

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDING 30 JUNE 2019

Sulphur Springs advancing towards development, with project permitting and funding discussions progressed; Further high-grade results from resource extension and exploration drilling

Highlights:

- ✓ Revised Environmental Review Document (ERD) for the Sulphur Springs Copper-Zinc Project submitted to the Environmental Protection Authority (EPA)
- ✓ Funding discussions ongoing, with Expressions of Interest from potential financiers currently being evaluated
- ✓ Additional drilling at Sulphur Springs delivers outstanding high-grade results
- ✓ Greenfields exploration drilling programme completed at the Breakers Prospect – assays awaited

OVERVIEW

Australian base metal developer Venturex Resources Ltd (“Venturex” or “the Company”) (ASX: VXR) is pleased to provide a summary of its activities during the June 2019 Quarter, which saw the Company make further strong progress towards its goal of developing the 100%-owned Sulphur Springs Copper-Zinc Project in Western Australia.

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).

A Definitive Feasibility Study completed in October 2018 (refer ASX announcements 10 October 2018) demonstrated strong project economics, yielding a Net Present Value of A\$472 million and an Internal Rate of Return of 51% over an initial mine life of ~10 years. The project will be developed through both open pit and underground mining methods at a processing rate of 1.25 million tonnes per annum.

Environmental Approvals

A revised Environmental Review Document (ERD) was submitted to the Environmental Protection Authority of Western Australia (EPA) during the quarter. Venturex considers that the revised ERD (Revision 2) has fully addressed and responded to all outstanding queries and issues, including the matters raised by the EPA and DMIRS.

Financing

Following the roadshow of potential financiers completed during the March Quarter, Venturex continues to receive positive Expressions of Interest (EOI’s) from financiers in relation to project debt finance, with the Company currently evaluating these EOI’s and continuing discussions.

In parallel, Venturex has continued discussions with several potential off-take counterparties who have expressed strong interest in the Sulphur Springs Project’s copper and zinc concentrates. Venturex has received proposals from off-taker groups, which include the provision of potential off-taker funding that would be complementary to the senior debt facilities currently being progressed.

The Company has completed the independent technical due diligence of the Sulphur Springs Project with no fatal flaws identified. The independent technical review was undertaken by a highly regarded independent consulting group on behalf of potential financiers and is forming part of the financiers' due diligence on the Project.

Exploration

During the quarter, the Company successfully completed an 11-hole (2685m) reverse circulation (RC) Resource and exploration drilling programme at its 100%-owned Sulphur Springs Copper-Zinc Project. The programme comprised two holes testing the supergene copper mineralisation at Sulphur Springs, one hole testing an EM target approximately 1.5km from Sulphur Springs, and eight exploration holes at the Breakers Prospect approximately 15km south of Sulphur Springs.

Both holes that were drilled to test the copper mineralisation (SSR008 and SSR009) returned thick intercepts of high-grade copper mineralisation, with SSR008 also intersecting an additional zone of high-grade zinc mineralisation (see ASX Releases 18 June 2019 and 26 June 2019). Assay results from the Sulphur Springs drill-holes are:

SSR007:

- 29m @ 1.47% Cu from 45m
- 9m @ 0.86% Cu from 82m
- 31m @ 3.24% Cu from 94m
 - including an outstanding high-grade interval of 11m @ 4.15% Cu from 99m

SSR008:

- 63m @ 1.89% Cu from 45m
 - Including Supergene zone of 21m @ 2.82% Cu from 45m
 - Including an outstanding high-grade interval of 5m @ 5.43% Cu from 45m
- 10m @ 10.78% Zn from 74m
 - Including an outstanding high-grade interval of 6m @ 15.10% Zn from 76m

The outstanding high-grade copper and zinc mineralisation intersected within these holes exceeded the Company's expectations and highlights the quality and size of the Sulphur Springs system. Limited drilling has been completed to the east of these drill-holes; this represents a further exploration opportunity for future drilling where additional high-grade zones similar those intersected in the current drilling are expected to continue.

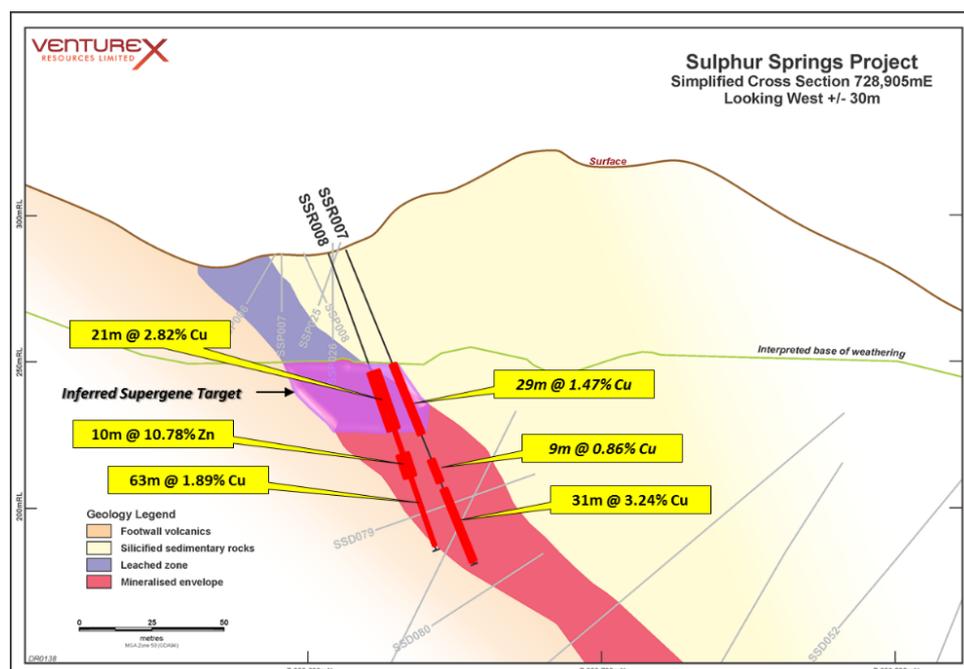


Figure 1: Cross-section on 728,905mE showing location of holes SSR007 and SSR008

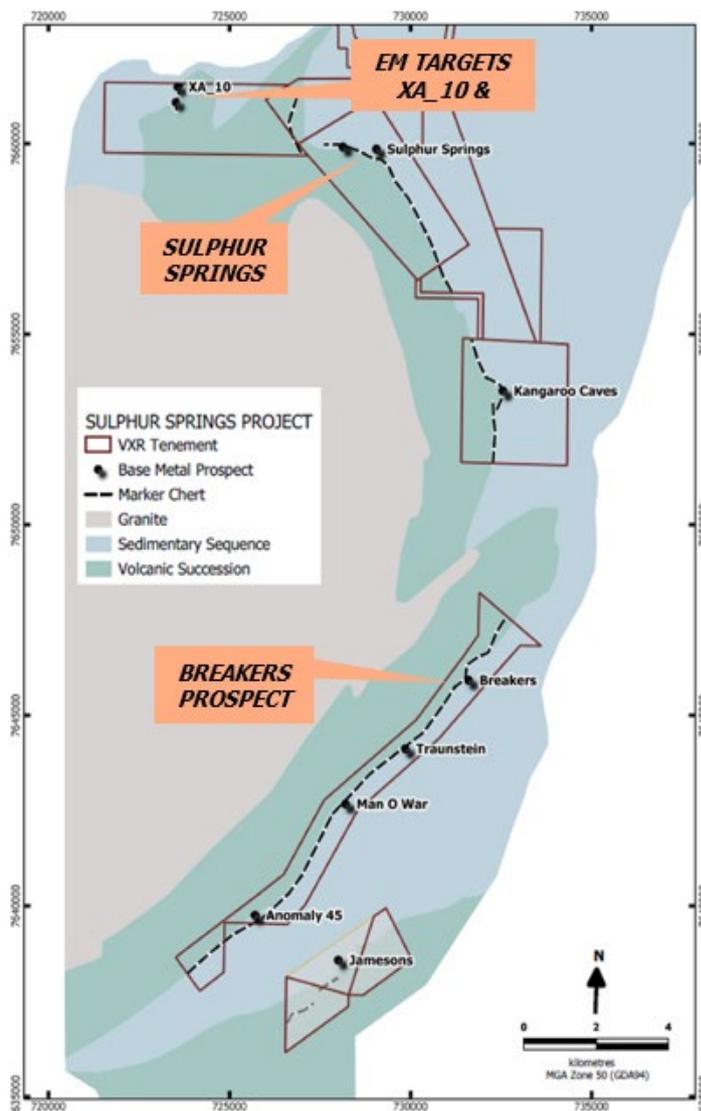


Figure 2: Sulphur Springs Project – Overview of exploration activities

The third hole of the programme, SSR009, was designed to test a down-hole electromagnetic (DHEM) target located approximately 1.5km west of the Sulphur Springs Cu-Zn deposit. The hole intersected elevated Ni-Cr mineralisation, including 17m @ 0.66% Cr and 0.33% Ni from 199m within a strongly oxidised ultramafic unit (see ASX Release 26 June 2019).

The drill rig then moved to the Breakers Prospect, where eight exploration holes were completed targeting mineralisation beneath a cuprite-malachite gossan that returned exceptional values from surface rock chip sampling of up to 36.7% Cu, 0.42% Zn, 0.19% Pb and 124ppm Ag (see ASX announcement 1 May 2019). Results from this drilling are currently pending.

Follow-up geological mapping and rock chip sampling was also completed at heliborne electromagnetic (HEM) anomalies XA_10 and XA_11 (see ASX release 27 November 2017) during the quarter. Geochemical assays from Marker Chert and gossan samples returned up to 0.40% zinc, along with elevated levels of VMS pathfinder elements such as arsenic, antimony, barium, cadmium, cobalt, molybdenum and thallium (see ASX release 01 May 2019). The first-pass rock chip results from XA_10 and XA_11 are very encouraging and highlight the potential for additional discoveries using modern geophysical techniques.

Project Development

The Company is progressing project implementation and development strategies through engagement with potential contractors for site works including short listing and tender preparation. A number of optimisation opportunities have been identified that will add value in both project development and operation. These will be implemented as the Company develops the Sulphur Springs project.

WHIM CREEK

The Company has extended the operating agreement with Blackrock Metals to continue operations at the Whim Creek heap leach.

CORPORATE

Securities Information

As at 30 June 2019, the issued capital of the Company is 279,862,648 ordinary fully paid shares and 6,346,992 unlisted performance rights.

Financial Information

The Company's net cash position as at 30 June 2019 was \$4.9 million. The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.

During the Quarter, the Company received rental income from the Spinifex Ridge Camp and an R&D Tax Incentive grant for the 30 June 2018 financial year. The lease on the Spinifex Ridge Camp has now expired, and the camp is available for use at Sulphur Springs.



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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.

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%			