# VENTUREX RESOURCES LIMITED

**ABN 28 122 180 205**

# Interim Financial Report

# For the Half Year Ended 31 December 2010

**(previous corresponding period:**
**Half Year Ended 31 December 2009)**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2010 and any public announcements made by Venturex Resources Ltd during the half year in accordance with the continuous disclosure of the Corporations Act 2001.

# Corporate Directory

**DIRECTORS**

| | |
|---|---|
| Anthony Kiernan | Non-Executive Chairman |
| Michael Mulroney | Non-Executive Director |
| Allan Trench | Non-Executive Director |
| Tim Sugden | Managing Director |
| Anthony Reilly | Executive Director |

**COMPANY SECRETARY**
Liza Carpene

**REGISTERED OFFICE/ PRINCIPAL PLACE OF BUSINESS**
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**QUOTED SECURITIES**
Code: VXR Shares

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**AUDITORS**
William Buck Audit (WA) Pty Ltd
Level 3, South Shore Centre
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**SOLICITORS**
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# Directors' Report

Your Directors present their report on the Group consisting of Venturex Resources Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2010.

**Directors**
The following persons were Directors of Venturex Resources Limited during the whole of the half year and up to the date of this report:

| | | |
|---|---|---|
| Mr Anthony Kiernan | Non-Executive Chairman | (Appointed 14 July 2010) |
| Mr Michael Mulroney | Non-Executive Director | |
| Dr Allan Trench | Non-Executive Director | |
| Dr Tim Sugden | Managing Director | |
| Mr Anthony Reilly | Executive Director | |

**Review of Operations**
In the six months ended 31 December 2010, the Company was focused on two main areas of activity:

- development of base metals assets in the Pilbara Region of Western Australia, and
- gold exploration in Brazil.

**Pilbara Volcanogenic Massive Sulphide Project**

***Exploration***
Further RC drilling at the key Mons Cupri deposit intersected substantial widths of copper-zinc-silver-gold mineralisation, extending the upper high-grade massive sulphide zone further to the north. Significant results included drill hole MCR12, which intersected 8 metres grading 4.2% Cu, 5.7% Zn, 256g/t Ag and 0.91g/t Au. Further RC drilling designed to test for copper-zinc sulphide mineralisation in the corridor between the Mons Cupri deposit and Mons Cupri Northwest returned results of up to 10 metres @ 1.15% Cu and 0.44% Zn from 38 metres. This zone is interpreted to be flat-lying and contiguous with previous intersections below the Northwest pits, including 8 metres @ 4.15% Cu from 24 metres. The results indicate that near-surface copper-zinc mineralisation may extend in this area over a total strike length of up to 600 metres.

***Mineral Resource and Ore Reserve Upgrades***
Mineral Resources and Ore Reserves for the Mons Cupri and Whim Creek deposits were re-estimated in accordance with the JORC Code 2004, incorporating the results of RC and diamond drilling programs. The combined Mons Cupri and Whim Creek Mineral Resource estimate (all categories), at a cut-off grade of 0.6% Cu EQ[1], was revised to 5.97 million tonnes @ 1.64% Cu EQ. The revised Probable Ore Reserve estimate at a cut-off grade of 0.85% Cu EQ was determined to be 3.47 million tonnes @ 2.2% Cu EQ. Wireframe models of the high grade zinc-lead-silver and copper lenses at Salt Creek were also completed and a substantially higher grade resource was calculated.

***Scoping Study***
A scoping study, undertaken by Snowden Mining Industry Consultants, confirmed positive economics for the potential development of a centrally located copper-zinc-lead (silver-gold) production facility centered on the existing Whim Creek mine site sourcing ore from multiple deposits. The Project incorporates the Mons Cupri, Whim Creek, Evelyn and Salt Creek deposits, together with proposed plant and infrastructure. Mons Cupri, Whim Creek and Salt Creek are located on granted Mining Leases, while an application is pending for a Mining Lease over the Evelyn deposit at Liberty-Indee. Average annual metal production was forecast at 7,800 tonnes of copper, 13,900 tonnes of zinc and 4,200 tonnes lead, together with significant gold and silver credits. Estimated C1[2] cash operating costs were determined to be around $0.50 cents/lb copper after by product credits. The study was based on a Mineral Resource of 7.6 million tonnes grading 2.2% Cu EQ as estimated by Venturex using the guidelines of the JORC Code 2004. The study delineated an initial open pit and underground Ore Reserve of 4.5 million tonnes grading 2.7% Cu EQ sufficient to support an initial mine life of nine years without any future exploration success. It is anticipated that ongoing exploration will add Mineral Resource and Ore Reserve additions in the under-explored VMS[3] district around Whim Creek to further extend the life of the operation. The study was based on plant capacity of 600,000tpa and an average life of mine grade of 1.4% Cu, 2.8% Zn, 0.9% Pb, 0.3g/t Au and 35g/t Ag (equivalent to 2.7% Cu).

[1] Cu EQ: Cu% + Zn% x 0.255 + Pb% x 0.24 + Ag(ppm) x 0.008 + Au(ppm) x 0.5
[2] C1: Projected cash cost including mining, processing, site administration and refining, net of product credits.
[3] VMS: Volcanogenic Massive Sulphide

# Directors' Report continued

**Review of Operations continued**

***Scoping Study continued***

Total pre-production capital was estimated at $95.8 million which included the construction of a new milling and flotation circuit together with concentrate handling facilities. Crushing and key infrastructure facilities, including accommodation, site access, haul roads and water supply, are already in place at the Whim Creek site. Based on metal prices of US$3.50/lb Cu, US$1.00/lb Zn, US$0.98/lb Pb, US$19.8/oz Ag and US$1,200/oz Au, the Project is expected to generate life-of-reserves revenue of $800 million, EBIT of $282 million, NPV8% of $101 million at an IRR of 28%. Significant Project upsides include: potential for resource expansion through extension of known deposits and new discoveries in the local area; local acquisitions to expand the proposed scale of operations; increased metal recoveries from further optimisation test work; and reduced pre-production capital through use of existing equipment or modular plant construction overseas.

**Whim Creek SX-EW Project**

Under agreement with Venturex, WASCO Pty Ltd had substantially completed construction of a 5 tonne per day SX-EW copper plant. The plant is expected to be commissioned in March 2011. Venturex will receive a 50% profit share after recovery of capital.

**Brazil - Serra Verde**

In November 2010, Venturex's 100%-owned Brazilian subsidiary, CMG Mineração Limitada (CMGM), acquired the rights to a significant new high-grade gold project in the Western Tapajós Gold Province in the State of Para in Brazil – an under-explored but highly prospective region with excellent discovery potential. The Serra Verde Project, which has been operated for over thirty years as a small-scale alluvial artisanal mining operation from high-grade epithermal and mesothermal vein systems, has the potential to host multiple high-grade gold deposits. Preliminary exploration activities by CMGM geologists conducted prior to the acquisition, including surface sampling, mapping and monitoring of current small scale production, have confirmed the potential of the Serra Verde Project area to host multiple high grade gold deposits. Of 91 bedrock samples assayed to date, 29 values exceeded 1g/t Au and 10 exceeded 31.1g/t Au (one ounce per tonne). The highest grade returned to date is 254g/t Au. The project consists of a number of granted leases and applications, covering an area of 19,670Ha. Exploration lease 850336 has been granted to CMGM. Exploration leases 850835-884 are under application by CMGM. The Company expects that these will be gazetted by the DNPM by March 2011. Exploration lease 850173 and prospecting licences 850174-180 are under application by CMGM Director, Mr Jonas Ferreira da Silva. On grant, these will be transferred to CMGM for zero consideration. In parallel to these applications, CMGM has executed an Agreement with João Batista da Silva Ferreira to acquire tenements 850359 and 850564.

**Auditors' Independence Declaration**

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of the Board of Directors.

**ANTHONY REILLY**
**<u>Executive Director</u>**

Dated: 11 March 2011

**Competency Statement:** The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves at Whim Creek, Mons Cupri, Salt Creek and Liberty-Indee is based on information compiled or reviewed by Dr Tim Sugden BSc, PhD, and Mr Steven Wood who are Members of the Australasian Institute of Mining and Metallurgy. Dr Sugden and Mr Wood are full-time employees of Venturex Resources Limited and have sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Sugden and Mr Wood consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

# Auditor's Independence Declaration

William Buck

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF VENTUREX RESOURCES AND ITS CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2010 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck Audit (WA) Pty Ltd,

**William Buck Audit (WA) Pty Ltd**
ABN 67 125 012 124
Registered Company Auditor No. 339150

Stephen K. Breihl

**Stephen K. Breihl**
Director
Perth, 11 March 2011

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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# Appendix 4D for the Half Year Ended 31 December 2010

**Reporting Period**
Current Reporting Period - Half year Ended 31 December 2010
Previous Reporting Period - Half year Ended 31 December 2009

| | % Change | Change ($A) | | $A |
|---|---|---|---|---|
| Revenues from ordinary activities | 61 | $365,842 | Decreased to | $143,535 |
| Loss from ordinary activities after tax attributable to members | 36 | ($1,993,767) | Decreased to | ($1,281,415) |
| Loss for the period attributable to members | 36 | ($1,993,767) | Decreased to | ($1,281,415) |

**Dividends (distributions)**

No dividends have been paid or declared during the half year ended 31 December 2010.

**Commentary on Results**

The consolidated loss of the Group during the half year ended 31 December 2010 was $1,281,415 (31 December 2009: $1,993,767).

The results include an impairment/write off of $57,987 (31 December 2009: $464,614) following a detailed review of the tenements.

**Net Tangible Asset per Security**

| | | |
|---|---|---|
| As at 31 December 2010 | 1.19 | cents per share |
| As at 31 December 2009 | 0.10 | cents per share |

**Details of subsidiaries which control has been gained or lost**

There has been no control gained or lost of subsidiaries during the half year ended 31 December 2010.

**Associates and Joint Ventures**

There are no associates or joint ventures for the half year ended 31 December 2010.

**Unaudited Financial Information**

The information contained in this report is unaudited. The financial report for the half year ended 31 December 2010 has been reviewed by the Company's auditors.

# Consolidated Statement of Comprehensive Income
# for the Half Year Ended 31 December 2010

| | 31 December 2010<br>$ | 31 December 2009<br>$ |
|---|---|---|
| **Revenue** | | |
| Other income | 143,535 | 365,842 |
| **Gross profit** | 143,535 | 365,842 |
| Administrative expenses | (462,816) | (113,352) |
| Corporate expenses | (59,239) | (89,361) |
| Directors, employees, and consultants fees | (939,023) | (840,303) |
| Exploration and evaluation expenses | (57,252) | (864,151) |
| Impairment/write off of area of interest | (57,987) | (464,614) |
| **Total expenses** | **(1,576,317)** | **(2,371,781)** |
| **Results from operating activities** | **(1,432,782)** | **(2,005,939)** |
| Finance income | 133,544 | 13,096 |
| Finance costs | 17,823 | (924) |
| **Net finance income** | 151,367 | 12,172 |
| **Loss before income tax** | **(1,281,415)** | **(1,993,767)** |
| Income tax expense | - | - |
| **Loss from continuing operations** | **(1,281,415)** | **(1,993,767)** |
| **Profit (loss) from discontinuing operations** | **-** | **-** |
| **Loss for the period** | **(1,281,415)** | **(1,993,767)** |
| **Other comprehensive income** | | |
| Foreign currency translation differences – foreign operations | (250,180) | - |
| **Other comprehensive income for the period, net of tax** | **(250,180)** | **-** |
| **Total comprehensive income for the period, attributed to members of the parent entity** | **(1,531,595)** | **(1,993,767)** |
| **Earnings per share** | | |
| Basic loss per share | (0.20) cents | (0.48) cents |
| Diluted loss per share | (0.20) cents | (0.48) cents |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Financial Position
# as at 31 December 2010

| | Notes | 31 December 2010<br>$ | 30 June 2010<br>$ |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | | 3,136,697 | 4,769,519 |
| Trade and other receivables | | 1,720,341 | 1,958,557 |
| Inventories | | 62,346 | 66,409 |
| Other | | 80,309 | 91,592 |
| **Total current assets** | | **4,999,693** | **6,886,077** |
| **Non-current assets** | | | |
| Property, plant and equipment | | 3,232,747 | 3,658,311 |
| Exploration and evaluation | | 22,985,251 | 21,170,334 |
| Intangible assets | | 262 | 469 |
| **Total non-current assets** | | **26,218,260** | **24,829,114** |
| **Total assets** | | **31,217,953** | **31,715,191** |
| **Current liabilities** | | | |
| Trade and other payables | | 286,085 | 1,216,309 |
| Employee provisions | | 105,279 | 64,591 |
| **Total current liabilities** | | **391,364** | **1,280,900** |
| **Non-current liabilities** | | | |
| Provisions | | 6,991,892 | 7,017,550 |
| **Total non-current liabilities** | | **6,991,892** | **7,017,550** |
| **Total liabilities** | | **7,383,256** | **8,298,450** |
| **Net assets** | | **23,834,697** | **23,416,741** |
| **Equity** | | | |
| Issued capital | 5 | 35,453,000 | 33,780,826 |
| Reserves | 5 | 1,557,526 | 1,530,329 |
| Accumulated Losses | | (13,175,829) | (11,894,414) |
| **Total equity** | | **23,834,697** | **23,416,741** |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Changes in Equity
# for the Half Year Ended 31 December 2010

| | Issued Capital $ | Option Reserve $ | Share Based Compensation $ | Translation Reserve $ | Accumulated Losses $ | Total $ |
|---|---|---|---|---|---|---|
| Balance at 30 June 2009 | 8,504,532 | 347,842 | 333,201 | - | (5,922,968) | 3,262,607 |
| Issue of securities | 10,524,023 | - | - | - | - | 10,524,023 |
| Security issue costs | (136,366) | - | - | - | - | (136,366) |
| Options issued | - | - | 602,400 | - | - | 602,400 |
| Options expired | - | (347,842) | (10,000) | - | - | (357,842) |
| Loss for the period | - | - | - | - | (1,993,767) | (1,993,767) |
| **Balance at 31 December 2009** | **18,892,189** | **-** | **925,601** | **-** | **(7,916,735)** | **11,901,055** |

| | Issued Capital $ | Option Reserve $ | Share Based Compensation $ | Translation Reserve $ | Accumulated Losses $ | Total $ |
|---|---|---|---|---|---|---|
| Balance at 30 June 2010 | 33,780,826 | - | 1,530,329 | - | (11,894,414) | 23,416,741 |
| Issue of securities | 1,749,999 | - | - | - | - | 1,749,999 |
| Security issue costs | (77,825) | - | - | - | - | (77,825) |
| Options issued | - | - | 360,877 | - | - | 360,877 |
| Options expired | - | - | (83,500) | - | - | (83,500) |
| Loss for the period | - | - | - | - | (1,281,415) | (1,281,415) |
| Total comprehensive income | - | - | - | (250,180) | - | (250,180) |
| **Balance at 31 December 2010** | **35,453,000** | **-** | **1,807,706** | **(250,180)** | **(13,175,829)** | **23,834,697** |

The accompanying notes form part of these financial statements.

# Consolidated Statement of Cash Flow
# for the Half Year Ended 31 December 2010

| | Notes | 31 December 2010 $ | 31 December 2009 $ |
|---|---|---|---|
| **Cash flows related to operating activities** | | | |
| Payments to suppliers and employees | | (1,015,834) | (401,690) |
| Interest received | | 133,931 | 13,605 |
| **Net cash used in operating cash flows** | | **(881,903)** | **(388,085)** |
| **Cash flows related to investing activities** | | | |
| Payment for purchases of plant and equipment | | (18,661) | (36,520) |
| Proceeds from sale of plant and equipment | | 212,403 | - |
| Payment for deferred exploration expenditure | | (2,558,454) | (1,390,572) |
| Payment for purchase of controlled entity, net of cash acquired | | - | 28,970 |
| **Net cash used in investing cash flows** | | **(2,364,712)** | **(1,398,122)** |
| **Cash flows related to financing activities** | | | |
| Proceeds from issues of securities | | 1,750,000 | 1,951,283 |
| Capital raising costs | | (131,459) | (146,819) |
| **Net cash from financing cash flows** | | **1,618,541** | **1,804,464** |
| **Net increase/(decrease) in cash and cash equivalents** | | **(1,628,074)** | **18,257** |
| Cash and cash equivalents at the beginning of the half year | | 4,769,519 | 507,828 |
| Effects of exchange rate changes on cash and cash equivalents | | (4,748) | 616 |
| **Cash and cash equivalents at the end of the half year** | | **3,136,697** | **526,701** |

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

**Note 1. Basis of Preparation**

***Reporting Entity***

Venturex Resources Limited is a company domiciled in Australia. The consolidated interim financial statements of the Company as at and for the six months ended 31 December 2010 comprises the Company and its subsidiaries (together referred to as the "Group"), Venturex Pilbara Pty Ltd, Jutt Resources Pty Ltd, Juranium Pty Ltd, CMG Gold Ltd and CMG Mineração Ltda.

***Statement of Compliance***

The general purpose financial statements for the interim half year reporting period ended 31 December 2010 have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncement of Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Venturex Resources Limited and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this interim financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2010, together with any public announcements made during the half year.

***Significant Accounting Policies***

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's 2010 annual financial report for the financial year ended 30 June 2010, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group include:

- Amendments to AASB 5, 8, 101, 107, 117, 118, 136 and 139 as a consequence of AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project.

AASB 2009-5 introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the classification of expenditures on unrecognised assets in the statement of cash flows.

The adoption of these amendments has not resulted in any changes to the Group's accounting policies.

***Going Concern***

The Group incurred a loss of $1,281,415 (31 Dec 2009: $1,993,767), net decrease of cash flows of $1,628,074 (31 Dec 2009 increase: $18,257) and had a net asset balance of $23,834,697 (30 Jun 2010: $23,416,741) for the interim period ended 31 December 2010, including a cash balance of $3,136,697 (30 June 2010: $4,769,519).

The Directors are of the opinion that the Group's exploration and development assets will attract further capital investment if and when it is required. The Directors will continue to maximise the value of existing assets through careful planning of drilling campaigns, calculation of mineral resources as sufficient data becomes available and have commenced a bankable feasibility study to determine future operational cash flows. In addition, the Directors will continue to assess other asset acquisition opportunities that they reasonably believe have the potential to increase the value of shareholders' equity. The Group will also consider divestments if the proceeds are likely to exceed the realisable value of such assets if they were retained.

The Group has a sufficient cash reserves to fund future exploration programs and the bankable feasibility study. For details of capital raisings subsequent to 31 December 2010, please refer to Note 6 - Events subsequent to reporting date.

The Group incurred impairments and write-offs of exploration assets to the value of $57,987 (31 Dec 2009: $464,614). The Directors anticipate that further impairments and write-offs of exploration assets will not be incurred in the 2010/2011 financial year due to:

- The Group continuing to add value to its Pilbara tenements by increasing resources and commencing a bankable feasibility study,
- The Group acquiring CBH Sulphur Springs Pty Ltd subsequent to 31 December 2010; please refer Note 6 - Events subsequent to reporting date, and
- The Group holding 100% interest in the remaining Brazilian exploration tenements and intends to conduct gold exploration programs during the year.

# Notes to the Financial Statements continued

**Note 1. Basis of Preparation continued**

***Going Concern continued***

The Directors believe that the Group will be successful in the above matters and, at this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the interim financial report as at 31 December 2010. Accordingly, the accompanying financial statements do not include any adjustments relating to the recoverability and classification of the asset carrying amount or the amount and classification of liabilities that might be necessary if the Group is unable to continue as a going concern.

**Note 2. Dividends**

The Company has not resolved to declare any dividends in the period ended 31 December 2010.

**Note 3. Segment Reporting**

Management has determined that the Group has one reportable segment, being resources exploration, which is based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. As the Group is focused on resources exploration, focusing on several base and precious metals resources, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

***Revenue by geographical region***

The Group has not generated revenue from operations, other than interest income derived from deposits held at call with banks in Australia and the expiry of options previously issued as share based payments.

***Assets by geographical region***

The location of segment assets is disclosed below by geographical location of the assets.

| | 31 December 2010<br>$ | 30 June 2010<br>$ |
|---|---|---|
| Australia | 24,601,060 | 25,273,632 |
| Brazil | 6,616,893 | 6,441,559 |
| Total assets | 31,217,953 | 31,715,191 |

**Note 4. Contingent Liabilities**

There has been no change in contingent liabilities since the last annual reporting period.

**Note 5. Issued Capital and Reserves**

| | 31 December 2010 | | 30 June 2010 | |
|---|---|---|---|---|
| | No. | $ | No. | $ |
| Issued and Paid Up Capital | | | | |
| Fully Paid Ordinary Shares | 655,168,741 | 35,453,000 | 635,724,297 | 33,780,826 |
| Unlisted options issued | 84,562,411 | 1,807,706 | 77,212,411 | 1,530,329 |
| Total | | 37,260,706 | | 35,311,155 |

During the half year ended 31 December 2010, the following movements in equity occurred:

| ***Shares*** | | ***Issue Price $*** | ***No.*** | ***$*** |
|---|---|---|---|---|
| | Balance as at 1 July 2010 | | 635,724,297 | 33,780,826 |
| 16/08/2010 | Fully Paid Ordinary Shares - Nefco Nominees Pty Ltd (Regent Pacific Group Ltd) | 0.090 | 19,444,444 | 1,749,999 |
| | Transaction costs relating to share issues | | - | (77,825) |
| | | | 655,168,741 | 35,453,000 |

***Options (listed)***

There are no listed options

# Notes to the Financial Statements continued

**Note 5. Issued Capital and Reserves continued**

| ***Options (unlisted)*** | | ***Issue Price $*** | ***No.*** | ***$*** |
|---|---|---|---|---|
| | Balance as at 1 July 2010 | | 77,212,411 | 1,530,329 |
| 29/11/2010 | Issue of options to Directors and Key Management Personnel | 0.048 | 3,000,000 | 143,248 |
| 29/11/2010 | Issue of options to Directors and Key Management Personnel | 0.045 | 5,000,000 | 14,865 |
| 30/11/2010 | Expiry of Options | - | (650,000) | (83,500) |
| 31/12/2010 | Expense options over vesting period | - | - | 202,764 |
| | | | 84,562,411 | 1,807,706 |

**Note 6. Events Subsequent to Reporting Date**

On 20 January 2011, the Company converted 23,157,895 unlisted financing options into fully paid ordinary shares at an issue price of 9.5 cents per share raising $2,200,000.

On 21 January 2011 the Company paid a deposit of $750,000 in relation to a conditional agreement to acquire the Panorama Copper Zinc Project from CBH Resources Limited.

On 31 January 2011, the Board of Directors announced the commencement of a Bankable Feasibility Study (BFS) for the Combined Whim Creek – Panorama Cu-Zn Project in the Pilbara Region in Western Australia.

On 1 February 2011, the Company issued 98,275,311 fully paid ordinary shares to institutional investors at an issue price of 9 cents per share raising $8,844,778.

On 9 February 2011, the Company issued 195,465,401 fully paid ordinary shares to institutional investors under an underwritten accelerated rights issue, at an issue price of 9 cents per share raising $17,591,886.

On 22 February 2011, the Company issued 72,797,801 fully paid ordinary shares to retail investors under an underwritten accelerated rights issue, at an issue price of 9 cents per share raising $6,551,802.

On 22 February 2011, the Company issued 7,636,542 fully paid ordinary shares to the Nominee appointed to represent Prohibited Foreign Holders an underwritten accelerated rights issue, at an issue price of 9 cents per share raising $687,288.

On 25 February 2011, the Company issued 34,741,035 fully paid ordinary shares as a shortfall allotment under an underwritten accelerated rights issue, at an issue price of 9 cents per share raising $3,126,693.

***Acquisition of CBH Sulphur Springs Pty Ltd***

On 24 February 2011, the Group acquired 100% of the issued capital of CBH Sulphur Springs Pty Ltd, for a purchase consideration of $26,200,000, including a deposit of $750,000 which was paid on 21 January 2011. CBH Sulphur Springs Pty Ltd owns the rights to mining tenements in the Pilbara.

The fair value adjustment to exploration and evaluation costs on consolidation of $7,779,826 is attributed to the significant additional value that the tenements held by CBH Sulphur Springs Pty Ltd bring to the Group's proposed development of a centralised processing hub at its Whim Creek operations.

| | **Note** | **Acquiree's carrying amount $** | **Fair Value $** |
|---|---|---|---|
| **Purchase consideration** | | | |
| Cash consideration | | | 26,200,000 |
| Total purchase | | | 26,200,000 |
| | | | |
| Fair value of assets acquired (see below) | | | 18,420,174 |
| Fair value adjustment to exploration and evaluation on consolidation | | | 7,779,826 |
| Net identifiable assets and liabilities | | | 26,200,000 |
| | | | |
| **Assets and liabilities held at acquisition date** | | | |
| Cash and cash equivalents | | 100 | 100 |
| Trade and other receivables | | 55,364 | 55,364 |
| Exploration and evaluation costs | | 26,245,420 | 26,245,420 |
| Trade and other payables | | (7,084) | (7,084) |
| Deferred tax liabilities | | (7,873,626) | (7,873,626) |
| Net assets acquired | | 18,420,174 | 18,420,174 |
| | | | |
| Purchase consideration settled in cash | | | (26,200,000) |
| Cash and cash equivalents in subsidiary acquired | | | 100 |
| Cash outflow on acquisition | | | (26,199,900) |

Other than those disclosed above, there are no material subsequent events that have not been disclosed in this report.

# Directors' Declaration

The Directors' of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 12 are in accordance with the Corporations Act 2001, including:

   (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and

   (b) give a true and fair view of the Group's financial position as at 31 December 2010 and of its performance for the half year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

**ANTHONY REILLY**
**<u>Executive Director</u>**

Dated: 11 March 2011

# Independent Auditor's Review Report

William Buck

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF VENTUREX RESOURCES LIMITED AND CONTROLLED ENTITIES

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Venturex Resources Limited and its Controlled Entities, which comprises the consolidated condensed statement of financial position as at 31 December 2010, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

— giving a true and fair view of the company's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and

— complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Venturex Resources Limited and its Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

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Brisbane
Perth
Adelaide
Auckland

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# Independent Auditor's Review Report continued

William Buck

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF VENTUREX RESOURCES LIMITED AND CONTROLLED ENTITIES (CONT)

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Venturex Resources Limited and its Controlled Entities is not in accordance with the Corporations Act 2001 including:

a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

b. complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

*Inherent Uncertainty Regarding Continuation as a Going Concern*

Without qualifying our opinion expressed above, we draw attention to Note 1 in the financial report which states that the consolidated entity incurred a net loss of $1,281,415 during the half-year ended 31 December 2010. This result, along with other matters set forth in Note 1, indicate the existence of an inherent uncertainty which may cast doubt about the consolidated entity's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

*Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial report of Venturex Resources Limited and its Controlled Entities for the half-year ended 31 December 2010 included on Venturex Resource Limited's web site. The company's directors are responsible for the integrity of the Venturex Resource Limited's web site. We have not been engaged to report on the integrity of the Venturex Resource Limited's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

William Buck Audit (WA) Pty Ltd.

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124
Registered Company Auditor No. 339150

Stephen K. Breihl

Stephen K. Breihl
Director

11 March 2011