KANGAROO CAVES RESOURCE UPGRADE

- **81% Increase in Zinc grade to 6% Zn, metal tonnes remain unchanged**
- **55% Increase in Copper grade to 0.77% Cu**
- **3.55 Mt grading 6.0% Zn, 0.77% Cu and 15.2g/t Ag**
- **Total Resource Inventory for the Pilbara Base Metal Project is 900,000 Tonnes contained Zinc**

Venturex Resources Limited (ASX: VXR) ("Venturex" or "the Company") is pleased to announce an upgrade in the Mineral Resource for the Kangaroo Caves copper-zinc deposit which forms part of the Company's Pilbara Base Metal Project. The Project is situated approximately 130 kilometres east of Port Hedland in the Pilbara region of Western Australia.

The Kangaroo Caves deposit is located on a granted mining lease approximately 6 km south of the Company's Sulphur Springs deposit. The deposit is on the same stratigraphic horizon as Sulphur Springs and has a similar geology.

The Company is assessing whether this Zinc dominant resource can be brought into the mining inventory for the Pilbara Base Metal Project as part of the optimisation study currently being carried out. The optimisation study is focused on reducing pre-production expenditure by simplifying the project delivery and incorporating current market costs and conditions into the project economics.

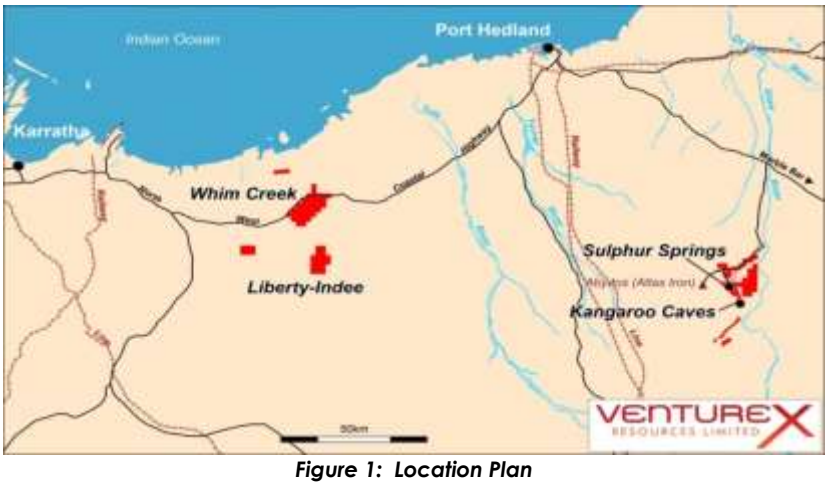

Figure 1: Location Plan

The Company engaged Hardrock Mining Consultants Pty Ltd, to undertake the Resource estimate.

This estimate includes the results of 19 holes drilled by the Company in 2013 (refer ASX release 17 May 2013). It also incorporates a better understanding of the style of mineralisation since the previous estimate as a result of the work done by the Company on the Sulphur Springs deposit. The estimate is based on the Pilbara Base Metals Project's anticipated Net Smelter Return values for in situ mineralisation rather than using copper and zinc cut off grades to define separate copper and zinc rich domains.

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These changes have resulted in an increase in zinc and copper grades with contained metal tonnes being maintained and ore tonnage reduced.

The geological model has highlighted several areas within the deposit that have not been adequately drilled due to the rugged topography and associated issues with access for surface drilling rigs (See Figure 2). The Company is also using modern analysis methods to re-analyse the data from historical EM geophysical surveys down 20 holes to determine if all conductors have been identified and adequately followed up.

Both of these initiatives represent opportunities to further increase the Resources contained in the Kangaroo Caves deposit.

The Kangaroo Caves Resource was not included in the mining inventory for the Feasibility Study on Pilbara Base Metals Project (refer ASX release 18 December 2012). The Company is currently assessing the opportunity to include it in the mining inventory for the Optimisation Study on the Pilbara Base Metals Project (refer ASX release 27 July 2015).

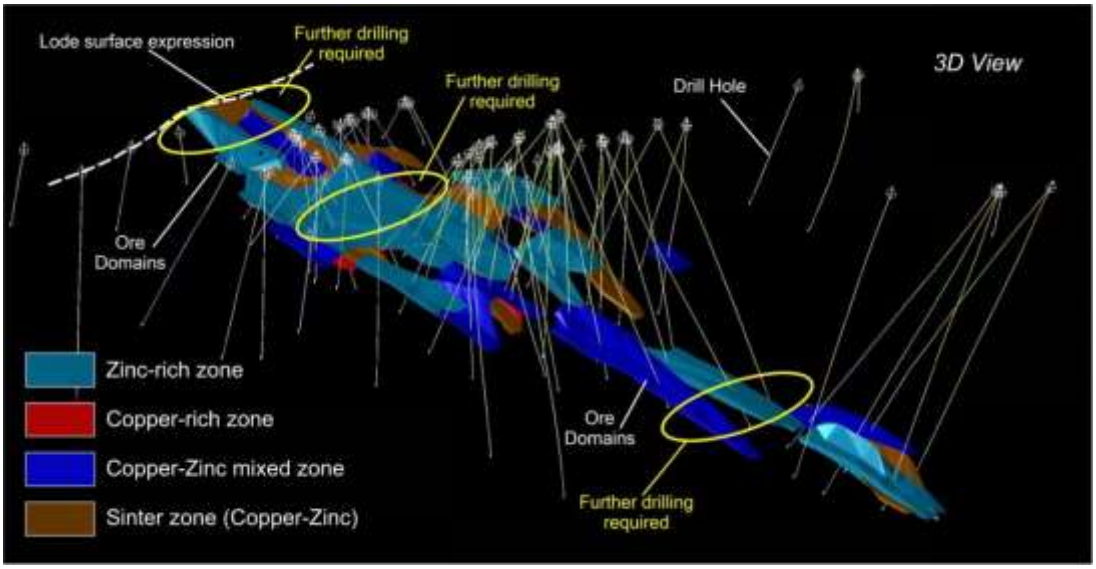

Figure 2: Kangaroo Caves Resource model showing metal domains and drill spacing

Background

The Company acquired the Kangaroo Caves deposit, 6 km south of the Company's Sulphur Spring Zn- Cu Deposit, from Sipa Resources Limited ("Sipa") in 2012 (refer ASX release 13 July 2012).

The Deposit was acquired one month before delivery of the Definitive Feasibility Study for the Company's Pilbara Zn – Cu Project and was not included in the study.

The Company completed a drilling program of 19 reverse circulation holes into the deposit in 2013 and the results were reported to the market (refer ASX release 17 May 2013).

The Company has previously relied on a historical resource estimate for the deposit prepared by Sipa Resources Ltd (refer to Sipa Resources (ASX: SRI) ASX release dated 22 October 2007) of 6.5Mt grading 3.3% Zn, 0.5% Cu and 12.1 g/t Ag which was based on a 1% Zn and 0.5% Cu cut-off.

KANGAROO CAVES MINERAL RESOURCE					
September 2015					
JORC Classification	**Tonnes ('000t)**	**Zn %**	**Cu %**	**Pb %**	**Ag g/t**
Indicated	2.25	5.7	0.93	0.27	13.6
Inferred	1.3	6.5	0.50	0.40	18.0
Total	**3.55**	**6.0**	**0.77**	**0.32**	**15.2**

Table 1 – Kangaroo Caves Resource Estimate (Note: Rounding errors may occur)

The revision of the Kangaroo Caves Mineral Resource has altered the total Mineral Resource for the Pilbara Copper-Zinc Project to:

23.6 million tonnes grading 1.3% copper, 3.8% zinc, 0.4% lead and 20.2 g/t silver.

PROJECT MINERAL RESOURCES								
Location		**JORC Classification**	**Tonnes ('000t)**	**Cu %**	**Zn %**	**Pb %**	**Ag g/t**	**Au g/t**
Sulphur Springs		Measured	-	-	-	-	-	-
		Indicated	8,300	2.0	5.5	0.3	22.3	-
		Inferred	4,531	0.7	1.5	0.1	8.9	-
		Sub-total	**12,831**	**1.5**	**4.1**	**0.2**	**17.6**	**-**
Kangaroo Caves		Measured	-	-	-	-	-	-
		Indicated	2,250	0.9	5.7	0.3	13.6	-
		Inferred	1,300	0.5	6.5	0.4	18.0	-
		Sub-total	**3,550**	**0.8**	**6.0**		**15.2**	**-**
Whim Creek		Measured	-	-	-	-	-	-
		Indicated	967	2.1	1.1	0.2	10.3	0.1
		Inferred	4	0.5	2.3	0.6	13.9	0.1
		Sub-total	**972**	**2.1**	**1.1**	**0.2**	**10.3**	**0.1**
Mons Cupri		Measured	1,273	1.5	1.7	0.8	41.1	0.3
		Indicated	3,286	0.7	1.1	0.4	17.7	0.1
		Inferred	48	0.7	0.6	0.1	9.0	0.0
		Sub-total	**4,607**	**0.9**	**1.3**	**0.5**	**24.1**	**0.1**
Salt Creek		Measured	-	-	-	-	-	-
	Zn	Indicated	475	0.2	14.1	4.4	107.1	0.5
	Cu	Indicated	423	3.7	0.9	0.1	2.7	0.1
		Inferred	105	3.5	0.1	0.0	1.5	0.0
	Zn/Cu	**Sub-total**	**1,003**	**2.0**	**7.0**	**2.1**	**52.0**	**0.3**
Liberty-Indee		Measured	-	-	-	-	-	-
		Indicated	453	2.2	4.5	0.4	42.0	0.9
		Inferred	204	1.0	1.8	0.2	22.4	0.4
		Sub-total	**657**	**1.8**	**3.7**	**0.3**	**35.9**	**0.8**
All Locations		Measured	1,273	1.5	1.7	0.8	41.1	0.3
		Indicated	16,155	1.6	4.5	0.4	22.0	0.1
		Inferred	6,192	0.7	2.5	0.2	11.1	0.0
		Total Resources	**23,620**	**1.3**	**3.8**	**0.4**	**20.2**	**0.3**

JOHN NITSCHKE
Acting Managing Director

For further information, please contact:

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About Venturex Resources Limited

Venturex Resources Limited (ASX: VXR) is an exploration and development company with a significant portfolio of VMS projects in the Western Pilbara. Venturex owns or controls significant resources of copper, zinc, lead, silver and gold at Sulphur Springs, Kangaroo Caves, Whim Creek, Mons Cupri, Salt Creek and Liberty-Indee. The Company is committed to a strategy of consolidating VMS projects in the Western Pilbara and developing a centralised processing hub at Sulphur Springs.

Competency Statements

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled or reviewed by Mr David Milton, Hardrock Mining Consultants Pty Ltd and Mr James Guy, James Guy Consulting, who are Members of the Australasian Institute of Mining and Metallurgy. Mr Milton and Mr Guy have sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Milton and Mr Guy consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Notes relating to the Kangaroo Caves Resource Statement

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

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.*	• The deposit was sampled with a combination of Reverse Circulation (RC) and] diamond (DD) drill holes completed on a variable spacing across the deposit to a maximum vertical depth of depth of 400 metres. The RC drill holes were sampled via a standard adjustable cyclone and riffle splitter from the recovered sample. Diamond drill core was sampled using standard cut half core. • Standard RC drilling produced whole metre RC drill samples split at the rig using a cone splitter producing samples of approximately 3kgs. Diamond drilling completed to industry standard using predominantly NQ size core. Diamond core was orientated, aligned and cut on geologically determined intervals (0.25 to1.2 metres). • Samples were weighed, dried, crushed and pulverised (total prep) to produce a pulp sub-sample for analysis by four acid digest with an ICP/OES, ICP/MS or FA/AAS (Au) finish.
Drilling techniques	• *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.).*	• Drilling technique is predominantly diamond drilling since 1989 (over 75%) using mostly NQ size with some BQ, TT56 and HQ sizes using a variety of rig types. Surface drill core was generally orientated. • Reverse circulation drilling used 5.5 inch face sampling hammer was used after 2007.
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.*	• All operators recorded diamond drill core recovery as a percentage of measured recovered core versus drilled distance. Recoveries were generally high except for cavity zones in the oxide zone. • RC samples recoveries were consistently high. Any low recovery intervals were logged and entered into the database. • The cyclone and splitter were routinely inspected and cleaned during the drilling ensuring no excessive material build-up. Care was taken to ensure the split samples were of a consistent volume.

Criteria	JORC Code explanation	Commentary
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.*	• Diamond drill holes are all qualitatively logged and photographed. RC drill holes were all qualitatively logged and RC chip tray samples collected and stored. • Logging by all operators was at an appropriate detailed quantitative standard to support future geological, resource, reserve estimations and subsequent feasibility studies. • All holes were logged in full.
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.*	• Diamond core was sawn with a diamond saw and half core samples (quarter core in metallurgical holes) taken for assay. • 1 metre RC samples were collected and split off the drill rig using a cone splitter. Approximately 90% of the samples were dry in nature. • The sample preparation of the samples follows industry best practice in sample preparation involving weighing, oven drying, pulverisation of the entire sample (total prep) to a grind size of 85% passing 75 micron. • Venturex and previous operators had QAQC procedures involving the use of certified standards, blanks and duplicates. The QAQC has been independently audited with no apparent issues. • Field Duplicates were taken and confirmed the representivity of sampling. • The sample sizes are considered appropriate given the relatively fine grained nature of the sulphide mineralisation which is not nuggetty in nature, the sampling methodology and the percent assay value ranges involved.
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.*	• Various operators used analytical techniques involving a four acid digest multi-element suite with ICP/MS finish (30g FA/AAS for precious metals). The acids used are hydrofluoric, nitric, perchloric and hydrochloric acids, suitable for the dissolution of most silica based samples. The method approaches total dissolution of most minerals. Combustion furnace or Eltra "Leco" analyser assayed total sulphur. • No geophysical tools were used to determine any element concentrations reported. • RC duplicates were taken every 25m and post 2008; In 2013 every RC metre drilled is checked by two 30sec measurements using a Niton handheld XRF. • An independent analysis of intra and inter laboratory bias and precision was undertaken in 2007 by CBH. No material bias was noted for samples used.

Criteria	JORC Code explanation	Commentary
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.*	• Prior to 2011, verification procedures were not documented. • Post 2011, significant intersections were checked by the Exploration Manager and Managing Director. Significant intersections are also verified/ using a Niton handheld XRF data collected in the field and crosschecked against the final assays when received. • A range of primary data collection methods were employed since 1989. Since 2007, data recording used a set of standard Excel templates on a data logger and uploaded to note book computer. The data is sent to Perth office for verification and compilation into an SQL database by the in-house database administrator. Full copies are stored offsite. • Full data base verification of all historical information was completed in 2007 by CBH. All data is loaded and stored in DataShed database. • The historical data (pre-2007) has been adjusted with all negative assays, representing below detection assays, were converted to positive assays of half value.
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.*	• Post 2007, all hole collar coordinates have been picked up by Sipa/CBH/Venturex employees using a DGPS with all co-ordinates and RL data considered reliable. • Downhole surveys were performed on all holes by either single shot Eastman camera or reflex gyro readings at 10-50 metre down hole intervals. • The grid system used for the location of all drill holes is MGA_GDA94, Zone 50. • Topographic control is provided by combination of external survey control, photogrammetry analysis and DGPS reading.
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.*	• The nominal drill spacing is generally 40m x 40m where the rugged terrain permits access. • The current spacing is adequate to assume geological and grade continuity of the mineralised domains. • No compositing has been applied to the exploration results.
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 drilling is orientated mainly to the south west, near perpendicular to the mineralised trend. Limitations imposed by the rugged terrain dictates that some drilling is conducted vertically or to the north east at a low angle to the dip of the mineralised system. • Given the stratigraphic nature of the mineralising system, no orientation based sampling bias has been identified in the data at this point.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• Independent audits of the data in 2006 (Sipa/CBH) concluded that the sampling protocols were adequate. • Post 2012, the chain of custody is managed by Venturex. The samples are transported by Venturex personnel to Whim Creek, stored in a secure facility and collected from site by Toll IPEC and delivered to the assay laboratory in Perth. Online tracking is utilised to track the progress of batches of samples.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Independent audits of the sampling techniques and data were completed as part of previous and current feasibility studies in 2007 (Golders and Associates). There does not appear to be any significant risk in accepting the data as valid.

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.*	• Kangaroo Caves is located wholly within Mining Lease M45/587 and Venturex Resources Limited has a 100% interest in the tenement. • The tenement is within the Njamal Native Title Claim (WC99/8). • The tenement is subject to two third party royalties. • The tenement is a granted Mining Lease, is in good standing and no known impediments exist.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration has been conducted at Kangaroo Caves by Sipa Resources Limited in conjunction with Outokumpu Zinc Australia Limited and CBH Resources Limited since 1985 under various joint ventures. • A Mineral Resource estimate for the Kangaroo Caves deposit was released to the ASX by JV partners CBH Resources/Sipa Resources in September 2007.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Kangaroo Caves zinc-copper deposit is hosted by the Kangaroo Caves Formation, a volcano-sedimentary sequence within the north – northeasterly trending tectonostratigraphic domain known as the Lalla Rookh – Western Shaw Corridor (LWSC) in the central east of the Archaean Pilbara Craton. • The deposit is a well preserved example of an Archaean volcanogenic massive sulphide (VMS) style deposit in a low-grade metamorphic terrain.

Criteria	JORC Code explanation	Commentary
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.*	• Detailed drill hole data has periodically released with all relevant data appended (see ASX release 11 June 2013 for the latest 19 holes by Venturex). Data prior to 2013 was released by Sipa and CBH as part of their ASX quarterly reporting releases.
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.*	• All reported assays have been length weighted. • No top cut has been applied. • For reporting exploration results, a nominal 0.25% copper and 2.0% zinc lower cut-off has been applied. • High-grade massive sulphide intervals internal to broader zones of sulphide mineralisation are reported as included intervals.
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').*	• Previous reports highlight down hole intercept and true widths.
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 limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See diagrams in previous ASX release 11 June 2013.
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.*	• All results are reported
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.*	• NA - Exploration results not being released this time.
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*	• NA - Exploration results not being released this time, see previous ASX release 11 June 2013.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2 apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The data used in the estimation is stored in a Datashed database operated by a third party and managed by a Venturex employed specialist data base manager who is the only authorized person to enter or change data. The database has tracing facilities. • Certified Original Assay Data sheets for all the 2013 drilling and WAMEX records from the Sipa/Outokumpu Zinc Australia period were manually and randomly checked against the digital data base provide by Venturex. No sample location or assay data discrepancies were found. There does not appear to be any significant risk in accepting the data as valid.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Site visit was undertaken by the Competent Person on the 20th and 21st July 2015. Diamond drill core through the mineralized zones from 5 holes was inspected on the 20th July. The mineralisation intersections and sample locations were identified and confirmed against database and core photograph records. The mineralisation site was visited on the 21st July and the location of several drill hole collars and mineralisation out crop was confirmed by hand held GPS. No material issues arose from these inspections.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The geological interpretation has a high degree of confidence. • The interpretation of the deposit takes full account of all surface and subsurface geological, geochemical, and structural information. Detailed surface mapping in an extensively outcropping and exposed rock environment is available. The mineralisation and its environment closely adhere to world-wide accepted and reported VMS style mineralisation. Drilling intersections, the geochemistry of the rocks and the semi contiguous nature of the main features form the basis of the interpretation. • No alternative interpretations are plausible. • The stratiform nature of the mineralization provides a reasonable level of geological control in the interpretation. The six mineralized domains have characteristic economic, major and minor variables that allows identification. Some local structural features in the surrounding lithology have been used to constrain the extent of the mineralisation.

Criteria	JORC Code explanation	Commentary
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Mineral Resource is contained in a series of lenses of sulphide rich material within a well-defined chert and sinter domain. The mineralisation forms a gently plunging body (20-30 degrees to the northeast) with a strike length of approximately ~150 metres by 3-15 metres thick, to a vertical depth of approximately 450 metres.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	• The 15 assay variables were estimated by Inverse Distance Cube method into a block model using Surpac software. The block model covered the full extent of the mineralization. The primary block size is 40m by 40m in plan view and 5m deep which reflects the nominal drilling grid and ore body geometry. The grade interpolation was by a three pass method of increasing search radii and thickness, 70, 140 and 210m and 35, 40 and 50m respectively. The search was anisotropic and reflects the flattened direction, plunging and pitching shape of the mineralization 45, -30 and -10 degrees respectively. Varying numbers, 2 to 12, of informing samples are accepted for the estimate. Discretisation was set to 3 by 3 by 3 • Previous resource estimates have been reported, and taken into account. A Mineral Resource estimate for the Kangaroo Caves deposit was released to the ASX by JV partners CBH Resources/Sipa Resources in September 2007. Venturex reported an Estimate By Cube Consulting Pty Ltd in 27/9/2013 and 8/10/2013. No mine production has occurred. • Model is based on zinc, copper and silver recovery with no by or co-products. • Estimate includes lead, gold, iron, sulphur, barium, arsenic, cadmium, antinomy, cobalt, manganese, mercury, and bismuth assays • Main sampling direction is in the z or RL for which the blocks are primarily 5m high and sub-celled to1.25m and composited data is 2m in length. Search parameters are discussed in previous section. • Model block parameters based on mineralisation geometry and informing data distribution (drill hole spacing). • No selective mining units were considered for the reported model. • Correlation between variables documented but not relevant to the grade interpolation. • Six domains of mineralisation identified of which three lensoidal domains are considered to be of economic importance. The interpretation of the domains was used to constrain the assay values used in calculations but grade interpolation process used an unconstrained approach. An order of precedence was forced on the interpolation with the three potentially economic lensoidal domains over printing other domains. • No grade capping was used one extreme copper outlier value of 10.1% cu

Criteria	JORC Code explanation	Commentary
		was cut to 3%. • The resource model was validated against the input copper and zinc assay raw data by comparison of the raw and output block grades and visual comparison in section and plan views. Block model and sample statistics were compared for all domains. Block statistics have slightly lower mean grades and reduced variance when compared to composite drill data.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis. The mineralized materials have little or no cavities and hence moisture content is negligible.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Cut off grades were determined and reported by use of an In-situ Net Smelter Return value. The value is based on a dollar value for material in the block calculated form the copper, zinc and silver grades. Factors used in the calculation are mining costs, metallurgical recovery, processing costs, transport costs, smelting charges, refining charges, royalties and forecast metal prices and exchange rates for local currency to foreign currencies.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• It is assumed that the mineralisation will be extracted by underground mining methods. Other than an assumed mining cost of $40 per tonne no other factors of dilution, minimum thickness or recovery have been applied.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Metallurgical parameters are anticipated to be similar to the adjacent Sulphur Springs deposit. The recovery of a copper concentrate and a separate zinc concentrate using sequential flotation is proposed to recover the principal economic components. Minor amounts of silver are recovered to each concentrate.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfield project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• No assumptions have been applied to the resource modelling or classifications. Environmental impact and development constraints will be similar to the adjacent Sulphur Springs deposit.

Criteria	JORC Code explanation	Commentary
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Bulk density determinations have been measured on 167 samples of diamond drill core spread proportionally across the mineralisation domains. From these measurements and the related assay values a strong, in excess of 85%, correlation exist between the measured SG and the sulphur grade. • The mineralisation is mainly free of voids and has a very low porosity. • Resource model mineralisation blocks have been assigned a bulk density based on a regression equation based on the sulphur estimated grade if the grade was greater than 1%. The calculation is bulk density = 2.6841+ (%S*0.0324). Any block of mineralisation with a sulphur content less than 1% was assigned a bulk density of 2.9
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resource classification into Inferred and Indicated categories is based on geological continuity, drill spacing, modelling technique and estimation properties including search strategy and number of informing composites. The short range geological continuity is considered to be about 40m in plan view a distance which geological continuity has been demonstrated to be strong. • No resource is classified as Measured. • The Indicated Resource is where geological confidence is high as defined by strong support from drilling and areas where the drilling is averaging less than 40m x 60m spacing. The block estimate grades are supported by between 4 and 12 composite grades from 3 or more holes. • The Inferred Resource boundary outside the Indicated area and reflect mineralisation where there is limited drilling, typically less than 40m x 75m. The block estimate grades are supported by between 2 and 6 composite grades from 1 or more holes. • The resource classifications reflect the Competent Persons view of the mineralisation style, distribution and estimated characteristics.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The Mineral Resource estimate has not been audited.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The estimated grade distributions of the principal economic variables of copper, zinc and silver for the mineralized domains statistically reflect the informing assay data. The size and volumes of the domains reflect the actual surface mapping and drill hole data. The density data statistically reflects the experimental SG data. • The estimates are considered global. The Indicated resources are indicative of a local estimate of the variables grades and tonnages. • No production data for this unmined resource.