

ASX/Media Release

21 January 2019

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 DECEMBER 2018

Strong Feasibility Study and successful \$2.3m raising paves way for financing and development of Sulphur Springs

QUARTERLY HIGHLIGHTS

- Sulphur Springs Definitive Feasibility Study completed and released in early October 2018:

Project Revenue	A\$2,625 million
Free Cash-Flow (pre-tax real)	A\$818 million
Pre-Production Processing Plant and Infrastructure Capital	A\$146 million
Pre-Tax NPV _{8%}	A\$472 million
Internal Rate of Return (pre-tax)	51%
Average Annual Pre-tax Cash flow	~A\$80M

Pricing Cu USD/t – 6,300, Zn USD/t – 2650, USD/AUD – 0.72

- Ore Reserve upgraded to 8.5Mt @ 1.4% Cu and 3.1% Zn – 42% increase in contained Cu metal.
- \$2.3M raised via successful SPP and Placement. Northern Star converts \$1M of its \$2M loan into shares, increasing its stake in Venturex to 19.79%.
- Expressions of interest received from several domestic and international banks for senior project debt finance facilities.
- Discussions underway with potential off-take counter-parties and off-take funding proposals under review.
- Early Contractor Engagement and recruitment program commences.

OVERVIEW

Venturex Resources Limited (ASX: VXR; “Venturex” or “the Company”) is pleased to provide a summary of its activities during the December 2018 Quarter, which saw the Company make continued strong progress towards its goal of advancing the 100%-owned Sulphur Springs Copper-Zinc Project in Western Australia towards development and production.

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 contains numerous advanced VMS-style exploration targets.

The Sulphur Springs Project hosts a total Mineral Resource base (Sulphur Springs + Kangaroo Caves) comprising 17.4 million tonnes grading 1.3% copper, 4.2% zinc and 17g/t silver (refer ASX announcements 22 September 2015, and 21 March 2018).

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Environmental Approvals

A revised environmental review document for the Sulphur Springs Project was submitted to the Environmental Protection Authority of Western Australian (EPA) during the Quarter, incorporating additional information regarding mine closure aspects as requested by decision-making authorities.

The Company is currently corresponding with the department to finalise the environmental approvals.

Project Development Update

Since completion of the Sulphur Springs DFS in October, the Company has been actively developing a project implementation strategy focused on Early Contractor Engagement and identification of key senior personnel to assist in project construction.

Tender documents are currently being prepared for key construction works, including the process plant. Stage 1 of an Early Contractor Engagement strategy aimed at process plant contractors has been completed with the plant tender document currently being finalised. This will lead into a tender process with three contractors for the plant construction works.

All other contractor works are being evaluated with key contractors short-listed for major works including relocation of the Spinifex Ridge accommodation camp, site access road expansion and construction and open pit mining activities including pre-strip works.

Key personnel are currently being sourced for key positions – including Project Construction Manager and Mining Manager. As the Company approaches project construction, a number of optimisation opportunities and cost reduction strategies are being investigated in order to ensure an on-time and on-budget construction of the Sulphur Springs project.

The Company is also completing Early Works Approvals for relocation of the Spinifex Ridge accommodation camp and construction of the site access road. This will allow for the early establishment of key infrastructure to support full project construction.

Financing

Following a roadshow of potential financiers in December 2018, Venturex has received several positive Expressions of Interest (EOI's) from domestic and international banks and other financiers in relation to project debt finance, with further EOI's expected to be received during the course of January 2019.

In parallel, Venturex is advancing talks with a number of potential off-take counterparties who have expressed strong interest in the Project's copper and zinc concentrates. Venturex has received several proposals from strong off-taker groups, all of which include the provision of potential off-taker funding that would be complementary to the senior debt facilities currently being progressed.

Further proposals from potential off-takers are expected during the course of January 2019.

The Company has also commenced the technical due diligence of the Sulphur Springs Project, which will form part of the bank financing.

Exploration

During the Quarter, exploration focused on advancing targets at Sulphur Springs and within the broader Panorama Trend. A detailed 3D structural and geochemical study was completed at the Sulphur Springs deposit with the aim of reconstructing the primary basin architecture and identifying syn-mineralisation feeder-faults. The updated geological model confirms the presence of a number of priority targets on the margins of the deposit, including a broad target at the Bledisloe Prospect located approximately 750m west of Sulphur Springs.

The exploration team also continued to expanded its coverage along the prospective Marker Chert contact that runs for 27km south-southwest through the Panorama Trend. Field assessment and review of a number of high-priority gossans, along with geochemical and EM targets, was completed at the Breakers Prospect.

Structural analysis at the prospect has also identified a previously unrecognised shear zone, which is interpreted to have significant control on massive sulphide mineralisation.

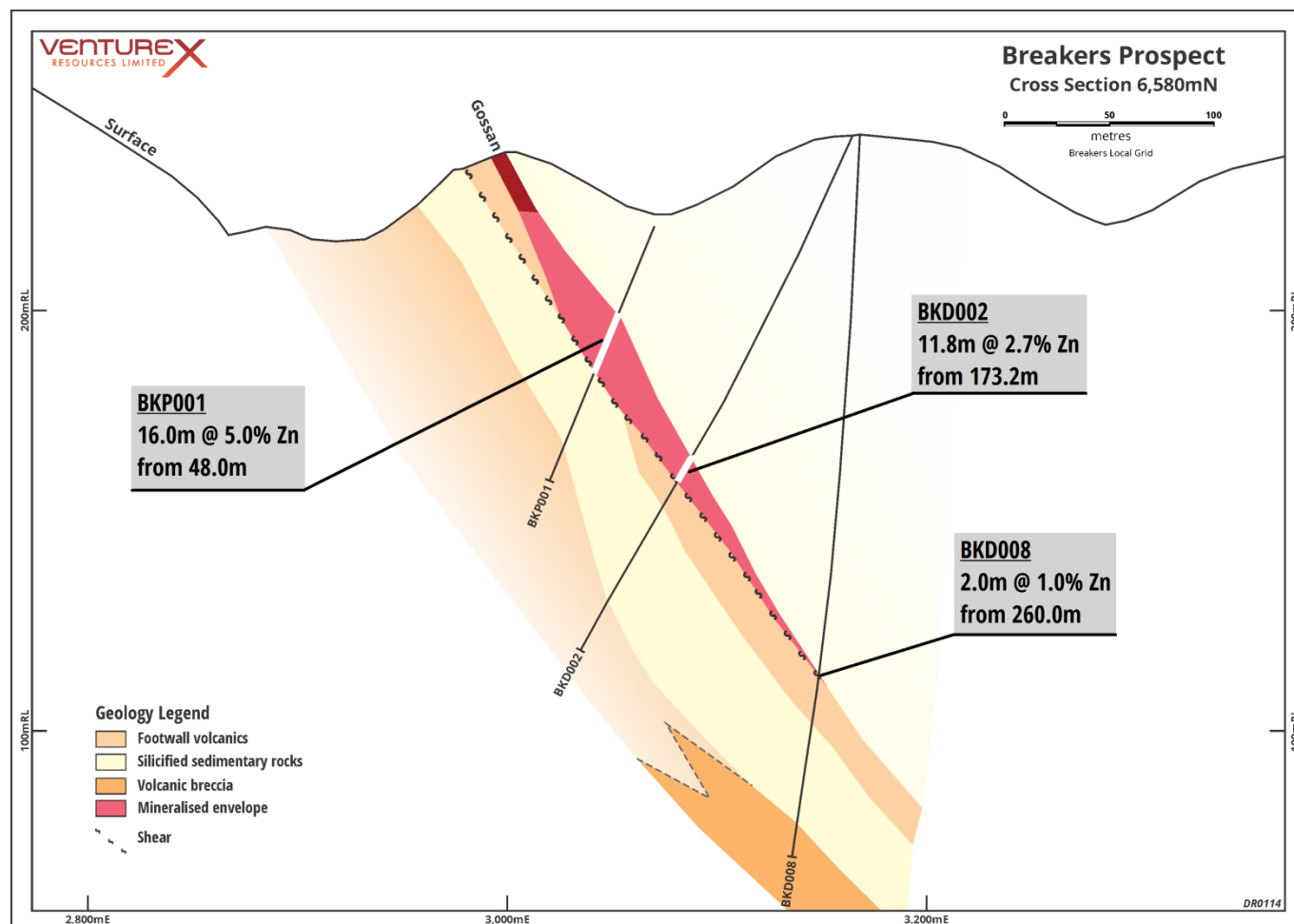


Figure 1: Breakers interpreted geology cross-section with historical drill-hole intersection.

Due to the focus on advancing the Sulphur Springs Project, no exploration activities were undertaken at the Whim Creek, Salt Creek or Evelyn Projects during the Quarter.

Exploration activities are planned to re-commence following the conclusion of the Pilbara wet season.

WHIM CREEK ACCESS AGREEMENT WITH BLACKROCK

Turning and restacking of the existing heap leach dumps using an excavator continued through the Quarter. Turning and restacking of the residual ore will continue in 2019 and beyond as a means of sustaining production from the heap leach dumps.

Production from the operation during the December 2019 Quarter was 154 tonnes of copper-in-cathode.

Venturex does not manage this operation and therefore does not provide guidance on the income it expects to receive from the operation.

CORPORATE

Securities Information

During the Quarter, the Company completed an SPP to existing shareholders and a placement to new institutional and sophisticated investors, raising a total of \$2.3 million and resulting in the issue of approximately 12,808,383 new shares at \$0.18 per share.

In addition, Northern Star has converted \$1.0 million of the existing \$2 million loan to Venturex (see ASX Release 12 September 2018), increasing its stake in the Company to 19.79%.

As at 31 December 2018, the issued capital of the Company is 258,260,561 ordinary fully paid shares and 6,881,049 unlisted performance rights.

Financial Information

The Company's net cash position as at 31 December 2018 was \$2.5 million. The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.



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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. Our strategy is to work with our partners Blackrock Metals to expand and extend the existing 4 tonne per day oxide copper heap leach and SXEW operation at Whim Creek, identify other near term production options at Whim Creek, Mons Cupri and Sulphur Springs and fully optimise the Sulphur Springs Project have it shovel ready to take advantage of forecast improvements in base metal prices.

Competent Person Statement

The Company confirms that:

- a. The form and context of the material in this release has not been materially modified from any 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 is based on information compiled or reviewed by Mr Luke Gibson who is full time employee of Company. Mr Gibson is a member of the Australian Institute of Geoscientists. Mr Gibson has sufficient experience with the style of mineralisation and the type of deposit under consideration. Mr Gibson consents to the inclusion in the report of the results reported here and the form and context in which it appears.

INTERESTS IN MINING TENEMENTS

AREA OF INTEREST	TENEMENTS	GROUP ENTITY'S INTEREST	ACQUIRED DURING QUARTER	DISPOSED DURING QUARTER
Evelyn Project	E47/1209	100%		
	M47/1455	100%		
Whim Creek Project	E47/3495	100%		
	M47/236	100%		
	M47/237	100%		
	M47/238	100%		
	M47/323	100%		
	M47/324	100%		
	M47/443	100%		
	L47/36	100%		
Sulphur Springs Project	E45/4811	100%		
	E45/4993	100%		
	M45/494	100%		
	M45/587	100%		
	M45/653	100%		
	M45/1001	100%		
	M45/1254	100%		
	M45/1265	100%		Application
	P45/2910	100%		
	P45/2911	100%		
	L45/166	100%		
	L45/170	100%		
	L45/173	100%		
	L45/179	100%		
	L45/188	100%		
	L45/189	100%		
	L45/287	100%		