

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 DECEMBER 2016

ASX Announcement
ASX Code: VXR
Released: 31 January 2017

HIGHLIGHTS

- High grade assays confirm down plunge extensions to mineralisation at Salt Creek, best results include:
 - **18.7m @ 2.42%** copper in hole 16VSCD008 from 457.8m
 - **9.9m @ 8.76% zinc and 1.44% lead** from 265.2m and **1.7m @ 12.2% zinc and 5.97% lead** from 279.1m in hole 16VSCD009
 - **10.6m @ 1.49%** copper from 434.0m and **6.9m @ 1.18% copper and 4.7% zinc** from 448.4m in hole 16SCD007
- Salt Creek drilling confirms that downhole geophysics combined with a good geological model are effective at generating drilling targets
- Follow up geophysical testing pending at Salt Creek and Mons Cupri

OVERVIEW

Venturex Resources Limited (ASX: VXR; “Venturex” or “the Company”) is pleased to report on an active December Quarter which saw further strong progress with its three-pronged strategy of:

1. Ensuring that the Sulphur Springs Copper-Zinc Project is fully optimised and permitted ready for development, in order to take advantage of the improving sentiment in commodity prices.
2. Extending the existing sulphide zinc-copper Resources at Whim Creek and identifying opportunities to extract value from them;
3. Increasing and extending the income stream from the copper cathode produced at Whim Creek under its Access Agreement with Blackrock Metals Pty Ltd (“Blackrock”) for treating heap leachable resources.

WHIM CREEK ZINC-COPPER PROJECT

The Whim Creek Zinc Copper Project, located 115km west of Port Hedland, includes the historical Whim Creek, Mons Cupri and Salt Creek mines, where 67,000t of copper has been produced from near-surface oxide ores, the Evelyn resource and 18,100ha of tenements in the highly prospective Whim Creek and Mallina VMS Basins.

MONS CUPRI

The Company continued to advance exploration and target definition on the Mons Cupri mineralised system. The Mons Cupri deposit, which is the largest Volcanogenic Massive Sulphide (“VMS”) system in the Whim Creek Field, is an

For further details

John Nitschke
Managing Director
T: +61 8 6389 7400

Board

Tony Kiernan
Chairman

John Nitschke
Managing Director

Anthony Reilly
Non-Executive Director

Darren Stralow
Non-Executive Director

Trevor Hart
Company Secretary

Contact Details

Registered Office
Level 2
91 Havelock Street
West Perth WA 6005

T: +61 8 6389 7400
F: +61 8 9463 7836
admin@venturexresources.com
www.venturexresources.com

ABN: 28 122 180 205

extensive stockwork breccia copper system with zones of massive zinc-lead mineralisation.

In the June Quarter 2016 a high-powered Induced Polarisation (IP) survey was undertaken which identified a number of priority targets interpreted to be stockwork mineralisation (*refer ASX announcement 4 July 2016*). Four holes were subsequently drilled within the September quarter 2016 to test four IP targets (*refer ASX announcement 10 October 2016*).

During the December quarter follow up downhole magneto metric resistivity (DHMMR) surveys were undertaken on the four drill holes in order to identify massive sulphide mineralisation interpreted to sit at the top of the Mons Cupri stockwork system. Modelling of the DHMMR surveys has identified that two anomalies in holes 16VMCR002 and 16VMCR001 require further follow-up and are currently being reviewed.

A geophysical response of growing intensity was recorded in hole 16VMCR002, however an obstruction encountered at ~75m prevented the hole from being fully surveyed. Hole 16VMCR002 was cleaned out and cased during the quarter allowing for the hole to be re-surveyed at the next opportunity.

The results recorded within hole 16VMCR001 are of particular interest. This hole was drilled into an area to the South West of the historical Mons Cupri open pit and represents an area of growing prospectivity due a combination of favourable, geology, geochemistry, structural setting and geophysical response.

In addition to the geophysical testing, re-assaying of a number of historical holes was undertaken during the quarter. Re-assaying was undertaken to identify path finder elements and geochemistry that can be used to generate vectors towards more prospective areas within the Mons Cupri VMS system. The results of the re-assaying have been received and are in the process of being interpreted.

The next step at Mons Cupri is to consolidate the outcomes of a program of re-logging and further downhole geophysical testing of historical drill holes to help define the next round of drill targets at Mons Cupri.

SALT CREEK

Following on from the high grade zinc and lead assays received at Salt Creek in holes 16VSCD001 and 16VSCD003, best results including (*refer ASX announcement 20 October 2016*):

- **1.64m at 43.9% Zn, 19.5% Pb, 551g/t Ag and 0.8g.t Au** from 150.3m downhole (in hole 16VSCD001)
- **1.93m at 23.6% Zn, 13.3% Pb, 802g/t Ag and 1.1g/t Au** from 78.4m downhole (in hole 16VSCD003)

During the December quarter a further three diamond holes were drilled at Salt Creek. All three holes were successful in extending the down plunge position of the mineralisation on each of the three lodes at Salt Creek (*refer ASX announcements 22 November 2016, 29 November 2016, 6 December 2016 and 12 January 2017*)

This is an exciting development as it is the culmination of a number of key work streams including, a new structural model and interpretation, the use of downhole geophysics and 3D modelling to help generate high quality targets. Each of these key work streams continues to be refined and developed as the Company's level of understanding increases.

The best results from the December quarter program include:

- **18.7m @ 2.42% copper** in hole 16VSCD008 from 457.8m
- **9.9m @ 8.76% zinc and 1.44% lead** from 265.2m and **1.7m @ 12.2% zinc and 5.97% lead** from 279.1m in hole 16VSCD009

- **10.6m @1.49%** copper from 434.0m and **6.9m @ 1.18% copper and 4.7% zinc** from 448.4m in hole 16SCD007

Hole 16VSCD007 tested a DHMMR plate representing the down plunge extension of the high grade zinc-lead-silver eastern lode at Salt Creek. The hole intersected **10.6m @1.49% copper** from 434.0m and **6.9m @ 1.18% copper and 4.7% zinc** from 448.4m downhole. This intersection is approximately 110m down plunge of the previous high grade intersection. The intensity and width of the alteration zone is much greater than that seen in shallower holes at Salt Creek and appears to be increasing with depth.

Hole 16VSCD008 tested a DHTM plate modelled as a down plunge extension of the central copper rich lode at Salt Creek. The hole intersected **18.7m @ 2.42%** copper from 457.8m downhole.

The third hole of the program 16VSCD009 was drilled to test a DHMMR plate modelled as the down plunge extension to the western zinc rich lens and intersected **9.9m @ 8.76% zinc and 1.44% lead** from 265.2m and **1.7m @ 12.2% zinc and 5.97% lead** from 279.1m.

The results from Salt Creek continue to demonstrate the potential to extend mineralisation down plunge.

The next steps at Salt Creek are to refine the structural and 3D model for Salt Creek and carry out a further round of downhole geophysical testing to identify the next round of drill targets. Field work will recommence at the end of the wet season.

EVELYN (VXR 70% increasing to 90%)

Two Reverse Circulation drill holes for 492 metres were drilled at the Quamby North Prospect to test airborne and ground EM conductor plates within the prospective stratigraphy.

The drill results from 16VERC001 and 16VERC002 and follow-up downhole geophysics suggest that the initial targeted EM plates can be explained by stratigraphic units.

WHIM CREEK ACCESS AGREEMENT WITH BLACKROCK METALS

Production of copper cathode during the December quarter was 226 tonnes of copper cathode (September quarter: 238 tonnes).

The Fenix Ion Exchange unit was taken off line due to continuing commissioning issues during the Quarter.

Turning and restacking of the existing heap leach dumps using an excavator continued through the quarter up until early December, at which time the machine was stood down for a period of approximately three weeks for major servicing and repair work. Approximately 30% of the dump has been turned over and is progressively being put back under irrigation. Turning and restacking of the residual ore will continue in 2017 and be ongoing as a means of sustaining production from the heap leach dumps.

Approximately 82,000 tonnes of low grade stockpiles were relocated to the top of the heap leach dumps and irrigation commenced early in the quarter. Stacking of the stockpiles has helped the project sustain production rates in the range of 2.4 to 2.8 tpd.

During the quarter an evaluation of potential additional leachable oxide mineralisation (contained in both mineralised stockpiles and remaining in-situ) was carried out. This demonstrated that with a strengthening copper price this material could be added to the existing heap leach.

Production from the operation was steady during the quarter at 226 tonnes (last quarter 238 tonnes) of copper in cathode. No net profit interest payment was received for the quarter. Venturex does manage the Operations and therefore does not provide guidance on the income it expects to receive from the operation. As per the Access Agreement with Blackrock the NPI interest increased from 30% to 49% as at the 1 January 2017.

	31 Dec 2015 Qtr	31 Mar 2016 Qtr	30 June 2016 Qtr	30 Sept 2016 Qtr	31 Dec 2016 Qtr	YTD 2016-17	Project to date
Tonnes produced	251	203	194	238	226	464	2,690
NPI \$	\$71k	\$250k	\$250K	Nil	Nil	Nil	\$1,096k

Table 1 – Copper Cathode Production and NPI for the 12 month period and Project to Date

SULPHUR SPRINGS COPPER-ZINC PROJECT

The Sulphur Springs Copper-Zinc Project, located 144km south-east of Port Hedland, includes the proposed Sulphur Springs and Kangaroo Caves mines together with tenements covering 27km of the Panorama trend that contain numerous advanced VMS-style exploration targets.

The value engineering study was being finalised at the end of the quarter. Focus during the quarter was on optimising the way to extract value from the near surface copper supergene mineralisation. The supergene mineralisation was identified as sitting on top of the main zinc-copper sulphide lodes in the new resource model and estimate for Sulphur Springs (refer ASX announcement 11 May 2016).

Over the past eighteen months work has included completing enhanced geological models that more accurately reflect the geology of the Sulphur Springs and Kangaroo Caves deposits. Significant reductions in mining costs have been achieved by the implementation of open pit mining to extract the top of the Sulphur Springs deposit followed by a bulk underground mining method to extract the thick east lode of the deposit. A revised and fit for purpose processing plant and infrastructure layout including a tailings dam design that reflects international best practice for the storage of tailings has also been included.

This work has significantly de-risked the project and confirmed that Sulphur Springs is a valuable, development-ready base metal project which is highly leveraged to continued improvements in zinc and now copper prices. It is anticipated that the value engineering study will be completed during the January quarter.

A Program of Works for the drilling and associated site works has been approved by the WA Department of Minerals and Petroleum to carry out infill drilling of the supergene mineralisation. Drilling is planned to commence immediately after the wet season.

The project was referred to the WA Office of the Environmental Protection Agency for determination of the level of assessment that would be required to permit the project. The determination is expected sometime in the first quarter of 2017.

CORPORATE

Securities Information

As at 31 December 2016, the issued capital of the Company is 2,611,477,946 ordinary fully paid shares, 432,478,476 unlisted options and 41,798,155 unlisted Performance Rights.

The Company arranged a sale facility for holders of unmarketable (market value less than A\$500) parcels of shares which closed on the 21 November 2016.

Financial Information

The Company's net cash position as at 31 December 2016 was \$2.733 million and it has no debt. The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.

Annual General Meeting

The Company's Annual General Meeting was held on Friday 18 November 2016 with all resolutions being passed by a show of hands.



John Nitschke
Managing Director

For further information, please contact:

John Nitschke / Trevor Hart

Venturex Resources Limited

Ph: +61 (08) 6389 7400

Email: admin@venturexresources.com

Media:

Nicholas Read – Read Corporate

Ph: (08) 9388 1474

Email: info@readcorporate.com.au

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 Panorama Project which includes the Sulphur Springs and Kangaroos Caves Resources 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 restore the Sulphur Springs Project to shovel ready status, expand the Resources at Whim Creek and Mons Cupri and work with our partners Blackrock Metals to extend and expand the existing 5 tonne per day oxide copper heap leach and SXEW operation at Whim Creek.

Competency Statements

The information in this announcement that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled or reviewed by Mr James Guy who is a Member of the Australasian Institute of Mining and Metallurgy. The information contained in this announcement has previously released in announcements to the ASX". Mr Guy has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources". Mr Guy consents to the inclusion in the report of matters based on information in the form and context in which it appears.

TABLE OF ASSAY RESULTS FROM HOLES RECEIVED DURING THE QUARTER

Hole ID	Type	North	East	RL	Azi	Dip	TD	Intersection					
								From m	To m	Width m	Cu %	Zn %	Pb%
Mons Cupri													
16VMCD001	DD	7691076.3	583024.8	55.8	060°	-70°	180.8	NSR					
16VMCD002	DD	7690559.9	583451.8	62.6	0°	-90°	200	NSR					
16VMCR001	RC	7690010.0	584450.2	62.0	180°	-70°	250	NSR					
16VMCR002	RC	7691345.3	583215.7	62.8	060°	-75°	172	NSR					
Salt Creek													
16VSCD001	DD	7704759.4	573754.3	7.9	330°	-60°	162	150.31	151.95	1.64		43.9	19.5
16VSCD002	DD	7704776.3	573833.6	9.8	330°	-60°	190	NSR					
16VSCD003	DD	7704700.5	573615.8	7.3	330°	-60°	130	78.37	80.3	1.93		23.6	13.3
16VSCD004	DD	7704570.7	573403.3	8.4	330°	-60°	159	NSR					
16VSCD005	DD	704777.0	573774.0	9.1	330°	-60°	147.6	NSR					
16VSCD006	DD	7704593.2	573391.7	6.1	330°	-60°	129.1	NSR					
16VSCD007	DD	7704643.07	574076.2	19.2	330	-70	582.5	434.00 448.4	444.58 455.33	10.58 6.93	1.49 1.18	- 4.7	- -
16VSCD008	DD	7704540.6	573876.5	14.5	333	-70	516.6	457.75	476.45	18.7	2.42	-	-
16VSCD009	DD	7704546.0	573601.9	15.0	328	-64	327.7	265.15 279.14 287.00	275.00 280.86 288.00	9.85 1.72 1.00	0.34 0.25 -	8.76 12.27 1.72	1.44 5.97 2.12
Quamby													
16VER001	RC	7670999	588603.5	100.	270°	-60°	320	NSR					
16VERD002	RC	7671198.6	588595.7	106	270°	-60°	172	NSR					

- NSR ("No Significant Intersection).
- Intersection reported are downhole intervals

INTERESTS IN MINING TENEMENTS

AREA OF INTEREST	TENEMENTS	GROUP ENTITY'S INTEREST	ACQUIRED DURING QUARTER	DISPOSED DURING QUARTER
Liberty-Indee Project	E47/1209	70% (90% on decision to mine)		
	M47/1455	70% (90% on decision to mine)		
Whim Creek Project	E47/3495	100%	Application	
	M47/236	100%		
	M47/237	100%		
	M47/238	100%		
	M47/443	100%		
	L47/36	100%		
Salt Creek Project	M47/323	100%		
	M47/324	100%		
Sulphur Springs Project	E45/4692	100%	Application	
	E45/4811	100%	Application	
	M45/494	100%		
	M45/587	100% (Kangaroo Caves)		
	M45/653	100%		
	M45/1001	100%		
	L45/166	100%		
	L45/170	100%		
	L45/173	100%		
	L45/179	100%		
	L45/188	100%		
L45/189	100%			
L45/287	100%			
Panorama Project	P45/2609	100%		
	P45/2610	100%		
	P45/2611	100%		
	P45/2612	100%		
	P45/2613	100%		
	P45/2614	100%		
	P45/2616	100%		
	P45/2910	100%		
	P45/2911	100%		
	ML45/1253	100%		Application
	ML45/1254	100%		Application