

## March 2021 Quarterly Report

*Transformational quarter for Venturex as announcement of strategic funding package provides strong momentum towards funding and development of Sulphur Springs*

### Highlights

- ▶ Highly regarded mining executive Bill Beament to cornerstone a ~\$58m strategic funding package, with significant positive equity market response.
- ▶ Mick McMullen, previous CEO and President of Detour Gold and Stillwater Mining Company, appointed as Executive Director.
- ▶ Site works commenced at Sulphur Springs for geotechnical and resource drilling and key secondary approvals advanced.
- ▶ Project Management Plan submitted with further environmental approvals received.
- ▶ Option exercise resulting in funds inflow of \$2m.
- ▶ Northern Star Resources shareholding sold to Mineral Resources.
- ▶ Northern Star Resources loan repaid in full.
- ▶ ANX 80% earn-in to Whim Creek Project completed.

### SULPHUR SPRINGS COPPER-ZINC PROJECT

Venturex's flagship 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 ~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

Secondary approvals and permits required for the development of the Sulphur Springs Project continued to be progressed. Approvals obtained during the quarter included a Groundwater Licence and a Compliance Assessment Plan. Subsequent to quarter-end the Company received approval from the Department of Mines, Industry Regulation and Safety (DMIRS) for a Project Management Plan, allowing construction of the mine site access road to commence (refer ASX release 15 April 2021).

Baseline monitoring was continued, which will provide useful data for the management of environmental risks associated with project implementation.

### 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.

In order to secure a favourable decision from the WA Environmental Protection Authority (EPA) and reduce mine closure risks, the Company previously relocated the proposed Tailings Storage Facility (TSF), culminating in formal approval from the WA Environment Minister in May 2020. In order to provide the necessary technical detail for the design of the TSF in the new location a short programme of geotechnical drilling is planned. A geotechnical consultant has been engaged for the TSF investigative and design works.

A contractor for the drilling works has been engaged and earth works for the drilling commenced in April 2021.

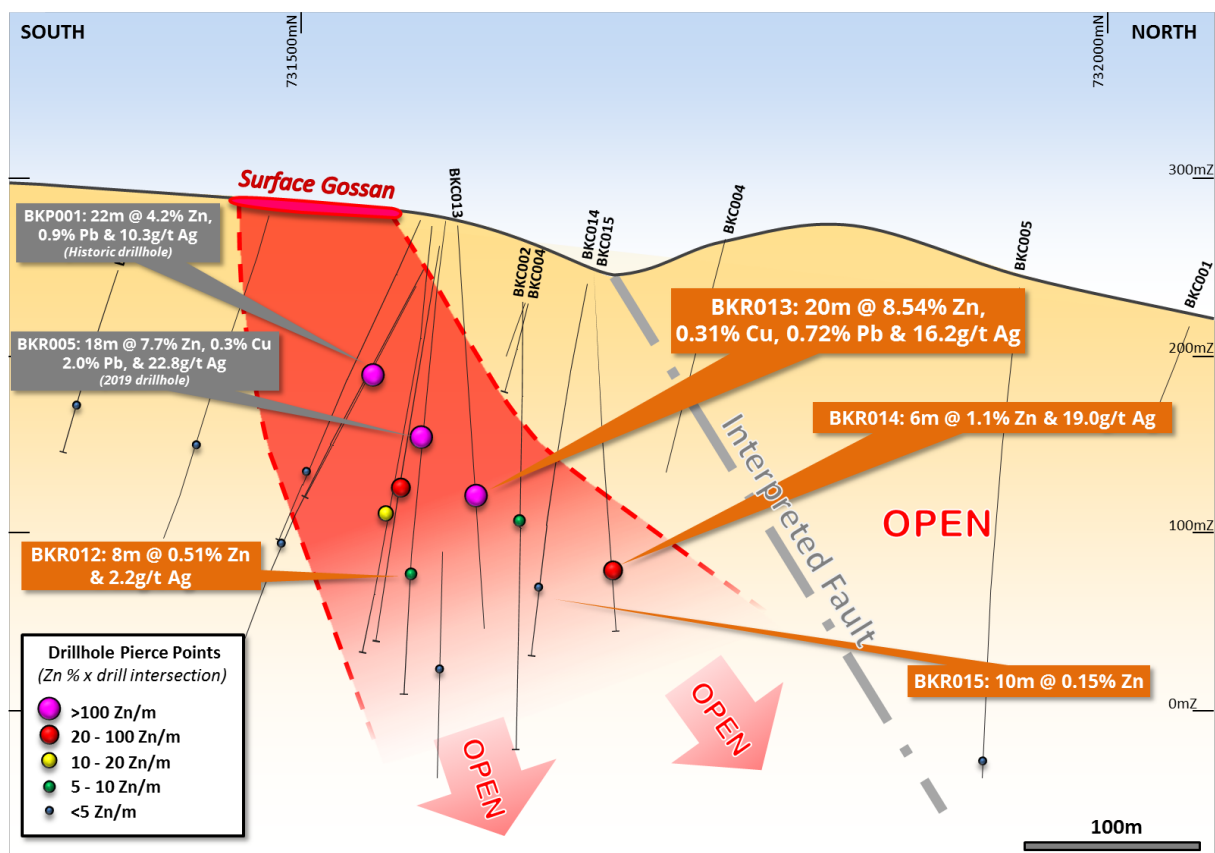
Engagement with the Nyamal People was maintained and included a meeting on site to consider management of cultural heritage values.

## EXPLORATION

During the quarter, the Company received final assay results from exploration drilling completed at the Breakers and XA8 Prospects in late 2020.

As announced on 17 December 2020 and 20 January 2021, widespread thick VMS mineralisation has been intersected at the Breakers Prospect, with no significant intercepts recorded at XA8.

This intersections at Breakers confirms that the base metal mineralisation discovered at the Main Gossan target comprises a broad, low-to-moderate grade massive sulphide envelope surrounding several high-grade zones.



**Figure 1:** Breakers Main Gossan oblique exploration long-section (north-west view, +/-40m).

Drill-holes from the 2020 exploration programme will now serve as important platforms for deep Down-Hole Electromagnetic (DHEM) and Down-Hole Magnetometric Resistivity (DHMMR) surveys, with these scheduled to be completed at the conclusion of the Pilbara wet season.

The Company is currently finalising plans for an in-fill drilling programme planned at the main Sulphur Springs Resource, which is scheduled to commence following the TSF geotechnical drilling programme.

No new exploration activities were completed during the quarter.

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

On the 21st of July 2020, Venturex executed a binding Earn-In and Joint Venture agreement with ASX-listed Anax Metals Limited (ASX: ANX) (formerly Aurora Minerals Limited) to acquire an interest of up to 80% in the Whim Creek Project. ANX has earned its remaining 40% interest in the Project in January, increasing its total interest to 80% (refer ASX announcement 15 January 2021). Venturex is free-carried through to the commencement of mining operations.

ANX continue to work on a Feasibility Study on the re-development the project and during the quarter secured a non-binding term sheet with Anglo American Marketing Limited. The Agreement will comprise a US\$2M (AU\$2.6M) Royalty for a 1% Net Smelter Return (NSR) from the Anax production (80%) from Whim Creek project. The term sheet also provides a proposed project funding package of up to US\$20M and offtake arrangement for Whim Creek. Venturex's 20% interest in the Whim Creek Project remains unencumbered and the Company is free carried through to Decision to Mine.

ANX carried out gold exploration over parts of the project area via soil sampling. The field collection work is completed, and analysis is ongoing at quarter-end.

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

## **EVELYN PROJECT (E47/1209)**

No work was completed at the Evelyn Project during the Quarter.

## **CORPORATE**

As announced on the 24th of February 2021, the Company agreed to an extensive re-capitalisation plan which will see highly regarded mining executive Bill Beament become a major shareholder and join the Board as an Executive Director on July 1, 2021.

Venturex has received binding conditional commitments to raise \$14 million in a Placement at 8c a share with Mr Beament contributing \$8.9m of this total.

Existing Venturex shareholders will receive a one-for-seven Entitlement Offer, which is fully underwritten, at 8c raising a further \$4.8m.

The Placement and Entitlement Offer shares will come with a one-for-two attaching option, exercisable at 13.5c with a two-year expiry. If all of these options were exercised, Venturex would receive a further \$15.5 million from the conversion of these options.

## **Board Restructure**

On the 5<sup>th</sup> of February 2021, Craig McGown was appointed as a casual Non-executive Director, and he will resign from the Venturex Board following the shareholder's meeting.

Mick McMullen was appointed to the Board on the 24<sup>th</sup> of February 2021 as Executive Director and will transition to Non-executive director on the 1<sup>st</sup> of July 2021 upon completion of the proposed Strategic Funding Package.

As previously announced, Tony Kiernan retired from the Board and as Chairman on the 31<sup>st</sup> of March 2021, and was succeeded by Anthony Reilly as interim Executive Chairman. The Company would again like to extend its thanks to Tony for a decade of dedicated service and sound leadership, and wishes him well for the future. Subject to shareholder approval at the upcoming EGM, Michael Blakiston will be appointed Non-executive Chair and Mr Reilly will revert to Executive Director.

On the 24<sup>th</sup> of February 2021, Darren Stralow resigned from the Venturex Board.

## Securities Information

Issued capital of the Company at the date of this announcement is:

Security Class	Issued Capital
Fully Paid Ordinary Shares (VXR)	420,030,470
Unlisted Performance Rights (VXRAV)	2,532,222
Options Expiring 15 December 2021 (VXRAC)	14,112,916

As announced on the 17<sup>th</sup> of March 2021, the Company advised that it had settled its outstanding loan with Northern Star via the conversion of the existing 10 cents options held by Northern Star and with the balance paid in cash. In addition, Venturex noted that NST sold its entire shareholding during the Quarter.

On the 17<sup>th</sup> March 2021, the Company received notification that Mineral Resources Ltd that they had lodged a Notice of Initial Substantial Holder confirming their holding in Venturex to be 19.53%.

During the Quarter the Company issued 29.6 million shares following the conversion of unlisted options exercisable at 10 cents and Employee Performance Rights.

## Financial Information

The Company's net cash position on 31 March 2021 was \$3.512 million. The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.

Information as disclosed in the Cash Flow Report:

- ▶ Exploration and Evaluation Expenditure during the quarter was \$572,000.
- ▶ There were no mining production and development activities during the quarter.
- ▶ Payments to related parties of the Company and their associates during the quarter was \$91,000. The company advises that this relates to executive directors' salaries, non-executive director's fees and superannuation.

Authorised for release to the ASX by Anthony Reilly, Executive Chairman.

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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 a 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.

## 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	60%		80%#
Whim Creek Project	E47/3495	60%		80%#
	M47/236	60%		80%#
	M47/237	60%		80%#
	M47/238	60%		80%#
	M47/323	60%		80%
	M47/324	60%		80%#
	M47/443	60%		80%#
	L47/36	60%		80%#
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%			

Note: #80% interest in tenement transferred to Anax Minerals Limited under the terms of the Whim Creek earn in and joint venture agreement.

**Table 1: Sulphur Springs Resources Table**

		Mineral Resources				
Location	JORC Classification	Tonnes ('000t)	Cu %	Zn %	Pb %	Ag g/t
<b>Sulphur Springs</b>	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>
<b>Kangaroo Caves</b>	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).

#### 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.