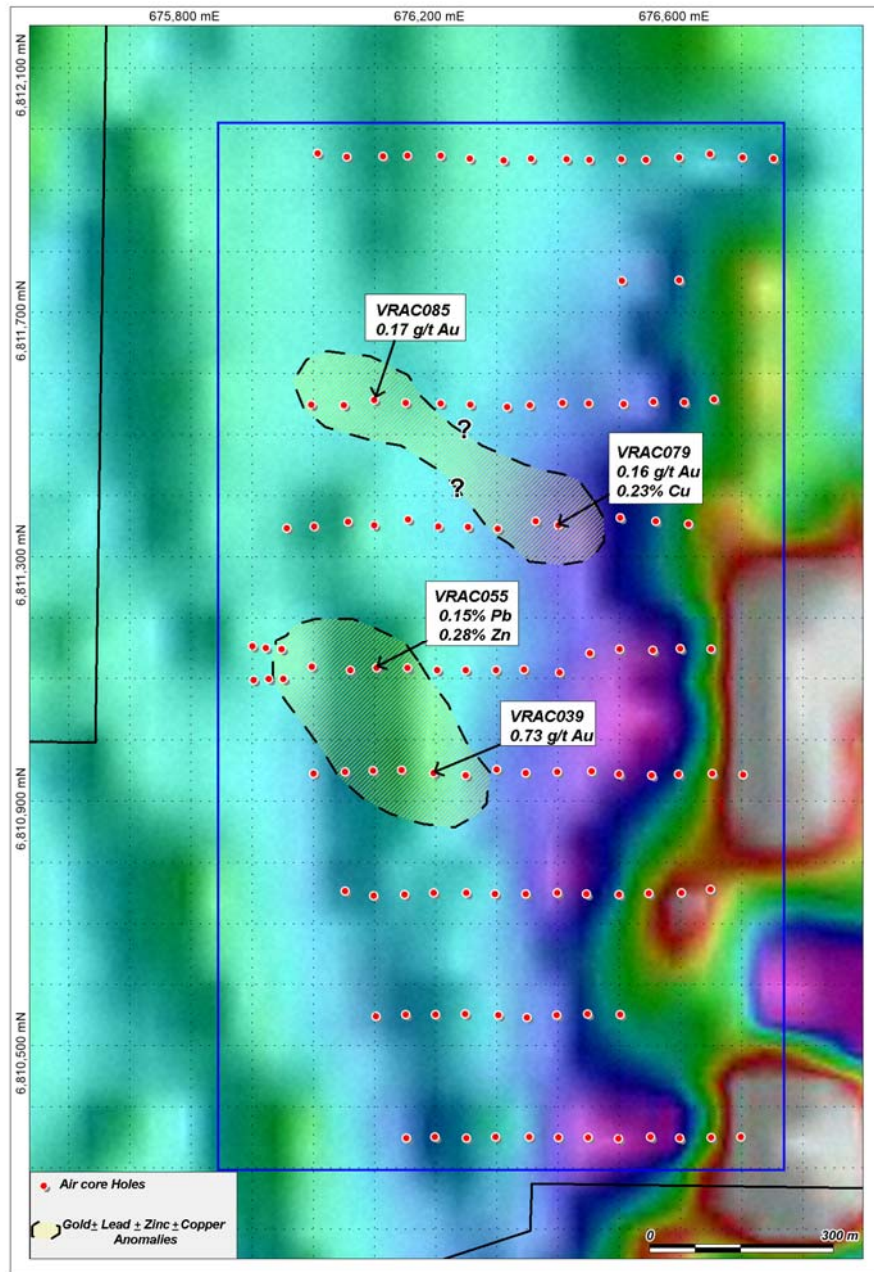


Figure 4. Air core drilling shown on regional aeromagnetic image with gold anomaly trends and specific gold and base metal anomalies.



Recent geochemical studies by the Joint Venture have shown, the association of gold with anomalous lead, zinc and copper characterizes many high-grade gold intercepts at Currans North (refer ASX release 5 August 2019) and an association with base metals, and lead in particular, has also been reported from the historical Penny West gold mine (Radford & Boddington 2003). The discovery of gold – lead – zinc - copper anomalies along strike from the Penny West gold mine and less than 2km east of the Currans Find North high-grade gold mineralization is therefore considered highly significant.

The current AC results outline distinct lead, zinc and copper anomalies that are spatially associated with anomalous gold of up to 0.73 g/t and are considered highly significant. It is important to note that Radford and Boddington (2003) stated “a program of vertical RAB drilling successfully reached saprolite, and recorded sporadic Au concentrations up to 1.5 ppm.” This was the first-pass RAB drilling that eventually led to the discovery of the Penny West gold mine. The results from the recent AC drilling by the Venus JV appear to be comparable to the historical results of the initial drilling at Penny West.

A follow-up AC program totalling 51 holes for 2608m has been completed on high-priority targets identified from the AC program reported here and analytical work is in progress. Results from the follow-up AC drilling are awaited.

LITHIUM PROJECT UPDATE

Venus had entered into a Farm-in Agreement with Pilgangoora Minerals Pty Ltd (“PM”). Under the Farm-in Agreement PM is to explore for lithium bearing pegmatites on exploration licences E45/4630 and E45/4684 (Pilgangoora East project located close to Pilbara Minerals) E45/4627 and P45/3004 (Wodgina South) and E20/885 and E20/896 (Poona located in the Murchison District) in Western Australia to earn an interest in these tenements and lithium and associated minerals located in relation to these tenements (refer ASX release 30 October 2019). PM has advised their withdrawal from the Farm-In JV due to the Lithium market sentiment.

Currently Venus is currently exploring other JV/sale opportunities regarding the Project.

YALGOO IRON ORE PROJECT UPDATE

With a recent renewed interest in magnetite ores, negotiations have led to a successful signing of a binding term sheet with FIJV for the sale of Venus Metals’ 50% interest for \$2.5 million (refer ASX release 6 June 2019).

The sale price of \$2,500,000 for Venus Metals 50% of the Yalgoo Iron Ore project is a significant premium to the price paid by FIJV for 100% of the Yogi project.

Venus Metals has received a \$250,000 deposit (Exclusivity Fee) which was originally non-refundable on receipt of FIRB approval. Due to delays in the FIRB approval process, FIJV has recently agreed for Venus to retain the Exclusivity Fee if the FIRB approval condition precedent is not satisfied due to FIJV’s application being rejected, or approved but subject to conditions which are not acceptable to FIJV.



The balance of \$2,250,000 in cash, currently held in escrow, will flow to Venus Metals once conditions precedent items for sales of this type have been satisfied (including FIRB approval as mentioned above and the date for achieving that approval has now been extended by agreement between the parties).

Exploration Targets

The term 'Exploration Target' should not be misunderstood or misconstrued as an estimate of Mineral Resources and Reserves as defined by the JORC Code (2012), and therefore the terms have not been used in this context.

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.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Dr M. Cornelius, geological consultant and part-time employee of Venus Metals Corporation Ltd, who is a member of The Australian Institute of Geoscientists (AIG). Dr Cornelius 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. Dr Cornelius consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Details of Mining tenements at Quarter ended 30 September 2019

(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
R59/1	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	50% interest in Iron and 100% interest in other minerals	50% interest in Iron and 100% interest in other minerals
E59/2187	Yalgoo	50% interest in Iron and 100% interest in other minerals	50% interest in Iron and 100% interest in other minerals
E57/986	Youanmi	90%	90%
E57/985	Youanmi	90%	90%
P57/1365	Youanmi	90%	90%
P57/1366	Youanmi	90%	90%
E57/1011-I	Currans Well	90%	90%
E57/983	Youanmi	100%	100%
E57/982	Youanmi	100%	100%
E57/1023-I	Youanmi	100%	100%
E57/1078	Youanmi South	100%	100%
E57/1018	Pincher Well	100%	100%
E57/1019-I	Pincher Well	100%	100%
E57/981	Bellchambers/Sandstone	100%	100%
E57/984	Bellchambers/Sandstone	90%	90%
E52/3068	DeGrussa North	100%	100%
E52/3486	DeGrussa North	100%	100%
E52/3069	Curara Well	100%	100%
E52/3488	Curara Well	100%	100%
E52/3489	Curara Well	100%	100%
E52/3487	Jenkin Well	100%	100%
E 52/3320-I	Orient Well (Curara East)	100%	100%
E20/885	Poona	90%	90%
E20/896	Poona	100%	100%
E 45/4627	Wodgina South	100%	100%
P 45/3004	Wodgina South	100%	100%
E45/4630	Pilgangoora East	100%	100%
E45/4684	Pilgangoora East	100%	100%
E70/4810	Greenbushes East	100%	100%
E70/4814	Greenbushes East	100%	100%
E09/2156	Nardoo Hill	100%	100%
E57/1103	Youanmi East	0%	100%
M57/641	Currans Find JV	0%	45%
M57/642	Pinchers JV	0%	45%
M57/164	Youanmi ML	0%	50%
M57/165	Youanmi ML	0%	50%
M57/166	Youanmi ML	0%	50%
M57/167	Youanmi ML	0%	50%
M57/51	Youanmi ML	0%	50%
M57/109	Youanmi ML	0%	50%
M57/75	Youanmi ML	0%	50%
M57/97	Youanmi ML	0%	50%
M57/10	Youanmi ML	0%	50%
M57/135	Youanmi ML	0%	50%
M57/160A	Youanmi ML	0%	50%

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

VENUS METALS CORPORATION LIMITED

ABN

99 123 250 582

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	523	523
1.2 Payments for		
(a) exploration & evaluation	(558)	(558)
(b) development	-	-
(c) production	-	-
(d) staff costs	(251)	(251)
(e) administration and corporate costs	(368)	(368)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	(4)	(4)
1.9 Net cash from / (used in) operating activities	(658)	(658)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(35)	(35)
(b) tenements	-	-
(c) investments	(535)	(535)
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	14	14
	(b) tenements	-	-
	(c) investments	1,423	1,423
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	867	867

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,200	1,200
3.2	Proceeds from issue of options	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	1,200	1,200

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	196	196
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(658)	(658)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	867	867
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,200	1,200
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,605	1,605

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,605	196
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,605	196

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
113
-

Directors' salaries and superannuation

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	150
9.2 Development	-
9.3 Production	-
9.4 Staff costs	200
9.5 Administration and corporate costs	250
9.6 Other – Proceed from Yalgoo Iron Ore Project sale	(2,250)
9.7 Total estimated cash outflows/(inflows)	(1,650)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer attachment		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		Refer attachment		

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 21/10/2019

Print name: Patrick Tan

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.