

## QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 30 SEPTEMBER 2017

### OVERVIEW

Venturex Resources Limited (ASX: VXR; "Venturex" or "the Company") reports on an active September 2017 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 completed and in-fill drill programme at the Sulphur Springs project commenced in early September with 7 holes completed to date;
2. Notification received from the Western Australia Environmental Protection Authority (EPA) confirming permitting pathway for the Sulphur Springs Project at "Environmental Review – No public review";
3. Airborne electromagnetic geophysical survey was flown over the main project tenement at Sulphur Springs;
4. Continued review and assessment of the Conglomerate hosted gold potential on the Company's Whim Creek project; and
5. Completed a fully subscribed 2 for 7 Entitlement Issue to raise \$3.7 million.

### SULPHUR SPRINGS COPPER-ZINC PROJECT

*The Sulphur Springs Copper-Zinc Project, is located south-east of Port Hedland and 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 Sulphur Springs 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

The Sulphur Springs drill programme commenced in early September (see Figure 1 and ASX release 4 September 2017). The 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 are located within the outline of the planned open pit and currently classified as inferred.

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Figure 1: Drill rig on location at Sulphur Springs



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.

The programme has had an exceptional start, with the first hole SSD089, intersecting 40m of massive sulphides with visual copper sulphides being evident, (see Figure 2 and ASX release 19 September 2017). Subsequent to the end of the quarter, exceptional assay results for SSD089 were received, best results include:

- **38.2m @ 3.49% Cu from 97.8m downhole, including an outstanding result of 14m @ 5.98% Cu from 111m**

Figure 2: End section of PQ core at approximately 115.8m downhole showing visible copper sulphide minerals from hole SSD089.



**A zone of elevated gold**, interpreted to be associated with the upper gossanous part of the ore body also returned **8.6m @ 1.9g/t Au and 186g/t Ag**.

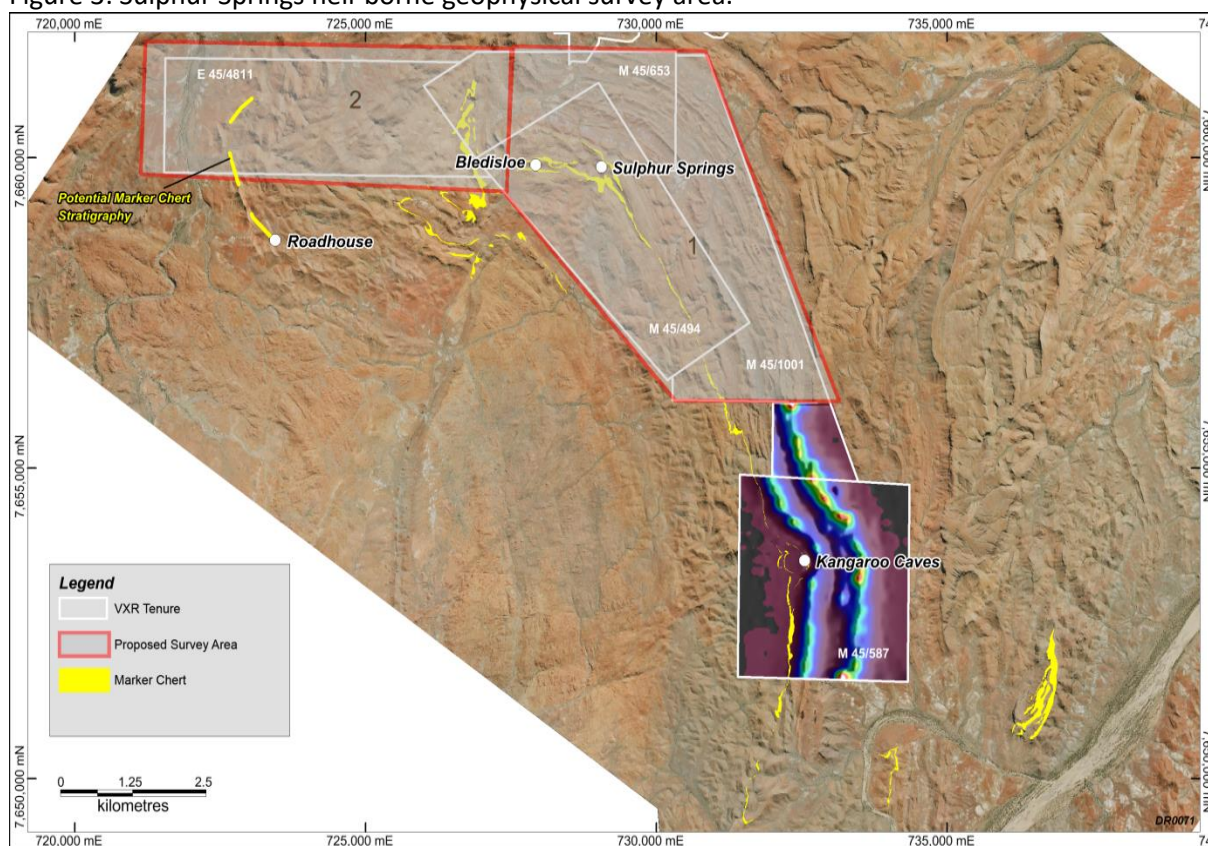
Subsequent to the end of the quarter a further six holes have been completed, with all holes intersecting significant widths of semi massive to massive sulphides. See ASX releases dated 9 October 2017 and 23 October 2017 for further details.

### Sulphur Springs – Geophysical exploration

During the quarter the Company also completed a heli-borne electromagnetic geophysical survey. The survey was flown over the main project tenement areas which had previously not been tested with modern geophysical techniques. The survey area (outlined in red) and the location of the Sulphur Springs deposit is shown in Figure 3.

Data from this survey is currently being interpreted by the Company's geophysical consultant to identify new high priority targets.

Figure 3: Sulphur Springs heli-borne geophysical survey area.



### Permitting

During the quarter the Company received notification from the Western Australia Environmental Protection Authority (EPA) regarding the required permitting pathway for its flagship 100%-owned Sulphur Springs Zinc-Copper Project.

The EPA has made a decision to formally assess the Sulphur Springs Project at the level of "Environmental Review – No public review".

With this EPA decision now in hand, and the permitting pathway determined, the Company can now proceed with the permitting process. The level of assessment does not require a formal public review component, therefore reducing the timeframes within which final approval can be attained.



## WHIM CREEK ZINC-COPPER PROJECT

The Whim Creek Zinc Copper Project, located ~120km east of Karratha, includes the historical Whim Creek, Mons Cupri mines where ~67,000t of copper has been produced from near-surface oxide ores. The Salt Creek and Evelyn Resources are also part of the project and the 18,100ha of tenements is highly prospective for further VMS discoveries.

### Conglomerate Hosted Gold Potential

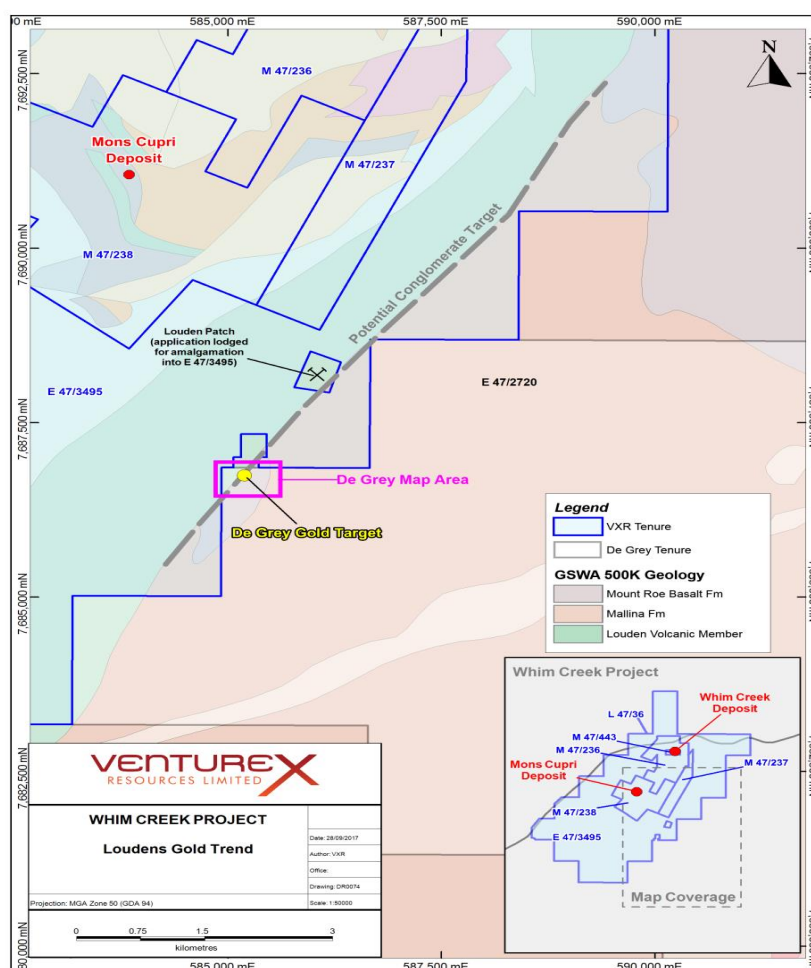
During the quarter the Company continued its review of the potential for Conglomerate hosted gold on its Whim Creek tenements.

The potential for Conglomerate hosted gold in the broader west Pilbara area has gained significant traction due to the discovery of gold nuggets on Novo Resources, Artemis Resources and DeGrey Mining tenement holdings, which are located east and west of the Whim Creek Project. The current level of activity in the broader area is being driven by the theory that the discoveries may represent a repetition of the large Witwatersrand Gold systems in South Africa.

Subsequent to the end of the quarter, a field reconnaissance trip was undertaken to confirm historical mapping and prospects, a number of samples were taken for analysis. See ASX release dated 18 October 2017.

The Company also commenced the relevant process to apply for the amalgamation of E47/3495 into its larger tenement E47/3495.

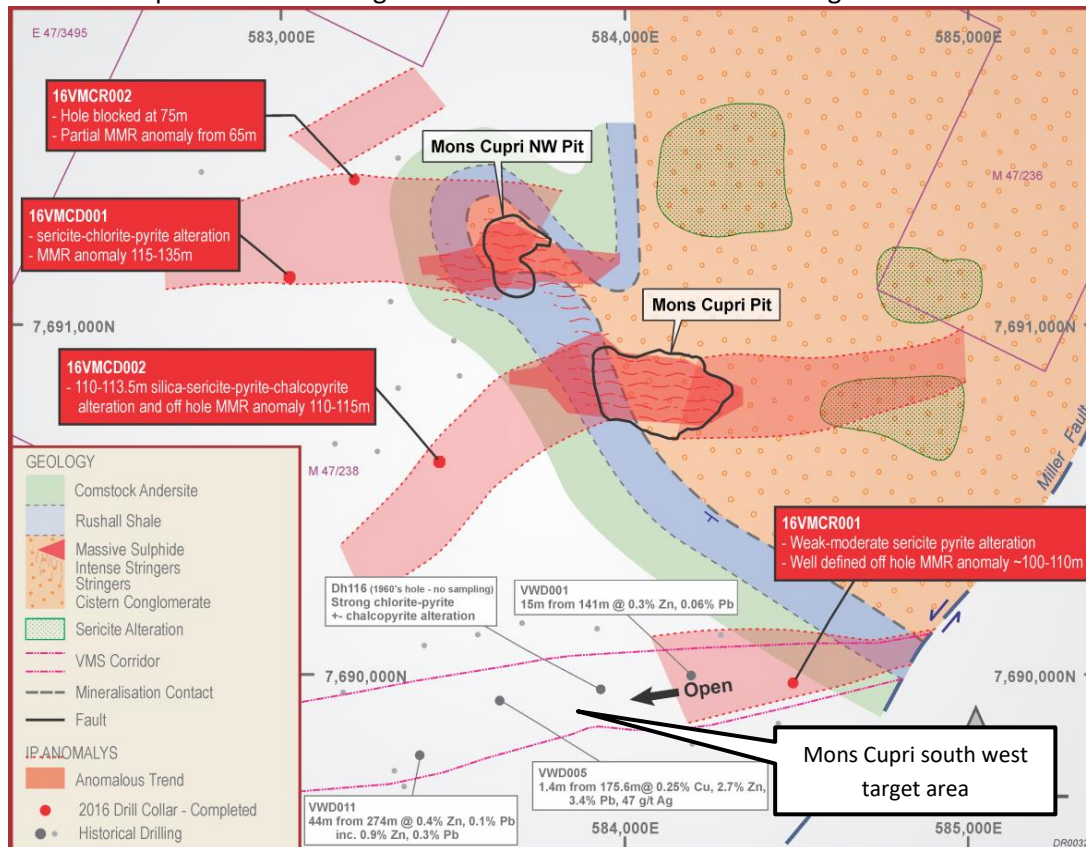
Figure 4: Map showing location of the Company's E47/3495 tenement and proximity to DeGrey Mining Loudens Patch discovery and the area under application for amalgamation.



### MONS CUPRI and North West Pit Area

During the quarter the Company was successful in its application for co-funded drilling assistance that is available under the Western Australian Governments - Royalty for Regions Exploration Incentive Scheme. The successful application was made to test the highly prospective Mons Cupri South West target illustrated in Figure 5 below.

Figure 5: Mons Cupri South West target area available for co-funded drilling assistance



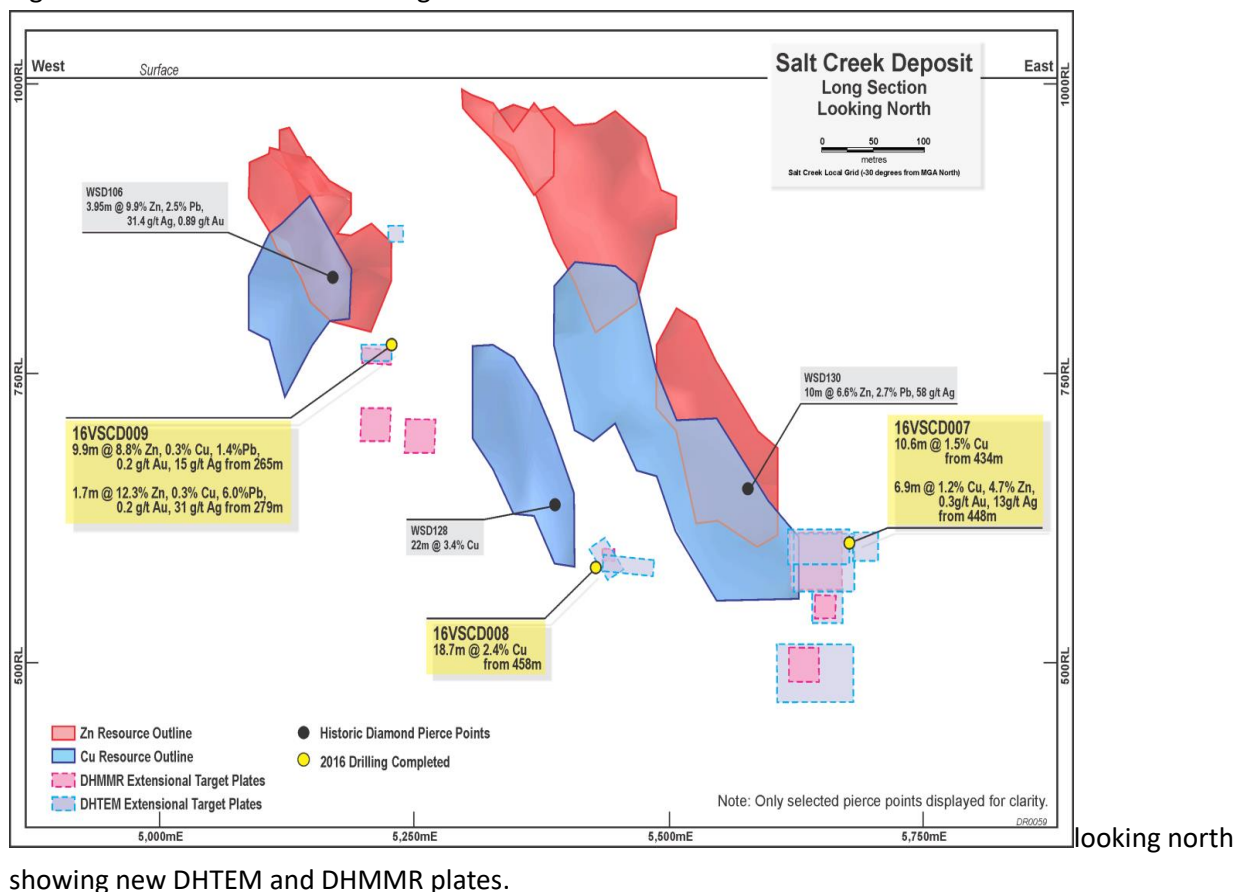
### SALT CREEK

At Salt Creek, work completed during the preceding quarters demonstrated the effective use of modern geophysical techniques to help guide exploration at the project. This resulted in three holes being completed in late 2016, with best results being (see ASX release dated 12 January 2017):

- 16VSCD007 10.6m @ 1.5% Cu from 434m
- 16VSCD008 18.7m @ 2.4% Cu from 458m
- 16VSCD009 9.9M @ 8.8% Zn, 0.3% Cu, 1.4% Pb and 0.2g/t Au and 15g/t Ag from 265m

Follow up downhole geophysics, has identified new geophysical anomalies located further down dip, that suggest the mineralised system continues at depth, these anomalies remain available for follow up drill testing, see Figure 6.

Figure 6: Salt Creek schematic long section



showing new DHTEM and DHMMR plates.

## EVELYN

During the quarter the Company completed a soil sampling programme aimed to help identify structurally hosted gold (see ASX release dated 6 September 2017).

The soil sampling programme collected 738 samples on a 200m x 40m grid spacing, covering approximately 60% of the project area. The samples were analysed for gold as well as a suite of base metal and pathfinder elements.

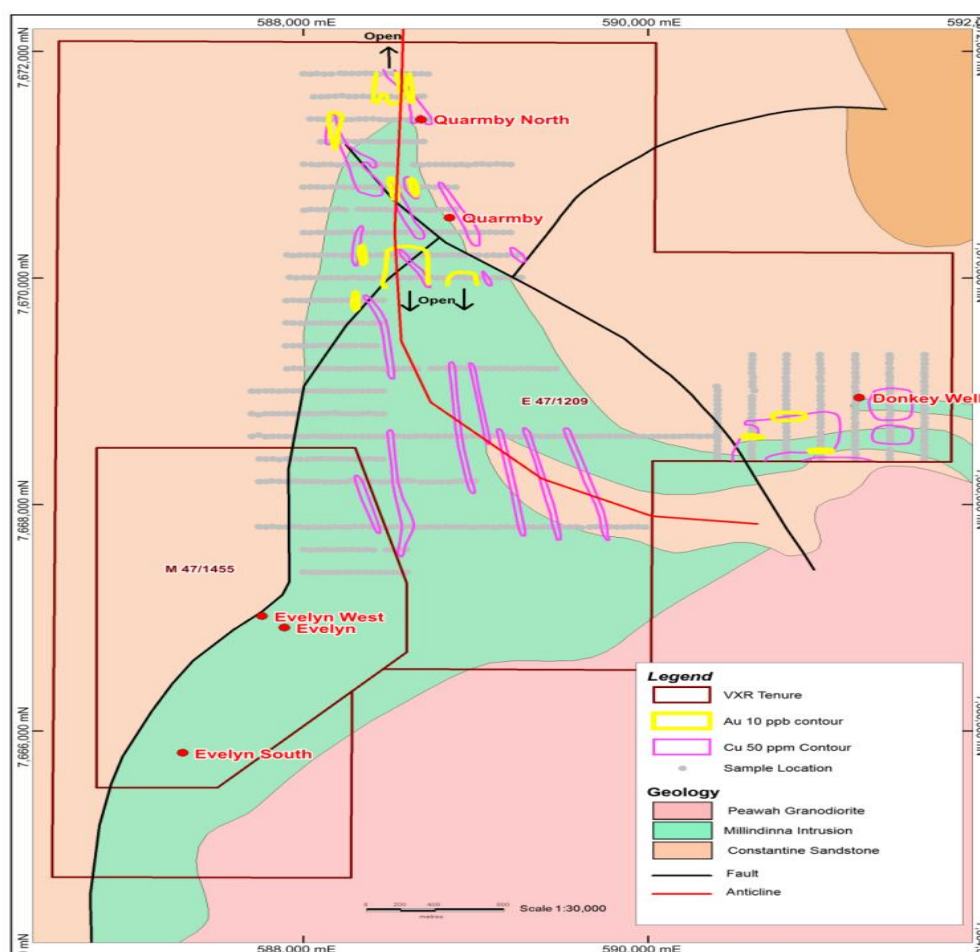
The soil sampling results returned anomalous gold values of up to 100ppb, and copper results of up to 382ppm. By applying a 10ppb gold and 50ppm copper threshold, the survey successfully identified coincident gold and copper anomalism that appears to be associated with axial plane structures on the regional Croydon Anticline (see Figure 7).

The anomalism is located within structures that are interpreted to cut the Constantine Sandstone, a lower member of the DeGrey Group Formation and the younger Millindinna Intrusive that form the core of the regional anticline. Several of the anomalies remain open and additional sampling to close-off the anomalies and fully test the structures is being planned.

The location of the anomalism on major structures within sedimentary and ultramafic intrusive rock types represents a new style of target for the Company's Whim Creek – Evelyn Project area.

As part of the review process, Venturex recently acquired the remaining 30% interest from its joint venture partner and now holds a 100% interest in the tenements of the Evelyn Project.

Figure 7: Results of Evelyn soil sampling



## 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.

During the Quarter, third party operator of the existing Whim Creek Heap Leach, Blackrock Metals reached an agreement with listed entity Artemis Resources Limited, to purchase 50,000 tonnes of stockpile copper oxide from the Whundo Copper Mine for processing through the Whim Creek Heap Leach and SX-EW. As at 30 September 2017 approximately 30,000 tonnes had been transported to site.

Production from the operation remained constant during the September quarter of 215 tonnes (June quarter 217 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.

	30 June 2016 Qtr	30 Sept 2016 Qtr	31 Dec 2016 Qtr	31 Mar 2017 Qtr	30 June 2017 Qtr	30 Sept 2017 Qtr	Project to date
<b>Tonnes produced</b>	<b>194</b>	<b>238</b>	<b>226</b>	<b>187</b>	<b>217</b>	<b>215</b>	<b>3,310</b>
<b>NPI \$</b>	<b>\$250K</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>\$1,096k</b>

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

## CORPORATE

### Management Change


As previously announcement Mr. John Nitschke stepped down as Managing Director As at 1 July 2017 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.

### Securities Information

As at 30 September 2017, the issued capital of the Company is 3,376,212,411 ordinary fully paid shares, 216,293,663 unlisted options and 19,866,800 unlisted Performance Rights. During the quarter the Company successfully completed a rights issue to raise \$3.75m via a 2 new shares for 7 entitlements issue at 0.5c.

### Financial Information

The Company's net cash position as at 30 September 2017 was \$3.048 million and it has no debt. The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.



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

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## 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 Whim Creek is based on information compiled or reviewed by Reg Beaton who is a Member of the Australasian Institute of Geoscientist. Mr Beaton has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaking.

The information in this announcement that relates to Exploration Results for Sulphur Springs is based on information compiled or reviewed by Stefan Gawlinski who is a Member of the Australasian Institute of Geoscientist. Mr Gawlinski has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaking.

## 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%	Granted 1.08.17	
	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	M45/494	100%		
	M45/587	100% (Kangaroo Caves)		
	M45/653	100%		
	M45/1001	100%		
	E45/4811	100%		
	E45/4993	100%	Application	
	E45/5003	100%	Application	
	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%		Converted to Mining Lease M45/1254
	P45/2610	100%		
	P45/2611	100%		
	P45/2612	100%		
	P45/2613	100%		
	P45/2614	100%		
	M45/1254	100%	Granted 11.10.17	
	P45/2616	100%		
	P45/2910	100%		
	P45/2911	100%		
	ML45/1253	100%	Application	