

## SULPHUR SPRINGS COPPER-ZINC PROJECT PERMITTING AND DEVELOPMENT UPDATE

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### HIGHLIGHTS:

- **Positive meetings held with the Environmental Protection Authority (EPA), Department of Water and Environmental Regulation (DWER) and Department of Mines, Industry Regulation and Safety (DMIRS) to progress permitting for the Sulphur Springs Copper-Zinc Project during October and November 2019.**
- **In consultation with all three key agencies, Venturex has resolved to adjust the proposal to locate the Tailings Storage Facility (TSF) up-gradient and within the catchment of the final mine pit. The new TSF location reduces post-closure environmental risks, which had been identified as matter of concern.**
- **A formal request for consent to amend the proposal was submitted on the 25<sup>th</sup> November 2019. In anticipation of a favourable response, work has commenced on collation of a holistic environmental appraisal of the amended proposal that should clear the way for the EPA to complete its assessment.**
- **The Company now anticipates finalisation of the EPA assessment in Q1 2020.**
- **The change is not expected to have a material impact on pre-production capital costs.**

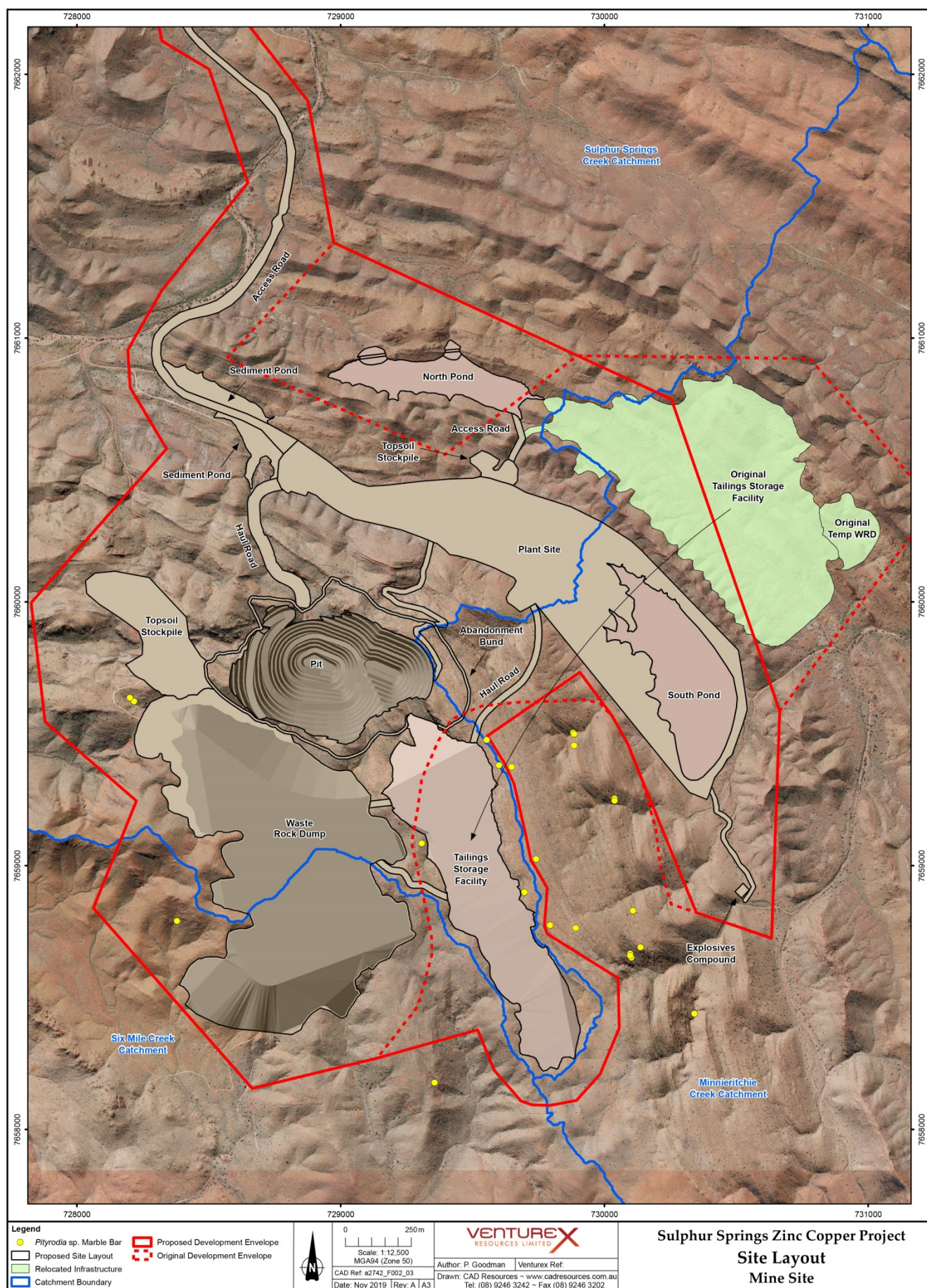
Venturex Resources Ltd (“Venturex” or “the Company”) (ASX: VXR) advises that it has submitted an amendment to its Environmental Review Document (ERD) following consultation with all three of the key regulatory agencies involved in the environmental approvals process for its 100%-owned Sulphur Springs Copper-Zinc Project, located 144km south of Port Hedland in WA following positive meetings held over the past weeks.

As previously advised, following the completion of several peer reviews the Environmental Protection Authority (EPA) accepted the fifth revision of the Company’s ERD for the Sulphur Springs Project that was submitted on 3 October 2019.

The ERD was considered by the EPA at a meeting on the 24<sup>th</sup> October 2019 attended by Venturex and regulatory agencies. Post-closure risks associated with the long-term containment integrity of the proposed Tailings Storage Facility (TSF) and the possibility of mine pit water overflow were identified as matters for further attention.

Following subsequent engagement with the Department of Water and Environmental Regulation (DWER) and Department of Mines, Industry Regulation and Safety (DMIRS) and careful consideration of the implications, the Board of Venturex has elected to implement some pragmatic changes to the TSF location and mine design. These changes include:

- Moving the TSF location to within the catchment of the pit – which ensures any potential future tailings seepage would report to the pit (see Figure 1 below);
- Incorporation of additional water diversion measures to ensure that the mine pit is unlikely to ever overflow; and
- Relocating the portal to the underground mine east of the open pit.



**Figure 1: Sulphur Springs Site Layout**

The changes significantly reduce the post-closure risks of concern to the regulatory agencies. An application for approval to vary the proposal was submitted to the EPA on the 25<sup>th</sup> November 2019 and in anticipation of a favourable outcome, the Company has commenced collation of a holistic environmental appraisal of the amended proposal that should enable the EPA to finalise its environmental impact assessment.

Though additional time has been involved in the re-design, the Company considers the recent progress in the environmental assessment process to be positive and augurs well to expedite the secondary environmental approvals that are required for the project.

### **Project Development**

The Company is continuing to progress project implementation and development strategies, with discussions underway with potential contractors for site works including short-listing and tender preparation for EPC, Power Mining and Civils.

Several optimisation opportunities have been identified that will add value in terms of both project development and operations. These will be implemented as the Company develops the Sulphur Springs Project.

Venturex's development strategy for Sulphur Springs is being overseen by the Company's Project Manager, Brad Walker. Mr Walker has extensive engineering and management experience in mineral processing, site construction, commissioning and operations. His recent engagements include overseeing the construction of the Gruyere gold mine in Western Australia, Perseus Mining's Sissingué development and Resolute's Syama Expansion Project.

### **Project Financing**

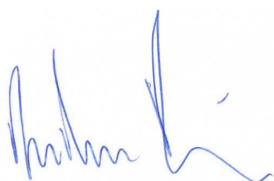
As announced on 5<sup>th</sup> August 2019, Venturex has received an approved Term Sheet for finance from global commodity trader, Trafigura Pte Ltd, for a US\$70 million (A\$100 million) senior debt facility ("Pre-payment Facility") to underpin the development of the Sulphur Springs Project. The facility is subject to formal documentation and various project approvals and on an appropriate equity component by first drawdown.

Drafting of formal documents in relation to this senior debt facility has commenced, including offtake agreements with Trafigura.

### **Management Comment**

Venturex Executive Director Anthony Reilly said the Company was pleased with the recent traction in the environmental assessment process and could see a way forward to completion of the process now that Venturex has undertaken to amend the proposal.

*"After what has been a long journey, I believe we now have a line of sight on final environmental permitting, which we are confident will be in place during the first quarter of 2020, clearing the way for the project to move through financing and into development," he said. "I would like to take this opportunity to thank the key regulatory agencies for their engagement. I believe the changes we have made to the project layout have addressed the regulatory issues and will ensure a technically robust project with world-class environmental and safety standards."*



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 Project, Kangaroos Caves Resource 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.