

QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 MARCH 2017

HIGHLIGHTS

- Sulphur Springs Zinc Copper Project Value Engineering Study confirms a robust development project:
 - 1Mtpa producing 32,000tpa zinc, 12,000tpa copper over 12 years
 - Pre-tax NPV8% of A\$338M and 52% IRR at study prices
 - Peak Cash Draw of A\$183M
 - Forecast life-of-mine pre-tax cash-flow of A\$601M; 1.6 year capital pay-back
 - C1 cost US\$0.14/lb payable zinc
- Aggressive program to develop Sulphur Springs
- Appointment of adviser to develop funding strategy
- High grade assays confirm extension of Salt Creek Zinc Copper mineralisation
- Re-logging of holes at Whim Creek results in improved geological understanding to support exploration in coming season

OVERVIEW

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

1. Developing the Sulphur Springs Copper-Zinc Project;
2. Extending the existing sulphide zinc-copper Resources at Whim Creek and identifying opportunities to extract value from them; and
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.

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 ("VES") was finalised and delivered the following results (see ASX Announcement 16 February 2017):

- **1Mtpa producing 32,000tpa zinc, 12,000tpa copper over 12 years**
- **Pre-tax NPV8% of A\$338M and 52% IRR at study prices**
- **Peak Cash Draw of A\$183M**
- **Forecast life-of-mine pre-tax cash-flow of A\$601M; 1.6 year capital pay-back**

ASX Announcement
ASX Code: VXR
Released: 28 April 2017

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- **C1 cost US\$0.14/lb payable zinc**
- **Project significantly enhanced by potential to treat supergene mineralisation through proposed flotation plant**
- **Excellent exposure to strengthening zinc and copper prices**
- **Low capital option to increase production rate to 1.25Mtpa**
- **Further opportunities to add value through exploration**

The VES represents a major advance on the Feasibility Study completed by Venturex in December 2012 outlining a robust development pathway with improved economics, reduced risk profile and lower capital and operating costs.

The work included development of new geological models and resource estimates 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 and a bulk underground mining method to extract the east lode of the deposit. The project includes revised and fit for purpose processing plant and infrastructure and a tailings storage facility that reflects international best practice.

A key enhancement outlined in the VES has been the identification of the potential to process inferred high grade supergene copper ore located at the top of the Sulphur Springs deposit through the proposed flotation plant. This high grade, high margin copper ore will be mined and processed at the front end of the production schedule, significantly improving project economics and capital payback.

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 copper mineralisation. Drilling is planned to commence immediately after the wet season. The Pilbara region has experienced a wetter than normal wet season which has delayed the start of drilling. This time has been used to review historical drilling which has resulted in a better understanding of the potential to extend the Sulphur Springs deposit at depth.

The Office of the WA Environmental Protection Agency (OEPA) has been provided with additional information on troglofauna found on the site. The conceptual design of the cover for the proposed tailings dam has been further developed to support the project proposal. A determination on the level of assessment is expected from the OEPA in the second quarter of calendar 2017.

WORK PROGRAM

A work schedule to bring the VES up to a definitive standard, put in place funding and develop the Sulphur Springs Zinc Copper project is shown below. This shows the definitive VES being completed in early 2018 with a decision to commit to the project in first quarter of 2018, funding in place second quarter of 2018, commencement of construction in third quarter 2018 and project commissioning and ramp up in the middle of 2019.

	CY 2016	CY 2017				CY 2018				CY 2019				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Project Referral	→													
Mining Proposal Amendment		→												
Resource Drilling & Test-work			→											
Definitive VES					→									
Decision to Commit														
Water License & Works Approvals				→										
Financing					→									
Process Plant Construction						→								
Plant Site Earthworks										→				
Open Pit Development										→				
Process Plant Commissioning												→		
Production Ramp-up													→	
Full Production													→	

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

Re-logging and re-interpretation of historical holes in the Mons Cupri area is ongoing and is resulting in an improved geological and exploration model.

Modelling of a downhole magneto metric resistivity (DHMMR) survey undertaken in late 2016 across the Mons Cupri stockwork system identified an anomaly in hole 16VMCR001 which is 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. This evolving target represents a potential repeat of the Mons Cupri system. During the Quarter the Company submitted an application for Government co-funding to test this south west area.

SALT CREEK

Assays for the three diamond holes drilled at Salt Creek in late 2016 confirmed the down plunge extension 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).

The best results from the December program included:

- **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

These results are the culmination of a number of key work streams including a new structural model and interpretation, downhole geophysical surveys and 3D modelling to generate high quality drill targets. A re-logging program of historical holes from Salt Creek was completed during the wet season. The results of this re-logging are currently being interpreted and this will be used to refine the geology model and exploration framework for Salt Creek.

Downhole geophysical surveys are planned on the three holes drilled in late 2016 (16VSCD007, 16VSCD008 and 16VSCD009) as soon as the wet season has finished and a survey crew is available.

EVELYN (VXR 70% increasing to 90%)

No field work completed this Quarter.

WHIM CREEK ACCESS AGREEMENT WITH BLACKROCK METALS

Production of copper cathode during the March quarter was 187 tonnes of copper cathode (December Quarter: 226 tonnes).

Turning and restacking of the existing heap leach dumps using an excavator continued through the quarter. Approximately 35% 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.

Operation of the Ion Exchange (IX) plant recommenced during the quarter due to availability of solution from seasonal rainfall. The IX is currently producing approximately 0.5 t / day of copper from solution not amenable to treatment via the SX (Solvent Extraction) process.

As a result of a significant wet season in the Pilbara, production from the operation reduced during the quarter to 187 tonnes (last quarter 226 tonnes) of copper in cathode. No net profit interest payment was received for the quarter. Venturex does not 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	31 Mar 2017 Qtr	YTD 2016-17	Project to date
Tonnes produced	251	203	194	238	226	187	651	2,877
NPI \$	\$71k	\$250k	\$250K	Nil	Nil	Nil	Nil	\$1,096k

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

CORPORATE

Securities Information

As at 31 March 2017 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.

Financial Information

The Company's net cash position as at 31 March 2017 was \$2.080 million and it has no debt. The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.

Appointment of Corporate Advisor

On the 28 March 2017, the Company announced the appointment of BurnVoir Corporate Finance as corporate advisor to assist with the funding of its 100%-owned Sulphur Springs Zinc-Copper Project in the Pilbara region of Western Australia.



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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 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.

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 also 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.

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

- 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