



Stock:	Venturex Resources (VXR)
Recommendation:	Speculative Buy
Current Price:	\$0.05
Valuation:	\$0.14
EVENT:	Acquisition of Panorama exploration tenements

Venturex (VXR) has announced the acquisition of 14 tenements covering a total area of 35km² adjacent to their Sulphur Springs Project in the Pilbara, Western Australia.

This acquisition triples the Company's footprint in the region and includes an existing JORC-compliant Resource at the Kangaroo Caves deposit. Kangaroo Caves is located within a granted Mining Licence and contributes a further 6.3Mt grading 3.3% Zn and 0.5% Cu to VXR's current 26.3Mt Resource inventory.

In accordance with the terms of the Sale Agreement, VXR will immediately acquire all assets and tenements of the Panorama Exploration Joint Venture (60% Sipa Resources (SRI), 40% Vendors), excluding the Bernts tenements which are subject to ongoing proceedings in the Wardens Court of Western Australia. The Agreement grants VXR with the right of first refusal to acquire the Bernts Tenements under the same terms in the event the Vendors retain title to those tenements.

The consideration for the acquisition is a \$2/tonne production royalty for all ore mined and treated by VXR (uncapped).

IMPACT:

The acquisition builds on VXR's current footprint with strategic exploration ground adjacent to Sulphur Springs and is key to unlocking further value in the region.

The additional 14 tenements are located over favourable VMS geology and provide appealing exploration upside (Figure 1). Historical exploration has been limited to field reconnaissance and ~15,000m drilling which identified multiple targets including Nambucca, Breakers, Man O'War, Anomaly 45, Jamesons and Kangaroo Caves. Argonaut expects these targets will be prioritised and systematically evaluated as part of an ongoing exploration campaign.

Kangaroo Caves is located approximately 6km to the south-east of the proposed centralised processing hub at Sulphur Springs and provides a near-term potential to convert into Reserves. The deposit hosts discrete Zn and Cu mineralisation and remains open down-dip and along-strike.

This low-cost growth option allows VXR to expand its current asset base with payments to the Vendors being deferred until the commencement of production within the acquired tenements. VXR's current schedule is to commence 150kt of annual concentrate production from the Sulphur Springs deposit in Q4, 2014.

COMMENT:

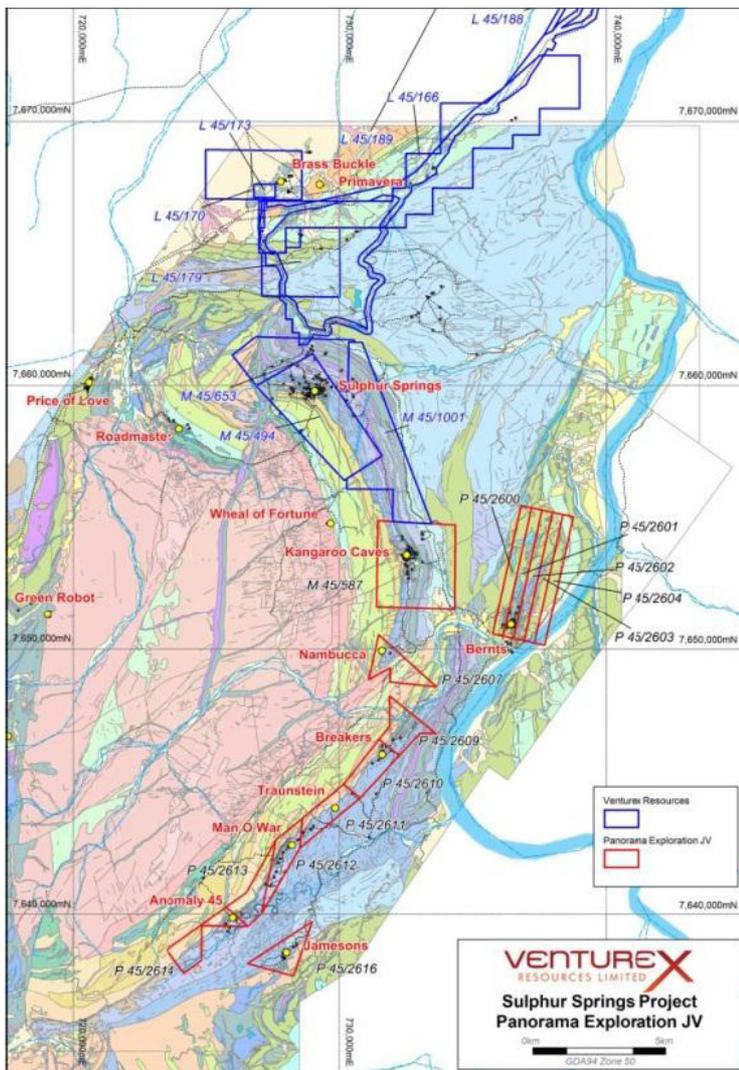
This acquisition provides low-risk, accretive growth potential and complements VXR's proposal to centralise its mining operations at Sulphur Springs.

The purchase of Sulphur Springs in February 2011 provided the production asset to support the Company's Feasibility Study, whilst this latest deal bolsters the exploration upside.

Exploration expenditure is likely to require reallocation towards Resource development drilling and testing of new priority targets, which should provide positive ongoing news flow.

SPECULATIVE BUY

Figure 1. Panorama Exploration Joint Venture Location



Source: VXR

Important Disclosures:

- Argonaut acts as Corporate Advisor to VXR.
- Argonaut acted as Corporate Advisor to VXR on the Capital Raising of \$11M in May 2012 and will earn fees commensurate with those services.
- Argonaut currently holds or controls 62,551,617 VXR shares.
- This report was produced by Adam Miethke, an employee of Argonaut Securities Pty Limited. Adam holds an MBA and Bachelor of Applied Science with Honors.