Venus Metals Corporation Ltd.: December 2015 Quarterly Report and Cash Flow Report

30.01.2016 | ABN Newswire

Sydney, Australia (ABN Newswire) - Venus Metals Corporation Ltd.'s (ASX:VMC) activities conducted during the quarter ending 31 December 2015 include:

- Strategic Lithium-Tantalum Projects in WA: The Company applied for exploration licence applications over four strategic lithium-tantalum project areas in Western Australia, the Pilgangoora Northeast and Stannum projects in the Pilbara, the Nardoo project in the Capricorn and the Poona Project in the Murchison of Western Australia. The Company has recently extended its tenement holdings in the Pilgangoora region, a recognised 'lithium hot spot'(see note 1) covering an area of substantial pegmatite swarms(see note 2).

- Vidure Nickel-Copper Prospect, Youanmi Region: Multiple untested EM conductors were identified at Vidure Nickel-Copper Prospect (E57/1011), Youanmi region from recent review and modelling of historic EM (Moving Loop EM, Fixed Loop EM and Down Hole EM) data by Southern Geoscience Consultants Pty Ltd (SGC).

- Inky South Prospect, Youanmi Project: Department of Mines and Petroleum awarded $150,000 drilling grant for the Company's Inky-South Base Metals Prospect, Youanmi Project under WA Government Exploration Incentive Scheme Co-funded drilling Programme.

1. STRATEGIC LITHIUM-TANTALUM PROJECTS IN WA:

1.1 Project background

Venus Metals Corporation Ltd. ('Venus Metals') has made applications over four strategic lithium-tantalum project areas in Western Australia, the Pilgangoora Northeast and Stannum projects in the Pilbara, the Nardoo project in the Capricorn and the Poona Project in the Murchison of Western Australia.

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

The Pilgangoora Northeast Project (ELA 45/4630 & 4684) (Figure 1 in link below) 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.

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* outcrop(see note 2) in the form of northeast striking swarms and dykes and lies adjacent to the initial ELA. The Company has recently extended its tenement holdings (E45/4684) in the Pilgangoora region, a recognised 'lithium hot spot'(see note 1) covering an area of substantial pegmatite swarms(see note 2) (refer ASX release 21 January 2016).

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

1.1.2 Stannum Lithium-Tantalum Project, Pilbara Region.

The Stannum Project is composed of two tenements (ELA 45/4627 & PLA 45/3004) covering more than 100 km2. The project is located 98 km to the south of Port Headland and is accessed via the Great Northern Highway, then west along local formed roads and station tracks.

The Stannum project lies on the southern extensions of the greenstone belt hosting the Wodgina Tantalum mine, 13 km to the north. The project area hosts a number of historical tin, tantalum and niobium occurrences including the Stannum & Mills Find North workings (Figure 2 in link below).

Venus believes the project to be highly prospective for lithium as well as tantalum, tin & niobium.

1.1.3 Nardoo Lithium-Tantalum Project, Pilbara Region

The Nardoo tenement (ELA 09/2156) covers over 131 km2 and is located in the Capricorn region of Western

Australia. The project is accessed from Gascoyne Junction by heading east to Dairy Creek, then heading north towards Cobra station.

Yinnietharra station is located approximately 85 km north of Dairy Creek along the Cobra Station road; from Yinnietharra the Nardoo tenement can be accessed via station tracks(Figure 3 in link below).

The Nardoo project overlies the historical Nardoo & Morrissey Hill workings, with over a tonne of tantalum having been produced from the area in the 20th century.

The regional geology is a pelitic and gneissic terrain that has been extensively intruded by pegmatites, which host the tantalum-lithium mineralisation. The largest mapped pegmatite occurs at Nardoo Hill and is estimated to be flat lying, covering 1,000 metres of strike, more than 700 metres wide with a thickness of 'at least 30-60 metres'(see note 4). This target alone has the potential to produce a significant deposit of tantalum-lithium (Figure 3).

1.1.4 Poona Lithium Project, Murchison Region (90% VMC)

The Poona tenement (ELA 20/885) covers over 152 km2 and is located in the Murchison Mineral Field, approximately 560 km to the north-northeast of Perth. The project is accessed via the Great Northern Highway to the town to Cue, then west along the Beringarra-Cue Rd on to the Kalli Rd and station tracks.

The Poona project has been explored for a range of metals, as well as emeralds in the pegmatites, since the early 1900s. Exploration has focussed predominantly on gold, whilst the area also shows the potential for nickel, tantalum, tin, niobium and lithium. The tenement overlies a number of known lithium and tantalum occurrences including Patons Lode and Poona Reward (Figure 4 in link below).

Historical rock chip sampling from the pegmatites north west of Poona Reward has returned highly anomalous results, including:

Sample 5521(see note 5) 6,999,111 N/ 542,439 E 24.6% Ta_2O_5 & 46.7% Nb_2O_5

Sample P105(see note 6) 6,999,165 N/ 542,700 E 1.46% Li_2O & 1.12% Rubidium

Sample P106(see note 7) 6 6,999,169 N/ 542,703 E 1.61% Li_2O & 1.33% Rubidium

The four lithium-tantalum project ELAs cover, or are adjacent to, recognised lithiumtantalum mineralisation. Venus's Lithium-Tantalum projects area highly prospective for both lithium and tantalum. The Company is presently undertaking a detailed review of the historical exploration data to assist with guiding the forthcoming field reconnaissance exploration program.

2. VIDURE NICKEL-COPPER PROSPECT, YOUANMI PROJECT:

2.1 Project background

The Vidure prospect is located within recently granted Venus Currans Well Project (E57/1011) as part of wider Youanmi Region tenement holdings of VMC (Figure 1).

The Youanmi area includes a variety of mineralisation styles and commodities including gold, silver, copper-zinc, titanium-vanadium and nickel-copper-PGEs. The Vidure prospect was identified as a Ni-Cu-PGE geochemical anomaly located on the southern margin of the Youanmi layered mafic intrusive.

Mineralisation was first detected in drill-hole MYDD004(see note 7) (WMC 1973) with a 1.22m intersection of massive sulphides (2.2% Ni and 0.14% Cu from 136.64m). BHP followed-up in 1985 with another hole collared at a nearby location (PW0076(see note 8) - 7.06 metres @ 1.46% Copper, 0.36% Nickel & 5 gpt Silver from 120.5 metres including 0.71 metres @ 7.01% Copper. 0.80% Nickel & 21 gpt Silver from 122.35 metres) (refer ASX release 2 November 2015).

Venus commissioned Southern Geoscience Consultants Pty Ltd (SGC) to review and conduct plate modelling of both historical Surface EM (Fixed Loop) and Downhole EM survey data of Vidure Ni-Cu-PGE prospect. A programme of reconnaissance ground moving in-loop EM (MLEM) was undertaken in 2002 and 2003 by Valdera and Ellendale Resources (see note 11&12). These surveys covered the Vidure and surrounding prospects (Figure 5). The FLEM data from TX Loop 3 and 4 along with the DHEM data from CNRC0039 and CNRC0049 have been modelled using Maxwell software.

The anomalies observed on lines 6811250mN and 6811450mN show a single strong response from a shallow east dipping conductor. The profile from line 6811450mN possibly shows two separate conductors,

the response is weaker and may indicate the conductors are off-line. Follow-up FLEM surveys were conducted over the Vidure prospect in 2002 and to the north of Vidure in 2003. The FLTEM was used to detail the anomalies and aid drill targeting. A compilation of the historic drilling over and around Vidure is shown below in Figure 6 in link below in relation to the FLTEM data for TX Loop 3 (refer ASX release 11 December 2015).

Strong anomalies are observed on TX loops 3 and 4 between 6811250mN and 6811450mN that coincide with the MLEM anomaly observed over Vidure. The FLEM modelling of data from TX Loop 4 results in a single plate model with 275m strike and 100m width, dipping at 30 degrees to the east, and with a conductance of 4000 Siemens.

The loop 4 anomaly is well defined, the data quality good and it has produced a good target for drill testing. Only one drill hole (PW0076) has partially intersected this plate model. MYDD04(see note 4) comes very close to the south edge of the model and CNRC003 has intersected the northern edge of the model. All other holes are too shallow to intersect the target.

Anomalies detected in loop 3 have been modelled with two conductors, the conductance values from modelling ranges between 1000 Siemens (deep conductor 250m strike length x 250m width) and 6000 Siemens (shallow conductor 250m strike length x 100m width). The modelling is not as well constrained for Loop 3 and modern high powered EM surveying would improve drill targeting.

Downhole EM Modelling:

Modelling has been completed for the in-hole response observed in CNRC003 and the dominant off-hole response observed in CNRC004. The EM response observed in drillhole CNRC003 is very strong with the modelled plate have a conductance of 9000 Siemens, dip of 16 degrees to the east and a strike of 150m and width of 60m.

The main off-hole conductor at 145m DH in CNRC004 has been modelled as a moderately east dipping plate that is positioned to the north of the drill-hole. This represents a 'near-miss' for this hole as the conductor appears to be merely metres from the hole (refer ASX release 11 December 2015).

3. YOUANMI BASE METALS PROJECT

INKY SOUTH PROSPECT

3.1 Project background

Venus Metals Corporation Ltd. ('Venus') tenements (E 57/983 & 986) are located 600km NNE of Perth and form part of the company's Youanmi base & precious metals project in Youanmi greenstone belt in Western Australia.

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 (ASX release 15 July 2015).

3.2 December 2015 Quarter Exploration work:

- Department of Mines and Petroleum awarded a $150,000 drilling grant for the Inky South Base Metals Prospect, Youanmi Project under WA Government Exploration Incentive Scheme Co-funded Exploration Drilling Programme (ASX Release 4 December 2015).

4. BLACK FOREST GRAPHITE PROSPECT - COPPER HILLS PROJECT

4.1 Project background

The Copper Hills tenement E 45/3541 of 221 sq km is located in metamorphic Proterozoic rocks of the Rudall Complex, a Proterozoic province that includes the world class Telfer, Nifty and Kintyre mineral deposits in the East Pilbara region of Western Australia.

A diamond hole (BFDDH01) was drilled to a depth of 191.5m. Multiple graphite intersections were visually recorded from BFDDH01 drill cores. The best graphite intersection was 10m wide (115-125m) downhole and this is interpreted to be close to true width. BFDDH01 has intersected flake graphite at shallow depth (10m @ 4.51% Graphitic Carbon (Cg) from 115m to 125m). The intersection is part of a much larger graphite

system with multiple ground EM targets for drill testing over an area of 2 km by 1 km. The evaluation of historical drilling (1991-2003) results confirms the presence of visual graphite intersections of up to 30% in numerous graphite layers within many drillholes at Black Forest. This indicates the potential for a new graphite province in high grade metamorphic rocks of the Paterson Province (refer ASX release 19 December 2014).

4.2 December 2015 Quarter Exploration Work:

- Review of historical and recent drillhole data and IP & EM data

- Preparation of geological cross sections to delineate the potential target areas

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To view all figures, please visit:
http://media.abnnewswire.net/media/en/docs/ASX-VMC-750687.pdf

About Venus Metals Corporation Limited:

Venus Metals Corporation Ltd. (ASX:VMC) is focused on the exploration and development of its Western Australian Base Metal projects, which are prospective for Copper and Zinc, as well as its precious & specialty metals.

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