

## June 2020 Quarterly Report

**Positive quarter sees Venturex gear up for an exciting new phase of high-impact VMS exploration at Sulphur Springs following \$4.5m capital raising**

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### OVERVIEW

- ▶ Approval received from WA Minister for the Environment for the Sulphur Springs Project.
- ▶ Project implementation and development strategies being progressed.
- ▶ Preparations finalised for RC drilling program targeting high-priority VMS targets.
- ▶ Successful \$4.5m capital raising to underpin upcoming exploration activities, with drilling scheduled to commence in August.

### COVID-19 UPDATE

During the quarter, the social and operating constraints associated with the Company's response to the COVID-19 pandemic meant that field work was suspended and project work limited to desktop activities. The Venturex team used this time to prepare the Sulphur-Springs Project for development readiness and ensuring the ability to swiftly ramp up activity for when restrictions were gradually lifted.

### SULPHUR SPRINGS COPPER-ZINC PROJECT

The Sulphur Springs 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 (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).

### Environmental Approvals

Following publication of the Environmental Protection Authority (EPA) assessment report in March, the Western Australian Minister for Environment granted approval for the Sulphur Springs Project on 20 May 2020 (Ministerial Statement 1134). The grant of Ministerial approval releases other decision-making authorities to issue the secondary approvals required for implementation of the project.

The preparation of secondary approvals progressed during the quarter. A Mining Proposal for construction of the access road to the mine-site was submitted to the Department of Mines, Industry Regulation and Safety in June 2020.

### 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. 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. With the receipt of formal Ministerial approval in May, detailed works on DMIRS Mining Proposal requirements continued.

The Spinifex Ridge camp was rented out for a period of 3 to 4 months. The lease is for the rent of the camp and includes caretaking to a contractor carrying out local works.

### EXPLORATION

The geology team finalised preparations for an upcoming Reverse Circulation (RC) exploration drilling program at the Sulphur Springs Project, with drilling scheduled to commence in August. The planned

program is designed to follow-up on the exceptional results generated from 2019 drilling at the advanced Breakers Prospect (see ASX release 4 September 2019), as well as to test the Heli-borne Electromagnetic (HEM) target XA8, where previous drilling intersected anomalous Ni-Cr mineralisation.

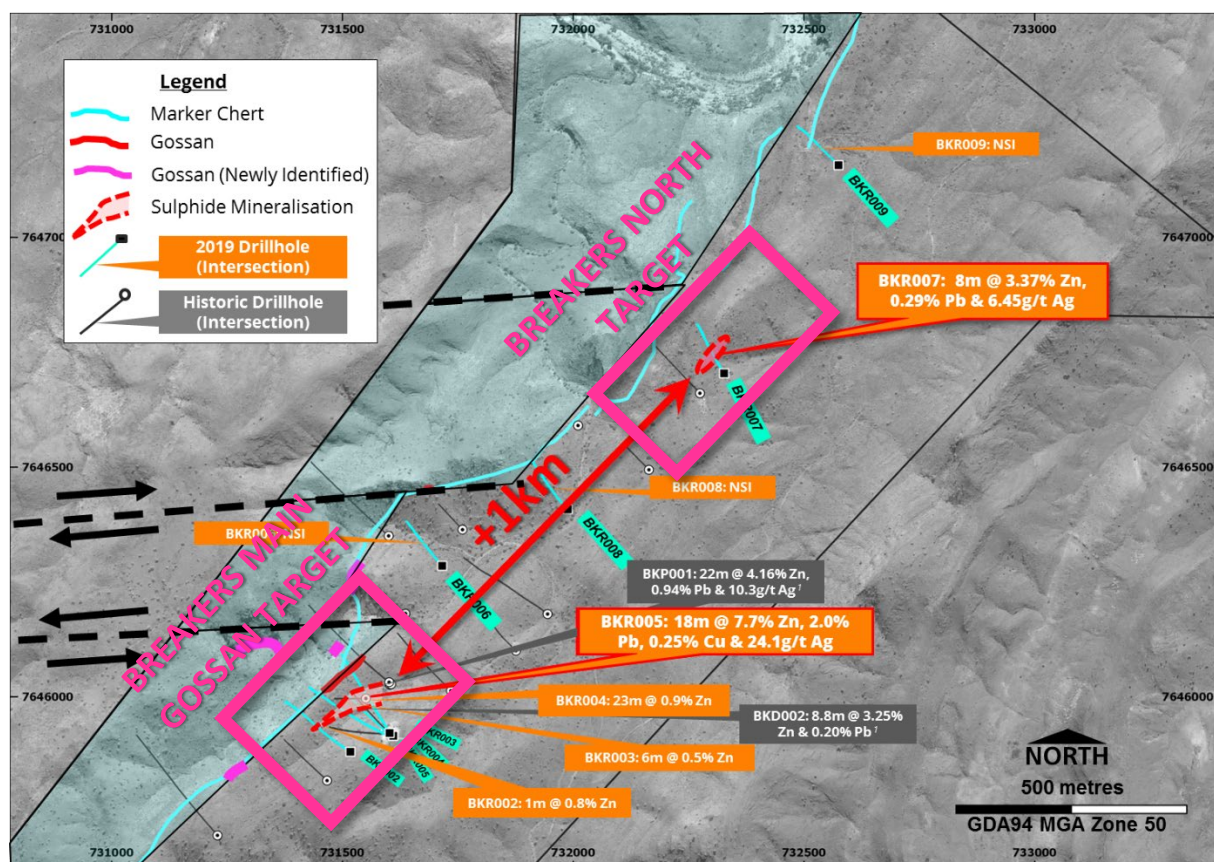
Results from the 2019 drilling identified broad zones of VMS-style sulphide mineralisation across approximately 1km of strike, returning several outstanding intercepts of high-grade zinc-silver-lead mineralisation, including:

- **18m @ 7.75% Zn, 2.03% Pb, 0.25% Cu and 22.8g/t Ag** from 155.0m in BKR005 (see ASX release 17 June 2019); and
- **8m @ 3.37% Zn, 0.29% Pb, and 6.45g/t Ag** from 84m in BKR007, including:
  - An exceptional high-grade interval of **1m @ 20.9% Zn, 1.84% Pb and 34.7g/t Ag** from 85.0m (see ASX release 17 June 2019)

The currently planned programme is designed to systematically test extensions to the Breakers Main anomaly, as well as to test the along-strike extension to zinc-rich mineralisation intersected at Breaker North.

Four drill-holes have been designed to follow-up the along-strike and down-plunge continuation of massive sulphide mineralisation intersected at the Breakers Main Gossan, including the thick, high-grade intersection within BRK005 (**18m @ 7.75% Zn**).

An additional two drill-holes will be completed to follow-up zinc-rich mineralisation intersected in BKR007 (8m @ 3.37% Zn) at the Breakers North target, located approximately 1.1km NNE of the Breakers Main anomaly.



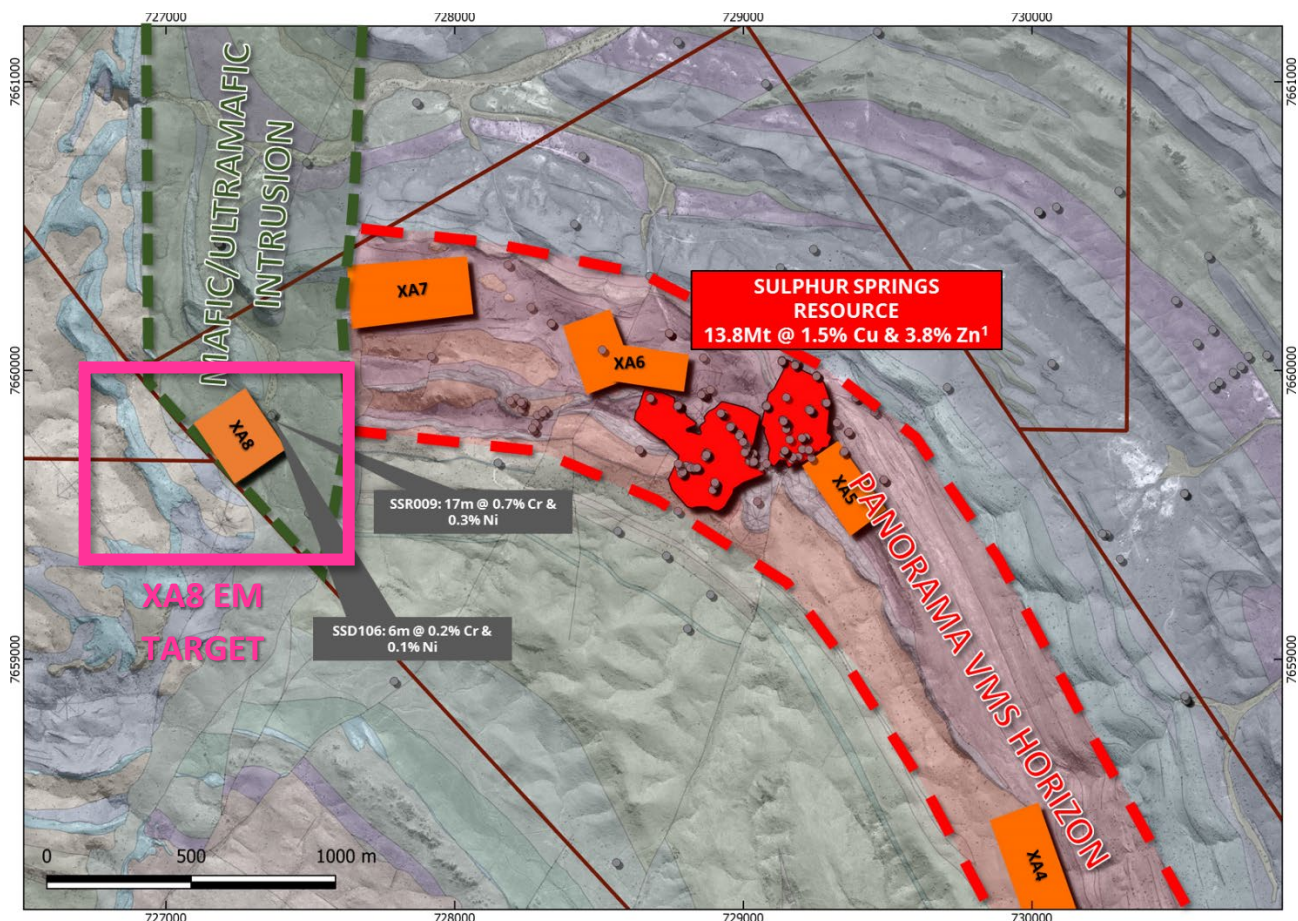
**Figure 1:** Plan view of Breakers Prospect with proposed target area.

Two drill-holes are also planned to test the down-plunge and along-strike continuation of a DHEM target and associated Ni-Cr mineralisation intersected at the XA8 Prospect.

First-pass exploration drilling completed at the prospect in 2018-2019 (SSD106 & SSR009) targeting a 'blind' EM plate intersected strongly oxidised, Ni-Cr+/-Co mineralisation with assay results including 17m @ 0.66% Cr and 0.33% Ni within SSR009 (see ASX releases 27 November 2017, 13 August 2018 & 26 June 2019).

The strongly anomalous Ni-Cr+/-Co mineral assemblage is hosted within a favourable mafic/ultramafic intrusive unit that is interpreted to be highly prospective to host nickel-sulphide style mineralisation.

A small reconnaissance mapping and geochemical sampling programme was also completed on the margins of the Kangaroo Caves Resource during the quarter. The programme was designed to assess the prospectivity along strike. Several gossanous zones were identified, with a small number of rock-chip samples collected (assays currently pending).



**Figure 2: XA8 EM target.**

Preparations were also completed for several exploration geophysical surveys at the Evelyn and Salt Creek Prospects within the Whim Creek Project. The geophysical programmes are designed to test the prospectivity along strike from the Evelyn and Salt Creek deposits.

### **WHIM CREEK OPERATIONS**

Care and maintenance activities continue on site. PPM Global Pty Ltd has been contracted to manage the site and is assisting the Company to ensure compliance of the Environmental Protection Notice ("EPN") commitments.

The Company is working on EPN remediation measures and has submitted all required management plans to DWER ("Department of Water and Environmental Regulation"). Site activities will be completed in a timely manner to ensure the Company meets its obligations under the EPN.

On the 21<sup>st</sup> of July 2020, Venturex executed a binding Earn-In and Joint Venture agreement with Aurora Minerals Limited to acquire up to an 80% interest in the Whim Creek Project.

## CORPORATE

### Securities Information

On 30 June 2020, the issued capital of the Company was 317,546,898 ordinary fully-paid shares and 1,941,537 unlisted performance rights.

On 10 June 2020, the Company announced a \$4 million capital raising via a \$2.5 million placement and \$1.5 million SPP. On 17 June 2020 the first tranche of the placement was completed resulting in the issue of 34 million new shares at an issue price \$0.055 per share to raise \$1.9 million (before costs).

The SPP closed on the 20<sup>th</sup> July 2020 oversubscribed raising \$2 million.

### Financial Information

The Company's net cash position on 30 June 2020 was \$2.25 million. The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.

This announcement is 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.

#### 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.

**Table 1: Sulphur Springs Resources Table**

		Mineral Resources				
Location	JORC Classification	Tonnes ('000t)	Cu %	Zn %	Pb %	Ag g/t
Sulphur Springs	Measured	–	–	–	–	–
	Indicated	9,400	1.5	3.8	0.2	17
	Inferred	4,400	1.4	3.7	0.2	18
	<b>Sub-total</b>	<b>13,800</b>	<b>1.5</b>	<b>3.8</b>	<b>0.2</b>	<b>17</b>
Kangaroo Caves	Measured	–	–	–	–	–
	Indicated	2,300	0.9	5.7	0.3	13.6
	Inferred	1,300	0.5	6.5	0.4	18
	<b>Sub-total</b>	<b>3,600</b>	<b>0.8</b>	<b>6</b>	<b>0.3</b>	<b>15</b>
<b>TOTAL</b>	Measured	–	–	–	–	–
	Indicated	11,700	1.4	4.2	0.2	16.3
	Inferred	5,700	1.2	4.3	0.2	18.0
	<b>Total Resources</b>	<b>17,400</b>	<b>1.3</b>	<b>4.2</b>	<b>0.2</b>	<b>17.0</b>

Note. Totals may not balance due to rounding. The resource is reported at a cut-off grade of 0.4% copper and then less than 0.4% copper and greater than or equal to 2% zinc (see ASX release 21 March 2018 & 22 September 2015).

**Table 2: 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%			