Multiple high-priority EM targets identified by airborne survey at Sulphur Springs

New high-priority targets identified on immediate flanks of the Sulphur Springs deposit highlighting potential for new VMS discoveries

Highlights

- **11 geophysical targets identified by XCITE heliborne electromagnetic ("HEM") survey.**
- **Targets are interpreted as being associated with the Marker Chert horizon, the host of the Sulphur Springs VMS deposit, and/or the underlying felsic volcanic contact.**
- **Two high-priority targets have been identified on the eastern and western flanks of the Sulphur Springs deposit.**
- **Both the eastern and western targets support the possibility that sulphide mineralisation extends beyond the current known limits of the Sulphur Springs resource.**
- **The HEM survey demonstrates the exceptional exploration potential of the Sulphur Springs project area.**

Venturex Resources (ASX: VXR) is pleased to advise that it has received the results of the heliborne electromagnetic ("HEM") geophysical survey completed at its 100%-owned **Sulphur Springs Copper-Zinc Project**, located south-east of Port Hedland in WA's Pilbara, earlier this year (see ASX release dated 4 September 2017).

The HEM survey was undertaken to evaluate the local and regional exploration potential of the project area and generate targets for drill testing.

Venturex believes the results represent an exciting development for the project, with numerous high-priority targets generated that warrant further detailed field investigation, ground EM surveys and potential drill testing (see Figure 1).

Implications for regional exploration

The Sulphur Springs Project area has now been covered by modern geophysical techniques. This will allow focused exploration and target generation work to continue.

The results released today have identified 11 priority targets that warrant follow-up through field inspection, ground EM surveys and drilling if warranted.

Eight of the anomalies identified are associated with, or within close proximity to, the prospective geological contact that occurs between the Marker Chert and the underlying felsic volcanic units.

Both the Sulphur Springs and Kangaroo Caves deposits are associated with this contact (see Figure 1). It is important to note that anomalies XA1 – XA8 are all interpreted as being located along this prospective contact.

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For further details
Anthony Reilly
Executive Director
T: +61 8 6389 7400
admin@venturexresources.com

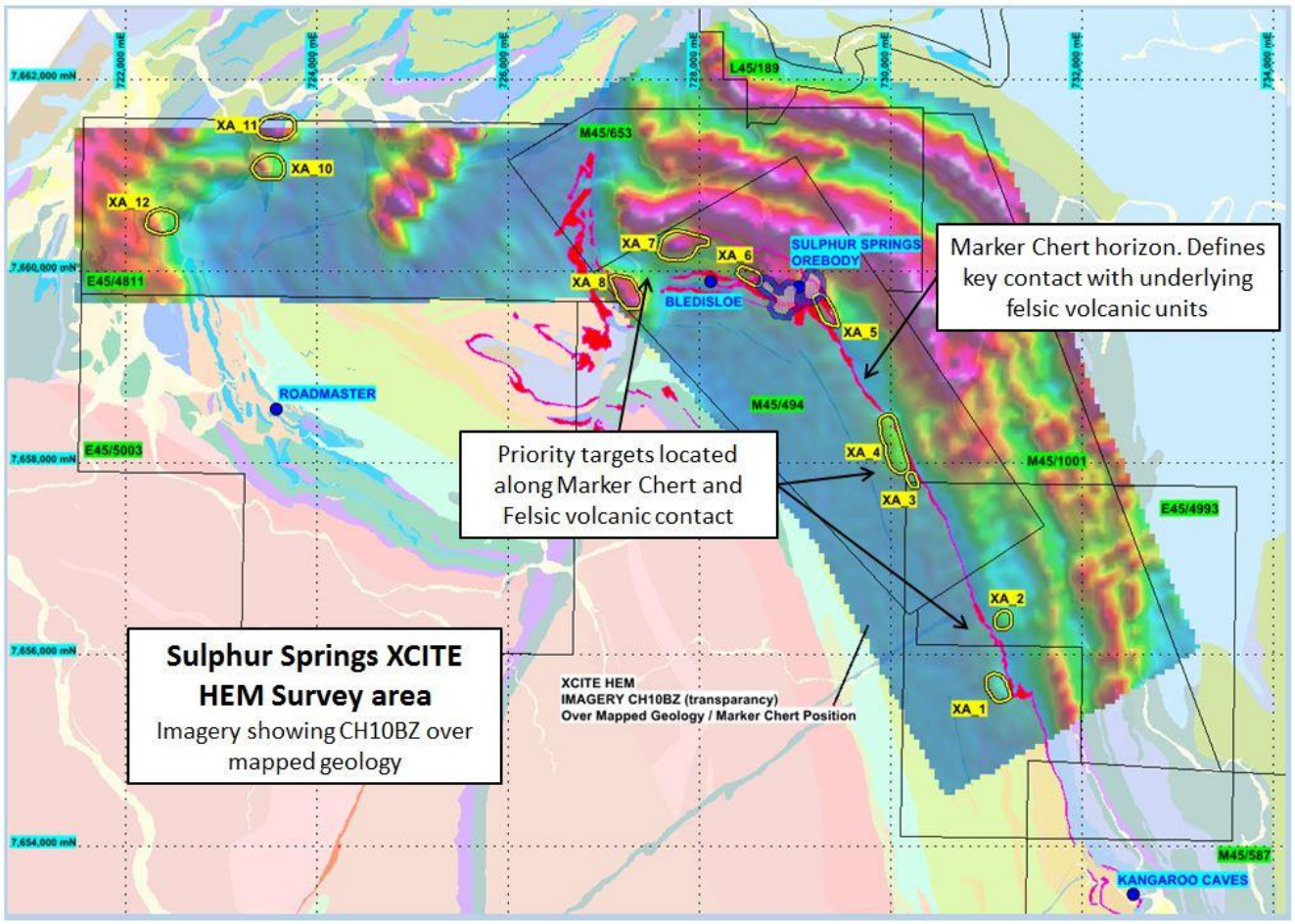
Contact Details

Registered Office
Level 2
91 Havelock Street
West Perth WA 6005

T: +61 8 6389 7400
F: +61 8 9463 7836
admin@venturexresources.com
www.venturexresources.com

ABN: 28 122 180 205

Figure 1: Sulphur Springs survey area, showing 11 geophysical anomalies in yellow. Marker Chert horizon shown in bright pink, Sulphur Springs orebody outlined in blue.



Implications for Sulphur Springs Exploration

The HEM survey has identified three areas of significant interest in the immediate vicinity of the Sulphur Springs Resource, anomalies **XA5 – XA7**.

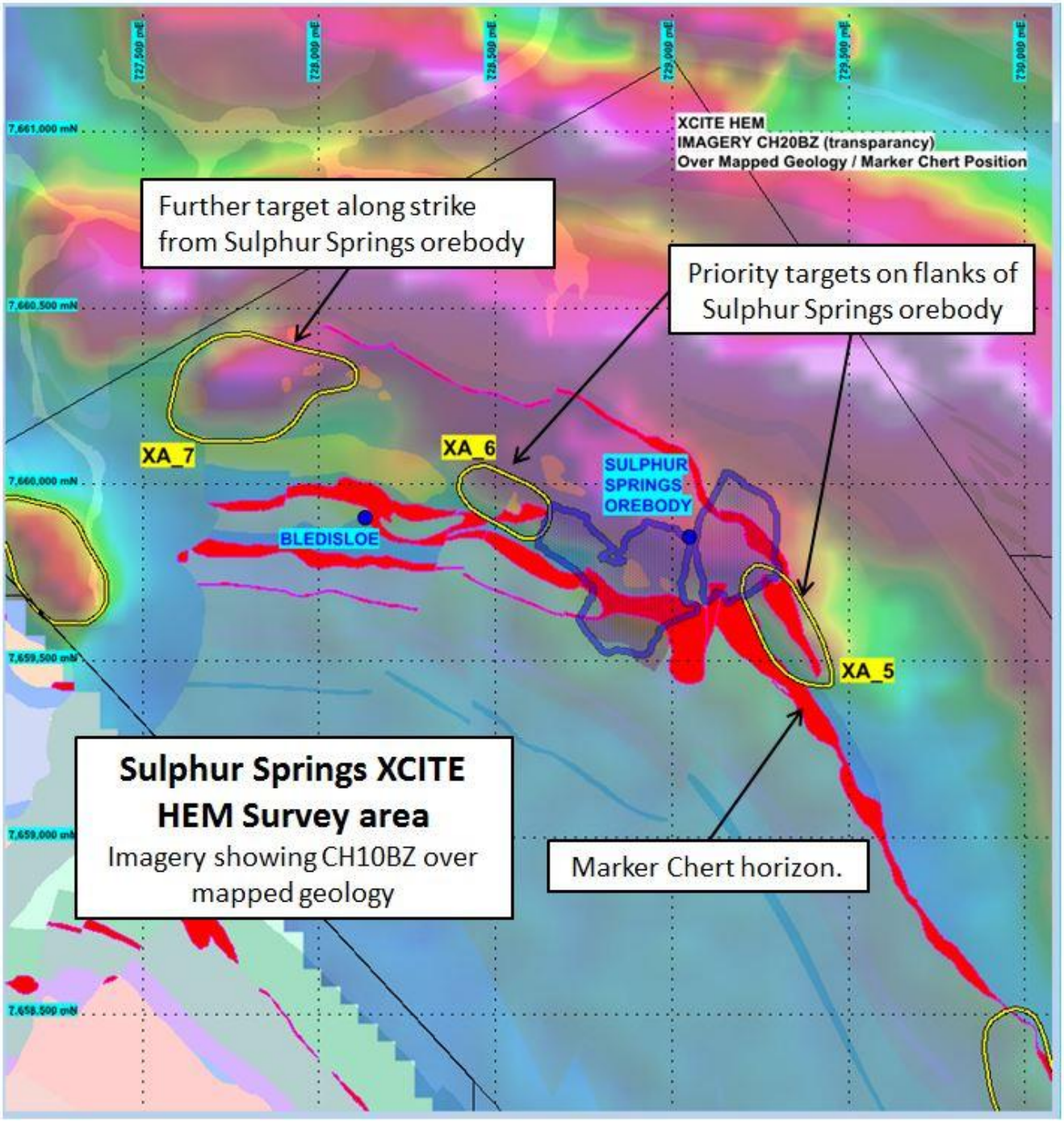
Anomaly XA5 is located on the eastern flank of the Sulphur Springs orebody. The anomaly extends for a further ~200-300m beyond the current interpreted position of the Sulphur Springs orebody. Given the location of the anomaly immediately to the east of the current orebody, this is an area of particular interest for further exploration.

Anomaly XA6 is of significant interest as it is located on the western flank of the Sulphur Springs Resource. The anomaly extends for a further ~200-250m beyond the current position of the Sulphur Springs Resource. This is an exciting development as it continues to add weight to the Company's belief that the mineralised system at Sulphur Springs may extend further to the west than currently interpreted (see ASX release dated 16 November 2017).

Anomaly XA7 is also close to the Sulphur Springs orebody and proximal to the prospective Marker Chert horizon and therefore warrants follow-up.

Together, anomalies XA5, XA6, XA7 and the previously identified down-hole EM anomaly in SSD044A (see ASX release dated 23 May 2017) demonstrate the strong exploration potential in the immediate area around the Sulphur Springs Resource.

Figure 2: Survey area around the immediate vicinity of the Sulphur Springs orebody. The Marker Chert horizon is shown in bright red with the main Sulphur Springs orebody in blue. Interpreted geophysical anomalies shown in yellow on the western (XA6) and eastern (XA5) flanks of the Sulphur Springs orebody.



Survey Details

The XCITE airborne electromagnetic survey was carried by New Resolution Geophysics Australia Pty Ltd (NRG) on behalf of Venturex over the northern portion of the Sulphur Springs Project area (see Figure 1).

The primary objective of the survey was to explore for conductive VMS-style base metal mineralisation (Cu/Zn) primarily along/adjacent to the prospective Marker Chert horizon – the target areas being along strike from the known Sulphur Springs and Kangaroo Caves deposits. This was the main focus of the survey as the currently identified Sulphur Springs orebody is located at the contact of the Marker Chert and the underlying felsic volcanic units.

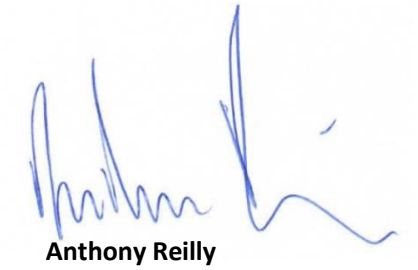
The XCITE system was selected in order to provide higher resolution of early time/channel information as it was anticipated that the local VMS mineralisation, as evidenced by the Sulphur Springs orebody, may only be weakly conductive.

The survey data has been examined in detail with a focus on anomalies located in close proximity to the mapped Marker Chert. This allowed an interpretation to be carried out resulting in the identification of 11 priority exploration targets for assessment and potential further ground follow-up.

Next Steps

Venturex will continue to review and assess the new survey results. The anomalies will be field-checked and, if warranted, ground-based EM surveys and follow-up drill testing will be undertaken.

Given that the Company is continuing to focus on completing the current drilling program targeting shallow mineralisation at Sulphur Springs before the onset of the wet season, field-based follow-up work at the newly identified EM targets will be undertaken in the New Year.



Anthony Reilly
Executive Director

For further information, please contact:

Investors
Anthony Reilly / Trevor Hart
Venturex Resources Limited
Ph: +61 (08) 6389 7400
Email: admin@venturexresources.com

Media
Nicholas Read
Read Corporate
Ph: (08) 9388 1474
info@readcorporate.com.au

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 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. Our strategy is to work with our partners Blackrock Metals to expand and extend the existing 4 tonne per day oxide copper heap leach and SXEW operation at Whim Creek, identify other near term production options at Whim Creek, Mons Cupri and Sulphur Springs and fully optimise the Sulphur Springs Project have it shovel ready to take advantage of forecast improvements in base metal prices.

Competent Person Statement

The information in this announcement that relates to Geophysical Exploration Results is based on information compiled by Mr Russell Mortimer, who is employed as a Consultant to the Company through geophysical consultancy Southern Geoscience Consultants Pty Ltd. Mr Mortimer is a member of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Mortimer consents to the inclusion in the report of matters based on information in the form and context in which it appears.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	A high-resolution helicopter borne time domain electromagnetic & magnetic survey was completed at the Sulphur Springs Project using the Xcite™ system during early September 2017. 100-200m spaced lines were flown at a survey altitude of 40 to 80m (Tx-Rx array) and 70 to 110m (helicopter). Surveying is completed using an 18.4m diameter transmitter with 4 turns, 235A current, 250,000NIA peak dipole movement, and 25Hz base frequency, and receiver – diameter 0.613m (effective) (X), 1.0m (Z) with 200 (X), 100 (Z) turns recording dB/dT and integrated B-field digitally at 624kbps.
	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Not applicable as no drilling was undertaken.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Not applicable as no drilling was undertaken.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	Not applicable as no drilling was undertaken.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Not applicable as no drilling was undertaken.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	The geophysical equipment used: • Xcite™ system with coincident Tx-Rx sensor configuration. • Transmitter: 18.4m diameter transmitter with 4 turns, 220A current, 250,000NIA dipole movement, and 25Hz base frequency. • Receiver: 0.613m (effective) (X), 1.0m (Z) diameter with 200 (X), 100 (Z) turns recording dB/dT and integrated B-field digitally at 624kbps. • Acquisition System: NRG RDAS II.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Results detailed in this report have been processed by Southern Geoscience Consultants and reviewed by Alliance geologists. Primary geophysical data was captured electronically in the field and transmitted to Southern Geoscience Consultants on a daily/regular basis.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	All data has been collected in GDA94 MGA Zone 50 grid system. Data points were located using a Novatel DL-V3L1L2 Real Time GPS (recording rate: 20Hz) and SF-01 laser altimeter.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	100m spaced NE-SW lines – East Block, 200m spaced E-W lines – West Block - flown at a survey altitude of 40 to 80m (Tx-Rx array) and 70 to 110m (helicopter). No infill surveying was completed.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	The orientation of the geophysical survey was designed to be best suited to provide coverage perpendicular to the general geological strike direction.
Sample security	• *The measures taken to ensure sample security.*	Not applicable as no drilling was undertaken.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No audits or reviews of the sampling technique or data have been completed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Sulphur Springs deposit is located within M49/ 494. The registered owner of the tenements are Venturex Sulphur Springs Pty Ltd, a wholly owned subsidiary of Venturex Resources Ltd The tenement is within Njamal Native Title Claim (WC99/8) where native title has been determined. The traditional owners of the land are the Njamal People. The grant of the tenement predates native title, and is not subject to native title claim. The tenement is subject to two third party royalties on any production from the tenement. The tenement is a granted Mining Lease in good standing and no known impediments exist. Anomaly XA1 is located on tenement E45/4993 which is a pending exploration licence. E45/4993 was applied for on 28th August 2017. There is also an overlapping pending exploration licence (E45/5005) which was applied for on 1st September 2017. Until E45/4993 has been granted by the relevant Government Department there is a risk that full tenure may not be secured.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Previous exploration has been undertaken by a number of parties going back over 30 years. Modern exploration has been undertaken by Sipa Resources, CBH Resources, Homestake Mining, and Venturex Resources.
Geology	• *Deposit type, geological setting and style of mineralisation.*	The Sulphur Springs deposit is a Volcanogenic Massive Sulphide Deposit.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Not applicable as no drilling is being reported.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Not applicable as no drilling is being reported
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The Sulphur Springs deposit plunges 40-50 degrees to the north; the drill holes are designed to intersect the orebody at a nominal 60 degrees although the local access and topography require certain holes to be designed taking these limitations into consideration to intersect the mineralisation. Only down hole intersections are reported.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be*	See cross-sections within this announcement

Criteria	JORC Code explanation	Commentary
	limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	The Sulphur Springs deposit has had a significant body of work completed on it, including geophysical studies, metallurgical test work, geotechnical and ground water studies.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive*	Continued review and assessment of the XCITE survey results. The anomalies will be field checked and if warranted ground based EM surveys and follow up drill testing may occur. Due to the continued focus on completing the current Sulphur Springs drill program before the onset of the wet season, the field based follow up work will likely take place in the new year.