

ASX/Media Release

10 April 2019

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 MARCH 2019

Successful \$3.65m institutional capital raising caps positive quarter for Venturex as it continues to tick off key Project Implementation milestones and build its team for construction and development

QUARTERLY HIGHLIGHTS

- **Oversubscribed \$3.65M Capital Raise completed, underpinned by institutional investors.**
- **Northern Star converts its remaining loan into shares, increasing its stake to 19.88%.**
- **Independent Technical Review of Sulphur Springs Project completed with no fatal flaws identified.**
- **Agreement with Toho Zinc to defer existing zinc off-take rights for 5 years.**
- **The Northern Australia Infrastructure Facility (NAIF) advised that it will further investigate the potential to provide debt financing for the Sulphur Springs Project.**
- **Early Contractor Engagement and recruitment program continues.**
- **Highly experienced Project Manager employed for Sulphur Springs.**

OVERVIEW

Venturex Resources Limited (ASX: VXR; "Venturex" or "the Company") is pleased to provide a summary of its activities during the March 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).

Environmental Approvals

The Company has been liaising with the Environmental Protection Authority of Western Australia (EPA) and responding to additional information requests to its Environmental Review Document (ERD), for which a response was submitted in November 2018. The Company will respond to these requests in early April 2019, which should enable it to finalise the environmental approvals process for the Sulphur Springs Project.

Project Development Update

Following completion of the Sulphur Springs DFS in October 2018, the Company has been actively developing a project implementation strategy focused on Early Contractor Engagement and the identification of key senior personnel to assist in project construction.

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Tender documents are currently being prepared for key construction works. Stage 1 of an Early Contractor Engagement strategy targeting process plant contractors has been completed, with the plant tender document currently being finalised. This will lead into a tender process with contractors selected for plant construction works.

All other contractor works are being evaluated with key contractors being short-listed for major works, including the relocation of the Spinifex Ridge accommodation camp, site access road expansion and construction, open pit mining activities including pre-strip works, site communications and camp catering.

As the project approaches the construction phase, several optimisation opportunities and cost reduction strategies are being investigated in order to ensure an on-time and on-budget construction of the Sulphur Springs Project.

The Company has also progressed the option of using gas instead of diesel to fuel the power plant, which would achieve significant operating costs savings over the life of the project.

During the Quarter, the Company appointed highly experienced mining executive Brad Walker to join the Venturex team as Project Manager to lead the development of the Sulphur Springs Project through to production. Brad brings to the project a wealth of engineering and management experience in mineral processing, site construction, commissioning and operations. His recent engagements include the Gruyere JV Development, Perseus' Sissingué Development and Resolute's Syama Expansion Project.

Financing

Following a roadshow of potential financiers, Venturex received positive Expressions of Interest (EOI's) from domestic and international banks and other financiers in relation to project debt finance and discussions are still in progress.

In January 2019 the Company received notification from the Northern Australian Infrastructure Facility (NAIF) (refer announcement of 31 January 2019) advising that it had undertaken a strategic assessment of the Sulphur Springs Copper-Zinc Project ("Sulphur Springs", the "Project") and has determined to further investigate the potential for NAIF to provide debt finance for the development of the Project.

In a strong show of support for the Company and the Project, Japanese zinc refiner Toho Zinc Co., Ltd ("Toho") agreed to defer its existing zinc off-take rights for a period of five years in order to allow Venturex to use the near-term zinc off-take to help fund project development. Toho's off-take rights, which cover the first 230,000 tonnes of zinc-in-concentrate to be produced from the Project, stem from Venturex' original acquisition of the Sulphur Springs Project in 2011.

In parallel, Venturex is advancing talks with several potential off-take counterparties who have expressed strong interest in the 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 will form part of the financiers due diligence on the Project.

Exploration

During the quarter, the company's exploration team commenced a number of key preliminary works prior to re-commencing full exploration activities following the conclusion of the Pilbara wet season. The work programme focused on advancing targets at Sulphur Springs and within the broader Panorama Trend with a view to drill testing a number of potential targets in the near future.

An independent review and reinterpretation of the 2017 XCITE AEM data over the Sulphur Springs Project (*see ASX release 27 November 2017*) was completed by Intrepid Geophysics using their proprietary version of the ArjunAir software; additional interpretation of this data was completed by AussieCan Geoscience and supplemented with 2D resistivity sections.

Both the Sulphur Springs and Kangaroo Caves VMS deposits are hosted within a distinctive Marker Chert unit that is well defined from surface mapping throughout the entire Panorama Trend. The processing of the AEM data to 2D

resistivity was undertaken to identify and highlight subtle variations in the subsurface resistivity that may not be evident from the original profile data.

Interpretation of the AEM data clearly identifies the target Marker Chert horizon as a distinctive resistivity contact with the Sulphur Springs deposit identified as a low to moderate conductive feature hosted at the resistivity contact. Results from the review did not identify any additional anomalies; however, existing anomalies XA_10 and XA_11, located in the north west of the programme area have been upgraded to priority targets. Field examination of these targets will be undertaken at the earliest convenience.

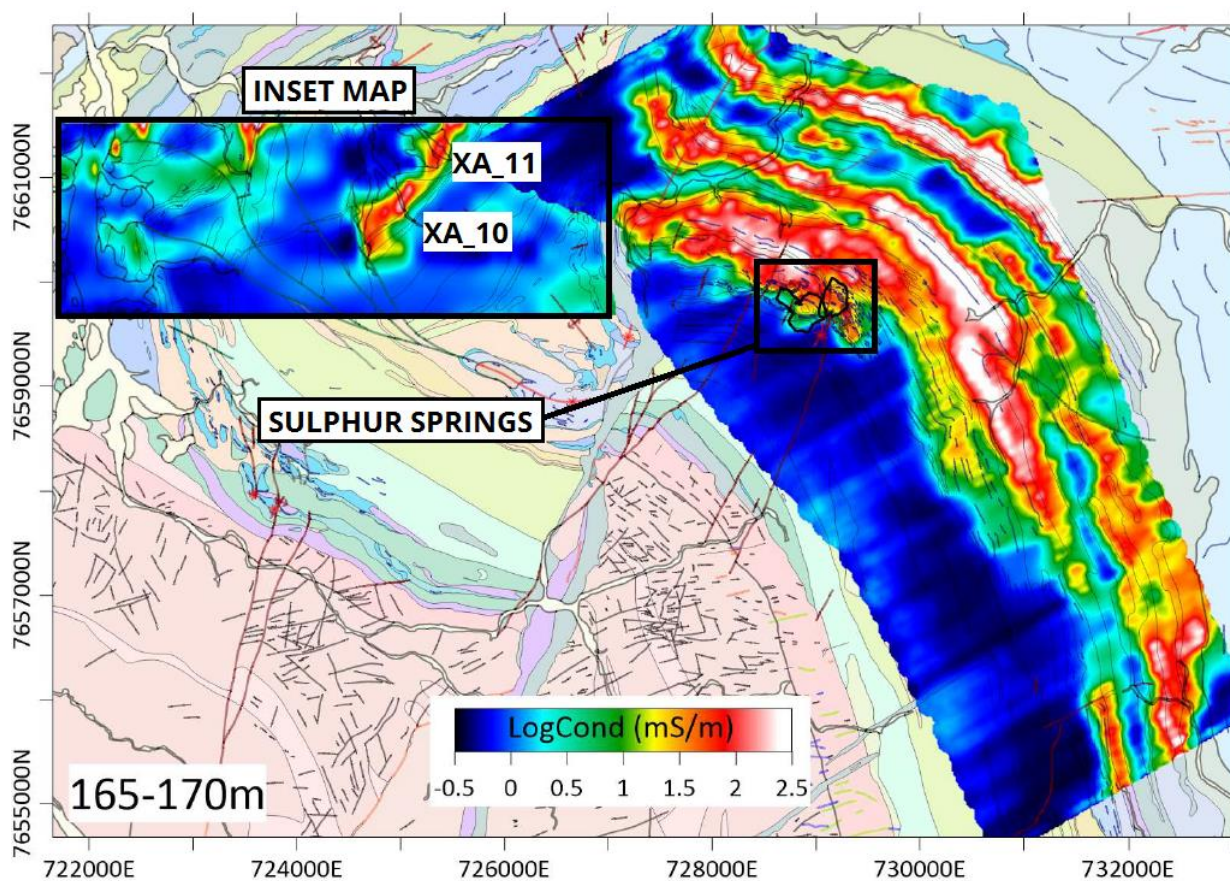


Image 1: Sulphur Springs resistivity depth section (165-170m depth slice).

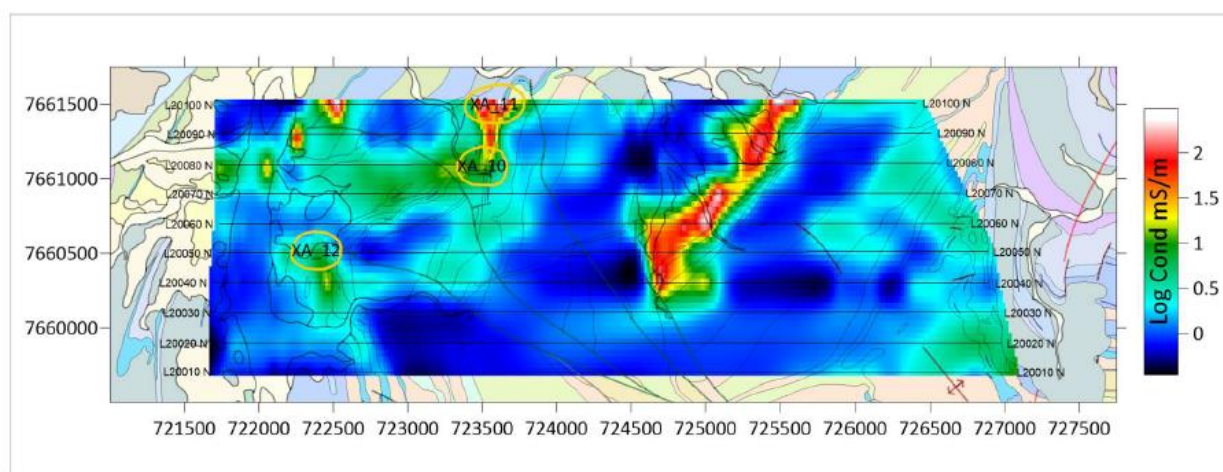


Image 2: Sulphur Springs NW targets XA_10-XA_12 resistivity depth section (118m depth slice).

The geological understanding at the Breakers prospect located approximately 15km south of Sulphur Springs was also advanced during the quarter. A structural interpretation completed by the Company's geological team has

identified a potential graben-margin fault and strike-parallel shear zone at the prospect. Both features are interpreted to have significant control on massive sulphide mineralisation.

The improved geological model has considerably enhanced the Company's understanding of the geological setting at the Breakers prospect and may provide vectors to additional zones of sulphide mineralisation.

Regrettably, several additional exploration activities scheduled to commence during the quarter at the Sulphur Springs Project were significantly delayed after the area was adversely impacted by heavy rain and extensive flooding as a result of Severe Tropical Cyclone Veronica.

As of March 31, road access to both the Sulphur Springs and Whim Creek Project areas is still not available due to road closures arising from flood damage.

The scheduled exploration activities including a drilling programme at the Sulphur Springs and Breakers prospect will re-commence as soon as possible following the conclusion of the Pilbara wet season.

CORPORATE

Securities Information

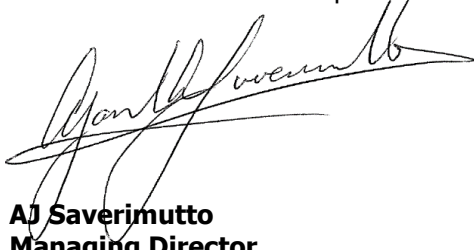
During the Quarter, the Company successfully completed a \$3.65M placement to sophisticated and institutional investors as announced to the ASX on 21 March 2019.

A total of 16,590,910 fully paid ordinary shares were issued to investors at an issue price of \$0.22c per share. In addition, Northern Star Resources Limited converted the remaining \$1.0 million of its \$2 million loan to Venturex (see ASX Release 12 September 2018), increasing its stake in the Company to 19.88%.

As at 31 March 2019, the issued capital of the Company is 279,762,648 ordinary fully-paid shares and 6,730,727 unlisted performance rights.

Financial Information

The Company's net cash position as at 31 March 2019 was \$5.2 million. The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.



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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. Our strategy is to work with our partners Blackrock Metals to expand and extend the existing 4 tonne per day oxide copper heap leach and SXEW operation at Whim Creek, identify other near term production options at Whim Creek, Mons Cupri and Sulphur Springs and fully optimise the Sulphur Springs Project have it shovel ready to take advantage of forecast improvements in base metal prices.

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%		