

## QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 31 MARCH 2018

### OVERVIEW

Venturex Resources Limited (ASX: VXR; "Venturex" or "the Company") reports on the March 2018 Quarter which saw strong progress with its strategy of aggressively advancing the Sulphur Springs Copper-Zinc Project towards a development decision. Highlights completed during the quarter include:

1. Highly successful Resource infill drill program resulting in an upgraded Resource at Sulphur Springs;
2. Development of the environmental review document, required by the Environmental Protection Authority (EPA) for the Sulphur Springs project environmental approvals process, progressed during the quarter with all the site based environmental surveys being completed;
3. Net Profit Interest earned from the Whim Creek Access Agreement confined for the December Quarter of \$87,873; and
4. Successfully updated the Resources at Salt Creek and Mons Curpi during the quarter.

### SULPHUR SPRINGS COPPER-ZINC PROJECT

*The Sulphur Springs Copper-Zinc Project, is located south-east of Port Hedland and includes the proposed Sulphur Springs and Kangaroo Caves mines together with tenements covering ~27km of the Panorama trend that contain numerous advanced VMS-style exploration targets. The Sulphur Springs Project contains ~740,000t of contained zinc and ~230,000t of contained copper in resources (Refer ASX release 16 February 2017).*

#### Summary

The March quarter was a busy period for the Company as it made significant progress in advancing the Sulphur Springs project towards a decision to mine.

The company completed a highly successful Resource infill program in which the Company announced the Upgrading of Copper-Zinc Resource at Sulphur Springs. The quarter also saw completion of a range of flora and fauna studies required as part of the ongoing approvals process.

Detailed commentary on the key work streams carried out during the quarter is provided below.

#### *Sulphur Springs Resource Upgrade following in from Infill Drill programme*

During the Quarter the Company released an updated Sulphur Springs Resource (see ASX release 21 March 2018) which confirm an updated Global resource of 13.8Mt at 1.5% Cu and 3.8% Zn and included the following highlights:

ASX Announcement  
ASX Code: VXR  
Released: 11 April 2018

For further details  
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#### Board

**Tony Kiernan**  
Chairman

**Ajanth (AJ) Saverimutto**  
Managing Director

**Anthony Reilly**  
Executive Director

**Darren Stralow**  
Non-Executive Director

**Trevor Hart**  
Company Secretary

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- **Successful in-fill drilling program upgrades ~60% of the Inferred Supergene Resource to Indicated Resource with increased copper grade**
- **Indicated Supergene Resource of 0.3Mt at 4.5% Cu and 0.6% Zn, a 7% increase in copper grade**
- **Total Indicated Resources at Sulphur Springs upgraded to 9.4Mt at 1.5% Cu and 3.8% Zn, a 12% increase in tonnage**

Following on from the highly successful in-fill drilling program completed at Sulphur Springs last year, the Company was able to achieve the following:

- Confirmation of a high-grade supergene zone located on the western side of the Sulphur Springs deposit;
- Conversion of a significant portion of the Supergene mineralisation drilled into the Indicated Resource Category;
- Conversion of Inferred Resource located in the lower parts of the planned open pit into the Indicated Resource category; and
- Identification of increased exploration potential on the western margins of the resource, which is part of a growing exploration footprint at the project (see ASX release 27 November 2017).

The updated Sulphur Springs Resource from the drilling and subsequent Resource modelling has confirmed the presence of an enriched Supergene zone of mineralisation in the upper parts of the Resource. This part of the Resource had previously been identified as amenable to open pit mining (see results of the Value Engineering Study which was released to the ASX on 16 February 2016).

In addition to confirming the presence of the Supergene mineralisation, the drilling has facilitated a significant tonnage of material being promoted into the Indicated Resource category. This is a great outcome ahead of pending mine planning work streams that are to commence in the coming months.

The updated Resource estimate when viewed together with the growing exploration potential, the project allows the Company to continue to build momentum as it progresses towards a key decision to mine.

The updated Sulphur Springs Resource estimate is tabled below, with all relevant disclosures provided within the attached Appendix of the ASX release on the 21 March 2018.

Table 1: Sulphur Springs Global Resource Estimate

Classification	Ore Type	k Tonnes	Cu %	Zn %	Ag ppm
Indicated	Fresh	5.7	1.4	4.0	18
	Transition	3.4	1.5	3.7	16
	Supergene	0.3	4.5	0.6	27
<b>Sub Total</b>		<b>9.4</b>	<b>1.5</b>	<b>3.8</b>	<b>17</b>
Inferred	Fresh	3.3	1.2	4.1	19
	Transition	0.8	1.6	3.1	16
	Supergene	0.3	2.8	1.5	17
<b>Sub Total</b>		<b>4.4</b>	<b>1.4</b>	<b>3.7</b>	<b>18</b>
<b>Grand Total</b>		<b>13.8</b>	<b>1.5</b>	<b>3.8</b>	<b>18</b>

Note: totals may not tally due to rounding. The Resource has been reported at a cut-off grade of 0.4% copper and then less than 0.4% copper and greater than or equal to 2% zinc. The updated resource has been prepared by Independent consultant, Mil Min Pty Ltd ("Mil Min").

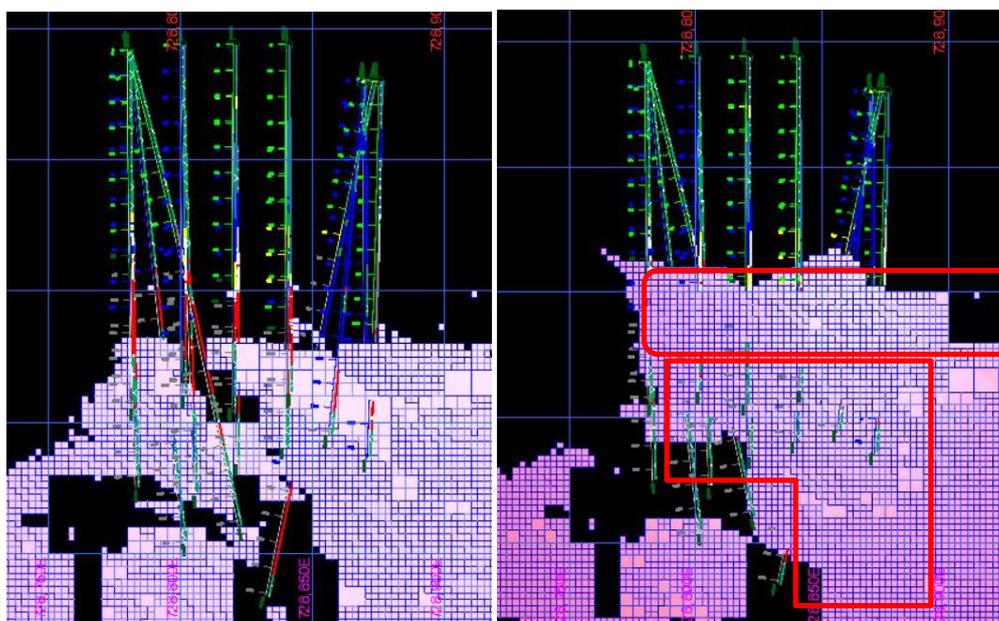
**Resource Classification:** The drilling has converted ~1.1Mt of material into the Indicated Resource category. The increase in Resource classification has occurred in two areas, these include:

- Immediate Supergene area which was a key focus of the drill program. Within this area ~300kt of mineralisation has been converted to Indicated Resource. This equates to an Inferred to Indicated conversion of ~60% for Supergene mineralisation located on the western side of the Resource. On a global basis this equates to an Inferred to Indicated conversion of ~40%. The balance of the Inferred Supergene mineralisation is located on the eastern side of the Resource which was not part of the 2017 drill program.
- Targeted infill and conversion to Indicated Resource of blocks located within the lower portions of the planned open pit that were previously classified as Inferred.

Of the ~1.1Mt of material that has been promoted into the Indicated resource category ~300kt is within the Supergene area with the balance largely coming from additional drill holes drilled into targeted infill areas. The change in Resource classification is illustrated in Figure 1, where the impact of additional drilling on the Indicated resource can be seen.

Figure 1: Indicated Resource Blocks

Image on the left shows the Indicated Resource blocks within the 2016 Resource estimate. The image on the right shows the area promoted to Indicated Resource, the main areas promoted are defined by red outlines. The image looks to the north with only holes from the 2017 program shown.



#### Sulphur Springs – Metallurgical test work

During the quarter, a total of 42 metallurgical samples were taken from the infill drilling programme and submitted for testing. The metallurgical programme of test work is being supervised by Lycopodium Minerals.

#### Sulphur Springs – Regional exploration

As a result of the seasonal wet season in the Pilbara, no field work was carried out at Sulphur Springs during the quarter.

#### Permitting Sulphur Springs

Development of the environmental review document for Sulphur Springs, in accordance with the EPA scoping document, progressed during the quarter. All site based field surveys have now been completed including:

- Targeted fauna survey for the Northern Quoll, Pilbara Leaf-nosed Bat, Ghost Bat and Olive Python;
- Targeted flora surveys for the Declared Rare Flora species *Pityrodia sp Marble Bar*;
- Hydrogeological surveys to determine water sources, preferential flow paths, water level fluctuations, water quality for baseline levels;
- Stygofauna – desktop review to determine regional connectivity;
- Waste characterisation – to determine acid generation potential of waste materials.

The additional field surveys provide detailed environmental information to supplement historic data obtained across the project area.

The final hydrogeological report and the Knight Piesold valley filled TSF design progressed during the quarter.

Liaison with key stakeholders continued during the quarter with formal meetings being held with the traditional owners and key Government Departments.

### WHIM CREEK ZINC-COPPER PROJECT

*The Whim Creek Zinc Copper Project, located ~120km east of Karratha, includes the historical Whim Creek, Mons Cupri mines where ~67,000t of copper has been produced from near-surface oxide ores. The Salt Creek and Evelyn Resources are also part of the project and the 18,100ha of tenements is highly prospective for further VMS discoveries.*

#### Conglomerate Hosted Gold Potential

As a result of a seasonal wet season in the Pilbara, no field work was carried out on the tenements prospective for Conglomerate Hosted Gold.

#### MONS CUPRI and North West Pit Area

The Company announced during the quarter an updated Mons Cupri Resource estimation (see ASX release 23 March 2018), which was completed by independent consultant, Hardrock Mining Solutions. It follows on from work by The Company to better define the geometry and distribution of the high grade sulphide zones as part of a broader strategy to explore down plunge to the west beneath younger volcanic and sedimentary sequences. The oxide portion of the Mons Cupri deposit and the adjacent North West Mons Cupri area was mined most recently as an open pit, 2005-2009, with copper production via an SX/EW process. The updated Mons Cupri Resource is tabled below

Table 2: Mons Cupri Global Resource Estimation

Classification	K Tonnes	Cu %	Zn %	Pb %	Ag g/t	Au g/t
Measured	1,070	1.51	1.65	0.69	38	0.28
Indicated	3,500	0.8	0.8	0.3	17	0.09
Inferred	500	0.5	1.5	0.6	14	0.03
<b>Grand Total</b>	<b>5,100</b>	<b>0.9</b>	<b>1.0</b>	<b>0.40</b>	<b>21</b>	<b>0.12</b>

Resources in Main Mons Cupri and North-West Zones are reported using a cut-off grade of greater than or equal to 0.4% Cu and residual less than 0.4 % Cu and GTE greater than or equal to 2% Zn.

As a result of a seasonal wet season in the Pilbara, no field work was carried out on Mons Cupri during the quarter.

#### SALT CREEK

The Company announced during the quarter an updated Salt Creek Resource estimate (see ASX release 23 March 2018) which followed on from work completed by The Company and its consultants. This work included re logging of core from 31 diamond holes, structural modelling of the deposit by Model

Earth Global Geological Services, reprocessing and modelling of historical and recent downhole geophysical data by Southern Geoscience Consultants and completion of 6 diamond drill-holes within and around the upper part of the deposit and 3 deep diamond drill-holes down plunge of the previously known resources targeted at geophysical anomalies. Please refer to the following ASX releases:

- Drilling update at the Whim Creek Zinc –Copper Project (ASX 19/09/2016)
- Drilling Results at Salt Creek (ASX 20/10/2016)
- New Massive Sulphide Intersection Extends Eastern Lode at Salt Creek (ASX 22/11/2016)
- Thick Zone of Stringer Copper Sulphides Intersected at Salt Creek (ASX 29/11/2016)
- Drilling extends West Zinc Lode at Salt Creek (ASX 6/12/2016)
- High Grade Assays Confirm Extension of Salt Creek Zinc Copper Mineralization (ASX12/01/2017)
- Down Hole Geophysics Update at Salt Creek (ASX 31/05/2017)

The updated Salt Creek Resource is tabled below.

Table 3: Salt Creek Global Resource Estimate

Classification	k Tonnes	Cu %	Zn %	Pb %	Ag g/t	Au g/t
Indicated	1,017	1.2	3.3	0.9	20	0.2
Inferred	839	0.7	5.3	1.5	43	0.2
<b>Grand Total</b>	<b>1,856</b>	<b>1.0</b>	<b>4.2</b>	<b>1.2</b>	<b>30</b>	<b>0.2</b>

The above Resource is reported at a cut-off grade of greater than or equal to 0.4% Cu and then greater than or equal to 2% Zn but less than 0.4% Cu.

As a result of a seasonal wet season in the Pilbara, no field work was completed at Salt Creek during the quarter.

#### **EVELYN**

An infill soil sampling program commenced at the Evelyn project during the quarter. The program is designed to increase the sample density in the areas of interest.

#### **WHIM CREEK ACCESS AGREEMENT WITH BLACKROCK METALS**

Turning and restacking of the existing heap leach dumps using an excavator continued through the quarter. Approximately 50% 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 2018 and be ongoing as a means of sustaining production from the heap leach dumps.

During the quarter the Net Profit Interest (NPI) for the December 2017 quarter confirmed the previous prepayment made by Blackrock Metals has been repaid and an amount of \$87k was due and payable from the December 2017 quarter.

Production from the operation during the March 2018 quarter was 187 tonnes (December quarter 232 tonnes) of copper in cathode, the reduction from the previous quarter was a result of a significant wet season in the Pilbara. Venturex does not manage the Operations and therefore does not provide guidance on the income it expects to receive from the operation.

Table 4: Copper Cathode Production and NPI for the 12 month period and Project to Date

	30 June 2017 Qtr	30 Sept 2017 Qtr	31 Dec 2017 Qtr	31 March 2018 Qtr	Project to date
<b>Tonnes produced</b>	<b>217</b>	<b>204</b>	<b>232</b>	<b>187</b>	<b>3719</b>
<b>NPI \$</b>	<b>Nil</b>	<b>Nil</b>	<b>\$87k</b>	<b>-</b>	<b>\$1,183k</b>

## CORPORATE

### Appointment of Managing Director

As announced on the 5<sup>th</sup> April 2018, Venturex appointed experienced mining executive Ajanth (AJ) Saverimutto as Managing Director.

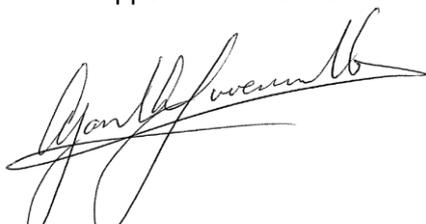
Mr Saverimutto is a Mining Engineer with extensive senior management experience, most recently as the founder and Managing Director of privately-held Australian company Salt Lake Mining Pty Ltd.

### Securities Information

As at 31 March 2018, the issued capital of the Company is 3,598,434,633 ordinary fully paid shares, 216,293,663 unlisted options and 13,840,600 unlisted performance rights.

### Financial Information

The Company's net cash position as at 31 March 2018 was \$3.881 million and it has no debt. The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.



**Ajanth (AJ) Saverimutto**  
**Managing Director**

For further information, please contact:

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### About Venturex Resources Limited

Venturex Resources Limited (ASX: VXR) is an exploration and development company with two advanced Copper Zinc Projects near Port Hedland in the Pilbara region of Western Australia. The two projects are the Sulphur Springs Project which includes the Sulphur Springs 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 progress the Sulphur Springs Project to shovel ready status, expand the Resources at Whim Creek and Mons Cupri and work with our partners Blackrock Metals to extend and expand the existing 5 tonne per day oxide copper heap leach and SXEW operation at Whim Creek.

### Competency Statements

The Company confirms that:

- a. The form and context of the material in this release 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 announcements and that all material assumptions and technical parameters underpinning the announcements continue to apply and have not materially changed.

The information in this announcement that relates to Mineral Resources for Sulphur Springs is based on information compiled or reviewed by reviewed by Mr David Milton, of Mil Min Pty Ltd. Mr Milton is a Member of the Australasian Institute of Mining and Metallurgy. Mr Milton 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 Milton consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources for Mons Cupri and Salt Creek is based on information compiled or reviewed by Mr David Milton, of Hardrock Mining Consultants Pty Ltd, a member of the Australasian Institute of Mining and Metallurgy. Mr Milton 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 Exploration Results, Mineral Resources and Ore Reserves". Mr Milton consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this announcement that relates to Exploration Results and Geophysical Exploration Results for Whim Creek is based on information compiled or reviewed by Reg Beaton who is a Member of the Australasian Institute of Geoscientist. Mr Beaton has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaking.

The information in this announcement that relates to Exploration Results for Sulphur Springs is based on information compiled or reviewed by Stefan Gawlinski who is a Member of the Australasian Institute of Geoscientist. Mr Gawlinski has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaking.

**INTERESTS IN MINING TENEMENTS**

AREA OF INTEREST	TENEMENTS	GROUP ENTITY'S INTEREST	ACQUIRED DURING QUARTER	DISPOSED DURING QUARTER
Evelyn Project	E47/1209	100%		
	M47/1455	100%		
Whim Creek Project	E47/3495	100%		
	M47/236	100%		
	M47/237	100%		
	M47/238	100%		
	M47/443	100%		
	L47/36	100%		
Salt Creek Project	M47/323	100%		
	M47/324	100%		
Sulphur Springs Project	M45/494	100%		
	M45/587	100%		
	M45/653	100%		
	M45/1001	100%		
	E45/4811	100%		
	E45/4993	100%	Application	
	E45/5003	100%	Application	
	L45/166	100%		
	L45/170	100%		
	L45/173	100%		
	L45/179	100%		
	L45/188	100%		
	L45/189	100%		
	L45/287	100%		
Panorama Project	M45/1254	100%		
	P45/2910	100%		
	P45/2911	100%		
	ML45/1265	100%	Application	
	P45/2910	100%		
	P45/2911	100%		