

Venturex takes to copper-zinc in the Pilbara

In the iron ore heartland of Western Australia's Pilbara, Venturex Resources Ltd has bucked the trend and opted to beat to a different resources drum.

Billionaires are made in the Pilbara on the back of iron ore however the grain in which Venturex is going with is the Pilbara VMS copper-zinc project.

Keys to the company's Pilbara project include; Whim Creek and Salt Creek which were picked up from Straits Resources Ltd during the GFC (2009) and Panorama, a former CBH Resources Ltd project.

Through the Whim Creek/Salt Creek acquisition (which included the Whim Creek Hotel) the company had advanced projects in its keep and it was keen to capitalise on the opportunities at hand.

With PFS work started by Straits at Whim Creek, Venturex had the associated data at its disposal and was able to progress the project to the start of a BFS early in 2011.

The BFS, based on open pit mining at Whim Creek and underground operations at Sulphur Springs, had progressed better than expected for Venturex to March this year.

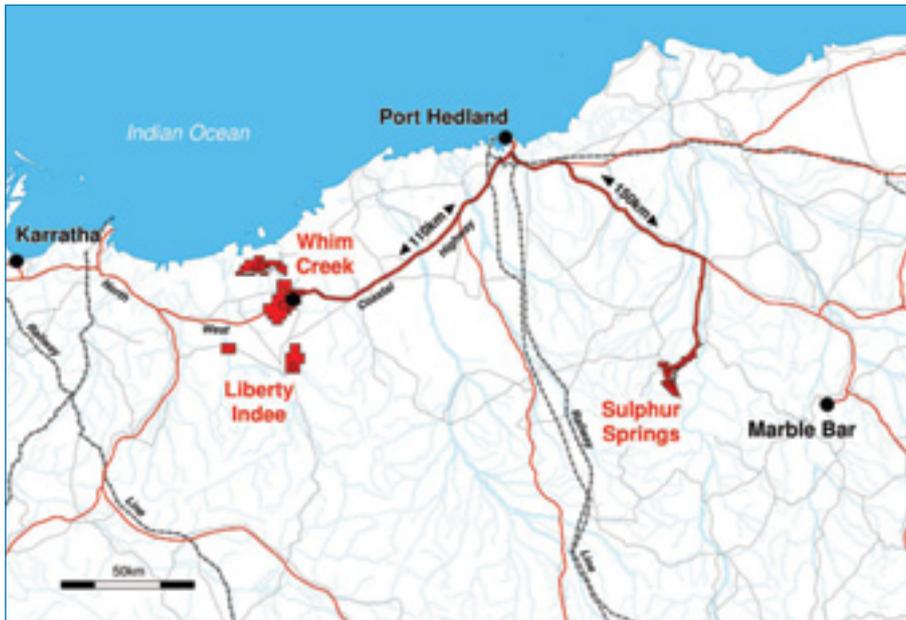
During BFS work, mine design activities carried out at Sulphur Springs continued to provide the company with encouraging results.

As a result, the ore reserve at Sulphur Springs had increased to such a point in March that the company informed the market it would be reappraising the BFS.

Therefore the BFS which was scheduled for release in the second quarter of 2012 has been delayed to late September.

Originally the central processing facility for the Pilbara project was pencilled in to be established at Whim Creek however with the resource at Sulphur Springs of 390,000t copper equivalent now exceeding Whim Creek (160,000t copper equivalent), Venturex has changed its game plan, managing director Michael Mulroney said.

"We have changed the focus of the feasibility. It became very obvious that rather than having a central processing hub at Whim Creek, which was the original plan, we should change that focus to look at Sulphur Springs," Mulroney said.



Venturex has reappraised its Pilbara copper-zinc BFS to assess the potential of moving processing facilities from Whim Creek to Sulphur Springs. As Paydirt went to print, revised preliminary BFS numbers were expected to be released to market

"There are two reasons for that; we have very simple mining operations and all we are going to be doing is expanding two open pits at Whim Creek.

"Plus the underground mine development at Sulphur Springs is simple and the main reason for going to Sulphur Springs is that it will put our operation next to our biggest asset and major resource."

It is estimated that potentially relocating the processing hub to Sulphur Springs would result in operating costs in the vicinity of \$150 million being saved.

"There are major operating cost benefits. Instead of trucking 6mt of ore 260km back to Whim Creek, we are going to be trucking 1-1.5mt of ore back up to Sulphur Springs," Mulroney said.

Subject to regulatory and board approvals, one of Australia's only emerging copper-zinc plays could be in construction in 12 months, production following in the second half of 2014.

Initially the company hopes the two mining areas will deliver ore in the order of 1.3-1.5 mtpa with concentrate production totalling 20,000 tpa copper, 40,000 tpa zinc and 700,000oz silver over a nine-year mine life.

However, with the company intent on extending brownfields resources at Whim Creek, where Straits operated an advanced heap leach and SX-EW copper oxide plant for over four years, producing 35,000t copper cathode, plus increasing the resource at Sulphur Springs, the company is hoping to

prolong its stay in the Pilbara.

Further organic growth opportunities on offer for the company include the development of Salt Creek where the orebody is open, while Balla Balla and Liberty Indee, which was the company's initial foray into the Pilbara base metals sector, represent greenfields opportunities for Venturex.

Mons Cupri is also a highly rated deposit and the company hopes Mons Cupri South West emerges as a significant new discovery.

Mulroney said the company would look to refocus on the exploration side of

things in the Pilbara and expected to spend about \$2.5 million doing so in the region this year.

Mulroney, appointed managing director early in 2012, said the company would also invest some time in assessing its gold projects in Brazil.

"At the end of the wet season (June/July) we should be in a position of getting our last environmental permitting in place to do a maiden drill programme in Brazil over some of our main targets.

"Brazil is a bit of a wildcard. We have a big footprint and its growing and we think we have the potential for large gold discoveries in that part of the world."

In Brazil the company has five projects covering 200,000ha in the Tapajós region plus four projects in Matto Grosso state.

"You could easily spend \$10 million on each (Brazil and Pilbara projects) but because Brazil is very first pass we'll probably look at \$1-2 million in our initial drill programmes. If we are successful and we think we probably will be, being realistic we will have to look at getting a partner because our focus is pretty much the Pilbara and we'd love to be able to do Brazil justice. Given we have incubated (the Brazil projects) for three years we are excited to put the first hole in and will probably look at other options as we accelerate that," Mulroney said.

– Mark Andrews