

VENTUREX SECURES SIGNIFICANT EXTENSION TO WHIM CREEK COPPER PROCESSING AGREEMENT

Revised and expanded arrangement delivers potential for ongoing income stream, providing a strong foundation for Venturex's continued growth and development

Highlights

- Agreement with private operator, Blackrock Metals Pty Ltd, for re-processing existing oxide copper heap leach pads at Whim Creek extended until December 2018.
- Under the new arrangement, Venturex's share of net profit (NPI) will be increased from 15% (under the recently expired agreement) to 30% from 1 January 2016 and to 49% from 1 January 2017.
- Blackrock can now commit to work aimed at reactivating the heaps and re-establishing copper production at similar levels to last year.
- Blackrock to undertake an evaluation of other potential oxide and chalcocite ore sources from stockpiles and existing Resources in the Whim Creek Project area.
- The 15% NPI delivered income to Venturex of \$548,502 from production of 1,159t of copper in calendar year (CY) 2015.

Venturex Resources Limited (ASX: VXR) is pleased to announce that it has reached agreement with private company Blackrock Metals Pty Ltd ("Blackrock") to extend the life of the access agreement covering the oxide copper heap leach pads at its 100%-owned **Whim Creek Copper-Zinc Project** in WA's Pilbara region.

The 3-year extension to the recently expired Access and Oxide Ore Processing Agreement secures a potentially valuable ongoing income stream for Venturex in the form of a net profit interest (NPI) in the re-processing operation.

Under the original agreement (see *ASX Announcement – 5 March 2014*), Venturex granted Blackrock access rights to the Whim Creek oxide copper processing site, located 120km south-west of Port Hedland in WA, allowing it to use a refurbished 5 tonne per day SX-EW treatment facility located on the site to recover copper from the historical heap leach dumps in return for a 15% NPI.

The 15% NPI has delivered total income of \$548,502 to Venturex in calendar year 2015 from total copper production of 1,159 tonnes.

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For further details

John Nitschke
Managing Director
T: +61 8 6389 7400
admin@venturexresources.com

Board

Tony Kiernan
Chairman

John Nitschke
Managing Director

Anthony Reilly
Non-Executive Director

Darren Stralow
Non-Executive Director

Trevor Hart
Company Secretary

Contact Details

Registered Office
Level 2
91 Havelock Street
West Perth WA 6005

T: +61 8 6389 7400
F: +61 8 9463 7836
admin@venturexresources.com
www.venturexresources.com

ABN: 28 122 180 205

The terms of the arrangement between Venturex and Blackrock are now:

- The existing Access and Oxide Ore Processing Agreement has been extended until 31 December 2018;
- The NPI paid to Venturex has increased from 15% to 30%, effective from 1 January 2016, and will be further increased to 49% effective from 1 January 2017;
- Blackrock will undertake a number of activities designed to reactivate the leach dumps with the aim of returning production to previous levels. These proposed activities include:
 - *Scarifying the surface of the heap leach dumps;*
 - *Trialling the injection of leach fluids into the heap by the use of injection holes; and*
 - *Turning the dumps over and restacking them using an excavator.*

The costs incurred in undertaking these activities will be taken into account in calculating the net profit; and

- Blackrock will also undertake an evaluation of additional sources of heap leachable copper in the Whim Creek Project area. These potential sources of copper include oxide mineralisation contained in mineralised stockpiles and occurring in-situ around the existing open pits at Whim Creek, as well as existing Resources on other tenements in the Project area. Blackrock also has the capability to treat chalcocite mineralisation that was never targeted by the previous operator in these potential sources.

Blackrock will undertake these evaluations at its own risk and cost up to the point where it can demonstrate that a source is viable.

Venturex purchased the Whim Creek Project from Aeris Resources (ASX: AIS) under the Whim Creek Sale Agreement (see *ASX Announcement – 20 August 2009*). Venturex has reached agreement with Aeris to amend this Agreement to accommodate this new arrangement with Blackrock. The amendment requires Venturex to pay Aeris a royalty of A\$30 for every tonne of copper contained in new material added to the heap leach dumps.

Management Comment

Venturex's Managing Director, Mr John Nitschke, said the Company was pleased to have reached agreement with Blackrock on a mutually beneficial extension of the existing access and ore processing arrangement at Whim Creek.

"The original agreement created an opportunity to unlock some of the inherent value in the existing heap leach pads at Whim Creek by bringing in a private operator with extensive specialist experience and capability in setting up and managing copper heap leach operations," Mr Nitschke said.

"The income generated to date has been a real boost for Venturex, contributing to our ongoing administrative and holding costs. It has also created the platform to assess broader opportunities to collaborate with Blackrock going forward.

"Both sides have put considerable effort into negotiating this outcome, which I believe delivers a genuinely positive result for both sides," he said. "The Blackrock team has an unrivalled depth of experience and technical capability in running heap leach operations in an efficient and cost effective manner – and they have done a great job so far at Whim Creek."

"As a result of the extension, Blackrock can now commit to the implementation of proven methods to reactivate the heap leach dumps, which it is expected will enable them to re-establish copper production at similar levels to what we have seen over the past year.

"Blackrock will also evaluate the potential to introduce additional sources of heap leachable copper to the existing heaps, including chalcocite ore that was not considered by the

previous operator. This will potentially give us the opportunity, not only to extend the life but also to expand the capacity of the operation," Mr Nitschke continued.

"The heap leach operation is viable at today's copper price and is expected to continue to generate a valuable ongoing income stream for Venturex which, at a minimum, will underwrite the Company's financial position in what remains a very challenging equity market environment.

"The extension of the agreement with Blackrock is the first of a range of strategies that Venturex has in place to extract value from our extensive copper-zinc inventory at the Whim Creek and Panorama Projects in the Pilbara region of Western Australia. We are actively seeking to extend the Resource base at Whim Creek, where we see the existing infrastructure providing an excellent opportunity to achieve more substantial production in the short term and progressing with our plan to return the exciting greenfields copper-zinc project at Sulphur Springs to 'shovel-ready' status," he added.



JOHN NITSCHKE
Managing Director

For further information, please contact:

Investors:

**John Nitschke / Trevor Hart – Venturex Resources Limited on (08) 6389 7400 or
email: admin@venturexresources.com**

Media:

**Nicholas Read – Read Corporate on (08) 9388 1474 or
email: info@readcorporate.com.au**

About Venturex Resources Limited

Venturex Resources Limited (ASX: VXR) is an exploration and development company with two advanced Copper Zinc Projects near Port Hedland in the Pilbara region of Western Australia. The two projects are the Panorama Project which includes the Sulphur Springs and Kangaroos Caves Resources plus 27km of prospective tenements on the Panorama trend and the Whim Creek Project which includes the Resources at the Whim Creek, Mons Cupri and Salt Creek mines together with the Evelyn project and 18,100 ha of prospective tenements over the Whim Creek basin. Our strategy is to restore the Sulphur Springs Project to shovel ready status, expand the Resources at Whim Creek and Mons Cupri so as to provide short term opportunities for production and work with our partners Blackrock Metals to extend and expand the existing 5 tonne per day oxide copper heap leach and SXEW operation at Whim Creek.

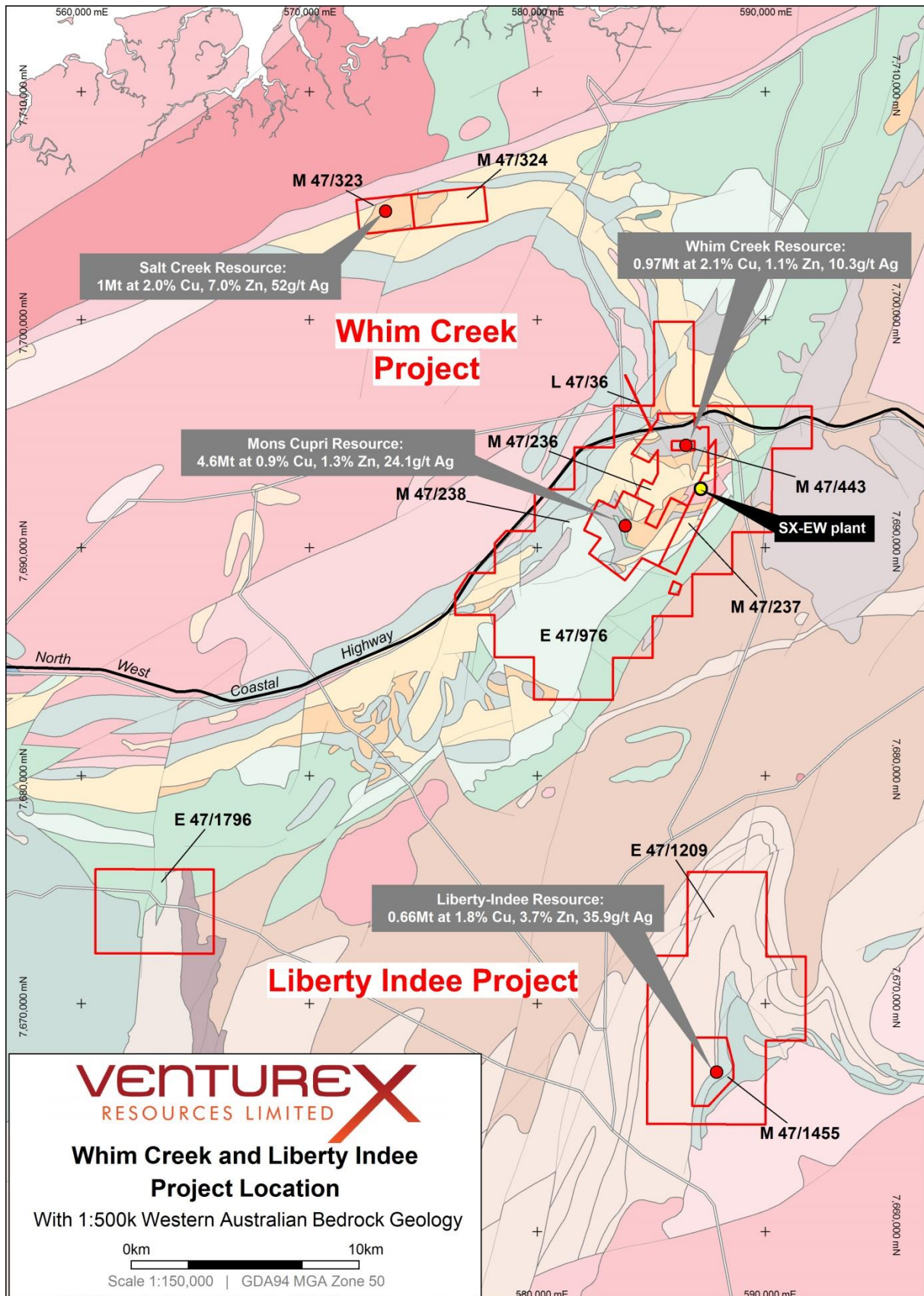


Figure 1 – Project Location