

Sale of the Riley Iron Ore Mine and Updated Tasmanian Strategy

The Board of Venture Minerals Ltd (ASX: VMS) (Venture or the Company) is pleased to announce that it has entered into a share purchase and sale agreement (Sale Agreement) with Goldvalley Brown Stone Pty Ltd (Gold Valley) for the sale of Venture's wholly owned subsidiary, Venture Iron Pty Ltd (Venture Iron), the holder of the Riley Iron Ore Mine (Project) located in Tasmania.

The Company engaged Argonaut PCF as advisors to undertake a strategic review of the Project, which has been on care and maintenance since 2021. The review considered all options, including a potential restart, joint venture or asset sale, with the focus on delivering near-term value for the Company and its shareholders. The Company carefully considered all options presented and following a competitive process determined that the sale of the Project was the best pathway to unlock the commercial value for Venture shareholders.

The completion of the sale of the Project will bolster the Company cash reserves, allowing Venture to unlock the full economic potential of the exciting new Jupiter Rare earth discovery.

The Company's existing cash reserves of approximately \$1.6m will be strengthened by the receipt of \$3m, ten days after execution and \$585k on return of the bank guarantee held by Mineral Resources Tasmania.

Philippa Leggat, commented,

“The refreshed board is focussed on creating shareholder value. The sale of Riley sees Venture receiving three million dollars and our environmental bond of over half-a-million dollars being returned to the Company. This capital injection will be used to advance our high-grade, clay-hosted rare earth project, Jupiter. This also frees our team to focus their efforts on advancing Jupiter while eliminating the financial burden of maintaining the Riley Project on care and maintenance. We thank the Tasmanian Authorities for working with Venture for all these years.”

About the Riley Transaction

The Sale Agreement does not contain any conditions precedent, and completion is expected to occur on 8 July 2024 (being ten business days following entry into the Sale Agreement).

Upon completion under the Sale Agreement, the Company will transfer 100% of the shares in Venture Iron to Gold Valley in consideration for \$3,000,000 (of which \$50,000 has already been paid to the Company as a deposit).

Following completion, Gold Valley and the Company will work together to transfer various governmental approvals required for the continued operation of the Project. Importantly, Gold Valley will replace the Company's bank guarantee (\$585,000) currently held by Mineral Resources Tasmania in connection with the mining licence.

The Sale Agreement contains terms, conditions and warranties that are consistent with agreements of this nature. Gold Valley will fund the consideration through cash reserves. Venture is satisfied with Gold Valley's capacity to complete the Sale Agreement.

Argonaut PCF will receive \$250,000 in success fees and have the right to subscribe for 25m options with an exercise price at a 50% premium to the Company's 15-day volume weighted average price per share immediately prior to an announcement of the Transaction.

Transaction Considerations

The following factors, among others, were considered reasons against the restart of the Project:

- additional capital required;
- the requirement to hire a team of specialist mining professionals with the capability to successfully execute the Project;
- the costs associated with hiring the additional staff members;
- the short mine life of the Project being circa 18 months, with the reserve being geologically constrained (no exploration upside);
- the marginal nature of the Project economics, as the Project is low-grade and requires high handling (low payability with relatively high operating costs); and
- the outlook for iron ore pricing not being sufficiently buoyant to validate the degree of associated risk presented by an operation of this nature.

In light of these considerations, the Board viewed the opportunity cost of diverting Venture's limited resources away from Jupiter and towards these factors as being detrimental to shareholder value.

Tasmanian Strategy

The recently reconstituted Board believes that there is significant potential to increase shareholder value by focussing the Company's capital and resources on its rare earths' assets, including the exciting new discovery at Jupiter in Western Australia.

Consequently, the Company intends to appoint an advisor to run a sale process for its remaining Tasmanian assets, namely the Mt Lindsay and Mt Livingston projects.

Authorised by the Board of Venture Minerals.

Philippa Leggat

Philippa Leggat
Managing Director

About Gold Valley

Gold Valley companies are a multi-sector conglomerate consisting of interests in mining and energy. Based in Perth, Gold Valley companies are supported by an experienced executive team and is chaired by Mr Yuzheng Xie. No matter what sector and which project, GV's activities are always undertaken with the safety, environment and social "5 Pillars" to ensure the best possible outcome for the environment, stakeholders and the community.

Gold Valley recently acquired:

- the Wiluna West Iron Ore Project, which has a 130-million-tonne resource, from GWR Group Limited (ASX:GWR) having operated the C4 iron ore deposit (a deposit within the Wiluna West Iron Ore Project) since July 2022. Production is expected to increase to over 3 million tonnes by the end of the year, utilising access through the Ports of Esperance and Geraldton; and
- the life of mine hematite extraction rights over the Ularring Hematite Project from Macarthur Minerals Limited (TSVX:MIO) (OTCQB:MMSDF).

Gold Valley in Tasmania:

Gold Valley is the majority shareholder (~79%) of Blythe River Iron Pty Ltd which owns a project known as Hampshire 2 on EL 18/2007 covering a 63 km² area near Hampshire, approximately 30 km south-southwest of Burnie on Tasmania's northwest coast. Exploration focuses on the L13 and St. Valentine's Peak targets. Previous drilling has identified a magnetite skarn deposit with associated scheelite that is of economic interest. The 2023-24 diamond drilling campaign completed by Blythe River Iron Pty Ltd successfully extended the iron mineralisation footprint at the L13 prospect.