

17 July 2017

Dear Shareholder

On behalf of the Board of Venturex Resources, I am pleased to invite Shareholders to participate in an issue to raise funds to advance the Company's projects and in particular Sulphur Springs.

The rights issue is seeking to raise \$3.75m and being undertaken on the basis of two (2) new shares for every seven (7) shares held at the Record Date (20 July 2017), at an issue price of 0.5 cents per share. This represents a 19% discount to the 10-day VWAP (volume weighted average price) of Venturex shares as at 14 July 2017.

Euroz Securities will act as sole manager and underwriter to the issue.

We are pleased to advise that major shareholder Northern Star Resources Limited (ASX: NST) will take up its full entitlement and sub-underwrite up to \$2M (including its full entitlement of \$507,143. Precision Opportunities Fund, will also take up its full entitlement and sub-underwrite up to \$1M (including its full entitlement of \$83,333).

The funds raised from the rights issue will be used to progress the Company's advanced Sulphur Springs zinc-copper project in the Pilbara region of Western Australia.

I will be taking up my full entitlement and Director Anthony Reilly will be taking up 43% of his entitlement. Director Darren Stralow will also be underwriting part of the issue as set out in the Offer document.

The Board is pleased to offer Shareholders the opportunity to apply for additional shares in excess of their entitlement and at the same price, which will be allocated in the event of a shortfall of subscriptions under the issue.

Venturex has a substantial base metal Resource inventory at the Pilbara projects, comprising some 320,000 tonnes of copper metal and 910,000 tonnes of zinc metal across the projects.

The Value Engineering Study of the Sulphur Springs Zinc-Copper Project highlighted the compelling economics of the project (see ASX Announcement 16th February 2017). We consider this project which includes the Kangaroo Caves Resource and exploration tenements covering a 27km strike length of the highly prospective Panorama trend, a highly prospective host stratigraphy for additional VMS discoveries is now a compelling Greenfields zinc-copper project.

The viability of the Sulphur Springs Project has been significantly enhanced by the identification of a near-surface Inferred Resource of supergene copper mineralisation that sits on top of the sulphide Resource.

The funds raised will be used to In-fill drill a portion of this near-surface high-grade inferred supergene Resource at Sulphur Springs, conduct further metallurgical test work, progress and update permitting in line with the development scenario contemplated by the Sulphur Springs Value Engineering Study. Funds will also evaluate potential targets within the broader Sulphur Springs Project area

On behalf of the Board, I invite you to consider the attached Offer Document carefully and encourage you to participate in the Entitlement Issue.

Yours sincerely



TONY KIERNAN
Chairman

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VENTUREX RESOURCES LIMITED

ACN 122 180 205

OFFER DOCUMENT

For a pro rata non-renounceable Rights Issue to Eligible Shareholders on the basis of two (2) New Shares for every seven (7) existing Shares held by Eligible Shareholders on the Record Date at an issue price of 0.5 cents per New Share to raise approximately \$3.75 million (before costs) (**Offer**).

The Offer opens on 25 July 2017 and closes at 5:00pm (WST) on 3 August 2017 (unless it is lawfully extended). Valid acceptances must be received before that time.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

The Offer will be managed and underwritten by Euroz Securities Limited (AFSL 243302). Refer to Section 3.8 for details regarding the terms of the underwriting.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document.

The New Shares offered by this Offer Document should be considered as speculative.

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1. IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

1.1 This document is not a prospectus

This Offer Document is dated 17 July 2017, has been prepared by Venturex Resources Limited and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in section 5 of this document. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

1.2 Section 708AA of the Corporations Act

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Class Order 08/35. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

1.3 Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

1.4 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

The Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, China, Hong Kong and New Zealand. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

United States Shareholders

This Offer does not constitute an offer in the United States of America, nor does it constitute an offer to a person who is a US Person or someone who is acting on behalf of a US Person.

The Shares have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States of America, or to, or for the account or benefit of, US Persons (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. These Shares may only be resold or transferred if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register the Shares in the United States of America.

Further detail in relation to foreign jurisdictions is set out in this Offer Document.

New Zealand Shareholders

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the Offer is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

China Shareholders

The information in this document does not constitute a public offer of Shares, whether by way of sale or subscription, in the People's Republic of China (PRC) (excluding, for the purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors".

Hong Kong Shareholders

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with

respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person issued Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such Shares.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offers. If you are in doubt about any contents of this document, you should obtain independent professional advice.

1.5 Notice to nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.6 Forward-looking statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Offer Document.

1.7 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments

and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

2. CORPORATE DIRECTORY

Directors

Anthony Kiernan (Non-Executive Chairman)
Anthony Reilly (Executive Director)
Darren Stralow (Non-Executive Director)

Company Secretary

Trevor Hart

Geology Manger

Angus Thompson

Registered Office

Level 2
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West Perth WA 6005

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Email: admin@venturexresources.com
Website: www.venturexresources.com

ASX Code

VXR

Share Registry*

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

Legal Advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Underwriter

Euroz Securities Limited (AFSL 243302)
Level 18, Alluvion
58 Mounts Bay Road
Perth WA 6000

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

3. DETAILS OF THE OFFER

3.1 The Offer

The Offer is being made as a non-renounceable entitlement offer of two (2) New Shares for every seven (7) Shares held by Eligible Shareholders registered at the Record Date at an issue price of 0.5 cents per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as set out in Section 3.7 of this Offer Document, a maximum of approximately 750,269,425 Shares will be issued pursuant to this Offer to raise up to approximately \$3.75 million.

As at the date of this Offer Document, the Company has 432,478,476 unlisted Options all of which may be exercised prior to the Record Date in order to participate in the Offer and 19,866,800 unlisted Performance Rights on issue.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

3.2 Use of Funds

Completion of the Offer will result in an increase in cash in hand of up to approximately \$3.75 million (before the payment of costs associated with the Offer).

The Company intends to apply the funds raised under the Offer as follows:

Items of Expenditure	\$	%
Infill Drilling of high grade supergene copper Resources at Sulphur Springs Including Metallurgical Test-work	\$1,600,000	43%
Permitting of the optimised Sulphur Springs Copper-Zinc Project	\$400,000	11%
Regional Exploration	\$600,000	16%
Drilling other targets	\$250,000	7%
Working capital	\$765,404	20%
Expenses of the Offer	\$135,943	4%
Total	\$3,751,347	100%

Note:

1. Funds allocated to additional working capital will be used for administration expenses of the Company over the next 12 months.

The above table is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general

economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

3.3 Indicative Timetable

Company Announces Entitlement Issue	17 July 2017
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX (Prior to the commencement of trading)	17 July 2017
Notice sent to optionholders	17 July 2017
Notice sent to shareholders	18 July 2017
Ex date	19 July 2017
Record Date for determining Entitlements	20 July 2017
Offer Document sent out to Eligible Shareholders & Company announces this has been completed & Offer Opening Date	25 July 2017
Last day to extend Closing Date	31 July 2017
Closing Date	3 August 2017
Shares quoted on a deferred settlement basis	4 August 2017
ASX notified of under subscriptions	8 August 2017
* Issue Date/Despatch of holding statements	10 August 2017
Quotation of Securities issued under the Offer*	11 August 2017

Subject to the ASX Listing Rules, the Directors may extend the Closing Date by giving at least 3 Business Days' notice to the ASX prior to the Closing Date. As such, the date the shares are expected to commence trading on ASX may vary. These dates are indicative only and are subject to change.

3.4 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 4 of this Offer Document.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

3.5 Application for additional Shares

You can also apply for [Additional Shares](#) under the Shortfall Offer in addition to your Entitlement by following the instructions set out in Section 4. The Shortfall Offer is described in Section 4.5 below.

3.6 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

3.7 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares	Number
Shares currently on issue	2,625,942,986
New Shares offered pursuant to the Offer ¹	750,269,425
Total Shares on issue after completion of the Offer¹	3,376,212,411

Notes:

1. This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of New Shares offered under the Offer.

Options

	Number
Options currently on issue:	
- VXRAB: 41,666,671 options exercisable at \$0.015 on or before 3 August 2017	41,666,671
- VXRAB: 41,666,671 million options exercisable at \$0.03 on or before 3 August 2018;	41,666,671
- VXRAO: 174.5 million options exercisable at \$0.015 on or before 31 August 2017;	174,518,142
- VXRAQ: 174.6 million options exercisable at \$0.03 on or before 31 August 2018	174,626,992
Sub Total	432,478,476
New Options offered pursuant to the Offer	nil
Total Options on issue after completion of the Offer	432,478,476

Performance Rights

	Number
Performance Rights currently on issue	19,866,800
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	19,866,800

Notes:

1. Consisting of 17,750,000 2017 Long Term Incentive Performance Rights and 2,116,800 2016 Long Term Incentive Performance Rights.

The capital structure on a fully diluted basis as at the date of this Offer would be 3,078,288,262 Shares (assuming the Options and Performance Rights convert on a 1 for 1 basis) and on completion of the Offer (assuming all Entitlements are accepted) would be 3,828,557,687 Shares.

No Shares or Performance Rights on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.8 Underwriting

The Offer is underwritten by Euroz Securities Limited (**Euroz** or **Underwriter**) up to an amount of approximately \$3,126,200 (**Underwritten Amount**) (being 625,240,141 Shares (**Underwritten Shares**)) pursuant to an underwriting agreement between the Company and Euroz dated 16 July 2017 (**Underwriting Agreement**). The material terms of the Underwriting Agreement are summarised below.

The Company has agreed to pay Euroz:

- (a) 1.0% management fee of the gross proceeds of the Offer, refer section 3.9; and
- (b) 4% of the amount equal to the Underwritten Amount less an amount equal to the price of the Offer multiplied by the number of Shares subscribed for by Northern Star Resources Limited (**Northern Star**) pursuant to the Northern Star commitment (expected to total \$2,000,000) and in relation to the agreed firm commitments and sub-underwriting commitments from the Directors and their associated entities.

(together, the **Underwriting Fee**.)

The obligation of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (c) (**Indices fall**): either the All Ordinaries Index (IRESS XAO.ASX) or the S&P/ASX 200 (IRESS:XJO.ASX) as published by ASX is at any time after the date of this document 10% or more below its respective level as at the close of business on the business day prior to the date of the Underwriting Agreement;
- (d) (**ASIC or ASX action**) the Offer is prevented from proceeding by reason of:
 - (i) or in accordance with, the Listing Rules, the Corporations Act or any other applicable laws;
 - (ii) an order made by ASIC, ASX, any other government agency or a court of competent jurisdiction; or
 - (iii) an investigation or inquiry or proceedings initiated by either ASIC or ASX into the conduct of the Company;
- (e) (**Certificate**) a certificate is not given by the Company in accordance with the Underwriting Agreement;

- (f) **(ASX quotation)** ASX makes any official statement to any person, or indicates to the Company or the Underwriter (whether or not by way of an official statement) that:
- (i) existing Shares will be suspended from quotation; or
 - (ii) the Company will be removed from the official list;
- (g) **(Quotation approvals)** approval for official quotation of all of the Offer Shares and including the Underwritten Shares on ASX is refused or not granted on or before the Shortfall Notification Date, or if approval is granted, the approval is granted on conditions other than customary conditions or subsequently withdrawn, qualified or withheld before the issue of the Underwritten Shares;
- (h) **(Takeovers Panel)** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (i) **(Offer Materials)** a statement contained in the Offer Materials (as defined in the Underwriting Agreement and includes the Offer Document) is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the Offer Materials omit any information they are required to contain (having regard to section 708AA of the Corporations Act and any other applicable requirements), or there are no reasonable grounds in accordance with section 728(2) of the Corporations Act for the making of any statement in the Offer Materials relating to future matters;
- (j) **(Timetable)** any event specified in the Timetable is delayed by a business day or more without the prior written approval of the Underwriter;
- (k) **(Listing)** the Company ceases to be admitted to the official list of ASX or the ordinary shares in the Company are suspended from trading on (excluding, for the avoidance of doubt, a trading halt or suspension granted at the request of the Company under Chapter 17 of the ASX Listing Rules, if the request has been made with the prior consent of the Underwriter), or cease to be quoted on, ASX;
- (l) **(compliance)** any aspect of the Offer, including the Northern Star Commitment (defined below), the Precision Commitment (defined below) or the offer or issue of Offer Shares to any other person contemplated in the Offer Materials, does not comply with the Corporations Act or any other applicable laws, the ASX Listing Rules, the ASIC Modifications, the ASX Waivers, or Takeovers Panel guidance, or requires an approval or other authorisation that has not been obtained at the date of the Underwriting Agreement;
- (m) **(withdrawal)** the Company withdraws the Offer;
- (n) **(change in Directors)** a change in the Directors occurs except as announced to ASX prior to the date of this agreement;
- (o) **(fraud)** a Director or officer of the Company or the Company is charged in relation to fraudulent or misleading and deceptive conduct, whether or not in connection with the Offer;

- (p) **(termination events)** subject always to clause 9.2, any of the following events occurs:
- (i) **(Supplementary Offer Materials)** the Company lodges a Supplementary Offer Materials without the consent of the Underwriter or fails to lodge a Supplementary Offer Materials in a form reasonably acceptable to the Underwriter in circumstances where the Underwriter reasonably believes that the Company is prohibited by the Corporations Act from offering Shares under the Offer Materials;
 - (ii) **(disclosures in due diligence process)** any information supplied by or on behalf of the Company to the Underwriter in relation to the Company or the Offer as part of the Due Diligence Program is misleading or deceptive or there is a omission from the Due Diligence Results or the Due Diligence Results are misleading or deceptive;
 - (iii) **(Certificate)** a statement made in a Certificate provided by the Company under the Underwriting Agreement is incorrect or untrue;
 - (iv) **(new circumstance)** a new circumstance occurs or arises after the Offer Materials and Supplementary Offer Materials is lodged that would, in the reasonable opinion of the Underwriter, have been required to be included in the Offer Materials and Supplementary Offer Materials if it had arisen before the Offer Materials and Supplementary Offer Materials was lodged;
 - (v) **(event of insolvency)** an Event of Insolvency occurs in respect of any member of the Group;
 - (vi) **(judgment)** a judgment in an amount exceeding \$500,000 is obtained against any member of the Group and is not set aside or satisfied within 14 days;
 - (vii) **(offences by officers)** any of the following occurs:
 - (A) any regulatory body commences, or intends to take, any public action against an officer of any member of the Group in his or her capacity as an officer of that company;
 - (B) any officer of any member of the Group is charged with an indictable offence; or
 - (C) any officer of any member of the Group is disqualified from managing a corporation under the Corporations Act;
 - (viii) **(debts)** any member of the Group suspends payment of its debts generally or is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act;
 - (ix) **(Constitution)** the Company alters or amends its Constitution without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);

- (x) **(compliance with regulatory requirements)** any member of the Group contravenes its constitution, the Corporations Act or any of the Listing Rules, ASX, ASIC or Takeovers Panel guidance;
- (xi) **(material adverse change)** except as otherwise advised to the Underwriter prior to the date of the Underwriting Agreement or otherwise disclosed to ASX, the occurrence of any material adverse change in the condition, business, operations, assets, liabilities, financial position or performance, profits, losses or prospects of the Group;
- (xii) **(changes of laws)** there is passed by the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts a new policy, any of which prohibits the Offer;
- (xiii) **(default)** the Company breaches any terms, warranties, conditions or undertakings in the Underwriting Agreement (other than with respect to compliance with the Timetable) and the Company fails to rectify the breach within two Business Days of the date of written notification of the breach by the Underwriter to the Company;
- (xiv) **(moratoria)** a general moratorium on commercial banking activities in Australia, the United States, the European Union or the United Kingdom is declared by the relevant central banking authority in any of those countries (or any member state of the European Union), or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
- (xv) **(suspension of market trading)** trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for more than one day on which that exchange is open for trading;
- (xvi) **(notifications)** any of the following occurs:
 - (A) ASIC gives notice of an intention to hold a hearing under section 739(2) of the Corporations Act or issues an order under sections 739(1) or (3) of the Corporations Act;
 - (B) ASIC applies for an order under Part 9.5 of the Corporations Act in relation to the Offer Materials or commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Offer Materials;
 - (C) any person gives a notice under section 733(3) of the Corporations Act or any person who has previously consented to the inclusion of its name in the Offer Materials (or any Supplementary Offer Materials) or to be named in the Offer Materials withdraws that consent;
 - (D) any person gives a notice under section 730 of the Corporations Act in relation to the Offer Materials; or

- (E) the Company issues a public statement concerning the Offer which has not been approved (if required) by the Underwriter under this agreement;
- (xvii) **(representations and warranties)** any representation or warranty in the Underwriting Agreement on the part of the Company is not true or correct;
- (xviii) **(Capital Structure)** any company in the Group alters its capital structure in any manner not contemplated by the Offer; or
- (xix) **(Hostilities)** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, the United Kingdom, the United States of America or the People's Republic of China

3.9 Lead Manager Mandate

The Company and Euroz have entered into a lead manager mandate **(Mandate)** pursuant to which Euroz will act as the sole lead manager and sole underwriter of the Offer. The Company will pay Euroz, in addition to the Underwriting Fee, a management fee of 1% of the total amount raised under the Offer.

3.10 Effect of the Offer on control and voting power in the Company

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer;
- (b) in the more likely event that there is a shortfall:
 - (i) Eligible Shareholders who do not subscribe for their full entitlement of Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement as shown by the table in section 3.9. Refer to Section 3.12 for examples on how the dilution may impact Shareholders;
 - (ii) Eligible Shareholders will be entitled to top-up their shareholding, by subscribing for additional shares to be issued from the shortfall pool **(Shortfall Offer)**. However, the Company will only issue such Shares pursuant to an application received where the Directors are and Underwriter are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 19.90%. Having regard to the number of Shares to be issued under the Offer, even if a substantial shortfall eventuated, a participant in the Shortfall Offer would not be in a position to exercise any substantive control in the Company; and

- (iii) the remaining shortfall will be placed with the Underwriter. Further details of the effect the underwriting will have on the Offer is set out below.

3.11 Effect of the Underwriting on the Offer

Euroz is not a shareholder of the Company and is not a related party of the Company. Euroz has agreed to underwrite the Offer up to 625,240,141 Shares being a value of \$3,126,200. Euroz's present relevant interest and changes under several scenarios are set out in the table below.

The number of Shares that may be held by Euroz or the sub-underwriters and their voting power as set out in the tables below show the potential effect of the underwriting on the Offer. However, it is unlikely that no shareholders will take up entitlements under the Offer. The underwriting obligation and therefore voting power of Euroz and the sub-underwriters will change by the corresponding amount for the amount of entitlements under the Offer taken up by the other Shareholders.

Event	Shares held by Euroz	Voting power of Euroz
Date of Offer Document	Nil	0%
Fully subscribed	Nil	0%
75% subscribed	187,567,357	5.56%
50% (or less) subscribed	375,134,713	11.11%
17% subscribed (fully Underwriting Commitment)	622,723,622	18.44%
Full Underwriting Commitment of (maximum voting power)	625,240,141	19.23%

Northern Star Resources Limited (**Northern Star**), a substantial shareholder of the Company with a current relevant interest of 13.59% and Precision Opportunities Funds Limited (**Precision**) a substantial shareholder with a current relevant interest of 3.17% have agreed to sub-underwrite the Offer.

In accordance with the Underwriting Agreement:

- (a) Northern Star has agreed to a firm commitment of 101,428,572 Shares (being their Entitlement) and to sub-underwrite up to 298,571,428 Shares, being a total value of \$2,000,000; and
- (b) Precision has agreed to a firm commitment of 23,809,524 Shares (being their Entitlement) and to sub-underwrite up to 176,190,476 Shares, being a total value of \$1,000,000.

Northern Star's present relevant interest and changes under several scenarios are set out in the table below.

Event	Shares held by Northern Star	Voting power of Northern Star
Date of Offer Document	355,000,000	13.52%
Fully subscribed (including Entitlement)	456,428,571	13.52%
Maximum Voting Power (including Entitlement and full Underwriting Commitment being a total of \$2,000,000) ¹	755,000,000	24.95%

Note:

1. Maximum voting power assumes no other Eligible Shareholder, the Underwriter or other sub-underwriters take up their entitlement or underwriting commitment as the case may be.

Precision's present relevant interest and changes under several scenarios are set out in the table below.

Event	Shares held by Precision	Voting power of Precision
Date of Offer Document	83,333,333	3.17%
Fully subscribed (including Entitlement)	107,142,857	3.17%
Maximum Voting Power (including Entitlement and full Underwriting Commitment being a total of \$1,000,000) ¹	283,333,333	10.03%

Note:

1. Maximum voting power assumes no other Eligible Shareholder, the Underwriter or other sub-underwriters take up their entitlement or underwriting commitment as the case may be.

Mr Darren Stralow has agreed to sub-underwrite the Offer for 10,000,000 Shares (being a value of \$50,000). Mr Stralow is a related party of the Company by virtue of being a Director. Mr Stralow's current relevant interests in the Company is set out in Section 3.14. In the event Mr Stralow takes up his full Underwriting Commitment, the maximum voting power Mr Stralow will hold following completion of the Offer (assuming no other Eligible Shareholder, the Underwriter or sub-underwriters take up their entitlement or underwriting commitment as the case may be) will be 0.38%.

3.12 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 22% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	100,000,000	3.81%	25,000,000	100,000,000	2.96%
Shareholder 2	50,000,000	1.90%	12,500,000	50,000,000	1.48%
Shareholder 3	15,000,000	0.57%	3,750,000	15,000,000	0.44%
Shareholder 4	4,000,000	0.15%	1,000,000	4,000,000	0.12%
Shareholder 5	500,000	0.02%	125,000	500,000	0.015%

Notes:

1. This is based on a share capital of 2,625,942,986 Shares at the date of this Offer Document.

3.13 Substantial Shareholders

The Company's substantial holders and their Entitlement prior to the Offer are set out in the table below.

Substantial Holder	Shares	Voting Power (%)	Entitlement	\$
Regent Pacific Group Limited ¹	587,184,454	22.36%	167,766,987	\$838,834.93
Northern Star Resources Limited	355,000,000	13.52%	101,428,572	\$507,142.86
Henghou Industries (Hong Kong) Limited	157,889,237	6.01%	45,111,211	\$225,556.05

Notes:

1. Northern Star Resources Limited has indicated that it will take up its full Entitlement and will sub-underwrite the Offer. Further details are set out in Section 3.11.
2. The voting power in the table is prior to settlement of the Offer.

3.14 Directors Interests and Participation

Each Director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Voting Power (%)	Entitlement	\$
Anthony Kiernan	30,184,488	1.15%	8,624,139	\$43,121
Anthony Reilly	40,569,336	1.54%	11,591,239	\$57,956
Darren Stralow	Nil	Nil	Nil	Nil

Mr Kiernan has agreed to take up his Entitlements in full and Mr Reilly will take up to \$25,000 of his Entitlements.

3.15 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	(\$)	Date
Highest	0.9 cents	11/4/2017, 12/4/2017,
Lowest	0.4 cents	23/6/2017, 26/6/2017, 30/6/2017
Last	0.5 cents	14/07/2017

3.16 Opening and Closing Dates

The Offer opens on the Opening Date, being 25 July 2017, and closes on the Closing Date, being 5:00pm (WST) on 3 August 2017 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

3.17 Issue and Dispatch

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 3.3 of this Offer Document. Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application monies will be held by the Registry in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 3.3 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

3.18 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

3.19 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-

registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.20 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 5 of this Offer Document for further details.

3.21 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

3.22 Appointment of Nominee

Pursuant to section 615 of the Corporations Act, the Company may appoint a nominee for the Shares to which Ineligible Shareholders who accept the Offer are entitled. If appointed, the nominee will have the absolute and sole discretion to determine the timing and price at which the Shares will be sold and the manner of any such sale. The Company will obtain ASIC approval for the appointment of the nominee, as required by section 615 of the Corporations Act.

Any interest earned on the proceeds of the sale of these Shares will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Shares will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Shares (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee must sell Shares, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the nominee will not be required to sell Ineligible Shareholders' Shares at a particular price.

Shareholders resident in Australia, New Zealand, China and Hong Kong holding

Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

To the extent that the Company does not appoint a nominee pursuant to section 615 of the Corporations Act, no Shareholder will be able to acquire a relevant interest in Shares that leads to their voting power in the Company breaching 20%.

3.23 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.venturexresources.com or the ASX www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

3.24 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to Mr. Trevor Hart, Company Secretary on +61 8 6389 7400.

4. ACTION REQUIRED BY SHAREHOLDERS

4.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

- (a) **if you wish to accept your Entitlement in full:**
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque or arrange payment by BPAY® for the amount indicated on the Entitlement and Acceptance Form; or
- (b) **if you wish to accept your Entitlement in full and apply for additional Shares**
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided, including the number of additional Shares you wish to apply for; and
 - (ii) attach your cheque or arrange payment by BPAY® for the for the appropriate Application monies (at 0.5 cents per New Share); or
- (c) **if you only wish to accept part of your Entitlement:**
 - (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque or arrange payment by BPAY® for the appropriate Application monies (at 0.5 cents per New Share); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Your completed Entitlement and Acceptance Form and payment must reach the Registry no later than 5:00pm (WST) on the Closing Date.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

4.2 Implications of an Acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn except as required by law.

4.3 Payment by Cheque/Bank Draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Venturex Resources Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry at the address set out on the Entitlement and Acceptance Form by no later than 5:00pm WST on the Closing Date.

4.4 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 2:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

4.5 Shortfall Offer – Right to Apply for additional Shares

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be 0.5 cents being the price at which Shares have been offered under the Offer.

In addition to their Entitlement, Eligible Shareholders will be entitled to apply for additional Shares under the Shortfall Offer by following the instructions on their Entitlement and Acceptance Form. Other than this priority, the Underwriter, in consultation with the Directors reserve the right to issue Shortfall Shares at their absolute discretion. If you do apply for Shortfall Shares there is no guarantee that you will receive all or any of your application for Shortfall Shares.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

5.2 Key Investment Risks

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. Prospective investors should read this Offer Document in its entirety before deciding whether to apply for Shares under this Offer Document.

These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Offer Document.

(a) Additional Requirements for Capital

Should the funds raised be insufficient to fulfil the Company's planned short term expenditure requirements, the Company may have an immediate requirement to raise further funds. As the Offer does not contain a minimum subscription amount, this will be a risk to investors who take up the Offer.

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising.

Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

(b) **Potential for significant dilution where Entitlements not taken up**

Upon implementation of the Offer, the number of Shares in the Company will increase from 2,625,942,986 as at the date of this document to 3,376,212,411. This means that each Share will represent a lower proportion of the Company's ownership.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The closing price of Shares on ASX the day prior to this Offer Document being lodged of 0.5cents should not be taken as a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(c) **Costs associated with mining in the Pilbara region of Western Australia**

High labour, energy and transport costs have made mining projects in the Pilbara region of Western Australia expensive to develop. The Company's Australian Projects are located in this region and accordingly, higher than usual costs of exploration, development and mining are expected to impose a significant burden on the Company's capital expenditure requirements.

(d) **Regulatory Risks**

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

(e) **Exploration and development projects**

The Company's mineral tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable

deposit is identified, there is no guarantee that it can be economically exploited.

The Company's future exploration activities may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the Company's control.

The Company's success will also depend upon the Company having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of the Company's tenements, a reduction in the case reserves of the Company and possible relinquishment of tenements.

The Company's exploration costs are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(f) **Copper/Zinc price volatility**

If the Company achieves success leading to copper/zinc production, the Company's financial performance will be sensitive to the spot copper/zinc price. Copper/zinc prices are affected by numerous factors and events that are beyond the Company's control. These factors and events include general economic activity, world demand, forward selling activity, copper/zinc reserve movements at central banks, costs of production by other copper/zinc producers and other matters such as inflationary expectations, interest rates, currency exchange rates (particularly the strength of the US dollar) as well as general global economic conditions and political trends.

If copper/zinc prices should fall below or remain below the Company's costs of production for any sustained period due to these or other factors and events, the Company's exploration and production could be delayed or even abandoned. A delay in exploration or production or the abandonment of one or more of the Company's projects may require the Company to write-down its copper/zinc reserves and may have a material adverse effect on the Company's production, earnings and financial position.

(g) **Copper/Zinc operating and development risks**

The Company's ability to achieve production, development, operating cost and capital expenditure estimates on a timely basis cannot be assured. The business of copper/zinc mining involves many risks and may be impacted by factors including ore tonnes, yield, input prices (some of which are unpredictable and outside the Company's control), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the

regulatory environment and other unforeseen contingencies. Other risks also exist such as environmental hazards (including discharge of pollutants or hazardous chemicals), industrial accidents and occupational and health hazards. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

The risks outlined above also mean that there can be no assurances as to the future development of a mining operation in relation to any of the Company's projects or which the Company may acquire in the future.

(h) **Infrastructure and transport**

As outlined above, the Company is not currently in production. If production does commence, the Company's ability to achieve production targets, receive goods and services and export concentrate products may be restricted by access to power networks, roads, rail and ports.

(i) **Impact of inflation on costs**

Higher than expected inflation rates generally, or specific to the mining industry in particular, could be expected to increase operating and development costs and potentially reduce the value of future project developments.

5.3 General Risks

(a) **Exploration success**

The future profitability of the Company and the value of its securities are directly related to the results of exploration. The exploration tenements held by the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Company's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited. In addition, the resources may become depleted, resulting in a reduction of the value of those tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(c) **Equity market conditions**

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(d) **Change in government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

(e) **Operating risks**

The operations of the Company may be affected by various factors, including failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in extraction; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

5.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

6. DEFINED TERMS

\$ or A\$ means an Australian dollar.

Applicant refers to a person who submits an Entitlement and Acceptance Form, or submits a payment of subscription monies in respect of the Offer.

Application refers to the submission of an Entitlement and Acceptance Form or Shortfall Application Form (as the case may be).

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of the ASX.

Closing Date means the closing date set out in Section 3.3 or such other date as may be determined by the Directors.

Company means Venturex Resources Limited (ACN 122 180 205).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia, China, Hong Kong or New Zealand.

Entitlement means the entitlement to subscribe for two (2) New Shares for every seven (7) Shares held by an Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer or Entitlement Issue means the pro rata non-renounceable offer of New Shares at an issue price of 0.5 cents each on the basis of two (2) New Shares for every seven (7) Shares held on the Record Date subscribed for pursuant to this Offer Document.

Offer Document means this Offer Document.

Opening Date means the opening date set out in Section 3.3 of this Offer Document.

Option means an option to acquire a Share.

Performance Right means right to acquire a Share

Record Date means the record date set out in Section 3.3 of this Offer Document.

Section means a section of this Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means as defined in Section 4.5 of this Offer Document.

US Person means a person who receives the Offer when they are located in either the United States of America.