

VENTUREX SEEKS \$5M FUNDING PACKAGE TO ADVANCE PILBARA COPPER-ZINC PROJECTS

Secures backing of major shareholder and new sophisticated investors to unlock the value of its extensive copper-zinc resource inventory in the Pilbara region of WA

Key Points:

- **\$5M funding package** comprises an already committed \$1M share placement to cornerstone investors and a 2-for-5 entitlements issue to raise \$4M, both at an issue price of 0.6 cents per share.
- **Large shareholder, Northern Star Resources Limited (ASX: NST),** will take up its full entitlement and apply for \$198,000 of any shortfall.
- **Euroz Securities Limited** will be sole book-runner and lead manager of the placement and entitlements issue, with the right to place any shortfall securities.
- **Directors John Nitschke and Tony Kiernan** intend to take up all of their respective entitlements and in addition will be underwriting to a total of \$150,000 of any shortfall.
- **Funds raised to be used to aggressively progress the Company's two advanced copper-zinc projects in the Pilbara region of WA, including:**
 - *Proving up the near-surface high grade supergene copper oxide Resource recently identified at Sulphur Springs and completing metallurgical test work and other studies necessary to advance it to a decision to mine;*
 - *Permitting of the optimised Sulphur Springs Copper-Zinc Project to advance it to "shovel-ready" status; and*
 - *Drilling aimed at extending the existing high-grade zinc copper gold Resources at the Mons Cupri deposit at Whim Creek.*

Venturex Resources Limited (ASX: VXR – "Venturex") is pleased to announce that it has executed a mandate with Euroz Securities Limited ("Euroz") to undertake and manage a **\$5 million funding package** to accelerate the evaluation and potential development of its advanced copper-zinc assets in WA's Pilbara region.

The proposed funding package comprises a **\$1 million share placement, for which commitments have been received,** and a **\$4 million entitlements issue.** The entitlements issue will be undertaken on a 2-for-5 basis at the same price as the placement.

Shares taken under the placement will not participate in the entitlement issue.

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Northern Star Resources (ASX: NST), as well as Venturex directors have committed to support the funding package.

Following completion of the funding package, Venturex will be in a strong position to unlock the value of its extensive copper-zinc Resource inventory located in Western Australia's premier mining jurisdiction and have the option of fast-tracking the development of its key projects to take advantage of the improving base metal market, particularly for zinc.

Placement

The share placement, comprising 166,666,667 fully-paid shares at an issue price of 0.6c per share to raise \$1 million, is being undertaken to sophisticated and professional investor clients of Euroz Securities.

The share placement is being undertaken within the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.

The issue price represents a 33% discount to the 10-day VWAP as at 19 July 2016 and a 25% discount to its last sale price.

Participants in the share placement will receive two free options for every four shares subscribed for, namely:

- One option exercisable at 1.5c per share within 12 months; and
- One option exercisable at 3c per share within 24 months.

Shares received under the placement will not participate in the entitlement issue.

Entitlements Issue

Venturex will also undertake a pro-rata entitlements issue on the basis of two (2) shares for every five (5) shares held at the record date at an issue price of 0.6c per share to raise an additional \$4 million before issue costs.

This will provide all shareholders with the ability to participate in this milestone capital raising on the same terms as the new incoming investors.

Northern Star Resources has committed to take up its full entitlement under the issue and apply for \$198,000 of any shortfall. Other shareholders may also apply to take up any shortfall.

Participants in the rights entitlement will receive two free options for every four shares taken up, namely:

- One option exercisable at 1.5c per share within 12 months; and
- One option exercisable at 3c per share within 24 months.

Two of the Directors (Tony Kiernan and John Nitschke) will be taking up all of their respective entitlements with Director Anthony Reilly taking up 54% of his entitlement.

John Nitschke and Tony Kiernan will be underwriting the first \$150,000 of any shortfall.

The entitlements issue is being undertaken pursuant to a short-form Prospectus under Section 713 of the Corporations Act and the Prospectus will be sent to eligible shareholders in accordance with the indicative timetable set out below.

Use of Funds

The funds raised will be used for working capital purposes and to progress plans aimed at extracting value from the Company's advanced **Whim Creek** and **Sulphur Springs** copper-zinc projects, located in the Pilbara region of WA, which have a combined Resource base of 320,000 tonnes of contained copper metal and 910,000 tonnes of contained zinc metal.

The Company has substantially reworked the 2012 Feasibility Study on the greenfields Sulphur Springs copper-zinc project, with changes to mining methods and a review of the capital and operating costs for the infrastructure and processing plant components of the project resulting in what the Company now believes is a compelling copper-zinc investment (see ASX release – 1 July 2016).

A new Resource model completed as part of this work has identified a near-surface high grade Inferred Resource of supergene copper mineralisation (see ASX release – 11 May 2016). This has opened up the potential for a stage 1 development of Sulphur Springs which, subject to further drilling and evaluation, could be economic at spot metal prices and require an investment that is within the Company's current capabilities to procure.

A portion of the funds raised will be used to prove up this near-surface high grade supergene copper oxide Resource and complete metallurgical test work and other studies necessary to advance it towards a decision to mine.

The Sulphur Springs project proposal generated by the 2012 Feasibility Study is fully permitted on approved Mining Leases with a Native Title Agreement in place. Part of the funds raised will be used to begin the process of incorporating the recently identified enhancements to the project in the overall permitting, ensuring that it is ready to develop.

The funds will also be used to immediately drill the recently identified targets that represent potential extensions to the existing high grade zinc-copper-gold Resources in the existing Mons Cupri open pits at Whim Creek (see ASX release – 4 July 2016)

Management Comment

Venturex's Managing Director, Mr John Nitschke, said the Company was delighted to have secured the support and involvement of Euroz Securities and a prominent group of new cornerstone investors to back its plans to unlock the value of its two copper-zinc projects located in the heart of WA's premier mining jurisdiction.

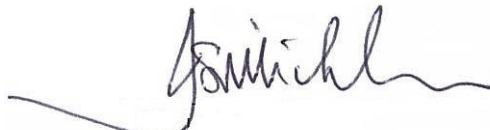
"Together with the strong support of our existing shareholder, Northern Star Resources, this delivers an exceptional outcome for our shareholders, allowing Venturex to move ahead with speed, confidence and focus.

"This is the right time to properly recapitalise the Company, so that we are able to take advantage of the turnaround which is unfolding in base metal markets – led by zinc, which is continuing to show strong signs of improvement, now up more than 40 per cent this year.

"The funds raised will enable us to push forward aggressively with both of our projects. Planned upcoming activities include drilling the targets defined recently at Whim Creek with the potential to extend the existing high grade sulphide zinc-copper-gold resources and proving up the recently identified near-surface high grade supergene copper resource at Sulphur Springs," Mr Nitschke said.

Proposed Non-Renounceable Entitlement Issue Timetable

| | Date |
|---|----------------|
| Issue of Placement Shares and Cleansing Notice | 2 August 2016 |
| Lodgement of Prospectus to ASX and ASIC | 2 August 2016 |
| Notice sent to Shareholders | 4 August 2016 |
| Ex-Date | 5 August 2016 |
| Record Date for determining Shareholder entitlements | 8 August 2016 |
| Prospectus sent out to Eligible Shareholders & Company announces this has been completed & Offer Opening Date | 11 August 2016 |
| Last day to extend the Offer closing date | 19 August 2016 |
| Closing Date of Offer | 24 August 2016 |
| Securities quoted on a deferred settlement basis | 25 August 2016 |
| Notify ASX of under-subscriptions | 29 August 2016 |
| Despatch date/Shares entered into Shareholders' security holdings | 31 August 2016 |



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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 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.

About Euroz Securities Ltd

Euroz Limited is a diversified wealth management company which has a consistent track record of strong shareholder returns. Euroz provides a wide range of financial services from stockbroking to corporate finance, funds management and wealth management. Euroz offers specialised corporate advisory services including Capital Raisings, Merger and Acquisitions advice, Strategic Planning and Reviews, Privatisation and Reconstructions, and Takeovers/ Takeover Responses.