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# **VENTUREX RESOURCES LIMITED**

**ABN 28 122 180 205**

## **Interim Financial Report**

**For the Half Year Ended  
31 December 2011**

**(previous corresponding period:  
Half Year Ended 31 December 2010)**

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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 2011 and any public announcements made by Venturex Resources Limited during the half year in accordance with the continuous disclosure of the Corporations Act 2001.

## Corporate Directory

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### DIRECTORS

Anthony Kiernan	Non-Executive Chairman
Michael Mulroney	Managing Director
Allan Trench	Non-Executive Director
John Nitschke	Non-Executive Director
Anthony Reilly	Executive Director

### COMPANY SECRETARY

Liza Carpene

### REGISTERED OFFICE / PRINCIPAL PLACE OF BUSINESS

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### QUOTED SECURITIES

Code: VXR Shares

### WEBSITE

[www.venturexresources.com](http://www.venturexresources.com)

### AUDITORS

William Buck Audit (WA) Pty Ltd  
Level 3, South Shore Centre  
83 South Perth Esplanade  
South Perth WA 6151, Australia

### SHARE REGISTRY

Advanced Share Registry  
150 Stirling Highway  
Nedlands WA 6009, Australia

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## Directors' Report

Your Directors present their report on the Group consisting of Venturex Resources Limited (Venturex) and the entities it controlled at the end of, or during, the half year ended 31 December 2011.

### Directors

The following persons were Directors of Venturex during the whole of the half year and up to the date of this report. Directors were in office for the entire period unless otherwise stated.

Mr Anthony Kiernan	Non-Executive Chairman	
Mr Michael Mulroney	Managing Director	(Appointed 27 February 2012)
	Non-Executive Director	(Resigned 4 October 2011)
Dr Allan Trench	Non-Executive Director	
Mr John Nitschke	Non-Executive Director	(Appointed 30 August 2011)
Mr Anthony Reilly	Executive Director	
Dr Tim Sugden	Managing Director	(Resigned 24 February 2012)

### Financial Results

The consolidated profit of the Group during the half year ended 31 December 2011 was \$9,079,739 (31 December 2010: loss of \$1,281,415) as a result of the effects of the Group forming a Tax Consolidated Group. The underlying result before income tax was a loss of \$2,172,319.

On 14 March 2012, Venturex Resources Limited, together with its 100% owned Australian subsidiaries ("Venturex Group") formed a Tax Consolidated Group with an effective date of 1 July 2009. The consolidation allows the transfer of losses and assets between group companies for income tax purposes giving the Venturex Group flexibility to commercially structure its business.

On forming a Tax Consolidated Group, the Venturex Group set tax costs for assets and can now obtain an immediate tax deduction for the value attributed to mining information. The accounting impact of entering into a Tax Consolidated Group is the de-recognition of \$11,292,491 of Deferred Tax Liabilities in the six months ended 31 December 2011.

The profit result includes an impairment/write off of \$1,107,536 (31 December 2010: \$57,987) following a detailed review of the tenements, and the de-recognition \$11,292,491 of Deferred Tax Liabilities in the six months ended 31 December 2011, a direct flow on effect of the decision by the Group to form a Tax Consolidated Group with an effective date of 1 July 2009. The de-recognition of \$11,292,491 Deferred Tax Liabilities has resulted in an overall accounting profit for the half year period of \$9,079,739. There is no tax payable on this accounting profit.

### Review of Operations

In the six months ended 31 December 2011, the Company focused on three main areas of activity:

- ◀ the Pilbara Copper-Zinc Project Bankable Feasibility Study (BFS)
- ◀ copper-zinc exploration in the Pilbara, and
- ◀ gold exploration in Brazil

#### Pilbara Copper-Zinc Project Bankable Feasibility Study (BFS)

During the reporting period, Venturex continued to progress working towards the completion of the BFS and subsequent project construction, commissioning and production. The Company's Management Team was also expanded with the appointment of a Chief Operating Officer (COO), with further appointments expected to be made in the near future.

The BFS program is based on a production concept of a project comprising:

- ◀ A 1.3-1.5Mtpa processing facility located at Whim Creek, adjacent to the former Straits heap leach project;
- ◀ Expansion of two existing open pit mines at the Whim Creek site;
- ◀ The development of a new underground mining operation at Sulphur Springs with the ore produced to be hauled by road to the Whim Creek processing facility;
- ◀ Infrastructure to support the operations, including accommodation villages, workshops, offices, roads, water supply and power generation capacity at both Whim Creek and Sulphur Springs;

## Directors' Report continued

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### Review of Operations continued

#### Pilbara Copper-Zinc Project Bankable Feasibility Study continued

Annual metal production is targeted at 20,000 tonnes of copper and 40,000 tonnes of zinc in concentrates, together with significant silver and gold credits.

In parallel to the BFS, several further options are being evaluated in order to optimise the value of the Project. These include:

- ◀ expansion of the Sulphur Springs underground reserve and production rate,
- ◀ review of the optimum location of the planned processing facility to minimise ore haulage costs,
- ◀ the addition of a separate lead recovery circuit to the processing facility to maximise precious metal recoveries, and
- ◀ possible parallel development of the Salt Creek Cu-Zn-Pb deposit for production of a high grade direct shipping ore.

Mining engineering design work on the Mons Cupri and Whim Creek pits and the Sulphur Springs Underground mine was nearing completion by the end of the year, with final optimisation expected early 2012. It is anticipated that further optimisation will potentially enable additional increases in the tonnes, grade and productivity rate of the open pit and underground reserves. Mining operating cost estimates have been derived from a number of major mining contractors.

The metallurgical test work program on the Mons Cupri, Whim Creek and Sulphur Springs ore types has progressed with strong results achieved from both individual and composite samples. While incomplete, the flotation testwork results indicate that the Project will achieve excellent copper recoveries in excess of 90% to produce a blended copper concentrate with an average grade of approximately 26% Cu. Similarly, zinc recovery is also expected to be in excess of 80% to produce a high value zinc concentrate grading approximately 55% Zn.

Design of the Whim Creek processing facility is being undertaken by GR Engineering Services in conjunction with the metallurgical test program to process the combined production from the Sulphur Springs underground mine (approximately 0.8Mtpa) and the Mons Cupri and Whim Creek open pit mines (approximately 0.5Mtpa).

Substantial progress has been made on the majority of infrastructure requirements, with the proximity to existing infrastructure a key source of advantage for the Pilbara Copper-Zinc Project over comparable greenfield projects.

Discussions are proceeding with all relevant statutory authorities, including the Department of Mines and Petroleum, Environmental Protection Authority, Department of Environment and Conservation and Department of Water, regarding environmental assessment processes and related technical issues. Stakeholder consultation has proceeded with a range of local government and other bodies in the Pilbara Region.

Dialogue continues with a number of national and international banks regarding the provision of debt funding for the construction of the Pilbara Copper-Zinc Project.

Subject to Board approval, finance and permitting, a development decision is anticipated in the second half of 2012.

#### Copper-Zinc Exploration in the Pilbara

In the reporting period, the Company continued to explore for new VMS deposits peripheral to known economic resources at Whim Creek and Sulphur Springs.

At Mons Cupri, exploration successfully located a new, significant alteration system with minor stockwork and disseminated sulphide mineralisation (mainly pyrite, chalcopyrite and sphalerite) directly south of existing Mons Cupri deposit. This (blind) exploration result has highlighted a large area of previously unknown near-surface exploration potential. With the wide spaced nature of the drilling, there remains good potential for a new discovery similar in dimensions to the adjacent Mons Cupri deposit. Assay results are still pending.

## Directors' Report continued

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### Review of Operations continued

#### Gold Exploration in Brazil continued

At Sulphur Springs, the Bledisloe anomaly, located approximately 500 metres to the west of the main deposit, is a priority target. Previous historical drilling intersected stringer copper mineralisation (SSD050: 16.9 metres @ 0.47% Cu) which is often peripheral to massive sulphide mineralising systems. A small diamond drilling program commenced in late 2011, and intersected further minor copper mineralisation with assay results pending.

At the Liberty-Indee Project, a new outcrop of mineralised rock with anomalous copper and zinc values was located on the eastern side of the tenement. A short program of RC drilling was planned for early 2012 has been completed, with assay results pending.

#### Gold Exploration in Brazil

In the half year period, Venturex's wholly owned Brazilian subsidiary, CMG Mineração Ltda (CMGM), concentrated its exploration activities at the Grande Canaã Project and Serra Verde Project in the Tapajós district, and the Rio Pombo Project in Northern Mato Grosso.

At Rio Pombo, a program of 77 aircore holes for 1,242 metres was completed. The best intersection recorded was 8 metres grading 4.37g/t Au from surface with surrounding results being generally modest. The drilling highlighted other prospective areas of the Project on which further surface sampling is required to define future drilling targets.

At the Grande Canaã Project, a previous anomalous channel sampling result of 10 metres grading 1.27g/t Au will be tested with a trenching program upon the granting of pending environmental licences. An additional four Exploration Licence applications were made to further extend this Project area.

At Nova Canaã, reconnaissance sampling of recent shallow workings produced channel sample results up to 5 metres grading 3.3g/t Au within a mineralised shear zone and rock chip samples grading up to 8.15g/t Au. Initial results are encouraging and a follow up further sampling program will be undertaken to ascertain the extent of the mineralisation.

A reconnaissance geochemical auger drilling program (400 x 100 metre grid) was commenced at the Serra Verde Project in the priority exploration areas between the Fofoca Velha, Doca and Paraíba veins. As previously reported, assay results from the 74 holes completed to date, ranged up to 2.63g/t Au and confirmed that gold mineralised structures are contiguous between isolated small scale mining operations. New geological mapping has highlighted new vein occurrences and further extensions to known veins and structures. The Company is awaiting the granting of the central tenements at the Serra Verde Project and discussions are continuing with the DNPM.

Environmental Permits have been applied for on granted Exploration Licences in the KL Project area. An additional six Exploration Licence applications were made to further extend this Project area.

#### 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.



**MICHAEL MULRONEY**  
**Managing Director**

Dated: 14 March 2012

## Directors' Report continued

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### Competency Statements

The information in this report that relates to Exploration Results (Australia) and Mineral Resources (including Whim Creek and Sulphur Springs) is based on information compiled by Messrs Steven Wood and Michael Mulroney, who are Members of the Australasian Institute of Mining and Metallurgy. Messrs Wood and Mulroney are fulltime employees of Venturex Resources Limited and have sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity which they are 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". Messrs Wood and Mulroney consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled or reviewed by Mr David Clark who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Clark is a full time employee of RMDSTEM Limited and has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Clark consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Brazil Exploration Results is based on information compiled by Mr Karl Weber who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Weber is a fulltime employee of CMG Mineração Ltda, a wholly owned subsidiary of Venturex Resources Limited, and has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Weber consents 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



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

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2011 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

*William Buck*

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

*Stephen K. Breihl*

Stephen K. Breihl  
Director

Dated this 14 March 2012

Sydney  
Melbourne  
Brisbane  
Perth  
Adelaide  
Auckland

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CHARTERED ACCOUNTANTS & ADVISORS

## Consolidated Statement of Comprehensive Income for the Half Year Ended 31 December 2011

	Notes	31 December 2011 \$	31 December 2010 \$
<b>Revenue</b>			
Other income		183,743	143,535
<b>Gross profit</b>		<u>183,743</u>	<u>143,535</u>
Administrative expenses		(495,421)	(462,816)
Corporate expenses		(176,464)	(59,239)
Directors, employees, and consultants fees		(805,737)	(939,023)
Exploration and evaluation expenses		(199,675)	(57,252)
Impairment/write off of area of interest		(1,107,536)	(57,987)
<b>Total expenses</b>		<u>(2,784,833)</u>	<u>(1,576,317)</u>
<b>Results from operating activities</b>		<u>(2,601,090)</u>	<u>(1,432,782)</u>
Finance income		232,241	133,544
Finance costs		196,530	17,823
<b>Net finance income</b>		<u>428,771</u>	<u>151,367</u>
<b>Loss before income tax</b>		<u>(2,172,319)</u>	<u>(1,281,415)</u>
Income tax	5	11,252,058	-
<b>Profit from continuing operations</b>		<u>9,079,739</u>	<u>(1,281,415)</u>
<b>Profit (loss) from discontinuing operations</b>		-	-
<b>Profit for the period</b>		<u>9,079,739</u>	<u>(1,281,415)</u>
<b>Other comprehensive income</b>			
Foreign currency translation differences – foreign operations		(19,769)	(250,180)
<b>Other comprehensive income for the period, net of tax</b>		<u>(19,769)</u>	<u>(250,180)</u>
<b>Total comprehensive income for the period, attributed to members of the parent entity</b>		<u>9,059,970</u>	<u>(1,531,595)</u>
<b>Earnings per share</b>			
Basic profit per share		0.84 cents	(0.20) cents
Diluted profit per share		0.84 cents	(0.20) cents

The accompanying notes form part of these financial statements.



## Consolidated Statement of Financial Position as at 31 December 2011

	Notes	31 December 2011 \$	30 June 2011 \$
<b>Current assets</b>			
Cash and cash equivalents		4,166,620	10,599,384
Trade and other receivables		125,038	357,719
Inventories		33,416	71,465
Other		1,733,940	1,699,234
<b>Total current assets</b>		<b>6,059,014</b>	<b>12,727,802</b>
<b>Non-current assets</b>			
Property, plant and equipment		3,106,364	3,263,321
Exploration and evaluation		62,022,113	58,865,324
Intangible assets		-	55
<b>Total non-current assets</b>		<b>65,128,477</b>	<b>62,128,700</b>
<b>Total assets</b>		<b>71,187,491</b>	<b>74,856,502</b>
<b>Current liabilities</b>			
Trade and other payables		674,504	817,133
Provisions		3,206,157	1,640,770
Employee provisions		205,837	176,468
<b>Total current liabilities</b>		<b>4,086,498</b>	<b>2,634,371</b>
<b>Non-current liabilities</b>			
Provisions		4,346,028	7,429,439
Deferred tax liability	5	-	11,292,491
<b>Total non-current liabilities</b>		<b>4,346,028</b>	<b>18,721,930</b>
<b>Total liabilities</b>		<b>8,432,526</b>	<b>21,356,301</b>
<b>Net assets</b>		<b>62,754,965</b>	<b>53,500,201</b>
<b>Equity</b>			
Issued capital	6	73,016,616	73,016,616
Reserves	6	1,468,787	1,293,762
Accumulated Losses		(11,730,438)	(20,810,177)
<b>Total equity</b>		<b>62,754,965</b>	<b>53,500,201</b>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Changes in Equity for the Half Year Ended 31 December 2011

	Issued Capital \$	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)
<b>Balance at 31 December 2010</b>	<b>35,453,000</b>	<b>1,807,706</b>	<b>(250,180)</b>	<b>(13,175,829)</b>	<b>23,834,697</b>

  

Balance at 30 June 2011	73,016,616	1,232,768	60,994	(20,810,177)	53,500,201
Options issued	-	194,794	-	-	194,794
Profit for the period	-	-	-	9,079,739	9,079,739
Total comprehensive income	-	-	(19,769)	-	(19,769)
<b>Balance at 31 December 2011</b>	<b>73,016,616</b>	<b>1,427,562</b>	<b>41,225</b>	<b>(11,730,438)</b>	<b>(62,754,964)</b>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Cash Flow for the Half Year Ended 31 December 2011

	Notes	31 December 2011 \$	31 December 2010 \$
<b>Cash flows related to operating activities</b>			
Payments to suppliers and employees		(1,227,152)	(1,015,834)
Interest received		304,257	133,931
Payment of Stamp Duty for purchase of controlled entity		(1,204,165)	-
<b>Net cash used in operating cash flows</b>		<b>(2,127,060)</b>	<b>(881,903)</b>
<b>Cash flows related to investing activities</b>			
Payment for purchases of plant and equipment		(37,388)	(18,661)
Proceeds from sale of plant and equipment		-	212,403
Proceeds from sale of mining tenements		147,316	-
Payment for deferred exploration expenditure		(4,382,085)	(2,558,454)
<b>Net cash used in investing cash flows</b>		<b>(4,272,157)</b>	<b>(2,364,712)</b>
<b>Cash flows related to financing activities</b>			
Proceeds from issues of securities		-	1,750,000
Capital raising costs		-	(131,459)
<b>Net cash from financing cash flows</b>		<b>-</b>	<b>1,618,541</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(6,399,217)</b>	<b>(1,628,074)</b>
Cash and cash equivalents at the beginning of the half year		10,599,384	4,769,519
Effects of exchange rate changes on cash and cash equivalents		(33,547)	(4,748)
<b>Cash and cash equivalents at the end of the half year</b>		<b>4,166,620</b>	<b>3,136,697</b>

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 2011 comprises the Company and its subsidiaries (together referred to as the "Group"), Venturex Pilbara Pty Ltd, Venturex Sulphur Springs 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 2011 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

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 (referred to as the Consolidated Group or the Group). 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 2011, 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 2011 annual financial report for the financial year ended 30 June 2011, 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.

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

#### **Going Concern**

The Group incurred a loss before income tax of \$2,172,319 (31 Dec 2010: loss of \$1,281,415), net decrease of cash flows of \$6,399,217 (31 Dec 2010 decrease: \$1,628,074) and had a net asset balance of \$62,754,965 (30 Jun 2011: \$53,500,201) for the interim period ended 31 December 2011, including a cash balance of \$4,166,620 (30 June 2011: \$10,599,384).

The Directors are of the opinion that the Group's exploration and development assets will attract further capital investment when 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 nearly completed 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 will be required to raise additional capital to fund its future activities, including provision for ongoing working capital, finalisation of the BFS, exploration and any required pre-production activities that may be identified in the current bankable feasibility process. The Directors believe that the Group has the ability to raise additional funds through its 15% share placement capacity or via short term loan funding arrangements.

If the Group proceeds with a decision to mine following the conclusion of the bankable feasibility study, the Group will be required to raise substantial funding to support the development of the Project. The Group is investigating and evaluating all potential options available to fund the Project, and is well advanced in discussions with numerous funding organisations and other market participants.

The Group incurred impairments and write-offs of exploration assets to the value of \$1,107,536 (31 Dec 2010: \$57,987). The Directors anticipate that further impairments and write-offs of exploration assets will not be incurred in the 2011/2012 financial year due to:

- The Group continuing to add value to its Pilbara tenements by increasing resources and nearly completing a bankable feasibility study, 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

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 2011. 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 2011.

### 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.

### Note 4. Contingent Liabilities

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

### Note 5. Income Tax

On 14 March 2012, Venturex Resources Limited, together with its 100% owned Australian subsidiaries ("Venturex Group") formed a Tax Consolidated Group with an effective date of 1 July 2009. The consolidation allows the transfer of losses and assets between group companies for income tax purposes giving the Venturex Group flexibility to commercially structure its business.

On forming a Tax Consolidated Group, the Venturex Group set tax costs for assets and can obtain an immediate tax deduction for the value attributed to mining information. The accounting impact of entering into a Tax Consolidated Group is the de-recognition of \$11,292,491 of Deferred Tax Liabilities in the six months ended 31 December 2011.

The de-recognition of \$11,292,491 Deferred Tax Liabilities has resulted in an overall accounting profit for the half year period of \$9,079,739.

### Note 6. Issued Capital and Reserves

	31 December 2011		30 June 2011	
	No.	\$	No.	\$
Issued and Paid Up Capital				
Fully Paid Ordinary Shares	1,087,242,726	73,016,616	1,087,242,726	73,016,616
Unlisted options issued	78,447,368	1,427,562	59,947,368	1,232,768
Total		<u>74,444,178</u>		<u>74,249,384</u>

During the half year ended 31 December 2011, the following movements in equity occurred:

#### Shares

There were no movements in shares since the last annual reporting period.

#### Options (listed)

There are no listed options

#### Options (unlisted)

		<u>Issue Price \$</u>	<u>No.</u>	<u>\$</u>
	Balance as at 1 July 2011		59,947,368	1,232,768
10/10/2011	Issue of options to Directors and Key Management Personnel	0.030	7,500,000	36,115
06/12/2011	Issue of options to Directors and Key Management Personnel	0.035	11,000,000	18,748
31/11/2011	Expense options over vesting period	-	-	139,931
			<u>78,447,368</u>	<u>1,427,562</u>

## Notes to the Financial Statements continued

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### Note 7. Events Subsequent to Reporting Date

On 12 January 2012, 21,000,000 unlisted options (VXRAO) expired.

On 31 January 2012, 18,947,368 unlisted options (VXRAK) expired.

Mr Michael Mulroney commenced as the Managing Director on 27 February 2012. Mr Mulroney will be employed on a two year fixed term contract and will receive a salary of \$350,000 per annum plus superannuation and other entitlements, as well as an annual bonus of up to 30% of base salary if specific key performance indicators are met. In addition, subject to Shareholder approval, Mr Mulroney, will be granted ten million unlisted options:

- ◀ expiring three years from date of issue,
- ◀ exercisable at a 50% premium to the VWAP of shares in the last five trading days on which there were sales prior to the date of approval by Shareholders in General Meeting, or a floor exercise price of 12 cents, whichever is the higher, and
- ◀ 40% vesting at 12 months and 60% vesting at 20 months from date of issue,

Dr Timothy Sugden resigned as the Managing Director on 24 February 2012.

On 14 March 2012, Venturex Resources Limited, together with its 100% owned Australian subsidiaries ("Venturex Group") has formed a Tax Consolidated Group with an effective date of 1 July 2009. The consolidation allows the transfer of losses and assets between group companies for income tax purposes giving the Venturex Group flexibility to commercially structure its business.

On forming a Tax Consolidated Group, the Venturex Group must set tax costs for assets and can obtain an immediate tax deduction for the value attributed to mining information. The accounting impact of entering into a Tax Consolidated Group is the de-recognition of \$11,292,491 of Deferred Tax Liabilities in the six months ended 31 December 2011.

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

## Directors' Declaration

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The Directors' of the Company declare that:

1. The financial statements and notes, as set out on pages 6 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 2011 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.



**MICHAEL MULRONEY**  
**Managing Director**

Dated: 14 March 2012

## Independent Auditor's Review Report



### 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 2011, 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 2011 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.

Sydney  
Melbourne  
Brisbane  
Perth  
Adelaide  
Auckland

#### Independence

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

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## Independent Auditor's Review Report continued



### INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS 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 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 2011 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the 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 loss before income tax of \$2,172,319 during the half-year ended 31 December 2011. 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 Reviewed Half Year Financial Report*

This auditor's review report relates to the half year financial report of Venturex Resources Limited and its controlled entities for the half year ended 31 December 2011 included on Venturex Resources Limited's web site. The company's directors are responsible for the integrity of Venturex Resources Limited's web site. We have not been engaged to report on the integrity of the Venturex Resources Limited's web site. The auditor's review report refers only to the half year 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 reviewed half year financial report to confirm the information included in the reviewed financial report presented on this web site.

A handwritten signature in blue ink that reads 'William Buck'.

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

A handwritten signature in blue ink that reads 'Stephen K. Breihl'.

Stephen K. Breihl  
Director

Dated this 14 March 2012