

SULPHUR SPRINGS COPPER-ZINC PROJECT – OFF-TAKE, FINANCING AND PERMITTING UPDATE

Key Points:

- ✓ **Agreement with Toho Zinc to defer existing zinc off-take rights for 5 years.**
- ✓ **Frees up Venturex to utilise near-term zinc off-take as part of its project funding strategy.**
- ✓ **Independent Technical Review of Sulphur Springs Project completed with no fatal flaws identified.**
- ✓ **Marks completion of key due diligence required to secure senior project debt funding.**
- ✓ **Further feedback received from the EPA regarding updates to the Company’s Environmental Review Document (ERD) to allow environmental approvals to be finalised.**
- ✓ **Highly experienced Project Manager recruited to lead project development.**

Venturex Resources Limited (“**Venturex**”, the “**Company**”) is pleased to advise that it has taken further important steps towards securing project finance and finalising permitting for its flagship 100%-owned Sulphur Springs Copper-Zinc Project in Western Australia’s Pilbara region.

In a strong show of support for the Company and the Project, Japanese zinc refiner Toho Zinc Co., Ltd (“**Toho**”) has agreed to defer its existing zinc off-take rights for a period of five years in order to allow Venturex to use the near-term zinc off-take to help fund project development.

Toho’s off-take rights, which cover the first 230,000 tonnes of zinc-in-concentrate to be produced from the Project, stem from Venturex’ original acquisition of the Sulphur Springs Project in 2011.

Earlier this year, Venturex announced that the Company had received several proposals from strong off-taker groups, all of which include the provision for off-take funding (see ASX announcement 14 January 2019).

Recognising the benefit to the Project of having the first several years of zinc available to potential off-takers offering funding support, Toho has agreed to defer the commencement of their off-take for five years after first zinc concentrate production. Under the agreement, Toho will have the rights to 280,000 tonnes of zinc in concentrate produced, to commence after the first five years of production.

Venturex is also pleased to advise that an Independent Technical Review of the Project has been completed with no fatal flaws identified. The Independent Technical Review was undertaken by a highly regarded independent consulting group on behalf of potential financiers and will form part of the financiers’ due diligence on the Project.

This will allow the Company to proceed to the next stage with a short-list of preferred banks and financiers, leading to a selected project debt provider.

On the permitting front, the Company has been liaising with the Environmental Protection Authority of Western Australia (EPA) responding to information requests to its Environmental Review Document (ERD), for which a response was submitted in November 2018. The Company will respond to these requests in early April 2019, which should enable Venturex to finalise the environmental approvals process for the Sulphur Springs Project.

The Company is also pleased to advise that it has appointed highly experienced mining executive Brad Walker to join the Venturex team as Project Manager to lead the development of the Sulphur Springs Project through to production.

Brad brings to the project a wealth of engineering and management experience in mineral processing, site construction, commissioning and operations. His recent engagements include the Gruyere JV Development, Perseus' Sissingue Development and Resolute's Syama Expansion Project.

Management Comment

Venturex Managing Director, AJ Saverimutto, said: *"We continue to systematically tick the boxes required to secure an appropriate funding package and move the project into construction. The agreement with Toho represents an important element in our negotiations with off-takers and brings us one step closer to securing an attractive funding package. We thank Toho for their continued support."*

"At the same time, the completion of the Independent Technical Review means that the Project has passed the very high level of scrutiny and due diligence applied by potential financiers. This is a crucial milestone towards securing the senior project debt required to underpin our funding strategy."

"We are also working constructively with the EPA to finalise the environmental permitting process in an expeditious manner so we can move ahead with construction and development."

"We are excited to have Brad Walker on board given his considerable project experience and look forward to working with him in advancing the project into production."



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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.