

Riley Iron Ore Mine Update

Venture Minerals Limited (**ASX: VMS**) (“Venture” or the “Company”) is pleased to announce an update on the Riley Iron ore Mine.

Management is reviewing a potential opportunity to restart the Riley Iron Ore Mine, which has been on care and maintenance since September 2021. The iron ore price is extremely volatile, and the risks would need to be significantly reduced before a restart is considered for approval by the Board.

The quick restart opportunity would focus on dry hiring equipment where possible, utilising existing Venture employees and avoiding entering into any extensive contracts or commitments which may unnecessarily burden the company financially.

As part of the potential quick restart opportunity, the following key areas of focus both operationally and corporately would drive the decision making process:

Mining

The restart strategy would involve dry screening beneficiation using a mobile screening plant to reduce execution risk. The company believes an initial 5 shipments can be achieved via a low risk and low cost dry screening option.

Offtake

Venture’s offtake agreement with Prosperity Steel (PSU) expires in September 2023. Discussions are ongoing to move to a fixed pricing mechanism rather than the existing floating price linked to the Platts 62% Fe price index.

Shipping

Discussions have commenced with PSU in relation to potential FOB deal terms, as apposed to CFR to reduce the ongoing working capital requirements of funding the project on a ship-by-ship basis.

Trucking

The Company is in the process of re-assessing both the availability and current cost structure for the trucking component of the operation. Early indications are that there is availability at relatively short notice, however it is still unclear whether there would be sufficient capacity to reach full production in an economic timeframe.

Storage

The storage shed in Burnie is currently being utilised by a third party, which has resulted in a significant short term cost saving to Venture. The company is able to gain access to the shed when required. The agreement on the storage facility will end in June 2023 and will need to be renegotiated with the landlord.

Pieman Road – Mine Access

Venture's road access agreement with Hydro Tasmania has lapsed and will need to be renegotiated. Discussions have re-commenced.

Working Capital

The potential quick restart opportunity is intended on lowering the company's ongoing commitments by moving to a Venture, rather than contract operated mine, utilising hire equipment and limiting expensive contractual arrangements. The focus is on reducing both risk and working capital requirements, by moving to FOB shipping model, however under this model funding will still be required should Riley restart.

The company looks forward to updating our shareholders over the coming weeks.

Authorised by the Managing Director on behalf of the Board of Venture Minerals.

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