

## **VENTUREX TO COMMENCE KEY WORK PROGRAMS TO ADVANCE SULPHUR SPRINGS TO FINAL INVESTMENT DECISION**

*All critical path items and project engineering works scheduled to ensure a seamless transition to development; Drilling to upgrade Inferred Open Pit Resources to commence in May*

### **HIGHLIGHTS:**

- **Pre-construction work programs finalised following recent Strategic Funding Package (subject to shareholder approval in May).**
- **All critical path items scheduled for completion prior to start of the 2021 wet season.**
- **Geotechnical drill program commencing in April to finalise Tailings Storage Facility design.**
- **Early project engineering work scheduled to optimise construction and minimise delays.**
- **Applications for key secondary approvals in preparation.**
- **In-fill drilling commencing in May to convert ~1.0-1.5Mt of Inferred Open Pit Resources to Indicated<sup>1</sup>.**
- **Strategic Funding Package expected to result in superior proposals for debt and off-take.**

**Venturex Resources Ltd** (“Venturex” or “the Company”) (**ASX: VXR**) is pleased to advise that multiple work streams are scheduled to commence at its 100%-owned Sulphur Springs Copper-Zinc Project in WA aimed at advancing the project to a Final Investment Decision (FID) as rapidly as possible.

Given the significant increase in equity market interest since the Strategic Funding Package was announced on 24 February 2021, Venturex has initiated a number of activities to ensure that all key critical path items, permitting and final engineering are completed over the coming months to facilitate a seamless transition to construction and development.

This will enable Venturex to move swiftly to a Final Investment Decision (FID) and to commence construction without delay to take advantage of strong base metal prices.

### **SULPHUR SPRINGS COPPER-ZINC PROJECT**

The Sulphur Springs Project is located 112km south-east of Port Hedland and includes the proposed Sulphur Springs and Kangaroo Caves mines, together with tenements covering approximately 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 announcement, 21 March 2018).

Venturex completed a Definitive Feasibility Study (refer ASX announcement 10 October 2018) on the Sulphur Springs Project which demonstrated an economically robust project. Since then, metal prices (particularly copper) have increased substantially.

Key pre-construction work programs are detailed below:

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<sup>1</sup> Resource conversion targets are conceptual in nature and are based on the current resource parameters (see ASX release 21 March 2018). Drilling density is only one factor that is considered when classifying a Mineral Resource and other factors such as, but not limited to, data quality, geological uncertainty, grade variability and metallurgical recovery will also be assessed.

## Critical Path

Critical path items for the commencement of mine site construction are:

- Geotechnical investigations on the Tailings Storage Facility (TSF) and detailed TSF design.
- Submission of a Mining Proposal and Mine Closure Plan to the Department of Mines, Industry Regulation and Safety (DMIRS).
- Submission of a Works Approval Application to the Department of Water and Environmental Regulation (DWER).
- FEED study.
- Construction of site access road.

All of these critical path work programs have been scheduled for completion prior to the commencement of the 2021 wet season in November.

## Project Development

### Tailings Storage Facility

The Company received formal approval from the WA Environment Minister in May 2020 and is assembling further geotechnical and hydrogeological information to support the detailed design of the TSF.

A small drill program is targeted to commence in April 2021 to furnish the required data to enable the subsequent detailed design to be completed.

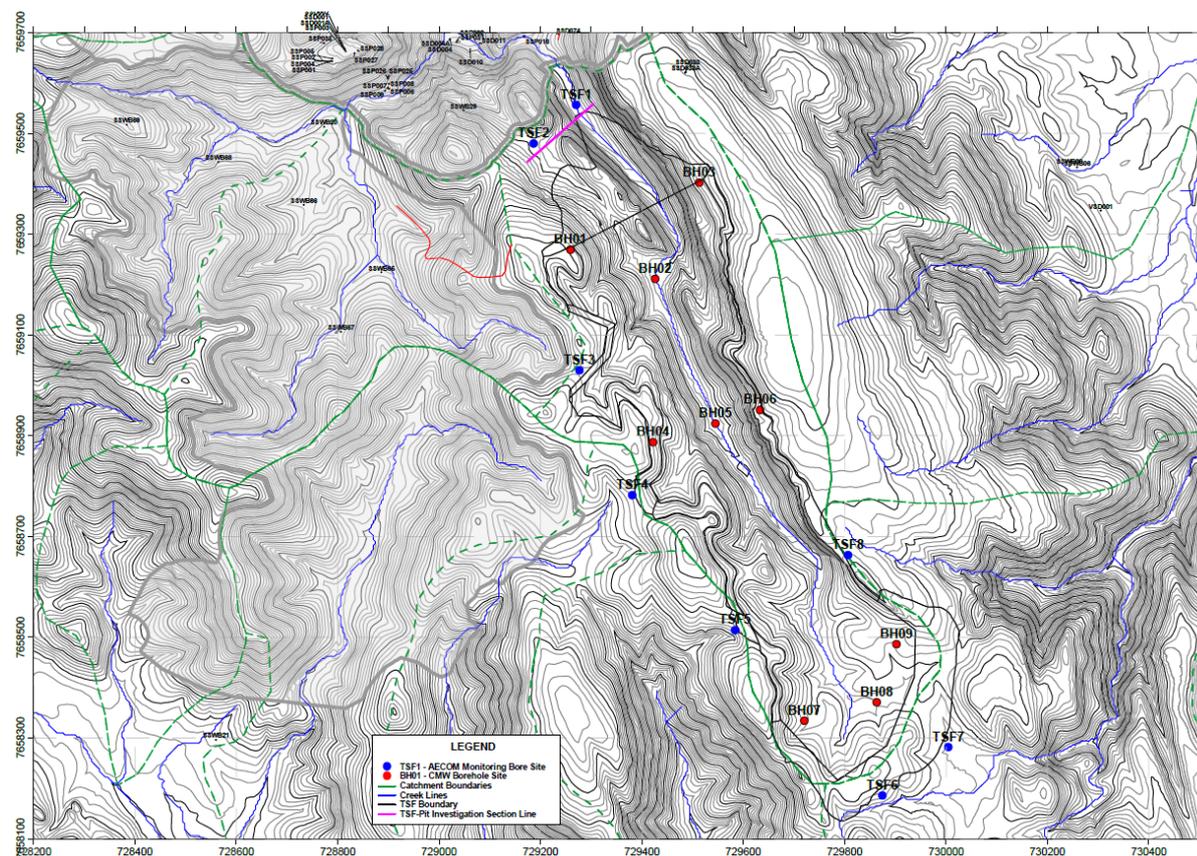


Figure 1: Sulphur Springs TSF drilling plan.

## Project Engineering

Early project engineering works have been scheduled to optimise the construction phase and ensure minimal delay. These works include:

- Front End Engineering Design (FEED) study.
- Refresh DFS outcomes.
- Mining definitive design review and optimisation.

- Contracts tender preparation for significant critical path works to include the following packages:
  - Open pit mining.
  - Power station.
  - Gas storage.
  - Engineering Procurement and Construction (EPC).
  - Access road construction.
  - Camp catering and maintenance.
  - Spinifex Ridge camp relocation.
  - Non-process buildings which are outside the scope of the EPC and Mining contractor.
  - Clinic and Emergency Response support.
  - Communications supply.

## Project Approvals

Primary approval for the Sulphur Springs Copper-Zinc Project was granted by the Western Australian Minister for Environment on 20 May 2020 (refer ASX release 21 May 2020).

Secondary approvals obtained since the primary approval include:

- Mining Proposal and Mine Closure Plan for construction of the mine access road
- Groundwater Licence for construction and operational requirements; and
- Several management plans fulfilling Ministerial Conditions.

Applications for other key secondary approvals required for the commencement of mine site construction are in preparation and will be lodged following receipt of the geotechnical data and finalisation of TSF design. These approvals include:

- Works Approval Part V (*Environmental Protection Act 1986*); and
- Mining Proposal and Mine Closure Plan (*Mining Act 1978*).

Applications for other permits necessary for the implementation of specific parts of the project will be progressed in parallel with the key approvals outlined above.

## RESOURCE AND EXPLORATION DRILLING

The Sulphur Springs Resource has a current metal inventory comprising 9.4Mt of Indicated Resources and 4.4Mt of Inferred Resources. The proposed Open Pit resource currently stands at 5.13Mt, of which 3.71Mt (73%) is classified as Indicated (refer ASX announcement 10 October 2018).

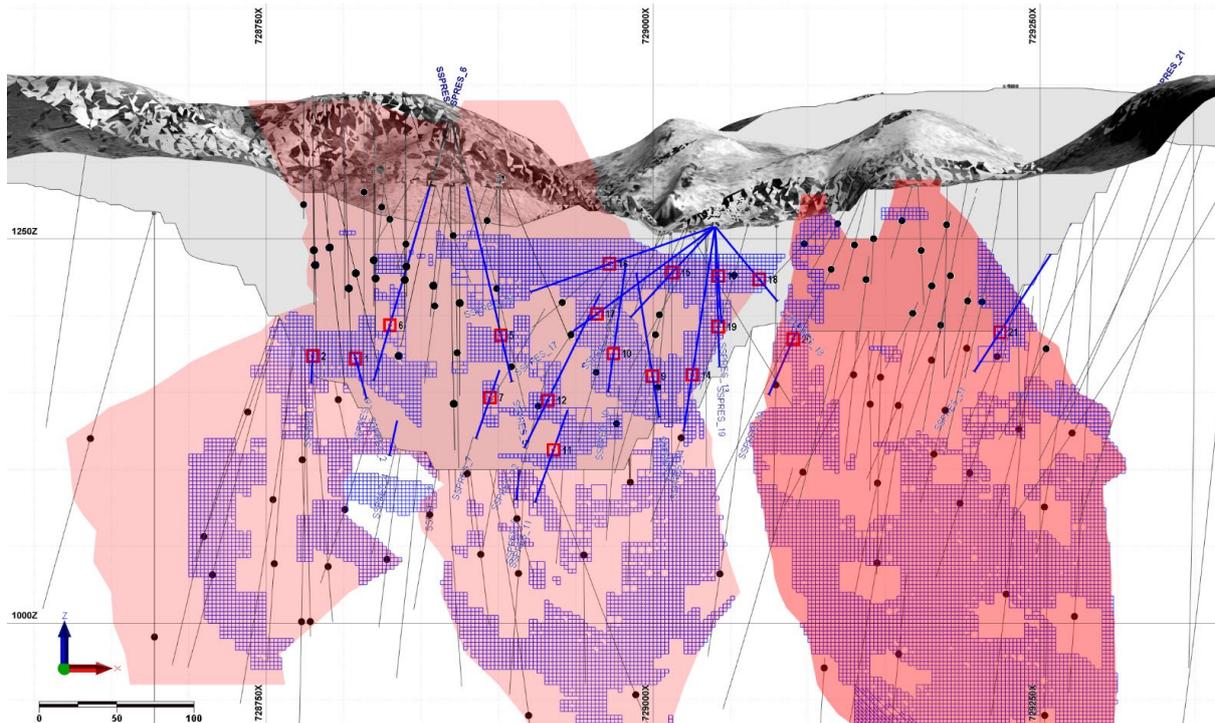
An in-fill drilling program is planned to upgrade the majority of Inferred Resources of 1.42Mt within the Open Pit Shell to an Indicated category (Figure 2)<sup>2</sup>. A drilling contractor has been engaged and work is expected to commence in May 2021.

The planned drilling program is designed to upgrade certain areas of the Sulphur Springs Mineral Resource within the proposed open pit shell (above 1100mRL) to a nominal drill density of 30m x 30m. The program will comprise 21 RC-DD holes for a total of 3,565m and will satisfy the following strategic and technical objectives:

1. Conversion of approximately 1.0 – 1.5Mt of Inferred Resources into Indicated Resources<sup>2</sup>.
2. Provide additional data required for a resource update.
3. Provide material for additional metallurgical test work.

Following completion of the in-fill program, the Company intends to undertake an exploration drilling program targeting extensions of the Sulphur Springs Resource at depth.

<sup>2</sup> Resource conversion targets are conceptual in nature and are based on the current resource parameters (see ASX release 21 March 2018). Drilling density is only one factor that is considered when classifying a Mineral Resource and other factors such as, but not limited to, data quality, geological uncertainty, grade variability and metallurgical recovery will also be assessed.



**Figure 2:** Sulphur Springs drilling Long Section with proposed Open Pit Shell, inferred (Blue) Resource Blocks and planned in-fill drill holes (blue).

## PROJECT FINANCE

As a result of recent option-holder exercises and, in anticipation of shareholder approval of the Strategic Funding Package in May, the Company will move forward to upgrade the Sulphur Springs Open Pit resource model and progress project finance and off-taker discussions.

The Strategic Funding Package and associated management changes<sup>3</sup>, together with the anticipated increase in confidence in the open pit Resource and stronger base metal prices, has led the Company to believe that it will likely receive superior proposals for both finance and off-take.

The increase in the Company's market capitalisation has also made it more likely that final project financing can be secured on more favourable terms than previously anticipated.

## WHIM CREEK JOINT VENTURE (VXR: 20%)

Anax Metals Limited (ASX: ANX) has now earned an 80% interest in the Whim Creek Project (refer ASX announcement 15 January 2021) and Venturex is free carried through to the commencement of mining operations.

ANX informed the joint venture that it is commencing gold exploration over the project area (refer ANX ASX announcement 5 March 2021). ANX remains on track to finalise a Feasibility Study on the re-development of the project in the first half of 2021.

Both VXR and ANX continue to ensure compliance with the EPN remediation measures. Site activities will be completed in a timely manner to ensure the obligations under the EPN are met.

<sup>3</sup> Subject to shareholder approval in general meeting to be confirmed for May 2021.

## CORPORATE

### Strategic Funding Package

Documentation for the placements and the underwritten entitlements issue (ASX release 24 February 2021), including the Notice of Meeting and Prospectus, are well underway to meet the previously advised indicative timeline.

### Financial Information

The Company's net (of creditors) cash position on 8 March 2021 was \$3.3 million inclusive of approximately \$1.5 million in option exercise proceeds since the 25<sup>th</sup> February.

The Company reminds option-holders wishing to exercise to participate in the entitlements issue that the conversion notice and funds need to be received by the Company well in advance of the indicative ex-date for entitlements being the 19<sup>th</sup> May 2021.

Authorised by Anthony Reilly, Executive Director.

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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 100% interest in Sulphur Springs Project which includes the Sulphur Springs Project, Kangaroos Caves Resource plus 27km of prospective tenements on the Panorama trend and a 20% interest in the Joint Venture at 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.

**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>	
TOTAL	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).

#### Competent Person Statement

The Company confirms that:

- The form and context of the material in this release has not been materially modified from any previous announcements; and
- 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.

The information relating to mineral resources for the Sulphur Springs and Kangaroo Caves Deposits were prepared by Mr David Milton, Director of Mil Min Pty Ltd. All information and technical parameters underpinning the estimates have been released to the market in the following ASX announcements "Sulphur Springs Resource Upgrade" dated 21 March 2018, "Kangaroo Caves Resource Upgrade" dated 22 September 2015.