VENTURE MINERALS

# Quarterly Report for the period ending 31 December 2015

## Highlights

- **Thali Project grows ten-fold following discovery of large soil anomaly in northeast Thailand**
- **Exploration activity to accelerate following continued success at Thali**
- **Venture successfully completes a Rights Issue with applications received exceeding 90% of the offer and 100% take up of shortfall**
- **On-going cost cutting measures sees Venture maintain a strong cash position of $3.5m**

## Introduction

The December Quarter saw Venture advance exploration at the promising Thali Project located within the highly prospective Loei Belt, in north eastern Thailand. In December the Company also completed a very well supported rights issue, raising approximately $661,000 before costs, for on-going exploration in South East Asia. The Company's continued focus on cost cutting has seen Venture maintain a strong financial position with cash of $3.5m as at the end of the December Quarter.

Exploration throughout the Quarter continued to highlight the potential of the Company's 100% owned Thali Project. Recent soil sampling delivered a ten-fold increase in the size of the soil anomaly, which now covers over 45 hectares (Refer Figures One and Two). The soil anomaly defines a high grade copper/lead/silver system, which hosts rock chips assaying up to **1,860g/t silver and 27% lead.**

Throughout the December Quarter Venture continued to expand the soil sampling program, focussing on extending known surface mineralization within the broader Thali Project. The Company is planning accelerate its exploration efforts over the coming months with further detailed surface sampling, geological mapping, geophysical surveys and the delineation of first pass drill targets.

In addition to Thali, the Company has a number of other prospects under application that once granted will deliver new exploration opportunities within the highly prospective Loei Belt. The Loei Belt already hosts a number of world class copper and gold deposits including Kingsgate's "Chatree" deposit (+5Moz Au*) and PanAust's "Phu Kham" deposit (1.3Mt Cu, 1.8Moz Au*) (Refer Figure One).

### Venture Fast Facts

ASX Code: VMS
Shares on Issue: 316 million
Market Cap: $6.3 million
Current Cash: $3.5 million
(31 Dec 2015)

### Recent Announcements

Thali Project grows ten fold following discovery of large soil anomaly
(19/11/2015)

Venture confirms high grade copper/lead/silver | Thali Prospect
(22/10/2015)

First pass exploration identifies rock chip assay 296g/t Silver | Thali Prospect, Thailand
(08/09/2015)

Riley DSO Project Approvals Upheld
(26/06/2015)

Copper Prospects Granted in Southeast Asia
(18/05/2015)

Exploration success defines additional target | Mt Lindsay
(19/11/2014)

EM defines New Targets
(23/10/2014)

W: www.ventureminerals.com.au
E: info@ventureminerals.com.au

*Total mineral endowment which includes the published production till the end of 2014 and current mineral resources

Venture Minerals Limited
PO BOX 8234 Subiaco East WA 6008
288 Churchill Avenue Subiaco WA 6008
Telephone: +61 8 9381 4222
Fax: +61 8 9381 4211
ACN 119 678 385
ABN 51 119 678 385

## South East Asia

Venture continues to progress its strategy of targeting South East Asia for exploration opportunities. Venture has identified an extensive belt of "skarn style" mineralisation throughout the region and continues to target base and precious metal opportunities.

Venture has established a low cost regional office in Bangkok and will look to continue to build a cost effective portfolio of exploration projects over the medium term. The Company has had two licenses granted in recent months and now awaits the granting of several additional licenses.

Exploration throughout the December Quarter continued to highlight the potential at the Company's recently granted, Thali Project. Several phases of soil sampling, rock chip sampling and geological mapping have now delivered a sizeable anomaly covering some 45 hectares (Refer Figures One and Two). The new discovery hosts a high grade high grade copper/lead/silver system, with rock chips assaying up to **1,860g/t silver and 27% lead.**

**Table One: Thali Project | Summary of Rock Chip Samples Taken from Thali North**

| Sample No | Copper (Cu) | Lead (Pb) | Silver (Ag) |
|---|---|---|---|
| BJTL 22 | 0.3% | **11%** | **451g/t** |
| BJTL 46 | 0.1% | **1.3%** | **283g/t** |
| BJTL 47 | 0.2% | **12%** | **656g/t** |
| BJTL 48 | 0.2% | **6.0%** | **301g/t** |
| SKTL 003 | 0.2% | **27%** | **1860g/t** |
| LOBJ 04 | 0.3% | **5.6%** | **157g/t** |
| SOTL 02A | 0.1% | **0.41%** | **264g/t** |
| SOTL 04 | 0.1% | **2.8%** | **232g/t** |
| SOTL 05 | 0.4% | **6.6%** | **296g/t** |

Pb results rounded to two significant figures, Cu to one significant figure, refer ASX announcement 22 October 2015 for full results.

Having identified a core zone of mineralization the Company has now extended its soil sampling program to the north and east focussing on identifying additional mineralized areas.

**Figure One: Project Map | Thailand**

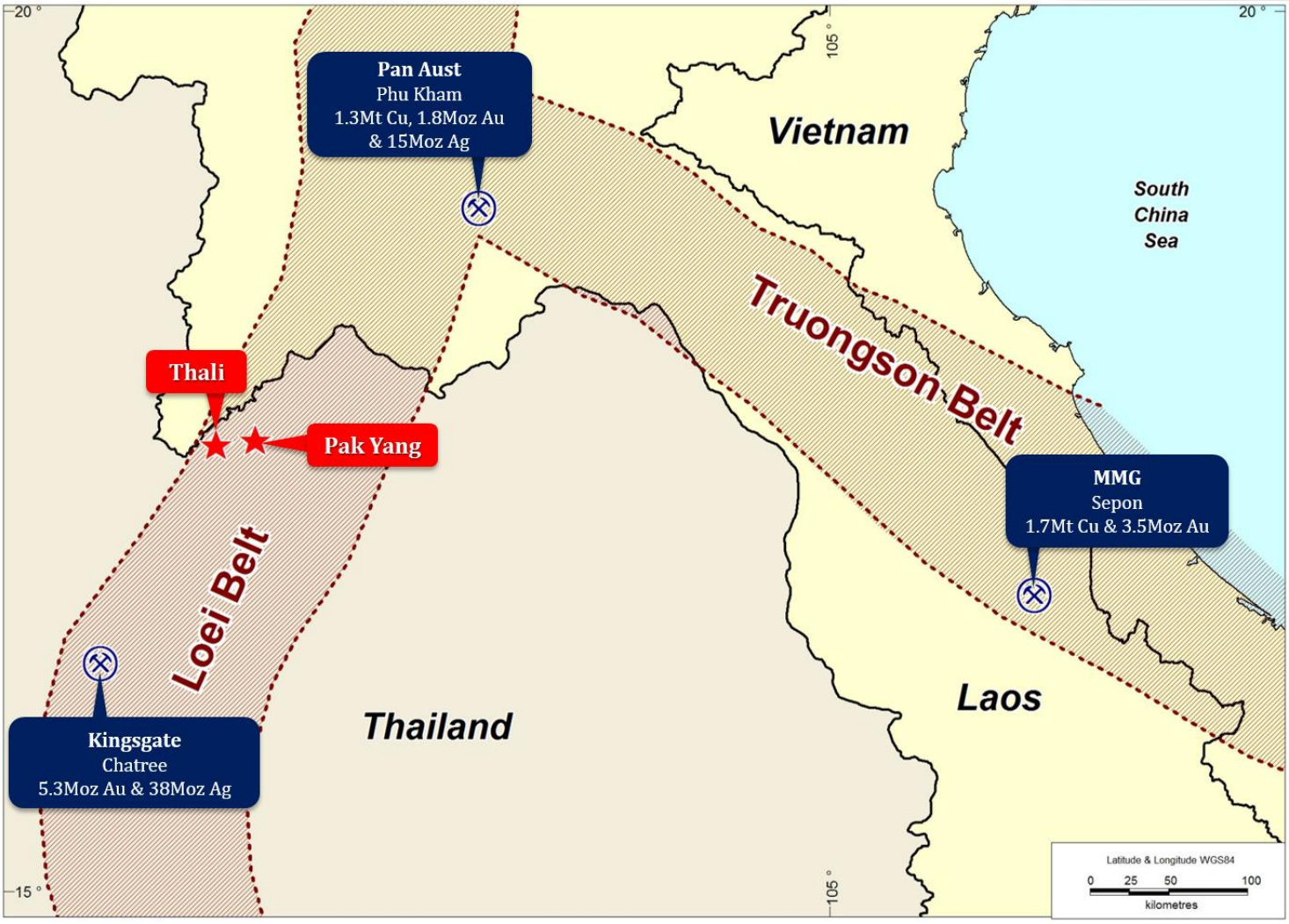


**Figure Two: Thali Prospect contoured soils and rock chip results**

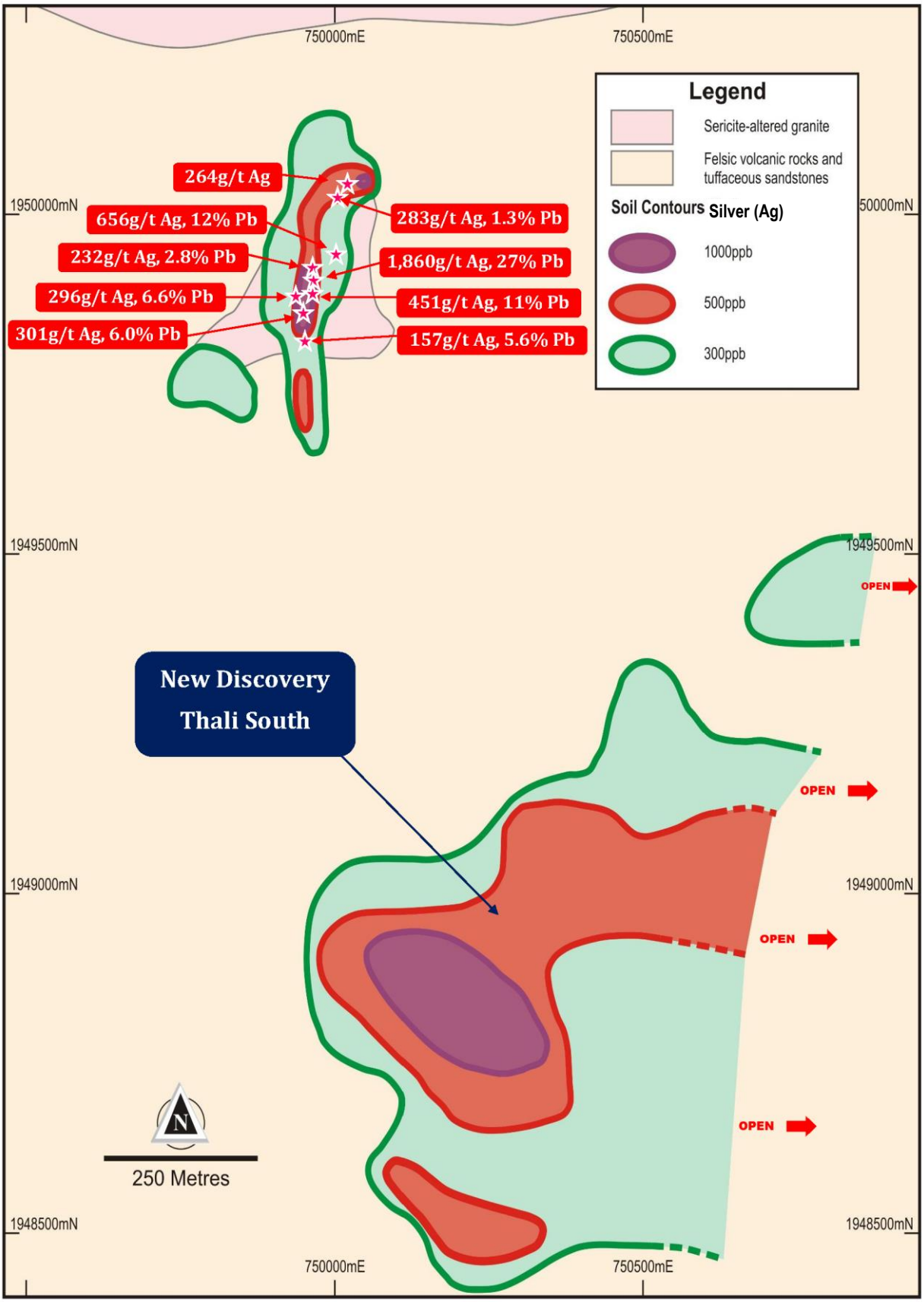
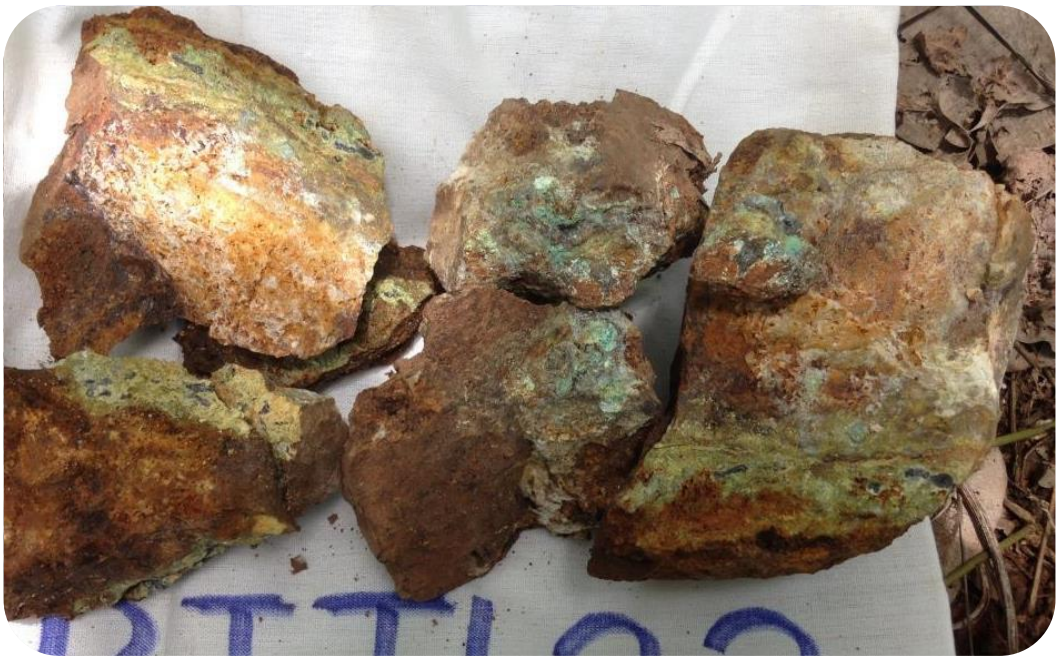


**Image One: SKTL003 gossanous vein from Thali North breccia zone comprising mainly secondary lead minerals with relict galena bands, assay 0.2% Cu, 27% Pb and 1,860g/t Ag**

**Image Two: BJTL22 gossanous vein from Thali North breccia zone with secondary copper minerals and relict galena assay 0.3% Cu, 10.7% Pb and 451g/t Ag**



Following early success at Thali, Venture is planning accelerate its exploration efforts over the coming months. Work will include further detailed surface sampling and geological mapping, a detailed geophysical surveys and the delineation of first pass drill targets.

**Thali Project - Geology**

Exposure in the Thali Project area is sparse and largely restricted to saprolite and saprock after porphyritic felsic volcanic rocks, tuffaceous sedimentary rocks and sericite-altered diorite with stockworks of oxidised sulphide and quartz veinlets. Mapping and prospecting at Thali North has identified a north trending zone at least 300m long of gossanous quartz veins and breccias with secondary minerals after iron and base metal sulphides (Refer Figure Two and Images One & Two). Thali South is more deeply weathered and preliminary work suggests the presence of a NW trending base metal stockwork vein zone within a porphyritic igneous host. Regional scale geological mapping suggests the host volcanic rocks are of Permian-Triassic age, and the granitic intrusions of Triassic age; the Triassic granitoid suite is widely associated with base and precious metal deposits within the Loei Belt.

Throughout 2015 the Thai Government has been amending aspects of the mining act. Included in these amendments are changes to the gold regulations surrounding exploration and mining. Significant progress has been made on finalising the new gold regulations, which we hope will be approved and implemented in the coming months. Following the implementation of the new gold regulations Venture will conduct an assessment of the potential for its current prospects to host economically significant gold mineralization and if appropriate apply for gold exploration rights.

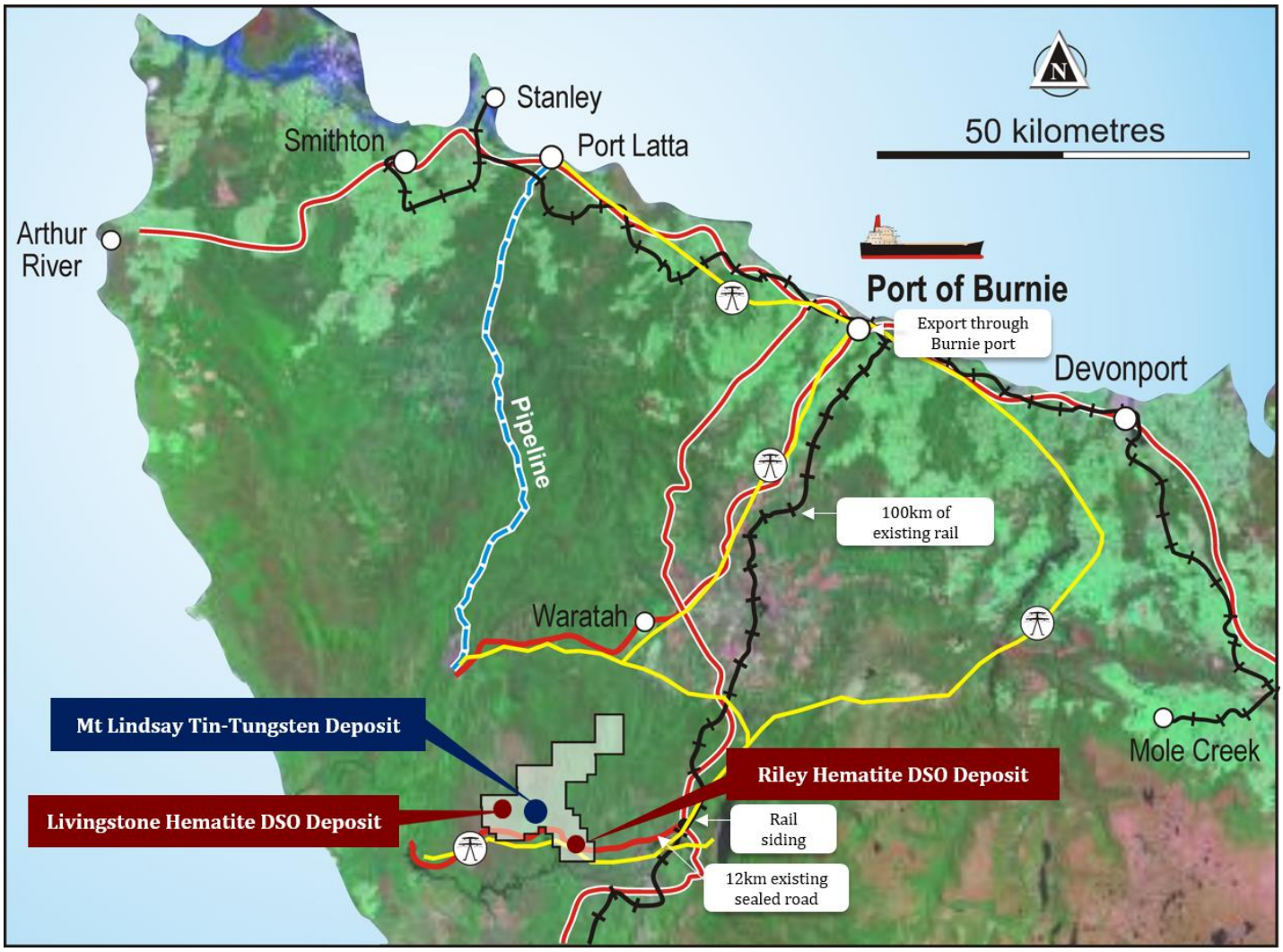
# Mt Lindsay Project, North West Tasmania

## Introduction

The Mt Lindsay Project (148km$^2$) is located in north-western Tasmania (Refer Figure Three) within the contact metamorphic aureole of the highly perspective Meredith Granite. The project sits between the world class Renison Bell Tin Mine (Metals X Ltd/Yunnan Tin Group>231kt of tin metal produced since 1968) and the Savage River Magnetite Mine (operating for > 45 years, currently producing approximately 2.5 Mtpa of iron pellets). Mt Lindsay has excellent access to existing infrastructure including hydro-power, water, sealed roads, rail and port facilities.

Venture owns 100% of the tenure that hosts both the Mt Lindsay Tin-Tungsten Deposit and all of the surrounding prospects.

**Figure Three | Location Map for Mt Lindsay Tin-Tungsten Deposit/Riley DSO Deposit/Livingstone DSO Deposit**




Since commencing exploration on the project in 2007, Venture has completed approximately 83,000m of diamond core drilling at Mt Lindsay and defined JORC compliant Measured, Indicated and Inferred Resources.

## Tin-Tungsten Resources

**Table Two | Tin-Tungsten Resources October 2012**

| Lower Cut (Tin equiv) | Category | Tonnes | Tin Equiv. Grade | Tin Grade | Tungsten Grade ($WO_3$) | Mass Recovery of Magnetic Iron (Fe) Grade | Copper Grade | Contained Tin Metal (tonnes) | Contained Tin/ Tungsten Metal (tonnes) |
|---|---|---|---|---|---|---|---|---|---|
| 0.20% | Measured | 8.1Mt | 0.6% | 0.2% | 0.1% | 17% | 0.1% | 18,000 | 29,000 |
| | Indicated | 17Mt | 0.4% | 0.2% | 0.1% | 15% | 0.1% | 32,000 | 43,000 |
| | Inferred | 20Mt | 0.4% | 0.2% | 0.1% | 17% | 0.1% | 32,000 | 41,000 |
| | **TOTAL** | **45Mt** | **0.4%** | 0.2% | 0.1% | 17% | 0.1% | **81,000** | **113,000** |
| 0.45% | Measured | 4.3Mt | 0.8% | 0.3% | 0.2% | 18% | 0.1% | 12,000 | 22,000 |
| | Indicated | 5.2Mt | 0.7% | 0.3% | 0.2% | 15% | 0.1% | 14,000 | 22,000 |
| | Inferred | 3.9Mt | 0.6% | 0.3% | 0.1% | 9% | 0.1% | 12,000 | 17,000 |
| | **TOTAL** | **13Mt** | **0.7%** | 0.3% | 0.2% | 14% | 0.1% | **38,000** | **61,000** |

Note: Reporting to two significant figures. Figures have been rounded and hence may not add up exactly to the given totals. Full details of the estimate are in the ASX announcement for the Quarterly Report on 17 October 2012.

**Notes:**

- The Sn equivalent formula used to calculate the Sn equivalent values for the Main and No.2 Skarns is as follows: Sn Equivalent (%) = Sn% + ($WO_3$% x 1.90459) + (mass recovery % of magnetic Fe x 0.006510) + (Cu% x 0.28019). Whereas for the Sn equivalent formula used to calculate the Sn equivalent values for the Stanley River South and Reward Skarns is as follows: Sn Equivalent (%) = Sn% + ($WO_3$% x 1.65217) + (Cu% x 0.34783).
- The mass recovery of the magnetic iron is determined mostly by Davis Tube Results ("DTR").
- The Sn equivalent formulae uses a tin metal price of US$23,000/t, an APT (Ammonium Para Tungstate) price of US$380/mtu (1mtu =10kgs of $WO_3$), a magnetite concentrate price of US$110/t and a copper metal price of US$8,000/t.
- Pilot scale metallurgical testwork has been completed on the Main and No.2 Skarns with results indicating the metallurgical recovery for tin is 72%, for $WO_3$ is 83%, for iron in the form of magnetite is 98% and for copper is 58%. The results of this testwork are stated in the ASX announcement of August 31 2012.
- It is the Company's opinion that the tin, $WO_3$ and copper as included in the metal equivalent calculations for the Stanley River South and Reward Skarns have a reasonable potential to be recovered for when the Mt Lindsay Project goes into production.

The resource base at Mt Lindsay is hosted within two magnetite rich skarns (Main Skarn and the No.2 Skarn) which extend over a total strike of 2.8kms and remain open at depth. Additional indicated and inferred resources have been defined at the Reward and Stanley River South Prospects, which extend over an additional 1.1km of strike.

In 2012 the resource base at Mt Lindsay was the subject of a Bankable Feasibility Study ("BFS") which entertained a 1.75 million tonne per annum operation, producing concentrates of tin, tungsten, copper and magnetite. The study delivered an $NPV_8$ of A$143m from a 9 year mine life with a capital cost estimate of A$198m. Full details of the reserve statement and BFS outputs and a list of assumptions are in the ASX announcement of 7 November 2012.

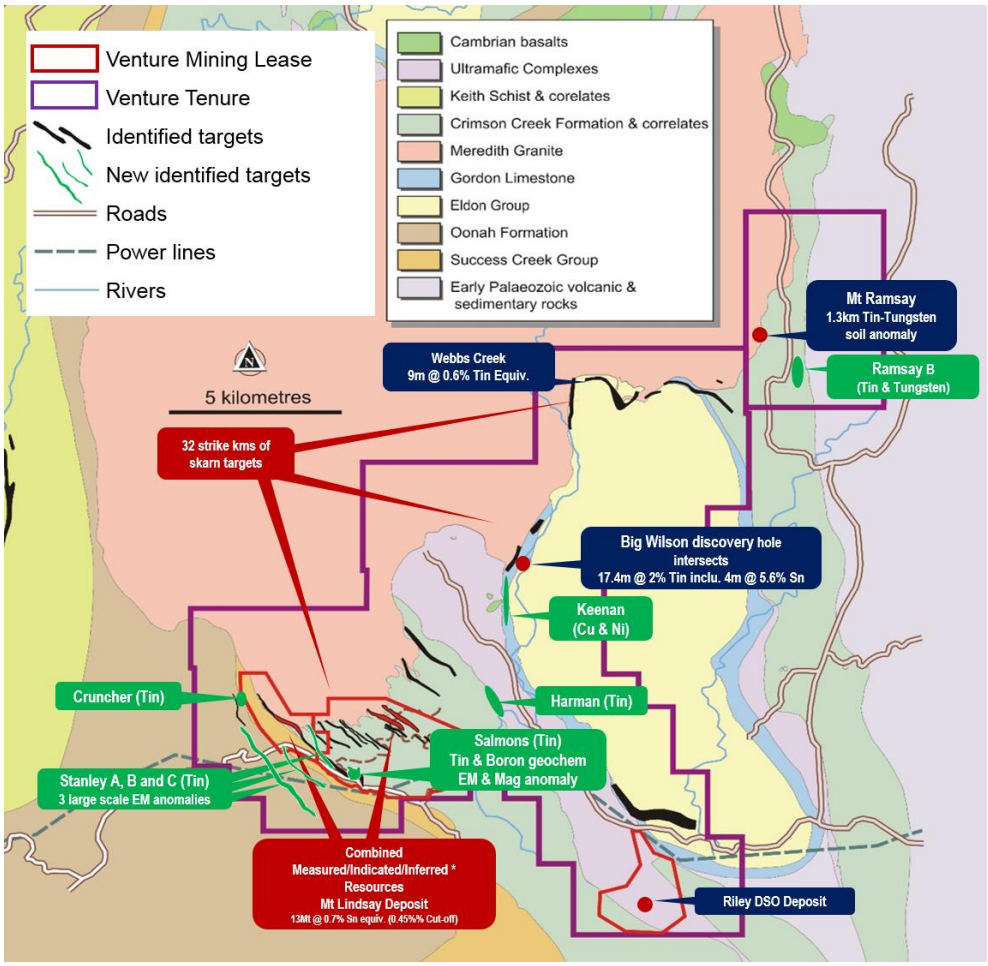
Recently, Venture has focussed efforts at Mt Lindsay on identifying additional high grade tin/tungsten targets in close proximity to the Mt Lindsay Deposit. The low cost exploration work is part of a broader strategy focussed on identifying high grade mineralization within trucking distance of the existing deposit that has the potential to further strengthen the economics of the Mt Lindsay Project.

## Activities during the December Quarter

In recent Quarters, Venture has successfully defined eight new targets considered prospective for high grade tin/tungsten mineralization as well as targets prospective for copper and nickel mineralization (Refer Figure Four). These targets are hosted within the broader skarn units identified throughout the Mt Lindsay area of which to date only 10% have been drill tested.

There were no field activities during the December Quarter.

**Figure Four | Mt Lindsay - recently identified exploration targets**



## Riley DSO Hematite Project, North West Tasmania

The 100% owned Riley DSO Project is located 10km from the Mt Lindsay Project (Refer Figure Three) and occurs as a hematite rich pisolitic and cemented laterite. The deposit is all at surface, located less than two kilometres from a sealed road that accesses existing rail and port facilities.

A maiden resource statement of 2mt @ 57% Fe was defined in 2012 which resulted in the Company doubling its overall DSO resource base, including the Livingstone Deposit, to 4.4mt @ 57% Fe.

**Table Three | Resource Statement - Riley DSO Project**

| Resource | Tonnes | Fe (%) | Fe (%) Calcined | $SiO_2$ (%) | $Al_2O_3$ (%) | P (%) | S (%) | Cr (%) | LOI (%) |
|---|---|---|---|---|---|---|---|---|---|
| Indicated | **2.0mt** | **57** | 61 | 3.7 | 2.6 | 0.03 | 0.08 | 2.8 | 7.7 |

*Refer to ASX announcement on 26 July 2012.

Following completion of the resource Venture engaged independent mining engineers, Rock Team to complete mining studies on the deposit and produce a reserve statement. With all the hematite resources at Riley located at or near surface, the study delivered a 90% conversion rate of resource to reserve.

**Table Four | Reserve Statement - Riley DSO Project**

| Reserve | Tonnes | Fe (%) | Fe (%) Calcined | $SiO_2$ (%) | $Al_2O_3$ (%) | P (%) | S (%) | Cr (%) | LOI (%) |
|---|---|---|---|---|---|---|---|---|---|
| Probable | **1.8mt** | **57** | 61 | 3.7 | 2.6 | 0.03 | 0.07 | 2.8 | 7.8 |

*Refer to ASX announcement on 26 July 2012.

### Activities during the December Quarter

Following last year's Federal Court dismissal of the appeal against the environmental approvals for the Riley DSO Project, the Company now has unencumbered approvals for any future development of the Riley iron ore mine. The Federal Court decision in both the original case and the recent appeal awarded costs in favour of Venture. The Company will continue to actively seek the recovery of all legal costs associated with both cases.

During the December Quarter the Riley DSO Project remained on hold due to the sharp fall in iron ore prices over the past 18 months. Although the Company made the decision to suspend operations in August 2014, Venture had already completed extensive pre-production work at the Riley Project putting in place all the necessary requirements to commence mining. This work has placed Venture in a strong position should the iron ore price improve and afford the Company the opportunity to commence production with relatively short notice.

## Livingstone DSO Hematite Project, North West Tasmania

Located only 3.5km from the Company's flagship Mt Lindsay Tin-Tungsten Deposit is the 100% owned Livingstone DSO Hematite Deposit (Refer Figure Three). Livingstone consists of an outcropping hematite cap overlaying a magnetite rich skarn. The hematite occurs from surface, is consistent in grade and located only 2km from a sealed road which accesses existing rail and port facilities.

A maiden resource statement of 2.2mt @ 58% Fe was defined at Livingstone in 2011, which was followed by a positive and robust scoping study. Additional work later in 2011 included blending and sizing testwork and preliminary mining studies, all of which delivered positive results.

During the second half of 2012 the Company completed a resource upgrade, which resulted in 100% of the inferred resources being converted to the indicated category.

**Table Five | Resource Statement Livingstone DSO Project**

| Resource | Tonnes | Fe (%) | Fe (%) Calcined | $SiO_2$ (%) | $Al_2O_3$ (%) | P (%) | S (%) | LOI (%) |
|---|---|---|---|---|---|---|---|---|
| Indicated | **2.4mt** | **57** | 61 | 5.4 | 1.9 | 0.07 | 0.05 | 7.0 |

*Refer to ASX announcement on 26 July 2012.

Immediately following the resource upgrade Venture engaged independent mining engineers, Rock Team to complete mining studies on the deposit and produce a reserve statement. With the hematite resources at Livingstone consistent in nature and outcropping at surface the study delivered a 90% conversion rate of resource to reserve.

**Table Six | Reserve Statement - Livingstone DSO Project**

| Reserve | Tonnes | Fe (%) | Fe (%) Calcined | $SiO_2$ (%) | $Al_2O_3$ (%) | P (%) | S (%) | LOI (%) |
|---|---|---|---|---|---|---|---|---|
| Probable | **2.2mt** | **57** | 62 | 5.3 | 1.9 | 0.08 | 0.03 | 7.1 |

*Refer to ASX announcement on 26 July 2012.

## Activities during the December Quarter

There was no field activity during the Quarter.

Detailed information on all aspects of Venture Minerals' projects can be found on the Company's website www.ventureminerals.com.au.

Yours faithfully

Hamish Halliday
Managing Director

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Andrew Radonjic, a full time employee of the company and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Radonjic has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew Radonjic consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Mr Andrew Radonjic, a full time employee of the company and who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Andrew Radonjic has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew Radonjic consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Denis Grubic, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Grubic is an independent consultant employed by Rock Team Pty Ltd. Mr Grubic qualifies as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Grubic consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. . It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

# Appendix One| Tenements

## Mining tenements held at the end of December 2015 Quarter

| Project | Location | Tenement | Interest at December 2015 |
|---|---|---|---|
| Mount Lindsay | Tasmania | 3M/2012 | 100% |
| | Tasmania | 5M/2012 | 100% |
| | Tasmania | 7M/2012 | 100% |
| | Tasmania | EL21/2005 | 100% |
| | Tasmania | EL45/2010 | 100% |
| | Tasmania | EL72/2007 | 100% |
| Thali | Thailand | 70/2558 | 100% |
| | Thailand | 71/2558 | 100% |
| Pak Yang | Thailand | 69/2558 | 100% |

## Mining tenements acquired and disposed during the December 2015 Quarter

| Project | Location | Tenement | Interest at beginning of Quarter | Interest at end of Quarter |
|---|---|---|---|---|
| **Mining tenements relinquished** | | | | |
| Nil | | | | |
| **Mining tenements acquired** | | | | |
| Nil | | | | |

## Beneficial percentage interests in joint venture agreements at the end of the Quarter

| Project | Location | Tenement | Interest at December 2015 |
|---|---|---|---|
| Nil | | | |

## Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the Quarter

| Project | Location | Tenement | Interest at beginning of Quarter | Interest at end of Quarter |
|---|---|---|---|---|
| **Mining tenements relinquished** | | | | |
| Nil | | | | |