

## QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 30 JUNE 2017

### OVERVIEW

Venturex Resources Limited (ASX: VXR; "Venturex" or "the Company") reports on an active June Quarter which saw strong progress with its strategy of aggressively advancing the Sulphur Springs Copper-Zinc Project towards a development decision. Critical tasks completed during the quarter include;

1. Final site preparations and geological planning for an in-fill drill programme at the Sulphur Springs project to commence early in the September quarter;
2. Continued engagement with the Office of Environmental Protection for the determination of the permitting pathway for the Sulphur Springs Project.

### SULPHUR SPRINGS COPPER-ZINC PROJECT

*The Sulphur Springs Copper-Zinc Project, located 144km south-east of Port Hedland, includes the proposed Sulphur Springs and Kangaroo Caves mines together with tenements covering 27km of the Panorama trend that contain numerous advanced VMS-style exploration targets. The Project contains ~740,000t of contained zinc and ~230,000t of contained copper in resources (Refer ASX release 16 February 2017).*

#### Sulphur Springs Drill programme

With the retreat of the Pilbara wet season the Company has been able to regain access to the Sulphur Springs project area. During the quarter site visits were undertaken with earthmoving contractors and the Njamal traditional owners, to plan access for the up-coming drill programme. The Company currently has a Mining Agreement with the Njamal indigenous group.

Earth works to re-establish access to the planned drilling locations will be completed in early August with drilling to commence immediately thereafter.

The up-coming Sulphur Springs drill programme proposes 17 holes into the western side of the Sulphur Springs ore body. Of the 17 holes, 11 holes are planned to test a portion of the currently identified Supergene Resource, and 6 holes are planned to test deeper sections of the ore body that is located within the outline of the planned open pit and is classified as inferred. The primary objective of this drill programme is to convert a majority of the currently inferred Supergene resource to the indicated category.

The drill programme will also provide fresh sample material to carry out additional metallurgical test work.

ASX Announcement  
ASX Code: VXR  
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#### For further details

Anthony Reilly  
Director  
T: +61 8 6389 7400

#### Board

Tony Kiernan  
Chairman

Anthony Reilly  
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

### Permitting

The Office of the W.A Environmental Protection Agency (OEPA) has been provided with additional information on troglodfauna found on the site. The conceptual design of the cover for the proposed tailings dam has been further developed to support the project proposal. A determination on the level of assessment is expected from the OEPA in the third quarter of calendar 2017.

Subsequent to the quarter end the Company was advised by the OEPA of its determination of the permitting pathway being to assess the Sulphur Springs project at the level of "Environmental Review- No public comment" (Refer ASX release 19<sup>th</sup> July 2017).

### Sulphur Springs Exploration

During the quarter the Company identified a number of significant new exploration opportunities with the potential to grow the existing resource inventory at the Project, (see ASX release dated 23 May 2017). The targets were identified as part of an ongoing exploration review at the Sulphur Springs Project.

A review of historical exploration data from the project highlighted that limited use had been made of down-hole electro-magnetic (DHEM) surveys (see ASX release dated 11 December 2015). Re-processing of the limited DHEM data available identified that an off-hole DHEM target identified in hole SSD044A represented a potential down-plunge extension of the mineralisation (see Figures 1 & 2 below).

To follow-up this historical DHEM conductor the Company continues to assess the possibility of re-entering some of the previously drilled holes shown in Figure 2 and run DHEM and DHMMR surveys to generate additional drill targets with the potential to extend the existing mineralisation.

Figure 1: Composite long section showing position of historical DHEM conductor

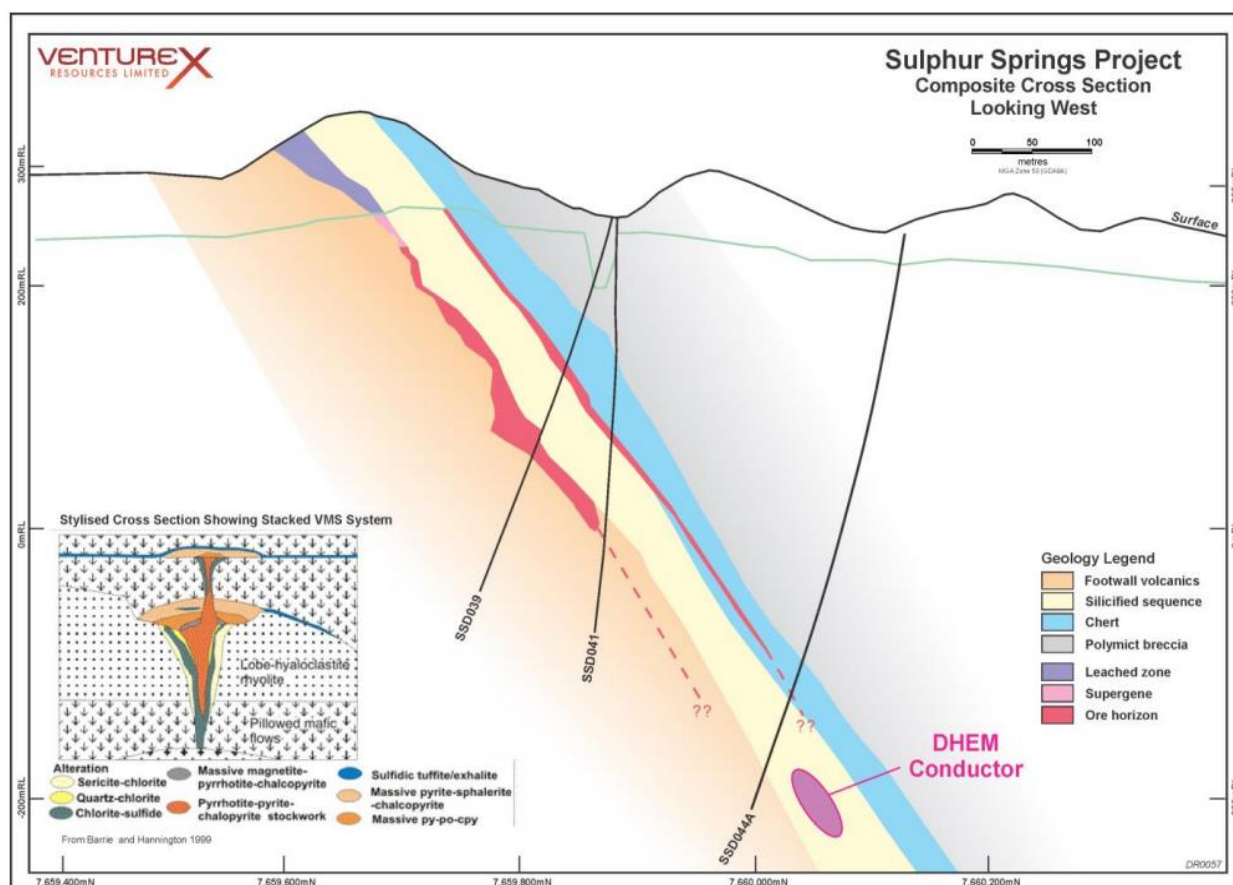
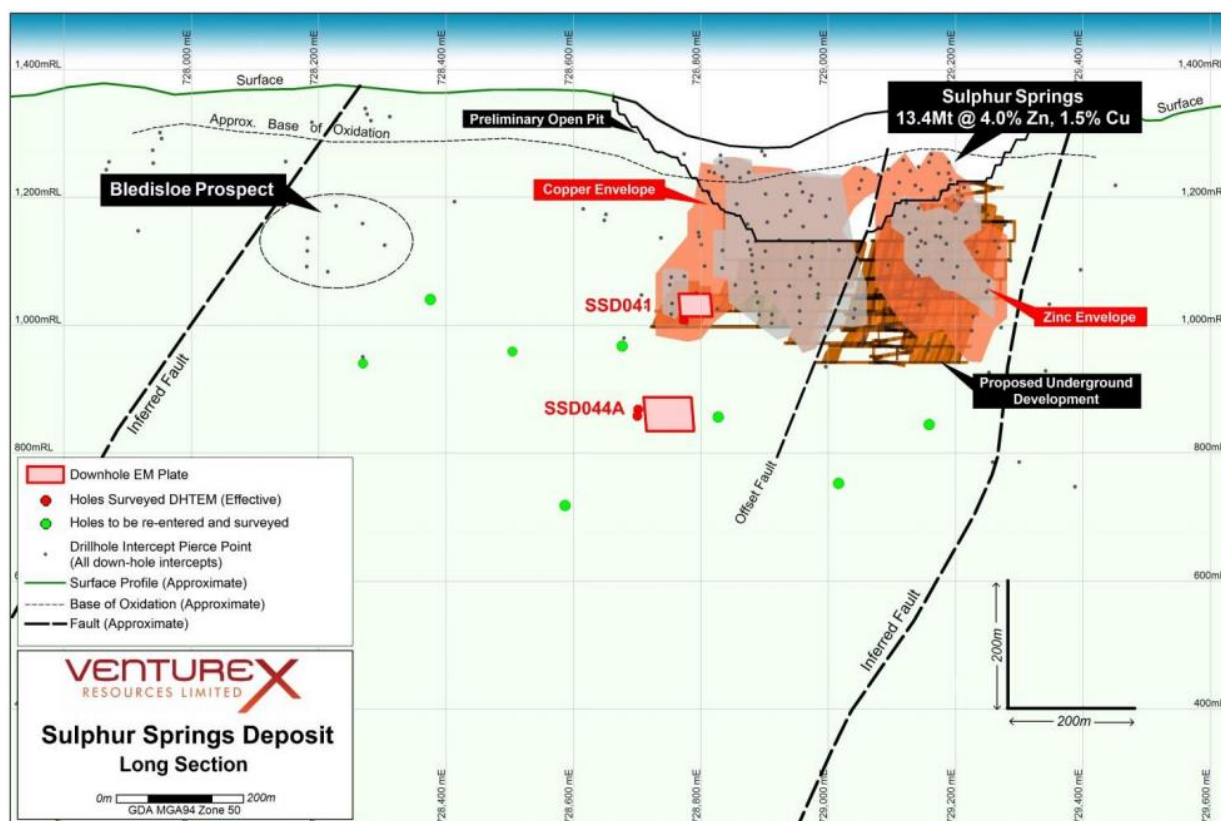


Figure 2: Long section showing historical DHEM conductors and historical holes (green dots) being assessed for potential re-entry and geophysical survey



## WHIM CREEK ZINC-COPPER PROJECT

The Whim Creek Zinc Copper Project, located 115km west of Port Hedland, includes the historical Whim Creek, Mons Cupri and Salt Creek mines, where 67,000t of copper has been produced from near-surface oxide ores, the Evelyn resource and 18,100ha of tenements in the highly prospective Whim Creek and Mallina VMS Basins.

### MONS CUPRI and North West Pit Area

Work completed during the quarter finalised re-logging of historical core from this area of the project. Some 19 holes have been re-logged with additional samples being sent for geochemical analysis.

The objectives of the re-logging exercise have been to better define the geological architecture and possible controls on mineralisation within the Mons Cupri area. This will allow more focussed targeting of possible repeats of mineralisation to the west and south west of the Mons Cupri deposit beneath the overlying Rushall Formation.

Work to update the Mons Cupri resource is ongoing.

### SALT CREEK

Assays for the three diamond holes drilled at Salt Creek in late 2016 confirmed the down plunge extension of the mineralisation on each of the three lodes at Salt Creek (refer ASX announcements 22 November 2016, 29 November 2016, 6 December 2016 and 12 January 2017).

During the quarter downhole geophysical surveys were completed on the three holes drilled in late 2016 (16VSCD007, 16VSCD008 and 16VSCD009).

Hole 16VSCD007 tested the eastern zinc lode approximately 110m down plunge of WSD130. The hole deviated from its planned trajectory intersecting just below the plunge of the targeted high grade

lodes. Despite this the hole intersected both **10.58m of footwall stringer style mineralisation from 434m @ 1.49% Cu and 6.9m of massive sulphide mineralisation from 448.4m grading 1.18% Cu, 4.7% Zn, 13 g/t Ag, 0.32g/ t Au.**

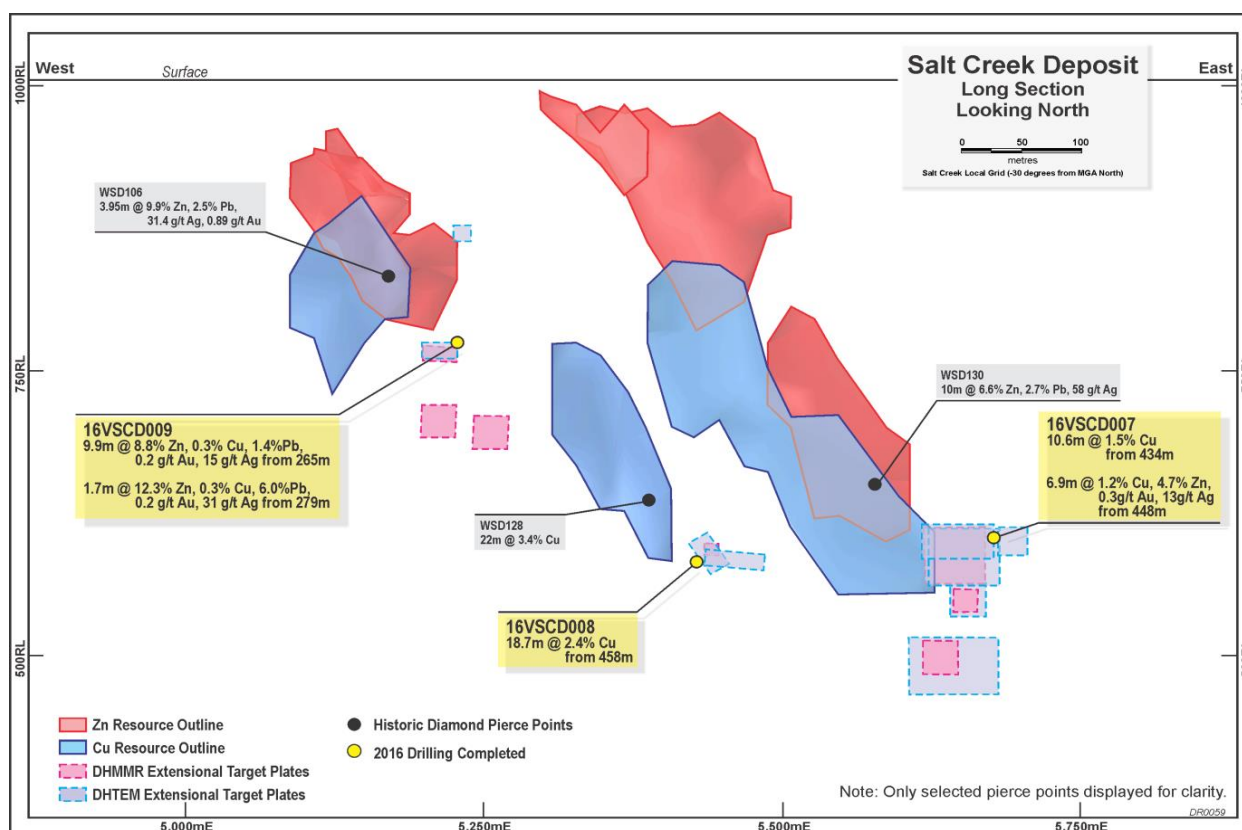
**Follow up geophysical testing has identified multiple DHTEM conductors and DHMMR anomalies.** These are interpreted to reflect both the copper rich stringer sulphide zone and the mixed copper – zinc massive sulphide zone of this lode. The geophysical responses recorded below the hole indicate a further possible down plunge extension to the eastern lode.

Diamond drill hole 16VSCD008 was designed to test a previously defined DHTEM plate down plunge of the central copper rich lode about 100m below WSD128. This hole intersected stringer style mineralisation of **18.7m from 457.75m @ 2.42% Cu** associated with very strong chlorite alteration and is interpreted to be just below the projected plunge of the high grade massive sulphide zone intersected in WSD128. **The strong off hole DHTEM conductor (see figure 3) is consistent with this interpretation.**

Diamond drill hole 16VSCD009 was designed to intersect a large DHMMR anomaly and extend the high grade western lode down plunge. The hole intersected semi-massive sulphides with **9.85m from 265.15m @ 0.34% Cu, 8.76% Zn, 1.44% Pb, 15g/t Ag, 0.2g/t Au.** The DHTEM shows a strong in-hole conductor associated with a MMR anomaly consistent with the mineralisation intersected. **An MMR anomaly below the drill hole indicates the high grade zinc zone may extend beyond the current drilling.**

The new TEM and MMR plates will be combined with the results from the recently completed programme of core re-logging. Once this data has been compiled new drill targets will be generated with the aim of potentially extending the current high grade zinc and copper resource further down plunge.

Figure 3: Salt Creek schematic long section looking north showing new DHTEM and DHMMR plates



## EVELYN

During the quarter, Venturex moved to 100% ownership of the Evelyn project.

A broad spaced soil sampling programme commenced during the quarter to test for gold and base metal anomalies.

## WHIM CREEK ACCESS AGREEMENT WITH BLACKROCK METALS

Turning and restacking of the existing heap leach dumps using an excavator continued through the quarter. Approximately 35% of the dump has been turned over and is progressively being put back under irrigation. Turning and restacking of the residual ore will continue in 2017 and be ongoing as a means of sustaining production from the heap leach dumps.

Operation of the Ion Exchange (IX) plant continued during the quarter due to availability of solution from seasonal rainfall. The IX is currently producing approximately 0.5 t / day of copper from solution not amenable to treatment via the SX (Solvent Extraction) process.

Production from the operation increased during the June quarter to 217 tonnes (March quarter 187 tonnes) of copper in cathode. Zero net profit interest payment was received for the quarter. Venturex does not manage the Operations and therefore does not provide guidance on the income it expects to receive from the operation. As per the Access Agreement with Blackrock the NPI interest increased from 30% to 49% as at the 1 January 2017.

	31 Mar 2016 Qtr	30 June 2016 Qtr	30 Sept 2016 Qtr	31 Dec 2016 Qtr	31 Mar 2017 Qtr	30 June 2017 Qtr	YTD 2016-17	Project to date
Tonnes produced	203	194	238	226	187	217	869	3,095
NPI \$	\$250k	\$250K	Nil	Nil	Nil	Nil	Nil	\$1,096k

Table 1 – Copper Cathode Production and NPI for the 12 month period and Project to Date

## CORPORATE

### Management Change

During the quarter Mr. John Nitschke stepped down as Managing Director (refer ASX release 26<sup>th</sup> April 2017) and Mr. Anthony Reilly assumed the position of Executive Director responsible for all corporate matters. Mr. Angus Thomson, Geology Manager, assumes all responsibility for project and technical matters (refer ASX release 3<sup>rd</sup> July 2017).

### Securities Information

As at 30 June 2017, the issued capital of the Company is 2,611,477,946 ordinary fully paid shares, 432,478,476 unlisted options and 42,763,798 unlisted Performance Rights.

### Financial Information

The Company's net cash position as at 30 June 2017 was \$0.960 million and it has no debt. The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.

Subsequent to the quarter end the Company announced a rights issue to raise \$3.75m via a 2 new shares for 7 entitlements issue at 0.5c. The issue is fully underwritten by Euroz Securities. Major shareholders Northern Star and Precision Opportunities Fund have each confirmed they will take up their full entitlements and have taken substantial sub underwriting positions. (Refer ASX release 17<sup>th</sup> July 2017).

**Anthony Reilly**  
**Executive Director**



**For further information, please contact:**

**Anthony Reilly/ Trevor Hart/ Angus Thomson**  
**Venturex Resources Limited**  
**Ph: +61 (08) 6389 7400**  
**Email: [admin@venturexresources.com](mailto:admin@venturexresources.com)**

**Media:**  
**Nicholas Read – Read Corporate**  
**Ph: (08) 9388 1474**  
**Email: [info@readcorporate.com.au](mailto: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 Sulphur Springs 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 progress the Sulphur Springs Project to shovel ready status, expand the Resources at Whim Creek and Mons Cupri 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.

**About Zinc**

Zinc is a blue-grey metal which readily forms alloys with metals including copper, aluminium and magnesium. Zinc is primarily used for its corrosion resistance in galvanising which accounts for approximately half of global zinc consumption. Galvanised materials (commonly iron and steel) are used extensively in transport, construction and appliance manufacturing purposes. Metallic zinc is also used in dry cell batteries, die-casting, roof cladding and in the production of zinc oxide.

Zinc demand is dominated by China at 6.9Mt or 49%. Global consumption is forecast to grow at a CAGR of 2% over 2016-2020, with the strongest demand growth coming from China at 2% and also the US and India. Following recent mine closures and this increasing demand growth, the current zinc market is tight with declining global inventories and a supply deficit forecast in coming years. Zinc prices have responded accordingly rallying above the top of the global mine cost curve. The concentrate market also reflects this supply tightness, with smelters materially discounting treatment charges.

**Competency Statements**

The Company confirms that:

- a. The form and context of the material in this release has not been materially modified from the above previous announcements; and
- b. It is not aware of any new information or data that materially affects the information included in the announcements and that all material assumptions and technical parameters underpinning the announcements continue to apply and have not materially changed.

The information in this announcement that relates to Exploration Results, Mineral Resources and Ore Reserves for Sulphur Springs is based on information compiled or reviewed by Mr James Guy who is a Member of the Australasian Institute of Mining and Metallurgy. The information contained in this announcement has previously released in announcements to the ASX. Mr Guy has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources". Mr Guy consents to the inclusion in the report of matters based on information in the form and context in which it appears.

The information in this announcement that relates to Exploration Results, and Geophysical Exploration Results for Salt Creek is based on information compiled or reviewed Reg Beaton who is a Member of the Australasian Institute of Geoscientist. The information contained in this announcement was previously released in ASX announcements on the 12 January 2017 and 31 May 2017.

## INTERESTS IN MINING TENEMENTS

AREA OF INTEREST	TENEMENTS	GROUP ENTITY'S INTEREST	ACQUIRED DURING QUARTER	DISPOSED DURING QUARTER
Liberty-Indee Project	E47/1209	100%		
	M47/1455	100%		
Whim Creek Project	E47/3495	100%	Application	
	M47/236	100%		
	M47/237	100%		
	M47/238	100%		
	M47/443	100%		
	L47/36	100%		
Salt Creek Project	M47/323	100%		
	M47/324	100%		
Sulphur Springs Project	E45/4811	100%		
	M45/494	100%		
	M45/587	100% (Kangaroo Caves)		
	M45/653	100%		
	M45/1001	100%		
	L45/166	100%		
	L45/170	100%		
	L45/173	100%		
	L45/179	100%		
	L45/188	100%		
	L45/189	100%		
	L45/287	100%		
Panorama Project	P45/2609	100%		
	P45/2610	100%		
	P45/2611	100%		
	P45/2612	100%		
	P45/2613	100%		
	P45/2614	100%		
	P45/2616	100%		
	P45/2910	100%		
	P45/2911	100%		
	ML45/1253	100%	Application	
	ML45/1254	100%	Application	