



21 April 2020

Australian Securities Exchange  
Level 40, Central Park  
152-158 St George's Terrace  
PERTH WA 6000

Retraction of ASX Release Relating to Sulphur Springs Financial Forecast Information

VentureX Resources Ltd ("**Company**") (ASX: VXR) refers to the ASX announcement made on Monday, 20 April 2020 titled "Sulphur Springs Permitting and Development Update".

Pursuant to Listing Rule 5.17, the Company retracts any reference to financial forecast information in the announcement as a result of the Company not having completed the level of study required of all the DFS assumptions to support the release of this information.

Investors should not rely on the retracted information as a basis for an investment decision.

An amended ASX release has been made and replaces the announcement made on the 20 April 2020.

Authorised for release to the ASX by Trevor Hart, CFO and Company Secretary:

A handwritten signature in blue ink, appearing to read "Trevor Hart", is positioned above the printed name and title.

**Trevor Hart**  
**Company Secretary**

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

**Optimised mining and processing schedules and capital cost review further de-risk the construction pathway and pave the way for a seamless transition to mine development.**

*Venturex Resources Limited (ASX: VXR) (“the Company”) wishes to advise that this announcement replaces ASX announcement titled “Sulphur Springs Copper-Zinc Project Permitting and Development Update” released on 20 April 2020.*

### **Highlights:**

- ▶ **No objections or appeals lodged on the Western Australian Environmental Protection Authority (EPA) assessment report following the public appeal period. Approval from the Minister for Environment is anticipated by June 2020;**
- ▶ **Significant operating cost savings identified, and capital cost review completed subject to the Company updating the 2018 DFS;**
- ▶ **Operating cost savings and optimisation of the mining and processing schedules include:**
  - **Adoption of a Build-Own-Operate (BOO) gas power strategy in lieu of diesel fuel, to reduce operating costs and emissions; and**
  - **Re-optimisation of the mining schedule to improve process plant performance;**
- ▶ **Site capital cost estimates revised to reflect additional site and implementation capital budgeted for key execution items including Owner’s Construction Management Team, Site Access, and Operational Readiness to de-risk the project execution;**
- ▶ **Confirmation received of the ability to use previous tax losses, with a positive impact on project cash-flow and post-tax NPV expected as a result.**

Australian base-metal developer Venturex Resources Ltd (“**Venturex**” or “**the Company**”) (ASX:VXR) is pleased to provide an update on a number of positive recent developments with its 100%-owned Sulphur Springs Copper-Zinc Project (“**Sulphur Springs**” or the “**Project**”), located 112km south-east of Port Hedland in Western Australia’s Pilbara region.

In light of the recent approval recommendation by the Western Australian Environmental Protection Authority (“**EPA**”), which is expected to result in approval from the WA Minister for Environment in coming weeks, Venturex has reviewed key aspects of the Sulphur Springs development to reduce construction execution risk and improve the operating performance of the Project.

### **Environmental Approval Update**

No appeals on the EPA Report were submitted in the statutory two-week period following publication of the report on the 30<sup>th</sup> March 2020. The EPA Report and recommendation has now progressed to final consultation and consideration by the Minister for Environment, with notification of approval at the conclusion of this process anticipated by June 2020.

## Operating Cost Savings

### Gas Power Strategy

The Company has substituted diesel power generation (originally proposed in the 2018 Definitive Feasibility Study (**2018 DFS**), (refer to ASX release, 10 October 2018) with natural gas, which will involve Liquefied Natural Gas (“LNG”) being trucked to site under a build-own-operate (“**BOO**”) arrangement. The gas power strategy is likely to deliver significant operating cost savings over the life of mine whilst also reducing emissions to the environment.

### Mining Schedule

The Mining Schedule has been re-optimised to accelerate access to ore with more favourable metallurgical properties and reduce mining costs over the initial four years of mining the Sulphur Springs open pit.

## Updated Capital Cost Estimate

### Site Capital Expenditure

An internal review and update of the site capital expenditure has been undertaken by the Company and independently reviewed by a leading industry specialist.

Key items include:

- Owners costs for an EPC model as opposed to EPCM
- Site access and haul road acquisition cost; and
- Re-location of the Tailings Storage Facility and access.

## Clarification of Tax Position

Venturex has received independent tax advice confirming that approximately **A\$76 million** of carried-forward income tax losses (as at 30 June 2018) can be used to offset against future taxable income (subject to continued satisfaction of the relevant tax loss tests and a private ruling from the Australian Taxation Office confirming the advisor’s technical basis for the availability of the losses)). Previous financial modelling of the post-tax financial outcomes of the Project which were published as part of the Company’s 2018 DFS, did not utilise the available tax losses.

## Summary

To be in a position to release full details of the above operating costs savings and reviewed capital estimates the Company would need to review and update the complete 2018 DFS. Current circumstances prohibit this work being done including site access due to COVID -19.

Commenting on these changes, Venturex Executive Director, Mr Anthony Reilly, said: *“In anticipation of the final approval by the Minister for Environment we have focused on bedding down the steps and structures that will reduce construction execution risk and improve the operating performance of the Sulphur Springs Project.*

*The work that has gone into this update represents an investment in de-risking the Project’s construction phase and operational ramp-up. We are in the process of putting these new approaches through our 2018 DFS assumptions to give further clarity to the market. so that we can deliver strong returns to shareholders.*

*Our aim is to be able to exit the current COVID – 19 period with a permitted and shovel ready project. The Company’s focus in the short term will be to preserve the value of the Sulphur Springs Project for shareholders until such time as the equity and commodity price environment normalises and the Company is in a position to finalise project financing and move towards a final investment decision. In the interim, we are confident that a shovel-ready Sulphur Springs based on our revised strategy will provide investors with significant leverage to the expected recovery in base metals prices.”*

Authorised for release to the ASX by:



Anthony Reilly  
**Executive Director**

**For further information, please contact:**

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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 and Kangaroos Caves deposits, 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. The Company's focus is on securing environmental approvals and project finance for its flagship Sulphur Springs Project, paving the way for its transformation into a new mid-tier ASX-listed base metal producer in the near term. This will position it to be a long-term supplier of copper and zinc to global markets at a time when significant shortfalls are expected for both metals, especially copper.