

ASX: VXR

# Building an Australian Base Metals Business

## Highlights

- ❑ NPV<sub>8</sub> AUD **472** MM
- ❑ Free Cash Flow AUD **818** MM
- ❑ Ore Reserve **42%** Increase in Cu Metal
- ❑ Reduced Infrastructure Capex **146** MM
- ❑ Increased production rate to **1.25MMtpa**
- ❑ Life of Mine **12** Years

# Important information & Disclaimer

## Cautionary Statement

The information contained in this document ("Presentation") has been prepared by Venturex Resources Limited ("Company"). This Presentation is being used as a presenter's aid with summarised information. See Venturex's other and periodic disclosure announcements lodged with the Australian Securities Exchange, which are available at [www.asx.com.au](http://www.asx.com.au) or at [www.venturexresources.com](http://www.venturexresources.com), for more information.

While the information contained in this Presentation has been prepared in good faith, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers give any representations or warranties (express or implied) as to the accuracy, reliability or completeness of the information in this Presentation, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as "Information") and liability therefore is expressly disclaimed. Accordingly, to the full extent permitted by law, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained in this Presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation.

This Presentation may include certain statements that may be deemed "forward-looking statements". All statements in this Presentation, other than statements of historical facts, that address future activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. The Company, its shareholders, directors, officers, agents, employees or advisers, do not represent, warrant or guarantee, expressly or impliedly, that the information in this Presentation is complete or accurate. To the maximum extent permitted by law, the Company disclaims any responsibility to inform any recipient of this Presentation of any matter that subsequently comes to its notice which may affect any of the information contained in this Presentation. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions. Venturex assumes no obligation to update such information.

Investors are cautioned that any forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward looking statements. Please undertake your own evaluation of the information in this presentation and consult your professional advisers if you wish to buy or sell Venturex shares.

This Presentation has been prepared in compliance with the JORC Code 2012 Edition. The 'forward-looking information' contained here is based on the Company's expectations, estimates and projections as of the date on which the statements were made. The Company disclaims any intent or obligations to update or revise any forward looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law. The Production Target (and the forward looking financial information based on that Production Target) contained in the DFS includes material classified as Ore Reserves and Inferred Resources. Material classified as Ore Reserves contributes ~68% of the material within the LOM Production Target and Inferred Resources contribute ~32% of material included within the LOM Production Target. The mine plan has been sequenced to ensure that the reliance on material contributed from Inferred Resources is minimised within the first 5 years and the Company is satisfied that the proportion of Inferred Resources is not a determining factor for project viability. Nonetheless, the Company notes there is a low level of geological confidence associated with Inferred Resources and there is no certainty that further exploration work will result in the determination of Indicated Resources or that the LOM Production Target insofar as it relates to the Inferred Resources will be realised.

## Competency Statement

The information in this presentation that relates Geophysical Exploration Results is based on information compiled by Mr Russell Mortimer, who is employed as a Consultant to the Company through geophysical consultancy Southern Geoscience Consultants Pty Ltd. Mr Mortimer is a member of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, 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.

The information in this presentation that relates to Exploration Results at the Sulphur Springs Project is based on information by Mr Stefan Gawlinski who is employed as a Consultant to the Company. Mr Gawlinski is a member of the Australian Institute of Geoscientists and Mr Gawlinski has sufficient experience with the style of mineralisation and the type of deposit under consideration.

The information in this presentation that relates Exploration Results at the Whim Creek Project is based on information compiled by Mr James Guy who is employee of the Company. Mr Guy is a member of the Australian Institute of Geoscientists and Mr Guyn has sufficient experience with the style of mineralisation and the type of deposit under consideration.

The information contained in this presentation relating to the Whim Creek Projects Resources and Reserves was previously released in announcements Company Resource and Reserve Statement – Revised released 8 October 2013 and 23 March 2018.

The information contained in this presentation relating to the Kangaroo Caves Resources was previously released in announcements issued 22 September 2015, based on information compiled or reviewed by Mr David Milton, Hardrock Mining Consultants Pty Ltd who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Milton has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 – Refer Edition of the "Australasian Code for Reporting of Mineral Resources".

The information contained in this presentation relating to the Sulphur Springs Resources was previously released in announcements issued 21 March 2018, based on information compiled or reviewed by Mr David Milton of Mil Min Pty Ltd who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Milton has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 – Refer Edition of the "Australasian Code for Reporting of Mineral Resources".

The information contained in this presentation relating to the Sulphur Springs Reserves was previously released in ASX announcement dated 10<sup>th</sup> October 2018 based on information compiled or reviewed by Mr Daniel Donald, of Entech Pty Ltd who is a member of the Australasian Institute of Mining and Metallurgy. Mr Donald has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Reserves".

The Company confirms that: a) The form and context of the material in this presentation has not been materially modified from the above previous announcements; b) It is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the estimate in the Definitive Feasibility Study announcement issued 10 October 2018 continue to apply and have not materially changed; and c) It is uncertain that following further exploration and evaluation that the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC 2012 Code.



- ❑ Venturex Resources is a base metals developer based in the Pilbara, Western Australia.
- ❑ Venturex Resources has a large, quality asset base and is well positioned for production and growth in global copper and zinc markets.

We're building an Australian base metals business.

# Corporate Snapshot | Board & Management Team

## Board

**Anthony (Tony) Kiernan**

**Non-Executive Chairman**

Former lawyer with 35 years listed company management experience

**Ajanth (AJ) Saverimutto**

**Managing Director**

Mining Engineer with 20 years mine development and financing experience

**Anthony Reilly**

**Executive Director**

20 years banking, finance and resource sector experience

**Darren Stralow**

**Non-Executive Director**

Mining Engineer with 18 years mine operations and management experience

## Management

**Trevor Hart**

**CFO & Company Secretary**

CPA with over 20 years senior experience in listed companies

**Alex Biggs**

**Project Manager**

Mining Engineer with experience in the consulting, operations and finance sectors

**Luke Gibson**

**Geology Manager**

Geologist with experience in VMS base metals exploration and development

**Emma Bamforth**

**Environmental Manager**

Experience in environmental approvals and compliance in the mining and resource industry

# Corporate Snapshot | Metrics & Shareholders

## Key Metrics

Share price (\$AUD) 0.18

Shares on Issue (M) 240

Market capitalisation (M\$AUD) 43

## Top 5 Shareholders %

Northern Star Resources Ltd 19.0

Regent Pacific Group Ltd 16.3

Precision Opportunities Fund Ltd 6.2

Henghou Industries (Hong Kong) Ltd 4.4

Directors/Management 3.0

Top 3 shareholders hold ~42% of shares on issue as of 1 Oct 2018



# Investment Highlights | Timing, Profitability, Growth



## Market Timing

Copper and Zinc prices up over last 12 months

Low LME stockpiles

Project discovery pipeline stunted over last few years

Strong forward markets



## Project & Profitability

A robust and profitable project

High margin project with open pit and underground operations

Low cost, economy of scale operation

Cornerstone asset



## Poised for Growth

DFS Complete

Funding in Progress

Strong Exploration Potential

Northern Star ~ 19% shareholder



VENTUREX  
RESOURCES LIMITED

# Market Timing

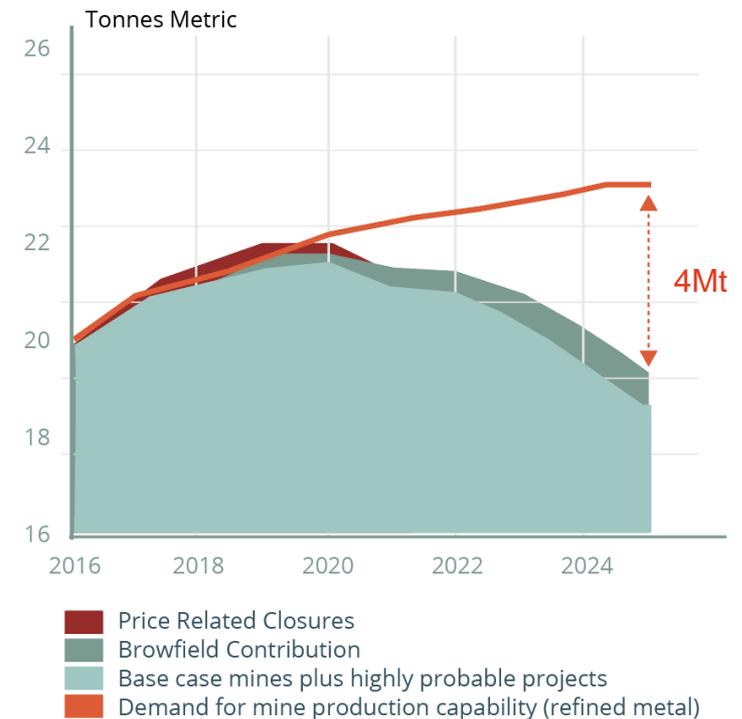
# Diminishing Supply | Market Timing

## Supply shortfall expected by 2020

- Resource depletion on current projects
- Grade decline
- Lack of investment in new projects
- Falling copper inventories
- Chinas Belt and Road (~7% increase in Demand per year)



SOURCE: Wood Mackenzie

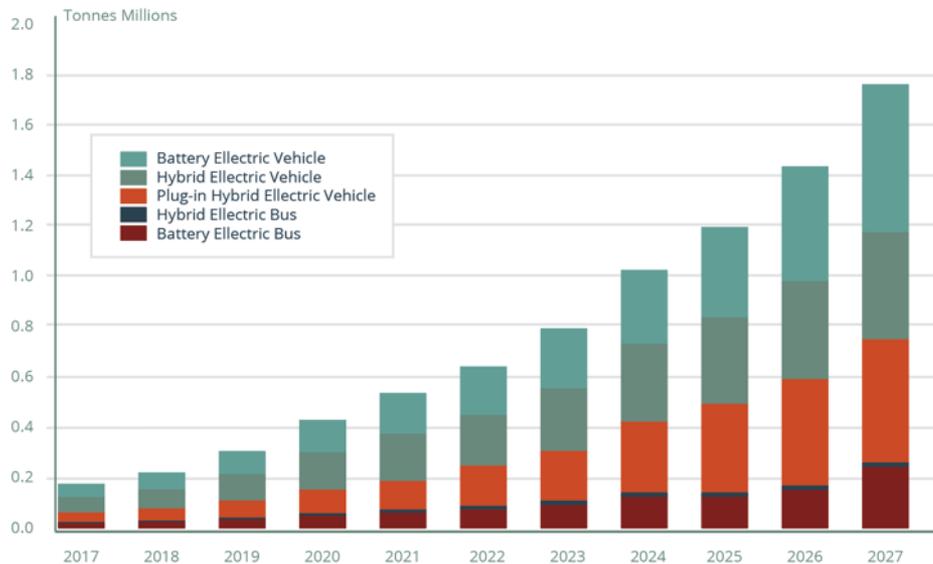


SOURCE: Bloomberg, LME, SHFE, Comex Sept 2018

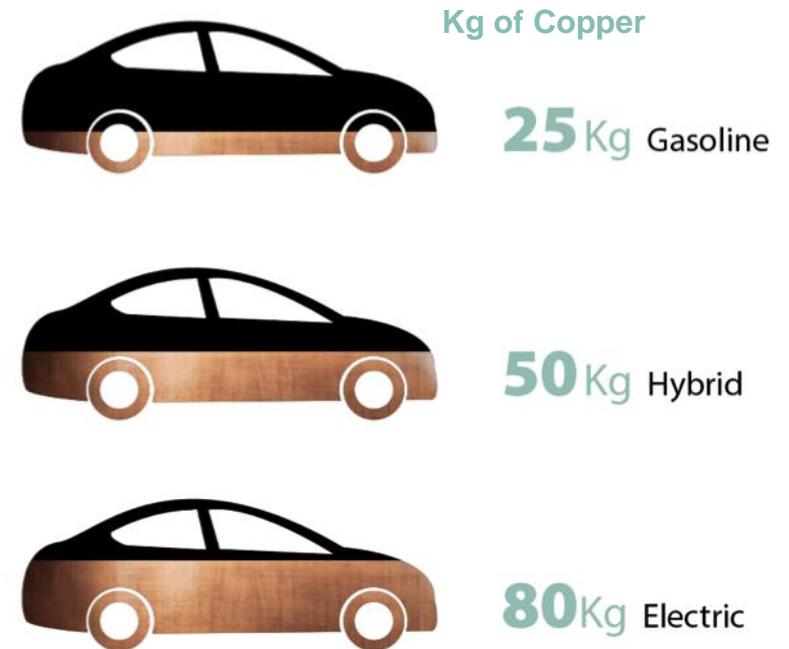
# Strong Demand from EVs | Market Timing

## Electric Vehicles (EVs)

- Electric Vehicles (EVs) are a major growth market
- An average EV needs 4 x the copper of a conventional medium sized car
- The EV fleet will be 230 million in 2035 and 750 million by 2050 equivalent to half the global fleet<sup>1</sup>



SOURCE: International Copper Association, US Global Investors



SOURCE: Visual capitalist, US Global Investors

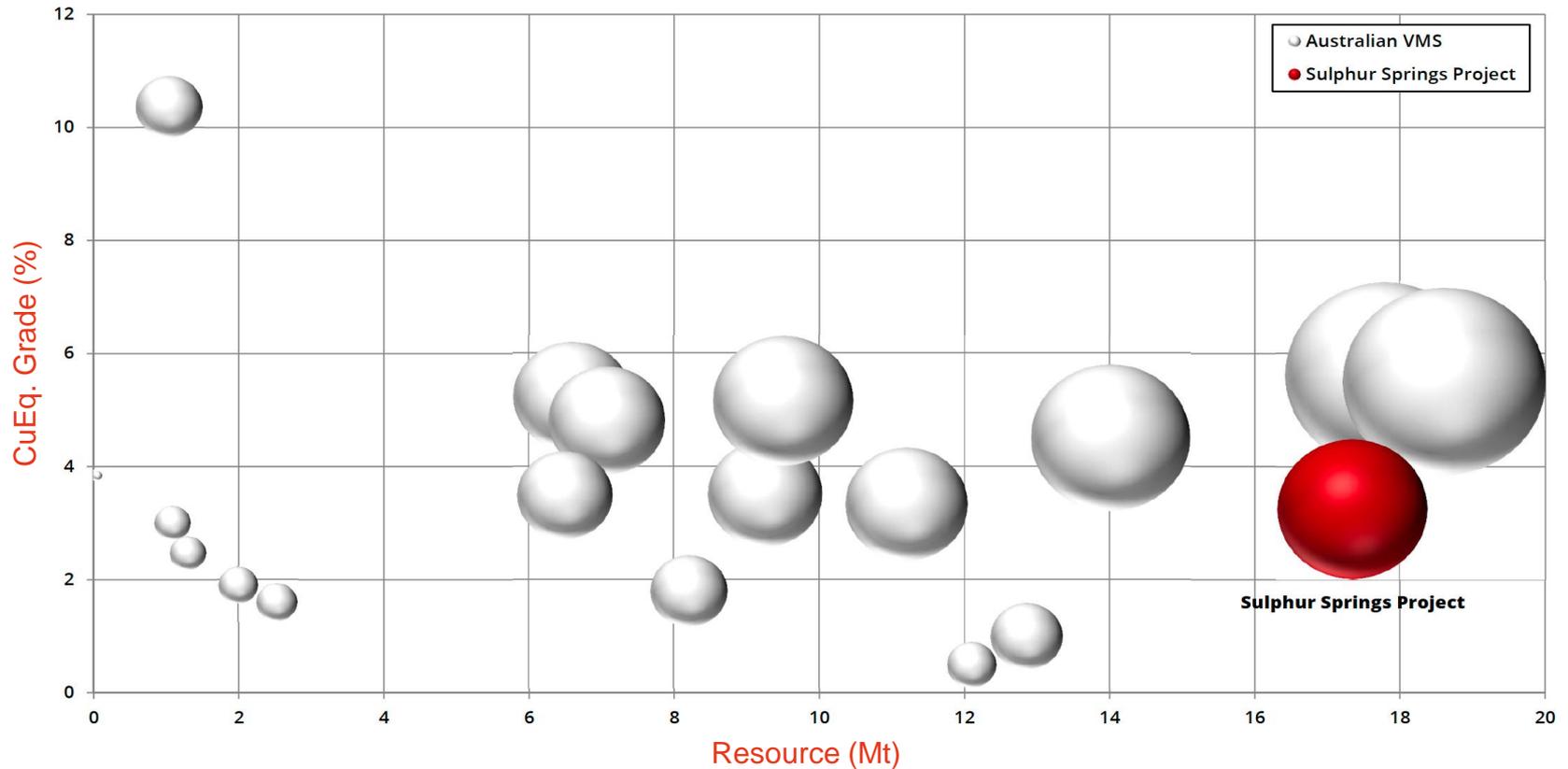
<sup>1</sup>UBS Global Research, 29 August 2017, "Copper: Electric Vehicles & Charging Infrastructure to Accelerate Demand".



VENTURE X  
RESOURCES LIMITED

# Project & Profitability

# Australian Mines & Metal Endowment | Project & Profitability



SOURCE : VXR, MMG, SLR, MLS, ERL, MRP, SYV, HRR, RVR, IGO, NQ (NEX), THX, SFR, HOR, G1A  
 Copper equivalent calculated at metal price assumptions: Cu = USD6450/t, Zn = USD2,535/t, Pb = USD2,050/t, Au = USD1,200/oz.  
 Bubble size according to copper equivalent metal in stated resource.

# DFS – Financial Results | Project & Profitability

- Excellent project financials
  - NPV<sup>8</sup> = AUD 472 MM
  - IRR = 51%
  - Free Cash Flow = AUD 818 MM
- Average cash flow of ~AUD 80 MM per year
- Infrastructure Capital cost reduction to AUD146MM (including contingency)
- Increased plant capacity to 1.25 Mtpa from 1.00Mtpa
- Increased Ore Reserve from 7MMt @ 1.1% Cu and 3.5% Zn to 8.5Mt @ 1.4% Cu and 3.1% Zn (an increase of 42% in contained Cu metal)



Increased financial viability | Increased production rate | Reduced capital cost

<sup>1</sup>NPV calculated on following assumptions: Cu = USD6,300/t, Zn = USD2,650/t, AUD:USD = 0.72

# Project Design | Project & Profitability

## Open Pit Design

- Optimised open pit design
- Strip ratio from 11:1 to 8:1
- Geotechnically optimised

## Underground Design

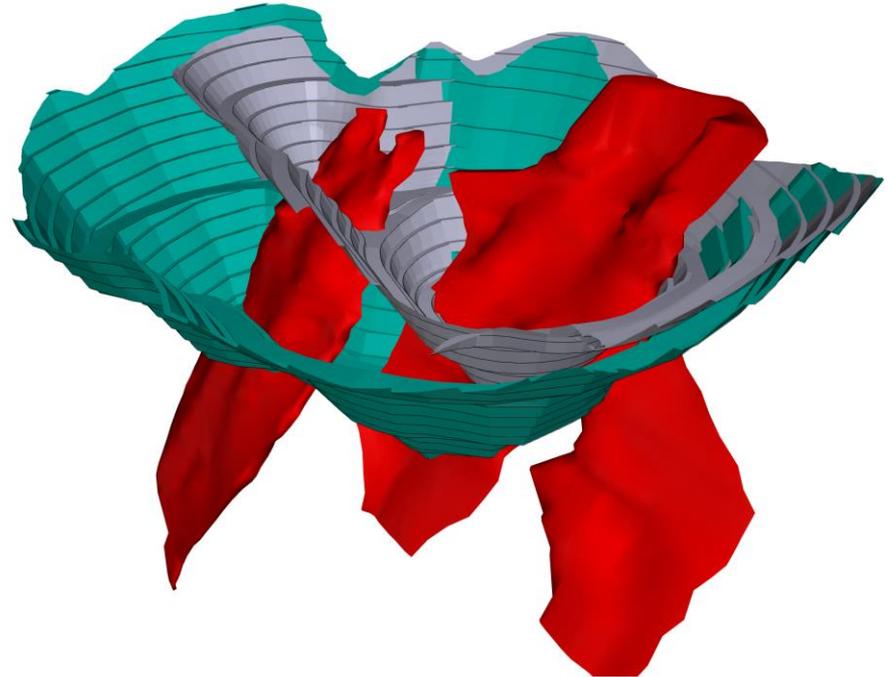
- Bulk mining method (Modified – SLC)
- Low capital development requirement
- Low cost extraction methodology

## Metallurgy

- 1.25Mtpa plant
- Larger grind size
- Simple crush, grind float

## Infrastructure

- Camp purchase
- Access road optimised
- Fit for purpose and Upgradable



# DFS vs VES | Project & Profitability

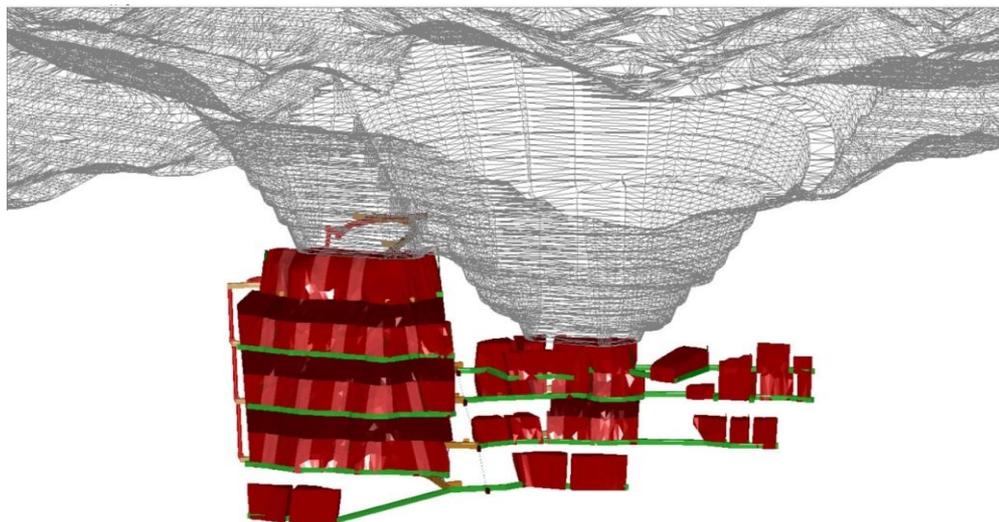
Definitive Feasibility Study (2018) <sup>1</sup>	Metric	Value Engineering Study (2017) <sup>2</sup>
472	NPV <sup>8</sup> (AUD M)	338
51	IRR (%)	52
2,625	Gross Revenue (AUD M)	2,400
818	Free Cash Flow (AUD M)	601
169 (15 months)	Capex (AUD M)	167 (12 months)
12.6	Ore Inventory (Mt)	11.7
1.25	Production (Mtpa)	1.00
11.75	Mine Life (Years)	12.75
8.5Mt @ 1.4% Cu and 3.1% Zn	Reserves	7.3MMt @ 1.2% Cu and 3.5% Zn
3.6	Payback Period (Years)	2.6
152	Recovered Copper Metal (kt)	149
411	Recovered Zinc Metal (kt)	394

<sup>1</sup>DFS figures calculated at: Cu = USD6,300/t, Zn = USD2,650/t, AUD:USD = 0.72

<sup>2</sup>VES figures calculated at: Cu = USD6,450/t, Zn = USD2,535/t, AUD:USD = 0.76

# Operating Costs | Project & Profitability

## A Cornerstone Asset



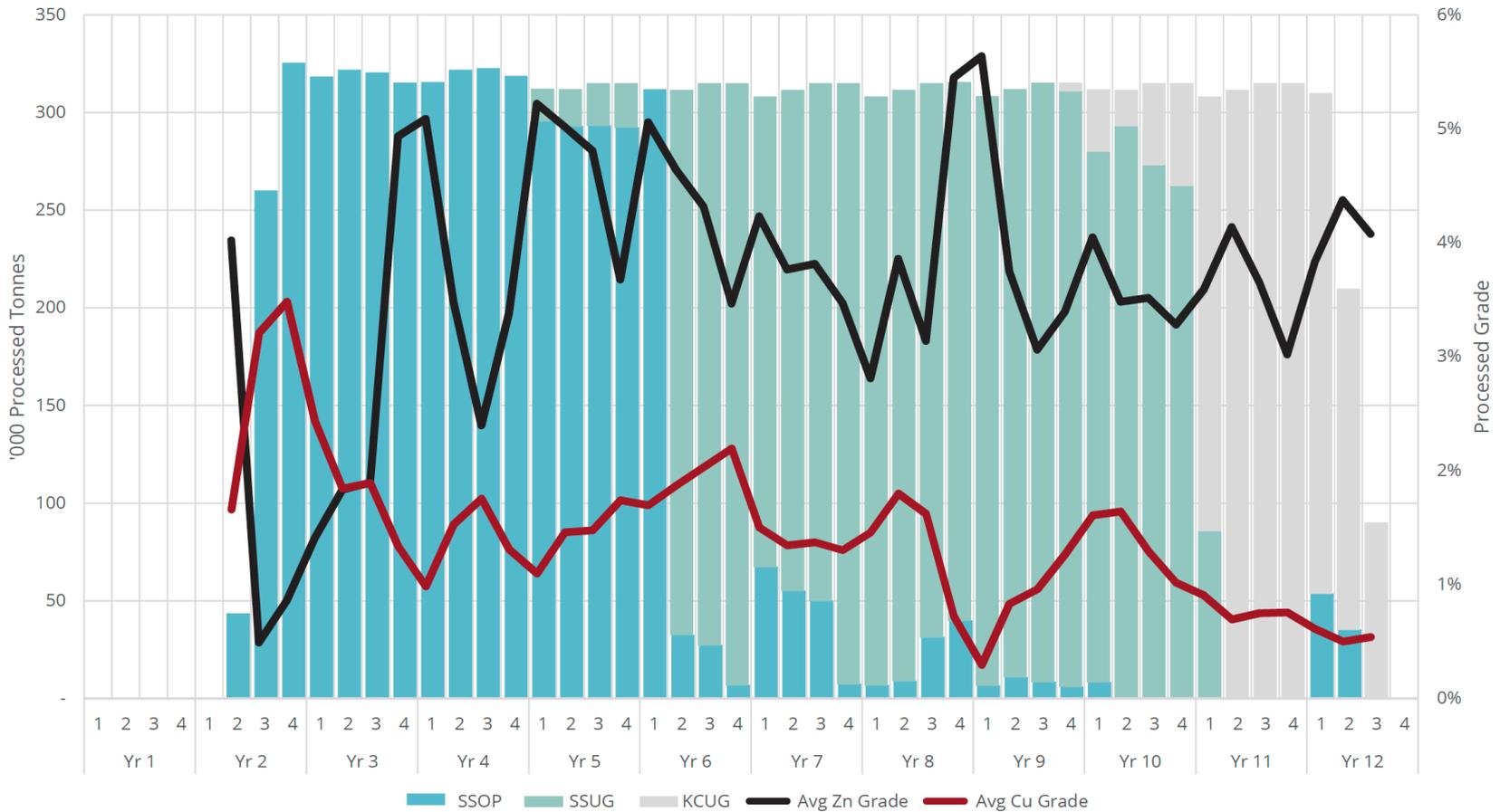
## LOM Costs

Output	Unit	Value
NPV <sup>8%</sup>	AUD M	472
Free Cash Flow	AUD M	818
Revenue	AUD/t	209
Operating Cost Per Tonne	AUD/t	122
Capital Cost per Tonne	AUD/t	22
Total Cost per Tonne	AUD/t	144
<b>Margin</b>	AUD/t	<b>65</b>

Mining Area	Tonnes (Mt)	Cu (%)	Cu Metal (kt)*	Zn (%)	Zn Metal (kt)*
Sulphur Springs Open Pit	5.1	1.8	90	3.4	176
Sulphur Springs Underground	5.6	1.4	79	3.7	207
Kangaroo Caves Underground	1.8	0.7	12	3.8	70
Total Mining Inventory	12.6	1.4	181	3.6	453

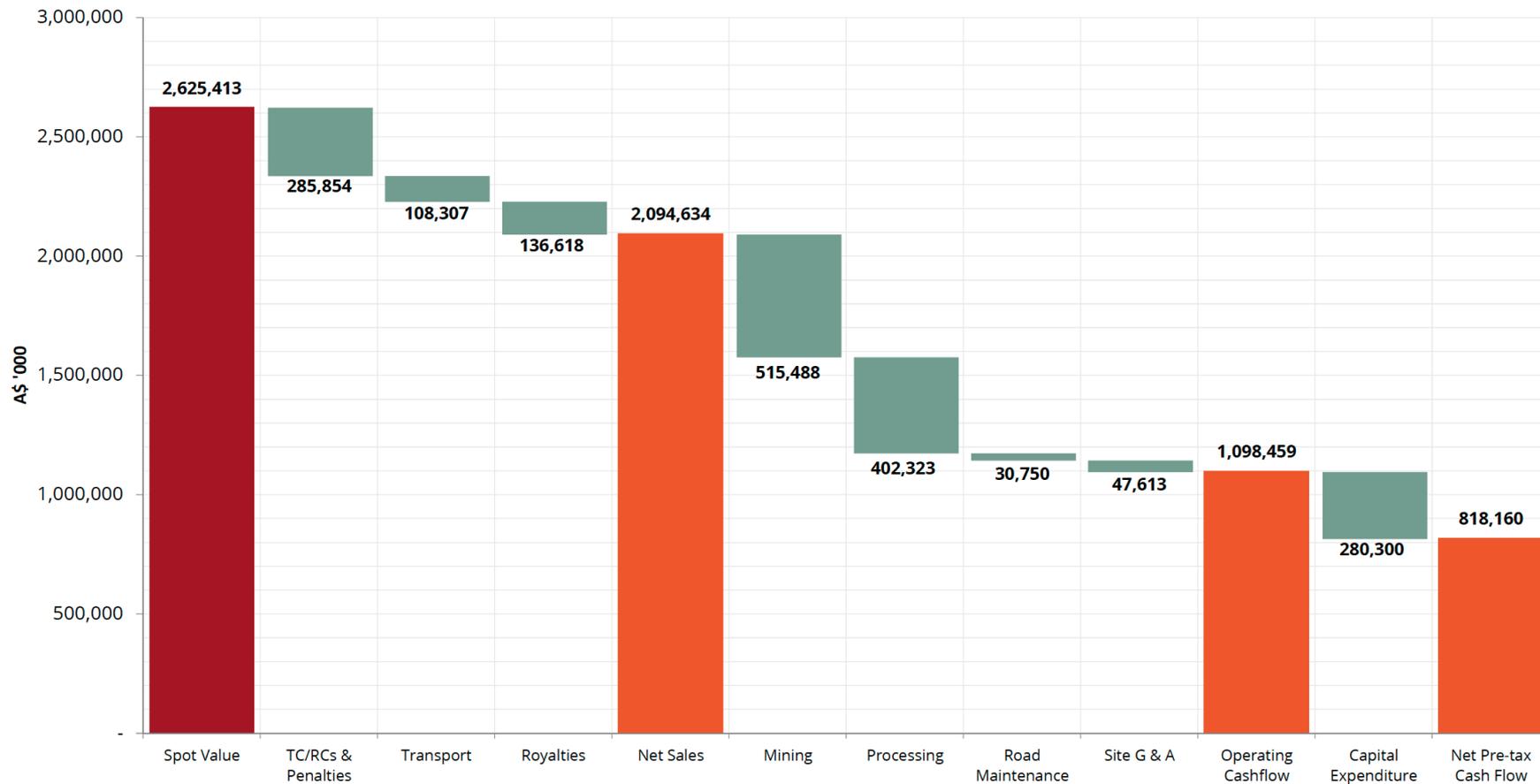
# Production Profile | Project & Profitability

## Processing Schedule – Tonnes, Grades & Mining Location



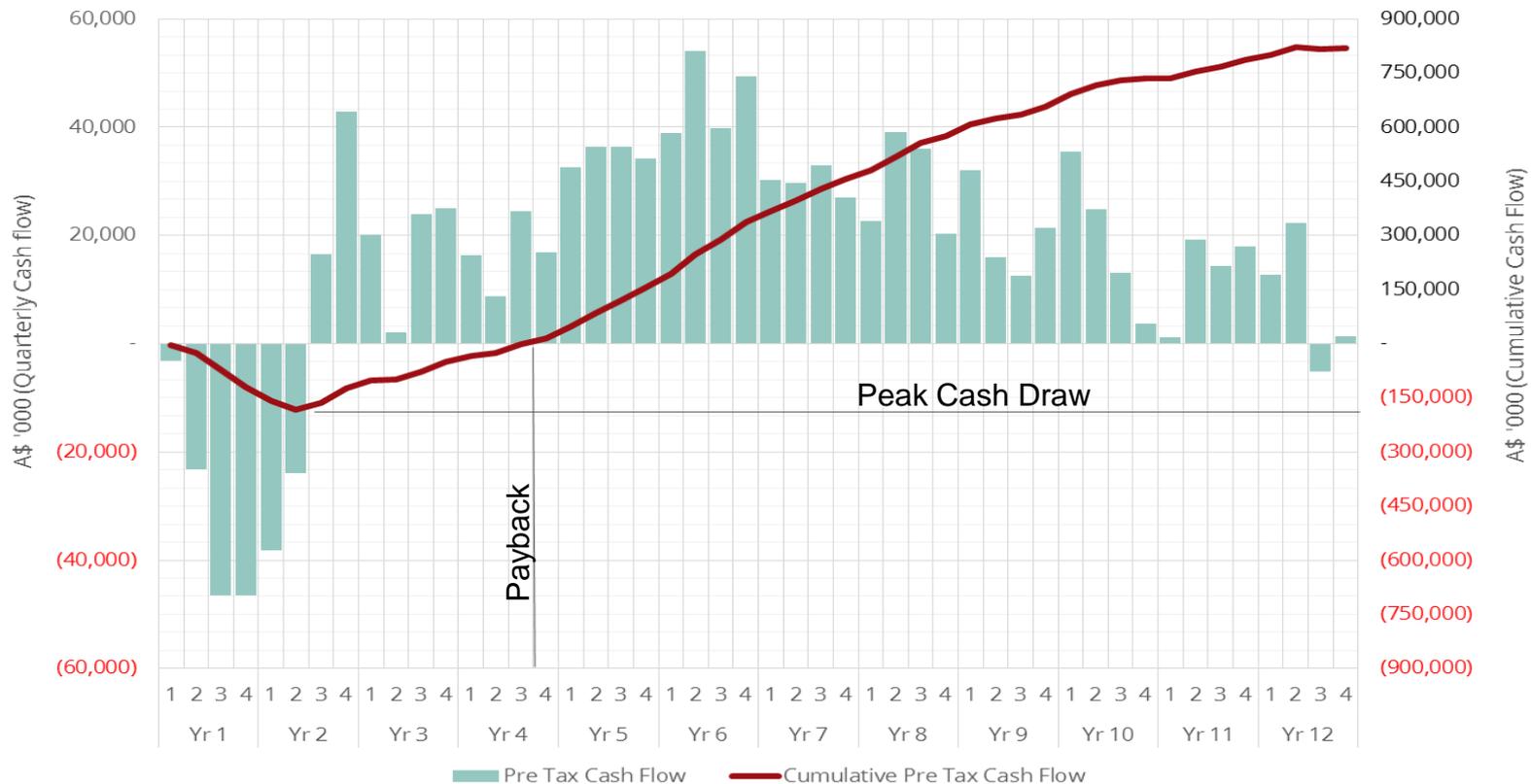
# Cash Flow | Project & Profitability

## Project Undiscounted Cash Flow Waterfall



# Cash Flow | Project & Profitability

## Project Cash Flow – Periodic & Cumulative



# Schedule to Production | Project & Profitability

Milestone	CY 1				CY 2			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mining Proposal Submission & Amendments	→							
Water License & Works Approvals	→							
Financing	→							
Plant Site Earthworks & Pre Strip		→						
Process Plant Construction			→		→			
Process Plant Commissioning					→			
Open Pit Development				→				
Production Ramp-up						→		
Full Production							→	

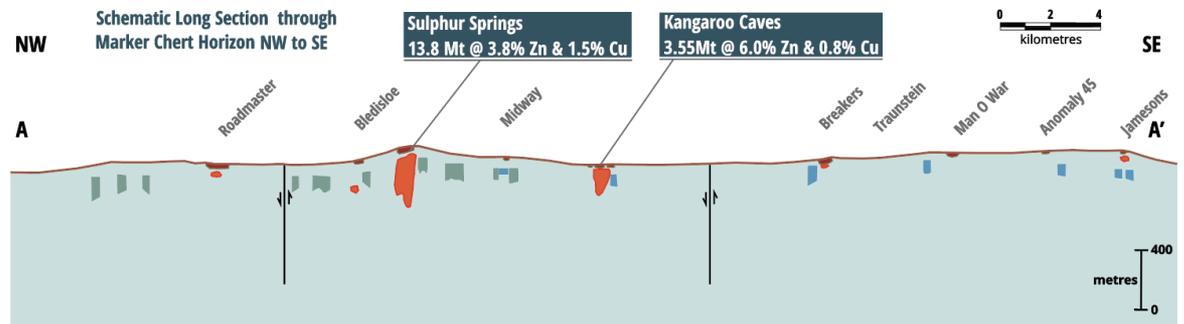
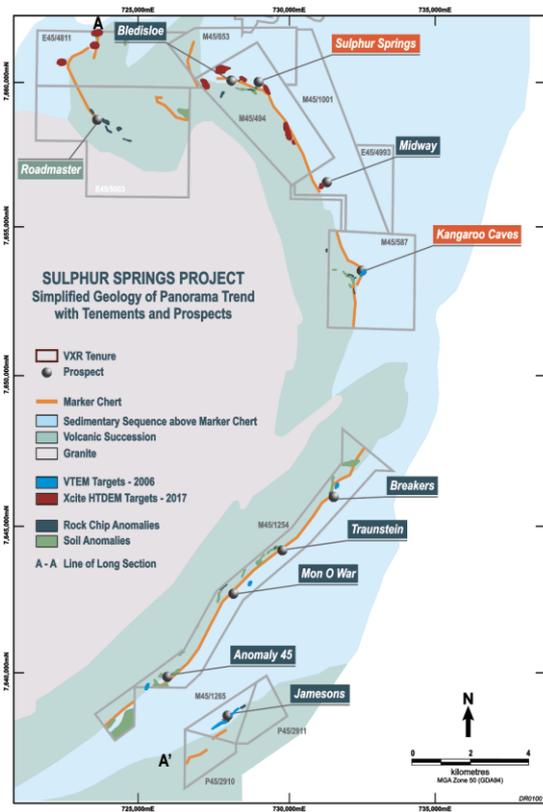


VENTUREX  
RESOURCES LIMITED

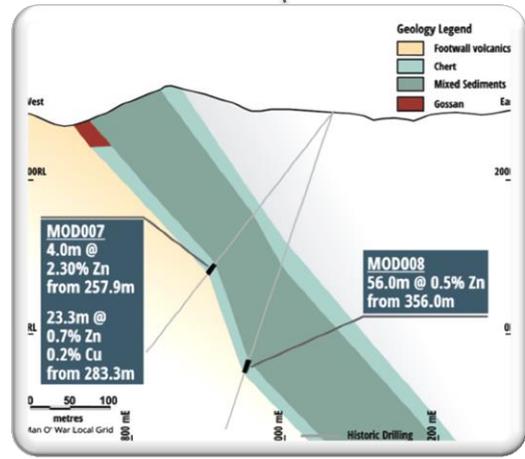
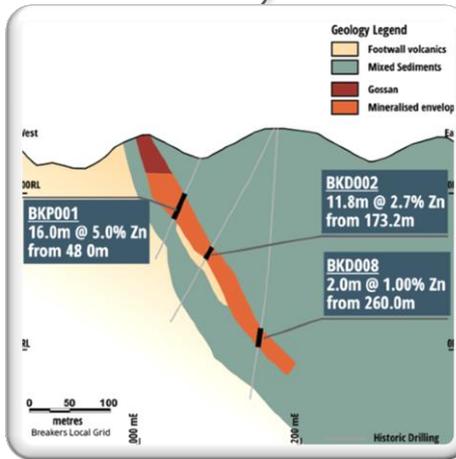
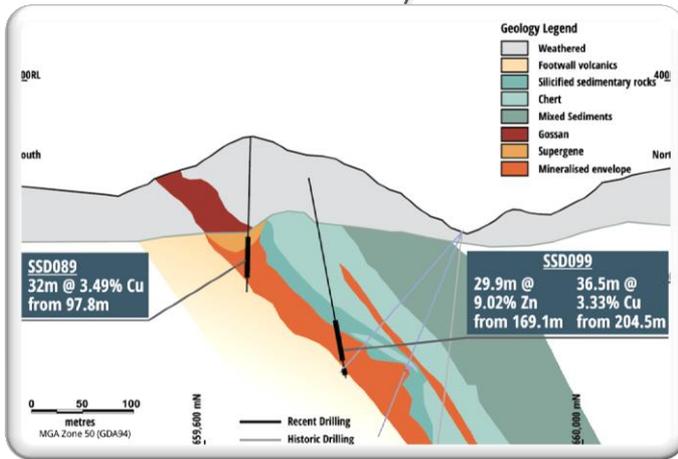
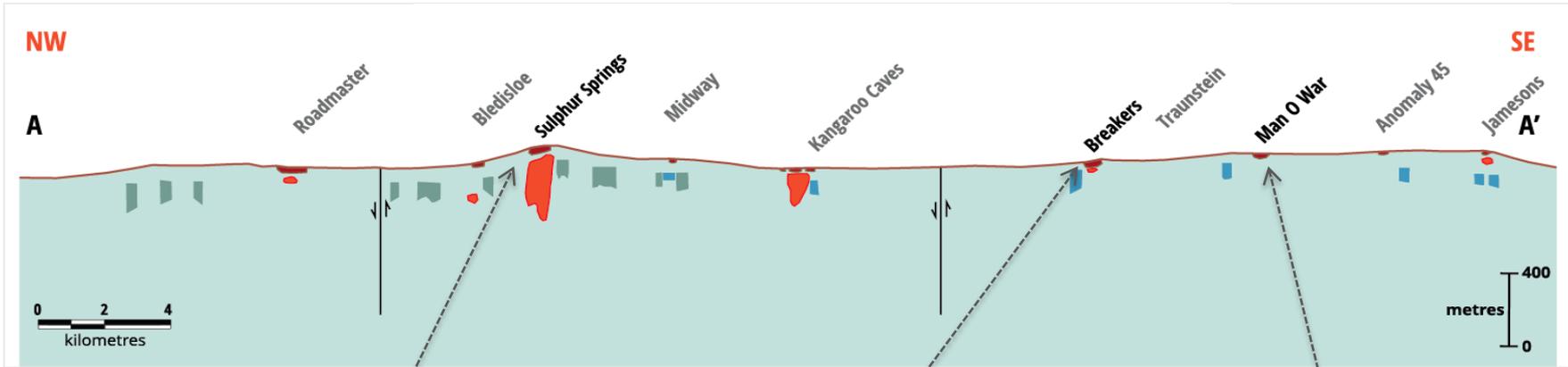
Poised For Growth

# Panorama Exploration | Poised for Growth

- +27km VMS belt
- Potential for further look alike deposits
- Surface gossan identified at numerous prospects
- Drill program to follow



# Panorama Trend | Poised for Growth



# Value Proposition | Poised for Growth



## Value

Cornerstone assets  
Excellent economics  
Development ready



## Markets

Strong projections for Cu and Zn markets  
Increasing global demand for standard and new applications  
Diminishing global supply tightening market



## Shareholders

Support of major shareholders  
Northern Star Resources  
Actively supporting project build



## Exploration

27 km of ground similar to Sulphur Springs  
VMS belt with potential multiple deposits  
Sulphur Springs deep targets



## Strong Vision

Robust strategy  
Strong vision  
Proven team



Building an Australian base metals business

Thank you

AJ SAVERIMUTTO | *Managing Director*

Building an Australian base metals business.

**Registered Office:** Level 2, 91 Havelock Street, West Perth, WA 6005

T: + 61 8 6389 7400 F: + 61 8 9463 7836

admin@venturexresources.com

**Media:** Nicholas Read / Read Corporate

Ph: +61 8 9388 1474 Email: info@readcorporate.com.au

**VENTUREX**  
RESOURCES LIMITED

[www.venturexresources.com](http://www.venturexresources.com)