Targeting the right commodities

Metals & Mining

Venture Minerals (ASX: VMS) is an Australian mining company focused on the development of the Mount Lindsay Tin-Tungsten Project in northwest Tasmania, one of the largest Tin-Tungsten deposits in the world. With tin demand rising on the back of the EV revolution and Tungsten prices soaring as the metal's use in defence applications has put tungsten in many countries' critical minerals list, we see substantial value in the Mt Lindsay Project as Venture ramps up its development efforts.

Running multiple projects with high prospects

Besides the Mt Lindsay Tin-Tungsten project, Venture is running multiple other projects in north-west Tasmania and south-west Western Australia. The company has the Riley Iron Ore Mine in Tasmania ready for a quick restart should the market conditions improve. In WA, Venture is exploring for copper, nickel and PGE resources through a JV with Chalice Mining in Venture's "Julimar lookalike" South West Project. At the company's Golden Grove North Project, prospective for zinc, copper and gold, Venture has a JV with SensOre, whilst retaining the rights to REEs having found very high grade REE rock chip samples in the area. Venture also has a significant nickel-copper-PGE landholding at its Kulin project in WA.

Targeting the right commodities at the right time

Venture has obtained exposure to various commodities that are the full beneficiaries of the ongoing decarbonisation megatrend. Tin's demand to make solder is rising as the EV revolution has increased the number of electrical components manufactured and therefore the solder required to create those components. Demand for REEs is soaring by the elements' usage in the creation of permanent magnets used in wind turbines and electrical engines. Demand for nickel is increasing due to its use in the creation of Lithium-ion batteries, demand for copper and iron ore is rising by the electrification megatrend and the infrastructure required to make the energy transition possible. And demand for tungsten is soaring due to its application in military equipment and the increased international defence spending due to the rising geopolitical tensions.

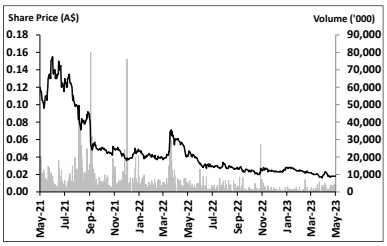
Valuation range of A$0.036–0.041 per share

We value VMS at A$0.036 per share in a base-case scenario and A$0.041 per share in a bull-case scenario using an asset-based comparable valuation methodology and based on the number of shares on issue after assuming a full uptake of the ongoing share purchase plan to raise A$3m at A$0.018. Our target price range represents a Price/NAV of 0.44x, which we believe indicates substantial upside potential as our valuation range does not include the value of some of Venture's non-core assets. The key risks to our investment thesis include commodity price risk, funding risk and project delay risk.

Venture Minerals Valuation	Base Case	Bull Case
Sector Average (EV/Total resource in A$/t SnEq)	223.2	300.0
Mt Lindsay Tin-Tungsten Project Value (A$ m)	24.75	33.26
Sector Average (EV/Total resource in A$/t FeEq)	8.33	8.33
Riley Iron Ore Mine and Livingstone DSO Deposit Value (A$ m)	36.63	36.63
Implied Enterprise Value (A$ m)	61.38	69.90

Date	18 May 2023
Current Price (A$)	0.017
Target Price (A$)	0.036-0.041
Price / NAV (x)	0.44x
Market Cap (A$m)	30.0
52-week H/L (A$)	0.016 / 0.049
Free Float (%)	83.5%
Bloomberg	VMS.AU
Reuters	VMS.AX

Price Performance (in A$)



Business description

Venture Minerals Limited (ASX: VMS) engages in the mineral exploration and development businesses in Australia. The company explores for tin, tungsten, nickel, iron, cobalt, copper, gold, lead, zinc and PGE deposits. Its flagship project is the 100% owned Mount Lindsay project that covers an area of 159km² located in north-western Tasmania. Venture Minerals Limited was incorporated in 2006 and is based in West Perth, Australia.

Analyst

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Investment Rationale

Listed on the ASX, Venture Minerals (ASX: VMS) has refocused its approach to developing the Mount Lindsay Tin-Tungsten Project in northwest Tasmania, one of the world's largest undeveloped Tin-Tungsten deposits. The Mt Lindsay project was the focus of Venture until 2013 when declining commodity prices sent the company focusing on its other assets, developing the Riley Iron Ore Mine in particular. But now with the recognition of tin as a fundamental metal to the EV revolution and Tungsten being a critical mineral, Venture has commenced an underground Feasibility Study on Mount Lindsay that will leverage off the previously open-pit feasibility work, completed in 2012.

Mount Lindsay Project offers multitude of strategic advantages

Mount Lindsay Project has excellent access to existing infrastructure, including hydropower, wind power, water, sealed roads, rail tracks and port facilities. Mt Lindsay is located in the heart of the northwest mining district with no restrictions on mining activity, other than standard environmental and planning approval processes required for any development in Tasmania.

Mount Lindsay Project is located in a tier 1 mining jurisdiction with excellent infrastructure in place and owns one of the largest Tin-Tungsten deposits in the world.

As part of the final stages of the Mt Lindsay Bankable Feasibility Study (BFS), announced in November 2012, the company completed a resource upgrade that saw 73% of the resource in the Measured and Indicated category, with Measured and Indicated Resources of 9.5Mt at 0.8% Tin equivalent and an Inferred Resources of 3.9Mt at 0.6% Tin equivalent, giving to a total resource estimate of 13Mt at 0.7% Tin equivalent, making it one of the world's largest undeveloped Tin-Tungsten deposits. Mount Lindsay Underground study work has identified the potential for additional, large-scale quantities of tin and boron throughout the greater Mount Lindsay skarn system. The tin-boron zones are in the form of borate minerals and have not previously been assessed in any mining studies at Mount Lindsay. Venture believes the inclusion of tin-rich borates into the current underground feasibility studies could deliver a major economic benefit to the study, through the recovery of boron and additional tin and iron.

A new nickel target has also been defined at the Mt Lindsay project. Venture's new nickel target sits within the same ultramafic belt that hosts the Avebury Nickel Deposit (264kt contained nickel in resources) only 25 kilometres to the southwest. The addition of nickel to the project's targeted commodities of tin and tungsten with soaring demand only adds to the attractiveness of Mt Lindsay, in our view. In addition, the pilot scale metallurgical study completed in 2012 as part of a Bankable Feasibility Study (BFS) for the Mt Lindsay project showed robust results, increasing our confidence in the likely success of the currently ongoing metallurgical work as part of the project's current underground feasibility studies.

Running multiple other projects with high prospects

Venture has obtained exposure to various commodities that are the full beneficiaries of the ongoing decarbonization megatrend.

In addition to the Mount Lindsay Tin-Tungsten Project, Venture targets a range of commodities across its other assets in Tasmania and Western Australia. Venture has increased its exposure to the REE (Rare Earth Element) space with a focus on the clay hosted REE mineralisation type by acquiring and identifying new priority REE targets. The company has recently announced very high grade REE results from rock chip samples at its Vulcan prospect within the Golden Grove North project ranging up to 12.5% TREO, which is now part of a farm-in agreement with SensOre to drill-test the High Grade REE drill target at Vulcan as part of the earn-in to the non-REE mineral rights.

Venture is also exploring for nickel, copper and PGE at its South West Ni-Cu-PGE JV project with Chalice Mining (ASX: CHN). The project is located about 240km south of Perth and hosts meta-Volcanic Massive sulphide (VMS)-style targets similar to that of Chalice's Julimar Ni-Cu-PGE target, one of the largest nickel sulphide discoveries worldwide since 2000, and the largest PGE discovery in Australian history. Venture also has a significant Nickel-Copper-PGE landholding at Kulin, located ~230km south-southeast of Perth, with two highly prospective 20km long Ni-Cu-PGE targets within the Kulin Project. Venture also explores for zinc, copper and gold at its Golden Grove North Project, located ~370km north-northeast of Perth.

In addition, Venture owns the Riley Iron Ore mine, located 10km from the Mount Lindsay Deposit in northwest Tasmania. A maiden shipment of iron ore from the project at an average grade of 57.3% Fe departed the port of Burnie in 2021, but due to the declining market conditions, Venture temporarily suspended mining in September 2021. Venture has reported the mine is prepared for a quick restart should the market conditions become favourable.

Targeting commodities with soaring demand

The ongoing energy transition will increase the production of electronic components, which require tin to make the solder used to create them. For example, electric vehicles increasingly contain greater amounts of electronics in their body, and tin solder is a major part of photovoltaic cells, that are the main components that make up a solar panel.

The market for tungsten has become extremely tight due to its application in military equipment and the increased global defence spending in light of the elevated geopolitical tensions.

The elevated geopolitical tensions and the Russia-Ukraine war has also increased international defence spending, substantially increasing demand for tungsten for use in the manufacturing of military equipment due to its high hardness and excellent tensile strength. The dominance of China in the tungsten market and the metal's economic and strategic importance and lack of substitution has led many countries, including Australia, to include tungsten in their "critical minerals" list. Although most metals prices have shown a significant decline in 2023 compared to the highs of 2022, current tungsten prices are reported at significantly higher levels, indicating the remaining firm market for tungsten. Venture's Mount Lindsay Project is a globally significant tungsten resource containing 3.2 million MTU (Metric Tonne Unit) of WO_3, well-positioning Venture to be a full beneficiary of the tightening market for tungsten.

Venture is also targeting iron ore, REEs and green energy metals of nickel and copper at its various exploration projects in Tasmania and Western Australia, all of which are experiencing soaring demand by the ongoing fifth commodity Supercycle that started in 2021, which is expected to last for the next 15 to 20 years and is driven by the renewable energy transition and electrification mega-trend. Population growth, rising living standards and infrastructure required for decarbonisation are all expected to drive demand for steel and non-ferrous metals for decades to come.

Venture offers a high potential investment opportunity in the tin-Tungsten space

Volatility in commodity prices, funding requirements are the key risks to our investment thesis.

We value VMS at A$0.036 per share in a base-case scenario and A$0.041 per share in a bull-case scenario using an asset-based comparable valuation methodology. Our target price range indicates substantial upside potential to the current share price of A$0.017 per share. Given the extremely tight market for tungsten and the consistently increasing demand for tin and the attractiveness of the Mount Lindsay Tin-Tungsten Project, we believe that VMS is currently undervalued. In addition, our very bullish demand outlook for REEs, nickel and copper add significant attractiveness to investment in VMS due to its multiple exploration projects with high prospects, in our view.

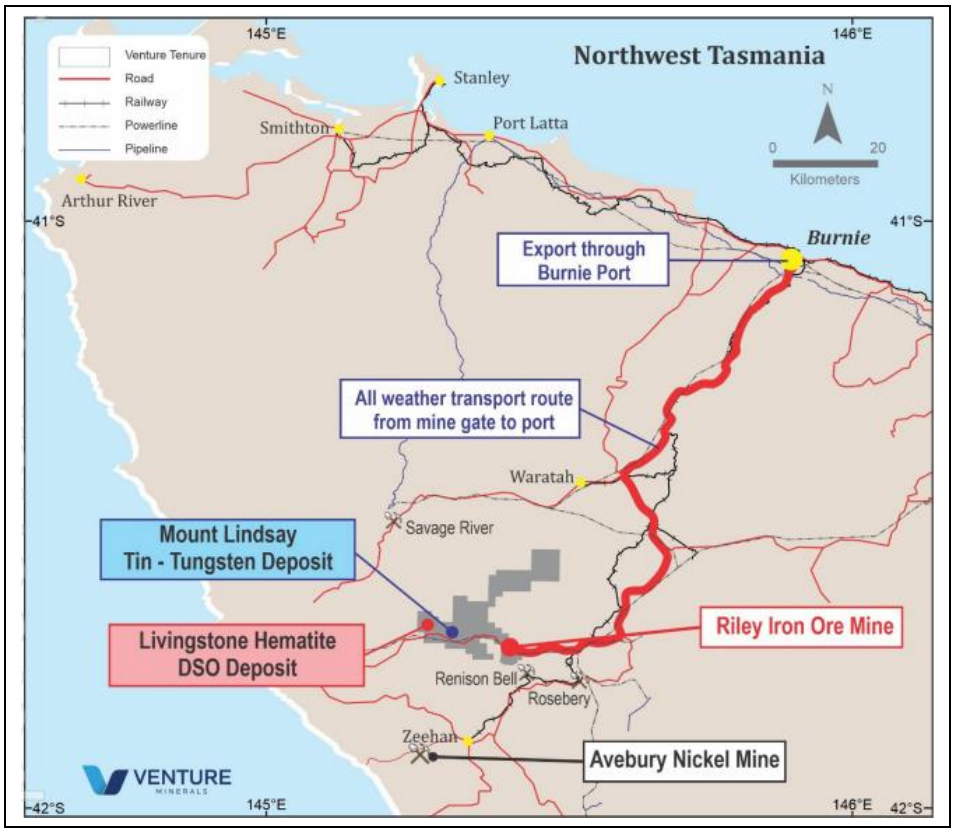
The key risks to our investment thesis include volatility in commodity prices due to the current uncertain economic conditions and funding risks as VMS does not generate cash flows currently and is reliant on capital raisings to fund its operations.

We believe VMS's share price can potentially re-rate towards our target price in the next twelve months as the company meets certain milestones, including completing an underground Prefeasibility Study (PFS) for the Mount Lindsay project, receiving environmental approvals and a successful metallurgical result from the test work to recover boron from the same tin-borate resources at Mt Lindsay and enhance the recovery of tin.

Mount Lindsay — Venture's flagship Project

The Mount Lindsay Project is located in north-western Tasmania. The project covers 159 square kilometres and sits between the world class Renison Bell Tin Mine and the Savage River Magnetite Mine. Metals X Ltd and Yunnan Tin Group produced over 230kt of tin metal from the Renison Bell Tin Mine since 1968, indicating the high prosperity of the region for tin resources. The Savage River Magnegtite Mine has also been in operation for more than 50 years and is currently producing 2.5 Mtpa of iron pellets. Historical tin mining at the Mt Lindsay project was done with images showing underground minging operations in 1914.

Figure 1: Location Map for Mount Lindsay Tin-Tungsten Deposit



Source: Company

With the extremely tight market for tungsten and increasing demand for tin, Venture has refocused on the development of the Mt Lindsay Tin-Tungsten Project.

Venture owns 100% of the tenure that hosts both the Mount Lindsay Tin-Tungsten Deposit and all the surrounding prospects. Since 2007, Venture has completed circa 100 kilometres of diamond core drilling at Mount Lindsay and has defined JORC compliant Measured, Indicated and Inferred Resources. Mount Lindsay is one of the largest undeveloped tin projects in the world, containing in excess of 80,000 tonnes of tin metal[1] (based on a lower tin equivalent grade cut of 0.20%), and within the same mineralised body of a globally significant tungsten resource containing 3.2 million MTU of WO_3 (tungsten trioxide). The Mt Lindsay project was the focus of Venture until 2013 when declining commodity prices sent the company focusing on its other assets, developing the Riley Iron Ore Mine in particular. But now with the recognition of tin as a fundamental metal to the EV revolution and Tungsten being a critical mineral, Venture has commenced an underground Feasibility Study on Mount Lindsay that will leverage off the previously open-pit feasibility work, completed in 2012.

[1] Refer to ASX announcement 17 October 2012.

Strategic benefits of the Mount Lindsay Project

Mount Lindsay project offers multitude advantages, i.e. mining friendly location, existing infrastructure and very-well developed resources, amongst others. These factors offer multitude advantages, making VMS a high potential play in the critical metals space.

I. Excellent access to existing infrastructure

Mount Lindsay Project has excellent access to existing infrastructure, including hydropower, wind power, water, sealed roads, rail tracks and port facilities (refer to figure 1). Mt Lindsay is located in the heart of the northwest mining district, in an area which formally recognises the value of mineral exploration and mining. This area is Crown Land with no restrictions on mining activity, other than standard environmental and planning approval processes required for any development in Tasmania. The Project has access to an all-weather transport route from mine gate to the export port of Burnie Port on the north shore of Tasmania.

Figure 2: Location Map for Mount Lindsay Project

Source: Company

II. High-quality mineral resource base with significant upside potential

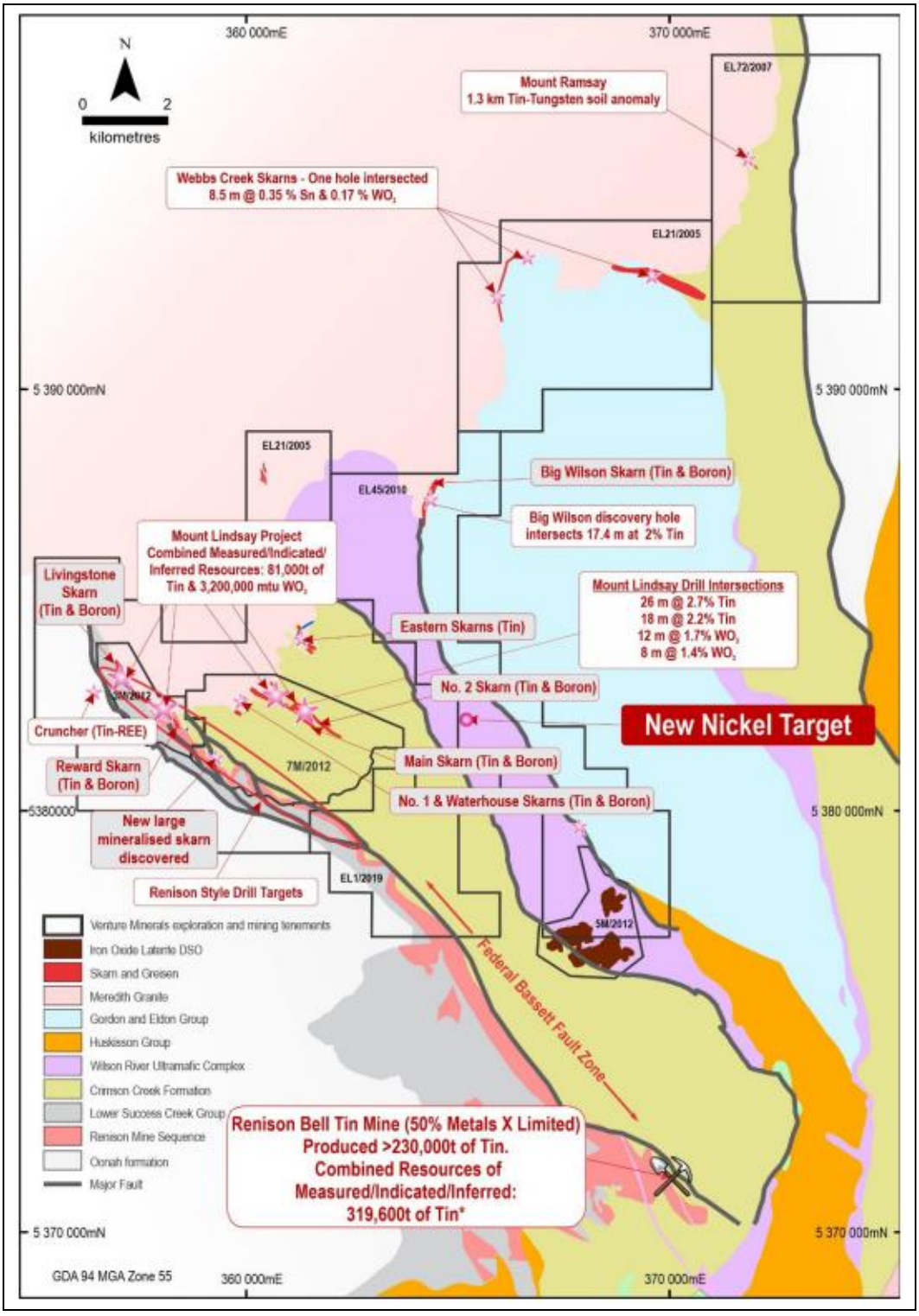
As part of the final stages of the Mt Lindsay BFS, announced in November 2012, the company completed a resource upgrade that saw 73% of the resource in the Measured and Indicated category. The latest reported mineral resource estimate of the Mt Lindsay Project showed a Measured and Indicated Resources of 9.5Mt at 0.8% Tin equivalent and an Inferred Resources of 3.9Mt at 0.6% Tin equivalent, giving to a total resource estimate of 13Mt at 0.7% Tin equivalent.

Figure 3: Mt Lindsay 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
0.45%	**TOTAL**	**45Mt**	**0.4%**	0.2%	0.1%	17%	0.1%	**81,000**	**113,000**
	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**

Source: Company

Figure 4: Geology Map showing High Grade Tin-Tungsten Targets and Tin-Boron Skarns



Source: Company

The resource base at Mount Lindsay is hosted within two magnetite rich skarns (Main Skarn and the No.2 Skarn in figure 4) which extend over a total strike of 2.8km 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.

Mount Lindsay Underground study work has identified the potential for additional, large-scale quantities of tin and boron throughout the greater Mount Lindsay skarn system

(refer to figure 4). The tin-boron zones are in the form of borate minerals and have not previously been assessed in any mining studies at Mount Lindsay. The borate minerals containing a large amount of Boron, a critical mineral in the solar panel industry, not only occur in the current Mt Lindsay resources (refer to figure 4), but also occur extensively throughout the numerous skarns surrounding the Company's current tin-tungsten deposits which are closely analogous to well-known large skarn deposits in Russia and China, that contain the same borates.

III. Potential to extract boron as a by-product

Venture is testing the potential metallurgical recovery of boron from the same mineral resource at the Mt Lindsay project.

The outcomes to date on the bulk metallurgical test work to investigate cost effective magnetic and gravity focused processing flowsheets have identified the potential to recover tin that sits within tin-iron borates that make up a significant portion of the Mt Lindsay mineral resource[2]. The previously completed Mt Lindsay open pit study[3] had a processing flowsheet that could only recover the tin that occurs in cassiterite therefore limiting the revenue generated by tin.

The next stage of the metallurgical test work will continue investigating the extraction of tin, boron and iron from tin-iron borates, potentially significantly increasing the tin recovery and producing a valuable boron by-product, resulting in another revenue stream to the Mt Lindsay project. These tin, boron and iron products are successfully recovered from large scale mines in China and Russia. **VMS believes the inclusion of tin-rich borates into the current underground feasibility studies could deliver a major economic benefit to the study, through the recovery of boron and additional tin and iron.** Venture has already engaged CSIRO to commence metallurgical recovery work on the tin-rich borates.

IV. A new nickel target has also been defined at the Mt Lindsay project

During the March 2023 quarter, VMS commenced drill testing of a new nickel target defined by a three kilometre long electromagnetic (EM) conductor supported at the surface by nickel in soil anomalism and interpreted to be within the Wilson River Ultramafic (Refer to figures 4 and 5). VMS has 100% ownership of granted tenure encompassing 13 kilometres of this prospective ultramafic unit.

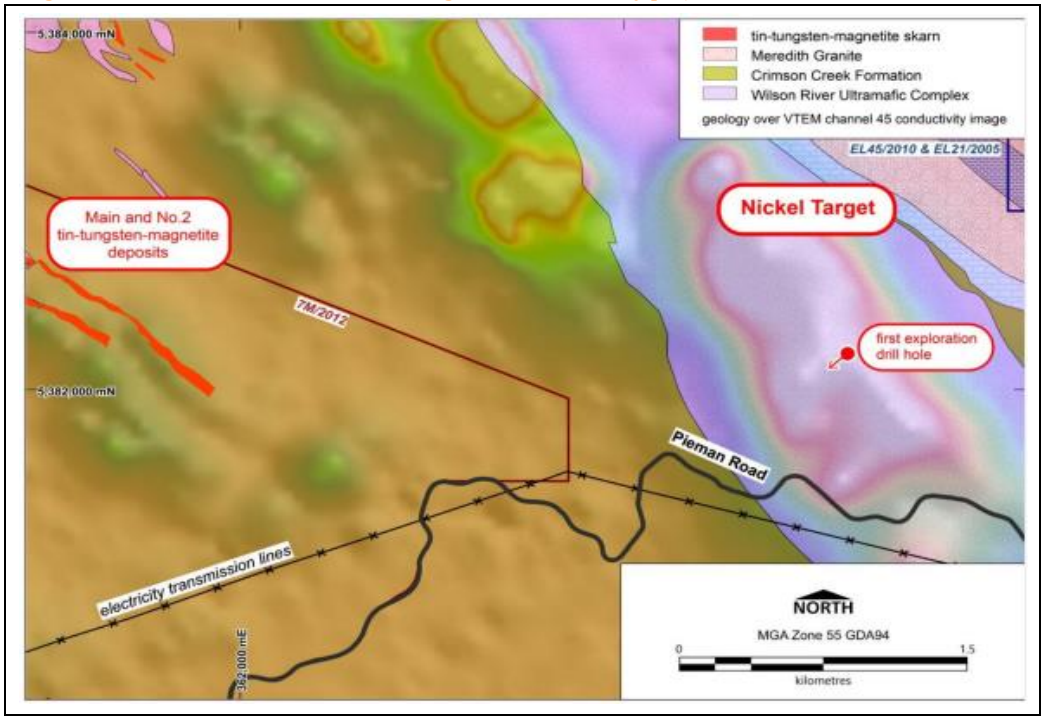
Venture's new nickel target sits within the same ultramafic belt that hosts the Avebury Nickel Deposit (264kt contained nickel in resources[4]) only 25 kilometres to the southwest. Mallee Resources (ASX: MYL) has recently reopened the Avebury underground nickel mine. Nickel is expected to see solid demand from green technologies for many years into the future, and we think its addition to the critical commodities targeted at the Mt Lindsay project adds to the attractiveness of this valuable asset.

[2] Refer to ASX announcement 17 October 2012.

[3] Refer to ASX announcement 7 November 2012.

[4] Refer to Mallee Resources announcement "Managing Director Presentation to AGM" on 28 November 2022 on their website.

Figure 5: The location of the new nickel target at the Mt Lindsay project



Source: Company

V. 2012 BFS's robust metallurgical results increases confidence in the project

The BFS completed in 2012 confirmed excellent metallurgical recoveries of tin, tungsten and magnetite at Mt Lindsay.

Venture completed a BFS for the Mt Lindsay project in November 2012, As part of the BFS, Venture undertook a Mine design and completed a successful pilot scale metallurgical program. The pilot scale metallurgy confirmed excellent recoveries at Mt Lindsay[5]. A high recovery of tin was achieved via the gravity circuit with overall recoveries of 72%. An excellent recovery of scheelite (tungsten ore) was also achieved via flotation with overall tungsten recoveries of 83% to APT (Ammonia Paratungstate). The pilot scale test work produced a high grade tungsten concentrate exceeding 66% WO_3. The test work also confirmed very high magnetite recoveries of 98%. These strong pilot scale metallurgical results achieved previously through the processing of Mt Lindsay ore increases our confidence in the company's ongoing metallurgical test work investigating the extraction of tin, boron and iron from tin-iron borates.

Figure 6: Recoveries achieved from different metallurgical test works at Mt Lindsay Project

Mt Lindsay Studies	Tin Recoveries	Tungsten* Recoveries	Magnetite Recoveries
BFS (Pilot Scale)**	**72%** (to con)	**83%** (to APT)	**98%** (to con)
PFS (March 2011)	**73%** (to con)	**84%** (to APT)	**95%** (to con)
Scoping Study (May 2010)	**71%** (to con)	**80%** (to con)	**100%** (to con)

Notes: Con=Concentrate, APT=Ammonium Paratungstate (intermediate saleable tungsten product)
* = Tungsten Trioxide (WO_3)
** = equal blend of Main Skarn and No.2 Skarn representative mill feed material.

Source: Company

[5] Refer to ASX announcement 31 August 2012.

Venture's other projects

In addition to the Mount Lindsay Tin-Tungsten Project, Venture targets a range of commodities across its other assets in Tasmania and Western Australia. Following is the explanation of Venture's other ongoing projects.

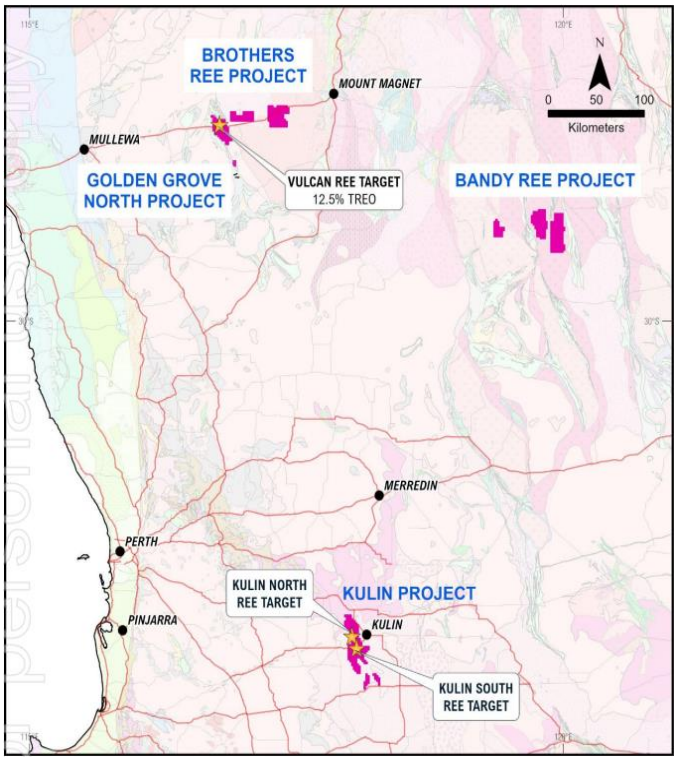
1- REE Projects in Western Australia

Rock chip samples with grades of up to 12.5% TREO were discovered at Venture's Vulcan Prospect in WA.

Venture has increased its exposure to the REE space with a focus on the clay hosted REE mineralisation type by acquiring and identifying new priority REE targets. Venture has recently acquired Brothers tenement package, covering an area of 511 square kilometres **adjacent to the company's Vulcan Prospect within the Golden Grove North project, host to recently announced very high grade REE results ranging up to 12.5% TREO[6], with several other values reported at over 1% TREO with 0.55% Pr_6O_{11} and 1.46% Nd_2O_3, elements critical to the production of permanent magnets.** The Brothers tenement contains surface laterite samples grading up to 0.19% combined REE and is located close to a historic drill hole that intersected 4 metres at 0.21% TREO within clays.

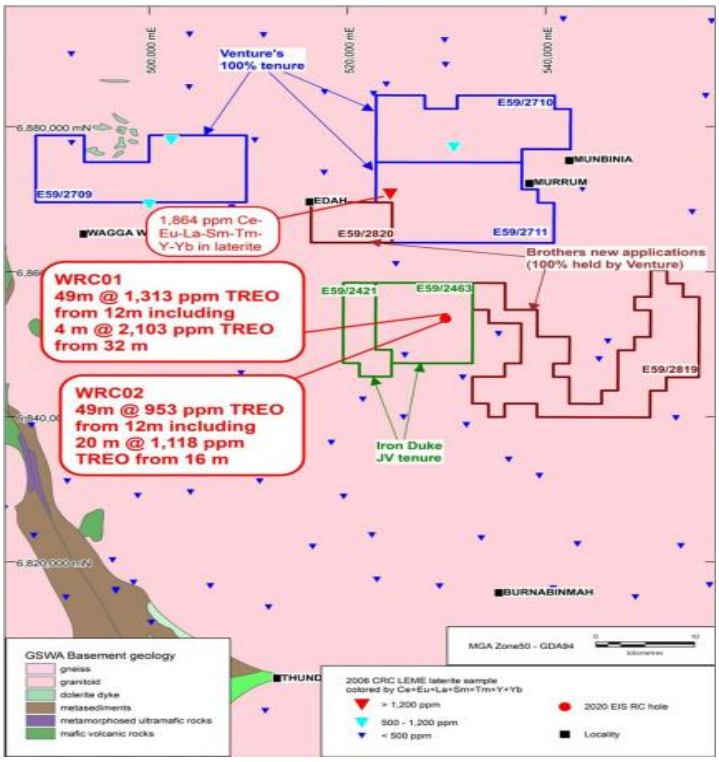
Venture has also acquired an 809km^2 tenement package, known as the "Bandy Project," which hosts combined REE laterite results up to 2,704 ppm (parts per million). And most recently, Venture signed a JV (Joint Venture) agreement to earn into a REE project known as the Iron Duke project, which hosts two shallow historic drill holes, both of which have broad and high-grade intersections of TREO. Iron Duke is located immediately south of the Brothers REE project and contains numerous high-priority REE targets for immediate drill testing, according to VMS. Figures 7 and 8 show Venture's REE tenements in WA and the reported drilling results at the Iron Duke REE project.

Figure 7: Location map of Venture's REE projects and targets in WA



Source: Company

Figure 8: Venture's Brothers and Iron Duke REE tenements in WA



Source: Company

[6] TREO represents the sum of 14 Rare Earth Elements excluding Promethium plus Yttrium expressed as oxides.

Farm-in agreement with SensOre to accelerate the value realisation of Venture's REE assets

In a latest development, Venture entered into a farm-in agreement on the Golden Grove North Project with SensOre (ASX: S3N). Under the terms of the agreement, SensOre is to spend up to $4.5m to earn a 70% interest, with Venture to retain the REE mineral rights and an option to claw back up to 10% of the project within the first two years. SensOre has committed to drill testing in the first 12 months a minimum of 300 metres on the Vulcan High Grade REE drill target following the recent results announced regarding the very high grade REE surface mineralisation at the Vulcan prospect within the Golden Grove North project. We think this is a significant development towards a faster value realisation of Venture's highly prosperous REE assets that comes at almost no costs to Venture's shareholders.

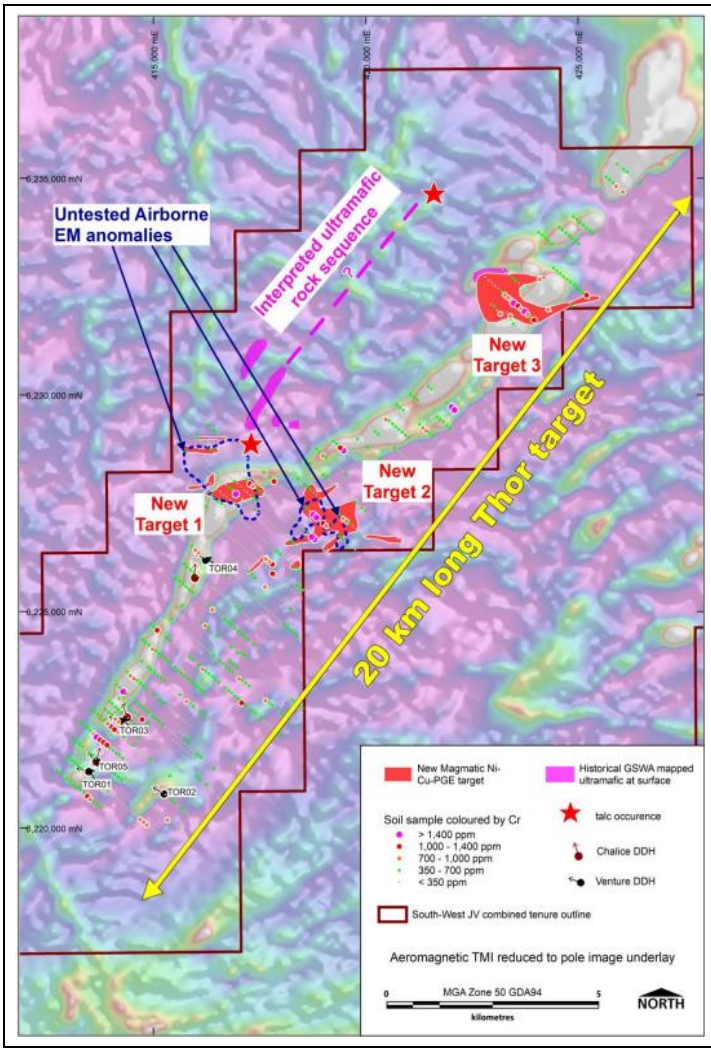
2- South West Ni-Cu-PGE, Western Australia, Chalice earn-in at 51%

The South West Project contains the Thor and Odin Prospects within its tenement package, covering an area of 256km^2 located about 240km south of Perth, hosted within the Balingup Gneiss Complex. A joint venture between Teck Cominco and BHP Billiton first identified this area as being prospective for base and precious metals hosted within the complex. The joint venture completed surface sampling and airborne EM surveys which culminated in the discovery of a base and precious metals deposit (Kingsley Prospect), which Teck identified as a meta-VMS system in high grade metamorphic rocks. Venture's nearby Thor prospect hosts a strong and coherent arsenic in laterite anomaly, with locally elevated levels of copper, zinc, tin, bismuth, tungsten and antimony, elements that are typically elevated in VMS systems.

Thor Prospect

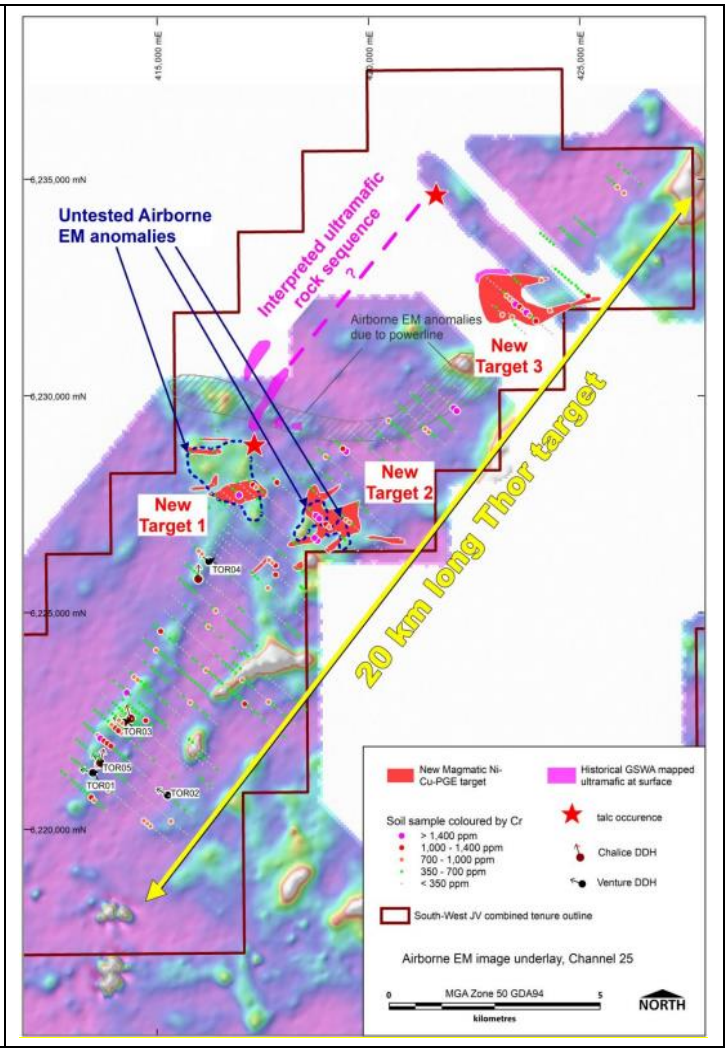
Following the discovery of the main Thor target, the company successfully pushed the total combined strike to over 10 km of EM and geochemical targets. Venture then acquired the northern extension, so that Thor encompassed some 24km strike of prospective geology which already hosts multiple VMS-style targets. The company then, through the initial drilling program, confirm the presence of VMS-style mineralisation and now has a 20km VMS target zone at Thor (refer to Figure 9). Then a new high-resolution airborne EM survey delivered priority VMS drill targets for testing within the original Thor area. The second phase of drilling at the Thor Prospect intersected further massive sulphides with Copper and Zinc mineralisation. Thor has seen only two single drill holes targeting two of the thirteen priority VMS drill targets delineated around the initial discovery area.

Figure 9: - Chalice's Auger Surface Geochemistry Phase One and Two results on aeromagnetics over the Thor Target



Source: Company

Figure 10: Chalice's Auger Surface Geochemistry Phase One and Two results on airborne EM over the Thor Target



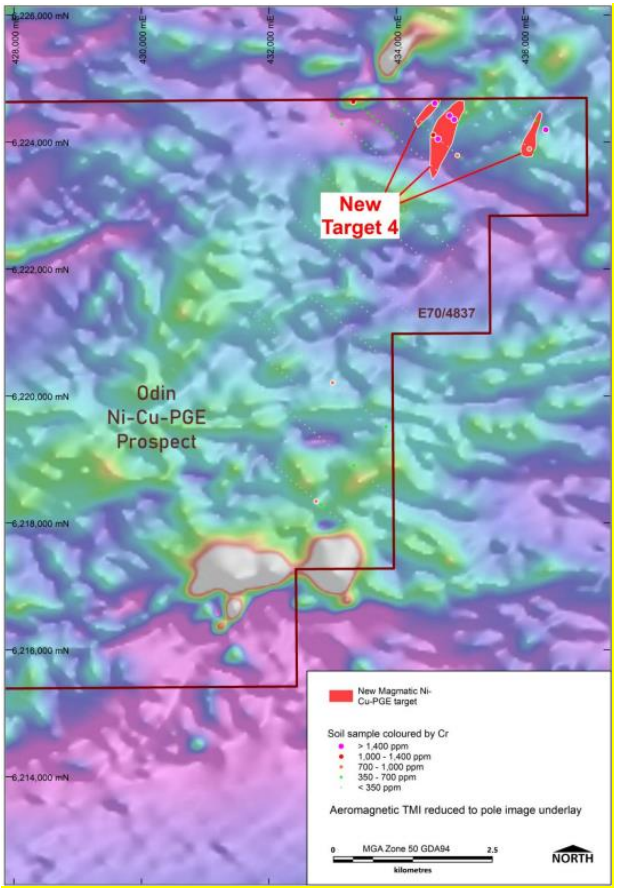
Source: Company

Odin Prospect

Odin initially was a newly discovered lithium target situated c.30km south of Greenbushes, the world's largest hard rock lithium mine (owned 51% by Tianqi Lithium and 49% Albemarle). Odin was discovered following a detailed geological mapping and surface geochemical program, which identified a potentially lithium bearing pegmatite system. Following two phases of surface exploration a lithium target was identified which extended over 1.9km of strike and was up to 150m wide. The geochemistry in the laterite is analogous to Greenbushes with significantly elevated levels of tin, tantalum and niobium.

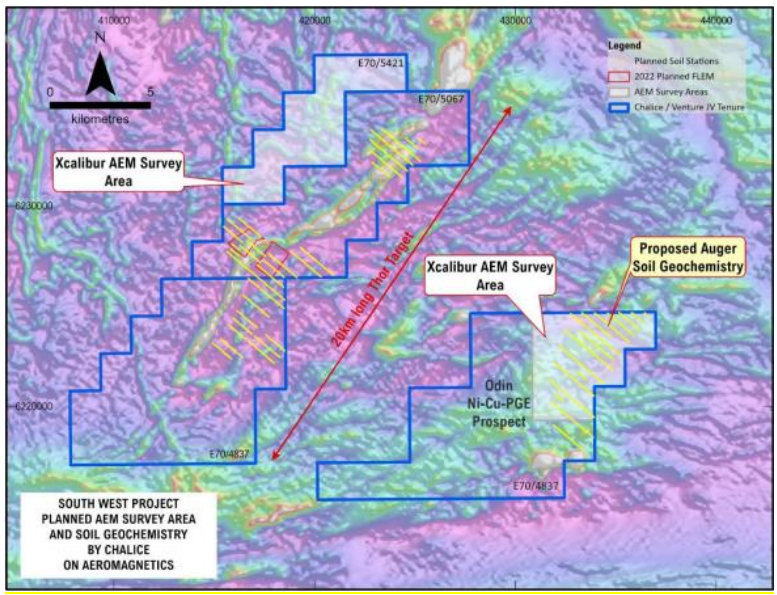
The first hole targeting potential lithium bearing pegmatites intersected disseminated nickel-copper sulphides within a mafic-ultramafic host unit, therefore giving the company a new nickel-copper target (figure 11). The nickel-copper target was identified by the first hole intersecting a continuous 21m zone of minor disseminated Nickel-Copper sulphides, hosted within a mafic-ultramafic gneiss. Venture's surface sampling showed significant nickel and copper geochemical anomalies within the mafic-ultramafic target units to the south-west and south-east of the first hole.

Figure 11: Chalice's Auger Surface Geochemistry Phase Two results on aeromagnetics over the Odin Ni-Cu-PGE Prospect



Source: Company

Figure 12: Chalice's planned AEM Survey Areas and Soil Geochemistry Program at Venture's South West Project over aeromagnetics



Source: Company

Chalice earn-in for Thor and Odin prospects

Venture's South West project includes a target similar to that of Chalice's Julimar Ni-Cu-PGE Project, one of the largest nickel sulphide discoveries worldwide.

In July 2020 Chalice executed an option and earn-in agreement on the South West Project owned by Venture, as the project included a "Julimar Lookalike" Ni-Cu-PGE target: a c.20km long interpreted mafic-ultramafic complex with a strong magnetic signature and massive sulphide occurrence, similar to that of the Thor target (figure 13). The Julimar Ni-Cu-PGE project is 100% owned by Chalice Mining (ASX: CHN) and is located c.70km northeast of Perth. The Julimar Project was staked in early 2018 as part of Chalice's global search for high-potential nickel sulphide exploration opportunities. Chalice discovered the Gonneville deposit in the very first drill hole at the project in March 2020, intersecting shallow high-grade PGE-nickel-copper-cobalt-gold sulphide mineralisation. Gonneville is located on private farmland at the southern end of the interpreted >30km long Julimar Complex. Chalice has defined a tier-1 scale mineral resource estimate for Gonneville, now one of the largest nickel sulphide discoveries worldwide since 2000, and the largest PGE discovery in Australian history[7] – demonstrating the potential for Julimar to become a strategic, long-life 'green metals' asset.

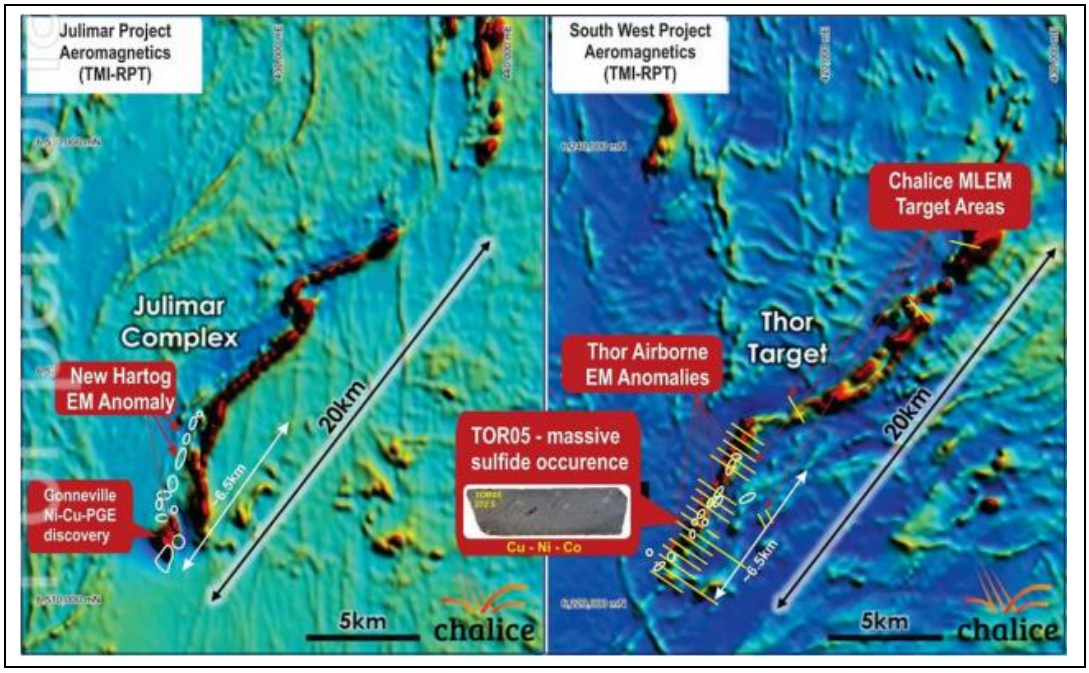
Under the terms of the earn-in agreement, Chalice, as operator, may earn up to 70% of the Thor and Odin prospects by spending $3.7m on exploration over 4 years. Chalice completed a ground EM program, Auger Soil Geochemistry program and Maiden Drilling program on the prospective 20km long Thor magnetic trend and met the expenditure requirements of $1.2m within two years of signing the agreement to earn a 51% interest. Chalice can earn a further 19% interest (for a total of 70%) through an additional $2.5m of expenditure by July 2024. Once the second stage of the

[7] https://chalicemining.com/projects/julimar-nickel-copper-pge-project/

earn-in is completed, Venture can then elect to either contribute 30% or dilute to a minimum of 10% JV interest, in which case the interest automatically reverts to a 1.25% NSR royalty[8].

After recently identifying four new Nickel-Copper-PGE targets (refer to Figures 9,10,11), Chalice committed to the second stage of the JV, which requires a further $2.5m of expenditure over the next two years to earn a further 19% interest (for a total of 70%) in Venture's South West Project.

Figure 13: Comparison of Chalice's Julimar and Venture's South West Project's magnetic signatures and EM anomalies at same scale



Source: Company

South West Nickel-Copper-PGE project highlights

Venture's South West project has certain properties that increase the prospects of the project for significant nickel, copper and PGE discoveries:

- Thor has a 20km long "Julimar lookalike" magnetic anomaly associated with chromium rich rocks indicative of mafic-ultramafic intrusions.
- An airborne EM survey in 2018 identified 13 targets in the southern 6.5km of the Thor magnetic anomaly, the northern half of the survey was heavily disrupted by electrical infrastructure.
- Maiden Drill Program at Thor intersected 2.4km of Massive Sulphide in TOR05 averaging 0.5% Cu, 0.05% Ni, 0.04% Co and anomalous Au & Pd (refer to figure 13).
- Maiden Drill Hole at Odin Intersecting Ni and Cu sulphides within a highly prospective mafic-ultramafic unit that extends over 10km of strike.

3- Kulin Ni-Cu-PGE-Au Project, Western Australia

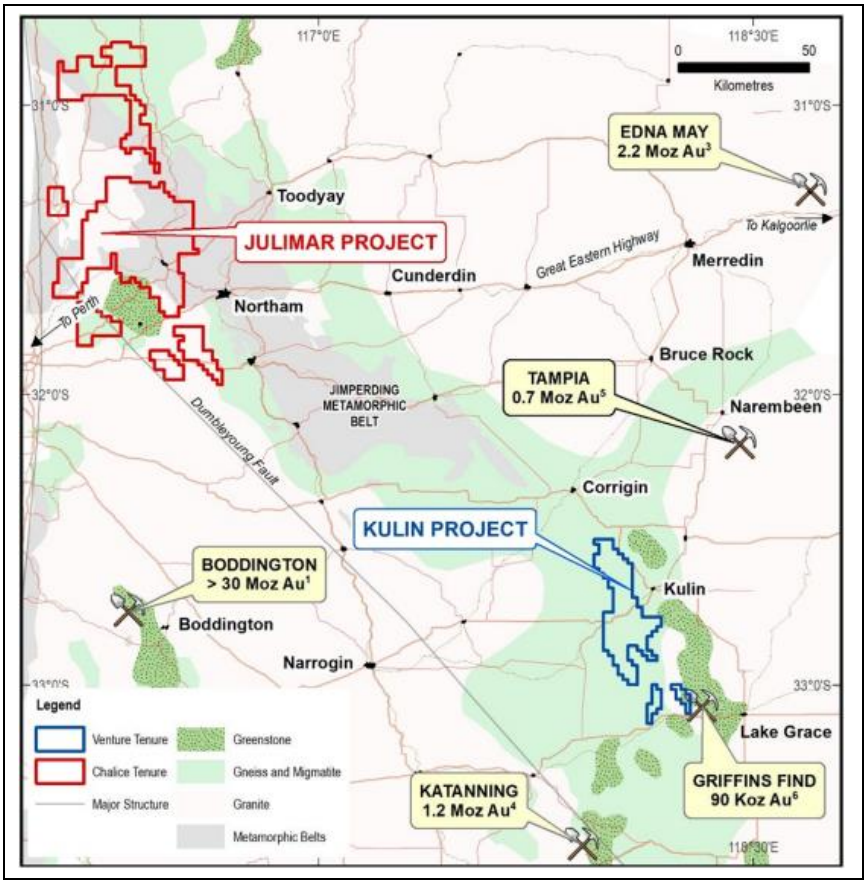
Venture has four granted exploration licenses covering 606km^2 located ~230km south-southeast of Perth in Western Australia. Venture is focusing on two highly prospective 20km long interpreted

[8] NSR royalties are based on net proceeds received by the operator from a smelter or refinery.

mafic-ultramafic intrusive complexes sitting along strike of the Jimperding Metamorphic belt which hosts Chalice's Julimar Ni-Cu-PGE discovery (Figure 14).

In addition to the Ni-Cu-PGE targets at Kulin, Venture has delivered a substantial gold intersection from the maiden drill program with mineralised intervals of up to 18 metres at 0.6g/t Au from 329m, including 9m at 1.2g/t Au from 338m and 3m at 3.4g/t Au from 341m. These results are important as these holes are the only deep dill holes within a 40km radius of the Kulin project within an emerging Western Australian gold province, already host to major gold deposits such as Boddington (>30Moz gold and one of Australia's largest gold producers), Edna May with 2.2Moz gold, Katanning with 1.2Moz of gold and Tampia with 0.7Moz of gold. Furthermore, Venture recently announced the discovery of new coincident conductivity anomalies in the Kulin project area which are considered high priority clay hosted REE targets, warranting follow up drill testing at the earliest opportunity, adding to Venture's exposure to the lucrative REE space.

Figure 14: Kulin Project location map on regional geology



Source: Company

4- Golden Grove North Zinc-Copper-Gold Project, Western Australia

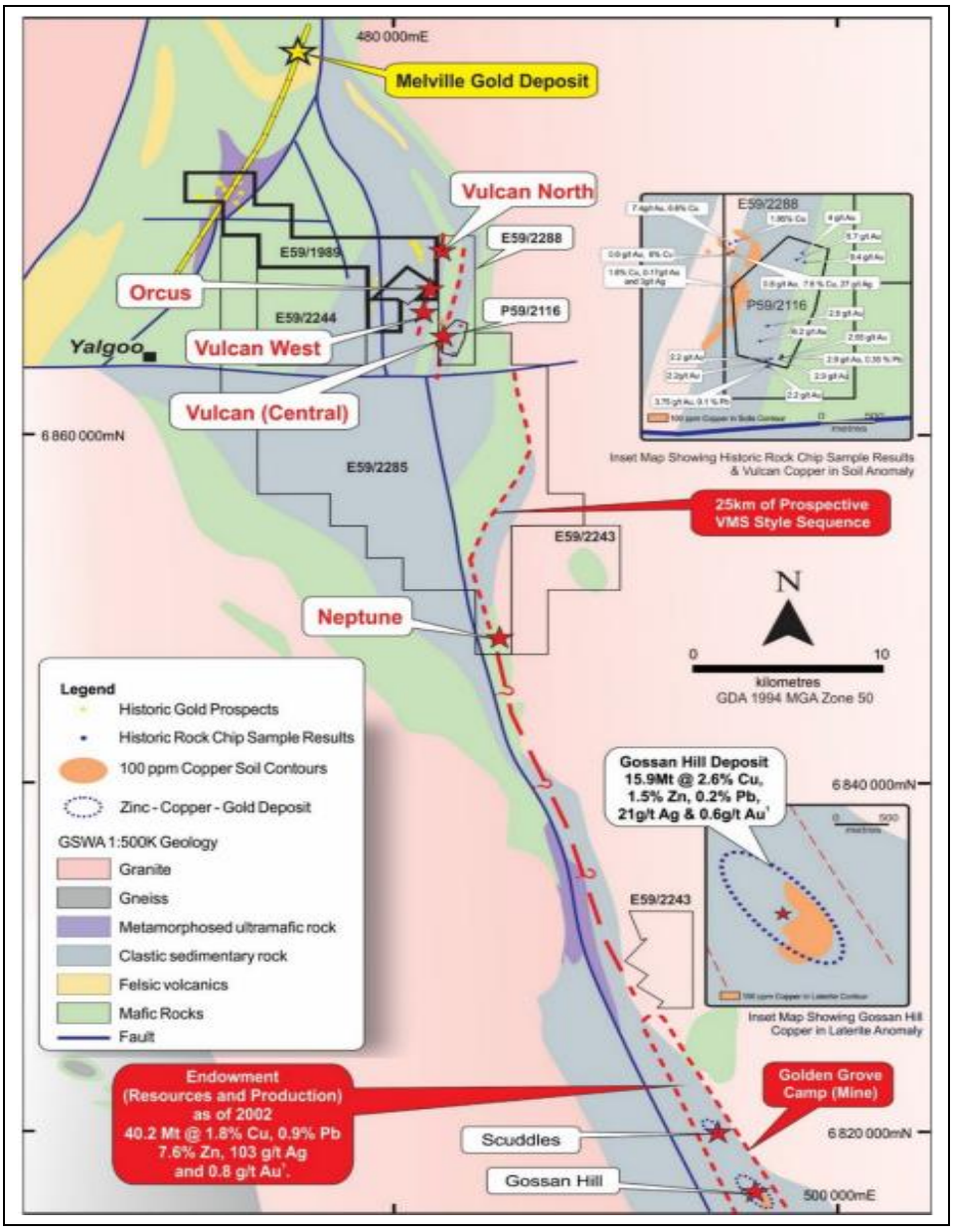
Venture's Golden Grove North project covers an area of 288km^2 and is located less than 10km north of the Golden Grove Camp (Mine) and ~370km north-northeast of Perth. In 2002, Golden Grove had an endowment (resources and production) of 40.2Mt at 1.8% copper, 0.9% lead, 7.6% zinc, 103g/t silver and 0.8g/t gold, and in early 2017, EMR Capital purchased the mine for $US210m.

The Golden Grove North project's location is prosperous for VMS deposits, but the project has not been the focus of VMS exploration for the last 25 years and it is the company's goal to use a systematic exploration approach, utilising the latest techniques to explore for VMS-style mineralisation.

There are already several compelling target areas throughout the project, including a number of historic shallow gold drill intersections including 10 metres at 1.4g/t gold from 16m, 8m at 2.1g/t gold from 6m, 6m at 2.3g/t gold from 6m, 3m at 3.6g/t gold from 95m, and several strong gold and copper surface rock chip sampling results, including 9.4g/t gold and 6.6% copper, 6.2g/t gold, 5.7g/t gold, 4g/t gold, 3.8 g/t gold and 0.1% lead, 7.6% copper and 27g/t silver, 8% copper and 2% copper, and an extensive land position of interpreted lithologies prospective for VMS style mineralisation for over 25km of strike that remain largely untested.

Following the recent discovery of the very high grade REE findings (12.5% TREO from rock chip samples) at the Vulcan Prospect within the Golden Grove North Project, Venture has planned for high priority follow-up drilling at the Vulcan REE target under the SensOre Farm-in Agreement.

Figure 15: Golden Grove North project's geological mapping



Source: Company

5- Riley Iron Ore Mine, northwest Tasmania

The Riley Iron Ore Mine is located 10km from the Mount Lindsay Deposit (refer to figure 1). With a reserve of 1.6 million tonnes at 57% Fe with low impurities, Riley is a relatively small deposit. The ore is a hematite rich pisolitic and cemented laterite. The ore deposit is located at surface, and therefore zero strip ratio, and is less than 2km from a sealed road providing access to the north to port facilities at Burnie. The total road distance to the Port of Burnie is 120 kilometres. The proposed length of the project is two years (800,000 tonnes per annum).

Riley Iron Ore Mine is prepared for a quick restart should the market conditions improve.

A maiden shipment of iron ore from the project at an average grade of 57.3% Fe departed the port of Burnie in 2021, but due to the declining market conditions, Venture temporarily suspended mining in September 2021 to preserve the resource base while completing a full review of operations at the Riley Iron Ore Mine to identify cost efficiency measures. 90% of original equipment purchased is still on hand, with infrastructure for the Riley Project consisting of: Surface mine, Crushing and wet screening plant, stockpile areas, road network access, lay down yard, workshops and offices.

Venture provided an update on 5 April 2023 for a potential restart opportunity which management are investigating during the quarter, including using dry screening, offtake discussions, storage solutions, road access agreements, working capital requirements, availability of trucks and shipping terms.

6- Livingstone DSO Hematite project, northwest Tasmania

Livingstone DSO (Direct Shipping Ore) Hematite Project is located only 3.5km from the Mount Lindsay Tin-Tungsten deposit (refer to figure 1). 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 port facilities.

A resource statement of 2.2mt at 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 test work and preliminary mining studies, all of which delivered positive results.

During the second half of 2012, the company completed a resource upgrade at Livingstone to report an Indicated Resource size of 2.4mt at 57% Fe at Livingstone. Venture, however, has reported no recent activities on the Livingstone project.

Environmental and sustainability applications to drive demand for tin

Tin is a silvery, malleable metal mainly used in the production of solder and to coat other metals to prevent corrosion. It is a widely used metal in the environmental and sustainability applications, particularly in photovoltaic installations, electric vehicles, and electronics. The biggest producers of tin are China, Malaysia, Indonesia, Peru, Thailand, Bolivia and Myanmar.

According to Wood Mackenzie, the energy transition is the biggest long-term demand driver of tin. Currently, more than half of the demand for tin comes from its use in solder to create electrical connections. The ongoing energy transition will increase the production of electronic components, which require tin to make the solder used to create them. For example, electric vehicles increasingly contain greater amounts of electronics in their body, and tin solder is a major part of photovoltaic cells, which are the main components that make up a solar panel.

The increasing demand for tin can also be attributed to the increasing adoption of tin-lead wire solder in the manufacturing of heat-sensitive components due to its excellent corrosion resistance. In addition, there's potential for tin to be added to silicon in the graphite used in the anodes of lithium-ion batteries to slow degradation. And finally, tin is also cited as offering strong potential

in combination with other metals for cathodes in both wet battery technologies and solid-state batteries.

Demand for tin solder is rising as more electronic components will be manufactured due to the EV revolution.

According to IMARC Group, the global tin market size reached 395.8 kilo tonnes in 2022. Looking forward, IMARC Group expects the market to reach 448.3 kilo tonnes by 2028, exhibiting a compounded annual growth rate (CAGR) of 1.9% during 2023 to 2028. Moves to eliminate the other major constituent of solder, namely lead, are likely to increase demand for tin even higher. There are already regulations in many jurisdictions around the world that limit the lead content in electronic goods to below certain levels. Wood Mackenzie believes a global alignment to the 2030 EU standard could add a further 20kt per year to tin demand by 2030.

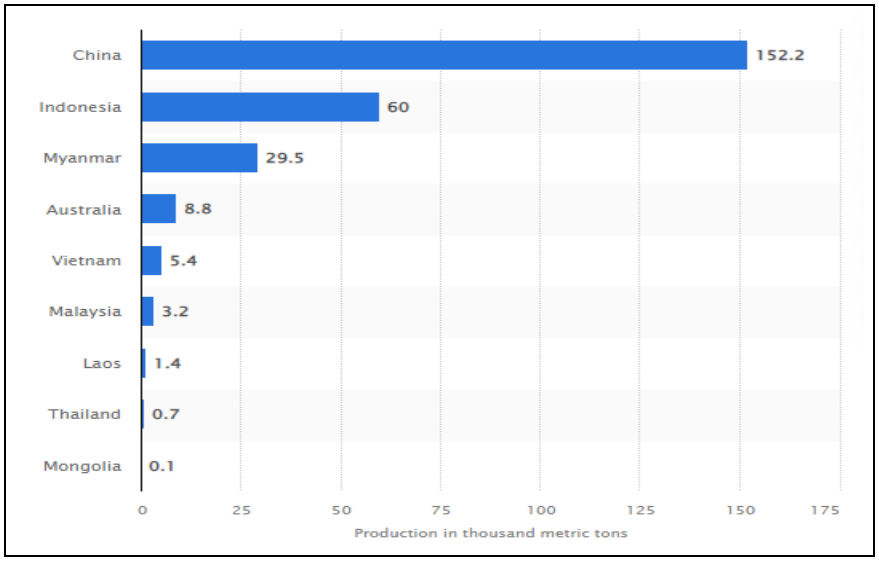
Figure 16: Tin prices are higher than 10-year average

Source: Trading Economics

ESG risks threat the supply of tin

While there's no shortage of tin supply, most of the tin supply comes from countries with high Environmental, Social and Governance (ESG) risk. As you can see in figure 17, most of the tin supply comes from three countries China, Indonesia and Myanmar all with high ESG risks while investors and consumers are becoming increasingly focused on ESG-compliant sourcing. As such, Venture, as an Australian emerging tin producer, can capitalise on the global demand for ESG compliant tin. The Mount Lindsay Tin-Tungsten project in northwest Tasmania comprises of a major landholding in a premier tin district and a globally recognised tier 1 ESG jurisdiction.

Figure 17: 2021 tin production by country



Source: Statistica

Tungsten: A critical mineral from the Mt Lindsay project with a soaring price

Tungsten, also known as wolfram, has broad applications in many industries due to its certain properties, including a high melting point, excellent tensile strength and being highly corrosion resistant. The melting point of tungsten is the highest of all metals, its density is high and close to that of gold, its hardness is also very high, and the hardness of tungsten carbide is close to that of a diamond. Furthermore, tungsten has good electrical conductivity and thermal conductivity, and is widely used in alloys, electronics and the chemical industry.

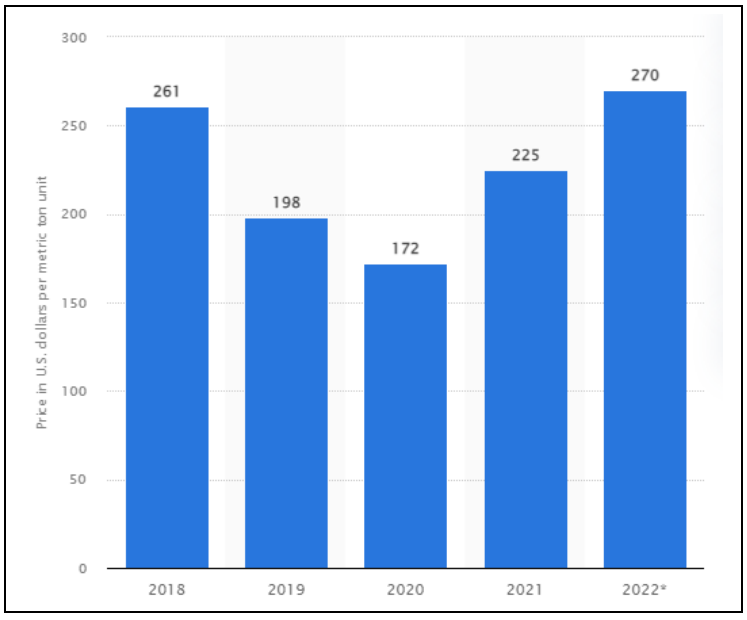
The market for tungsten has become extremely tight due to its application in military equipment and the increased global defence spending in light of the elevated geopolitical tensions.

Tungsten carbide is increasingly used in tools and machinery in the mining industry due to its strength, hardness and toughness compared to steel. Tungsten demand is similarly rising in electrical applications due to its high melting point and low evaporation rate, amongst others. The applications include the manufacturing of various bulb filaments and a variety of electronic instruments by hot cathode heater. Other end-users of tungsten are automobile manufacturers, armaments, aeronautical and semiconductor manufacturers. The elevated geopolitical tensions and the Russia-Ukraine war has also increased international defence spending, substantially increasing demand for tungsten for use in the manufacturing of military equipment due to its high hardness and excellent tensile strength.

According to Straits Research, the global tungsten market size was valued at US$5.09 billion in 2022, and is projected to reach US$10.07 billion by 2031, growing at a growth rate (CAGR) of 7.8% during 2023 to 2031. China was reported at the world's largest exporter of tungsten in 2021, but it recently decided to restrict tungsten exports and buy up as much as possible, increasing the demand for the metal. Straits Research mentions that manufacturers are having difficulty obtaining tungsten, which is used in power-management circuits and other microchips. These issues have a direct impact on the supply of finished consumer electronics products.

The dominance of China in the tungsten market and the metal's economic and strategic importance and lack of substitution have led the British Geological Survey, the US Department of Defence, the European Commission, Japan, Russia and Australia to rank Tungsten as a "critical mineral."

Figure 18: Tungsten prices have started a revival (US$/MTU)



Source: Statistica

Although most metals prices have shown a significant decline in 2023 compared to the highs of 2022, including lithium, copper, nickel and iron ore, current tungsten prices are reported at ~US320/mtu[9], indicating the remaining firm market for tungsten.

Venture's Mount Lindsay Project in northwest Tasmania is a globally significant tungsten resource containing 3.2 million MTU of WO_3, well-positioning Venture to be a full beneficiary of the tightening market for tungsten.

Boron production studies to significantly increase the attractiveness of Mt Lindsay project

Australia does not produce boron and relies on supply from large producers, such as Turkey.

Boron is a non-metallic element occurring naturally only in combination, as in borax or boric acid. It is a poor conductor of electricity and can also be found in ceramics, flare guns, and fibre glasses. Boron is used in various agriculture, building, and construction industries. It is one of the essential nutrients for the optimum growth, development, yield, and quality of crops. By end-user industry, the boron market is segmented into agriculture, transportation, building and construction, detergents, healthcare, electronics, and other end-user industries[10].

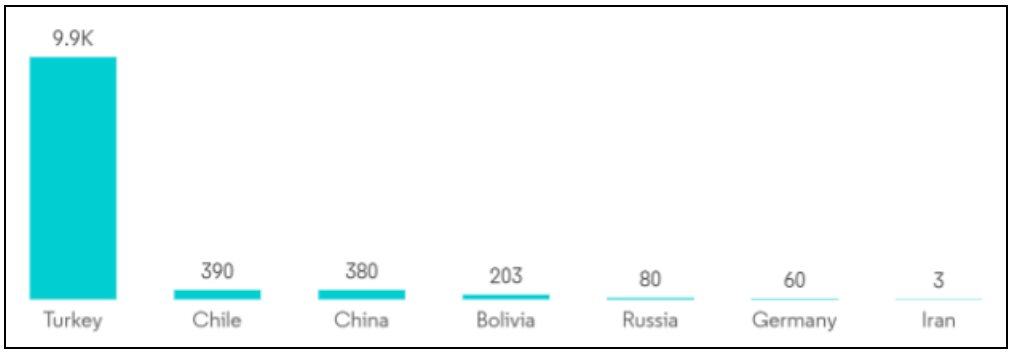
Boron is used primarily for concrete production. It is also helpful in construction materials for steel reinforcement and insulation. Additionally, it's essential in hydraulic fracturing to provide fluid pressure while creating natural gas extraction sites.

Boron is also used in semiconductor devices such as integrated circuits and capacitors. It helps form layers of metal that protect devices against corrosion. It is used in LCD and LED TV screens. In addition, boron is used in the creation of powerful magnets for wind turbines and EVs.

As boron's end-user industries are projected to continue to grow rapidly for many years, the demand for boron is also expected to increase accordingly.

On the supply side, Turkey by far dominates the global market for boron (refer to Figure 19), while Australia does not produce boron and relies on supply from large producers, such as Turkey. This exposes the Australian market to potential disruption and the risk of political instability. Venture has identified large-scale quantities of boron at its Mount Lindsay project in Tasmania. The company is currently studying the potential addition of these resources to the project's current resource base of tin and tungsten, potentially improving the economics of the project significantly.

Figure 19: Worldwide production of boron minerals by country in 2021 (Thousand Metric Tonnes)



Source: Mordor Intelligence, United States Geology Survey

[9] https://www.argusmedia.com/metals-platform/price/assessment/tungsten-apt-fob-china--per-mtu-wo3--prices

[10] Mordor Intelligence, industry reports, boron market.

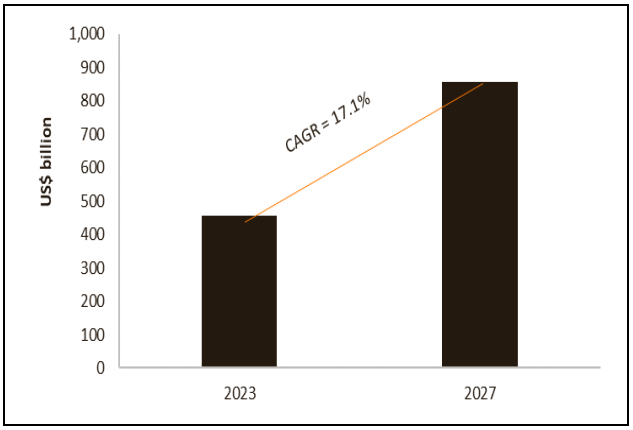
Demand for Rare Earth Elements is set to remain high for a long time

The global demand for REEs (Rare Earth Elements) is projected to grow by a CAGR (Compounded Annual Growth Rate) of 10% to 2028[11]. This will primarily be due to the increasing usage of these elements in the consumer electronics, energy, aerospace, and specially in EVs to produce the high-strength permanent magnets used in the electric vehicles' engines.

The demand for EVs is forecast to increase significantly over the next ten years as technology improves, the price gap with petrol cars is closed and more electric chargers are deployed. Revenue in the EV market is projected to reach US$457 billion in 2023 and is expected to show a compounded annual growth rate (CAGR) of 17% to reach US$858bn in 2027, where EV unit sales are expected to reach 16.21 million vehicles in 2027, from around 2 million in 2020[12]. The EV demand increase is predicted to catapult demand for REEs in the next several years.

The global demand for REEs is projected to grow by a CAGR of 10% to 2028 largely due to its application in producing high-strength permanent magnets used in the electric vehicles' engines and wind turbines.

Figure 20: EV's Global market value



Source: Statistica and East Coast Research

The prices of most rare earth elements have significantly increased in the last two years. And it is predicted that if the global chip shortages ease in the next several months, allowing the auto industry production levels to return to normal, the demand for all major rare earths will see a boost, putting further upwards pressure on their prices.

The various applications of these elements in defence equipment, including communication equipment, night-vision goggles, precision-guided weapons and stealth technology, as well as their applications in healthcare equipment, such as MRI machines, makes the supply of these elements a critical matter for governments around the world.

China currently produces more than 70% of the world's supply of rare earth elements[13] from its domestic mines primarily in Inner Mongolia. And it has been predicted that Chinese domestic demand for REEs will exceed its domestic production in the next few years as the country progressively moves towards renewable energy sources and EV production. This puts western countries at a significant supply chain risk with regards to the critical rare earth elements.

Venture's REE projects in Western Australia cover large areas in a tier 1 mining jurisdiction with very high grade REE results reported from rock chip samples so far. The recent farm-in agreement signed with SensOre at Golden Grove North includes the drilling of the high-

[11] Fortune Business Insights, rare earth elements market.

[12] Statista, Electric Vehicles market worldwide.

[13] Zawya, China hikes 2022 rare earth quota by 25% on rising demand.

grade Vulcan rare earth target as part of the non-REE mineral rights earn-in, will put Venture on the fast track for the development and value realisation of its REE assets while the market and investors' desire for REE resources is set to remain high for a long time.

Strong markets for copper, nickel and iron ore on the back of the fifth commodity Supercycle

Despite an expected medium-term softness in commodity prices, we think the long-term outlook is defined by the ongoing fifth commodity Supercycle that started in 2021, which is expected to last for the next 15 to 20 years and is driven by the renewable energy transition and electrification mega-trend. Population growth, rising living standards and infrastructure required for decarbonisation are all expected to drive demand for steel and non-ferrous metals for decades to come.

Population growth, rising living standards and infrastructure required for decarbonisation are all expected to drive demand for steel and non-ferrous metals for decades to come.

Chinese steel demand is a major factor impacting iron ore prices. But the current slowdown in the global economic growth has weakened the demand for steel. However, looking beyond the temporary economic downcycles, demand for iron ore is set to recover in the long-term due to the infrastructure required to facilitate the transition to renewable and sustainable energy sources.

Venture's Riley Iron Ore Mine is well-maintained in a ready-to-restart condition should the iron ore prices recover from the current low levels, well-equipping Venture to capitalise on the expected recovery in demand for iron ore.

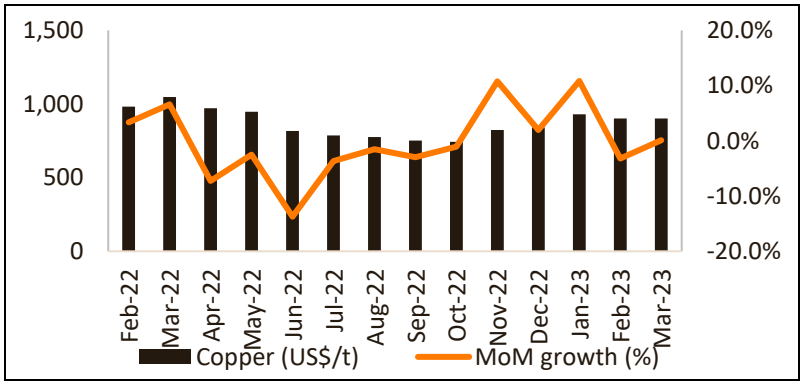
The decarbonisation trend to grow demand for copper and nickel

While most cars currently on the roads use internal combustion engines that require up to 23kg of copper, a hybrid electric vehicle uses 40kg of copper, a plug-in hybrid electric vehicle uses 60kg, a battery electric vehicle 83kg, and a hybrid electric bus 89kg. A battery powered electric bus can use 224-369kg of copper, depending on the size of the battery used.

The demand for EVs is forecast to increase significantly over the next ten years (refer to Figure 19), which will catapult demand for copper in the next several years. On top of this, each EV charger will add 0.7kg of copper use, and if they're fast chargers, they can add up to 8kg of copper use each.

In addition, Forward-looking copper producers and investors looking to appraise the potential market impacts of EVs need to consider the potential demand – not just from higher copper loadings in the vehicles themselves – but also the metal needed for EV infrastructure. This will be both for EV charging points, but also to develop and upgrade transformers and distribution networks.

Figure 21: Copper prices have started to recover



Source: World Bank and East Coast Research

Demand for nickel is similarly increasing by the adoption of EVs as a significant amount of nickel is used in lithium-ion batteries. Production of stainless steel, traditionally the first driver of demand for nickel, is also set to steadily grow over the long-term, adding to the rapidly growing demand for the metal from battery manufacturers.

Figure 22: Rapidly increasing demand has kept nickel prices on a steep uptrend (US$/kg)

Source: Tradingview

Valuation: Asset-based comparable approach indicates significant upside potential

We have used an asset-based comparable valuation methodology to determine the long-term value of VMS. As of now the company does not generate free cash flows and will still take some time (approximately 12 months) to complete a project feasibility study (PFS) study for its flagship project. In the absence of cash flows and PFS, it is suitable to use a resource-based valuation approach (based on peer multiples).

Given that VMS will directly compete with bigger players for both tin-tungsten produce and iron ore shipments, we have considered ASX-listed companies of different sizes (Figure 23). While the Australian market is fragmented, there are a few firms that compete directly with VMS. These include Metals X (ASX:MLX), Elementos Limited (ASX:ELT) and Tungsten Mining (ASX:TGN).

Figure 23: Peer list

Company	Ticker	Market Cap (A$m)	EV (A$m)
Grange Resources Ltd.	ASX:GRR	630.75	528.82
Mount Gibson Iron Ltd.	ASX:MGX	503.98	524.70
Centaurus Metals Ltd.	ASX:CTM	316.06	283.04
Metals X Ltd.	ASX:MLX	235.89	125.30
Fenix Resources Ltd.	ASX:FEX	140.20	111.64
European Metals Holdings Ltd.	ASX:EMH	104.85	87.44
Tungsten Mining NL	ASX:TGN	78.64	66.29
Elementos Ltd.	ASX:ELT	28.44	24.42
Pivotal Metals Ltd.	ASX:PVT	18.98	17.64
Peer Median		**140.2**	**111.6**
Peer Average		**228.6**	**196.6**
Venture Minerals Ltd.	ASX:VMS	**31.80**	**28.07**

Note: ^As of 15 May 2023

Source: S&P Capital IQ and East Coast Research

To arrive at our target valuation, we have used peer group average EV/weighted average resource multiple of A$223.2 per tonne of tin equivalent to value the Mt Lindsay Tin-Tungsten Project and A$8.3 per tonne of Iron ore equivalent to value the Riley Iron Ore Mine and Livingstone DSO Deposit in our base case scenario. Our bull case scenario is based on some recovery in tin-tungsten developer valuations. We believe current valuations of around A$223/t SnEq are close to trough levels, and we expect valuations to significantly improve by the rising demand for tin and the extremely tight market for Tungsten. Therefore, in our bull case scenario we have used a 35% higher valuation multiple of A$300/t SnEq. We have arrived at a valuation of A$0.036 per share in the base case and A$0.041 per share in the bull case scenario (Figure 24). We have not included any value from the company's other assets in either scenario except the investments made by VMS's JV partners into its South West Ni-Cu-PGE Project and the Golden Grove North Project.

We think the discount to VMS's valuation compared to its peers can be partially explained by the fact that VMS currently lacks a production-active mine, and this leads to a lot of cash flow uncertainty. Furthermore, environmental clearances are yet to be achieved for its Mt. Lindsay project. The process for attaining environmental clearances is often time consuming, but the company is undertaking this in parallel with the underground feasibility studies at Mt Lindsay.

VMS offers a unique investment opportunity in Tungsten at an attractive valuation. Tungsten is one of the few commodities that have witnessed a significant price increase in the last 12 months.

However, investors must recognise that VMS offers a unique opportunity to invest in highly lucrative Tungsten and Tin space. Tungsten, due to its usability in defence products and a fast-depleting stockpile globally, has become a highly sought after critical resource. Also, as the REE metal markets tighten up on the supply side, the capital markets are expected to recognise the dearth of independent companies with excellent projects, thereby supporting VMS's valuation. There's also potentially significant value in Venture's various projects in Western Australia targeting green energy metals of copper and nickel as well as other in demand minerals of zinc, lead, silver and gold. We have not included the value of these assets in our valuation of VMS as they are early-stage exploration projects and lack Mineral Resource Estimates, but nevertheless offer significant upside potential to our valuation.

In addition, VMS is moving rapidly to complete its PFS study for a new underground mining design (a quicker mining process with less environmental footprint) – the flow sheet of the design has almost been finalised. The PFS has been delayed mainly to include the ongoing metallurgical test work results regarding boron recovery and improved tin recovery in the study. While several milestones are yet to be achieved with respect to the Mt. Lindsay project, we have still not taken into account any resource estimation increase (new drilling techniques are being deployed), possible offtake arrangements, boron study results and the value of the company's non-core assets, which have the potential to offer further upside.

The mid-point target price of A$0.039 represents a Price/NAV of 0.44x, indicating a substantial valuation headroom.

Figure 24: Asset-based relative valuation for VMS (post equity dilution)

VMS Valuation (A$ m)	Base Case	Bull Case	Remarks
Tin eq weighted average resources (Mt)	0.11	0.11	
Sector Average (EV/Total resource* in A$/t SnEq)	223.2	300.0	
Mt Lindsay Tin-Tungsten Project Value	24.75	33.26	
Sector Average (EV/Total resource* in A$/t FeEq)	8.33	8.33	
Riley Iron ore Mine and Livingstone DSO Deposit value	36.63	36.63	
Implied EV	**61.38**	**69.90**	
Cash	3.78	3.78	
Investment in the JVs	7.78	7.78	1x for the JVs
Provisions and Liabilities	-0.86	-0.86	
Minority Interest	-	-	
Total Value	**72.08**	**80.59**	
Number of shares (m) **	1,975.97	1,975.97	Post dilution ^^
Implied price (A$)	**0.036**	**0.041**	
Current price (A$)	0.017	0.017	
Upside (%)	114.6%	139.9%	
Mid-point Target Price (A$ cents)	**0.039**		
Price / NAV (X)	**0.44x**		

*Notes: *Total resource includes 100% of measured and indicated resources and 50% of inferred / probable resources.*

^Total resource includes 100% of measured and indicated resources and 50% of inferred resources @ 0.2% lower cut Tin equivalent in million tonnes.

*** Total diluted shares include recently issued 4.25m shared to directors and the unlisted options of 42.6m shares.*

^^ Share Purchase Programme - 166,666,666 shares are being issued by VMS @A$0.018 to raise A$3m in May 2023

Source: East Coast Research

Additional shares on issue

It is important to note that we have assumed a higher number of shares than is on issue at the moment. The company has 1,766.7m shares on issue (post the conversion of unlisted options into 4.25m shares) and is offering an additional 166.7m shares in the ongoing share purchase programme. It also has 42.5m of unlisted options – we have added these to our diluted share count.

Newly formed JVs offer notable upside potential to Venture

VMS offers significant value from its investments in tin and tungsten assets. The minor, yet, noteworthy investment in early-stage but highly-prospective projects offers significant upside to Venture's valuation. Most of these assets are early-stage exploration projects and need investments for metallurgical studies and drilling activities. As these projects gain possible exploration success, VMS's share price is expected to re-rate to the upside. All these projects offer a lot of long-term value which is difficult to fully comprehend at this stage, hence we have not included them in our valuation. We acknowledge that specific milestones need to be achieved to invoke further investment from the JV partners. Consequently, we have not included the possible success of these JVs completely. We have only taken into account the initial payments offered to be made by the JV partners.

Over the last few years, VMS has picked up a lot of land holdings that offer a pool of highly lucrative assets with REEs. We think VMS is a boutique of meaningful assets and that VMS is now a holding company having multiple asset ownership under one umbrella. This also raises the possibility for

demerging of some of these assets in the future to unlock value and utilising the proceeds to fund the development of the company's core assets.

Re-rating of VMS

VMS is currently trading significantly below our mid-point target valuation. Meeting the following milestones can enable a re-rating on the stock, thereby increasing shareholder value:

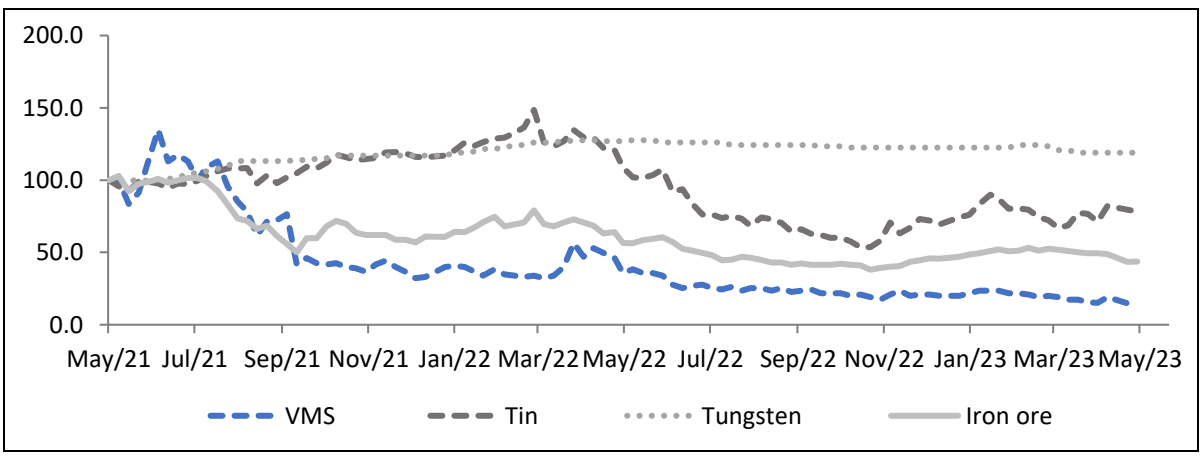
- An announcement on **an offtake agreement** will increase confidence in the project.
- An announcement on **the economics of the project** will be a major step towards commercialisation of the mine and will increase investors' confidence in the company.
- Any **increase in tin and tungsten prices** will have a direct impact on the expected cash flows of the project and its expected return profile. **A jump in iron ore prices** will support the restart of the Riley Iron Ore Mine, and VMS will get the much needed cash flows.
- Further **underground mining and mine design improvement initiatives** will enhance the expected profitability from the project and shareholder return.
- An **increase in the indicated and inferred reserves** in further studies will expand the commercial viability of Venture's various projects, thereby enhancing the company's valuation.

Risks

Although we believe that VMS makes up of an attractive investment case, especially with the tightening market for tungsten, we foresee the following key risks to our investment thesis:

- **Underlying commodity price risk**: Historically, VMS's share price has been severely impacted by commodity down cycles (figure 25). In one case the reduction in iron ore prices forced the management to curtail Riley Iron Ore Mine operations. This exposes the company to commodity price risk, which depends on macroeconomic factors and global demand and supply dynamics of underlying commodities. Any prolonged drop in prices will be detrimental to our investment thesis.
- **Funding risk**: VMS will require to raise substantial funds for the development and commercial operations of the Mt. Lindsay mine after completing the feasibility studies. Timely raising of funds on favourable terms will likely be a challenge for the company's management.
- **Execution delays**: The majority of future growth for VMS is expected to come from the underdeveloped Mt Lindsay mining site and higher traction with its recently announced JVs. The management of VMS intends to complete the new underground PFS for the Mt. Lindsay mine area within 12 months. Any potential delay in the finalisation of the feasibility study or in receiving environmental approvals will jeopardise investor sentiment.
- **Geological risk**: For a mining company such as VMS, there exists a perennial risk of downward estimates of reserve figures. There also exists a risk of re-categorisation of the indicated reserves to inferred reserves in further studies. Any such incident will negatively impact the stock's valuation.

Figure 25: VMS's share price has been severely impacted by commodity downcycles



Source: S&P Capital IQ, Argus metals and East Coast Research

Appendix I: VMS SWOT Analysis

Figure 26: SWOT analysis

Strengths	Weakness
(1) Mount Lindsay Tin-Tungsten Project in northwest Tasmania is one of the largest Tin-Tungsten deposits in the world. (2) High-quality mineral resource base at the Mt Lindsay project with 73% of the resource in the Measured and Indicated category. (3 Mount Lindsay Project has excellent access to existing infrastructure, including hydropower, wind power, water, sealed roads, rail tracks and port facilities. (4) Running multiple exploration projects with high prospects in tier 1 mining jurisdictions targeting a range of commodities with soaring demand by the ongoing decarbonisation megatrend. (7) Highly experienced leadership team in place.	(1) Environmental approvals for the Mount Lindsay operations have not been granted yet. (2) Venture is not generating any cash and is reliant on capital raisings to continue its operations.
Opportunities	**Threats**
(1) Potential for additional, large-scale quantities of tin and boron throughout the greater Mount Lindsay skarn system. (2) Ability to quickly respond to changing iron ore prices to restart the Riley Iron Ore Mine. (3) Extremely tight tungsten market and its strategic importance for military applications can attract government agencies' attention to the Mt Lindsay Project. (4) Possibility for higher metallurgical performance through the metallurgical work being done as part of the underground feasibility study at Mt Lindsay Project.	(1) Global recession leading to high volatility in commodity prices, impacting the economics of the Mount Lindsay project. (2) Capital raising might be required to fund the Mount Lindsay project development. (3) Tight credit markets due to the currently high economic uncertainty levels make raising capitals difficult for VMS to continue its operations.

Source: East Coast Research

Appendix II: Management Team

Figure 27: Venture's management and board members

	Name and Designation	Profile
	**Mr. Mell Ashton** • Non-executive Chairman	• Over 40 years' experience as a Chartered Accountant, specialising in Corporate Restructuring and Finance and as a professional company director. • Held executive directorships with a number of successful ASX-listed companies.
	**Mr. Andrew Radonjic** • Managing Director	• Mine Geologist and Mineral Economist. • Over 30 years' experience with a focus on gold and nickel in the Eastern Goldfields of western Australia. • Instrumental in three significant gold discoveries north of Kalgoorlie that led to the pouring of over 1.5 million ounces. • Co-lead the exploration team during the discovery of the Mount Lindsay Tin-Tungsten-Magnetite deposits, Tasmania. • Held Managing Director role at Nickelore Limited. • Co-founded Blackstone Minerals Limited.
	**Dr. Stuart Owen** • Exploration Manager	• BSc & PhD in Geology, member of the AIG and over 25 years of experience in mineral exploration which included gold and nickel. • Senior Geologist in the exploration team that discovered and delineated the Paulsens Gold Deposit in the Ashburton region of WA. • Exploration Manager in the Adamus team that discovered and delineated the Southern Ashanti Gold Deposits, Ghana. • Exploration Manager for Venture during the discovery of the Mt Lindsay Tin-Tungsten-Magnetite deposits, Tasmania.

Source: Company

Appendix III: Peer Companies' Resource Estimates

Figure 28: Venture's Peers' Mineral Resource Estimates

Company	Ticker	Resource Estimates - Total (in Million tonnes (Mt))						
		Tin (Sn)	Tungsten (W)	Nickel (Ni)	Copper (Cu)	Zinc (Zn)	Iron (Fe)	Others (Mt)
Grange Resources Limited	ASX:GRR			0.086			147.408	5.670
Mount Gibson Iron Limited	ASX:MGX						37.196	5.381
Centaurus Metals Limited	ASX:CTM			0.949	0.072	0.345	56.173	106.855
Metals X Limited	ASX:MLX	0.424			0.092			
Fenix Resources Limited	ASX:FEX						5.378	
European Metals Holdings Limited	ASX:EMH	0.354	0.142					4.391
Tungsten Mining NL	ASX:TGN		0.410		0.092			0.071
Elementos Limited	ASX:ELT	0.131	0.012		0.022			
Pivotal Metals Limited	ASX:PVT	0.007	0.023	0.061	0.202			

Source: S&P Capital IQ and East Coast Research

Appendix IV: Analyst's Qualifications

Behzad Golmohammadi, the lead analyst on this report, is an equity research analyst at Shares in Value (East Coast Research).

- Behzad has a bachelor's degree in Engineering (Industrial) and a master's degree in Applied Finance (Investing) from Sydney Business School, where he was the top performer in his cohort. He has also passed the first two levels of the CFA Program.
- Behzad has several years of experience working as an Equity Research Analyst and Technical Analyst in Australia and overseas and has a broad knowledge of ASX-listed companies. He has been a speaker at the Australian Technical Analysts Association (ATAA).

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