

December 2020 Quarterly Report

Highlights

- ▶ **Thick high-grade VMS mineralisation intersected at the Breakers Exploration Prospect, located 15km south of Sulphur Springs.**
- ▶ **Continued positive engagement with strategic and other investors on Sulphur Springs funding.**
- ▶ **Anax Metals earns an 80% interest in the Whim Creek Project. Ore sorting test work produces encouraging results.**

SULPHUR SPRINGS COPPER-ZINC PROJECT

Venturex's flagship Sulphur Springs Project is located 112km 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 contains numerous advanced VMS-style exploration targets. The Sulphur Springs Project hosts a total Mineral Resource (Sulphur Springs + Kangaroo Caves) comprising 17.4 million tonnes grading 1.3% copper, 4.2% zinc and 17g/t silver (refer ASX announcements, 22 September 2015 and 21 March 2018).

Environmental Approvals

Primary approval for the Sulphur Springs Copper-Zinc Project was granted by the Western Australian Minister for Environment on the 20th May 2020 (ASX release 21st May 2020).

Secondary approvals and permits necessary for the development and construction of the Sulphur Springs Project continued to progress during the quarter.

Engagement with the Department of Water and Environmental Regulation (DWER) has been maintained in support of an application to amend an existing groundwater licence to facilitate construction and operations. Several other documents were submitted to the Department for approval in fulfilment of Ministerial condition requirements.

An annual environmental report was lodged with the Department of Mines, Industry Regulation and Safety (DMIRS), in compliance with mining tenement conditions during the quarter.

Project Development

The Company is progressing project implementation and development strategies through engagement with potential contractors for site works, including short-listing and tender preparation.

Several optimisation opportunities have been identified that will add value in terms of both project development and operations. These will be implemented as the Company develops the Sulphur Springs Project.

In order to reduce mine closure risks and optimise the prospects of a favourable assessment by the Environmental Protection Authority, the Company relocated the proposed tailings storage facility (TSF), which culminated in formal approval from the WA Environment Minister in May 2020. To inform the design of the TSF in the new location, which is to be detailed in several secondary approval applications, a short programme of geotechnical drilling is planned by the Company.

Heritage surveys and a drilling plan have been completed in preparation for the field programme, which is expected to commence in late Q1 2021, post the end of the current wet season.

EXPLORATION

During the quarter, the Company completed a successful 6-hole exploration RC drilling programme at the Breakers and XA8 Prospects for a total of 1,886m.

The programme was designed to systematically test geochemical and geophysical anomalism identified at the Breakers Main Gossan and Breakers North targets following the successful 2019 drilling that intersected several zones of massive sulphide mineralisation, as well as to test an EM target at the XA8 Prospect.

As announced to the ASX on 17 December 2020, widespread, thick VMS mineralisation was intersected at the Breakers Prospect, including:

- 20m @ 8.54% Zn, 0.31% Cu, 0.72% Pb & 16.2g/t Ag from 180m within BKR013, including:
 - 6m @ 19.4% Zn 0.75% Cu, 0.63% Pb & 36.0g/t Ag, from 186m, including:
 - 1m @ 16.1% Zn, 2.37% Cu & 114.0g/t Ag, from 187m.
- 8m @ 0.51% Zn & 2.2g/t Ag from 202m within BKR012, and
 - 28m @ 0.3% Zn from 136m.
- 6m @ 1.10% Zn & 19.0/t Ag from 198m within BKR014.

The exceptional results in hole BRK013 have extended VMS mineralisation at the Breaker Main Gossan target over a strike length of 175m and a 170m plunge extent. The mineralisation forms a broad, low-to-moderate grade envelope around a linear, elongate high-grade core of uniform thickness (averaging 18-20m in width).

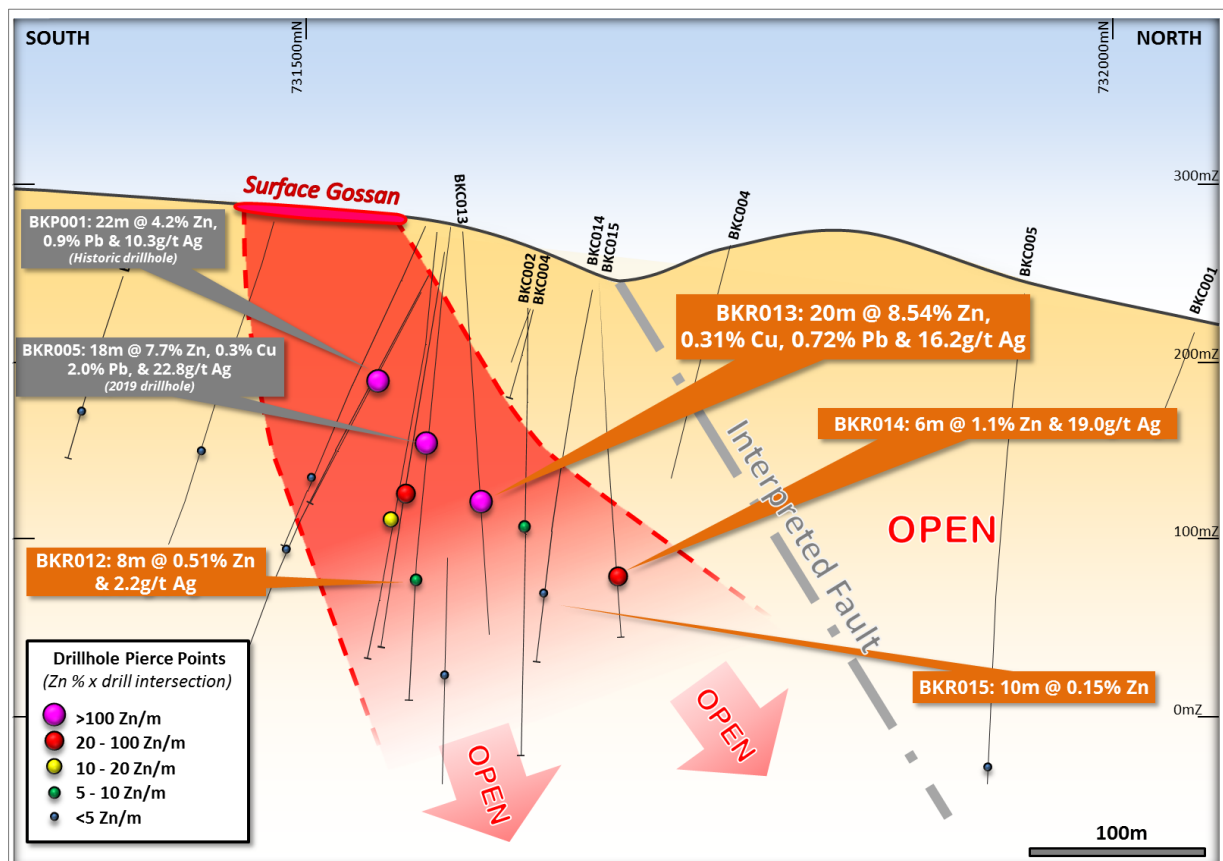


Figure 1: Breakers Main Gossan oblique exploration long-section (northwest view, +/-40m).

At Breakers North, drill-holes BKR010 and BKR011 were drilled north-east along strike from high-grade mineralisation intersected within 2019 drill-hole BKR007 (8m @ 3.4% Zn, 0.3% Pb, and 6.5g/t Ag, including 1m @ 20.9% Zn, 1.8% Pb and 34.7 g/t Ag (see Figure 1).

BKR010 intersected a discrete zone of disseminated sulphide mineralisation associated with strong silica-sericite alteration and highly anomalous proximal VMS pathfinder elements. BKR011 intersected

a thin felsic-chert unit with minor sulphide mineralisation at the target depth followed by a significant fault zone to end-of-hole.

Geological interpretation at Breakers North indicates that several structural offsets are present, and these may have bifurcated the mineralised Marker Chert resulting in multiple potential target horizons.

A single hole (SSR011) was also completed at the XA8 Prospect, designed to follow-up low-level Ni-Cr+/-Co mineralisation associated with a layered mafic/ultramafic unit. The hole intersected only minor disseminated sulphide mineralisation at the Mafic-Ultramafic contact, followed by a fault zone, with these interpreted to represent the likely source of the EM anomaly.

Additional Down-Hole Electromagnetic (DHEM) and Down-Hole Magnetometric Resistivity (DHMMR) surveys are planned to be undertaken at the conclusion of the Pilbara wet season (Q2 2021).

Detailed assessment of the combined assay and geophysical results will allow refinement of the geological model for the Breakers Main and Breakers North Prospects, which will be undertaken in the coming months.

The Company is planning a drilling programme targeting extensions of the mineralisation at Breakers. This is in parallel with a deep drilling programme planned at the main Sulphur Springs resource, which is scheduled to commence after the Pilbara cyclone season.

WHIM CREEK JOINT VENTURE (VXR 60% as at 31 Dec 2020)

On the 21st of July 2020, Venturex executed a binding Earn-In and Joint Venture agreement with ASX listed Anax Metals Limited (ASX: ANX) (formerly Aurora Minerals Limited) to acquire up to an 80% interest in the Whim Creek Project. On the 7th of December 2020, ANX announced that it had earned an initial 40% interest in the project by spending \$1.0 million on exploration and development work, and meeting obligations under the EPN notice currently over the Whim Creek site.

Subsequent to quarter-end, ANX has earned its remaining 40% interest in the project, taking its total interest to 80% (refer ASX announcement 15 January 2021). Venturex is free-carried through to the commencement of mining operations.

During the quarter, the joint venture completed five diamond holes for 703.2m on the Mons Cupri and Whim Creek deposits. The holes were drilled into the current resources to collect samples for ore sorting test work (refer ASX announcement 25 November 2020).

XRT ore sorting test work is being undertaken on ore samples from the current drilling and some earlier core from the Salt Creek deposit, which produced a high-grade pre-concentrate suitable for off-site processing (refer ASX announcement 15 December 2020).

ANX also informed the joint venture that it is commencing gold exploration over the project area. ANX remains on track to finalise a Feasibility Study on the re-development the project in the first half of 2021.

Both VXR and ANX continue to ensure compliance with the EPN remediation measures. Site activities will be completed in a timely manner to ensure the obligations under the EPN are met.

EVELYN PROJECT (E47/1209)

Venturex retained 100% of the Evelyn tenement (E47/1209) which does not form part of the Whim Creek JV. The company is planning a small exploration drilling programme targeting a FLTEM anomaly within E47/1209. The FLTEM target was identified during a geophysical survey completed in late 2020, which is interpreted to be within the same mafic schist unit that hosts the Evelyn Cu-Zn deposit which is located approximately 2km to the south along strike.

Due to the geological setting of the anomaly the company considers it a high-priority target for structurally controlled gold and or base-metal mineralisation and intends to drill this target once exploration recommences at the Whim Creek Project in 2021 following the Pilbara wet season.

CORPORATE

Securities Information

Issued capital of the Company on 31 December 2020 was:

Security Class	Issued Capital
Fully Paid Ordinary Shares (VXR)	386,846,516
Unlisted Performance Rights (VXRAV)	4,419,445
Options Expiring 15 December 2021 (VXRAC)	45,409,647

A total of 4,082,560 options were exercised during the quarter at an issue price of \$0.10.

Financial Information

The Company's net cash position on 31 December 2020 was \$2.6 million. The Pro-forma Appendix 5B – Statement of Consolidated Cash Flows is provided in a separate report.

Information as disclosed in the Cash Flow Report:

- ▶ Exploration and Evaluation Expenditure during the quarter was \$767,000.
- ▶ There were no mining production and development activities during the quarter.
- ▶ Payments to related parties of the Company and their associates during the quarter was \$165,000. The company advises that this relates to executive directors' salaries, non-executive director's fees and superannuation.

Authorised by Anthony Reilly, Executive Director.

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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 Project, Kangaroos Caves Resource plus 27km of prospective tenements on the Panorama trend and a Joint Venture at 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.

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	60%		40%#
Whim Creek Project	E47/3495	60%		40%#
	M47/236	60%		40%#
	M47/237	60%		40%#
	M47/238	60%		40%#
	M47/323	60%		40%
	M47/324	60%		40%#
	M47/443	60%		40%#
	L47/36	60%		40%#
Sulphur Springs Project	E45/4811	100%		
	E45/4993	100%		
	M45/494	100%		
	M45/587	100%		
	M45/653	100%		
	M45/1001	100%		
	M45/1254	100%		
	M45/1265	100%	Application	
	P45/2910	100%		
	P45/2911	100%		
	L45/166	100%		
	L45/170	100%		
	L45/173	100%		
	L45/179	100%		
	L45/188	100%		
	L45/189	100%		
L45/287	100%			

Note: #40% interest in tenement transferred to Anax Minerals Limited under the terms of the Whim Creek earn in and joint venture agreement.

Table 1: Sulphur Springs Resources Table

		Mineral Resources				
Location	JORC Classification	Tonnes ('000t)	Cu %	Zn %	Pb %	Ag g/t
Sulphur Springs	Measured	—	—	—	—	—
	Indicated	9,400	1.5	3.8	0.2	17
	Inferred	4,400	1.4	3.7	0.2	18
	Sub-total	13,800	1.5	3.8	0.2	17
Kangaroo Caves	Measured	—	—	—	—	—
	Indicated	2,300	0.9	5.7	0.3	13.6
	Inferred	1,300	0.5	6.5	0.4	18
	Sub-total	3,600	0.8	6	0.3	15
TOTAL	Measured	—	—	—	—	—
	Indicated	11,700	1.4	4.2	0.2	16.3
	Inferred	5,700	1.2	4.3	0.2	18.0
	Total Resources	17,400	1.3	4.2	0.2	17.0

Note. Totals may not balance due to rounding. The resource is 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 (see ASX release 21 March 2018 & 22 September 2015).

Competent Person Statement

The Company confirms that:

- The form and context of the material in this release has not been materially modified from any previous announcements; and
- 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 Exploration Results is based on information compiled or reviewed by Mr Luke Gibson who is full time employee of Company. Mr Gibson is a member of the Australian Institute of Geoscientists. Mr Gibson has sufficient experience with the style of mineralisation and the type of deposit under consideration. Mr Gibson consents to the inclusion in the report of the results reported here and the form and context in which it appears.

The information relating to mineral resources for the Sulphur Springs and Kangaroo Caves Deposits were prepared by Mr David Milton, Director of Mil Min Pty Ltd. All information and technical parameters underpinning the estimates have been released to the market in the following ASX announcements "Sulphur Springs Resource Upgrade" dated 21 March 2018, "Kangaroo Caves Resource Upgrade" dated 22 September 2015.