2017 ANNUAL REPORT

Corporate Directory

DIRECTORS

Anthony Kiernan	Non-Executive Chairman
Anthony Reilly	Executive Director
Darren Stralow	Non-Executive Director

COMPANY SECRETARY

Trevor Hart

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Chairman's Report

Dear Shareholders

I am pleased to report on what has been a positive and productive year for Venturex.

As a result of the progress made over the past 12 months, the Company is now well placed to further its goal of developing a significant copper and zinc production centre in the Pilbara region of Western Australia.

Our large and strategic Resource base – encompassing a metal inventory containing some 900,000 tonnes of zinc and 300,000 tonnes of copper – provides a strong foundation to become a significant new Australian base metal producer.

The widely predicted shortfall in the supply of both zinc and copper started to become evident during the year as years of under-investment in supply combined with strengthening demand helped to drive down stockpiles and boost prices.

Zinc has already been one of the best performing commodities of 2017, with the price up over 50 percent from its 2015 lows. This trend is expected to accelerate as the impact of major mine closures continues to be felt.

Copper finally followed suit this year as well, due mainly to a combination of supply disruptions and a growing recognition of the emergence of new demand from industries such as the lithium-ion battery and energy storage sectors.

Venturex is well positioned to benefit from this scenario, particularly given the advanced nature of its key projects, the proximity of its Resources to infrastructure and the skills and capabilities of its technical team.

During the year, the Company completed a Value Engineering Study ("VES") of the Sulphur Springs Copper-Zinc Project, which highlighted compelling economics of this greenfields project. The Project includes the Kangaroo Caves Resource and exploration tenements covering a 27km strike length of the highly prospective Panorama trend.

The viability of the Sulphur Springs Project has been enhanced by the identification of a near-surface Inferred Resource of high grade copper mineralisation that sits on top of the sulphide Resource.

In-fill drilling to upgrade the category of this Inferred Supergene Resource and extract core for metallurgical test-work purposes is, as I write a priority for the Company with this program commencing in early September.

In parallel with this drilling program, we will conduct further metallurgical test-work and update the permitting in line with the development scenario contemplated by the Sulphur Springs VES.

Our principal focus remains on rapidly advancing Sulphur Springs to a development decision and the above activities will allow us to update the Value Engineering Study to a Definitive Feasibility Study level by early next year.

Chairman's Report

In the meantime, we will not lose sight of the significant value contained within our Whim Creek Project, which includes the Whim Creek, Mons Cupri, Evelyn and Salt Creek deposits, plus some 18,100 hectares of highly prospective tenements covering the Whim Creek Basin.

Venturex completed a Scoping Study on the Whim Creek Project in November 2010 prior to purchasing Sulphur Springs. This Scoping Study identified the potential for Whim Creek to produce 13,000 tonnes-a-year of copper equivalent metal in copper, zinc and lead concentrates for nine years.

Notwithstanding this attractive near-term development potential in a brownfields environment, the Whim Creek Project has had virtually no focused exploration attention in more than three decades.

We made significant progress in this regard during the year using modern technologies and lateral thinking to re-evaluate the exploration potential of the area. Significant progress was made on the reinterpretation of the Mons Cupri project area through geophysics and re-logging of existing drill holes. At Salt Creek, the use of geophysics was demonstrated to be an effective exploration tool.

The heap leach reprocessing venture with private operator, Blackrock Metals Pty Ltd ("Blackrock") at the Whim Creek Project continued during the year.

Blackrock have been able to increase production during the year, overcoming some technical and operational challenges. Initiatives implemented during the year included turning and restacking the heap leach, the addition of an ION exchange unit and the addition of low-grade stockpiles to the heap leach dump.

Blackrock have recently commenced a trial by agreeing to purchase 50,000 tons of low grade copper oxide stockpile from the Whundo Project and adding it to the current heap leach dump, with the aim of increasing the copper credits within the heap leach dump.

During the year, the Company secured additional funding to support its activities and it was pleasing to see the continued support of Northern Star Resources, as well as the introduction of new investors.

I would like to thank both existing and new shareholders for their support and Venturex staff for their ongoing and hard work. My thanks also to John Nitschke, who stepped down as Managing Director during the year after making a significant contribution and also my fellow directors.

With a valuable Resource inventory, an improving market outlook, a strong investor base and a clear corporate strategy, Venturex is well placed to grow shareholder value over the coming year.

TONY KIERNAN
CHAIRMAN

29 September 2017

AUSTRALIA – PILBARA COPPER-ZINC

SUMMARY

Over the course of 2017 Venturex Resources ("the Company" or "Venturex") was able to make significant progress on both its projects located in the Pilbara region of Western Australia (**Figure 1**). The Company was able to achieve these outcomes against a slowly improving outlook for zinc and copper and market sentiment for junior exploration companies.

The Company's key project is the Sulphur Springs Project which is an advanced zinc and copper project with a resource of 13.4mt at 4% Zn and 1.5% Cu (for 527kt Zn and 195kt Cu of contained metal respectively). The Company continues to advance the project towards a financing and development decision. The completion of the "Sulphur Springs – Value Engineering Study" in February 2017 was a key catalyst in laying out the path forward to advance this significant project.

The Company also possess an advanced exploration project at Whim Creek where the companies' efforts were focused on the Mons Cupri and Salt Creek project areas. The intent at Whim Creek was to make new virgin or incremental discoveries to add to the existing resources. At the Mons Cupri project geophysical surveys and relogging of existing drill holes were undertaken. At Salt Creek, the use of geophysics was demonstrated to be an effective exploration tool.

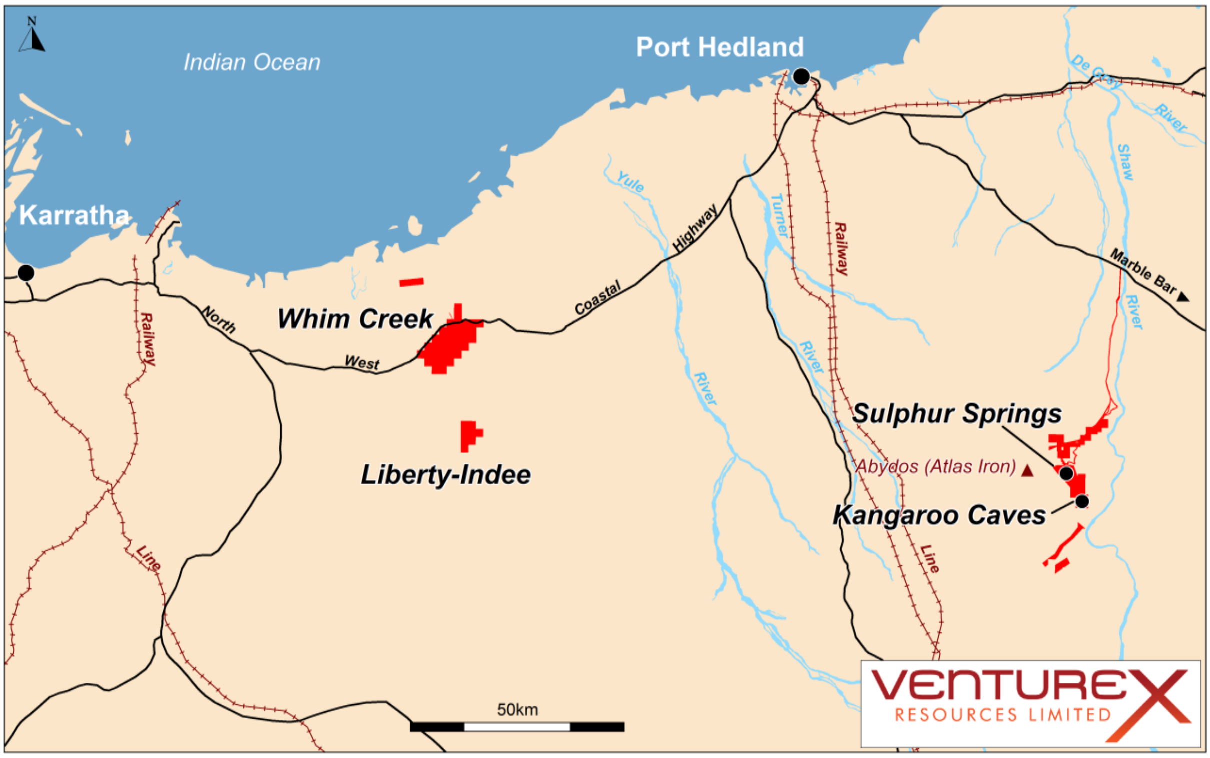

Figure 1: Pilbara Copper-Zinc Project Location Plan

In addition to the exploration activities at Whim Creek the company has a profit share agreement with Blackrock Metals Pty Ltd, which provides access and the ability to manage the reprocessing of the existing Whim Creek oxide copper heap leach to produce copper cathode.

Venturex received no profit share for the 2016-2017 financial year and to date has received a total $1 million from the total production of 3,095 tonnes copper cathode.

Sulphur Springs Project

The Sulphur Springs VES completed in February 2017 represented a major advancement for the Sulphur Springs Project. The VES was the culmination of previous work and studies completed by the Company including, though not limited to, the Project Optimisation Study completed in November 2015, the updated Sulphur Springs Resource and Reserves in May/June 2016 and the Kangaroo Caves Resources in September 2015.

The VES has outlined a robust development pathway with improved economics, a reduced risk profile and lower capital cost.

Review of Operations

A key enhancement of the VES (over previous studies) has been the ability to potentially process inferred supergene ore located at the top of the Sulphur Springs deposit through the proposed flotation plant. This opens up the opportunity to mine and process high grade near surface material in the early years of the production schedule. The VES has demonstrated that Sulphur Springs is a robust base metals project which is well positioned for development.

Sulphur Springs Project outline and VES outcomes

The Project is located approximately 145kms south east of Port Hedland and is accessed by a combination of sealed all weather road and haul road. The Project is situated on granted mining leases with an existing Mining Agreement in place with the Njamal people. The Project is 100% owned by Venturex.

The Base Case development scenario for the Sulphur Springs Project is based on mining and processing at a rate of 1Mtpa from a Production Target of 11.7Mt at 3.6% Zn and 1.4% Cu, to produce approximately 32,000t of zinc and 12,000t of copper in separate concentrates annually.

The Sulphur Springs Project has a substantial resource base of ~740,000t and ~230,000t of contained zinc and copper metal respectively. An Ore Reserve of 255,000t and 84,000t of contained zinc and copper metal has also been defined.

Mining initially is to be by open pit followed by bulk underground mining using a core and shell method. A conventional sulphide flotation plant is to be used to produce two high quality concentrates that will be trucked to Port Hedland and shipped to Asian ports.

Site infrastructure required for the Project is typical for a green field's development project of this size and scale. Infrastructure required will include upgrading the existing access track, construction of a sulphide processing plant, site administration/accommodation buildings, workshop, power station and water treatment plant.

Tailings are planned to be stored in a conventional valley fill dam, designed to meet Australian guidelines and includes a combined high-density polyethylene ("HDPE") and compacted sub-base liner.

The Project has granted mining permits already in place for a development based solely on an underground operation. Subsequent to the end of the 2017 reporting period, the approvals path way required to amend the existing permits was defined and the Company is now working with the Western Australian Environmental Protection Authority ("EPA") on defining the scope of work required.

The base case development scenario outlined above derives a pre-tax NPV8% of A$338million and an IRR of 52%. Supported by a 1Mtpa processing rate with an initial 12 year operating life. The base case produces on average 32,000t of zinc and 12,000t of copper in separate concentrates annually.

The base case derives A$601million of pre-tax cash flow over the project life with a C1 cost of US$0.14c/lb Zinc. The maximum cash draw down of the project is estimated at A$183million.

The study also identified an opportunity to increase the production rate of the project to 1.25Mtpa and improve the pre-tax NPV8% to A$388million.

Review of Operations

Key Summary metrics of the base case and higher throughput option are provided in **Table 1** below.

Activity	Units	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
Sulphur Springs Open Pit - Ore[1]	'000t	**5,009**	-	**918**	**1,000**	**986**	**1,002**	**1,000**	**103**	-	-	-	-	-	-
Copper Grade	%	**1.8%**	-	**3.5%**	**1.7%**	**1.1%**	**1.2%**	**1.5%**	**1.6%**	-	-	-	-	-	-
Zinc Grade	%	**3.5%**	-	**1.0%**	**2.9%**	**5.0%**	**3.5%**	**4.5%**	**6.4%**	-	-	-	-	-	-
- Waste	'000t	**41,734**	**3,999**	**10,411**	**10,126**	**10,162**	**6,306**	**709**	**22**	-	-	-	-	-	-
Strip Ratio (Total Ore)		**8.3**	-	**11.3**	**10.1**	**10.3**	**6.3**	**0.7**	**0.2**	-	-	-	-	-	-
Sulphur Springs Underground[2]	'000t	**4,892**	-	-	-	-	-	143	693	1,023	989	1,031	762	250	-
Copper Grade	%	**1.3%**	-	-	-	-	-	1.6%	1.4%	1.6%	1.3%	1.2%	1.3%	1.2%	-
Zinc Grade	%	**3.7%**	-	-	-	-	-	3.3%	4.1%	4.0%	3.8%	3.8%	3.2%	2.0%	-
Development	m	**7,325**	-	-	-	-	-	2,922	2,958	1,125	-	-	-	-	-
Kangaroo Caves Underground[3]	'000t	**1,835**	-	-	-	-	-	-	-	-	193	442	433	430	337
Copper Grade	%	**0.7%**	-	-	-	-	-	-	-	-	0.6%	0.7%	0.8%	0.7%	0.6%
Zinc Grade	%	**3.8%**	-	-	-	-	-	-	-	-	4.7%	4.1%	3.7%	3.0%	4.1%
Development	m	**10,134**	-	-	-	-	-	-	-	180	3,860	5,306	788	-	-
Ore Processed (Sulphide)	'000t	**11,736**	-	887	1,000	1,003	1,000	1,000	956	1,003	1,000	1,000	1,000	1,003	885
Copper Head Grade	%	**1.4%**	-	**3.4%**	**1.8%**	**1.1%**	**1.2%**	**1.4%**	**1.5%**	**1.6%**	**1.3%**	**1.2%**	**1.2%**	**0.8%**	**0.7%**
Zinc Head Grade	%	**3.6%**	-	**1.0%**	**2.8%**	**4.9%**	**3.5%**	**4.1%**	**4.6%**	**4.0%**	**3.8%**	**3.9%**	**3.4%**	**3.3%**	**3.8%**
Copper Recovery	%	**90**	-	-	-	-	-	-	-	-	-	-	-	-	-
Copper Concentrate Grade	%	**26**	-	-	-	-	-	-	-	-	-	-	-	-	-
Zinc Recovery	%	**93**	-	-	-	-	-	-	-	-	-	-	-	-	-
Zinc Concentrate Grade	%	**55**	-	-	-	-	-	-	-	-	-	-	-	-	-
Concentrate Produced and Shipped															
Copper	'000 wmt	**619**	-	114	65	41	46	53	52	59	47	44	44	31	22
Zinc	'000 wmt	**774**	-	16	52	90	63	76	81	74	69	71	62	60	62
Payable Cu in con (96.5%)	'000t	**144**	-	26	15	10	11	12	12	14	11	10	10	7	5
Payable Zn in con (85%)	'000t	**335**	-	7	22	39	27	33	35	32	30	31	27	26	27

This Production Target must be read in conjunction with the cautionary statements provided in the ASX release dated 16 February 2017.
[1]Resource Recovery of 95% at 10% dilution; [2]Resource Recover of 80 to 95% at 10 to 25% dilution; [3]Resource Recovery of 95% at 10% dilution.

Table 1: Key Summary Metrics

<u>Sulphur Springs Exploration</u>

Over the course of 2017, the Company identified significant exploration potential within the project area. Volcanogenic Massive Sulphide ("VMS") systems such as Sulphur Springs can have multiple mineralising events and orebodies. The Company's exploration team believes that modern geophysical techniques represent excellent exploration tools to target this style of mineralisation. This view is supported by the success enjoyed by the Company at its Whim Creek Project where geophysical techniques have been used successfully to extend the known mineralisation at Salt Creek.

Review of Operations

Reprocessing of the limited currently available down hole geophysical data has identified an off hole target in hole SSD044A. The off hole anomaly in SSD044A is positioned below known mineralisation and is interpreted to represent a potential down plunge extension of the main Sulphur Springs orebody. This target remains to be followed up and effectively drill tested. See **Figure 2 and 3** below.

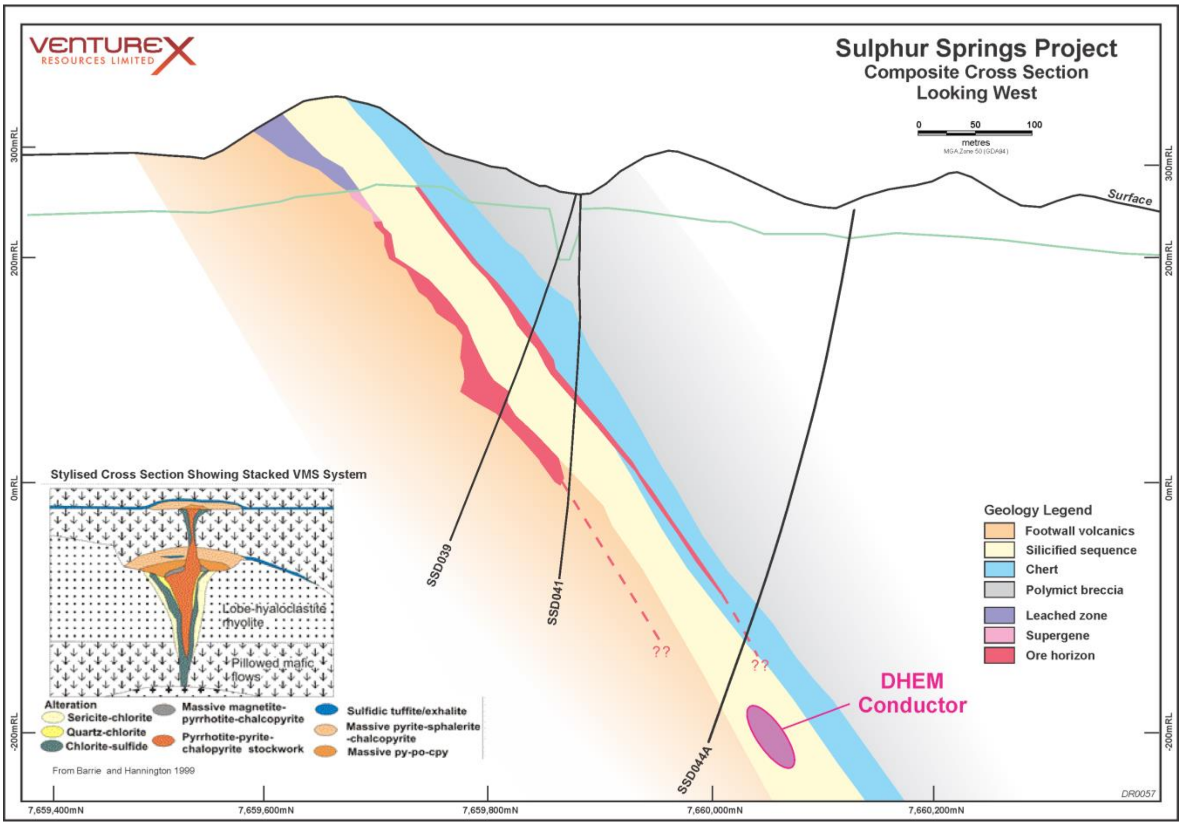

Figure 2: Re-processing of the limited Down Hole Electromagnetic ("DHEM") data

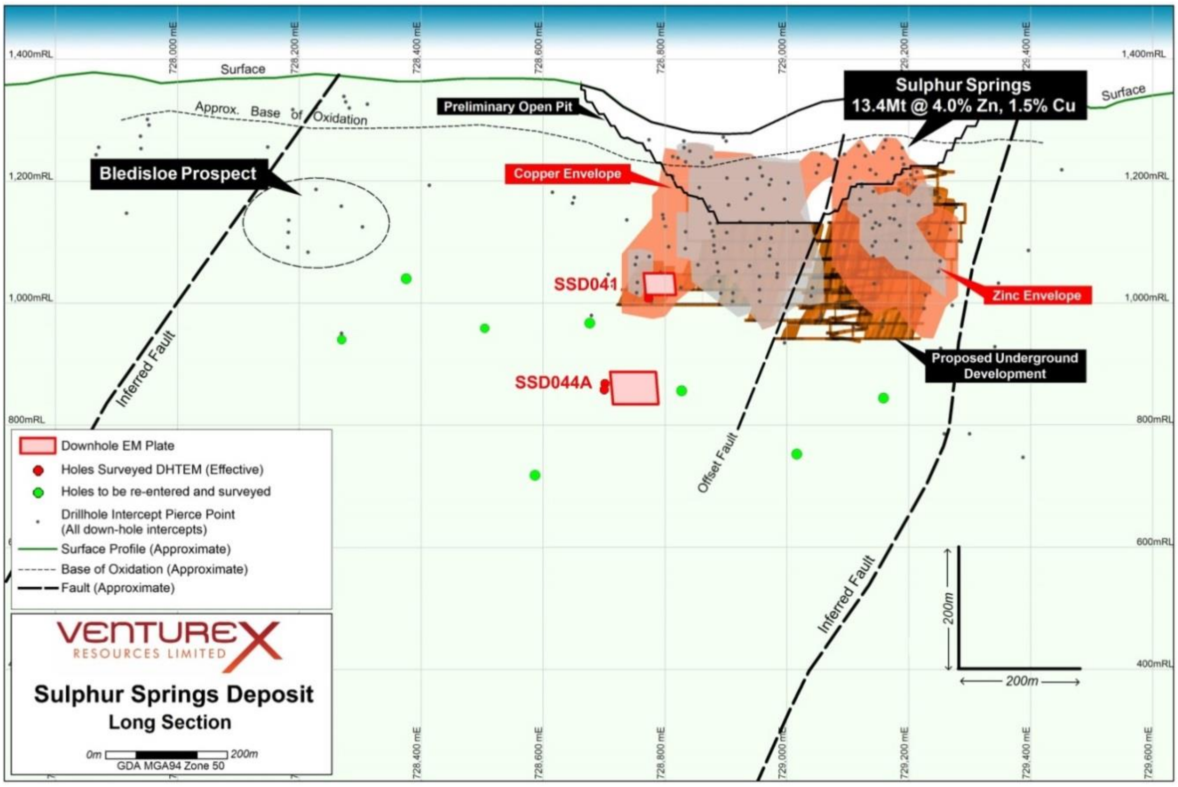

Figure 3: Sulphur Springs Long Section

Review of Operations

In addition to the geophysical targets outlined above the 2016 Sulphur Springs Resource update also identified the presence of sporadic disseminated sulphide mineralisation in the footwall of the deposit. The stock work copper gold mineralisation included within this disseminated material represents a potential feeder zone for the main orebody and remains to be followed up.

The exploration potential of the broader project area in the Panorama Trend (to the south of the currently defined Sulphur Springs Project area) was also on going. The Company's exploration team continued to review the available historical exploration data where significant zinc intercepts have previously been recorded (**Figure 4**).

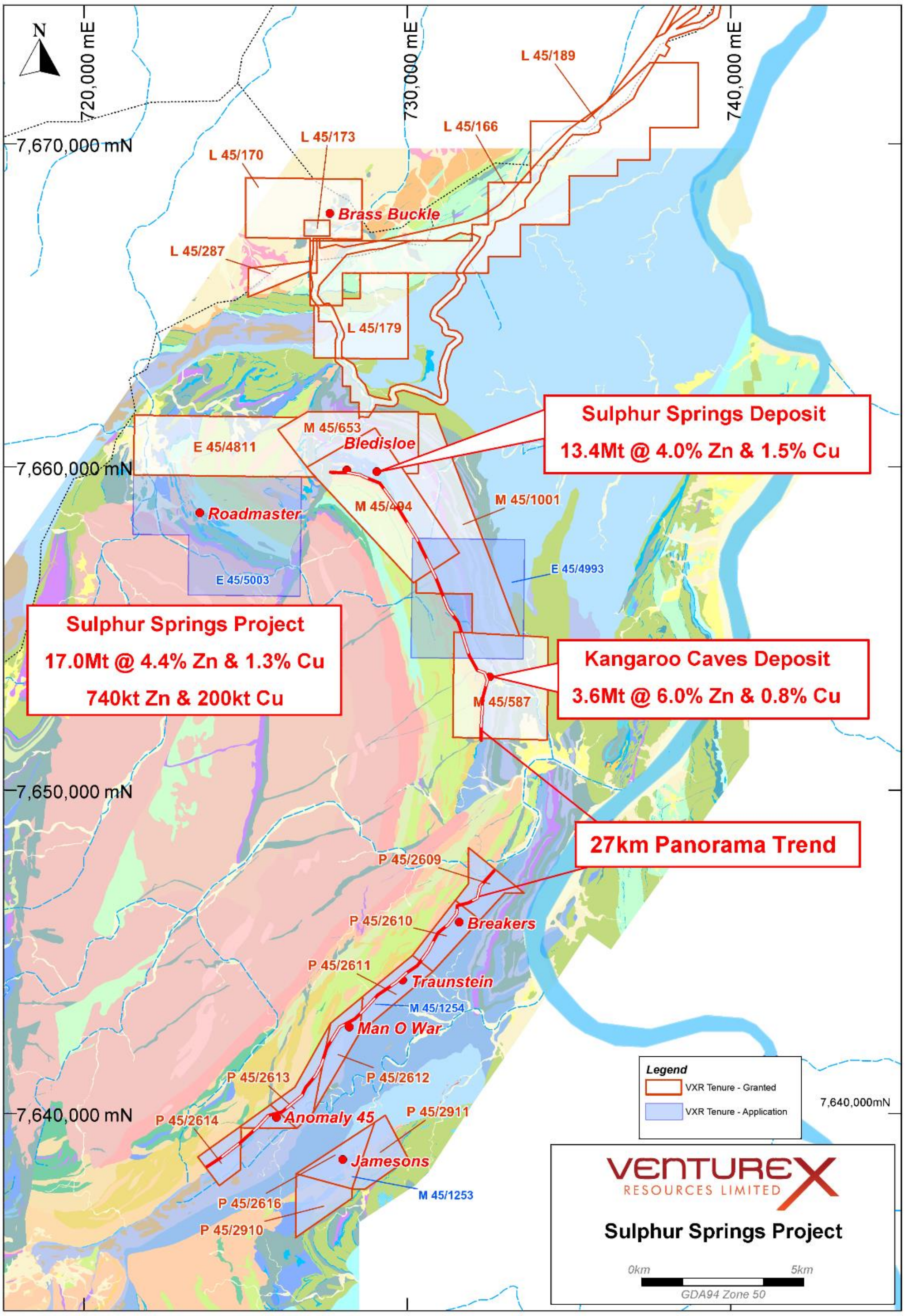

Figure 4: Sulphur Springs Geology and Tenements

Whim Creek Project

The brownfields Whim Creek Project is located 115 kilometres southwest of Port Hedland and the Company's tenement holdings straddle the sealed North West Coastal Highway (**Figure 5**).

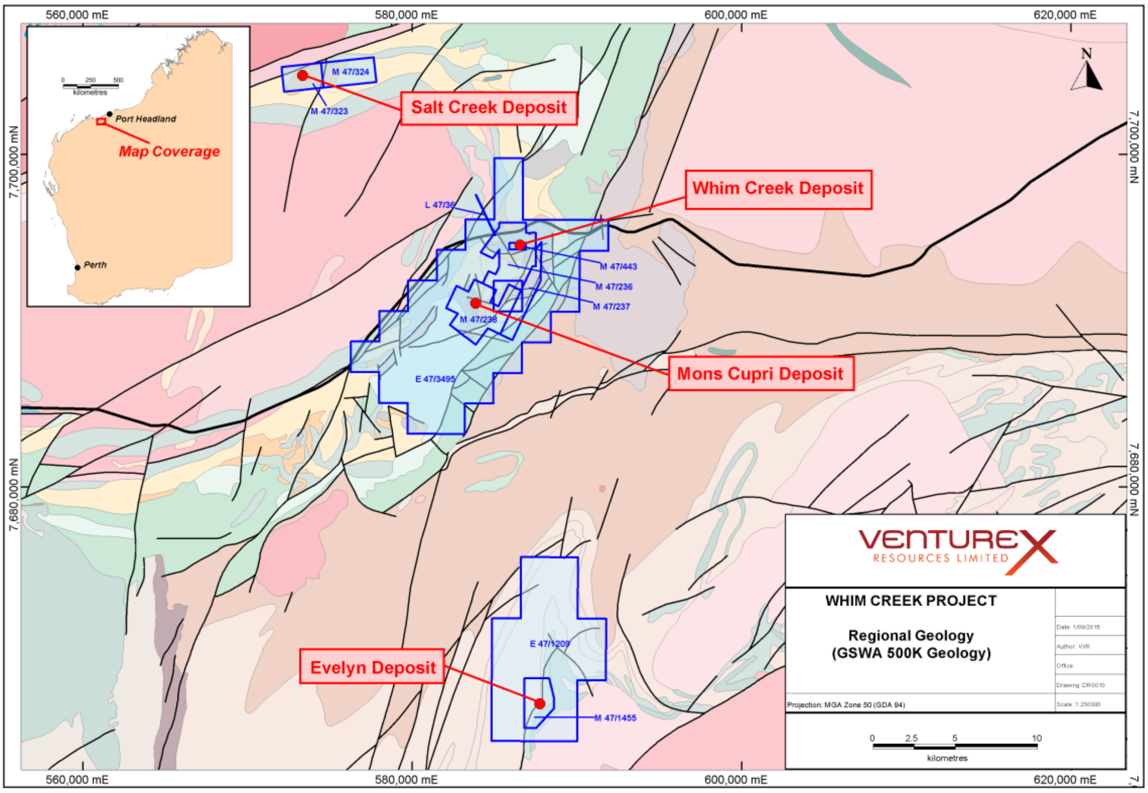

Figure 5: Whim Creek and Evelyn Location Plan

The Project includes the Mons Cupri, Whim Creek, Salt Creek and Evelyn (which was previously held in a joint venture structure where the Company could earn 90%. Over the course of 2017 the Company's ownership moved to 100%.) VMS deposits as well as tenements covering 18,000 ha of the highly prospective Whim Creek and Mallina VMS basins.

The Company believes that Whim Creek with its location and legacy infrastructure from the Whim Creek Heap leach Solvent Extraction & Electrowinning ("SX/EW") operation represents a low cost opportunity to develop a processing plant to treat sulphide mineralisation in a relatively short time frame.

Mons Cupri

Following from last year's work where a detailed high powered Induced Polarisation ("IP") survey was completed over the area surrounding the Mons Cupri deposit and a detailed reinterpretation of the Salt Creek Deposit the Company completed a reverse circulation ("RC") and diamond drilling program testing priority IP targets at the Mons Cupri Deposit and testing the near surface and down plunge extensions of mineralisation at the Salt Creek Deposit.

At the Mons Cupri Deposit, massive sulphide copper – zinc and stockwork pyrite copper mineralisation occurs at the top of the Cistern Conglomerate within 20 m of the contact with the Rushall Shale. During the year, the Company drilled two RC drill holes for 425m and two RC/diamond holes for 382m to test four IP conductors in the vicinity of the Mons Cupri Deposit. The IP conductors were interpreted to be associated with larger scale pyrite chalcopyrite stockwork mineralisation and are seen as a vector to the more discrete massive sphalerite copper sulphide mineralisation which is more difficult to target directly (**Figure 6**).

Three of the four holes drilled at Mons Cupri intersected stockwork related sericite-chlorite–silica altered Cistern Conglomerate with weak pyrite mineralisation. Down Hole Magneto Metric Resistivity ("DHMMR") surveying of the holes identified weak off hole conductor plates in the three holes. The Company sees this as encouraging, and may indicate the presence of additional lenses of massive sulphide mineralisation. Further testing of the DHMMR plates is warranted. In addition, there are a number of other IP conductors identified in the survey that were not tested in 2017 due to logistics and delay in obtaining heritage clearances. These targets remain available for follow up testing in the near future.

Review of Operations

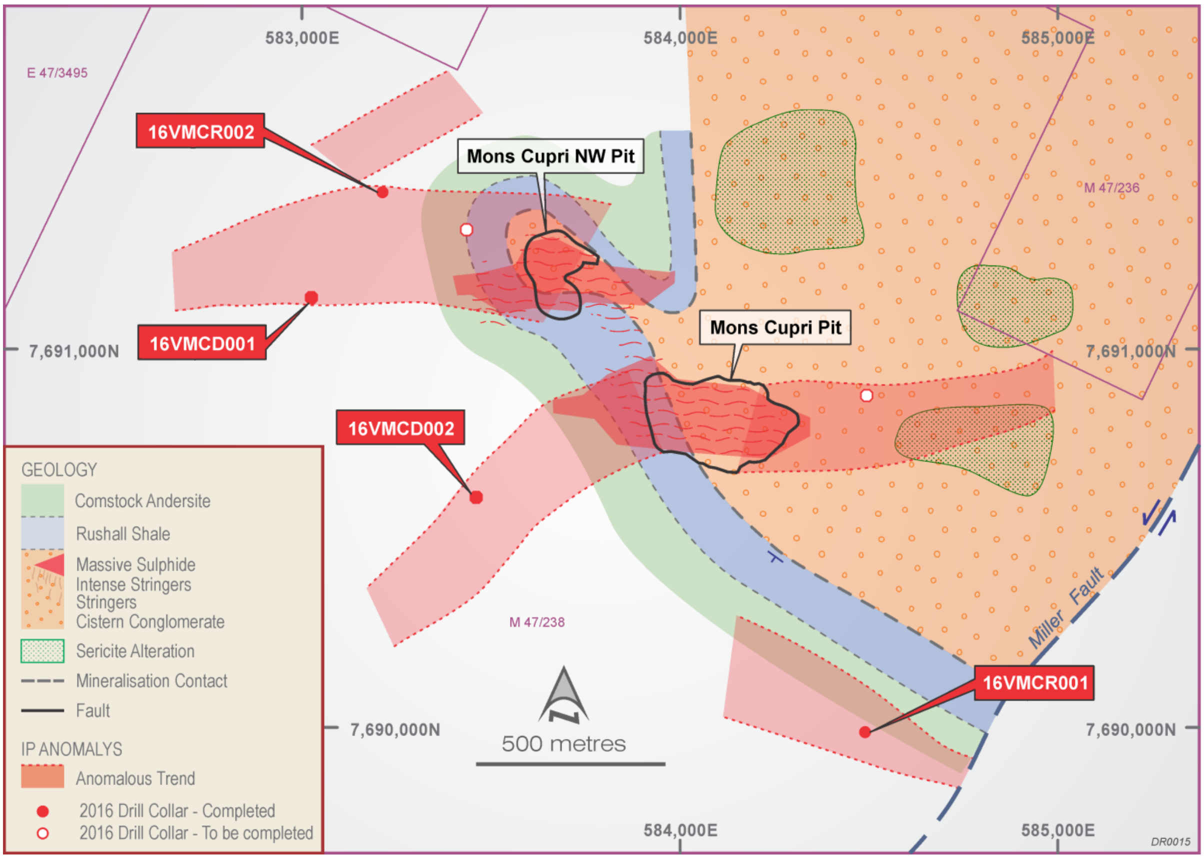

Figure 6: Mons Cupri Deposit Anomalous IP Trends and Recent Drilling

Salt Creek

At the Salt Creek Deposit, two programs of diamond drilling, totalling 9 holes for 2,344.5m were completed (**Figure 7**). The first program targeted extensions to the existing resources in the upper sections of the East and West Lodes. The second program of three holes tested deep Down Hole Transient Electromagnetic ("DHTEM") and DHMMR conductor plates below the level of drill coverage.

Drill holes 16VSCD001 to 16VSCD006 were drilled into the upper parts of the Salt Creek Deposit. Holes 16SCVD001 and 16SCVD003 both intersected zones of massive sphalerite galena and silver mineralisation with grades up to 43.9% Zn. The intersections marginally extended the boundaries of the existing near surface mineralisation and confirmed the tenor of the mineralisation from earlier drilling. See **Table 2** for drill results.

Hole ID	Type	North	East	RL	Azi	Dip	TD	Intersection							
SALT CREEK								From m	To m	Width m	Cu %	Zn %	Pb %	Au g/t	Ag g/t
16VSCD001	DD	7704759.40	573754.3	7.90	330.0°	-60°	162.0	150.31	151.95	1.64	-	43.90	19.50	0.80	550.00
16VSCD002	DD	7704776.30	573833.6	9.80	330.0°	-60°	190.0	NSI							
16VSCD003	DD	7704700.50	573615.8	7.30	330.0°	-60°	130.0	78.37	80.30	1.93	-	23.60	13.30	1.35	802.00
16VSCD004	DD	7704570.70	573403.3	8.40	330.0°	-60°	159.0	NSI							
16VSCD005	DD	7704776.00	573774.0	9.10	330.0°	-60°	147.6	NSI							
16VSCD006	DD	7704593.20	573391.7	6.10	330.0°	-60°	129.1	NSI							
16VSCD007	DD	7704643.07	574076.2	19.20	330.0°	-70°	582.5	434.00 448.40	444.58 455.33	10.58 6.93	1.49 1.18	- 4.70	- -	- 0.32	5.27 13.10
16VSCD008	DD	7704540.60	573876.5	14.50	333.0°	-70°	516.6	457.75	476.45	18.70	2.42	-	-	-	-
16VSCD009	DD	7704546.00	573601.9	15.00	327.7°	-64°	327.7	265.15 279.14 287.00	275.00 280.86 288.00	9.85 1.72 1.00	0.34 0.25 -	8.76 12.27 1.27	1.44 5.97 2.12	0.15 0.18 -	14.80 30.50 7.00

No Significant Intersection ("NSI")

Table 2: Salt Creek Drill Hole Intersections

Review of Operations

Holes 16VSCD007 and 16VSCD008 were drilled to test deep DHTEM and DMMR conductor plates down plunge on the East Lode. Hole 16VSCD007 intersected 10.58m at 1.49% Cu stockwork copper mineralisation from 434.0m and massive sulphide copper zinc mineralisation grading and 6.9m at 1.18% Cu and 4.7% Zn from 448.4m. Hole 16VSCD008 intersected a thick zone of stockwork copper pyrite mineralisation grading 18.7m at 2.42% Cu within a silica chlorite altered lapilli tuff. The intensity of the alteration increases the company's confidence that the prospectively of this zone continues at depth. Importantly these three drill results, which were designed to test geophysical anomalies, confirm that the use of geophysical techniques are a viable exploration tool for use at Salt Creek.

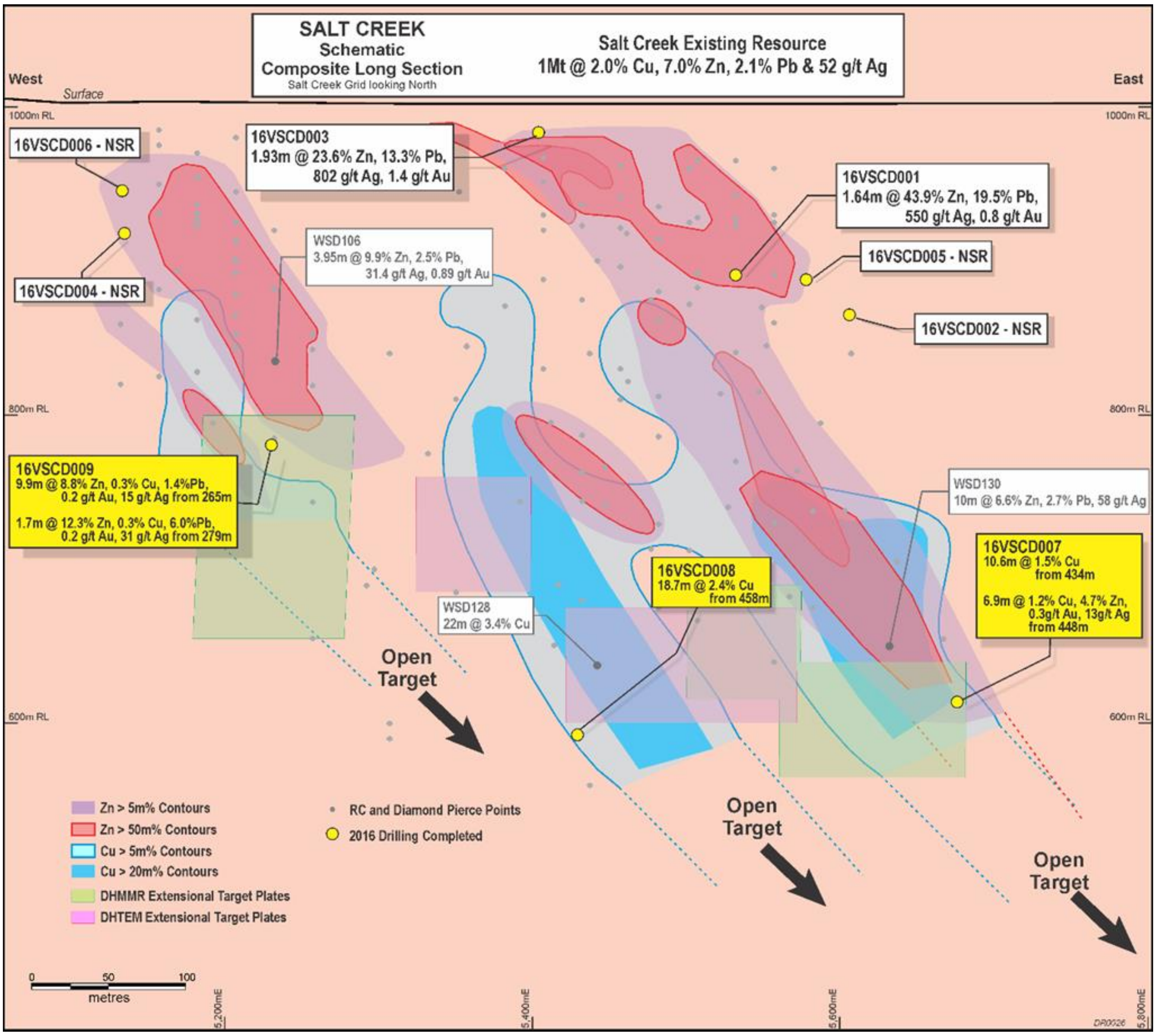

Figure 7: Salt Creek Deposit Long Section showing current drilling

Hole 16VSCD009 was drilled to test the down plunge extension of the zinc rich west lode. The whole intersected 9.85m at 0.34% Cu, 8.76% Zn and 1.44% Pb from 265.15m and 1.72m at 12.27% Zn and 5.97% Pb from 279.14 m within chlorite and carbonate altered sandstones and siltstones. A deeper intersection 1m at 1.7% Zn and 2.12% Pb from 287m is interpreted as remobilised sulphides within altered sandstones.

Following completing of the drilling the three holes were downhole surveyed using both DHEM and DHMMR techniques. The surveys successfully defined conductor plates down plunge from the current drilling. These results and the tenor of the mineralisation intersected in the deep drilling give the company confidence that the mineralisation at Salt Creek continues at depth and further drilling will increase the resource base of the deposit (**Figure 8**).

Review of Operations

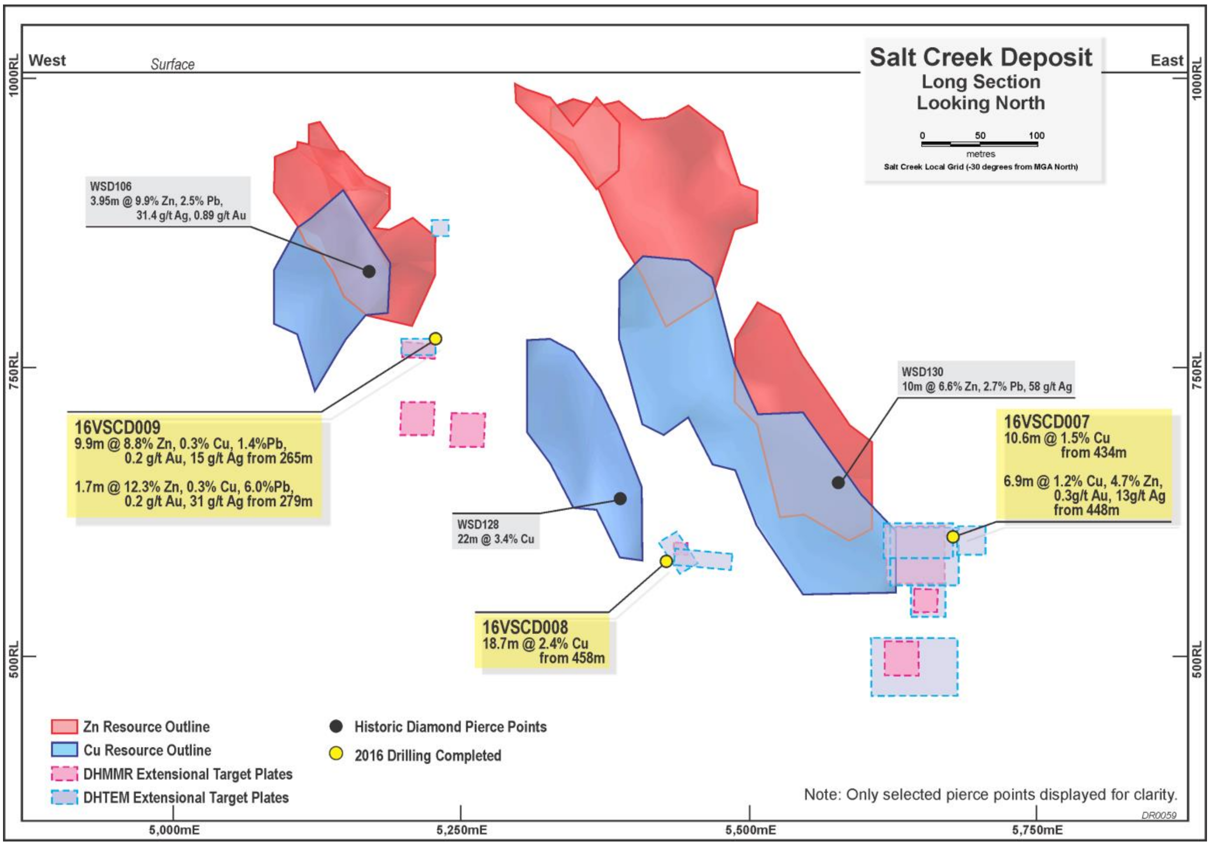

Figure 8: Salt Creek long section and geophysical targets

Evelyn

The Evelyn Project is approximately 25 km south west of the Whim Creek operation, the Project consists of approximately 25.5 sq km of tenure. During the year the Company acquired the remaining 30% interest in the project from the former joint venture partners Ourwest Corporation Pty Ltd in consideration for a 2.4% royalty on future production from the project tenements. In addition the Company drill tested two Versatile Time Domain Electromagnetic ("VTEM") targets considered for base metal mineralisation. Both holes intersected a sequence of sediments and mafic volcanic's but did not intersect any mineralisation. The Company's geologists also relogged four diamond holes from the Evelyn Deposit and have revised the deposit model. The new model suggests the mineralisation is more structurally controlled associated with sheared sandstones rather than a classic VMS style deposit. The Company is also completing a detailed soil sampling program over the project area to test for structurally controlled gold and base metal mineralisation.

PRODUCTION

Whim Creek Heap Leach Production

The Processing and Access Agreement with Blackrock provides access and the ability to manage the reprocessing of the existing Whim Creek oxide copper heap leach pads previously constructed by Straits Resources Limited at the Whim Creek site in the Pilbara region of Western Australia. The agreement was successfully renegotiated during the ended 30 June 2016, whereby the Company's share of the net profit from the operation increased from 30% to 49% from the calendar years 2017.

As from the 1st July 2017, Blackrock commenced a trial of trucking and stacking 50,000 tonnes of low grade copper oxide stockpiles from Whundo deposit, at the Whim Creek heap leach dumps, with the aim of increasing the copper cathode production by adding additional copper credits to the heap leach dump.

During the 2016-2017 year, Blackrock continued to implement several measures to sustain production and potentially increase production of cathode copper including turning over the heaps on the leach pad to allow for better percolation of irrigation solutions, the installation of an ion exchange ("IX") plant to reprocess waste sulphate material accumulating in the process ponds and relocating a number of low grade stockpiles around the site to the existing heaps.

Review of Operations

As at the 30 June 2017, approximately 35% of the dump has been turned over and is progressively being put back under irrigation. Turning and restacking of the residual ore will continue in 2017. The operation of the IX plant continued intermediate during the year when the availability of solution from seasonal rainfall was available.

During the year the operation produced a total of 869 tonnes of cathode copper, bringing the total production from the project to 3,095 tonnes (**Table 3**). As a result of reduced copper cathode production, resulting from operational issues, the Company's did not earning net profit interest during the 2016-2017 financial year.

TOTAL PRODUCTION

	30 Sept 2016 Qtr	31 Dec 2016 Qtr	31 Mar 2017 Qtr	30 Jun 2017 Qtr	YTD 2016-17	Project to date
Tonnes produced	**238**	**226**	**187**	**217**	**868**	**3,095**
NPI $	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**$1,096k**

Table 3: Total Copper Cathode Production

It is not possible for the Company to predict with any certainty the total metal that will be recovered from the operation and therefore the revenue that will accrue to the Company. The revenue obtained to date has been a significant boost to the Company's finances during a period when access to equity markets to raise funds was very limited.

Mineral Resources and Ore Reserves Statement

This Mineral Resources and Ore Reserves Statement have been prepared according to the JORC Code (2012). For the JORC Code (2012) Notes accompanying the Resources and Reserves Statement and exploration results are referred in the Venturex Resources Limited ASX announcements dated 8 October 2013, 22 September 2015, 11 May 2016 and 28 June 2016.

Mineral Resources

The Mineral Resources Statement for the Pilbara Copper-Zinc Project has been modified to reflect the change in the mineral resource for the Sulphur Springs Deposit which was announced to the ASX on the 11 May 2016 and Kangaroo Caves Deposit which was announced to the ASX on the 22 September 2015. There have been no other changes to the mineral resources for the other deposits listed in the table below:

MINERAL RESOURCES

Location		JORC Classification	Tonnes ('000t)	Cu %	Zn %	Pb %	Ag g/t	Au g/t
Sulphur Springs		Measured	-	-	-	-	-	-
		Indicated	8,300	1.4	4.3	0.2	17.0	-
		Inferred	5,100	1.6	3.5	0.2	18	-
		Sub-total	**13,400**	**1.5**	**4.0**	**0.2**	**17.4**	**-**
Kangaroo Caves		Measured	-	-	-	-	-	-
		Indicated	2,250	0.9	5.7	0.3	13.6	-
		Inferred	1,300	0.5	6.5	0.4	18.0	-
		Sub-total	**3,550**	**0.7**	**6.0**	**0.3**	**15.2**	**-**
Whim Creek		Measured	-	-	-	-	-	-
		Indicated	967	2.1	1.1	0.2	10.3	0.1
		Inferred	4	0.5	2.3	0.6	13.9	0.1
		Sub-total	**971**	**2.1**	**1.1**	**0.2**	**10.3**	**0.1**
Mons Cupri		Measured	1,273	1.5	1.7	0.8	41.1	0.3
		Indicated	3,286	0.7	1.1	0.4	17.7	0.1
		Inferred	48	0.7	0.6	0.1	9.0	0.0
		Sub-total	**4,607**	**0.9**	**1.3**	**0.5**	**24.1**	**0.1**
Salt Creek		Measured	-	-	-	-	-	-
	Zn	Indicated	475	0.2	14.1	4.4	107.1	0.5
	Cu	Indicated	423	3.7	0.9	0.1	2.7	0.1
		Inferred	105	3.5	0.1	0.0	1.5	0.0
	Zn/Cu	**Sub-total**	**1,003**	**2.0**	**7.0**	**2.1**	**52.0**	**0.3**
Evelyn		Measured	-	-	-	-	-	-
		Indicated	453	2.2	4.5	0.4	42.0	0.9
		Inferred	204	1.0	1.8	0.2	22.4	0.4
		Sub-total	**657**	**1.8**	**3.7**	**0.3**	**35.9**	**0.7**
TOTAL		Measured	1,273	1.5	1.7	0.8	41.1	0.3
		Indicated	16,154	1.3	3.8	0.4	19.2	0.0
		Inferred	6,761	1.4	4.0	0.2	17.8	0.0
		Total Resources	**24,188**	**1.3**	**3.8**	**0.4**	**20.0**	**0.0**

Table 4: Mineral Resources Statement

NOTE: Rounding errors may occur

Mineral Resources and Ore Reserves Statement

Ore Reserves

The Ore Reserve Statement for the Pilbara Copper-Zinc Project as at 30 June 2016 has been adjusted to reflect the changes to the Sulphur Springs Ore Reserve due to the updated geological resource model for the deposit and the revised mine plan as announced to the ASX on 28 June 2016 and amended on 1 July 2016. The Ore Reserves for the Whim Creek and Mons Cupri Deposit remain unchanged and are based on the Feasibility Study for the Pilbara Copper Zinc Project released to the ASX on 18 December 2012.

ORE RESERVES							
Location	JORC Classification	Tonnes ('000t)	Cu %	Zn %	Pb %	Ag g/t	Au g/t
Whim Creek	Probable	221	2.7	1.3	0.7	10.8	0.1
Mons Cupri	Probable	951	1.7	2.2	1.0	47.1	0.3
Sulphur Springs	Probable	7,280	1.2	3.5	0.1	14.4	0.0
Total		**8,452**	**1.3**	**3.3**	**0.2**	**18.0**	**0.0**

Table 5: Ore Reserves Statement *NOTE: Rounding errors may occur*

COMPETENCY STATEMENT

The information relating to the Mineral Resources within the Sulphur Springs and Kangaroo Caves Deposit was prepared by Mr David Milton, Technical Manager of Hardrock Integrated Mining Solutions Pty Ltd. All material and technical parameters underpinning these estimate was released to the market in the ASX announcement titled "Sulphur Springs Resource Update" dated 11 May 2016 and "Kangaroo Caves Resource Upgrade" 22 September 2015.

All material and technical parameters underpinning the estimated relating to the Mineral Resources for the other Deposits mentioned in **Table 4**, and Ore Reserves mentioned in **Table 5** was detailed in the Company's ASX announcement titled "Company Resource and Reserve Statement which was released to the market on 8 October 2013 and updated for the Sulphur Springs Ore Reserve on the 28 June 2016. The Company is not aware of any new information or data that materially affects the Mineral Resources or Ore Reserves for the deposits since the date of the release.

The exploration data, and other technical data presented in this report was compiled by Mr James Guy. Mr Guy is engaged by the Company as Consultant Exploration Manager.

Both Mr Milton and Mr Guy are members of the Australian Institute of Mining at Metallurgy and have sufficient experience in the style of mineralisation under consideration and the activities undertaken to qualify as Competent Person as defined by the JORC Code (2012) of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Both Mr Milton and Mr Guy give their consent to the inclusion in this report of their information in the form and context in which it appears.

The Company confirms that:

a. The form and context of the material in this announcement has not been materially modified from the above previous announcements;

b. It is not aware of any new information or data that materially affects the information included in the 11 May 2016 announcement and that all material assumptions and technical parameters underpinning the estimate in the 11 May 2016 announcement's continue to apply and have not materially changed; and

c. It is uncertain that following further exploration and evaluation that the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC 2012 Code.

Schedule of Tenement Interests

As at 29 September 2017, mineral exploration tenements applied for or granted to the Company, or mineral exploration tenements in which the Company has an interest are as follows:

Area of Interest	Tenements	Group Entity's Interest
Whim Creek Project		
Evelyn	E47/1209	100% (a)
Evelyn	M47/1455	100% (a)
Whim Creek	E47/3495	100%
Whim Creek	M47/236	100%
Whim Creek	M47/237	100%
Whim Creek	M47/238	100%
Whim Creek	M47/443	100%
Whim Creek	L47/36	100%
Salt Creek	M47/323	100%
Salt Creek	M47/324	100%
Sulphur Springs Project		
Sulphur Springs	E45/4811	100%
Sulphur Springs	E45/4993	(b)
Sulphur Springs	E45/5003	(b)
Sulphur Springs	M45/494	100%
Sulphur Springs	M45/587	100%
Sulphur Springs	M45/653	100%
Sulphur Springs	M45/1001	100%
Sulphur Springs	L45/166	100%
Sulphur Springs	L45/170	100%
Sulphur Springs	L45/173	100%
Sulphur Springs	L45/179	100%
Sulphur Springs	L45/188	100%
Sulphur Springs	L45/189	100%
Sulphur Springs	L45/287	100%
Panorama	P45/2609	100%
Panorama	P45/2610	100%
Panorama	P45/2611	100%
Panorama	P45/2612	100%
Panorama	P45/2613	100%
Panorama	P45/2614	100%
Panorama	P45/2616	100%
Panorama	P45/2910	100%
Panorama	P45/2911	100%
Panorama	M45/1253	(c)
Panorama	M45/1254	(d)

Table 6: Tenement Interest

Key: *E = Exploration Licence*
L = Miscellaneous Licence
LA = Miscellaneous Licence Application
M = Mining Lease
(a) Tenement converted from 70% (90% on decision to mine) to 100% on 19 June 2017.
(b) Tenement Under Application
(c) Tenement Under Application – Application to combine P45/2616, P45/2910 – 2911
(d) Tenement Under Application – Application to combine P45/2609 - 2914

Directors' Report

The Directors of Venturex Resources Limited (the "Company") present their report on the consolidated entity (the "Group Entity"), consisting of Venturex Resources Limited and the entities it controlled at the end of, and during, the financial year ended 30 June 2017.

Directors

The name and details of the Group Entity's Directors in office during the year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Anthony Kiernan	Non-Executive Chairman	Appointed 14 July 2010
Anthony Reilly	Executive Director	Appointed 1 July 2017
	Non-Executive Director	Appointed 1 July 2015
Darren Stralow	Non-Executive Director	Appointed 1 July 2015
John Nitschke	Managing Director	Appointed 1 December 2015, Resigned 1 July 2017
	Interim CEO	Appointed 27 February 2015

Information on Directors

Anthony Kiernan	— Independent Non-Executive Chairman
Qualifications	— LLB
Appointed to the Board	— 14 July 2010
Experience	— Mr Kiernan, formerly a solicitor, has extensive experience gained over 35 years in the management and operation of listed public companies. As both a lawyer and general consultant, he has practiced and advised extensively in the fields of resources, media and information technology.
Interest in Shares, Options and Performance Rights [1]	— 39,009,200 Ordinary Fully Paid Shares 3,655,273 Unlisted Options
Internal Committees	— Chair of the Nomination & Remuneration Committee and Chair of the Audit Committee
Directorships held in other listed entities (Within the last 3 years)	— Pilbara Minerals Limited (1 July 2016 to present) (Chairman) Chalice Gold Limited (15 February 2007 to present) (Chairman) BC Iron Limited (Group) (11 October 2006, resigned 7 December 2016 (Chairman) Danakali Limited (formerly South Boulder Mines Ltd) (15 October 2012, resigned 6 February 2017)

Anthony Reilly	— Independent Executive Director
Qualifications	— BEc
Appointed to the Board	— 1 July 2015
Experience	— Mr. Reilly has over 20 year's investment banking experience including financial markets, financial risk management and corporate finance. He worked in investment banking in London for over 10 years, and his clients have included a number of global corporations and fund managers based in Australia, the UK and Europe. Since leaving banking he has had 10 years working in the junior resources sector. Anthony was a founding Director of a private Brazil incorporated gold exploration company and he has also served as an Executive Director of several other ASX listed resources.
Interest in Shares, Options and Performance Rights [1]	— 45,569,336 Ordinary Fully Paid Shares 2,015,667 Unlisted Options
Internal Committees	— Member of the Audit Committee
Directorships held in other listed entities (Within the last 3 years)	— Paradigm Metals Ltd (13 September 2013, resigned 08 March 2016) Hawkley Oil and Gas (14 October 2014, resigned 19 February 2016)

Directors' Report

Darren Stralow	—	Non-Independent Non-Executive Director
Qualifications	—	BEng (Mining), GAICD, MAusIMM, GCAF (Kaplan)
Appointed to the Board	—	1 July 2015
Experience	—	Mr. Stralow is the General Manager - Operations for Northern Star Resources Ltd, who are a substantial shareholder of Venturex. Darren is a mining engineer with over 15 years' experience in the resources industry. During his career, he has held various roles in both operations and corporate mining environments, focusing on operational effectiveness, mine management and business development. After starting his career in the WA goldfields, he has held senior roles with Intrepid Mines Limited and Northern Star Resources Limited.
Interest in Shares, Options and Performance Rights [1]	—	10,000,000 Ordinary Fully Paid Shares
Internal Committees	—	Member of the Nomination & Remuneration Committee
Directorships held in other listed entities (Within the last 3 years)	—	Nil

John Nitschke	—	Managing Director
Qualifications	—	BEng(Hons), MSc, DIC, GAICD, FAusIMM
Appointed to the Board	—	Appointed Non-Executive Director 30 August 2011, Resigned 17 April 2013, Appointed 4 July 2013. Appointed Interim CEO 27 February 2015 Appointed Managing Director 1 December 2015, Resigned 1 July 2017.
Experience	—	Mr Nitschke is a mining engineer with over 40 years experience in the mining industry, including substantial experience operating at senior management levels in resource companies evaluating, developing and optimising projects and operations across all commodities and international jurisdictions. Recent roles include Executive General Manager (EGM) Projects & Technical Services for OZ Minerals Limited, EGM Australian Operations for Oxiana Limited, and EGM Development for Newmont Australia and the Normandy Group.
Interest in Shares, Options and Performance Rights [1,2]	—	52,600,001 Ordinary Fully Paid Shares 14,465,040 Performance Rights 13,466,668 Unlisted Options
Internal Committees	—	Member of the Audit Committee and the Nomination & Remuneration Committee
Directorships held in other listed entities (Within the last 3 years)	—	IMX Resources Limited (23 December 2009, resigned 31 July 2014) (Chairman & Acting Managing Director)

Note:

1 Interest in Shares and Options refer to the relevant interest of each Director in the shares or options over shares issued by the companies within the Group Entity and other related body corporate as notified by the Directors to the Australian Securities Exchange in accordance with Section 205G(1) of the *Corporations Act* 2001, as at the date of this report.

2 As at date of resignation 1 July 2017.

Company Secretary/CFO

Trevor Hart, BBus, CPA, AGIA, ACIS - Appointed 5 April 2013

Mr Hart is a Certified Practising Accountant with a Bachelor of Business in Accounting and a Chartered Secretary. He has over 20 years' experience including 15 years in the resources and mining services industry. He has provided consulting services covering accounting, financial and company secretarial matters to various companies in these sectors. Prior to joining Venturex he has held a number of senior financial positions in other ASX listed companies.

Corporate Structure

The Company is limited by shares that it has issued and is incorporated and domiciled in Australia. As at 30 June 2017, the Company had five subsidiaries incorporated in Australia; Jutt Resources Pty Ltd, Juranium Pty Ltd, Venturex Pilbara Pty Ltd, Venturex Sulphur Springs Pty Ltd, and CMG Gold Ltd.

Principal Activities

The principal activity of the Group Entity during the year was resources exploration, focusing on base metals.

Likely Developments

The Group Entity will continue exploration programs in the Pilbara which may result in additional discoveries and will continue to advance the development of the Company's Sulphur Springs Copper – Zinc Project as part of the Company's drive to commercialise the Project. In addition, the Group Entity may assess acquisition opportunities that have potential to enhance the value of its existing assets.

Directors' Report

Results and Review of Operations

Results

For the year ending 30 June 2017, the consolidated loss of the Group Entity was $2,562,458 (2016: $2,979,094). The loss result includes an impairment/write off of Nil (2016: $2,055,767) following a detailed review of the tenements, (see Note 12).

Review of Operations

A detailed review of operations can be found on page 3 of the annual report. At 30 June 2017, the Company had 2,611,477,946 quoted fully paid ordinary shares (2016: 1,746,194,595) and no quoted options issued over shares (2016: Nil). As at 30 June 2017 the Group Entity held cash reserves of $960,630 (2016: $728,231).

Profit (Loss) Per Share

Basic loss per share 0.10 cents (2016: 0.18 cents).

Dividends

The Directors did not pay or declare any dividends during the 2017 financial year (2016: Nil). The Directors do not recommend the payment of a dividend in respect of the year.

Significant Changes in State of Affairs

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group Entity during the year under review not otherwise disclosed in this Annual Report.

Events after the Reporting Period

On 1 July 2017 Mr John Nitschke resigned as Managing Director, as per the service agreement Mr Nitschke received six months base salary.

On 03 July 2017, 8,431,958 Unlisted Performance Rights previously issued to John Nitschke expired. 7,000,000 performance rights that had not vested and which were subject to performance hurdles were granted and vested in accordance with the service agreement and the Employee Performance Rights Plan.

On 7 July 2017 14,465,040 Unlisted Performance Rights granted to Mr John Nitschke were exercised and converted into fully paid ordinary shares.

On 03 August 2017 41,666,671 Unlisted Class A Options exercisable at 1.5 cents expired.

On 10 August 2017 the Company issued 750,269,425 fully paid ordinary shares at 0.5 cents per share to raise $3,751,348 before expenses, through its Non-Renounceable Entitlement Issue.

On 31 August 2017 174,518,142 Unlisted Class A Options exercisable at 1.5 cents expired.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group Entity, to affect significantly the operations of the Group Entity, the results of those operations, or the state of affairs of the Group Entity, in future financial years.

Environmental Regulation

The Group Entity's operations and projects are subject to State and Federal laws and regulations regarding environmental hazards. In Australia, the regulatory bodies are the Department of Water and Environmental Regulation (DWER) (Previously WA Department of Environment Regulations (DER) and WA Department of Water (DoW)), the Department of Mines, Industry Regulation and Safety (DMIRS) (previously WA Department of Mines and Petroleum (DMP)), and the Environmental Protection Authority (EPA).

The Board believes that the Group Entity has adequate systems in place for the management of its environmental regulations and is not aware of any breach of those environmental requirements as they apply to the Group Entity.

Unissued shares under Option and Performance Rights

At the date of this report, the unissued ordinary shares of the Company under option and performance rights are as follows:

	ASX code	Exercise price	Date granted	Expiry date	Number
Unlisted performance rights	VXRAA	Nil	04-Mar-16	04-Mar-22	2,116,800
Unlisted performance rights	VXRAA	Nil	24-Feb-17	23-Feb-24	11,250,000
Unlisted performance rights	VXRAA	Nil	02-May-17	03-Apr-23	6,500,000
Unlisted options	VXRAB	$0.030	03-Aug-16	03-Aug-18	41,666,671
Unlisted options	VXRAQ	$0.030	31-Aug-16	31-Aug-18	127,113,579
Unlisted options	VXRAQ	$0.030	08-Sep-16	31-Aug-18	47,513,413

These Options and Performance Rights do not entitle the holder to participate in any share issue of the Company and they carry no dividend or voting rights.

Shares Issued on Exercise of Options

During the 2017 financial year 108,850 ordinary shares of the Company were issued as a result of the exercise of options. (2016: Nil)

Directors' Report

Meetings of Directors

The following table sets out the number of Directors' meetings held during the year and the number of meetings attended by each Director while they were a Director.

During the period, 8 Board meetings, 4 Audit Committee meetings and 2 Nomination and Remuneration Committee meetings were held.

	Directors' Meetings		Committee Meetings			
			Audit		Nomination & Remuneration	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Anthony Kiernan	8	8	4	4	2	2
Anthony Reilly	8	8	4	4	N/A	N/A
Darren Stralow	8	5	N/A	N/A	2	2
John Nitschke	8	8	4	4	2	2

Directors' Indemnities

The Group Entity provides Directors' and Officers' Insurance to cover legal liability and expenses for the Directors and Officers performing work on behalf of the Group Entity.

Proceedings on Behalf of Company

No person has applied to the Court under section 237 of the *Corporations Act* 2001 for leave to bring proceedings on behalf of the Group Entity, or to intervene in any proceedings to which the Group Entity is a party, for the purpose of taking responsibility on behalf of the Group Entity for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group Entity with leave of the Court under section 237 of the *Corporations Act* 2001.

Non-Audit Services

The Group Entity may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

No amounts were paid or payable to the auditor BDO Audit (WA) Pty Ltd or associated entities for non-audit services during the year.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

REMUNERATION REPORT

This report details the nature and amount of remuneration for the Directors and Key Management Personnel (KMP) of the Group Entity.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

The Key Management Personnel of the Group Entity during the year included:

Anthony Kiernan	-	Non-Executive Chairman
Anthony Reilly	-	Executive Director (Appointed 1 July 2017)
	-	Non-Executive Director (Appointed 1 July 2015)
Darren Stralow	-	Non-Executive Director
John Nitschke	-	Managing Director (Appointed 1 December 2015, Resigned 1 July 2017)
	-	Interim CEO (Appointed 27 February 2015)
	-	Non-Executive Director (Appointed 30 August 2011, Resigned 17 April 2013, Appointed 4 July 2013)
Trevor Hart	-	Company Secretary/CFO

The report has been set out under the following main headings:

A. Remuneration Policy

B. Details of Remuneration

C. Equity Issued as Part of Remuneration

D. Shareholdings and Options

E. Loans to Directors and Key Management Personnel

F. Employment Contracts of Directors and Key Management Personnel

G. Performance Income as a Proportion of Total Remuneration

H. Other transactions with Key Management Personnel

I. Services from Remuneration Consultants

J. Voting and comments made at the Company's 2016 Annual General Meeting

A. Remuneration Policy

Remuneration of all Executive and Non-Executive Directors and Officers of the Group Entity is determined by the Nomination and Remuneration Committee.

The Group Entity is committed to remunerating Senior Executives and Executive Directors in a manner that is market-competitive, consistent with "Best Practice" and supports the interests of Shareholders. Remuneration packages are based on fixed and variable components, determined by the Executive's position, experience and performance, and may be satisfied via cash or equity.

Non-Executive Directors are remunerated out of the aggregate amount approved by Shareholders and at a level that is consistent with industry standards. Non-Executive Directors do not receive performance based bonuses and prior Shareholder approval is required to participate in any issue of equity. No retirement benefits are payable other than statutory superannuation, if applicable.

The maximum annual aggregate directors' fee pool limit is $400,000 and was approved by shareholders at the general meeting on 23 July 2012.

Remuneration Policy versus Company Financial Performance

The Group Entity's remuneration policy has been based on industry practice rather than the performance of the Group Entity and takes into account the risk and liabilities assumed by the Directors and Executives as a result of their involvement in the speculative activities undertaken by the Group Entity.

Performance Based Remuneration

The purpose of a performance bonus is to link individual rewards to the performance of the Company. The Company reviews the mechanism to determine individual performance bonuses on an annual basis. The expected outcomes of the remuneration structure are to retain and motivate key Executives, attract high quality Management to the Company and provide performance incentives that allow Executives to share in the success of the Company.

For details of performance based remuneration refer to Section G - Performance income as a proportion of total remuneration of the Remuneration Report.

B. Details of Remuneration

The Key Management Personnel of the Group Entity are disclosed above.

Remuneration packages contain the following elements:

a) Short-term employee benefits - cash salary and fees, cash bonus, non-monetary benefits and other;
b) Post-employment benefits - including superannuation and termination, and other;
c) Share-based payments – shares, options and performance rights granted.

The remuneration for each Director and each of the other Key Management Personnel of the Group Entity during the year was as follows:

			Short-term employee benefits		Post employment benefits	Share-based payments	
			Cash salary & fees	Cash bonus	Superannuation	Options and Rights	Total
	Year	Note	$	$	$	$	$
Anthony Kiernan	2017		73,973	-	7,027	-	81,000
	2016		79,092	-	7,158	-	86,250
Anthony Reilly	2017		59,164	-	5,621	-	64,785
	2016	1	89,506	-	8,285	-	97,791
Darren Stralow	2017		-	-	-	-	-
	2016	1	-	-	-	-	-
John Nitschke	2017	3	261,820	107,750	18,408	38,517	426,495
	2016	2,3	265,162	-	9,357	51,578	326,097
Trevor Hart	2017	3	210,375	-	-	3,321	213,696
	2016	3	176,250	-	-	811	177,061
Total	**2017**		**605,332**	**107,750**	**31,056**	**41,838**	**785,976**
	2016		**610,010**	**-**	**24,800**	**52,389**	**687,199**

Note:
1. Commenced with the Company in the 2016 financial year.
2. Commenced as Managing Director on 1 December 2015, previously Acting Managing Director and Non-Executive Director.
3. The fair value of performance rights with the relative TSR condition is calculated at the date of grant using the Monte-Carlo simulation model, taking into account the impact of the TSR condition. The fair value of performance rights with the material transaction condition is calculated using the 5 Day Volume Weighted Average Share Price (VWAP). The value disclosed is the portion of the fair value of the rights recognised as an expense in each reporting period.

C. Equity Issued as Part of Remuneration

This section only refers to those shares and options issued as part of remuneration. As a result they may not indicate all shares and options held by a Director or other Key Management Personnel.

Shares

No shares in the Company were issued to Directors and other Key Management Personnel as part of remuneration during the 2017 or 2016 financial years.

Options

No options in the Company were issued to Directors and other Key Management Personnel as part of remuneration during the 2017 or 2016 financial years.

Performance Rights

The following table discloses the value of Performance Rights granted, exercised, sold or lapsed during the 2017 financial year for all Key Management Personnel:

	Granted Value at Grant Date	Exercised Value at Exercise Date	Lapsed Value at Time of Lapse	Value yet to be Expensed	Value Included in Remuneration for the Year
	$	$	$	$	$
Directors					
John Nitschke	121,706	-	(29,418)	45,583	(4,874)
John Nitschke	103,201	-	-	59,810	43,391
Key Management Personnel					
Trevor Hart	4,800	-	-	2,290	2,510
Trevor Hart	8,777	-	-	7,967	811
	238,484	-	(29,418)	115,650	41,838

-Apart from listed above no other Key Management Personnel have any Performance Rights.

The assessed fair value at grant date of performance rights granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above.

The fair value of performance rights with the relative TSR condition is calculated at the date of grant using the Monte-Carlo simulation model, taking into account the impact of the TSR condition.

The fair value of performance rights with the material transaction condition is calculated using the 5 Day Volume Weighted Average Share Price (VWAP).

The Model inputs for performance rights granted during the period have been included in Note 17 of the financial statements.

The following table discloses the details in regards to Directors and Key Management Personnel Performance Rights granted during the 2017 financial year

	Tranche	Fair Value Per Right.	Grant Date	Exercise Price	Expiry Date	Vesting Date
Directors						
John Nitschke	1	$0.0054	13 Dec 2016	Nil	12 Dec 2023	50% Vest 1 Dec 2017 50% Vest 1 Dec 2018
John Nitschke	2	$0.0080	13 Dec 2016	Nil	12 Dec 2023	50% Vest 1 Dec 2017 50% Vest 1 Dec 2018
Key Management Personnel						
Trevor Hart	1	$0.0050	2 May 2017	Nil	1 May 2024	31 Jan 2019

Vesting Conditions for Directors

- 50% will be assessed against a performance milestone based on the relative rating of the Total Shareholder Return (TSR) for the Company against the TSR's of a comparator peer group over the 12 months to 30 November 2017.
- 50% will be assessed against a performance milestone based on the achievement of an agreed "material" transaction or event by 30 November 2017.
- Subject to Continuation of Employment, refer Note 25.

Vesting Conditions for Key Management Personnel

- Assessed against a performance milestone based on the relative rating of the Total Shareholder Return (TSR) for the Company against the TSR's of a comparator peer group over the 12 months to 31 Jan 2018
- Being in the service of the Company on 31 Jan 2019.

The following table discloses the details in regards to Directors and Key Management Personnel Performance Rights granted during the 2016 financial year

	Tranche	Fair Value Per Right.	Grant Date	Exercise Price	Expiry Date	Vesting Date
Directors						
John Nitschke	1	$0.0054	11 Dec.2015	Nil	11 Dec 2022	50% Vest 1 Dec 2016 50% Vest 1 Dec 2017
John Nitschke	2	$0.0070	11 Dec 2015	Nil	11 Dec 2022	50% Vest 1 Dec 2016 50% Vest 1 Dec 2017
Key Management Personnel						
Trevor Hart	1	$0.0024	4 Mar 2016	Nil	4 Mar 2022	31 Jan 2018

Vesting Conditions for Directors

- 50% will be assessed against a performance milestone based on the relative rating of the Total Shareholder Return (TSR) for the Company against the TSR's of a comparator peer group over the 12 months to 30 November 2016.
- 50% will be assessed against a performance milestone based on the achievement of an agreed "material" transaction or event by 30 November 2016.
- Subject to Continuation of Employment.

Vesting Conditions for Key Management Personnel

- Assessed against a performance milestone based on the relative rating of the Total Shareholder Return (TSR) for the Company against the TSR's of a comparator peer group over the 12 months to 31 Jan 2017
- Being in the service of the Company on 31 Jan 2018.

The following table discloses the movement in Directors and Key Management Personnel Performance Rights during the 2017 financial year

	Balance 30 June 2016 No.	Granted as Remuneration* No.	Exercised No.	Lapsed No.	Held at Resignation No.	Balance 30 June 2017 No.	Vested No.	Unvested No.	Vested %	Lapsed %
Directors										
John Nitschke	19,366,197	15,431,958	-	(11,901,157)	-	22,896,998	3,732,520	19,164,478	16%	34%
Key Management Personnel										
Trevor Hart	2,000,000	1,750,000	-	(1,395,200)	-	2,354,800	-	2,354,800	-	37%
	21,366,197	17,181,958	-	(13,296,357)	-	25,251,798	3,732,520	21,519,278	15%	34%

**Apart from listed above no other Key Management Personnel have any Performance Rights.*

D. Shareholdings and Options

The number of shares in the Group Entity held during the financial year by each Director and other Key Management Personnel of the Group Entity, including their personally related parties, are set out below.

2017	Balance at start of the year No.	Received as Compensation No.	Options Exercised No.	Net Change Other # No.	Held at Resignation / Termination* No.	Balance at end of the year No.
Directors						
Anthony Kiernan	15,719,396	-	-	14,465,092	-	30,184,488
Anthony Reilly	32,506,668	-	-	8,062,668	-	40,569,336
Darren Stralow	-	-	-	-	-	-
John Nitschke	25,666,667	-	-	26,933,334	-	52,600,001
Key Management Personnel						
Trevor Hart	3,288,995	-	-	2,211,005	-	5,500,000
	77,181,726	-	-	51,672,099	-	128,853,825

 # Net Change Other includes shares issued as part of the Non- renounceable Entitlement Issue in August 2016.

** Closing balance at date of resignation / termination.*

Directors' Report

The number of options in the Group Entity held during the financial year by each Director and other Key Management Personnel of the Group Entity, including their personally related parties, are set out below.

2017	Balance at start of the year No.	Received as Compensation No.	Options Exercised No.	Net Change Other # No.	Held at Resignation / Termination* No.	Balance at end of the year No.
Directors						
Anthony Kiernan	-	-	-	7,232,546	-	7,232,546
Anthony Reilly	-	-	-	4,031,334	-	4,031,334
Darren Stralow	-	-	-	-	-	-
John Nitschke	-	-	-	13,466,668	-	13,466,668
Key Management Personnel						
Trevor Hart	-	-	-	1,105,502	-	1,105,502
	-	-	-	25,836,050	-	25,836,050

 # Net Change Other includes options issued as part of the Non- renounceable Entitlement Issue in August 2016.

** Closing balance at date of resignation / termination.*

E. Loans to Directors and Key Management Personnel

There were no loans made to the Directors or other Key Management Personnel of the Group Entity, including their personally related parties during the 2017 or 2016 financial years.

F. Employment Contracts of Directors and Key Management Personnel

The following Directors and Key Management Personnel were under contract at 30 June 2017.

Name	➢ John Nitschke
Term of Contract	➢ Fixed Contract (2 years), resigned 1 July 2017
Commencement Date	➢ 01/12/15-30/11/17
Amount $	➢ Total fixed remuneration of $310,000. ➢ Short-term incentives of up to 30% of total fixed remuneration, subject to Board discretion and meeting the required performance hurdles. Short-term incentives are payable in cash. ➢ Equity participation incentive of 50% of total fixed remuneration, subject to Board discretion and meeting required performance hurdles. The share equity participation is payable in performance rights subject to shareholder approval.
Notice Period by Either Party	➢ Employment can be terminated at 3 months' notice by Mr Nitschke or by the Company giving 12 months' notice within the first 12 months of the term or 6 months' notice after the first 12 months of the term.
Termination Benefit $	➢ Within the first twelve months, an amount equal to 12 months base salary (being the average base salary over the previous 3 years) and accrued entitlements if termination by Company without cause; ➢ After the first twelve months, an amount equal to 6 months base salary (being the average base salary over the previous 3 years) and accrued entitlements if termination by Company without cause; ➢ Nil (other than for accrued entitlements) in the case of termination by Company for cause; and ➢ Upon material variation or diminution of responsibilities, the Executive may terminate his employment and receive an amount equal to the amount the Executive would have received if the balance of the Term had been served but not exceeding twelve months current Salary, together with all accrued entitlements.

Name	➢ Anthony Reilly
Term of Contract	➢ 2 months, option to continue
Commencement Date	➢ 08/05/17
Amount $	➢ $12,000 per month.
Notice Period by Either Party	➢ Employment can be terminated immediately without notice due to dishonesty, fraud, breaches of the service agreement, bankruptcy, and criminal offences.
Termination Benefit $	➢ None

Name	➢ Trevor Hart
Term of Contract	➢ Contract
Commencement Date	➢ 05/04/13
Amount $	➢ $7,000 per month for up to 70 hours plus additional hours at $150 per hour.
Notice Period by Either Party	➢ 30 days notice by either party with or without cause.
Termination Benefit $	➢ None

G. Performance Income as a Proportion of Total Remuneration

Performance based remuneration for the financial year is disclosed in B. Details of Remuneration.

Non-Executive Directors are not entitled to receive cash performance based remuneration.

H. Other transactions with Key Management Personnel

On 1 July 2017 Mr John Nitschke resigned as Managing Director, as per the service agreement John received six months base salary. The performance rights that had not vested and which were subject to performance hurdles were granted and vested in accordance with the service agreement and the Employee Performance Rights Plan.

All transactions with related parties are made on normal commercial terms and conditions except where indicated.

There were no transactions with Key Management Personnel not disclosed above.

I. Services from Remuneration Consultants

There were no remuneration consultants engaged during the financial year or previous financial year.

J. Voting and comments made at the Company's 2016 Annual General Meeting

Venturex Resources Ltd received more than 89% of "yes" votes on its remuneration report for the 2016 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Audited Remuneration Report.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act* 2001 is set out on page 25.

Signed in accordance with a resolution of the Board of Directors.

ANTHONY REILLY
Executive Director

Dated this 29th day of September 2017

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF VENTUREX RESOURCES LIMITED

As lead auditor of Venturex Resources Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Venturex Resources Limited and the entities it controlled during the period.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2017

	Note	2017 $	2016 $
Revenue			
Revenue	2a	44,639	794,230
Other Income	2b	-	9,547
Expenses			
Administrative expense	3	(771,291)	(257,942)
Corporate expense	3	(144,161)	(88,529)
Directors, employees and consultants fee	3	(1,126,136)	(623,792)
Exploration and evaluation expense	3	(90,460)	(93,743)
Impairment/write off of area of interest	3	-	(2,055,767)
Impairment/write off of trade and other receivables	3	(1,413)	405
Finance costs	4	(278,219)	(305,312)
Re-estimation of site rehabilitation provisions	4	(195,417)	(358,191)
Loss before income tax		**(2,562,458)**	**(2,979,094)**
Income tax expense	5	-	-
Loss after income tax attributable to the owners of the Company		**(2,562,458)**	**(2,979,094)**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences – foreign operations		-	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period attributable to owners of the Company		**(2,562,458)**	**(2,979,094)**
Loss per share for the year attributable to the members of Venturex Resources Ltd			
Basic and Diluted loss per share (cents)	7	(0.10)	(0.18)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2017

	Note	2017 $	2016 $
Assets			
Current assets			
Cash and cash equivalents	8	960,630	728,231
Trade and other receivables	9	134,630	83,285
Other assets	10	73,442	64,749
Total current assets		**1,168,702**	**876,265**
Non-current assets			
Property, plant and equipment	11	1,247,413	1,442,927
Exploration and evaluation expenditure	12	26,045,258	23,055,563
Total non-current assets		**27,292,671**	**24,498,490**
Total assets		**28,461,373**	**25,374,755**
Liabilities			
Current liabilities			
Trade and other payables	13	694,185	626,581
Employee benefits	15	17,945	8,964
Total current liabilities		**712,130**	**635,545**
Non-current liabilities			
Provisions	14	12,303,037	11,831,430
Employee benefits	15	13,661	12,630
Total non-current liabilities		**12,316,698**	**11,844,060**
Total liabilities		**13,028,828**	**12,479,605**
Net assets		**15,432,545**	**12,895,150**
Equity			
Issued capital	16	92,884,245	87,881,501
Reserves	16, 17	122,109	54,418
Accumulated losses	16	(77,573,809)	(75,040,769)
Total equity		**15,432,545**	**12,895,150**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2017

	Note	Issued Capital $	Share Based Compensation Reserve $	Accumulated Losses $	Total Equity $
Balance at 30 June 2015		**86,910,839**	**-**	**(72,061,675)**	**14,849,164**
Loss for the year		-	-	(2,979,094)	(2,979,094)
Total comprehensive loss for the year		**-**	**-**	**(2,979,094)**	**(2,979,094)**
Transactions with owners in their capacity as owners:					
Issue of securities	16i	991,627	-	-	991,627
Security issue costs	16i	(20,965)	-	-	(20,965)
Share based payments issued	17i, 17ii	-	54,418	-	54,418
		970,662	**54,418**	**-**	**1,025,080**
Balance at 30 June 2016		**87,881,501**	**54,418**	**(75,040,769)**	**12,895,150**
Loss for the year		-	-	(2,562,458)	(2,562,458)
Total comprehensive loss for the year		**-**	**-**	**(2,562,458)**	**(2,562,458)**
Transactions with owners in their capacity as owners:					
Issue of securities	16i	5,191,047	-	-	5,191,047
Security issue costs	16i	(189,936)	-	-	(189,936)
Options exercised net of costs	16i	1,633	-	-	1,633
Share based payments issued	17i, 17ii	-	97,109	-	97,109
Share based payments expired	17i, 17ii	-	(29,418)	29,418	-
		5,002,744	**67,691**	**29,418**	**5,099,853**
Balance at 30 June 2017		**92,884,245**	**122,109**	**(77,573,809)**	**15,432,545**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the Year Ended 30 June 2017

	Note	2017 $	2016 $
Cash flows related to operating activities			
Payments to suppliers and employees		(1,846,365)	(1,204,020)
Interest received		44,358	11,491
Interest paid		(2,029)	(1,783)
Proceeds SX-EW profit share		-	1,048,482
Research and development tax received – non capitalised portion		-	46,077
Net cash used in operating cash flows	23a	**(1,804,036)**	**(99,753)**
Cash flows related to investing activities			
Payment for purchases of plant and equipment		(30,951)	(1,353)
Proceeds from sale of plant and equipment		(1,684)	-
Payment for exploration and evaluation expenditure		(2,930,669)	(1,321,137)
Proceeds from redemption of bank guarantee		(5,000)	47,231
Research and development tax received – capitalised portion		-	73,270
Net cash used in investing cash flows		**(2,968,304)**	**(1,201,989)**
Cash flows related to financing activities			
Proceeds from issue of securities		5,191,047	991,627
Proceeds from conversion of options into shares		1,633	-
Capital raising costs		(189,935)	(20,965)
Proceeds from insurance premium funding		50,517	44,764
Repayment of insurance premium funding		(48,523)	(44,624)
Net cash provided by in financing cash flows		**5,004,739**	**970,802**
Net decrease in cash and cash equivalents		**232,399**	**(330,940)**
Cash and cash equivalents at the beginning of the year		728,231	1,059,171
Effect of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year	8	**960,630**	**728,231**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Note 1 - Statement of Significant Accounting Policies

The consolidated financial statement comprises Venturex Resources Limited (the "Company") and its subsidiaries (collectively the "Group Entity" or the "Group"). The Company is a listed public company domiciled in Australia. The Company is a for-profit entity.

Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act* 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB). They were authorised for issue by the Board of Directors on 29th September 2017.

Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

Going Concern

For the year ended 30 June 2017 the Company recorded a loss of $2,562,458 (2016: $2,979,094) and had net cash outflows from operating activities of $1,804,036 (2016: $99,753). The ability of the Company to continue as a going concern is dependent on securing additional funding through its 15% share placement capacity (or larger percentage subject to Shareholder approval) or via short term loan funding arrangements to continue to fund its operational and marketing activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the entity's working capital requirements and as at the date of this report. Subsequent to year end the Company issued 750,269,425 fully paid ordinary shares at 0.5 cents per share to raise $3,751,348 before expenses, through its Non-Renounceable Entitlement Issue.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- 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. In regards to the Sulphur Springs Copper – Zinc Project, the Directors will continue with ongoing discussions with interested groups on opportunities to advance the Project's development as part of the Company's drive to commercialise the Sulphur Springs Copper – Zinc Project.
- The Group will also consider divestments if the proceeds are likely to exceed the realisable value of such assets if they were retained.
- If the Group is unable to raise additional capital, the Company will investigate funding options including joint venturing the project, defer or reduce certain feasibility and exploration expenditure, divesting other non-core assets or reviewing the Company's current activities such that the Group Entity will remain a going concern.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Company not continue as a going concern.

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group Entities, unless otherwise stated.

(a) Basis of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Venturex Resources Limited as at 30 June 2017 and the results of all subsidiaries for the year then ended. Venturex Resources Limited and its subsidiaries together are referred to in this financial report as Consolidated Entity, Group Entity or Group.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Consolidated Statement of Financial Position respectively.

A list of subsidiaries is contained in Note 24 to the financial statements. All subsidiaries have a June financial year-end.

Loss of control

Upon the loss of control, the Company derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investment or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Notes to the Consolidated Financial Statements

(b) Foreign Currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group Entities at exchange rates at the dates of the transactions.

(c) Financial Instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: loans and receivables and cash and cash equivalents.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date they originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classified non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise trade and other payables.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group Entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(d) Property, Plant and Equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Items of property are measured at cost less accumulated impairment losses.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income/other expenses in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

	2017	2016
Plant and equipment	3-30 years	3-30 years
Buildings	7-20 years	7-20 years
Furniture and Fittings	8-20 years	8-20 years
Leasehold Improvements	Nil	3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Leasehold improvements are depreciated over the shorter of the lease term and the useful life of the assets.

Notes to the Consolidated Financial Statements

(e) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(f) Leases

Operating leases are leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group Entity and are not recognised in the Group Entity's statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

(g) Impairment

At each end of the reporting period, the Group Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the profit or loss.

Impairment testing is performed bi-annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the end of the reporting period are recognised in employee provisions in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Superannuation

The amount charged to the profit or loss in respect of superannuation represents the contributions paid or payable by the Group Entity to the employees' superannuation funds.

Employee Benefits on-costs

Employee benefit on-costs, including payroll tax, are recognised when paid or payable by the Group Entity.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior period. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the high yield interest rate at the reporting date. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

Share-based payment transactions

The Company operates an employee share-based payment scheme. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price.

Share-based payment transactions – Performance Rights

The fair value of performance rights granted with a relative Total Shareholder Return ("TSR") condition, are calculated at the date of grant using the Monte-Carlo simulation model, taking into account the impact of the TSR condition.

The fair value of performance rights granted with a material transaction condition are calculated using the 5 Day Volume Weighted Average Share Price (VWAP).

(i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Rehabilitation

A provision for rehabilitation is recognised if, as a result of exploration and development activities undertaken, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of restoring the affected areas contained in the Group's tenements.

Future rehabilitation costs will be reviewed annually and any changes in the estimate are reflected in the present value of the rehabilitation provision at each end of the reporting period. The initial estimate of rehabilitation is capitalised into the cost of the related asset and is amortised on the same basis as the related asset. Subsequent remeasurement of the provision for rehabilitation is recognised in Profit or Loss. The unwinding of the provision for rehabilitation is recognised as a finance cost.

Notes to the Consolidated Financial Statements

(j) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Revenue from the profit share arrangement is recognised on an accruals basis based on the contractual terms and substance of the relevant agreement.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Finance Income and Finance Costs

Finance income comprises interest income on funds invested. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, share based payments in relation to financing services and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(l) Research & Development ("R&D") incentives refundable

Refundable tax incentives are accounted for by offsetting the refund against the original expenditure, capitalised expenditure or Plant and Equipment.

(m) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group Entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from or payable is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(o) Earnings per Share

The Group Entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss after income tax attributable to ordinary Shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit or loss after income tax attributable to ordinary Shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(p) Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that related to transactions with any of the Group's other components. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(q) Share Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options and performance rights are recognised as a deduction from equity, net of any tax effects.

(r) Use of Estimates and Judgements

Management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Consolidated Financial Statements

Critical judgements in applying the entity's accounting policies

The following are the critical judgements (apart from those involving estimations, which are dealt with below), that Management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment of assets and exploration and evaluation expenditure

The Group Entity determines whether non-current assets should be assessed for impairment based on identified impairment triggers. At each reporting date Management assesses the impairment triggers based on their knowledge and judgement.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Exploration and evaluation expenditure

The exploration and evaluation expenditure is reviewed regularly to ensure that the capitalised expenditure is only carried forward to the extent that it is expected to be recouped through the successful development of the areas of interest or when activities in the areas of interest have not yet reached a stage which permit reasonable assessment of the existence of economically recoverable reserves.

Share-based payment transactions – performance rights

The Company measures the cost of equity-settled transactions with Directors and Key Management Personnel and service providers by reference to the fair value of the performance rights at the date at which they are granted.

The fair value at grant date for performance rights issued with a relative Total Shareholder Return ("TSR") condition are calculated using a Monte-Carlo simulation model, taking into account the impact of the TSR condition.

The fair value of performance rights issued with a material transaction condition are calculated using the 5 Day Volume Weighted Average Share Price (VWAP).

Provision for rehabilitation

The provision for rehabilitation is based on the present obligations of the estimates of the future sacrifice of economic benefits required to meet the environmental liabilities on the Group's tenements. The Group has considered the provision for rehabilitation for its exploration tenements based on reports conducted by independent consultants. The Group has estimated the increase in costs over time for rehabilitation would increase by the Consumer Price Index, and the discount value in determining the present value of the provision for rehabilitation would be the high interest yield rate.

Estimate of useful lives of assets

The estimation of the useful lives of assets has been based on Taxation Ruling TR 2017/2 and historical experience. The condition of the assets is assessed at year end and considered against the remaining useful life. Details of the useful lives of property, plant and equipment are set out in Note 1(d).

(s) New Accounting Standard for Application in Future Periods

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial years ended 30 June 2017. They have not been adopted in preparing the financial statements for the year ended 30 June 2017 and are expected to impact the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated below.

Financial Instruments

AASB reference: AASB 9 (issued December 2014)

Application date: Annual reporting periods beginning on or after 1 January 2018

Classification and measurement

Nature of Change: AASB 9 amendments the classification and measurement of financial assets:

- Financial assets will either be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).
- Financial assets are measured at amortised cost or FVTOCI if certain restrictive conditions are met. All other financial assets are measured at FVTPL.
- All investments in equity instruments will be measured at fair value. For those investments in equity instruments that are not held for trading, there is an irrevocable election to present gains and losses in OCI. Dividends will be recognised in profit or loss.

The following requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9:

- • Classification and measurement of financial liabilities, and
- • Derecognition requirements for financial assets and liabilities.

However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.

Impact on Initial Application: While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets and liabilities, as these are primarily comprised of cash and cash equivalents, trade receivables and payables, the Group does not expect the new guidance to have a significant impact.

Impairment

Nature of Change: The new impairment model in AASB 9 is now based on an 'expected loss' model rather than an 'incurred loss' model.

A complex three stage model applies to debt instruments at amortised cost or at fair value through other comprehensive income for recognising impairment losses.

A simplified impairment model applies to trade receivables and lease receivables with maturities that are less than 12 months.

For trade receivables and lease receivables with maturity longer than 12 months, entities have a choice of applying the complex three stage model or the simplified model.

Notes to the Consolidated Financial Statements

Impact on Initial Application: The entity has short term trade receivables. When this standard is adopted, the entity's loss allowance on trade receivable may increase. The change is applied retrospectively, however comparatives need not be retrospectively restated. Instead, the cumulative effect of applying the change for the first time is recognised as an adjustment to the opening balance of retained earnings on 1 July 2018.

Hedge accounting

Nature of Change: Under the new hedge accounting requirements:

- The 80-125% highly effective threshold has been removed
- Risk components of non-financial items can qualify for hedge accounting provided that the risk component is separately identifiable and reliably measurable
- An aggregated position (i.e. combination of a derivative and a non-derivative) can qualify for hedge accounting provided that it is managed as one risk exposure
- When entities designate the intrinsic value of options, the initial time value is deferred in OCI and subsequent changes in time value are recognised in OCI
- When entities designate only the spot element of a forward contract, the forward points can be deferred in OCI and subsequent changes in forward points are recognised in OCI. Initial foreign currency basis spread can also be deferred in OCI with subsequent changes be recognised in OCI
- Net foreign exchange cash flow positions can qualify for hedge accounting.

Impact on Initial Application: Adoption of AASB 9 is only mandatory for the year ending 30 June 2019. The entity currently does not apply hedge accounting and therefore there will be no impact from these amendments.

<u>Revenue from Contracts with Customers</u>

AASB reference: AASB 15 (issued December 2014)

Nature of Change: An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.

Application date: Annual reporting periods beginning on or after 1 January 2018

Impact on Initial Application: Management is currently assessing the effects of applying the new standard on the entity's revenue recognition policies and resulting effects on its financial statements. It has not identified any areas that could be affected, but more areas may be identified when the assessment has been completed.

At this stage the entity is not able to estimate the effects of any required changes to revenue recognition policies on the entity's financial statements. The entity will conduct a more detailed assessment over the next 12 months.

Comparatives will need to be retrospectively restated, either back to 1 July 2017 if the full retrospective transitional requirements are applied, or to 1 July 2018 if the modified retrospective transitional requirements are applied. Modified retrospective restatement requires that the cumulative effect of applying AASB 15 for the first time be recognised as an adjustment to the opening balance of retained earnings on 1 July 2018.

Although transition date, 1 July 2017, has passed, the entity has not disclosed the impact of any transition adjustments on the statement of financial position on 1 July 2017 because it has not yet made a decision as to which transition method will be adopted (full or modified retrospective restatement), and it has not completed its assessment of the impacts of the new standard.

<u>Leases</u>

AASB reference: AASB 16 (issued February 2016)

Nature of Change: AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 *Leases.* It instead requires an entity to bring most leases into its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.

Application date: Annual reporting periods beginning on or after 1 January 2019.

Impact on Initial Application: To the extent that the entity, as lessee, has significant operating leases outstanding at the date of initial application, 1 July 2019, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments.

Thereafter, earnings before interest, depreciation, amortisation and tax (EBITDA) will increase because operating lease expenses currently included in EBITDA will be recognised instead as amortisation of the right-of-use asset, and interest expense on the lease liability. However, there will be an overall reduction in net profit before tax in the early years of a lease because the amortisation and interest charges will exceed the current straight-line expense incurred under AASB 117 *Leases*. This trend will reverse in the later years.

There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.

<u>Amendments to Australian Accounting Standards - Disclosure initiative: - Amendments to AASB 107</u>

AASB reference: AASB 2016-2 (issued March 2016)

Nature of Change: Requires additional disclosures to enable users to evaluate changes in liabilities arising from financing activities, including both cash flow and non-cash flow changes.

Application date: Annual reporting periods beginning on or after 1 January 2017

Impact on Initial Application: These amendments affect presentation and disclosures only. Additional disclosures will be required for the first time during the year ended 30 June 2018 and comparatives will not be required in the first year.

(t) Adoption of New and Revised Accounting Standards

During the year, the Group Entity adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards has not significantly impacted the recognition, measurement and disclosure of the transactions of the Group Entity and its consolidated financial statements for the financial year ended 30 June 2017.

Notes to the Consolidated Financial Statements

Note 2 – Revenue and Other Income

	Note	2017 $	2016 $
(a) Revenue			
- Interest income on bank deposits		44,639	11,285
- SX-EW Profit Share	i	-	782,945
		44,639	794,230
(b) Other Income			
Non-operating activities			
- Gain on disposal of assets held for sale		-	3,179
- Other income		-	6,368
Total other income		-	9,547

*i Blackrock Metals Pty Ltd ("Blackrock") has access rights to the existing Whim Creek oxide copper processing site to refurbish an existing five tonne per day solvent extraction and electrowinning ("SX-EW") treatment facility and reprocess the existing heap leach pads to recover copper metal. In return Blackrock is required to pay Venturex a 49%Net Profit Interest ("NPI") from 1 January 2017, previously 30% (Net Profit Interest ("NPI") prior to 1 January 2016 15%)***.**

Note 3 - Other Expenses

	Note	2017 $	2016 $
Administrative expense			
- Compliance		64,414	43,344
- Depreciation		213,068	192,103
- Operating Leases	19	42,570	24,441
- Gain on derecognition of stamp duty		-	(330,770)
- Loss on disposal of assets held for sale		9,225	-
- Other administrative expenses		442,014	328,824
Administrative expense		771,291	257,942
Corporate expense			
- Auditing and taxation		57,887	51,271
- Entertainment expenses		2,620	2,538
- Legal cost		19,252	4,838
- Recruitment expenses		28,678	-
- Travel expenses		35,724	29,882
Corporate expense		144,161	88,529
Directors, employees and consultants fee			
- Directors and employee fee		660,583	360,744
- Consultants fee		368,444	208,630
- Share based payments	17	97,109	54,418
Directors, employees and consultants fee		1,126,136	623,792
Exploration and evaluation expense			
- Exploration and evaluation expense		90,460	93,743
Exploration and evaluation expense		90,460	93,743
Impairment/Write-off			
- Write-off / Impairment of capitalised exploration	12	-	2,055,767
- Write-off / Impairment of trade and other receivables		1,413	(405)
Impairment/Write-off		1,413	2,055,362

Note 4 - Finance Income and Finance Costs

	Note	2017 $	2016 $
Recognised in profit or loss			
Interest expense on financial liabilities measured at amortised cost (being Mine Rehabilitation Provision)	14	(276,190)	(303,501)
Interest expense		(2,029)	(1,811)
		(278,219)	(305,312)
Re-estimation adjustment on site rehabilitation provision	14	(195,417)	(358,191)
Net finance costs recognised in profit or loss		(473,636)	(663,503)

Notes to the Consolidated Financial Statements

Note 5 - Income Tax Expense

		2017 $	2016 $
(a)	**Income tax recognised in profit or loss**		
	Current tax expense	-	-
	Deferred tax (credit) expense	-	-
	Total income tax expense	-	-
(b)	*Loss before tax*	(2,562,458)	(2,979,094)
	Income tax using the domestic corporation tax rate of 30% (2016: 30%)	(768,737)	(893,728)
	Increase/(decrease) in income tax expense due to:		
	Non-deductible expenses	112,349	723,628
	Deductible expenses	(919,817)	(404,137)
	Tax losses not brought to account	1,576,205	574,237
	Income tax (credit) expense	-	-

(c) **Unrecognised deferred tax liabilities**

The Group Entity has a legally enforceable right to set off current tax assets against current tax liabilities, and intends to settle on a net basis. Deferred tax liabilities not brought to account, are as follows:

	2017 $	2016 $
Taxable temporary differences	3,772,247	3,594,117
	3,772,247	3,594,117

(d) **Unrecognised deferred tax assets**

The Group Entity has not recognised deferred tax assets. This future income tax benefit will only be obtained if:

- the Group Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the Group Entity continues to comply with the conditions for deductibility imposed by tax legislation;
- no changes in tax legislation adversely affect the Group Entity in realising the benefit.

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out above occur, are as follows:

	2017 $	2016 $
Deductible temporary differences	7,313,964	6,415,863
Tax losses	21,531,341	19,810,767
	28,845,305	26,226,630

(e) **Tax consolidation**

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.

Note 6 - Auditor's Remuneration

	2017 $	2016 $
Remuneration of the auditor of the Group Entity for:		
auditing or reviewing the financial report	32,493	30,724
	32,493	30,724

Note 7 - Loss per Share

		2017	2016
(a)	Basic and diluted loss per share (cents)	(0.10)	(0.18)
(b)	Net loss used in the calculation of basic loss per share and diluted loss per share	($2,562,458)	($2,979,094)
(c)	Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share and diluted loss per share	2,473,100,841	1,651,908,742

The Company's potential ordinary shares are not considered dilutive and accordingly the basic loss per share is the same as the dilutive loss per share.

Note 8 - Cash and Cash Equivalents

	2017 $	2016 $
Cash at bank	460,630	681,000
Call deposits	500,000	47,231
Total cash and cash equivalents	960,630	728,231

The financial risk management can be found in Note 29

Notes to the Consolidated Financial Statements

Note 9 - Trade and Other Receivables

	2017 $	2016 $
Trade and other receivables	134,630	83,285
Provision for impairment	-	-
Total Trade and other receivables	134,630	83,285

There are no past due trade and other receivables that are not impaired.
The financial risk management can be found in Note 29

Note 10 - Other Assets

	2017 $	2016 $
Prepayments	53,442	49,749
Cash backed bonds	20,000	15,000
Total Other Assets	73,442	64,749

Note 11 - Property, Plant and Equipment

	2017 $	2016 $
Property, Plant and Equipment:		
At cost	2,953,629	2,947,606
Accumulated depreciation	(1,706,216)	(1,504,679)
Total Property, Plant and Equipment	1,247,413	1,442,927

Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment, between the beginning and the end of the current financial year.

	2017 $	2016 $
Total Property, Plant and Equipment		
Carrying amount at the beginning of year	1,442,927	1,660,420
Additions	28,463	8,839
Disposals	(10,909)	-
Depreciation expense	(213,068)	(192,103)
R&D tax offset received	-	(34,229)
Carrying amount at the end of year	1,247,413	1,442,927
Property		
Carrying amount at the beginning of year	20,000	20,000
Carrying amount at the end of year	20,000	20,000
Buildings		
Carrying amount at the beginning of year	41,660	112,912
Depreciation expense	(41,660)	(71,252)
Carrying amount at the end of year	-	41,660
Leasehold Improvements		
Carrying amount at the beginning of year	-	1,192
Depreciation expense	-	(1,192)
Carrying amount at the end of year	-	-
Plant and Equipment		
Carrying amount at the beginning of year	1,381,267	1,526,316
Additions	28,463	8,839
Disposals	(10,909)	-
Depreciation expense	(171,408)	(119,659)
R&D tax offset received	-	(34,229)
Carrying amount at the end of year	1,227,413	1,381,267

Note 12 – Exploration and Evaluation Expenditure

	2017	2016
Exploration & evaluation expenditure		
At cost	64,995,072	62,005,377
Accumulated impairment loss	(38,949,814)	(38,949,814)
Net carrying value	26,045,258	23,055,563

Movements in Carrying Amounts of exploration and evaluation expenditure

	Note	2017 $	2016 $
Exploration & evaluation expenditure			
Balance at the beginning of year		23,055,563	23,553,340
Additions incurred during the year		2,989,695	1,585,011
Write off / Impairment loss	3,12a	-	(2,055,767)
R&D tax offset received		-	(27,021)
Closing carrying value at the end of year		26,045,258	23,055,563

The recoverability of exploration & evaluation expenditure is dependent upon further exploration and exploitation of commercially viable mineral deposits.

Notes to the Consolidated Financial Statements

(a) Write Off / Impairment Loss

Project	Tenement	Reason	Date	2017	2016
Liberty Indee	E47/1796	Surrendered	05 May 2016	-	417,178
Salt Creek	E47/1088	Surrendered	04 Aug 2015	-	846,004
Whim Creek	E47/976	Surrendered	20 Apr 2016	-	786,373
Sulphur Springs	E45/4447	Surrendered	16 Mar 2016	-	6,212
				-	2,055,767

Note 13 - Trade and Other Payables

	2017 $	2016 $
Trade and other payables	576,013	508,804
Accrued expenses	82,769	86,397
Insurance premium funding	35,403	31,380
Total Trade and Other Payables	694,185	626,581

The financial risk management can be found in Note 29

Note 14 - Provisions

	Note	2017 $	2016 $
Stamp Duty :			
Opening balance at beginning of year		-	330,770
Unused amounts reversed		-	(330,770)
Balance at end of the year		-	-
Mine Rehabilitation:			
Opening balance at beginning of year		11,831,430	11,169,738
Increase (Decrease) in the discounted amount arising because of change in assumptions	4	195,417	358,191
Interest Expense	4	276,190	303,501
Balance at end of the year		12,303,037	11,831,430
Total Provisions			
Current		-	-
Non-current		12,303,037	11,831,430
		12,303,037	11,831,430

Stamp Duty Provision

A provision for Stamp Duty has been recognised in relation to the acquisition of Venturex Pilbara Pty Ltd. On 16 November 2015 the Company received notice from the Office of State Revenue that there was no payment required.

Mine Rehabilitation

In accordance with State government legislative requirements, a provision for mine rehabilitation has been recognised in relation to the Group Entity's Whim Creek Mine. The basis for accounting is set out in Note 1(i).

The fair value of the mine rehabilitation model inputs used are as follows:

	2017	2016
Inflation Rate – CPI	1.90%	1.00%
High Yield Interest Rate	4.00%	3.32%
Estimated commencement of outflow	First Quarter 2023	First Quarter 2023

Note 15 - Employee Benefits

	2017 $	2016 $
Annual Leave:		
Opening balance at beginning of year	8,964	3,080
Additional provisions raised during year	36,146	16,226
Amounts used	(27,165)	(10,342)
Balance at end of the year	17,945	8,964
Long Service Leave:		
Opening balance at beginning of year	12,630	11,709
Additional provisions raised during year	1,031	921
Balance at end of the year	13,661	12,630
Total Employee Benefits		
Current	17,945	8,964
Non-current	13,661	12,630
	31,606	21,594

Notes to the Consolidated Financial Statements

Note 16 – Capital and Reserves

	Note	2017 $	2016 $
Ordinary shares fully paid	a	92,884,245	87,881,501
Share based payment reserve	17	122,109	54,418
		93,006,354	87,935,919

(a) Ordinary Shares fully paid

		2017 No.	2017 $	2016 No.	2016 $
At the beginning of reporting period		1,746,194,595	87,881,501	1,547,869,181	86,910,839
Shares issued during year	(i)	865,174,501	5,191,047	198,325,414	991,627
Exercise of Options – Shares issued during the year	(i)	108,850	1,633	-	-
Transaction costs relating to share issues	(i)	-	(189,936)	-	(20,965)
At end of the reporting period		2,611,477,946	92,884,245	1,746,194,595	87,881,501

(i)

2017	Details	No.	Issue Price $	$
08-Sep-16	Shares issued under rights issue	865,174,501	0.006	5,191,047
28-Oct-16	Shares issued exercise of options	108,850	0.015	1,633
	Cost of raising capital	-		(189,936)
		865,283,351		5,002,744

2016	Details	No.	Issue Price $	$
21-Dec-15	Shares issued under rights issue	198,325,414	0.005	991,627
	Cost of raising capital	-		(20,965)
		198,325,414		970,662

(b) Unlisted Options

2017	Exercise Price $	Expiry Date	Balance at beginning of year No.	Issued during the year No.	Exercised during the year No.	Expired during the year No.	Balance at end of year No.
Class A Options	0.015	03-Aug-17	-	41,666,671	-	-	41,666,671
Class B Options	0.030	03-Aug-18	-	41,666,671	-	-	41,666,671
Class A Options	0.015	31-Aug-17	-	174,626,992	108,850	-	174,518,142
Class B Options	0.030	31-Aug-18	-	174,626,992	-	-	174,626,992
			-	432,587,326	108,850	-	432,478,476

There were no Unlisted Options during the financial year ending 30 June 2016.

(c) Terms and conditions of equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Group Entity, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a Shareholder meeting of the Group Entity.

Options and Performance Rights

Options and Performance Rights do not have the right to receive dividends as declared and, in the event of winding up the Group Entity, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Options and Performance Rights do not entitle their holder to vote at a Shareholder meeting of the Group Entity.

Shares allotted pursuant to an exercise of options or Performance Rights shall rank from the date of allotment, equally with existing shares of the Group Entity in all respects.

(d) Capital Management

Management controls the capital of the Group Entity in order to ensure that the Group Entity can fund its exploration operations and continue as a going concern.

The Group Entity's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group Entity's capital by assessing the Group Entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to Shareholders and share issues.

There have been no changes in the strategy adopted by Management to control the capital of the Group Entity since the prior year.

(e) Nature and purpose of reserves

i) Share based payment reserve;

The share based payment reserve is used to recognise the fair value of options and performance rights issued but not exercised.

(f) Retained earnings

Movements in retained earnings were as follows:	2017 $	2016 $
Balance 1 July	(75,040,769)	(72,061,675)
Net profit for the period	(2,562,458)	(2,979,094)
Share based payments expired	29,418	-
Balance 30 June	(77,573,809)	(75,040,769)

Notes to the Consolidated Financial Statements

Note 17 - Share-Based Payments Reserve

		2017 $	2016 $
At beginning of the reporting period		54,418	-
Unlisted Performance Rights issued	(i)	63,780	54,418
Unlisted Performance Rights expensed over vesting period	(ii)	33,329	-
Unlisted Performance Rights exercised	(iii)	-	-
Unlisted Performance Rights expired	(iv)	(29,418)	-
At end of the reporting period		122,109	54,418

(i) Unlisted Performance Rights issued.

	2017 Grant Date	Issue of Unlisted Performance Rights to:	No.	Fair Value $	Value at Grant Date $	To Expense in future periods $	Expensed in 2017 $
a	13-Dec-16	Directors	7,715,979	0.0054	41,666	24,147	17,519
a	13-Dec-16	Directors	7,715,979	0.0080	61,534	35,662	25,872
b	24-Feb-17	Employees and Contractors	5,625,000	0.0079	44,438	36,768	7,670
b	24-Feb-17	Employees and Contractors	5,625,000	0.0100	56,250	46,541	9,709
c	02-May-17	Key Management Personnel	1,750,000	0.0051	8,777	7,966	811
c	02-May-17	Employees and Contractors	4,750,000	0.0051	23,825	21,626	2,199
			33,181,958		236,490	172,710	63,780

a A total of 15,431,958 unlisted performance rights were granted to Directors during the year. 7,715,979 unlisted performance rights vest on 1 December 2017 and 7,715,979 vest on 1 December 2018. The value of these unlisted performance rights is $103,200, of which $43,391 was expensed during the financial year (2016: Nil). The Performance Rights have the following performance milestones attached to them. 7,715,979 will be assessed against a performance milestone based on the relative rating of the Total Shareholder Return ("TSR) for the Company against the TSR's of a comparator peer group. 7,715,979 will be assessed against a "Material Transaction" occurring.

b A total of 11,250,000 unlisted performance rights were granted to Employees during the year. 11,250,000 unlisted performance rights vest on 24 February 2019 The value of these unlisted performance rights is $100,688, of which $17,379 was expensed during the financial year (2016: Nil). The Performance Rights have the following performance milestones attached to them. 5,625,000 will be assessed against a performance milestone based on the relative rating of the Total Shareholder Return ("TSR) for the Company against the TSR's of a comparator peer group. 5,625,000 will be assessed against a "Material Transaction" occurring.

c A total of 6,500,000 unlisted performance rights were granted to Key Management Personnel, Employees and Contractors during the year, vesting on 31 January 2019. The value of these unlisted performance rights is $32,602, of which $3,010 was expensed during the financial year (2016: Nil). These performance rights will be assessed against a performance milestone based on the relative rating of the Total Shareholder Return ("TSR") for the Company against the TSR's of a comparator peer group.

	2016 Grant Date	Issue of Unlisted Performance Rights to:	No.	Fair Value $	Value at Grant Date $	To Expense in future periods $	Expensed in 2016 $	Expensed in 2017 $
a	11-Dec-15	Directors	9,683,098	0.0054	52,289	5,585	22,160	24,544
a	11-Dec-15	Directors	9,683,099	0.0072	69,417	-	29,418	-
b	04-Mar-16	Key Management Personnel	2,000,000	0.0024	4,800	1,479	811	2,510
b	04-Mar-16	Employees and Contractors	5,000,000	0.0024	12,000	3,696	2,029	6,275
			26,366,197		138,506	10,760	54,418	33,329

a A total of 19,366,197 unlisted performance rights were granted to Directors during the year. 9,683,098 unlisted performance rights vest on 1 December 2016 and 9,683,099 vest on 1 December 2017. The value of these unlisted performance rights is $121,706, of which Nil was expensed during the financial year (2016: $51,578). The Performance Rights have the following performance milestones attached to them. 9,683,098 will be assessed against a performance milestone based on the relative rating of the Total Shareholder Return ("TSR) for the Company against the TSR's of a comparator peer group. 9,683,099 will be assessed against a "Material Transaction" occurring.

b A total of 7,000,000 unlisted performance rights were granted to Key Management Personnel, Employees and Contractors during the year, vesting on 31 January 2018. The value of these unlisted performance rights is $16,800, of which Nil was expensed during the financial year (2016: $2,903). These performance rights will be assessed against a performance milestone based on the relative rating of the Total Shareholder Return ("TSR") for the Company against the TSR's of a comparator peer group.

(ii) Unlisted Performance Rights expensed over vesting period.

2017 Grant Date	Unlisted Performance Rights expensed over vesting:	No.	Fair Value $	Value at Grant Date $	To Expense in future periods $	Expensed in 2017 $
11-Dec-15	Directors	9,683,098	0.0054	52,289	5,584	24,544
11-Dec-15	Directors	9,683,099	0.0072	69,417	-	-
04-Mar-16	Key Management Personnel	2,000,000	0.0024	4,800	1,479	2,510
04-Mar-16	Employees and Contractors	5,000,000	0.0024	12,000	3,696	6,275
		26,366,197		138,506	10,759	33,329

There were no Performance Rights expensed over vesting period during the financial year ending 30 June 2016.

Notes to the Consolidated Financial Statements

(iii) Unlisted Performance Rights Exercised

There were no unlisted Performance Rights exercised for the year ended 30 June 2017 or 30 June 2016.

(iv) Unlisted Performance Rights Expired

	2017 Grant Date	Expiry of Unlisted Performance Rights to:	No.	Fair Value $	Value at Grant Date $	Reversed in 2017 $
a	11-Dec-15	Directors	(2,218,058)	0.0054	52,289	-
b	04-Mar-16	Key Management Personnel	(1,395,200)	0.0024	4,800	-
c	04-Mar-16	Employees and Contractors	(3,488,000)	0.0024	12,000	-
d	11-Dec-15	Directors	(9,683,099)	0.0072	69,417	(29,418)
			(16,784,357)		138,506	(29,418)

No unlisted Performance Rights expired during the year ended 30 June 2016.

a A total of 2,218,058 unlisted performance rights expired on 3 January 2017. The value of these options is $52,289.

b A total of 1,395,200 unlisted performance rights expired on 24 February 2017. The value of these options is $4,800.

c A total of 3,488,000 unlisted performance rights expired on 24 February 2017. The value of these options is $12,000,

These performance rights were assessed against a performance milestone based on the relative rating of the Total Shareholder Return ("TSR) for the Company against the TSR's of a comparator peer group, they will continue to be expensed over the vesting period.

d A total of 9,683,099 unlisted performance rights expired on 3 January 2017. The value of these options is $69,417, of which $29,418 was reversed to accumulated losses during the year ended 30 June 2017. These performance rights were assessed against a "Material Transaction" occurring

(a) Changes in Unlisted Performance Rights for Directors, Key Management Employees, Employees and Contractors during the year are as follows:

2017	Exercise Price $	Expiry Date	Balance at beginning of year No.	Issued during the year No.	Exercised during the year No.	Expired during the year No.	Balance at end of year No.
Unlisted Performance Rights (VXRA)	Nil	9-Dec-22	19,366,197	-	-	(11,901,157)	7,465,040
Unlisted Performance Rights (VXRB)	Nil	04-Mar-22	7,000,000	-	-	(4,883,200)	2,116,800
Unlisted Performance Rights (VXRC)	Nil	12-Dec-23	-	15,431,958	-	-	15,431,958
Unlisted Performance Rights (VXRD)	Nil	23-Feb-24	-	11,250,000	-	-	11,250,000
Unlisted Performance Rights (VXRE)	Nil	03-Apr-23	-	6,500,000	-	-	6,500,000
			26,366,197	33,181,958	-	(16,784,357)	42,763,798

2016	Exercise Price $	Expiry Date	Balance at beginning of year No.	Issued during the year No.	Exercised during the year No.	Expired during the year No.	Balance at end of year No.
Unlisted Performance Rights (VXRA)	Nil	11-Dec-22	-	19,366,197	-	-	19,366,197
Unlisted Performance Rights (VXRB)	Nil	04-Mar-22	-	7,000,000	-	-	7,000,000
			-	26,366,197	-	-	26,366,197

(b) Expenses Arising From Share-Based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	2017 $	2016 $
Compensation to Directors & Key Management Personnel	41,838	52,389
Compensation to Employees & Contractors	25,853	2,029
	67,691	54,418

Note 18 - Fair Value of Performance Rights Granted

Unlisted Performance Rights with TSR conditions

The fair value of performance rights granted with a relative Total Shareholder Return ("TSR") condition is calculated at the grant date using the Monte Carlo simulation model, taking into account the impact of the TSR condition.

The price history and volatilities for the Company and each stock in the peer group were calculated.

The model inputs used for performance rights with relative TSR conditions granted during the period included:

	2017	2016
Underlying share price on grant date	$0.007 to $0.010	$0.003 to $0.007
Strike Price	Nil	Nil
Risk free interest rate	1.75% to 2.00%	1.95% to 2.00%
Expected dividend yield	Nil	Nil

Unlisted Performance Rights with Material Transactions conditions

The fair value of performance rights granted with a relative Material Transactions condition is calculated at the Volume Weighted Average Price (VWAP) of Shares on the day of issue.

A summary of performance rights granted, and a summary of performance rights outstanding at the end of the year are detailed in Note 17.

Notes to the Consolidated Financial Statements

Note 19 - Operating Leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2017 $	2016 $
not later than 12 months	46,184	1,218
between 12 months and 5 years	13,468	-
greater than 5 years	-	-
	59,652	1,218

The Group Entity leases a building in West Perth and office equipment under operating leases.

The building lease runs for a period of 1 year, with an option to renew the lease after that date. Lease payments are fixed for the duration of the lease.

The small appliances lease runs for a period of 4 years, with an option to renew the lease after that date. Lease payments are fixed for the duration of the lease.

During the financial year ended 30 June 2017, $42,570 was recognised as an expense in the profit or loss in respect of operating leases (2016: $24,441).

Note 20 - Capital Commitments

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group Entity is required to comply with the minimum expenditure obligations under the Mining Act. These obligations have been met, or the appropriate exemptions have been granted. The future obligations which are subject to renegotiation when an application for a mining lease is made and at other times are not provided for in the financial statements. Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2017 $	2016 $
- not later than 12 months	1,117,147	1,054,768
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
	1,117,147	1,054,768

Note 21 - Contingencies

The Group Entity's contingencies are as follows:

- As part of the acquisition of Venturex Pilbara Pty Ltd, Venturex included as part of the purchase consideration a contingent liability. This is based upon an announcement of the Company's intention to commence mining operations on any of the tenements held by Venturex or its related bodies corporate, within 100 kilometres of Whim Creek. Venturex will issue such number of shares equal to $3,000,000 divided by the 30 day volume weighted average trading price of the Company's shares trading on the ASX over the period ending on the day immediately prior to any announcement of the intention to commence mining operations by the Company. This is subject to receipt of all necessary Shareholder approvals. If approval is not obtained, Venturex will instead pay the amount of $3,500,000 cash. A deed of variation was entered into and a royalty is payable of $30 per tonne of contained Copper Metal for any additional material added to the Heap Leach Dumps after 1 March 2016.
- As part of the acquisition of Venturex Sulphur Springs Pty Ltd. Venturex included as part of the purchase consideration the grant of zinc off-take rights to Toho Zinc capped at 230,000t of zinc in zinc concentrate from Sulphur Springs (or Venturex's other Pilbara Operations) on international benchmark terms.
- As part of the acquisition of Kangaroo Caves M45/587, Venturex included as part of the purchase consideration for the granting of an uncapped royalty of $2.00 per dry metric tonne for any ore mined and processed from the Kangaroo Caves tenement.
- As part of the termination of a Joint Venture Agreement, Venturex granted a royalty of 2.4% of the total value of minerals mined from the Liberty Indee tenements, in accordance with the Mining Act and used by the Department of Mines, Industry Regulation and Safety to calculate the State Royalty.

The contingencies will only become payable if favourable economic and infrastructure conditions exist to justify the mining and processing of the ore. These conditions are influenced by numerous external factors for which there is no certainty, and therefore, the Group Entity has made no provision in its account for these potential contingent liabilities.

Note 22 - Operating Segments

The full Board of Directors, who are the chief operating decision makers, has identified one reportable segment from a geographical prospective with the mineral exploration segments being the Australian segments.

Management assesses the performance of the operating segments based on a measure of exploration and evaluation expenditure for each geographical area. The measure excludes items such as the effects of share based payments expenses, interest income and corporate expenses as these activities are centralised.

	2017 $	2016 $
Segment revenue	-	-
Segment other income	-	-
Segment loss		
Total segment loss	(1,471,736)	(3,489,849)
Inter-segment loss	-	-
Net segment loss	(1,471,736)	(3,489,849)
Total segment assets	28,461,373	25,374,755
Total segment liabilities	(13,028,828)	(12,479,605)

Notes to the Consolidated Financial Statements

Reconciliation of segment result to Group net loss before tax is provided as follows:

		2017 $	2016 $
Net segment loss		(1,471,736)	(3,489,849)
Corporate items:			
Interest revenue	2	44,639	11,285
Other revenue	2	-	792,492
Administrative expense	3	(9,225)	330,770
Employee and Directors; benefits expense	3	(1,126,136)	(623,792)
Net loss before tax from continuing operations		(2,562,458)	(2,979,094)

Note 23 - Cash Flow Information

		Note	2017 $	2016 $
(a)	Reconciliation of Cash Flow from Operations with Comprehensive Income			
	Loss for the period		(2,562,458)	(2,979,094)
	Add back depreciation expense	11	213,068	192,102
	Add back interest from other parties		(2,029)	(1,783)
	Add back share based payment expense	17	97,109	54,418
	Add back write-off/impairment of area of interest	12	-	2,055,767
	Add back income from investing activities		5,000	(47,231)
	Add back re-estimation of rehabilitation provision	14	195,417	358,191
	Add back unwind of discount on rehabilitation	14	276,190	303,501
	Net Loss (Gain) on sale of plant & equipment		12,593	(4,997)
	Add back write off of trade receivables		1,413	-
	Decreases in other receivable		(52,650)	270,930
	Decreases in other current assets		(10,093)	55,757
	Decreases in accounts payable		12,393	(33,350)
	Increases (Decreases) in employee provisions		10,011	6,806
	Decreases in other current liabilities		-	(330,770)
	Cash flow used in operations		(1,804,036)	(99,753)

(b) **Non-Cash Financing and Investing Activities**

Share and Option Issues

These are no shares and options issued that are not reflected in the Cash Flow Information for the year ended 30 June 2017 and 30 June 2016.

Note 24 - Controlled Entities

	Country of Incorporation	Percentage Owned (%)* 2017	2016
Company:			
Venturex Resources Limited	Australia		
Subsidiaries of Venturex Resources Limited:			
Jutt Resources Pty Ltd	Australia	100	100
Juranium Pty Ltd	Australia	100	100
CMG Gold Ltd	Australia	100	100
Venturex Pilbara Pty Ltd	Australia	100	100
Venturex Sulphur Springs Pty Ltd	Australia	100	100

* Percentage of voting power is in proportion to ownership.

Note 25 - Events after the Reporting Period

On 1 July 2017 Mr John Nitschke resigned as Managing Director, as per the service agreement Mr Nitschke received six months base salary.

On 03 July 2017 8,431,958 Unlisted Performance Rights previously issued to John Nitschke expired. 7,000,000 performance rights that had not vested and which were subject to performance hurdles were granted and vested in accordance with the service agreement and the Employee Performance Rights Plan.

On 7 July 2017 14,465,040 Unlisted Performance Rights granted to Mr John Nitschke were exercised and converted into fully paid ordinary shares.

On 03 August 2017 41,666,671 Unlisted Class A Options exercisable at 1.5 cents expired.

On 10 August 2017 the Company issued 750,269,425 fully paid ordinary shares at 0.5 cents per share to raise $3,751,348 before expenses, through its Non-Renounceable Entitlement Issue.

On 31 August 2017 174,518,142 Unlisted Class A Options exercisable at 1.5 cents expired.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group Entity, to affect significantly the operations of the Group Entity, the results of those operations, or the state of affairs of the Group Entity, in future financial years.

Notes to the Consolidated Financial Statements

Note 26 - Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785 the wholly-owned subsidiaries listed below are relieved from the *Corporations Act* 2001 requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Instrument that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act* 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiary subject to the Deed is CMG Gold Ltd.

CMG Gold Ltd became a party to the Deed of Cross Guarantee on 11 June 2010.

A consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position, comprising the Company and controlled entity which is a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, for the year ended 30 June 2017 is set out as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income for Closed Group

	2017 $	2016 $
Revenue and Other Income	44,639	348,423
Administrative expense	(498,553)	(321,558)
Corporate expense	(144,161)	(87,958)
Directors, employees and consultants fee	(1,124,476)	(683,223)
Exploration and evaluation expense	-	15
Impairment/write off of intercompany receivables	(1,094,741)	(2,355,896)
Impairment/write off of trade and other receivables	(1,413)	405
Finance costs	(2,029)	(1,812)
Loss before income tax	**(2,820,734)**	**(3,101,604)**
Income tax expense	-	-
Loss after income tax attributable to the owners of the company	**(2,820,734)**	**(3,101,604)**
Other comprehensive income		
Other comprehensive income for the period, net of tax	-	-
Total comprehensive loss for the period attributable to owners of the Company	**(2,820,734)**	**(3,101,604)**

Consolidated Statement of Financial Position for Closed Group	2017 $	2016 $
Assets		
Current assets		
Cash and cash equivalents	960,630	728,231
Trade and other receivables	55,159	3,921
Other assets	73,442	63,350
Total current assets	**1,089,231**	**795,502**
Intercompany investments	1,351,375	1,439,883
Plant and equipment	44,133	31,885
Intercompany loans	13,507,001	11,341,072
Total non-current assets	**14,902,509**	**12,812,840**
Total assets	**15,991,740**	**13,608,342**
Liabilities		
Current liabilities		
Trade and other payables	605,773	481,839
Employee benefits	17,945	8,964
Total current liabilities	**623,718**	**490,803**
Non-current liabilities		
Intercompany loans	209,511	209,760
Employee benefits	13,661	12,630
Total non-current liabilities	**223,172**	**222,390**
Total liabilities	**846,890**	**713,193**
Net assets	**15,144,850**	**12,895,149**
Equity		
Issued capital	92,884,245	87,881,501
Reserves	122,109	54,418
Accumulated losses	(77,861,504)	(75,040,770)
Total equity	**15,144,850**	**12,895,149**

Notes to the Consolidated Financial Statements

Note 27 - Related Party Transactions

Key Management Personnel Compensation

The aggregate compensation made to Directors and Key Management Personnel of the Group Entity is set out below:

	2017 $	2016 $
Short-term employee benefits	713,082	610,010
Post-employment benefits	31,056	24,800
Share-based payments	41,838	52,389
	785,976	687,199

Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions and are no more favourable than those available to other parties unless otherwise stated.

(a) **Ultimate Parent Company**
The ultimate parent Company within the Group Entity is Venturex Resources Limited which is incorporated in Australia.

(b) **Subsidiaries**
Interests in subsidiaries are set out in Note 24.

(c) **Key Management Personnel**
Disclosures relating to Key Management Personnel are set out in the Directors Report. There were no loans to Key Management Personnel or other transactions with Key Management Personnel during the year.

(d) **Loans to/from related parties**
Venturex Resources Limited loaned $3,203,006 (2016: $577,619) to wholly owned subsidiaries.

The loans are unsecured, interest rate free (2016: interest rate free) and repayable on demand. There were no repayments made during the year.

Note 28 - Parent Information

The following details information related to the Company, Venturex Resources Ltd, at 30 June 2017. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2017 $	2016 $
Current assets	1,089,231	795,502
Non-current assets	14,902,508	12,812,840
Total assets	**15,991,739**	**13,608,342**
Current liabilities	623,718	490,803
Non-current liabilities	223,172	222,390
Total liabilities	**846,890**	**713,193**
Contributed equity	92,884,245	87,881,501
Reserves	122,109	54,418
Accumulated losses	(77,861,505)	(75,040,770)
Total Equity	**15,144,849**	**12,895,149**
Loss for the year	(2,820,735)	(3,100,415)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	**(2,820,735)**	**(3,100,415)**

Guarantees Entered into by the Parent Entity in Relation to Debts of its Subsidiaries

The Parent Entity entered into a Deed of Cross Guarantee in relation to the debts of its subsidiaries during the year ended 30 June 2011 (refer to Note 26).

Commitments and Contingent Liabilities

The Parent Entity has commitments in the form of Operating Leases in relation to Office Premises and Office Equipment (refer to Note 19).

The Parent Entity also has a contingent liability as part of the acquisition of Venturex Pilbara Pty Ltd of a future payment of $3,000,000 which is triggered by an announcement of its intention to commence mining operations on any of the tenements held by Venturex or its related bodies corporate, within 100 kilometres of Whim Creek (refer to Notes 14 and 21).

Note 29 - Financial Risk Management

(a) Financial Instruments

The Group Entity's financial instruments consist of cash and cash equivalents, trade and other receivables and trade and other payables.

The Group Entity does not have any derivative instruments at 30 June 2017 (2016: nil).

(b) Significant accounting policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(c) Financial Risk Management

The main risks the Group Entity is exposed to through its operations are interest rate risk, credit risk and liquidity risks.

Notes to the Consolidated Financial Statements

(d) Interest Rate Risk

Interest rate risk is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates. The Group Entity's interest rate risk primarily arises from cash and cash equivalents and long term deposits held. Risk is managed by regular monitoring of the fluctuations of the interest rates. The effective weighted average interest rate on classes of financial assets and financial liabilities is as follows:

	Note	Weighted Average Effective Interest Rate	Floating Interest Rate $	Non-Interest Bearing $	Total $
2017					
Financial Assets:					
Cash and cash equivalents	8	1.08%	960,630	-	960,630
Trade and other receivables	9	-	-	134,630	134,630
Other assets	10	1.65%	20,000	-	20,000
Total Financial Assets			980,630	134,630	1,115,260
Financial Liabilities:					
Trade and other payables	13		-	694,185	694,185
Total Financial Liabilities			-	694,185	694,185
2016					
Financial Assets:					
Cash and cash equivalents	8	0.6%	728,231	-	728,231
Trade and other receivables	9	-	-	83,285	83,285
Other assets	10	2.2%	15,000	-	15,000
Total Financial Assets			743,231	83,285	826,516
Financial Liabilities:					
Trade and other payables	13		-	626,581	626,581
Total Financial Liabilities			-	626,581	626,581

Interest rate sensitivity analysis

The following table indicates the impact on how profit or loss income and equity values reported at reporting date would have been affected by 2% changes in the interest rates. This sensitivity assumes that the movement in a particular variable is independent of other variables:

	Profit or Loss Income $	Equity $
+/- 2% in interest rates		
- Year ended 30 June 2017	+/-20,000	-
- Year ended 30 June 2016	+/-15,000	-

(e) Credit Risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group Entity. The Group Entity is exposed to credit risk via its cash and cash equivalents and trade and other receivables. To reduce risk exposure for the Group Entity's cash and cash equivalents, it places them with high credit quality financial institutions.

The Group Entity has analysed its trade and other receivables below. Trade and other receivables disclosed below have been impaired by Nil (2016: Nil).

	Note	0-30 days	30-60 days	60-90 days	90+day	Total
2017						
Trade and other receivables	9	134,630	-	-	-	134,630
2016						
Trade and other receivables	9	81,731	-	-	1,554	83,285

(f) Liquidity Risk

The Group Entity is exposed to liquidity risk via its trade and other payables. Liquidity risk is the risk that the Group Entity will encounter difficulty in raising funds to meet the commitments associated with its financial liabilities. Responsibility for liquidity risk rests with the Board who manage liquidity risk by monitoring undiscounted cash flow forecasts and actual cash flows provided to them by the Group Entity's Management at Board meetings to ensure that the Group Entity continues to be able to meet its debts as and when they fall due. Contracts are not entered into unless the Board believes that there is sufficient cash flow to fund the additional activity. The Board considers when reviewing its undiscounted cash flows forecasts whether the Group Entity needs to raise additional funding from the equity markets.

Notes to the Consolidated Financial Statements

The Group Entity has analysed its trade and other payables below based on their expected maturities.

	Note	0-30 days	30-60 days	60-90 days	90+ days	Total
2017						
Trade and other payables	13	682,832	5,688	5,665	-	694,185
2016						
Trade and other payables	13	600,929	25,652	-	-	626,581

(g) Fair Values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

Note 30 - Fair Value of Financial Instruments

(a) Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

(b) Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amounts of current receivables and current trade and other payables is assumed to equal their fair value.

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 26 to 48 are in accordance with the *Corporations Act* 2001, including:

(i) complying with Accounting Standards, the *Corporations Regulations* 2001 and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable , and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 26 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 26.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act* 2001.

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

ANTHONY REILLY
Executive Director

Dated this 29th day of September 2017

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Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Venturex Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Venturex Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group'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. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Recoverability of Exploration and Evaluation Asset

Key audit matter	*How the matter was addressed in our audit*
At 30 June 2017 the carrying value of Exploration and Evaluation Assets was A$26,045,258, as disclosed in Note 12 of the Financial Report. As the carrying value of these Exploration and Evaluation Assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, the assets was required to be assessed for impairment indicators in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. In particular whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained Current at balance date; • Holding discussions with management as to the status of ongoing exploration programmes in the respective areas of interest; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; and • Considering whether any facts or circumstances existed to suggest impairment testing was required; We also assessed the adequacy of the related disclosures in Note 12 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_files/ar2.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 24 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Venturex Resources Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 29 September 2017

Supplementary Information

The following Supplementary Information is provided as at 19 September 2017:

EQUITY SECURITIES HOLDER INFORMATION

Ordinary Shares
3,376,212,411 quoted fully paid ordinary shares (VXR). All ordinary shares carry one vote per share.

Distribution of Fully Paid Ordinary Shares	No of Holders	No of Units	% of Issued Capital
1 - 1,000	67	10,213	0.00%
1,001 – 5,000	8	20,465	0.00%
5,001 – 10,000	9	66,828	0.01%
10,001 – 100,000	345	23,812,376	0.70%
100,001 – 99,999,999,999	910	3,352,302,529	99.29%
TOTAL	1,339	3,376,212,411	100.00%

198 Shareholders held less than a marketable parcel (<$500) of ordinary fully paid shares based on the current market price ($0.009 – 19-9-2017).

Twenty Largest Holders of Ordinary Fully Paid Shares		No of Shares	
1.	NORTHERN STAR RESOURCES LIMITED	682,717,665	20.22
2.	REGENT PACIFIC GROUP LTD	587,184,454	17.39
3.	PRECISION OPPORTUNITIES FUND LTD	220,563,303	6.53
4.	HENGHOU INDUSTRIES (HONG KONG) LIMITED	157,889,237	4.68
5.	CHALICE GOLD MINES LIMITED	60,055,573	1.78
6.	GREENRIDGE HOLDINGS PTY LTD <ASPEN PLAINS SERVICE A/C>	60,000,001	1.78
7.	ANGKASA PTY LTD <ANGKASA SUPER FUND A/C>	52,600,001	1.56
8.	CITICORP NOMINEES PTY LIMITED	49,350,638	1.46
9.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	36,083,729	1.07
10.	MAINPLAY PTY LTD <S & C DI VINCENZO S/F A/C>	35,000,001	1.04
11.	MR ANTHONY WILLIAM KIERNAN	34,884,578	1.03
12.	MR ANTHONY MILES REILLY	30,200,002	0.89
13.	GOLDFIRE ENTERPRISES PTY LTD	29,681,998	0.88
14.	DOVE NOMINEES PTY LTD <DOVE SUPER FUND A/C>	26,725,277	0.79
15.	BLAMINCO TRADING PTY LTD	25,000,001	0.74
16.	MR GARRY JOHN RISHWORTH & MRS ANGELA HANNY IRAWATI <GJ RISHWORTH S/F A/C>	22,400,000	0.66
17.	CLARK SUPERANNUATION FUND PTY LTD <RAMON & ROSALIND CLARK SF AC>	20,828,807	0.62
18.	MAGAURITE PTY LTD <PETER NELSON SUPER FUND A/C>	20,000,000	0.59
19.	CITYLIGHT ASSET PTY LTD <GRAHAM SUPER FUND A/C>	18,095,555	0.54
20.	MRS MELANIE JANE CHESSELL	17,000,000	0.50
		2,186,260,820	**64.75**

Substantial Shareholders
The names of substantial Shareholders who have notified the Company in accordance with Section 671B of the Corporations Act are:

Beneficial Owner	No of Shares*	%*	Date
Northern Star Resources Limited	682,717,665	20.22	10/08/2017
Regent Pacific Group Limited	587,184,454	17.39	10/08/2017
Precision Opportunities Fund Ltd	220,563,303	6.53	10/08/2017

* Figures as reported on the last Substantial Shareholder notice received by the Company.

SHAREHOLDER ENQUIRIES

All Shareholder queries (including Holding Details, Change of Address, Change of Name and Consolidation of Shareholder should be directed to the Share Registry:

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

Tel: (61 8) 9389 8033
Fax: (61 8) 9262 3723

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