

# Venturex Appoints BurnVoir as Corporate Adviser to Secure Funding Package for Sulphur Springs Zinc-Copper Project in WA

## Highlights

- Independent corporate advisory group, BurnVoir Corporate Finance, appointed to assist with securing an appropriate funding package for Sulphur Springs.
- Focus on securing a funding mix that maximises shareholder value.
- In-fill drilling and metallurgical testwork focused on the delivery of an updated Resource model to commence in the second quarter of CY2017.

Venturex Resources Limited (ASX: VXR "Venturex" and the "Company") is pleased to announce the appointment of leading independent advisory group **BurnVoir Corporate Finance** ("BurnVoir") as corporate advisor to assist with the funding of its 100%-owned **Sulphur Springs Zinc-Copper Project** in the Pilbara region of Western Australia.

The Sulphur Springs Project is an advanced VMS style zinc-copper metal project with an estimated 10 to 12-year operating life producing from the Sulphur Springs and Kangaroo Caves deposits.

Venturex completed a Value Engineering Study ("VES") for the Sulphur Springs Project in February 2017 (see ASX Announcement – 16 February 2017), which confirmed robust financial and technical outcomes, including a **pre-tax NPV<sub>8%</sub> of A\$338 million and an IRR of 52%** from a 1Mtpa project with an initial mine life of 12 years, **producing on average 32,000t zinc and 12,000t copper metal in concentrates annually.**

## Management Comment

Venturex Managing Director John Nitschke said the Company's aim was to work with BurnVoir to secure an attractive, flexible funding package for Sulphur Springs that would maximise value for shareholders.

"BurnVoir has extensive experience in obtaining a wide variety of funding options and we look forward to working closely with them to identify and obtain the right funding mix for the Sulphur Springs Project. As the funding solution is progressively put into place, we anticipate better recognition of the underlying value of the Sulphur Springs Project".

"Funding will proceed in parallel with the drill-out of the supergene resource at Sulphur Springs and amending the existing environmental approvals for the project," he added.

## Project Update

The in-fill drilling program at Sulphur Springs will commence in the second quarter of CY 2017, with the aim of delivering an updated Mineral Resource estimate in the third quarter of CY 2017.

ASX Announcement  
ASX Code: VXR  
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Venturex is continuing to consult with and provide information to the DMP and the EPA on the revised development scenario outlined in the February 2017 Value Engineering Study. Determination of the level of assessment for the project is expected in the second quarter of CY 2017.

## About BurnVoir

BurnVoir Corporate Finance is a leading independent Australian investment and advisory house with extensive experience and a strong track record in financial services across the energy, resources and infrastructure sectors. Details on BurnVoir can be found at [www.burnvoir.com.au](http://www.burnvoir.com.au).



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## About Venturex Resources Limited

Venturex Resources (ASX: VXR) is a rapidly growing Australian zinc company which is focused on the development of its advanced Sulphur Springs zinc-copper project located 144 km to the south of Port Hedland in the premier Pilbara mining province of Western Australia. After recently releasing a Value Engineering Study on this project which showed compelling economics the company is committed to an aggressive work program aimed at having funding in place by the first quarter of CY 2018 which would see the project in production in the first quarter of 2019.

The Sulphur Springs Project is one of the most significant undeveloped zinc deposits in Australia and the company believes that it is now the right time to develop the project. A drilling and metallurgical test work program aimed at converting inferred supergene resources to indicated is planned along with activities to amend the existing environmental permits. A formal program to identify funding options for the project is in place with the target of being in production during the first half of CY 2019.

Exploration at the existing high-grade zinc, copper and lead resources at the Whim Creek Project is aimed at extending existing high grade copper, zinc and lead Resources at the Salt Creek and Mons Cupri deposits. The successful extension of the known Resources at Whim Creek will result in a project that is compelling at spot prices. The existing infrastructure at Whim Creek means that any such project could be producing zinc, copper and lead concentrates quickly and cheaply.

## About Zinc

Zinc is a blue-grey metal which readily forms alloys with metals including copper, aluminium and magnesium. Zinc is primarily used for its corrosion resistance in galvanising which accounts for approximately half of global zinc consumption. Galvanised materials (commonly iron and steel) are used extensively in transport, construction and appliance manufacturing purposes. Metallic zinc is also used in dry cell batteries, die-casting, roof cladding and in the production of zinc oxide.

Zinc demand is dominated by China at 6.9Mt or 49%. Global consumption is forecast to grow at a CAGR of 2% over 2016-2020, with the strongest demand growth coming from China at 2% and also the US and India. Following recent mine closures and this increasing demand growth, the current zinc market is tight with declining global inventories and a supply deficit forecast in coming years. Zinc prices have responded accordingly rallying above the top of the global mine cost curve. The concentrate market reflects this supply tightness, with smelters materially discounting treatment charges.

## Competency Statements

The Company confirms that:

- a. The form and context of the material in this presentation has not been materially modified from the above previous announcements; and
- b. It is not aware of any new information or data that materially affects the information included in the 16 February 2017 announcement and that all material assumptions and technical parameters underpinning the estimate in the 16 February 2017 announcements continue to apply and have not materially changed.