VENTURE MINERALS

ASX Announcement
Monday, 3 August 2020
Ref: /VMS/606/VMS0553

# Venture Obtains Equity Funding to Commence Production at the Riley Iron Ore Mine

## Highlights

- **Venture will undertake a placement of 129,032,258 Shares at $0.031 each to raise $4,000,000;**
- **Venture to offer Underwritten Share Purchase Plan to Eligible Shareholders to raise $1,500,000;**
- **Funds will primarily be used to commence mining and production at the Riley Iron Ore Mine as soon as practicable; and**
- **To further exploration on Venture's Kulin Gold Project and the Golden Grove North Copper-Gold Project as well as general working capital.**

**Venture Minerals Limited (Company** or **Venture) (**ASX:**VMS)** is pleased to announce it has received firm commitments from sophisticated, professional and institutional investors to raise up to a total of $4,000,000 (before costs) through a placement of 129,032,258 fully paid ordinary shares (**Shares**) at an issue price of $0.031 per Share (the **Placement**).

Additionally, in recognition of the Company's existing retail shareholders, eligible shareholders will have the opportunity to participate in a Share Purchase Plan at the same issue price per Share of $0.031 (**SPP**). The Company intends to raise $1,500,000 under the SPP which will be fully underwritten through the issue of 48,387,097 Shares. The company reserves the right to accept oversubscriptions under the SPP to raise up to an additional $1,000,000 which additional amount is not underwritten.

The issue price for the Placement and the SPP represents a 10.6% discount to the volume weighted average price of the Shares traded on the ASX during the 10 trading days on which sales in the Shares were recorded immediately prior to the date of this announcement.

In undertaking the capital raising and immediately following settlement of the Placement, the Venture Board is committed to making a Final Investment Decision (FID) on the Riley Iron Ore Mine which is "shovel ready". With on-site infrastructure already complete, the Riley Mining Team can commence ore mining and dry screening activities within approximately one week of the Board's positive FID and receipt of Placement funds.

Riley's short mine life and quick time to production presents a unique opportunity to capitalise on the current historically high iron ore price and realise significant cash-flow for Venture in the near-term. The Board looks forward to the commencement of mining at Riley and Venture's exciting future as both an explorer and producer.

**Venture Fast Facts**

ASX Code: VMS
Shares on Issue: 939.8
Market Cap: $29.1m
Cash: $1.0m (30 Jun 2020)

**Board & Management**

**Non- Executive Chairman**
Mel Ashton

**Managing Director**
Andrew Radonjic

**Non-Executive Directors**
Hamish Halliday
John Jetter

**Company Secretary**
Jamie Byrde

**Recent Announcements**

Chalice to Earn-in on Venture's South West Project. (21/07/2020)

Drill Rig contracted to test New Gold Targets at the Kulin Project (15/07/2020)

Riley Iron Ore Mine – Production Ready following signing of Port Access Agreement (09/07/20)

Resources Roadhouse Investor Presentation – June 2020 (23/06/20)

Venture takes major step towards Riley Iron Ore Production (11/06/20)

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In addition, Venture is continuing to advance its discussions on funding options including a debt facility to fund the wet screening plant and a standby working capital facility to assist in sustaining continual on-site operations.

Iron ore prices have been strong throughout 2020 with the outlook for the rest of the calendar year remaining positive due to demand generated by Chinese government infrastructure spending and continued supply concerns from Brazil due to the COVID-19 outbreak.

In addition, funds will be utilised on exploration at Venture's 100% owned Kulin Gold Project in Western Australia, with an initial low cost drill program designed to bring forward a potential new gold discovery. Drilling is expected to commence next month.

At the Golden Grove North Project further funds will be used to advance exploration activities post the outcomes of the recently completed electromagnetic surveys.

**Placement and Share Purchase Plan**

The Placement will be completed pursuant to the Company's existing capacity under ASX Listing Rule 7.1 of 121,698,493. The ASX has also confirmed that the Company can rely on the Temporary Extra Placement Capacity waiver under Listing Rule 18.1 to provide a temporary uplift in the 15% placement capacity of 81,078,995 Shares which will also be utilised for the Placement and any shortfall under the SPP which is placed to the underwriter. The Company has been partly affected by the COVID-19 health crisis and its economic impact and is raising capital in order to progress its existing projects as described above.

The Placement will be conducted without a prospectus with the Shares being offered to and subscribed for by investors to whom disclosure is not required under the Corporations Act.

Settlement of the Placement is expected to occur on 6 August 2020, with the Shares expected to be issued and commence trading on the same day.

Canaccord Genuity (Australia) Pty Ltd (**Canaccord**) has been appointed as Lead Manager to the Placement.

The underwritten SPP provides the opportunity for eligible shareholders to subscribe for up to $30,000 worth of new Shares in the Company. The Company reserves the right to accept over subscriptions on the SPP or scale back applications at its discretion.

Registered holders of Shares as at 5.00pm (AWST) on 31 July 2020 (**Record Date**) with a registered address in Australia or New Zealand will be eligible to participate in the SPP. Full details of the SPP will be announced and dispatched to eligible shareholders on or about 5 August 2020 with the closing date for acceptances expected to be 2 September. The shares issued under the SPP will be purchased free of brokerage and no prospectus will be issued.

Shares issued under the Placement and SPP will rank equally with existing Shares on issue.

**Indicative Timetable**
The timetable below is indicative only and subject to change. All times below are Perth, Australia time (AWST).

| Event | Date |
|---|---|
| Record Date for the SPP | 5pm (AWST) 31 July 2020 |
| Announcement of Placement and SPP and lodge Appendix 3B<br>(prior to commencement of trading) | 3 August 2020 |
| Cleansing Notice for SPP lodged with ASX and Dispatch Date for SPP Offer Document (Opening Date) | 5 August 2020 |
| Issue of Shares under Placement, Appendix 2A and Cleansing Notice for Placement lodged with ASX | 6 August 2020 |
| Closing Date | 2 September 2020 |
| Announcement of result of SPP | 3 September 2020 |
| Issue of Shares under SPP and Appendix 2A for SPP lodged | 9 September 2020 |
| Quotation on ASX of Shares under the SPP | 10 September 2020 |

This announcement effectively lifts the trading halt requested on 28 July 2020. The company is not aware of any reason why the ASX would not allow trading to commence immediately.

Authorised by the Board of Venture Minerals Limited.

Andrew Radonjic
**Managing Director**